

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

Comprehensive Annual Financial Report

Year Ended June 30, 2009

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

Year Ended June 30, 2009

Official Issuing Report:

**Patti Schroeder
Chief Financial Officer**

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

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December 11, 2009

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, 2009.

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, 2009. 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 plan 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 whose members serve four year terms (effective for elections starting September, 2009) 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 2009 was 30,783, making it by far the largest public school district in Iowa.

Forbes Magazine ranked Des Moines as the 4th "Best Place for Business", Kiplinger's Personal Finance news ranked Des Moines as one of the "Best Cities for Every Stage of Your Life", and an annual poll by Penton's Expansion Management named Des Moines as one of "America's 50 Hottest Cities" in 2007.

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 1,800 children in most elementary schools and a preschool center. 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 two maintenance/warehouse facilities, 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 2,000 students from every District high school and middle school and more than a dozen neighboring districts attend classes at Central Campus. The Advanced Placement program at Central Academy is ranked as one of the top 50 AP schools in the nation, with graduates going onto 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. The World Language program offers more areas of study than any other place in Iowa.
- 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 is Iowa's only public Montessori program. All kindergartens in the district are full day programs. The District has three 9th Grade Academies and International Baccalaureate programs have begun at Central Academy for high school Diploma Programme; Goodrell and Merrill for the Middle Years Programmes; and Walnut Street, Stowe, Park Avenue and Hubbell for the Primary Years Programme.

- The District is also one of the first districts in the nation to help working parents stay close to their children during the school day. Two schools, Downtown and Walnut Street School 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.
- Programs such as Scavo High School, Future Pathways and the Alternative Education Center provide alternatives to help students succeed in 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 uncertain given the state, national and global financial situation. The variety of components contributing to the City's economy normally creates a stability that is apparent from unemployment figures, 3.7 percent through June 2008. However, given the economy, as of September 2009, unemployment is now 6.0%. The District has experienced slow but steady increases in its tax base, averaging about 3% per year. It is believed that increases in total assessed property valuation based on conservative estimates will continue to be in the 2-3 percent range. At the same time, enrollment taken on October 1, 2009 affecting FY 2010 state funding increased 0.53%. Enrollment is projected to remain stable.

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 unreserved, undesignated fund balance (commonly referred to as the cash reserves) divided by the district's total General Fund revenues. Board guidelines state that the solvency ratio should not go below 3%. The Iowa Association of School Boards (IASB) considers a solvency ratio to be within "Target" or "Good" if it is within 5% to 10%, and therefore "can handle the unexpected." The IASB believes a solvency ratio of 10% – 15% to be "excellent." The solvency ratio for the district decreased at year end to 3.3%, down from 5.2% in the prior year. The district had plans prior to the economic downturn to increase its solvency ratio over time, primarily by not making one time expenditures using cash reserves. However, given the state mandated across the board cuts, plans will now require the district to increase its solvency ratio over a longer period of time.

In addition, the Board of Directors 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%. The unspent spending authority balance ratio is 7.7%, up from 6.6% for the prior year. The district plans to continue to improve this ratio over time to bring this ratio up to 10% by again, not making anymore one time expenditures using cash reserves.

The District has a ten year Schools Renovation Program and in fiscal year 2009 completed several construction projects at King Elementary School and Wallace Homestead Central Campus, Roosevelt High School and Jackson Elementary projects are under construction.

Major Initiatives – The district continues to work on its energy efficiency. To that end, twenty-six district schools have received the EnergyStart 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. This district will continue to collect LOSST until June 30, 2010. Under the new legislation, 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.

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, 2009 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 second 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, 2008. 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 second time, awarded a Certificate of Excellence in Financial Reporting to the district for the fiscal year ending June 30, 2008. 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 FY2008 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,



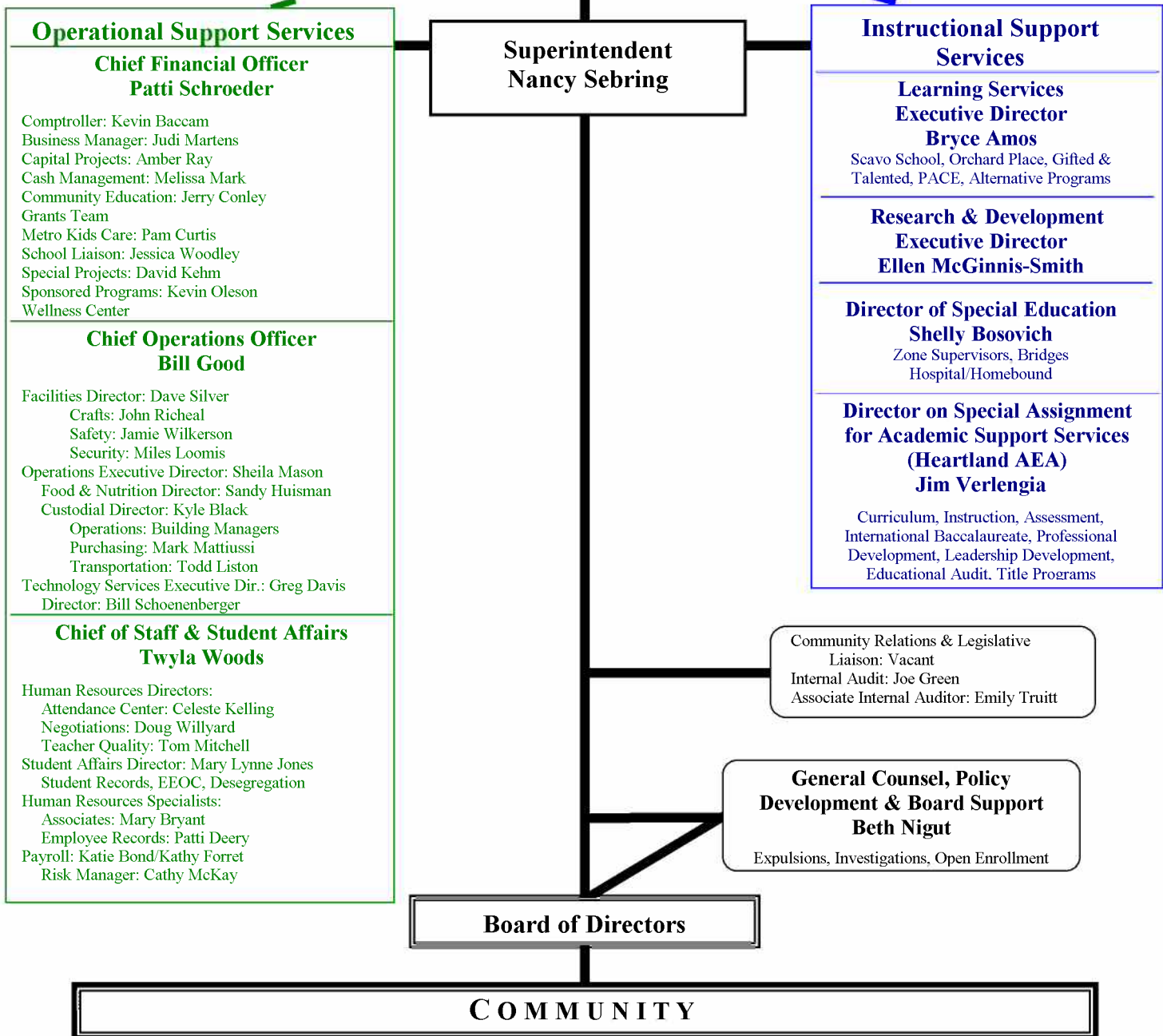
Dr. Nancy Sebring
Superintendent



Patricia L. Schroeder, CPA
Chief Financial Officer

2008-09 ORGANIZATIONAL CHART

SCHOOLS		
<p style="text-align: center;">SOUTH REGION</p> <p>Central Academy, Central Campus, Lincoln Brody, McCombs, Weeks Downtown, Edmunds, Howe, Jackson, Jefferson, Lovejoy, McKinley, Morris, Park Avenue, River Woods, South Union, Studebaker, Wright</p> <p style="text-align: center;">Associate Superintendent Terrance Martin</p> <p>Executive Director K-8 Tina Jensen</p>	<p style="text-align: center;">NORTHWEST REGION</p> <p>Hoover, Roosevelt, Ruby Van Meter Callanan, Merrill, Meredith Cowles, Greenwood, Hanawalt, Hillis, Hubbell, King, Monroe, Perkins, Samuelson, Smouse, Walnut Street, Windsor Early Childhood Program Admin.: Nancy Duey</p> <p style="text-align: center;">Associate Superintendent Connie Cook</p> <p>Executive Director K-8 Susan Tallman</p>	<p style="text-align: center;">NORTHEAST REGION</p> <p>East, North Goodrell, Harding, Hiatt, Hoyt Moulton Brubaker, Capitol View, Carver, Cattell, Findley, Garton, Madison, Oak Park, Phillips, Pleasant Hill, Stowe, Willard</p> <p style="text-align: center;">Associate Superintendent Bill Szakacs</p> <p>Executive Director K-8 Michael Munoz</p>



Des Moines Independent Community School District

**Board of Education and School District Officials
Year Ended June 30, 2009**

Name	Title	Term Expires
Board of Education		
Before September 2008 election:		
Richard Murphy	President	2008
Ginny Strong	Vice President	2008
Connie Boesen	Board Member	2009
Teree Caldwell-Johnson	Board Member	2009
Patty Link	Board Member	2009
Jon Narcisse	Board Member	2009
Jeanette Woods	Board Member	2008
After September 2008 election:		
Ginny Strong	President	2011
Jeanette Woods	Vice President	2011
Connie Boesen	Board Member	2009
Teree Caldwell-Johnson	Board Member	2009
Patty Link	Board Member	2009
Richard Murphy	Board Member	2011
Jon Narcisse	Board Member	2009
School District Officials		
Dr. Nancy Sebring	Superintendent	
Patricia Schroeder	Secretary and Treasurer	Appointed
Elizabeth Nigut	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, 2008

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.



President

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, 2008

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

Angeh Pitman

President

John D. Quess

Executive Director

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McGladrey & Pullen

Certified Public Accountants

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, 2009, 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, 2009, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2009 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 13, schedule of funding progress on page 52 and the budgetary comparison schedule on pages 53 through 55 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. 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 an opinion 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

Davenport, Iowa
December 11, 2009

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2009

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, 2009. We encourage readers to consider this Discussion and Analysis presented here in conjunction with the financial statements, which follow:

Financial Highlights

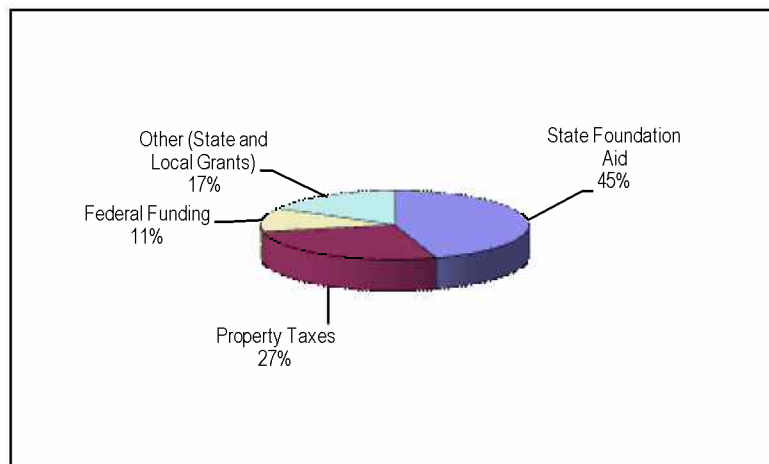
- **Budget:** The state of Iowa legislatively approved an allowable growth factor of 4 percent from fiscal year 2008 to fiscal year 2009 for the District's General Fund, the same growth that the legislature approved from fiscal year 2007 to fiscal year 2008. This resulted in \$6.4 million of new regular program funding. However, on December 18, 2008, the Governor called for an across the board cut of 1.5% (\$3.3 million) due to a projected shortfall in state receipts as determined by the members of the Revenue Estimating Conference. This action, while reducing revenue available to the district, did not require that the district's budget be adjusted downward.

In April 2008, the board approved an expenditure budget for fiscal year 2009 for all funds of \$397.7 million (including transfers). In May 2009, the board approved a budget amendment (including transfers) to expenditures of \$44.9 million for all funds, primarily to recognize increased spending due to early retirement of revenue bonds; increases in the receipt of federal funds, state teacher compensation and other state funding; and renovation expenditures during the fiscal year that were not anticipated when the original budget was adopted.

As in past years, the District continued to operate within its total statutory budgetary parameters. That is, expenditures (without transfers) for all funds by major function were less than anticipated, 98.7 percent of budget, except for the instruction function which slightly exceeded that function's budget by 0.2 percent.

- **Revenue:** Government-wide revenues were \$408.8 million, which primarily consisted of state aid, property taxes, federal grants and local option sales taxes. General Fund revenues accounted for 83 percent of the Government-wide revenue. Program specific revenues in the form of charges for services and grants, and contributions accounted for 29 percent of total fiscal year 2009 revenues.

The General Fund had \$337.5 million in revenues for fiscal year 2009, which primarily consisted of state aid and property taxes. General Fund revenues increased 4 percent in fiscal year 2009, primarily attributable to increases in state aid and property taxes as a result of higher allowable growth and increases in federal revenue tempered by a decrease in short term investment income, and the state mandated across the board cut in state aid.

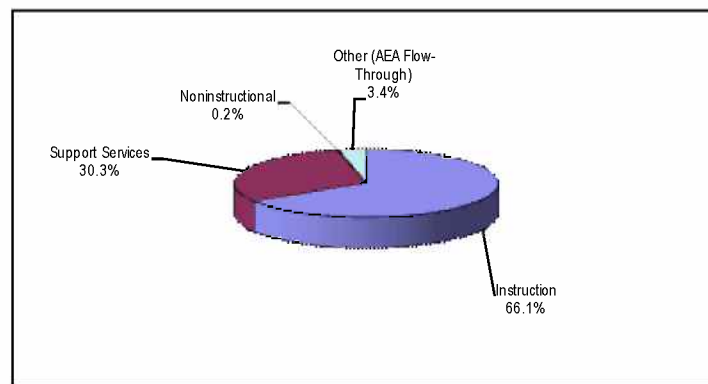


Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2009

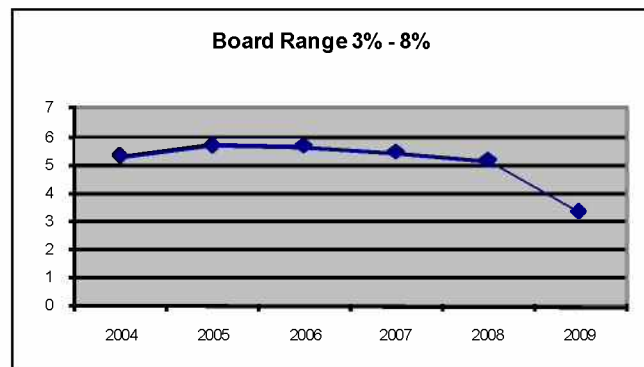
- **Expenses:** Government-wide expenses were \$360.6 million related to governmental activities, of which \$102.2 million of these expenses were offset by program specific charges for services or grants and contributions. General revenues of \$288.7 million provided for the remaining costs of these programs.

The General Fund had \$339.5 million in fiscal year 2009 expenditures, which primarily consisted of instructional expenditures. General Fund expenditures increased 3 percent, primarily due to increased state allowable growth of 4 percent, compensation increases of 5 percent, tempered by expenditure reductions resulting from the state mandated across the board cut.



- **General Fund Balance and Solvency Ratio:** The District's overall General Fund balance decreased from \$25.7 million as of June 30, 2008 to \$23.7 million as of June 30, 2009. The General Fund undesignated and unreserved portion of fund balance decreased from \$16.7 million as of June 30, 2008 to \$11.0 million as of June 30, 2009.

The District's solvency ratio (unreserved-undesignated fund balance/General Fund revenues) also decreased from 5.2 percent as of June 30, 2008 to 3.3 percent as of June 30, 2009.



The Board guidelines set a range of 3 percent – 8 percent for the District's solvency ratio. 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." Additionally, the IASB believes a solvency ratio of 10 percent – 15 percent to be "excellent."

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2009

- **Debt:** The District's total long-term debt decreased by a net of \$18.8 million during the current fiscal year primarily due to the early retirement of the District's revenue bonds, saving the District \$415,800 in interest expense. The total outstanding bond and notes debt at the end of the fiscal year is approximately \$2.06 million, consisting of capital loan notes and qualified zone academy bonds.
- **Capital Projects and Schools First Plan:** Revenues from sales taxes increased \$0.5 million from fiscal year 2008 to 2009. This increase is due to increased sales in the County. Expenses decreased by \$15.3 million from fiscal year 2008 to 2009 because of decreased Schools First Renovation program expenditures as renovation projects were completed.

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, childcare services, home remodeling, automotive 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, 2009

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 Sales Tax 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; Physical Plant and Equipment Levy (PPEL); Public Education and Recreation Levy (PERL); DMPS (expendable trust funds); 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, 2009

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 Changes in Fiduciary Net Assets
			Statement of Cash Flows	
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, 2009

Government -Wide Financial Analysis

Net assets: The following table presents a summary of the District's net assets for the year ended June 30, 2009 with comparison totals as of June 30, 2008:

	Governmental Activities 2009	Governmental Activities 2008	Business-Type Activities 2009	Business-Type Activities 2008	Total 2009	Total 2008
Current assets	\$ 212,747,254	\$ 211,497,717	\$ (1,328,733)	\$ (1,235,668)	\$ 211,418,521	\$ 210,262,049
Capital assets, net	297,597,383	282,182,196	2,606,657	2,380,907	300,204,040	284,563,103
Other noncurrent assets	4,355,774	4,149,177	118,959	-	4,474,733	4,149,177
Total assets	514,700,411	497,829,090	1,396,883	1,145,239	516,097,294	498,974,329
Current liabilities	160,829,840	156,440,235	533,776	555,056	161,363,616	156,995,291
Long-term liabilities	13,425,627	31,233,411	769,356	53,236	14,194,983	31,286,647
	174,255,467	187,673,646	1,303,132	608,292	175,558,599	188,281,938
Net assets:						
Invested in capital assets, net of debt	295,531,637	261,303,316	2,606,657	2,380,907	298,138,294	263,684,223
Restricted	27,723,729	28,171,672	-	-	27,723,729	28,171,672
Unrestricted	17,189,578	20,680,456	(2,512,906)	(1,843,960)	14,676,672	18,836,496
Total net assets	\$ 340,444,944	\$ 310,155,444	\$ 93,751	\$ 536,947	\$ 340,538,695	\$ 310,692,391

The District's combined net assets were greater as of June 30, 2009 than June 30, 2008. The increase occurred primarily in the governmental funds net capital assets as a result of the capitalization of school renovation projects that were completed as part of the District's Schools First Renovation Plan. It should be noted that the District uses these capital assets to provide educational services; consequently, these assets are not available for future spending. Unrestricted net assets decreased primarily due to the planned authorized use of fund balance in the General Fund to finance the final year of a four year implementation plan of the District's new financial and student information systems.

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.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2009

Changes in net assets: The following schedule shows the changes in net assets for the year ended June 30, 2009 with comparison totals for the year ended June 30, 2008. The difference between revenues and expenditures represents the change in net assets.

	Governmental Activities 2009	Governmental Activities 2008	Business-Type Activities 2009	Business-Type Activities 2008	Total 2009	Total 2008
Revenues:						
Program revenues:						
Charges for services	\$ 22,976,440	\$ 22,386,897	\$ 7,589,065	\$ 7,091,123	\$ 30,565,505	\$ 29,478,020
Operating grants and contributions	75,779,208	63,411,312	10,324,686	9,825,079	86,103,894	73,236,391
Capital grants and contributions	3,436,715	700,002	-	672	3,436,715	700,674
General revenues:						
Property taxes	105,550,164	101,895,856	-	-	105,550,164	101,895,856
Sales tax, capital projects	28,221,919	31,143,691	-	-	28,221,919	31,143,691
Investment earnings	623,796	2,966,414	-	-	623,796	2,966,414
State aid and other state sources	153,160,428	153,545,309	-	-	153,160,428	153,545,309
Other including transfers from fiduciary fund	1,115,926	1,608,347	-	-	1,115,926	1,608,347
Total revenues	390,864,596	377,657,828	17,913,751	16,916,874	408,778,347	394,574,702
Expenses:						
Instruction	238,676,928	229,908,604	-	-	238,676,928	229,908,604
Support services	107,621,964	104,124,813	-	-	107,621,964	104,124,813
Noninstructional	2,055,069	1,879,027	-	-	2,055,069	1,879,027
Other expenses	12,221,135	11,829,173	18,356,947	18,412,253	30,578,082	30,241,426
Total expenses	360,575,096	347,741,617	18,356,947	18,412,253	378,932,043	366,153,870
Change in net assets	30,289,500	29,916,211	(443,196)	(1,495,379)	29,846,304	28,420,832
Beginning, net assets	310,155,444	280,239,233	536,947	2,032,326	310,692,391	282,271,559
Ending, net assets	\$ 340,444,944	\$ 310,155,444	\$ 93,751	\$ 536,947	\$ 340,538,695	\$ 310,692,391

- The main revenue sources of state aid and other state sources, property and sales taxes account for 70.2 percent of total revenue.
- The District's expenses primarily relate to instruction and support services which account for 91.4 percent of the total expenses.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2009

Governmental Activities

- State foundation aid and other state sources, property taxes and sales taxes are the primary sources of revenue for the District, 39 percent, 27 percent and 7 percent, respectively, of total governmental activities revenues. Instruction constitutes the largest portion of expenditures at \$238.7 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 4 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 2008:

	2009		2008	
	Total Expenses	Net (Expense) Revenue	Total Expenses	Net (Expense) Revenue
Instruction	\$ 238,676,928	\$ (150,022,476)	\$ 229,908,604	\$ (154,990,749)
Other support services	107,621,964	(105,668,526)	104,124,813	(103,595,477)
Noninstructional programs	2,055,069	(1,981,914)	1,879,027	(1,821,414)
Other expenses	12,221,135	(709,817)	11,829,173	(835,766)
Total expenses	\$ 360,575,096	\$ (258,382,733)	\$ 347,741,617	\$ (261,243,406)

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 grants and contributions and other local revenues of \$102.2 million or 28.4 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 negative change in net assets of \$(209,179) for fiscal year 2009.
- 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 \$(246,258).

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2009

Financial Analysis of the District's Funds

Governmental Funds Highlights

General Fund:

- The General Fund is the principal operating fund of the District. The decrease in fund balance in the General Fund for the fiscal year was \$2 million. The District's solvency ratio (unreserved-undesignated fund balance/General Fund revenues) decreased from 5.2 percent to 3.3 percent primarily due to the planned board approved, one time expenditures relative to the last year of the implementation of the District's new financial and student information systems.
- The increase in General Fund revenues (4 percent) over fiscal year 2008 was primarily attributable to increases in state aid and property taxes as a result of higher allowable growth less the impact of the state mandated across the board cut and less than expected earnings on investments as well as increases in federal revenue due to aggressive grant mining and the influx of federal stimulus funding.
- The increase in General Fund expenditures (3 percent) compared to fiscal year 2008 was primarily because of increased state allowable growth of 4 percent, compensation increases of 5 percent, less the impact of the state mandated across the board cut.

Sales Tax Fund:

- The Sales Tax Fund has a total fund balance of \$8.1 million for 2009 and \$14.2 million for 2008. The net decrease in the Sales Tax Fund for the fiscal year was primarily due to spending on the Schools First Renovation program above current year receipts to retire the District's revenue bonds, as well as for construction costs.

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 continued to increase from fiscal year 2008 to 2009 as in past years, resulting in increased nonoperating revenue from the federal government to cover these meals and a decrease in operating revenues from meal charges.

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. As is the District's practice, the District modified its adopted budget once during fiscal year 2009.

- Differences between the original and the final amended budget for the District can be summarized as follows:
 - ✓ The total original revenue budget (including transfers) of \$405.1 million, including other financing sources, was increased to \$432.5 million (an increase of \$27.4 million). This was primarily due to an increase in the receipt of federal funds, state teacher compensation, other state funding and the retirement of the District's revenue bonds.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2009

- ✓ The total original expenditure budget (including transfers) of \$397.7 million, including other financing uses, was increased to \$442.6 million (an increase of \$44.9 million). This is primarily to recognize increased spending due to an increase in the receipt of federal funds, state teacher compensation, other state funding, renovation expenditures and the retirement of the District's revenue bonds during the fiscal year that were not anticipated when the original budget was adopted.
- ✓ As in past years, the District continued to operate within its total statutory budgetary parameters. That is, expenditures (without transfers) for all funds by major function were less than anticipated, 98.7 percent of budget, except for the instruction function which exceeded that function's budget by 0.2 percent.
- The District's General Fund, its principal operating fund, continues to remain financially solvent.
 - ✓ The District received 98.6 percent of budgeted General Fund revenues. Overall General Fund revenue increased 4 percent over the prior year primarily attributable to increases in state aid and property taxes as a result of higher allowable growth and increases in federal revenue tempered by the impact of the state mandates across the board cut and decrease in short term investment income.
 - ✓ The District spent 99.1 percent of budgeted General Fund expenditures. General Fund expenditures increased 3 percent primarily because of increased state allowable growth of 4 percent, compensation increases of 5 percent, tempered by the impact of the state mandated across the board cut.
 - ✓ At the end of fiscal year 2009, the Unspent Authorized Budget ratio for the General Fund was 7.7 percent, a positive increase when compared to 6.6 percent at the end of fiscal year 2008.

Capital Assets and Debt Administration

Capital Assets: As of June 30, 2009, the District had invested \$300.2 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers and other equipment. This amount represents a net increase of \$5.5 million from last year, primarily due to the accelerated spending on the District's 10-year Schools First Renovation Plan.

The following schedule presents capital asset balances, net of accumulated depreciation, for the fiscal year ended June 30, 2009, compared with balances as of June 30, 2008:

	Governmental Activities 2009	Governmental Activities 2008	Business-Type Activities 2009	Business-Type Activities 2008	Total 2009	Total 2008
Land	\$ 3,950,736	\$ 3,978,569	\$ -	\$ -	\$ 3,950,736	\$ 3,978,569
Construction-in-progress	16,903,701	56,761,677	-	-	16,903,701	56,761,677
Land improvements	2,487,792	2,759,059	-	-	2,487,792	2,759,059
Buildings and improvements	267,945,417	212,330,218	-	-	267,945,417	212,330,218
Vehicles, furniture and equipment	6,309,737	6,352,673	2,606,657	2,380,907	8,916,394	8,733,580
Total	\$ 297,597,383	\$ 282,182,196	\$ 2,606,657	\$ 2,380,907	\$ 300,204,040	\$ 284,563,103

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, 2009

Debt Administration: As of June 30, 2009, the District had \$2.06 million in bonds and notes outstanding, of which \$520,000 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, 2009, with comparative information as of June 30, 2008:

	2009	2008
Capital loan notes	\$ 1,060,000	\$ 1,570,000
Qualified zone academy bonds	1,000,000	1,000,000
Sales tax revenue	-	18,300,000
Total	\$ 2,060,000	\$ 20,870,000

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 \$534.3 million which is substantially more than the District's outstanding debt.

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

Factors Bearing on the District's Future

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

- District enrollment increased slightly from October 2008 to October 2009 by 0.5 percent. Therefore, the total combined District cost for fiscal year 2010 will increase by approximately \$0.9 million due to the enrollment increase. Enrollment is projected to remain stable in future years.
- The uncertainty of state and local finances in light of the national and global financial situation. On October 8, 2009, the Governor signed an executive order calling for a 10 percent across the board cut to all state general fund appropriations for the fiscal year 2010. The reduction amounts to approximately \$17.5 million for the district. It is uncertain whether or not there will be additional reductions made to the fiscal year 2010 budget. Estimates made by the State Revenue Estimating Conference will be critical in determining future funding.
- 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 rate share of LOSST collected in that district. This district will continue to collect LOSST until June 30, 2010. Under the new legislation, 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 for the District.

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.

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 Patti Schroeder, 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, 2009

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and investments	\$ 75,747,929	\$ 1,119	\$ 75,749,048
Restricted cash and investments	2,241,562	-	2,241,562
Property taxes receivable - current year	2,066,708	-	2,066,708
Property taxes receivable - succeeding year	107,733,438	-	107,733,438
Interest receivable	321,280	-	321,280
Other receivables, net of allowances for uncollectible of \$74,905	200,754	327,797	528,551
Due from other governments	21,262,870	247,755	21,510,625
Internal balances	2,348,053	(2,348,053)	-
Assets held for sale	12,379	223,141	235,520
Inventories	650,981	219,123	870,104
Prepaid expenses	161,300	385	161,685
Total current assets	212,747,254	(1,328,733)	211,418,521
Noncurrent assets:			
Advances to other funds	650,219	118,959	769,178
Investments	3,134,174	-	3,134,174
Restricted investments	565,614	-	565,614
Bond issuance costs	5,767	-	5,767
Capital assets:			
Capital assets - nondepreciable	20,854,437	-	20,854,437
Capital assets - depreciable, net	276,742,946	2,606,657	279,349,603
Total capital assets	297,597,383	2,606,657	300,204,040
Total noncurrent assets	301,953,157	2,725,616	304,678,773
Total assets	\$ 514,700,411	\$ 1,396,883	\$ 516,097,294

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	\$ 8,763,952	\$ 131,892	\$ 8,895,844
Claims payable	5,228,754	-	5,228,754
General obligation bonds and notes	520,000	-	520,000
Accrued payroll	25,785,499	206,869	25,992,368
Accrued interest payable	3,256	2,700	5,956
Other current liabilities	1,216,095	-	1,216,095
Due to other governments	4,724,436	8,531	4,732,967
Unearned, succeeding year property taxes	107,733,438	-	107,733,438
Unearned revenue	1,163,598	125,761	1,289,359
Compensated absences	2,056,210	58,023	2,114,233
Special termination benefits	3,634,602	-	3,634,602
Total current liabilities	160,829,840	533,776	161,363,616
Noncurrent liabilities:			
Advances from other funds	51,299	717,879	769,178
Retrospective insurance rating plan	565,714	-	565,714
Compensated absences	1,583,062	51,477	1,634,539
Special termination benefits	7,498,528	-	7,498,528
Other postemployment benefits	1,704,250	-	1,704,250
Pollution remediation liability	477,028	-	477,028
Bond premiums	5,746	-	5,746
General obligation bonds and notes	1,540,000	-	1,540,000
Total noncurrent liabilities	13,425,627	769,356	14,194,983
Total liabilities	174,255,467	1,303,132	175,558,599
Net Assets			
Invested in capital assets, net of related debt	295,531,637	2,606,657	298,138,294
Restricted for:			
Debt service	565,614	-	565,614
Donor-restricted purposes, expendable	4,706,381	-	4,706,381
Donor-restricted purposes, nonexpendable	9,878	-	9,878
Purpose restricted	10,127,285	-	10,127,285
Management levy	1,448,603	-	1,448,603
Physical plant and equipment levy	4,721,837	-	4,721,837
Public education and recreation levy	114,012	-	114,012
Sales tax levy	6,030,119	-	6,030,119
Unrestricted	17,189,578	(2,512,906)	14,676,672
Total net assets	340,444,944	93,751	340,538,695
Total net assets and liabilities	\$ 514,700,411	\$ 1,396,883	\$ 516,097,294

Des Moines Independent Community School District

Statement of Activities
Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
Instruction	\$ 238,676,928	\$ 10,625,291	\$ 74,592,446	\$ 3,436,715
Student services	20,471,493	-	-	-
Instructional support services	8,445,248	-	615,231	-
General administration	5,282,473	-	24,231	-
Building administration	18,902,199	-	30,000	-
Business and central administration	8,354,561	-	-	-
Plant operation and maintenance	35,647,890	-	517,300	-
Student transportation	10,518,100	766,676	-	-
Noninstructional	2,055,069	73,155	-	-
AEA support	11,511,318	11,511,318	-	-
Interest on long-term debt	709,817	-	-	-
Total governmental activities	360,575,096	22,976,440	75,779,208	3,436,715
Business-type activities:				
School nutrition	14,790,948	4,299,682	10,282,087	-
Child care	3,468,091	3,221,833	-	-
Other	97,908	67,550	42,599	-
Total business-type activities	18,356,947	7,589,065	10,324,686	-
Total primary government	\$ 378,932,043	\$ 30,565,505	\$ 86,103,894	\$ 3,436,715

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
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
\$ (150,022,476)	\$ -	\$ (150,022,476)
(20,471,493)	-	(20,471,493)
(7,830,017)	-	(7,830,017)
(5,258,242)	-	(5,258,242)
(18,872,199)	-	(18,872,199)
(8,354,561)	-	(8,354,561)
(35,130,590)	-	(35,130,590)
(9,751,424)	-	(9,751,424)
(1,981,914)	-	(1,981,914)
-	-	-
(709,817)	-	(709,817)
(258,382,733)	-	(258,382,733)
-	(209,179)	(209,179)
-	(246,258)	(246,258)
-	12,241	12,241
-	(443,196)	(443,196)
(258,382,733)	(443,196)	(258,825,929)
89,272,177	-	89,272,177
9,168,606	-	9,168,606
6,313,191	-	6,313,191
796,190	-	796,190
28,221,919	-	28,221,919
151,858,708	-	151,858,708
623,796	-	623,796
1,115,926	-	1,115,926
1,301,720	-	1,301,720
288,672,233	-	288,672,233
30,289,500	(443,196)	29,846,304
310,155,444	536,947	310,692,391
\$ 340,444,944	\$ 93,751	\$ 340,538,695

Des Moines Independent Community School District

Balance Sheet
Governmental Funds
June 30, 2009

	General	Sales Tax	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 41,787,762	\$ 6,539,071	\$ 13,755,920	\$ 62,082,753
Restricted cash and investments	-	2,051,594	755,582	2,807,176
Property taxes receivable - current year	1,748,003	-	318,705	2,066,708
Property taxes receivable - succeeding year	90,944,820	-	16,788,618	107,733,438
Interest receivable	321,280	-	-	321,280
Other receivables	158,351	20,000	22,403	200,754
Due from other funds	832	-	-	832
Due from other governments	16,383,857	4,847,452	1,665	21,232,974
Assets held for sale	12,379	-	-	12,379
Inventories	590,278	-	-	590,278
Prepaid items	147,250	-	9,050	156,300
Advances to other funds	598,920	-	-	598,920
Total assets	\$ 152,693,732	\$ 13,458,117	\$ 31,651,943	\$ 197,803,792
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 3,489,463	\$ 3,822,307	\$ 997,962	\$ 8,309,732
Accrued payroll	25,754,071	-	28,647	25,782,718
Special termination benefits	175,920	-	1,993,125	2,169,045
Other current liabilities	600,536	603,316	12,243	1,216,095
Due to other governments	4,519,203	55,243	149,990	4,724,436
Deferred revenue	93,160,106	895,538	16,806,081	110,861,725
Unearned revenue	1,128,653	-	-	1,128,653
Compensated absences	165,220	-	-	165,220
Total liabilities	128,993,172	5,376,404	19,988,048	154,357,624
Fund balances:				
Reserved for:				
Assets held for sale	12,379	-	-	12,379
Advances	598,920	-	-	598,920
Inventories	590,278	-	-	590,278
Prepaid items	147,250	-	9,050	156,300
Purpose restricted	10,127,285	-	-	10,127,285
Restricted for East High School	-	945	189,968	190,913
Restricted for Roosevelt High School	-	2,050,649	-	2,050,649
Permanent trusts, nonexpendable corpus	-	-	9,878	9,878
Debt service	-	-	565,614	565,614
Unreserved:				
Designated	1,187,166	-	-	1,187,166
Undesignated, reported in:				
General Fund	11,037,282	-	-	11,037,282
Special revenue funds	-	-	10,887,744	10,887,744
Capital Projects Fund	-	6,030,119	-	6,030,119
Permanent trust funds	-	-	1,641	1,641
Total fund balances	23,700,560	8,081,713	11,663,895	43,446,168
Total liabilities and fund balances	\$ 152,693,732	\$ 13,458,117	\$ 31,651,943	\$ 197,803,792

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, 2009

Total governmental fund balances		\$ 43,446,168
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	\$ 3,950,736	
Construction-in-progress	16,903,701	
Land improvements	8,868,341	
Buildings and improvements	353,073,074	
Vehicles, furniture and equipment	15,247,646	
Accumulated depreciation	<u>(100,558,137)</u>	297,485,361
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds		3,128,142
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.		14,076,483
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	(3,454,604)	
General obligation bonds and notes payable	(2,060,000)	
Bond issuance costs	5,767	
Bond premiums	(5,746)	
Accrued interest expense	(3,256)	
Claims payable for workers' compensation	(462,294)	
Pollution remediation liability	(477,028)	
Retrospective insurance rating plan	(565,714)	
Other postemployment benefits	(1,704,250)	
Special termination benefit	<u>(8,964,085)</u>	(17,691,210)
Net assets of governmental activities		<u><u>\$ 340,444,944</u></u>

Des Moines Independent Community School District

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2009

	General	Sales Tax	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 89,272,177	\$ -	\$ 16,277,987	\$ 105,550,164
Other local sources	18,928,513	3,759,742	568,829	23,257,084
Sales tax, for capital projects	-	30,821,593	-	30,821,593
Investment earnings	807,054	132,335	(315,593)	623,796
Intermediate sources	427,589	-	400,000	827,589
State foundation aid	151,858,708	-	-	151,858,708
State sources	40,394,529	-	18,422	40,412,951
Federal sources	35,326,513	500,000	14	35,826,527
Student activities	74,342	-	2,966,753	3,041,095
Total revenues	337,089,425	35,213,670	19,916,412	392,219,507
Expenditures:				
Current:				
Instruction	224,371,992	-	8,322,480	232,694,472
Student services	20,831,163	-	-	20,831,163
Instructional support services	8,558,386	-	46,158	8,604,544
General administration	4,369,427	-	806,057	5,175,484
Building administration	19,012,539	-	527,023	19,539,562
Business and central administration	7,447,867	-	-	7,447,867
Plant operation and maintenance	34,005,102	-	1,128,304	35,133,406
Student transportation	8,810,942	-	1,065,457	9,876,399
Noninstructional	556,699	-	1,463,485	2,020,184
AEA support	11,511,318	-	-	11,511,318
Capital outlay	-	22,318,117	4,278,448	26,596,565
Debt service:				
Principal retirement	-	-	18,810,000	18,810,000
Interest	-	-	741,648	741,648
Total expenditures	339,475,435	22,318,117	37,189,060	398,982,612
Excess (deficiency) of revenues over expenditures	(2,386,010)	12,895,553	(17,272,648)	(6,763,105)
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	116,446	116,446
Proceeds from insurance recoveries	387,497	-	-	387,497
Transfers in	-	-	19,551,648	19,551,648
Transfers out	-	(18,985,300)	(566,348)	(19,551,648)
Total other financing sources (uses)	387,497	(18,985,300)	19,101,746	503,943
Net changes in fund balances	(1,998,513)	(6,089,747)	1,829,098	(6,259,162)
Fund balances, beginning of year	25,699,073	14,171,460	9,834,797	49,705,330
Fund balances, end of year	\$ 23,700,560	\$ 8,081,713	\$ 11,663,895	\$ 43,446,168

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, 2009**

Net change in fund balances - total governmental funds \$ (6,259,162)

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:

Capital outlay	\$ 22,482,126	
Depreciation expense	(6,845,586)	
Proceeds from sale of capital assets	(116,446)	
Loss on sale of capital assets	<u>(92,803)</u>	15,427,291

Revenues in statement of activities that do not provide current financial resources are not reported as revenues in the funds, change in deferred revenues (2,184,461)

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	18,810,000	
Amortization of premiums and bond issuance costs	<u>(28,321)</u>	18,781,679

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Decrease in compensated absences	74,749	
Decrease in retrospective insurance rating plan	13,923	
Decrease in interest expense	60,152	
Increase in claims payable for workers' compensation	(462,294)	
Increase in pollution remediation liability	(477,028)	
Increase in other postemployment benefits	(639,250)	
Decrease in special termination benefits	<u>1,312,413</u>	(117,335)

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.

	<u>4,641,488</u>	
Change in net assets of governmental activities	\$	<u><u>30,289,500</u></u>

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

Statement of Net Assets
 Proprietary Funds
 June 30, 2009

	Nonmajor Enterprise Funds	Internal Service Funds
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,119	\$ 16,799,350
Other receivables, net of allowances for uncollectible of \$74,905	327,797	-
Due from other governments	247,755	29,896
Due from other funds	-	2,347,221
Assets held for sale	223,141	-
Inventories	219,123	60,703
Prepaid items	385	5,000
Total current assets	1,019,320	19,242,170
Noncurrent assets:		
Advances to other funds	118,959	51,299
Depreciable capital assets, net	2,606,657	112,022
Total noncurrent assets	2,725,616	163,321
Total assets	\$ 3,744,936	\$ 19,405,491
Liabilities		
Current liabilities:		
Accounts payable	\$ 131,892	\$ 734,874
Claims payable	-	4,485,806
Accrued payroll	206,869	2,781
Accrued interest payable	2,700	-
Due to other funds	2,348,053	-
Due to other governments	8,531	-
Unearned revenue	125,761	34,800
Compensated absences	58,023	9,989
Total current liabilities	2,881,829	5,268,250
Noncurrent liabilities:		
Advances from other funds	717,879	51,299
Compensated absences	51,477	9,459
Total noncurrent liabilities	769,356	60,758
Total liabilities	3,651,185	5,329,008
Net Assets		
Invested in capital assets	2,606,657	112,022
Unrestricted	(2,512,906)	13,964,461
Total net assets	93,751	14,076,483
Total liabilities and net assets	\$ 3,744,936	\$ 19,405,491

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, 2009

	Nonmajor Enterprise Funds	Internal Service Funds
Operating revenues:		
Student activities	\$ 1,980	\$ -
Charges for services:		
Employee benefits	-	50,642,213
Sale of food	4,299,622	-
Child care	3,218,833	-
Miscellaneous	68,630	360,519
Total operating revenues	7,589,065	51,002,732
Operating expenses:		
Student services	14,461,164	-
Depreciation	368,731	12,104
Community services	3,522,473	-
Employee benefits	-	46,008,279
Miscellaneous	-	340,861
Total operating expenses	18,352,368	46,361,244
Operating income (loss)	(10,763,303)	4,641,488
Nonoperating revenues (expenses):		
Other local sources	106,690	-
State sources	140,683	-
Federal sources	10,077,313	-
Interest expense	(1,800)	-
Loss on disposal of capital assets	(2,779)	-
Total nonoperating revenues	10,320,107	-
Changes in net assets	(443,196)	4,641,488
Total net assets, beginning of year	536,947	9,434,995
Total net assets, end of year	\$ 93,751	\$ 14,076,483

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2009

	Nonmajor Enterprise Funds	Internal Service Funds
Cash flows from operating activities:		
Cash received from user charges	\$ 7,486,184	\$ 50,975,152
Cash payments to employees for services	(10,460,982)	(240,856)
Cash payments to suppliers for goods and services	(6,787,932)	(46,011,205)
Net cash provided by (used in) operating activities	(9,762,730)	4,723,091
Cash flows from noncapital financing activities:		
Payments from other funds	954,970	17,485
Payments to other funds	(26,486)	(645,777)
Nonoperating grants and donations received	9,424,122	-
Net cash provided by (used in) noncapital financing activities	10,352,606	(628,292)
Cash flows from capital and related financing activities, acquisition of capital assets	(597,260)	-
Net increase (decrease) in cash and cash equivalents	(7,384)	4,094,799
Cash and cash equivalents, beginning of year	8,503	12,704,551
Cash and cash equivalents, end of year	\$ 1,119	\$ 16,799,350
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (10,763,303)	\$ 4,641,488
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	368,731	12,104
Commodities used	853,637	-
Changes in assets and liabilities:		
Receivables	(124,364)	(29,896)
Inventories	(72,207)	1,720
Prepaid items	(385)	(5,000)
Accounts payable and due to other governments	90,447	195,177
Claims payable	-	(94,466)
Unearned revenue	21,483	2,316
Accrued liabilities	(136,769)	(352)
Net cash provided by (used in) operating activities	\$ (9,762,730)	\$ 4,723,091
Noncash items:		
Noncapital financing activities, commodities received from the U.S. Department of Agriculture	\$ 853,637	\$ -

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2009

	Pension Trust	Private Purpose Trust	Agency
Assets			
Cash and cash equivalents	\$ -	\$ 759,759	\$ 253,877
Investments:			
Money market	7,923,509	-	-
U.S. government securities	11,584,670	4,181	-
Corporate equities	21,067,607	-	-
Mortgage-backed securities	59,292,884	-	-
Corporate obligations	61,831,866	-	-
Preferred stock	13,223,000	-	-
Municipal bonds	30,144,199	-	-
Other fixed income	1,942,340	-	-
Interest receivable	2,166,192	-	-
Other receivables	-	1,500	-
Prepaid items	-	2,000	-
Total assets	\$ 209,176,267	\$ 767,440	\$ 253,877
Liabilities			
Accounts payable	\$ -	\$ -	\$ 3,926
Due to other governmental units	-	-	249,951
Total liabilities	-	-	\$ 253,877
Net Assets			
Held in trust for:			
Employees' pension benefits	209,176,267	-	
Scholarships	-	767,440	
Total net assets	209,176,267	767,440	
Total liabilities and net assets	\$ 209,176,267	\$ 767,440	

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, 2009

	Pension Trust	Private Purpose Trust
Additions:		
Contributions:		
Employer	\$ 2,188,015	\$ -
Employee	1,905,176	-
Private source	-	9,676
Total contributions	4,093,191	9,676
Investment earnings:		
Net (decrease) in fair value of investments	(8,086,591)	-
Class action settlements	91,716	-
Interest	10,527,996	8,804
Dividends	1,694,789	-
Total investment earnings	4,227,910	8,804
Less investment expense	120,388	-
Net investment earnings	4,107,522	8,804
Total additions	8,200,713	18,480
Deductions:		
Benefit payments	13,718,228	-
Resignation refunds	38,714	-
Death settlements	17,671	-
Scholarship awarded	-	12,450
Administrative costs	117,649	-
Other	-	6,747
Total deductions	13,892,262	19,197
Changes in net assets	(5,691,549)	(717)
Net assets, beginning of year	214,867,816	768,157
Net assets, end of year	\$ 209,176,267	\$ 767,440

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. In addition, the District is not aware of any entity, which would exercise such oversight over it, which would result in the District being considered a component unit of that entity.

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 District has elected to report the Sales Tax Fund as a major fund for public interest purposes. The following is the District's major governmental funds:

General Fund: The General Fund accounts for all sources used to finance District operation and maintenance, except those required to be accounted for in another fund.

Sales Tax Fund: The Sales Tax 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 the revenue sources that are legally restricted to expenditures for specific purposes.

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.

Physical Plant and Equipment (PPEL) Levy Fund: This fund is authorized by Iowa Code 298.2 and accounts for transactions related to the improvement of facilities and grounds, construction of school houses, 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.

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 the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

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 accounts 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 also 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, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. 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 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 revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and the general revenues.

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 depreciation on capital assets and claims. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Investments: The investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost. Short-term investments 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. There are no investments in a fund earning income that are recorded in another fund.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

The Iowa Schools Joint Investment Trust is a common law trust established under Iowa law and is administered by an appointed investment management company. The fair value of the position in the trust is the same as the value of the shares.

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

Receivables: All receivables, including property taxes receivable, are shown net of an allowance for uncollectibles, if applicable.

Property taxes are certified (levied) on July 1 by District governments based on the assessed valuation of property as of each January 1, become a lien against the property on July 1, and are due and collectible in installments on September 30 and March 31. Property taxes become delinquent on October 1 and April 1. Current year delinquent property taxes receivable represent the estimated amounts remaining to be collected on taxes levied through June 30. The succeeding year property taxes receivable represent taxes certified by the Board of Education to be collected in the next fiscal year for purposes set out in the budget for the next fiscal year. By statute, the Board of Education is required to certify its budget to the County Auditor by April 15 of each year for the subsequent fiscal year. For accounting and financial reporting purposes, an enforceable legal claim is deemed to exist upon certification by the County Auditor. However, the property taxes certified are intended to finance the subsequent fiscal year. Accordingly, the succeeding year property taxes receivable have been recorded and have been deferred and will not be recognized as revenue until the year for which it is levied.

Due from other governments: Due from other governments represents amounts due from the state of Iowa, other school districts, and other various grants, reimbursements and shared revenues.

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. Therefore, a reservation of governmental fund balance is required.

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.

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, 2009, has also been accrued as a liability as of June 30, 2009.

Deferred and unearned revenue: Although certain revenues are measurable, they are not available. Available means 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 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. Deferred revenue consists of the succeeding year's property tax receivable.

Unearned revenue in the statement of net assets 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. As of June 30, 2009, the District did not have any long-term obligations related to its business-type activities or proprietary funds. 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 (Continued)

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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund equity: In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for expenditures or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Designated funds consists of facility rentals in the amount of \$13,684 and decentralized school budgets in the amount of \$1,173,482.

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. 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, 2009 consists of \$565,614 for debt service, \$1,448,603 for management levy, \$4,721,837 for physical plant and equipment levy, \$114,012 for public education and recreation levy, and \$6,030,119 for sales tax levy.

Donor restricted net assets include \$2,463,178 for net assets in the DMPS (Expendable Trust) Fund which is to be used for the Smouse School, \$11,519 in the Permanent Fund to be used for teacher education and training, and \$2,241,562 included in the Sales Tax Fund and Physical Plant and Equipment Levy Fund to be used for future construction costs at a school.

Other purposes restricted net assets of \$10,127,285 is 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.

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.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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, 2009, of \$1,909, \$677,879 and \$55,847, respectively. In past years, all childcare 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 are now accounted for in the General Fund. 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 for the Collage Fund was decreasing. The District will analyze this fund's activity and take the necessary steps to reduce the negative fund balance.

Note 3. Cash and Cash Equivalents and Investments

As of June 30, 2009, the District's cash, cash equivalents and investments (including fiduciary fund assets) were as follows:

Cash and other deposits	\$ 79,004,322
Investments, primarily pension trust	210,713,968
	<u>\$ 289,718,290</u>

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.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Cash and Cash Equivalents and Investments (Continued)

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, 2009, 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, 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.

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	\$ 1,262,079	N/A	N/A	N/A	N/A
U.S. Government securities	1,876,238	\$ -	\$ 1,873,731	\$ 2,507	\$ -
QZAB Sinking Fund, guaranteed investment contract	565,576	-	565,576	-	-
	<u>\$ 3,703,893</u>	<u>\$ -</u>	<u>\$ 2,439,307</u>	<u>\$ 2,507</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	\$ 7,923,509	\$ 7,923,509	\$ -	\$ -	\$ -
U.S. Government securities	11,584,670	-	-	-	11,584,670
Corporate equities	21,067,607	N/A	N/A	N/A	N/A
Mortgage-backed securities	59,292,884	-	55,012	80,573	59,157,299
Corporate obligations	61,831,866	2,073,050	18,439,153	12,857,373	28,462,290
Preferred stock	13,223,000	N/A	N/A	N/A	N/A
Municipal bonds	30,144,199	4,650,259	1,029,830	2,527,280	21,936,830
Other fixed income	1,942,340	-	-	925,190	1,017,150
	<u>\$ 207,010,075</u>	<u>\$ 14,646,818</u>	<u>\$ 19,523,995</u>	<u>\$ 16,390,416</u>	<u>\$ 122,158,239</u>

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Cash and Cash Equivalents 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, 2009, 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 HOME LN MTG CORP MED TERM NOTE	AAA	AAA
FED HOME LN BK	AAA	AAA
FED FARM CREDIT BK	AAA	AAA
FED NATL MTG ASSN	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
GOVT NATL MTG ASSN REMIC	Not Rated	Not Rated
PAINWEBBER CMO TR SER H COLL MTG OBLIG	Not Rated	Not Rated
SMALL BUSINESS ADMINISTRATION	Not Rated	Not Rated

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Cash and Cash Equivalents and Investments (Continued)

Investment Type	Standard & Poor's	Moody's Investor's Services
Corporate Obligations:		
AMERICAN EXPRESS DTD 03/19/08 7.000 03/19/2018	BBB+	A3
ANHEUSER BUSCH COS INC DATED 12/12/97	BBB+	BAA2
ARCHER DANIELS MIDLAND CO DTD 04/23/99 6.625 05/01/2029	A	A2
BAC CAPITAL TRUST XI DTD 05/23/06 6.625 05/23/2036	B	BAA3
BAKER HUGHES INC DTD 07/15/99 6.875 01/15/2029	A	A2
BELLSOUTH CAP FUNDING DTD 02/16/00 7.750 02/15/2010	A	A2
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
BRITISH TELECOM PLC DTD 12/12/00 8.125 12/15/2010	BBB	BAA2
CALIFORNIA WATER SERVICE DTD 04/17/09 5.875 05/01/2019	AA-	N/A
CATERPILLAR FIN SERV CRP DTD 09/26/08 7.050 10/01/2018	A	A2
CATERPILLAR DTD 07/20/98 6.625 07/15/2028	A	A2
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
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
DOW CHEM CO DEB DTD 08-17-93	BBB-	BAA3
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
GE CAPITAL FRANCHISE FIN MED TERM NOTE	AA+	AA2
GENERAL ELEC CAP CORP TRANCHE # TR 00575	AA+	AA2
GOLDMAN SACHS GROUP INC MED TERM NOTE-SER E TRANCHE #TR00046	A	A1
GOLDMAN SACHS GROUP INC DTD 01/10/02 6.600 01/15/2012	A	A1
HOUSEHOLD FINANCE CORP DTD 05/22/02 7.000 05/15/2012	A	A3
INTERNATIONAL BUSINESS MACHS DTD 08/01/97	A+	A1
INTL LEASE FINANCE CORP DTD 04/29/03 5.875 05/01/2013	BBB+	BAA2
J P MORGAN CHASE & CO DTD 03/13/02 6.625 03/15/2012	A	A1
JPM CHASE CAPITAL XXII SER V	BBB+	A1
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	A3
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-	A2
MORGAN STANLEY DEAN WITTER DTD 04/23/01 6.750 04/15/2011	A	A2
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	A2
PACIFIC BELL DTD 10/15/93 6.625 10/15/2034	A	A2
PRUDENTIAL FINANCIAL INC MED TERM NOTE SER NOT1	A	BAA2
SIMON PROPERTY GROUP LP DTD 05/15/06 6.100 05/01/2016	A-	A3
SOUTHWESTERN BELL TEL CO DEB DTD 07-01-93	A	A2
TARGET CORP DTD 07/14/06 5.875 07/15/2016	A+	A2
TRAVELERS COS INC DTD 06/02/09 5.900 06/02/2019	A-	A2
VERIZON NEW JERSEY INC DTD 01/22/02 5.875 01/17/2012	A	BAA1
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

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Cash and Cash Equivalents and Investments (Continued)

Investment Type	Standard & Poor's	Moody's Investor's Services
Preferred Stock:		
AT&T INC	Not Rated	Not Rated
ALABAMA POWER CO	A	A2
CITIGROUP CAPITAL XV	B+	Baa3
FED NATL MTG ASSN	AAA	Ca
FIFTH THIRD CAPITAL TRUS	BB	Baa2
GENERAL ELECT CAP CORP	Not Rated	Aa2
GEORGIA POWER COMPANY	A	A2
HARRIS CAPITAL 7.375% SER A PFD	A-	A2
MERRILL LYNCH CAP TRST I	B	Baa3
ML CAPITAL TRUST IV 7.12% PFD	B	Baa3
MORGAN STANLEY CAP TR VII CAP SECS 01/01/2046	BBB	A3
MORGAN STANLEY CAP TRUST	BBB	A3
USB CAPITAL XI	BBB+	A1
WELLS FARGO CAPITAL XII	A-	A3
WESTAR ENERGY INC	BBB	Baa1
Municipal Bonds:		
AMERICAN NATL RED CROSS DTD 10/01/99 7.220 11/15/2010	A	BAA1
ANDERSON CNTY S C SCH DIST NO BUILD AMERICA BONDS SER A	AA	AA1
BEXAR CNTY TEX REV TAXABLE-REF-VENUE PROJ-SER B	AAA	AA1
BURLINGTON CNTY N J TAXABLE	AAA	AA3
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
CHICAGO HEIGHTS ILL TAXABLE-SER B	A	Not Rated
DENVER COLO CITY & CNTY WTR CO BUILD AMERICA BONDS-SER A	AAA	AA2
DES MOINES IOWA BUILD AMERICA BONDS-SER E	AAA	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	AAA	AA3
FRISCO TEX TAXABLE-CTFS OBLIG-SER B	AAA	AA2
GWINNETT CNTY GA DEV AUTH REV TAXABLE-GWINNETT STADIUM PROJ	AAA	AAA
JOHNSON CNTY KANS UNI SCH DIST BUILD AMERICA BONDS-SER A-TXB	AA	AA3
KENOSHA WIS REF-TAXABLE	AA	AA3
KNOX CNTY TENN TAXABLE	AA+	AA2
MESA ARIZ UTIL SYS REV BUILD AMERICA BONDS	AA-	A1
MISSOURI ST DEV FIN BRD INFRASTRUCTURE FACS REV DTD	A+	Not Rated
O FALLON ILL BUILD AMERICA BONDS-TAXABLE-SE	AAA	N/R
PALATINE ILL SER C	AA+	AA2
PALATINE ILL BUILD AMERICA BONDS-SER C	Not Rated	Not Rated
PENNSYLVANIA ST TPK COMMN TPK SER A2	AAA	AA2
RALEIGH N C TAXABLE-HSG-SER C	AAA	AAA
REEVES CNTY TEX CTFS PARTN TAXABLE DTD 04/27/05 6.400 12/01/2014	BBB	Not Rated
RILEY CNTY KANS UNI SCH DIST BUILD AMERICA BONDS-TXB	Not Rated	AA3

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Cash and Cash Equivalents and Investments (Continued)

Investment Type	Standard & Poor's	Moody's Investor's Services
ST LOUIS MO MUN FIN CORP LEASEHOLD REV	AAA	AA2
ST PAUL MINN TAXABLE-TAX INCREMENT-B	AAA	AA2
SOUTHERN ILL UNIV REVS BUILD AMERICA BONDS-HSG & AUXI	AAA	AA2
SUPERIOR WIS SCH DIST REF-TAXABLE	AA-	N/R
UNIVERSITY MD SYS AUXILIARY FA BUILD AMERICA BONDS	AA+	AA2
UNIVERSITY MINN TAXABLE-SER B	AA	AA2
UNIVERSITY MINN BUILD AMERICA BONDS-TXBL	AA	AA2
VILLA PARK ILL BUILD AMERICA BONDS-TAXABLE-AL	AA	N/R
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
QZAB Sinking Fund, guaranteed investment contract	Not Rated	Not Rated

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 Home Loan Mortgage Corporation and Federal National Mortgage Association. These investments are 10.75 percent and 18.41 percent, respectively, of the District's total investments. The investments in U.S. Government Securities, Corporate Equities and Corporate obligations, are not subject to concentration of credit risk due to either being guaranteed by the U.S. government, considered a pooled investment, or none of the securities underlying the total investment type is more than 5 percent in any one issuer.

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, 2009, 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.

As of June 30, 2009, \$1,876,239 of the District's investments was uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 4. Interfund Receivables/Payables and Transfers

Individual interfund receivable and payable balances as of June 30, 2009 are as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 832	\$ -
Nonmajor enterprise funds	-	2,348,053
Internal service funds	2,347,221	-
	<u>\$ 2,348,053</u>	<u>\$ 2,348,053</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
General Fund	\$ 598,920	\$ -
Nonmajor enterprise funds	118,959	717,879
Internal service funds	51,299	51,299
	<u>\$ 769,178</u>	<u>\$ 769,178</u>

The \$717,879 in the nonmajor enterprise funds is comprised of two separate advances. The first is an interfund loan from the General fund to the Home Building fund in the amount of \$40,000. This loan is to be repaid when the student constructed home that is currently on the market is sold. The remaining \$677,879 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 \$51,299 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, sales tax fund	\$ -	\$ 18,985,300
Nonmajor funds, governmental funds	19,551,648	566,348
	<u>\$ 19,551,648</u>	<u>\$ 19,551,648</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary 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, 2009 is as follows:

Governmental Activities	Beginning Balance	Additions and Transfers In	Deletions and Transfers Out	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,978,569	\$ -	\$ 27,833	\$ 3,950,736
Construction-in-progress	56,761,677	21,135,591	60,993,567	16,903,701
Total capital assets, not being depreciated	60,740,246	21,135,591	61,021,400	20,854,437
Capital assets, being depreciated:				
Land improvements	8,852,823	15,518	-	8,868,341
Buildings and improvements	292,209,310	60,993,567	129,803	353,073,074
Vehicles, furniture and equipment	14,560,735	1,331,017	435,156	15,456,596
Total capital assets, being depreciated	315,622,868	62,340,102	564,959	377,398,011
Less accumulated depreciation for:				
Land improvements	(6,093,764)	(286,785)	-	(6,380,549)
Buildings and improvements	(79,879,092)	(5,255,704)	(7,139)	(85,127,657)
Vehicles, furniture and equipment	(8,208,062)	(1,315,201)	(376,404)	(9,146,859)
Total accumulated depreciation	(94,180,918)	(6,857,690)	(383,543)	(100,655,065)
Total capital assets, being depreciated, net	221,441,950	55,482,412	181,416	276,742,946
Governmental activities capital assets, net	\$ 282,182,196	\$ 76,618,003	\$ 61,202,816	\$ 297,597,383

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 5. Capital Assets (Continued)

Business-Type Activities	Beginning Balance	Additions and Transfers In	Deletions and Transfers Out	Ending Balance
Capital assets, being depreciated:				
Vehicles, furniture and equipment	\$ 4,987,165	\$ 597,260	\$ 150,666	\$ 5,433,759
Less accumulated depreciation	(2,606,258)	(368,731)	(147,887)	(2,827,102)
Business-type activities capital assets, net	\$ 2,380,907	\$ 228,529	\$ 2,779	\$ 2,606,657

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

Governmental activities:	
Instruction	\$ 5,590,694
Noninstructional	145,145
Central support services	190,422
Plant operation and maintenance	115,069
Student transportation	804,256
Capital assets held by governments internal service funds are charged to the various functions based on their usage of the assets	12,104
Total	\$ 6,857,690
Business-type activities, school nutrition	\$ 368,731

As of June 30, 2009, eight schools, one other building and one parcel of land, with a combined net book value of \$1,170,000, were idle.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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, 2009:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital loan notes	\$ 1,570,000	\$ -	\$ 510,000	\$ 1,060,000	\$ 520,000
Qualified zone academy bonds	1,000,000	-	-	1,000,000	-
Sales tax revenue bonds	18,300,000	-	18,300,000	-	-
Retrospective insurance rating plan	579,637	-	13,923	565,714	-
Special termination benefits	12,525,408	2,973,700	4,365,978	11,133,130	3,634,602
Compensated absences	3,683,133	2,090,205	2,134,066	3,639,272	2,056,210
Long-term liabilities	\$ 37,658,178	\$ 5,063,905	\$ 25,323,967	\$ 17,398,116	\$ 6,210,812
Business-type activities,					
compensated absences	\$ 194,152	\$ 15,292	\$ 99,944	\$ 109,500	\$ 58,023

On March 13, 2002, the District issued \$450,000 of capital loan notes, with interest varying from 2.0 percent to 4.2 percent, for the purpose of installing energy-efficient heating and cooling systems. As of June 30, 2009, the capital loan notes liability was \$115,000. The maturity date for the notes is 2011.

On December 1, 2003, the District issued \$1,000,000 of qualified zone academy bonds for the purpose of remodeling projects at Weeks Elementary School. As of June 30, 2009, the qualified zone academy bonds liability was \$1,000,000. The District will make annual payments into the debt sinking fund with the total balance of the loan maturing in 2011.

On April 20, 2004, the District issued \$3,100,000 of capital loan notes, with interest varying from 2.50 percent to 3.75 percent, to finance energy improvements within school facilities of the District. As of June 30, 2009, the capital notes liability was \$945,000. The maturity date for the notes is 2011.

On July 6, 2006, the District issued \$20,700,000 of School Infrastructure Local Option Sales and Services Tax Revenue Bonds, with an interest rate of 3.85 percent, to pay costs of school infrastructure improvement projects. As of June 30, 2009, the liability on these bonds was \$0 as the bonds were paid off during the year. The District pledged future local option sales and services tax revenues to repay the \$20,700,000 of bonds. The bonds were payable solely from the proceeds of the local option sales and services tax revenue received by the District. The bonds were not a general obligation of the District. However, the debt was 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 local option sales and services tax revenues. For the current year, principal and interest paid and total local option sales and services tax revenues were \$18,985,300 and \$30,821,593, respectively.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 6. Noncurrent Liabilities and Notes Payable (Continued)

Annual debt service requirements to maturity as of June 30, 2009 are summarized as follows:

Year Ending June 30:	Governmental Activities		
	Principal	Interest	Total
2010	\$ 520,000	\$ 39,078	\$ 559,078
2011	1,540,000	20,520	1,560,520
Total	\$ 2,060,000	\$ 59,598	\$ 2,119,598

As of June 30, 2009, the District did not exceed its legal debt margin, computed as follows:

Total assessed valuation	<u>\$ 10,685,070,692</u>
Debt limit of 5% of total assessed valuation	\$ 534,253,535
Amount of debt applicable to debt limit, total general obligation bonded debt	<u>2,060,000</u>
Excess of debt limit over bonded debt issued, legal debt margin	<u>\$ 532,193,535</u>

Compensated absences are generally liquidated by the General Fund and the retrospective 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, 2009, the District has \$1,993,125 accrued in the Management Fund, \$175,920 accrued in the General Fund relating to employees over age 65 as they are considered due, plus an additional amount not considered due of \$8,964,085 recorded in the government-wide financial statements. The current year cost to the District was \$4,365,978 which consisted of 58 participants in the plan.

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.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 7. Commitments and Contingencies (Continued)

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District. A liability of \$20,900 regarding a special termination benefits lawsuit is recorded as of June 30, 2009 all of which is considered due and is recorded in the Management Fund.

In addition, the District is involved in a workers' compensation lawsuit in which the probability of outcome is not determinable at this time; therefore, no accrual has been made to the financial statements. However, in the event of loss to the District, the range of liability is estimated to be \$175,000 to \$346,034.

As of June 30, 2009, the District was involved in construction projects with an estimated cost to complete the construction projects of \$33,836,422.

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,	
	2009	2008
Unpaid claims, beginning of year	\$ 4,580,272	\$ 3,703,643
Current year claims and changes in estimates	44,756,308	42,339,151
Claim payments	(44,850,774)	(41,462,522)
Unpaid claims, end of year	<u>\$ 4,485,806</u>	<u>\$ 4,580,272</u>

As of June 30, 2009, the unpaid claims payable of \$4,485,806 is net of \$403,098 of reimbursement receivable that the District expects to receive as it has exceeded its individual stop-loss amount. A total of \$403,098 reinsurance revenue to be received is recorded with claims expense of \$44,756,308.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 8. Risk Management (Continued)

The District self insures its workers' compensation exposures. As of June 30, 2009, the amount of liabilities recorded for estimated claims payable for workers' compensation was \$742,948 of which \$280,654 was recorded in the Management Fund, a nonmajor governmental fund, and \$462,294 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,	
	2009	2008
Unpaid claims, beginning of year	\$ 234,857	\$ 378,630
Current year claims and changes in estimates	2,450,054	1,891,687
Claim payments	(1,941,963)	(2,035,460)
Unpaid claims, end of year	<u>\$ 742,948</u>	<u>\$ 234,857</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, 2009, 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 \$565,714. 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 4.10 percent of their annual salary and the District is required to contribute 6.35 percent of annual covered salaries. Contribution requirements are established by state statute. The District's contributions to IPERS for the years ended June 30, 2009, 2008 and 2007 were \$11,531,747, \$10,259,449 and \$9,029,636, respectively, equal to the required contributions for each year.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 9. Retirement Systems (Continued)

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. 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 1,564 active and retired participants as of June 30, 2009. The plan requires the employees to contribute a varying percentage of their base pay, from 4.71 percent to 7.54 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, 2009 was \$35,852,865 and the total District payroll was \$217,565,376. The employees' contributions during the year ended June 30, 2009 were \$1,905,176 (5.3 percent of the total covered payroll). The District's General Fund made contributions of \$2,188,015 (6.1 percent of the total covered payroll). Plan net assets were \$209,176,267 as of June 30, 2009. 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, 2009 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 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 retire 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 2009, the District contributed \$3,370,000. Retiree and active members receiving benefits contributed \$2,204,000 through their required contribution of \$778, \$714 or \$835 per month for single and family health coverage combined depending on which of the three plans offered by the District that the employee participated in.

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	\$ 3,956,000
Interest on net OPEB obligation	53,250
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>4,009,250</u>
Contributions and payments made	<u>3,370,000</u>
Increase in net OPEB obligation	639,250
Net OPEB obligation - July 1, 2008	1,065,000
Net OPEB obligation - June 30, 2009	<u>\$ 1,704,250</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2009 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, 2007	N/A	N/A	N/A
June 30, 2008	\$ 3,956,000	73.08%	\$ 1,065,000
June 30, 2009	4,009,250	84.06	1,704,250

Funded status and funding progress: Post Employment Benefit Obligations under GASB Statement No. 45 calculated as of July 1, 2007, the most recent valuation date is as follows:

	Total	Members
Actuarial Accrued Liability:		
Current retirees, beneficiaries and dependents	\$ 11,072,000	302
Current active members	24,570,000	4,719
Total Actuarial Accrued Liability (AAL)	<u>35,642,000</u>	5,021
Actuarial value of OPEB Plan Assets	-	
Unfunded Actuarial Accrued Liability (UAAL)	35,642,000	

The covered payroll (annual payroll of active employees covered by the plan) was \$217,565,376 and the ratio of the UAAL to the covered payroll was 16.38 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 (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. 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, 2007 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 5 percent annual discount rate assuming the District will fund on a pay-as-you-go basis and an annual health care cost trend rate of 11 percent for select and 6 percent for ultimate initially, but reduced 0.5 percent each year until reaching the ultimate trend. All rates include a 4 percent salary increase assumption. The District's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll. The remaining amortization period at July 1, 2007, was 30 years.

Note 11. Pollution Remediation Liability

The District began remodeling four 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, 2009 is derived from the construction contracts. The District has recorded a liability of \$325,244 in the Sales Tax 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 \$477,028 in the government-wide financial statements based on remaining future costs related to the removal projects.

Note 12. New Governmental Accounting Standards Board (GASB) Statements and Pending Pronouncements

The District adopted the following Statements during the year ended June 30, 2009:

- GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities, such as site assessments and cleanups. This standard requires the District to estimate the components of expected pollution remediation outlays and determine whether the outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired. As a result, the District has recorded liabilities of \$325,244 in the Sales Tax Fund and \$477,028 in the governmental activities and added footnote disclosures pertaining to the nature of the pollution and the methods and assumptions used for the estimate in Note 11.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 12. New Governmental Accounting Standards Board (GASB) Statements and Pending Pronouncements (Continued)

- GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. This Statement established consistent standards for the reporting of land and other real estate held as investments. Endowments were previously required to report their land and other real estate held for investment purposes at historical cost. However, such investments are reported at fair value by similar entities, such as pension plans. The Statement requires endowments to report land and other real estate investments at fair value. This Statement had no effect on the District in the current year.

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. 51, *Accounting and Financial Reporting for Intangible Assets*, issued July 2007, will be effective for the District beginning with its year ending June 30, 2010. This Statement provides guidance regarding how to identify, account for, and report intangible assets. The new standard characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature, and has an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, computer software, water rights, timber rights, patents and trademarks. This standard provides that intangible assets be classified as capital assets (except for those explicitly excluded from the scope of the new standard, such as capital leases). Relevant authoritative guidance for capital assets should be applied to these intangible assets.
- GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, will be effective for the District beginning with its year ending June 30, 2010. This Statement will improve how state and local governments report information about derivative instruments in their financial statements. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements.
- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued March 2009, will be effective for the District beginning with its year ending June 30, 2011. 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.

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

Des Moines Independent Community School District

Required Supplementary Information

Des Moines Independent Community School District, 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

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date as of July 1, 2007. 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) 5 percent annual discount rate assuming the District will fund on a pay-as-you-go basis and b) a health care cost trend rate of 11.0 percent on a select basis and 6.0 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.

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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, 2009

	Actual			
	Governmental Fund Types	Enterprise Funds	Private Purpose Trust Funds	Total
Revenues:				
Local sources	\$ 163,293,732	\$ 7,695,755	\$ 18,480	\$ 171,007,967
Intermediate sources	827,589	-	-	827,589
State sources	192,271,659	140,683	-	192,412,342
Federal sources	35,826,527	10,077,313	-	45,903,840
Total revenues	392,219,507	17,913,751	18,480	410,151,738
Expenditures/Expenses:				
Instruction	232,801,784	661,130	-	233,462,914
Support services	108,338,048	219,279	-	108,557,327
Noninstructional	1,980,772	17,476,538	19,197	19,476,507
Other	55,862,008	-	-	55,862,008
Total expenditures/expenses	398,982,612	18,356,947	19,197	417,358,756
Excess (deficiency) of revenues over expenditures/expenses	(6,763,105)	(443,196)	(717)	(7,207,018)
Other financing sources (uses):				
Proceeds from sale of capital assets	116,446	-	-	116,446
Proceeds from insurance recoveries	387,497	-	-	387,497
Transfers in	19,551,648	-	-	19,551,648
Transfers (out)	(19,551,648)	-	-	(19,551,648)
Net change in fund balances	\$ (6,259,162)	\$ (443,196)	\$ (717)	\$ (6,703,075)

See Note to Required Supplementary Information.

Budget		
Original	Final	Final Budget to Actual Variance Positive (Negative)
\$ 162,249,160	\$ 162,760,553	\$ 8,247,414
7,555,240	9,203,094	(8,375,505)
193,767,278	198,049,514	(5,637,172)
35,671,513	42,837,950	3,065,890
399,243,191	412,851,111	(2,699,373)
224,309,426	233,052,135	(410,779)
107,034,003	111,946,169	3,388,842
20,158,663	20,658,663	1,182,156
40,484,273	57,422,618	1,560,610
391,986,365	423,079,585	5,720,829
7,256,826	(10,228,474)	3,021,456
140,000	140,000	(23,554)
-	-	387,497
5,751,648	19,551,648	-
(5,751,648)	(19,551,648)	-
\$ 7,396,826	\$ (10,088,474)	\$ 3,385,399

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, 2009, the District overexpended the instruction functional area by \$410,779. 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.

During the year, a budget amendment increased budgeted revenues, including transfers, by \$27.4 million and budgeted expenditures by \$44.9 million. The budget amendment was primarily to recognize increased spending due to early retirement of revenue bonds; increases in the receipt of federal funds, state teacher compensation and other state funding; and renovation expenditures during the fiscal year that were not anticipated when the original budget was adopted.

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 \$11,511,318 for the year ended June 30, 2009.

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Des Moines Independent Community School District

Combining Balance Sheet
 All Nonmajor Governmental Funds
 June 30, 2009

	Special Revenue		
	Student Activity	Management	Physical Plant and Equipment Levy
Assets			
Cash and investments	\$ 2,268,012	\$ 3,742,640	\$ 5,014,690
Restricted cash	-	-	755,582
Property taxes receivable - current year	-	179,527	123,481
Property taxes receivable - succeeding year	-	9,431,422	6,538,307
Other receivables	13,227	-	-
Due from other governments	1,665	-	-
Prepaid items	7,050	-	-
Total assets	\$ 2,289,954	\$ 13,353,589	\$ 12,432,060
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 108,309	\$ 443,613	\$ 405,433
Accrued payroll	9,443	-	-
Special termination benefits	-	1,993,125	-
Other current liabilities	-	-	10,901
Due to other governments	5,575	36,826	-
Deferred revenue	17,463	9,431,422	6,538,307
Total liabilities	140,790	11,904,986	6,954,641
Fund balances:			
Reserved for:			
Debt service	-	-	565,614
Prepaid items	7,050	-	-
Restricted for East High School	-	-	189,968
Permanent trusts, nonexpendable corpus	-	-	-
Unreserved, undesignated reported in:			
Special revenue funds	2,142,114	1,448,603	4,721,837
Permanent trusts	-	-	-
Total fund balances	2,149,164	1,448,603	5,477,419
Total liabilities and fund balances	\$ 2,289,954	\$ 13,353,589	\$ 12,432,060

Public Education and Recreation			Total Nonmajor Governmental Funds
Levy	DMPS	Permanent	
\$ 243,195	\$ 2,475,864	\$ 11,519	\$ 13,755,920
-	-	-	755,582
15,697	-	-	318,705
818,889	-	-	16,788,618
9,176	-	-	22,403
-	-	-	1,665
-	2,000	-	9,050
<u>\$ 1,086,957</u>	<u>\$ 2,477,864</u>	<u>\$ 11,519</u>	<u>\$ 31,651,943</u>

\$ 33,510	\$ 7,097	\$ -	\$ 997,962
19,204	-	-	28,647
-	-	-	1,993,125
1,342	-	-	12,243
100,000	7,589	-	149,990
818,889	-	-	16,806,081
<u>972,945</u>	<u>14,686</u>	<u>-</u>	<u>19,988,048</u>

-	-	-	565,614
-	2,000	-	9,050
-	-	-	189,968
-	-	9,878	9,878
114,012	2,461,178	-	10,887,744
-	-	1,641	1,641
<u>114,012</u>	<u>2,463,178</u>	<u>11,519</u>	<u>11,663,895</u>
<u>\$ 1,086,957</u>	<u>\$ 2,477,864</u>	<u>\$ 11,519</u>	<u>\$ 31,651,943</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, 2009

	Special Revenue		
	Student Activity	Management	Physical Plant and Equipment Levy
Revenues:			
Property taxes	\$ -	\$ 9,168,606	\$ 6,313,191
Other local sources	-	6,000	5,500
Investment earnings	28,043	-	160,524
Intermediate sources	-	-	400,000
State sources	-	4,350	2,694
Federal sources	-	-	14
Student activities	2,916,948	-	-
Total revenues	2,944,991	9,178,956	6,881,923
Expenditures:			
Current:			
Instruction	3,024,732	5,164,238	-
Instructional support services	-	-	-
General administration	-	806,057	-
Building administration	-	527,023	-
Plant operation and maintenance	-	1,128,304	-
Student transportation	-	1,065,457	-
Noninstructional	-	309,706	-
Capital outlay	-	-	4,115,993
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Total expenditures	3,024,732	9,000,785	4,115,993
Excess (deficiency) of revenues over expenditures	(79,741)	178,171	2,765,930
Other financing sources (uses):			
Proceeds from sale of capital assets	-	-	116,446
Transfers in	-	-	-
Transfers out	-	-	(566,348)
Total other financing sources (uses)	-	-	(449,902)
Net changes in fund balances	(79,741)	178,171	2,316,028
Fund balances, beginning of year	2,228,905	1,270,432	3,161,391
Fund balances, end of year	\$ 2,149,164	\$ 1,448,603	\$ 5,477,419

				Total
Public Education and Recreation				Nonmajor
Levy	DMPS	Debt Service	Permanent	Governmental Funds
\$ 796,190	\$ -	\$ -	\$ -	\$ 16,277,987
414,750	142,579	-	-	568,829
-	(504,286)	-	126	(315,593)
-	-	-	-	400,000
11,378	-	-	-	18,422
-	-	-	-	14
49,805	-	-	-	2,966,753
1,272,123	(361,707)	-	126	19,916,412
-	133,510	-	-	8,322,480
-	46,158	-	-	46,158
-	-	-	-	806,057
-	-	-	-	527,023
-	-	-	-	1,128,304
-	-	-	-	1,065,457
1,153,779	-	-	-	1,463,485
162,455	-	-	-	4,278,448
-	-	18,810,000	-	18,810,000
-	-	741,648	-	741,648
1,316,234	179,668	19,551,648	-	37,189,060
(44,111)	(541,375)	(19,551,648)	126	(17,272,648)
-	-	-	-	116,446
-	-	19,551,648	-	19,551,648
-	-	-	-	(566,348)
-	-	19,551,648	-	19,101,746
(44,111)	(541,375)	-	126	1,829,098
158,123	3,004,553	-	11,393	9,834,797
\$ 114,012	\$ 2,463,178	\$ -	\$ 11,519	\$ 11,663,895

Des Moines Independent Community School District

Combining Statement of Net Assets

All Nonmajor Enterprise Funds

June 30, 2009

	School Nutrition	Child Care	Preschool
Assets			
Current assets:			
Cash and cash equivalents	\$ -	\$ 1,119	\$ -
Other receivables, net of allowances for uncollectibles of \$74,905	163,472	164,325	-
Due from other governments	247,755	-	-
Assets held for sale	-	-	-
Inventories	219,123	-	-
Prepaid items	385	-	-
Total current assets	630,735	165,444	-
Noncurrent assets:			
Advances to other funds	-	35,533	-
Depreciable assets, net	2,606,657	-	-
Total noncurrent assets	2,606,657	35,533	-
Total assets	\$ 3,237,392	\$ 200,977	\$ -
Liabilities			
Current liabilities:			
Accounts payable	\$ 118,011	\$ 7,522	\$ -
Accrued payroll	83,837	123,032	-
Accrued interest payable	-	-	-
Due to other funds	2,347,221	-	-
Due to other governments	31	8,500	-
Unearned revenue	108,223	17,538	-
Compensated absences	24,719	33,304	-
Total current liabilities	2,682,042	189,896	-
Noncurrent liabilities:			
Advances from other funds	-	-	677,879
Compensated absences	38,487	12,990	-
Total noncurrent liabilities	38,487	12,990	677,879
Total liabilities	2,720,529	202,886	677,879
Net Assets (Deficit)			
Invested in capital assets	2,606,657	-	-
Unrestricted	(2,089,794)	(1,909)	(677,879)
Total net assets (deficit)	516,863	(1,909)	(677,879)
Total liabilities and net assets	\$ 3,237,392	\$ 200,977	\$ -

Home Remodeling	Automotive	Wellness Center	Total
\$ -	\$ -	\$ -	\$ 1,119
-	-	-	327,797
-	-	-	247,755
223,141	-	-	223,141
-	-	-	219,123
-	-	-	385
223,141	-	-	1,019,320
-	31,458	51,968	118,959
-	-	-	2,606,657
-	31,458	51,968	2,725,616
\$ 223,141	\$ 31,458	\$ 51,968	\$ 3,744,936
\$ 140	\$ 4,365	\$ 1,854	\$ 131,892
-	-	-	206,869
2,700	-	-	2,700
832	-	-	2,348,053
-	-	-	8,531
-	-	-	125,761
-	-	-	58,023
3,672	4,365	1,854	2,881,829
40,000	-	-	717,879
-	-	-	51,477
40,000	-	-	769,356
43,672	4,365	1,854	3,651,185
-	-	-	2,606,657
179,469	27,093	50,114	(2,512,906)
179,469	27,093	50,114	93,751
\$ 223,141	\$ 31,458	\$ 51,968	\$ 3,744,936

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, 2009

	School Nutrition	Child Care	Preschool
Operating revenues:			
Student activities	\$ -	\$ -	\$ -
Charges for services:			
Sale of food	4,299,622	-	-
Child care	-	3,218,833	-
Miscellaneous	60	3,000	-
Total operating revenues	4,299,682	3,221,833	-
Operating expenses:			
Student services	14,419,438	-	-
School nutrition, depreciation	368,731	-	-
Community services	-	3,468,091	-
Total operating expenses	14,788,169	3,468,091	-
Operating income (loss)	(10,488,487)	(246,258)	-
Nonoperating revenues (expenses):			
Other local sources	64,091	-	-
State sources	140,683	-	-
Federal sources	10,077,313	-	-
Interest expense	-	-	-
Loss on disposal of capital assets	(2,779)	-	-
Total nonoperating revenues (expenses)	10,279,308	-	-
Changes in net assets (deficit)	(209,179)	(246,258)	-
Total net assets (deficit), beginning of year	726,042	244,349	(677,879)
Total net assets (deficit), end of year	\$ 516,863	\$ (1,909)	\$ (677,879)

Home Remodeling	Automotive	Wellness Center	Total
\$ -	\$ 1,980	\$ -	\$ 1,980
-	-	-	4,299,622
-	-	-	3,218,833
-	-	65,570	68,630
-	1,980	65,570	7,589,065
-	41,726	-	14,461,164
-	-	-	368,731
6,146	-	48,236	3,522,473
6,146	41,726	48,236	18,352,368
(6,146)	(39,746)	17,334	(10,763,303)
-	42,599	-	106,690
-	-	-	140,683
-	-	-	10,077,313
(1,800)	-	-	(1,800)
-	-	-	(2,779)
(1,800)	42,599	-	10,320,107
(7,946)	2,853	17,334	(443,196)
187,415	24,240	32,780	536,947
\$ 179,469	\$ 27,093	\$ 50,114	\$ 93,751

Des Moines Independent Community School District

Combining Statement of Cash Flows

All Nonmajor Enterprise Funds

Year Ended June 30, 2009

	School Nutrition	Child Care	Preschool
Cash flows from operating activities:			
Cash received from user charges	\$ 4,267,853	\$ 3,150,561	\$ -
Cash payments to employees for services	(7,384,631)	(3,076,351)	-
Cash payments to suppliers for goods and services	(6,304,230)	(392,853)	-
Net cash provided by (used in) operating activities	(9,421,008)	(318,643)	-
Cash flows from noncapital financing activities:			
Payments from other funds	628,292	319,712	-
Payments to other funds	-	-	-
Nonoperating grants and donations received	9,381,523	-	-
Net cash provided by (used in) noncapital financing activities	10,009,815	319,712	-
Cash flows from capital and related financing activities, acquisition of capital assets			
	(597,260)	-	-
Net increase (decrease) in cash and cash equivalents	(8,453)	1,069	-
Cash and cash equivalents, beginning of year	8,453	50	-
Cash and cash equivalents, end of year	\$ -	\$ 1,119	\$ -
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (10,488,487)	\$ (246,258)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	368,731	-	-
Commodities used	853,637	-	-
Changes in assets and liabilities:			
Receivables	(44,004)	(80,580)	-
Inventories	(72,207)	-	-
Prepaid items	(385)	-	-
Accounts payable and due to other governments	96,525	(11,337)	-
Unearned revenue	12,175	9,308	-
Accrued liabilities and compensated absences	(146,993)	10,224	-
Net cash provided by (used in) operating activities	\$ (9,421,008)	\$ (318,643)	\$ -
Noncash items:			
Noncapital financing activities, commodities received from US Department of Agriculture	\$ 853,637	\$ -	\$ -

Home Remodeling	Automotive	Wellness Center	Total
\$ -	\$ 2,200	\$ 65,570	\$ 7,486,184
-	-	-	(10,460,982)
(6,966)	(37,501)	(46,382)	(6,787,932)
(6,966)	(35,301)	19,188	(9,762,730)
6,966	-	-	954,970
-	(7,298)	(19,188)	(26,486)
-	42,599	-	9,424,122
6,966	35,301	(19,188)	10,352,606
-	-	-	(597,260)
-	-	-	(7,384)
-	-	-	8,503
\$ -	\$ -	\$ -	\$ 1,119

\$ (6,146)	\$ (39,746)	\$ 17,334	\$ (10,763,303)
-	-	-	368,731
-	-	-	853,637
-	220	-	(124,364)
-	-	-	(72,207)
-	-	-	(385)
(820)	4,225	1,854	90,447
-	-	-	21,483
-	-	-	(136,769)
\$ (6,966)	\$ (35,301)	\$ 19,188	\$ (9,762,730)

\$ - \$ - \$ - \$ 853,637

Des Moines Independent Community School District

Combining Statement of Net Assets (Deficit)

All Internal Service Funds

June 30, 2009

	Self-Insurance	Risk Management	Collage	Print Shop	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 16,587,710	\$ 211,490	\$ 150	\$ -	\$ 16,799,350
Due from other funds	2,347,221	-	-	-	2,347,221
Due from other governments	-	-	-	29,896	29,896
Inventories	-	-	-	60,703	60,703
Prepaid items	5,000	-	-	-	5,000
Total current assets	18,939,931	211,490	150	90,599	19,242,170
Noncurrent assets:					
Advances to other funds	8,153	-	-	43,146	51,299
Depreciable assets, net	-	-	-	112,022	112,022
Total noncurrent assets	8,153	-	-	155,168	163,321
Total assets	\$ 18,948,084	\$ 211,490	\$ 150	\$ 245,767	\$ 19,405,491
Liabilities					
Current liabilities:					
Accounts payable	\$ 552,310	\$ 168,608	\$ 324	\$ 13,632	\$ 734,874
Claims payable	4,485,806	-	-	-	4,485,806
Accrued payroll	-	-	547	2,234	2,781
Unearned revenue	34,800	-	-	-	34,800
Compensated absences	-	-	2,969	7,020	9,989
Total current liabilities	5,072,916	168,608	3,840	22,886	5,268,250
Noncurrent liabilities:					
Advances from other funds	-	-	51,299	-	51,299
Compensated absences	-	-	858	8,601	9,459
Total noncurrent liabilities	-	-	52,157	8,601	60,758
Total liabilities	5,072,916	168,608	55,997	31,487	5,329,008
Net Assets (Deficit)					
Invested in capital assets	-	-	-	112,022	112,022
Unrestricted	13,875,168	42,882	(55,847)	102,258	13,964,461
Total net assets (deficit)	13,875,168	42,882	(55,847)	214,280	14,076,483
Total liabilities and net assets (deficit)	\$ 18,948,084	\$ 211,490	\$ 150	\$ 245,767	\$ 19,405,491

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, 2009

	Self-Insurance	Risk Management	Collage	Print Shop	Total
Operating revenues:					
Charges for services:					
Employee benefits	\$ 49,725,820	\$ 916,393	\$ -	\$ -	\$ 50,642,213
Miscellaneous	-	-	48,634	311,885	360,519
Total operating revenues	49,725,820	916,393	48,634	311,885	51,002,732
Operating expenses:					
Employee benefits	45,084,050	924,229	-	-	46,008,279
Depreciation	-	-	-	12,104	12,104
Miscellaneous	-	-	66,643	274,218	340,861
Total operating expenses	45,084,050	924,229	66,643	286,322	46,361,244
Operating income (loss)	4,641,770	(7,836)	(18,009)	25,563	4,641,488
Total net assets (deficit), beginning of year	9,233,398	50,718	(37,838)	188,717	9,434,995
Total net assets (deficit), end of year	\$ 13,875,168	\$ 42,882	\$ (55,847)	\$ 214,280	\$ 14,076,483

Des Moines Independent Community School District

Combining Statement of Cash Flows
All Internal Service Funds
Year Ended June 30, 2009

	Risk				
	Self-Insurance	Management	Collage	Print Shop	Total
Cash flows from operating activities:					
Cash received from user charges	\$ 49,728,136	\$ 916,393	\$ 48,634	\$ 281,989	\$ 50,975,152
Cash payments to employees for services	-	-	(60,585)	(180,271)	(240,856)
Cash payments to suppliers for goods and services	(45,169,871)	(755,621)	(5,534)	(80,179)	(46,011,205)
Net cash provided by (used in) operating activities	4,558,265	160,772	(17,485)	21,539	4,723,091
Cash flows from noncapital financing activities:					
Proceeds from other funds	-	-	17,485	-	17,485
Payments to other funds	(624,238)	-	-	(21,539)	(645,777)
Net cash provided by (used in) noncapital financing activities	(624,238)	-	17,485	(21,539)	(628,292)
Net increase in cash and cash equivalents	3,934,027	160,772	-	-	4,094,799
Cash and cash equivalents, beginning of year	12,653,683	50,718	150	-	12,704,551
Cash and cash equivalents, end of year	<u>\$ 16,587,710</u>	<u>\$ 211,490</u>	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ 16,799,350</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 4,641,770	\$ (7,836)	\$ (18,009)	\$ 25,563	\$ 4,641,488
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	-	12,104	12,104
Changes in assets and liabilities:					
Receivables	-	-	-	(29,896)	(29,896)
Inventories	-	-	-	1,720	1,720
Prepaid items	(5,000)	-	-	-	(5,000)
Accounts payable	13,645	168,608	210	12,714	195,177
Claims payable	(94,466)	-	-	-	(94,466)
Unearned revenue	2,316	-	-	-	2,316
Accrued liabilities	-	-	314	(666)	(352)
Net cash provided by (used in) operating activities	\$ 4,558,265	\$ 160,772	\$ (17,485)	\$ 21,539	\$ 4,723,091

Des Moines Independent Community School District

Combining Statement of Assets and Liabilities

All Agency Funds

June 30, 2009

	Faculty and Staff	Urban Education Network	Total
Assets, cash and cash equivalents	<u>\$ 173,994</u>	<u>\$ 79,883</u>	<u>\$ 253,877</u>
Liabilities			
Accounts payable	\$ 3,926	\$ -	\$ 3,926
Due to other governmental units	170,068	79,883	249,951
Total liabilities	<u>\$ 173,994</u>	<u>\$ 79,883</u>	<u>\$ 253,877</u>

Des Moines Independent Community School District

Combining Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended June 30, 2009

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
Faculty and Staff				
Assets				
Cash and cash equivalents	\$ 158,257	\$ 201,143	\$ 185,406	\$ 173,994
Liabilities				
Accounts payable	\$ 5,557		\$ 1,631	\$ 3,926
Due to other governmental units	152,700	17,368	-	170,068
Total liabilities	\$ 158,257	\$ 17,368	\$ 1,631	\$ 173,994
Urban Education Network				
Assets				
Cash and cash equivalents	\$ 76,074	\$ 62,437	\$ 58,628	\$ 79,883
Liabilities				
Due to other governmental units	\$ 76,074	\$ 3,809	\$ -	\$ 79,883
Total				
Assets				
Cash and cash equivalents	\$ 234,331	\$ 263,580	\$ 244,034	\$ 253,877
Liabilities				
Accounts payable	\$ 5,557	\$ -	\$ 1,631	\$ 3,926
Due to other governmental units	228,774	21,177	-	249,951
Total liabilities	\$ 234,331	\$ 21,177	\$ 1,631	\$ 253,877

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.	72 - 87
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).	88 - 94
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.	95 - 100
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.	101 - 102
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.	103 - 125

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

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

* 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		
\$	166,212,168	\$	193,522,406	\$	223,847,057	\$	261,303,316	\$	295,531,637	
	8,678,939		31,370,418		35,019,609		28,171,672		27,723,729	
	26,325,637		14,399,109		21,372,567		20,680,456		17,189,578	
\$	201,216,744	\$	239,291,933	\$	280,239,233	\$	310,155,444	\$	340,444,944	
\$	2,363,403	\$	2,391,487	\$	2,320,931	\$	2,380,907	\$	2,606,657	
	-		-		-		-		-	
	912,110		675,842		(288,605)		(1,843,960)		(2,512,906)	
\$	3,275,513	\$	3,067,329	\$	2,032,326	\$	536,947	\$	93,751	
\$	168,575,571	\$	195,913,893	\$	226,167,988	\$	263,684,223	\$	298,138,294	
	8,678,939		31,370,418		35,019,609		28,171,672		27,723,729	
	27,237,747		15,074,951		21,083,962		18,836,496		14,676,672	
\$	204,492,257	\$	242,359,262	\$	282,271,559	\$	310,692,391	\$	340,538,695	

Des Moines Independent Community School District

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

	Fiscal Year		
	2002	2003	2004
Expenses:			
Governmental activities:			
Instruction	\$ 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			
\$	191,094,307	\$	206,822,872	\$	210,863,364	\$	229,908,604	\$	238,676,928
	16,566,058		17,175,275		17,565,934		19,144,119		20,471,493
	5,322,439		6,440,206		7,784,381		8,020,675		8,445,248
	5,246,763		4,234,165		3,862,718		4,806,286		5,282,473
	-		-		-		-		-
	15,046,750		16,616,658		17,965,958		18,205,319		18,902,199
	-		-		-		-		-
	6,669,808		7,292,653		9,116,886		9,754,807		8,354,561
	26,731,721		30,416,184		31,675,467		33,557,855		35,647,890
	8,783,899		10,189,064		10,856,840		10,635,752		10,518,100
	1,149,267		1,367,676		1,943,137		1,879,027		2,055,069
	9,445,390		9,855,798		10,455,648		10,993,407		11,511,318
	159,296		101,253		894,900		835,766		709,817
	286,215,698		310,511,804		322,985,233		347,741,617		360,575,096
	12,207,914		12,865,670		13,856,434		14,833,221		14,790,948
	4,277,713		4,461,347		2,530,578		3,479,097		3,468,091
	-		-		2,224,190		-		-
	109,722		99,833		112,292		99,935		97,908
	16,595,349		17,426,850		18,723,494		18,412,253		18,356,947
\$	302,811,047	\$	327,938,654	\$	341,708,727	\$	366,153,870	\$	378,932,043
\$	12,378,325	\$	11,123,854	\$	12,002,157	\$	10,969,649	\$	10,625,291
	10,602,249		11,153,073		11,332,332		11,417,248		12,351,149
	42,485,746		48,330,052		50,812,813		63,411,312		75,779,208
	896,674		1,771,836		3,652,164		700,002		3,436,715
	66,362,994		72,378,815		77,799,466		86,498,211		102,192,363

Des Moines Independent Community School District

Expenses, Program Revenues and Net (Expense) Revenue (Continued)
 Last Eight 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			
\$	4,238,988	\$	3,933,497	\$	3,904,411	3,845,874	4,299,682		
	4,276,989		4,516,777		2,555,465	3,172,336	3,221,833		
	-		-		1,909,835	-	-		
	92,967		129,302		78,934	72,913	67,550		
	8,049,101		8,639,090		9,239,846	9,825,079	10,324,686		
	-		-		-	672	-		
	16,658,045		17,218,666		17,688,491	16,916,874	17,913,751		
\$	83,021,039	\$	89,597,481	\$	17,688,491	\$	17,688,491	\$	120,106,114
\$	(219,852,704)	\$	(238,132,989)	\$	(245,185,767)	(261,243,406)	(258,382,733)		
	62,696		(208,184)		(1,035,003)	(1,495,379)	(443,196)		
\$	(219,790,008)	\$	(238,341,173)	\$	(246,220,770)	\$	(262,738,785)	\$	(258,825,929)

Des Moines Independent Community School District

General Revenues and Total Change in Net Assets

Last Eight 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 capitol 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	
\$	(219,852,704)	\$	(238,132,989)	\$	(245,185,767)	\$	(261,243,406)	\$	(258,382,733)
	62,696		(208,184)		(1,035,003)		(1,495,379)		(443,196)
	(219,790,008)		(238,341,173)		(246,220,770)		(262,738,785)		(258,825,929)
	77,061,329		82,065,094		85,406,700		86,343,532		89,272,177
	11,612,920		8,306,453		8,641,311		8,781,855		9,168,606
	5,582,876		5,611,478		5,921,615		6,007,979		6,313,191
	711,481		721,094		755,290		762,490		796,190
	827,636		-		-		-		-
	30,341,530		31,448,902		30,872,838		31,143,691		28,221,919
	135,379,841		142,415,603		146,594,229		152,188,242		151,858,708
	1,396,742		2,719,950		5,284,862		2,966,414		623,796
	805,062		997,253		1,230,586		1,587,590		1,115,926
	1,862,040		1,922,351		1,425,636		1,357,067		1,301,720
	163		-		-		-		-
	(622,806)		-		-		-		-
	-		-		-		20,757		-
	264,958,814		276,208,178		286,133,067		291,159,617		288,672,233
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	622,806		-		-		-		-
	622,806		-		-		-		-
	265,581,620		276,208,178		286,133,067		291,159,617		288,672,233
	45,106,110		38,075,189		40,947,300		29,916,211		30,289,500
	685,502		(208,184)		(1,035,003)		(1,495,379)		(443,196)
\$	45,791,612	\$	37,867,005	\$	39,912,297	\$	28,420,832	\$	29,846,304

Des Moines Independent Community School District

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

	Fiscal Year			
	2000	2001	2002	2003
General Fund:				
Reserved	\$ 4,417,383	\$ 7,697,522	\$ 1,985,801	\$ 3,601,968
Unreserved	14,706,810	20,554,554	13,794,063	9,062,956
Total General Fund	\$ 19,124,193	\$ 28,252,076	\$ 15,779,864	\$ 12,664,924
All other governmental funds:				
Reserved	\$ -	\$ -	\$ 10,749,545	\$ 3,905,384
Unreserved, reported in:				
Capital projects funds	(686,656)	8,963,934	-	-
Debt service	173,978	202,338	-	-
Permanent funds	-	-	1,742	-
Special revenue funds	10,192,270	7,233,539	7,744,496	6,547,747
Total all other governmental funds	\$ 9,679,592	\$ 16,399,811	\$ 18,495,783	\$ 10,453,131

Source: Comprehensive Annual Financial Report

		Fiscal Year									
		2004	2005	2006	2007	2008	2009				
\$	1,551,636	\$	4,508,471	\$	4,833,376	\$	6,352,627	\$	7,181,428	\$	11,476,112
	9,945,507		16,062,254		22,338,620		23,016,816		18,517,645		12,224,448
\$	11,497,143	\$	20,570,725	\$	27,171,996	\$	29,369,443	\$	25,699,073	\$	23,700,560
\$	2,024,598	\$	2,363,581	\$	879,079	\$	437,781	\$	702,247	\$	2,826,104
	(822,926)		13,583,764		18,562,188		21,210,594		14,048,083		6,030,119
	-		-		-		-		-		-
	-		-		-		-		1,515		1,641
	2,610,761		7,788,537		9,740,894		9,680,298		9,254,412		10,887,744
\$	3,812,433	\$	23,735,882	\$	29,182,161	\$	31,328,673	\$	24,006,257	\$	19,745,608

Des Moines Independent Community School District

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

	Fiscal Year			
	2000	2001	2002	2003
Federal sources, federal grants and other outside sources	\$ 14,722,859	\$ 18,787,977	\$ 20,773,154	\$ 20,848,556
State sources, state foundation aid and other sources	126,818,946	143,891,010	145,917,231	152,676,070
Intermediate sources	-	7,165,266	7,040,915	7,263,637
Local sources, local and other sources	101,880,432	121,976,971	125,599,502	131,382,524
Total revenues	\$ 243,422,237	\$ 291,821,224	\$ 299,330,802	\$ 312,170,787

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					
2004		2005		2006		2007		2008		2009	
\$	21,409,808	\$	23,768,893	\$	28,517,075	\$	23,682,244	\$	30,387,722	\$	35,826,527
	153,222,634		156,939,811		165,966,827		173,169,285		186,768,387		192,271,659
	6,835,392		7,021,145		7,427,928		8,184,914		9,203,713		827,589
	136,392,286		143,679,034		146,054,311		152,490,096		151,092,795		163,293,732
\$	317,860,120	\$	331,408,883	\$	347,966,141	\$	357,526,539	\$	377,452,617	\$	392,219,507

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			
	2000	2001	2002	2003
Instruction	\$ 149,728,977	\$ 164,642,037	\$ 180,806,275	\$ 184,245,408
Student services	25,026,413	16,442,820	17,744,612	18,568,437
Instructional support services	5,099,140	4,674,025	4,256,486	3,321,896
General administration	3,095,970	6,260,783	4,209,084	4,705,436
Building administration	12,764,707	12,449,136	14,664,633	15,213,947
Business and central administration	-	-	-	-
Business administration	1,857,585	1,660,945	2,056,846	1,925,782
Central support services, including debt service	6,382,862	4,389,978	5,458,498	4,254,090
Plant operation & maintenance	23,548,008	24,573,502	26,150,789	28,084,315
Insurance	2,169,081	-	-	-
Student transportation	-	6,080,206	7,343,760	8,239,923
Non-instructional	-	917,469	655,622	537,008
AEA support	-	9,571,270	9,578,154	9,837,474
Unemployment compensation	261,263	-	-	-
Capital outlay	11,259,934	22,405,759	32,049,074	43,516,436
Capital outlay not capitalized	-	-	-	-
Debt service:				
Principal retirement	1,170,000	1,285,000	1,340,000	970,000
Interest	249,978	206,720	159,817	130,334
Bond issuance costs	-	-	6,100	-
Other	-	-	-	-
Total expenditures	\$ 242,613,918	\$ 275,559,650	\$ 306,479,750	\$ 323,550,486
Debt service as a percentage of noncapital expenditures	0.61%	0.59%	0.55%	0.39%

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									
		2004	2005	2006	2007	2008	2009				
\$	185,632,366	\$	185,395,424	\$	199,686,716	\$	204,333,386	\$	225,309,061	\$	232,694,472
	18,959,957		16,530,525		17,263,980		17,993,709		19,497,475		20,831,163
	3,081,329		5,279,975		6,467,422		7,685,131		8,138,207		8,604,544
	5,195,648		5,117,631		4,328,391		3,930,504		4,778,387		5,175,484
	15,078,066		15,179,285		16,642,315		18,113,129		18,519,205		19,539,562
	-		6,312,099		7,263,248		9,100,426		9,240,852		7,447,867
	2,247,970		-		-		-		-		-
	4,558,016		-		-		-		-		-
	26,862,859		27,167,978		30,232,224		31,913,066		33,505,014		35,133,406
	-		-		-		-		-		-
	8,525,861		8,382,171		9,452,879		10,187,970		10,009,481		9,876,399
	670,356		899,519		1,158,221		1,952,323		1,981,376		2,020,184
	9,140,786		9,445,390		9,855,798		10,455,648		10,993,407		11,511,318
	-		-		-		-		-		-
	48,675,157		20,498,715		32,154,840		56,005,258		41,304,558		22,482,126
	-		-		1,304,604		79,949		2,302,867		4,114,439
	1,020,000		1,445,000		470,000		1,285,000		2,090,000		18,810,000
	90,488		158,810		100,767		806,381		822,738		741,648
	25,344		-		-		65,000		-		-
	-		-		-		-		-		-
\$	329,764,203	\$	301,812,522	\$	336,381,405	\$	373,906,880	\$	388,492,628	\$	398,982,612
	0.40%		0.57%		0.19%		0.68%		0.84%		5.19%

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			
	2000	2001	2002	2003
Excess of revenues over (under) expenditures	\$ 808,319	\$ 16,261,574	\$ (7,148,948)	\$ (11,379,699)
Other financing sources (uses):				
Restatement of fund balance	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds from sale of capital assets	-	-	450,000	222,104
Proceeds from insurance recoveries	-	-	-	-
Premiums	-	-	-	-
Transfers in	-	241,343	1,625,415	169,250
Transfers out	-	(654,815)	(248,789)	(169,250)
Total other financing sources (uses)	-	(413,472)	1,826,626	222,104
Net change in fund balances	\$ 808,319	\$ 15,848,102	\$ (5,322,322)	\$ (11,157,595)

Source: Comprehensive Annual Financial Report

						Fiscal Year					
2004		2005		2006		2007		2008		2009	
\$	(11,904,083)	\$	29,596,361	\$	11,584,736	\$	(16,380,341)	\$	(11,040,011)	\$	(6,763,105)
	-		-		-		-		-		-
	4,100,000		-		-		20,700,000		-		-
	23,665		23,313		462,814		24,300		47,225		116,446
	-		-		-		-		-		387,497
	21,939		-		-		-		-		-
	1,067,945		614,771		823,295		2,091,381		2,912,738		19,551,648
	(1,117,945)		(1,237,414)		(823,295)		(2,091,381)		(2,912,738)		(19,551,648)
	4,095,604		(599,330)		462,814		20,724,300		47,225		503,943
\$	(7,808,479)	\$	28,997,031	\$	12,047,550	\$	4,343,959	\$	(10,992,786)	\$	(6,259,162)

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
1998	1999-00	\$ 2,210,604,041	\$ 5,933,108,691	\$ 81,303,152	\$ 81,303,152
1999	2000-01	4,370,994,261	6,308,692,850	64,304,468	64,304,468
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	-	-

Source: Polk County Auditor and Warren County Auditor

Railroad and Utilities Without Gas & Electric		Gas & Electric		Total		Total Direct Rate
Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	
\$ 309,051,379	\$ 309,051,379	\$ -	\$ -	\$ 2,600,958,572	\$ 6,323,463,222	16.96196
46,977,173	47,050,335	240,556,711	240,556,711	4,722,832,613	6,660,604,364	16.94943
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

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	
1998	1999-00	\$ 14.58568	\$ 0.93019	\$ 0.33000	\$ 0.13500	\$ 0.67499	\$ 0.30610	\$ 16.96196
1999	2000-01	15.27113	0.91195	0.33000	0.13500	-	0.30135	16.94943
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

(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
\$ 6.38493	\$ 2.55357	\$ 16.81579	\$ 11.66573	\$ 8.83994	\$ 10.91900	\$ 10.89994	\$ 1.24386	\$ 0.03430	\$ 0.30594	\$ 0.00500
6.34845	2.55571	16.57304	11.60937	8.97000	10.92057	10.90000	1.25737	0.03501	0.31454	0.00500
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

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
1998	1999-00	\$ 0.52451	\$ 0.06024	\$ 1.00000	\$ 1.50000	\$ 1.50000	\$ -	\$ -
1999	2000-01	0.54506	0.05743	1.00000	1.50000	1.50000	-	-
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

Source: Polk County Auditor

Des Moines Independent Community School District

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

Taxpayer	2009			2000		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Principal Financial Group, Inc.	\$ 260,785,000	1	4.47%	\$ 191,835,915	2	3.41%
Nationwide Mutual	184,594,200	2	3.17%			0.00%
Polk County	117,975,840	3	2.02%			0.00%
Valley West DM	67,710,000	4	1.16%	71,851,470	4	1.28%
Pioneer	55,609,500	5	0.95%			0.00%
MidAmerican Energy	53,600,900	6	0.92%	319,962,008	1	5.69%
Wells Fargo	51,402,100	7	0.88%			0.00%
Employers Mutual	50,703,070	8	0.87%			0.00%
IFBF Property Management	45,599,700	9	0.78%			0.00%
Deerfield Retirement	45,599,700	10	0.78%			0.00%
Qwest Communications			-	80,897,787	3	1.44%
Mid-America Investment			-	60,981,770	5	1.08%
William Knapp			-	60,844,280	6	1.08%
Merle Hay Mall			-	56,723,300	7	1.01%
Iowa Methodist			-	46,465,950	8	0.83%
John Deere			-	44,138,173	9	0.78%
Firestone			-	42,022,197	10	0.75%
Total	\$ 933,580,010		16.02%	\$ 975,722,850		17.34%

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
2000	\$ 78,458,139	\$ 79,579,260	101.43%	\$ -	\$ -	-
2001	80,096,548	79,898,231	99.75%	-	-	-
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%	-	-	-

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 Assessed	
				General Obligation Bonds	General Obligation Capital Loan Notes	Qualified Zone Academy Bonds		Value	Per Capita
2000	198,682	\$6,323,463,222	\$316,173,161	\$ 5,525,000	\$ -	\$ -	\$ 5,525,000	1.75%	\$ 27.81
2001	198,682	6,660,604,364	333,030,218	4,240,000	-	-	4,240,000	1.27%	21.34
2002	198,682	7,056,208,822	352,810,441	2,900,000	450,000	-	3,350,000	0.95%	16.86
2003	196,093	7,755,375,362	387,768,768	1,975,000	405,000	1,000,000	3,380,000	0.87%	17.24
2004	196,093	8,334,352,394	416,717,620	1,000,000	3,460,000	1,000,000	5,460,000	1.31%	27.84
2005	196,093	8,740,420,059	437,021,003	-	3,015,000	1,000,000	4,015,000	0.92%	20.47
2006	196,093	8,862,397,979	443,119,899	-	2,545,000	1,000,000	3,545,000	0.80%	18.08
2007	196,093	9,736,175,724	486,808,786	-	2,060,000	1,000,000	3,060,000	0.63%	15.60
2008	196,093	9,883,067,441	494,153,372	-	1,570,000	1,000,000	2,570,000	0.52%	13.11
2009	196,093	10,685,070,692	534,253,535	-	1,060,000	1,000,000	2,060,000	0.39%	10.51

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			
2000	\$ 5,525,000	\$ -	\$ -	\$ -	\$ 5,525,000	0.09%	\$ 28.60
2001	4,240,000	-	-	-	4,240,000	0.07%	\$ 21.34
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

Source: District Records

Des Moines Independent Community School District

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2009
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Overlapping:			
City of Des Moines	\$ 360,040,000	96.4%	\$ 347,079,000
City of Pleasant Hill	9,585,000	24.1%	2,310,000
City of Urbandale	43,019,595	10.0%	4,302,000
City of Windsor Heights	12,715,000	0.9%	114,000
City of West Des Moines	76,552,500	0.1%	77,000
Des Moines Area Community College	82,500,000	30.1%	24,833,000
Polk County	227,335,000	35.3%	80,249,000
Warren County	420,000	5.4%	23,000
Subtotal, overlapping debt	812,167,095		458,987,000
Direct, Des Moines Independent Community School District:			
General Obligation	1,060,000	100.0%	1,060,000
Qualified Zone Academy Bonds	1,000,000	100.0%	1,000,000
Sales tax revenue bond	-	100.0%	-
Subtotal direct debt	2,060,000		2,060,000
Total direct and overlapping debt	\$ 814,227,095		\$ 461,047,000

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)

	2000	2001	2002	2003
Debt limit	\$ 316,173,161	\$ 333,030,218	\$ 352,810,441	\$ 387,768,768
Total net debt applicable to limit	5,525,000	4,240,000	3,350,000	3,380,000
Legal debt margin	<u>\$ 310,648,161</u>	<u>\$ 328,790,218</u>	<u>\$ 349,460,441</u>	<u>\$ 384,388,768</u>
Total net debt applicable to the limit as a percentage of debt limit	1.78%	1.29%	0.96%	0.88%

Source: Polk County Auditor and District Records

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed value \$ 10,685,070,692

Debt limit (5% of assessed value) \$ 534,253,535

Debt applicable to limit 2,060,000

Legal debt margin \$ 532,193,535

	2004	2005	2006	2007	2008	2009
\$	416,717,620	\$ 437,021,003	\$ 443,119,899	\$ 486,808,786	\$ 494,153,352	\$ 534,253,535
	5,460,000	4,015,000	3,545,000	22,960,000	20,870,000	2,060,000
\$	411,257,620	\$ 433,006,003	\$ 439,574,899	\$ 463,848,786	\$ 473,283,352	\$ 532,193,535
	1.33%	0.93%	0.81%	4.95%	4.41%	0.39%

Des Moines Independent Community School District

Pledged-Revenue Coverage
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year	Local Option Sales and Services Tax				Coverage
	Revenue	Debt Service		Interest	
		Principal			
2000	N/A	N/A		N/A	N/A
2001	N/A	N/A		N/A	N/A
2002	N/A	N/A		N/A	N/A
2003	N/A	N/A		N/A	N/A
2004	N/A	N/A		N/A	N/A
2005	N/A	N/A		N/A	N/A
2006	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%

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

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
1999	193,187	\$ 31,546	6,094,277,102	2.4%
2000	198,682	32,714	6,499,682,948	3.5%
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%

Note: FY2000 through FY2009 from the 2000 US Census.
Source: Iowa Workforce Development

Des Moines Independent Community School District

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

Employer	2009			2000		
	Employees *	Rank	Percentage of Total Employment	Employees *	Rank	Percentage of Total Employment
Principal Financial Group, Inc.		1			1	
Des Moines Independent CSD	4,877	2			2	
Iowa Health Systems		3			3	
Mercy Medical Center		4			-	
Blank Children's Pediatric		5			4	
CDS Global		6			5	
Des Moines Register		7			-	
Employers Mutuals		8			-	
Firestone Agricultural Tire		9			6	
Lutheran Services of Iowa		10			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.

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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				
	2000*	2001*	2002*	2003	2004
Administrators					
Central Office			43.0	36.5	33.5
Elementary Schools			46.0	42.0	35.0
Middle Schools			22.0	22.0	21.5
High Schools			23.0	26.0	24.5
Special Schools			6.0	6.0	7.0
Total Administrators	127.0	132.0	140.0	132.5	121.5
Teachers					
Athletic Directors			6.0	6.0	6.0
Non-classroom teachers			3.0	9.2	14.7
Classroom teachers			1,539.6	1,529.8	1,521.4
Technology consultants			4.6	2.4	2.4
Counselors			95.4	90.9	88.4
Dean of Students			11.0	21.0	24.0
Educational tech support			7.0	2.0	2.0
ELL			67.5	65.8	66.0
Facilitator			4.5	5.8	6.9
Gifted and Talented			12.3	12.1	11.1
Head Start			15.4	16.0	14.0
Home Instruction			9.5	9.5	10.5
Library/Media specialists			25.6	24.1	22.1
Literacy trainer			-	5.0	9.2
Montessori			5.8	6.4	7.0
New Horizons teachers			10.1	6.0	7.0
Nurses			58.8	56.9	55.2
Nursery			1.0	1.0	1.0
Preschool			6.0	12.1	21.1
Reading facilitators			6.2		
Special Ed literacy support			3.8	2.8	7.8
Special Ed teachers			526.3	516.3	539.8
Special Ed consultants			30.9	32.9	33.4
Special Ed Support			97.1	99.6	103.7
Title I			190.2	174.3	165.9
Float			-	3.5	0.5
Total teachers	2,489.9	2,620.8	2,737.6	2,711.3	2,741.0
Associates					
Central Office			-	5.8	6.6
Elementary Schools			240.7	224.6	212.0
Middle Schools			84.5	72.8	71.6
High Schools			98.6	95.1	74.6
Special Schools			179.4	172.6	196.8
Total associates	549.3	578.3	603.2	570.9	561.6

* Detail unavailable

Source: District records

(Continued)

Full-Time Equivalent Employees as of June 30					Percentage Change
2005	2006	2007	2008	2009	2000 - 2009
33.5	32.5	32.5	32.0	40.0	
33.0	33.0	33.0	33.0	36.0	
21.5	21.5	22.0	22.0	22.0	
24.5	24.5	26.0	29.0	28.0	
7.0	7.0	7.0	8.0	5.0	
119.5	118.5	120.5	124.0	131.0	3.1%
6.0	6.0	6.0	-	-	
33.8	35.5	36.7	30.1	21.8	
1,442.6	1,474.9	1,500.0	1,541.5	1,538.5	
2.4	2.4	2.4	2.0	1.0	
75.0	73.9	75.2	76.7	81.9	
26.3	27.7	31.2	34.0	31.4	
2.0	1.2	3.4	4.2	3.0	
66.5	67.1	85.7	84.3	81.3	
7.9	7.9	7.9	7.0	8.0	
8.5	8.5	8.5	7.5	7.5	
15.0	15.0	15.0	16.0	15.0	
9.5	9.5	9.5	8.5	8.5	
14.4	9.4	9.4	8.4	8.0	
7.2	6.0	6.0	-	-	
6.9	-	-	-	-	
5.0	5.0	5.5	6.5	8.0	
54.9	54.0	53.6	55.8	55.4	
1.0	-	-	-	-	
20.5	20.5	20.5	47.5	48.0	
5.8	10.6	8.6	-	-	
533.2	561.4	572.0	577.9	558.4	
32.4	30.2	29.2	31.0	31.0	
100.3	115.7	124.0	132.0	126.1	
156.8	172.0	158.6	172.0	185.3	
0.5	1.0	3.0	2.0	1.0	
2,634.4	2,715.3	2,771.8	2,844.9	2,819.1	13.2%
4.6	3.0	3.0	9.6	3.6	
208.5	239.7	245.3	254.5	252.9	
68.9	69.7	66.4	62.8	62.8	
58.4	69.0	70.0	70.5	72.5	
195.5	177.6	183.6	179.7	161.9	
535.9	559.0	568.3	577.1	553.7	0.8%

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				
	2000*	2001*	2002*	2003	2004
Specialist, Clerical, and Paraprofessionals					
Central Office			333.7	198.5	188.5
Elementary Schools			49.5	112.7	109.2
Middle Schools			24.0	45.1	46.0
High Schools			60.0	96.2	92.3
Special Schools			6.0	9.0	13.0
Total specialists, clerical, and paraprofessionals	419.6	435.6	473.2	461.5	449.0
Food Service, Operations, Transportation and Child Care					
Central Office			322.0	327.0	300.4
Elementary Schools			283.5	274.2	279.4
Middle Schools			142.5	140.8	142.2
High Schools			145.4	141.6	144.6
Special Schools			6.9	8.4	8.1
Total food svc, oper, transportation, and child care	858.3	817.2	900.4	892.0	874.8
Total	4,444.1	4,583.9	4,854.4	4,768.2	4,747.8

* Detail unavailable

Source: District records

Full-Time Equivalent Employees as of June 30					Percentage Change
2005	2006	2007	2008	2009	2000 - 2009
180.6	191.6	199.1	190.4	194.1	
111.7	110.8	112.6	113.7	114.7	
40.4	45.5	57.9	56.1	47.2	
90.3	87.6	99.2	109.4	119.9	
24.5	15.0	15.0	15.1	9.4	
447.5	450.5	483.8	484.7	485.3	15.7%
333.0	326.2	328.8	357.1	365.1	
282.7	282.2	286.2	267.1	272.0	
119.0	117.4	115.2	113.1	111.9	
131.9	128.1	137.5	126.5	127.6	
11.0	10.4	11.0	12.1	12.3	
877.7	864.3	878.6	876.0	888.9	3.6%
4,614.9	4,707.6	4,823.0	4,906.7	4,878.0	9.8%

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
2000	32,064.0	*	*	*	*	*	*
2001	32,200.0	*	*	*	*	*	*
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)

Fiscal Year	Teaching Staff	Percentage of Students Receiving Free or Reduced-Priced Meals
2000	2,489.9	43%
2001	2,620.8	44
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

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			
	2000	2001	2002	2003
Elementary:				
Name (Year)	Adams	Adams	Adams	Adams
Square feet	49,995	49,995	49,995	49,995
Capacity	420	420	420	420
Enrollment	365	334	321	321
Name (Year)	Brooks/Lucas	Brooks/Lucas	Brooks	Brooks
Square feet	44,090	44,090	-	-
Capacity	400	400	-	-
Enrollment	566	545	-	-
Name (Year)	Brubaker	Brubaker	Brubaker	Brubaker
Square feet	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-
Name (Year)	Capital View	Capital View	Capital View	Capital View
Square feet	-	-	76,525	76,525
Capacity	-	-	710	710
Enrollment	-	-	579	668
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	432	478	446	407
Name (Year)	Cowles	Cowles	Cowles	Cowles
Square feet	42,800	42,800	42,800	42,800
Capacity	380	380	380	380
Enrollment	87	107	131	147
Name (Year)	Douglas	Douglas	Douglas	Douglas
Square feet	42,601	42,601	42,601	42,601
Capacity	575	575	575	575
Enrollment	442	406	381	372
Name (Year)	Downtown	Downtown	Downtown	Downtown
Square feet	32,767	32,767	32,767	32,767
Capacity	270	270	270	270
Enrollment	158	160	264	266
Name (Year)	Edmunds	Edmunds	Edmunds	Edmunds
Square feet	45,930	45,930	45,930	45,930
Capacity	320	320	320	320
Enrollment	348	299	291	218
Name (Year)	Findley	Findley	Findley	Findley
Square feet	38,354	38,354	38,354	38,354
Capacity	380	380	380	380
Enrollment	371	351	307	296
Name (Year)	Garton	Garton	Garton	Garton
Square feet	43,290	43,290	43,290	43,290
Capacity	500	500	500	500
Enrollment	395	371	371	351

(Continued)

		Fiscal Year					
		2004	2005	2006	2007	2008	2009
Adams	Adams	49,995	49,995	49,995	49,995	49,995	49,995
		420	420	420	420	420	432
		335	336	337	294	-	-
Brooks	Brooks	-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
Brubaker	Brubaker	78,224	78,224	78,224	78,224	78,224	78,224
		720	720	720	720	720	792
		633	664	655	717	715	684
Capital View	Capital View	76,525	76,525	76,525	76,525	75,740	75,740
		710	710	710	710	710	720
		600	632	620	619	630	541
Carver	Carver	-	-	-	-	93,627	91,500
		-	-	-	-	690	720
		-	-	-	-	647	560
Cattell	Cattell	47,821	47,821	47,821	47,821	47,821	47,821
		460	460	460	460	460	408
		405	354	331	339	354	400
Cowles	Cowles	42,800	42,800	42,800	42,800	42,800	42,800
		380	380	380	380	380	432
		137	154	194	224	290	299
Douglas	Douglas	42,601	42,601	42,601	42,601	42,601	42,601
		575	575	575	575	575	360
		-	-	-	-	-	-
Downtown	Downtown	32,767	32,767	32,767	32,767	32,767	32,767
		270	270	270	270	270	264
		271	268	264	272	268	258
Edmunds	Edmunds	45,930	45,930	45,930	45,930	45,930	45,930
		320	320	320	320	320	240
		237	196	148	143	175	180
Findley	Findley	38,354	38,354	38,354	38,354	38,354	38,354
		380	380	380	380	380	384
		299	302	296	310	358	345
Garton	Garton	43,290	43,290	43,290	43,290	65,648	65,648
		500	500	500	500	460	720
		313	343	330	343	602	619

Des Moines Independent Community School District

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

School	Fiscal Year			
	2000	2001	2002	2003
Elementary:				
Name (Year)	Granger	Granger	Granger	Granger
Square feet	39,194	39,194	39,194	39,194
Capacity	525	525	525	525
Enrollment	366	355	386	371
Name (Year)	Greenwood	Greenwood	Greenwood	Greenwood
Square feet	45,662	45,662	45,662	58,804
Capacity	425	425	425	450
Enrollment	414	426	438	373
Name (Year)	Hanawalt	Hanawalt	Hanawalt	Hanawalt
Square feet	33,043	33,043	33,043	33,043
Capacity	380	380	380	380
Enrollment	300	313	331	376
Name (Year)	Hillis	Hillis	Hillis	Hillis
Square feet	44,825	44,825	44,825	44,825
Capacity	410	410	410	410
Enrollment	433	448	461	426
Name (Year)	Howe	Howe	Howe	Howe
Square feet	38,505	38,505	38,505	38,505
Capacity	320	320	320	320
Enrollment	312	299	270	285
Name (Year)	Hubbell	Hubbell	Hubbell	Hubbell
Square feet	37,896	37,896	37,896	37,896
Capacity	440	440	440	440
Enrollment	377	377	385	362
Name (Year)	Jackson	Jackson	Jackson	Jackson
Square feet	35,872	35,872	35,872	35,872
Capacity	420	420	420	420
Enrollment	521	560	365	370
Name (Year)	Jefferson	Jefferson	Jefferson	Jefferson
Square feet	42,750	42,750	42,750	42,750
Capacity	480	480	480	480
Enrollment	447	440	431	437
Name (Year)	King	King	King	King
Square feet	51,414	51,414	51,414	51,414
Capacity	330	330	330	330
Enrollment	322	340	323	330
Name (Year)	Longfellow	Longfellow	Longfellow	Longfellow
Square feet	31,420	31,420	31,420	31,420
Capacity	300	300	300	300
Enrollment	267	304	249	261
Name (Year)	Lovejoy	Lovejoy	Lovejoy	Lovejoy
Square feet	31,806	31,806	31,806	31,806
Capacity	310	310	310	310
Enrollment	456	448	405	389

(Continued)

		Fiscal Year					
		2004	2005	2006	2007	2008	2009
Granger	Granger			Granger		Granger/Mitchell	Granger/Mitchell
	39,194	39,194	39,194	39,194	39,194	-	-
	525	525	525	525	525	-	-
	363	351	335	335	550	-	-
Greenwood	Greenwood			Greenwood		Greenwood	Greenwood
	58,804	58,804	58,804	58,804	58,804	61,744	61,744
	450	450	450	450	450	450	456
	427	444	454	420	420	454	453
Hanawalt	Hanawalt			Hanawalt		Hanawalt	Hanawalt
	33,043	43,246	43,246	43,246	43,246	43,246	43,246
	380	410	410	410	410	410	408
	374	349	338	359	359	418	416
Hillis	Hillis			Hillis		Hillis	Hillis
	44,825	44,825	44,825	44,825	44,825	44,825	57,720
	410	410	410	410	410	410	420
	407	392	399	390	390	468	460
Howe	Howe			Howe		Howe	Howe
	38,505	38,505	38,505	38,505	38,505	38,505	38,505
	320	320	320	320	320	320	312
	262	252	213	229	229	340	300
Hubbell	Hubbell			Hubbell		Hubbell	Hubbell
	37,896	48,072	48,072	48,072	48,072	53,327	53,327
	440	390	390	390	390	390	456
	323	294	309	347	347	402	390
Jackson	Jackson			Jackson		Jackson	Jackson
	35,872	35,872	35,872	35,872	35,872	35,872	35,872
	420	420	420	420	420	420	432
	377	407	426	397	397	402	385
Jefferson	Jefferson			Jefferson		Jefferson	Jefferson
	42,750	42,750	42,750	42,750	42,750	42,750	42,750
	480	480	480	480	480	480	408
	434	432	423	424	424	421	426
King	King			King		King	King
	51,414	51,414	51,414	51,414	51,414	51,414	54,171
	330	330	330	330	330	330	408
	371	378	372	352	352	347	282
Longfellow	Longfellow			Longfellow		Longfellow	Longfellow
	31,420	31,420	31,420	31,420	-	-	-
	300	300	300	300	-	-	-
	269	236	206	184	184	-	-
Lovejoy	Lovejoy			Lovejoy		Lovejoy	Lovejoy
	31,806	31,806	31,806	31,806	31,806	31,806	31,806
	310	310	310	310	310	310	288
	412	373	315	323	323	272	357

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2000	2001	2002	2003
Elementary:				
Name (Year)	Madison	Madison	Madison	Madison
Square feet	42,049	42,049	42,049	42,049
Capacity	430	430	430	430
Enrollment	342	350	346	329
Name (Year)	Mann	Mann	Mann	Mann
Square feet	32,940	32,940	32,940	32,940
Capacity	325	325	325	325
Enrollment	295	276	-	-
Name (Year)	McKee	McKee	McKee	McKee
Square feet	43,400	43,400	43,400	43,400
Capacity	375	375	375	375
Enrollment	312	322	280	276
Name (Year)	McKinley	McKinley	McKinley	McKinley
Square feet	37,228	37,228	37,228	49,994
Capacity	220	220	220	380
Enrollment	373	311	286	277
Name (Year)	Mitchell	Mitchell	Mitchell	Mitchell
Square feet	31,682	31,682	31,682	31,682
Capacity	350	350	350	350
Enrollment	310	262	283	263
Name (Year)	Monroe	Monroe	Monroe	Monroe
Square feet	47,580	73,997	73,997	73,997
Capacity	500	660	660	660
Enrollment	258	445	496	521
Name (Year)	Moore	Moore	Moore	Moore
Square feet	45,334	45,334	45,334	45,334
Capacity	440	440	440	440
Enrollment	399	327	325	337
Name (Year)	Morris	Morris	Morris	Morris
Square feet	-	-	74,684	74,684
Capacity	-	-	700	700
Enrollment	-	-	567	528
Name (Year)	Moulton	Moulton	Moulton	Moulton
Square feet	99,940	99,940	121,650	121,650
Capacity	475	475	620	620
Enrollment	410	408	366	445

(Continued)

		Fiscal Year					
		2004	2005	2006	2007	2008	2009
Madison	Madison	Madison	Madison	Madison	Madison	Madison	Madison
	42,049	42,049	42,049	42,049	42,049	42,049	42,049
	430	430	430	430	430	430	408
	334	341	332	314	359	334	334
Mann	Mann	Mann	Mann	Mann	Mann	Mann	Mann
	32,940	32,940	32,940	32,940	32,940	32,940	32,940
	325	325	325	325	325	325	312
	-	-	-	-	-	-	-
McKee	McKee	McKee	McKee	McKee	McKee	McKee	McKee
	43,400	43,400	43,400	43,400	43,400	43,400	43,400
	375	375	375	375	375	375	384
	-	-	-	-	-	-	-
McKinley	McKinley	McKinley	McKinley	McKinley	McKinley	McKinley	McKinley
	49,994	49,994	49,994	49,994	49,994	49,994	49,994
	380	380	380	380	380	380	360
	324	305	304	337	363	292	292
Mitchell	Mitchell	Mitchell - Bridges	Mitchell - Bridges	Mitchell - Bridges	Mitchell - Bridges	Mitchell	Mitchell
	31,682	31,682	31,682	31,682	31,682	31,682	31,682
	350	350	350	350	350	350	264
	275	251	114	118	135	-	-
Monroe	Monroe	Monroe	Monroe	Monroe	Monroe	Monroe	Monroe
	73,997	73,997	73,997	73,997	73,997	73,997	73,997
	660	660	660	660	660	660	576
	513	516	492	526	533	523	523
Moore	Moore	Moore	Moore	Moore	Moore	Moore	Moore
	45,334	45,334	45,334	45,334	45,334	45,334	45,334
	440	440	440	440	440	440	504
	327	322	320	287	-	-	-
Morris	Morris	Morris	Morris	Morris	Morris	Morris	Morris
	74,684	74,684	74,684	74,684	74,684	70,656	70,656
	700	700	700	700	700	700	744
	557	586	563	577	583	630	630
Moulton	Moulton	Moulton	Moulton	Moulton	Moulton	Moulton	Moulton
	121,650	121,650	121,650	121,650	121,650	121,650	121,650
	620	620	620	620	620	620	744
	443	444	528	514	460	419	419

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2000	2001	2002	2003
Elementary:				
Name (Year)	Oak Park	Oak Park	Oak Park	Oak Park
Square feet	50,255	50,255	50,255	20,255
Capacity	385	385	385	385
Enrollment	366	405	411	366
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	561	528	502	507
Name (Year)	Perkins	Perkins	Perkins	Perkins
Square feet	50,440	50,440	50,440	50,440
Capacity	440	440	440	440
Enrollment	285	315	321	340
Name (Year)	Phillips	Phillips	Phillips	Phillips
Square feet	38,575	38,575	38,575	38,575
Capacity	400	400	400	400
Enrollment	347	348	340	338
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	307	307	291	320
Name (Year)	Rice	Rice	Rice	Rice
Square feet	51,180	-	-	-
Capacity	375	-	-	-
Enrollment	237	-	-	-
Name (Year)	River Woods	River Woods	River Woods	River Woods
Square feet	-	58,126	58,126	58,126
Capacity	-	500	500	500
Enrollment	-	490	529	520
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	94	100	106	108
Name (Year)	South Union	South Union	South Union	South Union
Square feet	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-

(Continued)

		Fiscal Year					
		2004	2005	2006	2007	2008	2009
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	380	380	380	408
	320	331	355	399	405	405	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	560	560	560	552
	464	474	436	423	481	481	482
Perkins	Perkins	Perkins	Perkins	Perkins	Perkins	Perkins	Perkins
	50,440	50,440	50,440	56,540	56,540	56,540	56,540
	440	440	440	440	420	420	432
	342	361	361	423	453	453	460
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	380	380	380	336
	337	361	343	344	370	370	379
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	310	310	310	312
	307	303	316	328	347	347	316
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	500	500	500	504
	508	537	546	518	491	491	501
Samuelson	Samuelson	Samuelson	Samuelson	Samuelson	Samuelson	Samuelson	Samuelson
	37,500	37,500	37,500	37,500	56,586	56,586	56,586
	350	350	350	350	506	506	504
	-	-	-	-	-	-	467
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
	106	108	119	123	121	121	136
South Union	South Union	South Union	South Union	South Union	South Union	South Union	South Union
	-	-	-	68,508	68,508	68,508	68,508
	-	-	-	630	630	630	696
	-	-	-	553	572	572	560

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2000	2001	2002	2003
Elementary:				
Name (Year)	Stowe	Stowe	Stowe	Stowe
Square feet	36,000	36,000	36,000	36,000
Capacity	400	400	400	400
Enrollment	354	332	333	321
Name (Year)	Studebaker	Studebaker	Studebaker	Studebaker
Square feet	42,272	42,272	42,272	42,272
Capacity	420	420	420	420
Enrollment	443	353	369	414
Name (Year)	Wallace	Wallace	Wallace	Wallace
Square feet	31,960	31,960	31,960	31,960
Capacity	360	360	360	360
Enrollment	353	383	356	355
Name (Year)	Walnut Street	Walnut Street	Walnut Street	Walnut Street
Square feet	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-
Name (Year)	Watrous	Watrous	Watrous	Watrous
Square feet	41,809	41,809	-	-
Capacity	475	475	-	-
Enrollment	330	306	-	-
Name (Year)	Willard	Willard	Willard	Willard
Square feet	47,700	47,700	47,700	59,301
Capacity	450	450	450	560
Enrollment	449	428	373	336
Name (Year)	Windsor	Windsor	Windsor	Windsor
Square feet	55,510	55,510	55,510	55,510
Capacity	420	420	420	420
Enrollment	379	386	396	379
Name (Year)	Woodlawn	Woodlawn	Woodlawn	Woodlawn
Square feet	46,548	46,548	46,548	46,548
Capacity	450	450	450	450
Enrollment	426	502	461	447
Name (Year)	Wright	Wright	Wright	Wright
Square feet	30,300	30,300	30,300	30,300
Capacity	310	310	310	310
Enrollment	313	295	283	272

(Continued)

		Fiscal Year					
		2004	2005	2006	2007	2008	2009
Stowe	Stowe	Stowe	Stowe	Stowe	Stowe	Stowe	Stowe
	36,000	36,000	36,000	36,000	36,000	36,000	56,967
	400	400	400	400	400	400	408
	313	288	294	267	352	364	364
Studebaker	Studebaker	Studebaker	Studebaker	Studebaker	Studebaker	Studebaker	Studebaker
	42,272	42,272	42,272	42,272	42,272	42,272	42,272
	420	420	420	420	420	420	456
	432	429	449	477	461	437	437
Wallace	Wallace	Wallace	Wallace	Wallace	Wallace	Wallace	Wallace
	31,960	31,960	31,960	31,960	31,960	31,960	31,960
	360	360	360	360	360	360	360
	343	344	348	346	-	-	-
Walnut Street	Walnut Street ++++	Walnut Street	Walnut Street	Walnut Street	Walnut Street ++++	Walnut Street ++++	Walnut Street ++++
	-	37,206	37,206	38,800	38,800	58,212	58,212
	- NA	NA	NA	NA	NA	384	384
	-	54	93	104	212	248	248
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	59,301
	560	560	560	560	560	560	600
	366	364	405	387	427	434	434
Windsor	Windsor	Windsor	Windsor	Windsor	Windsor	Windsor	Windsor
	55,510	55,510	55,510	55,510	55,510	60,475	60,475
	420	420	420	420	420	420	408
	356	367	341	346	375	415	415
Woodlawn	Woodlawn	Woodlawn	Woodlawn	Woodlawn	Woodlawn	Woodlawn	Woodlawn
	46,548	46,548	46,548	46,548	46,548	46,548	46,548
	450	450	450	450	450	450	504
	420	378	417	394	534	-	-
Wright	Wright	Wright	Wright	Wright	Wright	Wright	Wright
	30,300	30,300	30,300	30,300	30,300	30,300	30,300
	310	310	310	310	310	310	312
	280	283	301	282	284	273	273

Des Moines Independent Community School District

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

School	Fiscal Year			
	2000	2001	2002	2003
Middle:				
Name (Year)	Brody	Brody	Brody	Brody
Square feet	90,500	90,500	90,500	90,500
Capacity	650	650	650	650
Enrollment	786	756	758	758
Name (Year)	Callanan	Callanan	Callanan	Callanan
Square feet	109,920	109,920	109,920	116,037
Capacity	530	530	530	700
Enrollment	602	602	674	616
Name (Year)	Goodrell	Goodrell	Goodrell	Goodrell
Square feet	102,230	102,230	102,230	102,230
Capacity	700	700	700	700
Enrollment	637	661	659	630
Name (Year)	Harding	Harding	Harding	Harding
Square feet	125,339	125,339	125,339	125,339
Capacity	840	840	840	840
Enrollment	889	856	839	752
Name (Year)	Hiatt	Hiatt	Hiatt	Hiatt
Square feet	103,060	103,060	103,060	103,060
Capacity	800	800	800	800
Enrollment	567	619	626	643
Name (Year)	Hoyt	Hoyt	Hoyt	Hoyt
Square feet	99,874	99,874	99,874	99,874
Capacity	750	750	750	750
Enrollment	570	600	586	597
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	590	591	585	616
Name (Year)	Meredith	Meredith	Meredith	Meredith
Square feet	97,984	97,984	97,984	107,316
Capacity	850	850	850	850
Enrollment	762	772	846	877
Name (Year)	Merrill	Merrill	Merrill	Merrill
Square feet	89,500	89,500	89,500	89,500
Capacity	650	650	650	650
Enrollment	619	598	641	654

(Continued)

		Fiscal Year					
		2004	2005	2006	2007	2008	2009
Brody	Brody	Brody	Brody	Brody	Brody	Brody	Brody
	90,500	90,500	90,500	90,500	90,500	90,500	90,500
	650	650	650	650	650	650	637
	740	673	646	709	738	720	
Callanan	Callanan	Callanan	Callanan	Callanan	Callanan	Callanan	Callanan
	116,037	116,037	116,037	116,037	116,037	116,037	116,037
	700	700	700	700	700	700	828
	619	603	644	621	591	612	
Goodrell	Goodrell	Goodrell	Goodrell	Goodrell	Goodrell	Goodrell	Goodrell
	102,230	102,230	102,230	102,230	110,495	110,495	110,495
	700	700	700	700	700	700	871
	618	644	674	631	611	591	591
Harding	Harding	Harding	Harding	Harding	Harding	Harding	Harding
	125,339	125,339	125,339	125,339	125,339	125,339	125,339
	840	840	840	840	840	840	828
	759	689	589	562	530	557	
Hiatt	Hiatt	Hiatt	Hiatt	Hiatt	Hiatt	Hiatt	Hiatt
	103,060	103,060	103,060	103,060	103,060	103,060	103,060
	800	800	800	800	800	800	743
	588	567	495	465	484	504	
Hoyt	Hoyt	Hoyt	Hoyt	Hoyt	Hoyt	Hoyt	Hoyt
	99,874	99,874	99,874	99,874	99,874	99,874	99,874
	750	750	750	750	750	750	850
	680	658	632	625	590	608	
Kurtz	Kurtz	Kurtz	Kurtz	Kurtz	Kurtz %	Kurtz %	Kurtz %
	106,264	106,264	106,264	106,264	106,264	106,264	106,264
	730	730	730	730	730	730	637
	-	-	-	-	-	-	-
McCombs	McCombs	McCombs	McCombs	McCombs	McCombs	McCombs	McCombs
	78,978	78,978	78,978	78,978	78,978	78,978	78,978
	650	650	650	650	650	650	701
	673	667	628	611	589	582	
Meredith	Meredith	Meredith	Meredith	Meredith	Meredith	Meredith	Meredith
	107,316	107,316	107,316	107,316	107,316	107,316	107,316
	850	850	850	850	850	850	871
	828	769	745	676	654	645	
Merrill	Merrill	Merrill	Merrill	Merrill	Merrill	Merrill	Merrill
	89,500	89,500	89,500	89,500	89,500	89,500	89,500
	650	650	650	650	650	650	658
	660	633	620	627	608	592	

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2000	2001	2002	2003
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	211	207	234	234
Name (Year)	Weeks	Weeks	Weeks	Weeks
Square feet	103,564	103,564	103,564	103,564
Capacity	880	880	880	880
Enrollment	815	847	881	865
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	2,821	2,913	2,824	2,440
Name (Year)	East	East	East	East
Square feet	355,293	355,293	355,293	355,293
Capacity	1,950	1,950	1,950	1,950
Enrollment	1,727	1,667	1,732	1,841
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	1,230	1,238	1,251	1,260
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	2,023	2,131	2,221	2,330
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	1,088	1,132	1,164	1,262
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	1,601	1,587	1,616	1,610

(Continued)

Fiscal Year						
2004	2005	2006	2007	2008	2009	
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	NA	NA
229	231	218	211	192	189	
Weeks	Weeks	Weeks	Weeks	Weeks &	Weeks &	
118,770	118,770	118,770	118,770	112,390	112,390	
900	900	900	900	900	1,041	
822	813	789	728	754	757	
Central Academy \$	Central Academy \$	Central Academy \$	Central Academy \$	Central Academy \$	Central Academy \$	
-	-	-	-	86,426	86,426	
-	-	-	-	-	658	
-	-	-	-	-	-	
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	1,500	1,500	1,615	
2,414	2,543	2,499	2,587	2,635		
East	East	East	East	East &	East &	
355,293	355,293	355,293	355,293	344,376	344,376	
1,950	2,100	2,100	2,100	2,100	2,337	
1,970	2,125	2,115	2,191	2,216	2,160	
Hoover	Hoover	Hoover	Hoover	Hoover	Hoover	
183,400	183,400	183,400	183,400	183,400	183,400	
1,175	1,175	1,175	1,175	1,175	1,083	
1,197	1,210	1,212	1,188	1,174	1,115	
Lincoln	Lincoln	Lincoln	Lincoln	Lincoln &	Lincoln &	
269,905	269,905	269,905	269,905	312,628	312,628	
1,800	1,800	1,800	1,900	1,800	1,848	
2,179	2,157	2,126	2,175	2,203	2,181	
North	North	North	North	North	North	
220,960	220,960	220,960	220,960	220,960	220,960	
1,150	1,150	1,150	1,150	1,150	1,147	
1,198	1,186	1,156	1,132	1,139	1,133	
Roosevelt	Roosevelt	Roosevelt	Roosevelt	Roosevelt	Roosevelt	
282,050	282,050	282,050	282,050	282,050	282,050	
1,550	1,550	1,550	1,550	1,550	1,145	
1,583	1,636	1,591	1,622	1,671	1,654	

Des Moines Independent Community School District

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

School	Fiscal Year			
	2000	2001	2002	2003
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)	MSSV	MSSV	MSSV	MSSV
Square feet	52,573	52,573	52,573	52,573
Capacity	Varies	Varies	Varies	Varies
Enrollment	-	-	-	-
Name (Year)	CNC	CNC	CNC	CNC
Square feet	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-
Name (Year)	Walker Street	Walker Street	Walker Street	Walker Street
Square feet	-	-	-	33,481
Capacity	-	-	-	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	-	-	-	-
Capacity	-	-	-	-
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.

& Due to change in administration information was gathered from between FY07 and FY08, some numbers have changed slightly.

We are requesting that these numbers be reviewed in their entirety by FY09 so all information is correct.

% 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					
		2004	2005	2006	2007	2008	2009
Casady	Casady	Casady	Casady	Casady	Casady	Casady	Casady
	43,709	43,709	43,709	43,709	43,709	43,709	43,709
	Varies	Varies	Varies	Varies	Varies	Varies	Varies
	-	-	-	-	-	-	-
MSSV	MSSV	MSSV	MSSV	MSSV	MSSV	MSSV	MSSV
	52,573	52,573	52,573	52,573	52,573	52,573	52,573
	Varies	Varies	Varies	Varies	Varies	Varies	Varies
	-	-	-	-	-	-	-
CNC	CNC	CNC	CNC	CNC	CNC	CNC	CNC
	56,186	56,186	56,186	56,186	56,186	56,186	56,186
	Varies	Varies	Varies	Varies	Varies	Varies	Varies
	-	-	-	-	-	-	-
Walker Street	Walker Street	Walker Street	Walker Street	Walker Street	Walker Street %	Walker Street %	Walker Street %
	33,481	33,481	33,481	33,481	33,481	33,481	33,481
	Varies	Varies	Varies	Varies	Varies	Varies	467
	-	-	-	-	-	-	-
Walnut St Administration	Walnut St Administration	Walnut St Administration	Walnut St Administration	Walnut St Administration	Walnut St Administration	Walnut St Administration	Walnut St Administration
	-	-	-	77,600	77,600	77,600	58,212
	-	-	-	Varies	Varies	Varies	Varies
	-	-	-	-	-	-	-
Welcome Center	Welcome Center	Welcome Center	Welcome Center	Welcome Center	Welcome Center	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	Grounds Maintenance	Grounds Maintenance	Grounds Maintenance	Grounds Maintenance	Grounds Maintenance	Grounds Maintenance
	22,248	22,248	22,248	22,248	22,248	22,248	22,248
	Varies	Varies	Varies	Varies	Varies	Varies	Varies
	-	-	-	-	-	-	-

Des Moines Independent Community School District

Capital Asset Information
 Last Ten Fiscal Years
 (Unaudited)

Schools	Fiscal Year				
	2000	2001	2002	2003	2004
Elementary:					
Buildings	44	44	44	44	45
Square feet	1,870,578	1,903,941	2,004,103	1,998,470	2,139,676
Capacity	17,265	17,550	18,255	18,525	19,200
Enrollment	15,417	15,274	15,091	15,064	14,805
Middle:					
Buildings	12	12	12	12	12
Square feet	1,163,673	1,163,673	1,163,673	1,179,122	1,194,328
Capacity	8,030	8,030	8,030	8,200	8,220
Enrollment	7,048	7,109	7,329	7,242	7,216
High:					
Buildings	6	6	6	6	6
Square feet	1,768,268	1,768,268	1,768,268	1,768,268	1,768,268
Capacity	9,125	9,125	9,125	9,125	9,125
Enrollment	10,490	10,668	10,808	10,743	10,541
Other:					
Buildings	2	2	2	3	4
Square feet	118,530	118,530	118,530	152,011	208,197
Capacity	Varies	Varies	Varies	Varies	Varies
Enrollment	NA	NA	NA	NA	NA
Administrative:					
Buildings	1	1	1	1	1
Square feet	43,709	43,709	43,709	43,709	43,709
Transportation:					
Garages	1	1	1	1	1
Buses	NA	NA	122	134	128
Athletics:					
Football fields	5	5	5	5	5
Soccer fields	-	-	-	-	-
Running tracks	6	6	6	6	6
Baseball/softball	10	10	10	10	10
Swimming pools	8	8	8	8	8
Playgrounds	44	44	44	44	45

Fiscal Year				
2005	2006	2007	2008	2009
46	45	45	46	46
2,176,882	2,145,462	2,229,859	2,365,082	2,418,986
19,200	18,900	19,055	19,791	20,532
14,786	14,927	15,012	15,881	15,428
12	12	12	12	12
1,194,328	1,194,328	1,194,328	1,196,213	1,196,213
8,220	8,220	8,220	8,220	8,665
6,947	6,680	6,466	6,341	6,357
6	6	6	7	7
1,768,268	1,768,268	1,768,268	1,886,500	1,886,500
9,275	9,275	9,375	9,275	9,833
10,857	10,699	10,895	11,038	8,243
5	5	6	6	6
214,397	214,397	214,397	214,397	214,397
Varies	Varies	Varies	Varies	Varies
NA	NA	NA	NA	NA
1	1	1	1	1
43,709	43,709	77,600	77,600	58,212
1	1	1	1	1
138	139	138	131	131
5	5	5	5	5
-	-	-	-	-
6	6	6	6	6
10	10	10	10	10
8	8	8	8	8
46	45	45	46	46

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Des Moines Independent Community School District

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2009**

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	\$ 1,666,618
National School Lunch Program	10.555	42-6004525	6,789,203
NSLP - Fruit and Vegetable Program	10.555	42-6004525	224,557
Child and Adult Care Food Program	10.558	42-6004525	272,557
Summer Food Service Program for Children	10.559	42-6004525	270,741
NSLP - USDA Commodities	10.555	42-6004525	763,637
NSLP - USDA Commodities	10.555	42-6004525	90,000
Team Nutrition	10.574	42-6004525	302
			<u>10,077,615</u>
(Passed through Iowa Department of Public Health):			
State Administrative Matching Grants for Food Stamp Program	10.561	42-6004523	79,123
Total U.S. Department of Agriculture			<u>10,156,738</u>
U.S. Department of Housing and Urban Development:			
(Passed through City of Des Moines),			
Community Development Block Grant (CDBG)	14.218	42-6004514	<u>34,353</u>
U.S. Department of Education:			
(Direct):			
Readiness & Emergency Management Grant	84.184E	42-6001433	305,533
Elementary & Secondary Counseling Demonstration Grant	84.215E	42-6001433	272,623
Smaller Learning Communities - Implementation	84.215L	42-6001433	1,228,806
FIE Earmark - Early Childhood Programs	84.215K	42-6001433	341,871
FIE Earmark - Full Service Community	84.215K	42-6001433	267,403
Gaining Early Awareness and Readiness (GEAR UP)	84.334	42-6001433	1,126,255
Fitness on the Move Carol White PE Grant	84.215F	42-6001433	336,590
Pathways to Early Learning and Literacy (PELL)	84.359B	42-6001433	135,056
Preparing Early Readers for Kindergarten Grant	84.359B	42-6001433	578,448
Fine Arts Model for Education (FAME) Grant	84.351C	42-6001433	199,328
Des Moines Partnership for Teacher Quality	84.336C	42-6001433	741,167
			<u>5,533,080</u>

(Continued)

Des Moines Independent Community School District

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2009

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	9,823,886
Replacement Unit Training	84.027	42-6004525	8,990
PBS Lincs Training	84.027	42-6004525	1,200
Communication Strategies Training	84.027	42-6004525	300
PBS Lincs Wraparound Process	84.215M	42-6004525	1,200
Special Ed High Cost Fund	84.027	42-6004525	196,497
Secondary Professional Development	84.323A	42-6004525	26,479
Vocational Education Basic Grants to States	84.048	42-6004525	432,488
Safe and Drug Free Schools and Communities	84.186	42-6004525	179,944
Improving Teacher Quality State Grant (Title II)	84.367	42-6004525	2,147,913
Education Technology State Grant (Technology Literacy Challenge Grant)	84.318	42-6004525	163,485
Education for Homeless Children & Youth	84.196	42-6004525	26,521
English Language Acquisition Grants (Title III ELL/LEP)	84.365	42-6004525	376,815
English Language Acquisition Grants (Title III Immigrant Children)	84.365	42-6004525	85,265
Reading First	84.357	42-6004525	810,477
Grants for State Assessments & Related Activities	84.369	42-6004525	194,318
Alternative Assessment Pilot Study	84.373	42-6004525	4,465
Math-Science Partnership Program	84.366B	42-6004525	187,426
21st Century Community Learning Centers	84.287	42-6004525	803,270
ARRA - State Fiscal Stabilization for State Aid	84.394	42-6004525	2,819,809
			<u>18,290,748</u>
(Passed through Heartland Area Education Agency 11):			
Special Education Grants to States (Individuals with Disabilities Education Act)	84.027	42-1028173	1,925,247
Special Education Grants to States (Handicapped Preschool Program Vocational Assessment)	84.027	42-1028173	5,198,077
Parent Education Project	84.029	42-1028173	28,062
Special Education Preschool Grants (Least Restrictive Environment Coordinator)	84.173	42-1028173	188,952
Special Education Grants to States (Grants for Infants and Families with Disabilities)	84.181	42-1028173	192,627
Reading First	84.357	42-1028173	7,251
ARRA - Stabilization - Special Ed IDEA Part B	84.391	42-1028173	1,027,167
			<u>8,567,383</u>

(Continued)

Des Moines Independent Community School District

**Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2009**

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	<u>138,739</u>
(Passed through School Administrators of Iowa): Parent Information Resource Center Grant Total U.S. Department of Education	84.310A	42-1300888	<u>537</u> <u>32,530,487</u>
U.S. Department of Health and Human Services:			
(Passed through Iowa Department of Education): Comprehensive School Health Programs	93.938	42-6004525	1,700
Refugee Assistance Program	93.576	42-6004525	<u>177,181</u> <u>178,881</u>
(Passed through Iowa Department of Human Services), Child Care & Development Block Grant	93.575	42-6004525	<u>19,573</u>
(Passed through State of Iowa Department of Public Health), Youth Suicide Prevention (Teen Screen)	93.243	42-6004525	<u>4,688</u>
(Passed through Drake University), Head Start Total U.S. Department of Health and Human Services	93.600	42-6004525	<u>1,482,795</u> <u>1,685,937</u>
Corporation for National and Community Services:			
(Passed through Iowa Department of Education), Comm Serv Iowa	94.004	42-6004525	<u>3,256</u>
U.S. Department of Defense,			
(Direct) Air Education & Training Command	12.999	N/A	<u>103,369</u>
U.S. Department of National Aeronautics and Space Administration			
(Direct) Aerospace Education Services Program	43.001	N/A	<u>352</u>
U.S. Department of Justice			
(Passed through City of Des Moines), Secure our School	16.710	42-6004514	<u>35,216</u>
U.S. Department of Homeland Security			
(Passed through Iowa Department of Homeland Security), Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	42-6038004	<u>886,989</u>
Total Expenditures of Federal Awards			<u><u>\$ 45,436,697</u></u>

See Notes to Schedule of Expenditures of Federal Awards.

Des Moines Independent Community School District

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2009

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, 2009. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Significant Accounting Policies

Revenue from federal awards is recognized when the District has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

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	\$ 227,717
Education for Homeless Children and Youth	84.196	22,130

Des Moines Independent Community School District

Summary Schedule of Prior Audit Findings Year Ended June 30, 2009

	Findings	Status	Corrective Action Plan or Other Explanation
Significant Deficiencies in Internal Control:			
08-II-A	The District does not have adequate segregation of duties needed for an effective system of internal accounting control over the payroll cycle.	Corrected	
08-II-B	The District does not have adequate segregation of duties needed for an effective system of internal accounting control over the cash disbursement cycle.	Corrected	
08-II-C	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 09-II-A
Significant Deficiencies in Administering Federal Awards:			
08-III-A	The District does not have a system in place to document the allocation of split funded employee payroll costs.	Partially corrected	See similar finding and corrective action plan at 09-III-A
08-III-B	Semiannual certifications are not completed by employees charged to a single federal award.	Corrected	
08-III-C	The District does not have an adequate control system in place to ensure certain costs used for the matching requirement in relation to the GEAR UP program is appropriate.	Partially corrected	See similar finding and corrective action plan at 09-III-D

(Continued)

Des Moines Independent Community School District

**Summary Schedule of Prior Audit Findings (Continued)
Year Ended June 30, 2009**

	Findings	Status	Corrective Action Plan
Instances of Noncompliance over Federal Awards			
08-III-D	The District did not ensure subrecipients of Title 1 funds given by the District were not suspended or debarred. In addition, the District was not able to obtain a full audit report for one of the subrecipients to identify whether the program had any audit findings and whether follow up on those findings was needed.	Partially Corrected	See similar finding and corrective action plan at 09-III-C
08-III-E	The District is not providing equitable services to eligible nonpublic Title I students and their families.	Corrected	
08-III-F	The District did not submit the "Comparability of Title I Schools" report to the state before the due date.	Corrected	
08-III-G	The District did not maintain documentation of total funds allocated to each school to ensure eligible schools or attendance areas are being served in rank order according to their percentage of poverty.	Partially Corrected	See similar finding and corrective action plan at 09-III-B
08-III-H	One of the Title I schoolwide programs reviewed did not include all of the required core elements and components.	Corrected	
08-III-I	In one of the instances reviewed, the District is not properly conducting an assessment of local needs for professional development and hiring by failing to include Title I teachers in the assessment process.	Corrected	
08-III-J	The District is not submitting timely reimbursement reports to its pass through agency.	Corrected	

(Continued)

Des Moines Independent Community School District

**Summary Schedule of Prior Audit Findings (Continued)
Year Ended June 30, 2009**

	Findings	Status	Corrective Action Plan
Other Findings Related to Required Statutory Reporting			
08-IV-A	Expenditures for the year ended June 30, 2008 exceeded the final amended certified budget amounts in the support services function by \$804,896.	Corrected	
08-IV-G	<u>Finding 1</u> - Documentation to support the number of foster care students reported as enrolled is not maintained.	Uncorrected	See similar finding and corrective action at 09-IV-G
08-IV-G	<u>Finding 2</u> - The District's supporting documentation did not agree to what was certified to the Iowa Department of Education in relation to certain tuition in and out students. In addition, the District was not able to provide adequate support for the calculation of FTE total limited English proficient weighting on line 13 of the certified enrollment report.	Uncorrected	See similar finding and corrective action at 09-IV-G
08-IV-I	The District did not include certain adjusting journal entries in the 2007 CAR report that had been extended beyond the audit report date.	Corrected	
08-IV-J	The Preschool Fund and Collage Fund had deficit balances as of June 30, 2008 of \$677,879 and \$37,838, respectively.	Uncorrected	See similar finding and corrective action at 09-IV-J

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McGladrey & Pullen

Certified Public Accountants

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 as of and for the year ended June 30, 2009, which collectively comprise the Des Moines Independent Community School District's basic financial statements and have issued our report thereon dated December 11, 2009. 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

In planning and performing our audit, we considered the Des Moines Independent Community School 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 Des Moines Independent Community School 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, 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 by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 09-II-A to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe that the significant deficiency described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Des Moines Independent Community School 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, 2009 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.

We also noted certain matters that we reported to management in a separate letter dated December 11, 2009.

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

This report is intended solely for the information and use of the Board of Education, audit committee, management 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

Davenport, Iowa
December 11, 2009

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report on Compliance With Requirements Applicable to 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 the compliance of the Des Moines Independent Community School District with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*, that are applicable to each of the District's major federal programs for the year ended June 30, 2009. The Des Moines Independent Community School 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 Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Des Moines Independent Community School 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 Des Moines Independent Community School District's compliance with those requirements.

In our opinion, the Des Moines Independent Community School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. 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 09-III-A through 09-III-D.

Internal Control Over Compliance

The management of the Des Moines Independent Community School 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 Des Moines Independent Community School 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, 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 Des Moines Independent Community School District's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by any entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 Des Moines Independent Community School 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 of the Board of Education, audit committee, management 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

Davenport, Iowa
December 11, 2009

Des Moines Independent Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2009**

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 that are not considered to be material weaknesses? 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 that are not considered to be material weaknesses? 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
84.010A	Title I Grants to Local Educational Agencies
84.367	Title II Improving Teacher Quality Stat Grants
84.027, 84.173, 84.391	Special Education Cluster, Including ARRA Stabilization, Special Ed IDEA Part B
93.600	Head Start
84.394	ARRA - State Fiscal Stabilization for State Aid

Dollar threshold used to distinguish between type A and type B programs: \$1,363,101

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, 2009

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

09-II-A

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

Condition: 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.

Context: A good internal control contemplates an adequate segregation of duties so that no one person handles a transaction from its inception to completion.

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

Recommendation: We recommend an independent individual recount the funds and review the deposit slip.

Response and Corrective Action Plan: The District recognizes 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

(Continued)

Des Moines Independent Community School District

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009

III. Findings and Questioned Costs for Federal Awards

A. Significant Deficiencies in Administering Federal Awards

None

B. Instances of Noncompliance

09-III-A

U.S. Department of Education
Passed Through Iowa Department of Education
Title I Grants to Local Educational Agencies (LEAs) (Title I, Part A of ESEA)
(CFDA 84.010A) (Fiscal Years 2003, 2004, 2005, 2006, 2007, 2008, 2009)

Improving Teacher Quality State Grant (Title II)
(CFDA 84.367) (Fiscal Years 2003, 2004, 2005, 2006, 2007, 2008, 2009)

Reading First
(CFDA 84.357) (Fiscal Year 2007, 2008, 2009)

U.S. Department of Education
Passed Through Heartland Area Education Agency II
Special Education Grants to States IDEA Part B
(CFDA 84.027 and CFDA 84.173) (Fiscal Years 2004, 2005, 2006, 2007, 2008, 2009)
ARRA – Stabilization – Special Education Grants to States IDEA Part B
(CFDA 84.391) (Fiscal Year 2009)

U.S. Department of Health and Human Services
Passed Through Drake University
Head Start (CFDA 93.600) (Fiscal Years 2004, 2005, 2006, 2007, 2008, 2009)

Finding: In prior years the District did not have a system in place to document the time of split funded employee payroll costs related to Title I, Title II, Special Education, Reading First and Head Start. However, beginning January 1, 2009, the District implemented procedures to appropriately document the time of split funded employees.

Condition: Prior to January 1, 2009, the employees of Title I, Title II, Special Education, Reading First and Head Start were not required by the District to complete timesheets or equivalent documentation to support payroll costs charged to the program. In selections picked subsequent to January 1, 2009, no exceptions were noted and therefore the noncompliance has been corrected as of the second half of fiscal year 2009.

(Continued)

Des Moines Independent Community School District

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009**

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.

Effect: Improper payroll expenditures from July 1, 2008 to December 31, 2008 could be charged to the Federal Program.

Questioned Costs: None

Recommendation: We recommend the District continue its tracking of split funded employee payroll costs that it implemented on January 1, 2009.

Response and Corrective Action Plan: The District now has a system in place (effective January 1, 2009) to document split funded employee payroll costs related to all Federal Grants and will continue this policy.

09-III-B

**U.S. Department of Education
Passed Through Iowa Department of Education
Title I Grants to Local Educational Agencies (CFDA 84.010A) (Fiscal Year 2009)**

Finding: The District did not serve eligible schools or attendance areas in rank order according to their poverty level.

Condition: The District properly established a rank order based on poverty levels in calculating resources to allocate to Title I schools. The District, however, chose to slightly modify the amount of resources actually provided to those schools. As a result, some of the schools were not served in the rank order originally established.

Criteria: OMB Circular A-133 dictates that an LEA must serve eligible schools or attendance areas in rank order according to their percentage of poverty.

Effect: The schools did not receive Title I services in rank order according to poverty level.

Questioned Costs: None

Recommendation: The District should review its procedures for delivering Title I funds to schools operating schoolwide programs. Through this review, they should implement procedures to ensure that the planned amount of Title I funds are properly delivered to each school.

(Continued)

Des Moines Independent Community School District

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009**

Response and Corrective Action Plan: Although the District decided to modify the actual allocation of resources, the net effect to the schools ranged from an under-allocation of 0.6 FTE to an over-allocation of 0.3 FTE. In the future the District will allocate resources based on the original rank order as calculated.

09-III-C

**U.S. Department of Education
Passed Through Iowa Department of Education
Title I Grants to Local Educational Agencies (CFDA 84.010A) (Fiscal Year 2009)**

Finding: The District ensures vendors providing one-time services in excess of \$25,000 are not suspended or debarred. However, the District did not ensure vendors were not suspended or debarred in situations where the District paid multiple invoices less than \$25,000 that exceeded \$25,000 in aggregate.

Condition: The District is required to ensure all vendors providing goods or services in excess of \$25,000 are not suspended or debarred. The District had seven vendors that provided goods or services to Title I in excess of \$25,000 during the fiscal year.

Criteria: OMB Circular A-133 dictates that non-federal entities are prohibited from contracting with parties that are suspended or debarred or whose principals are suspended or debarred; if total goods or services are expected to equal or exceed \$25,000. The non-federal entity can verify the party is not suspended or debarred by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA), collecting a certification from the entity or adding a clause or condition to the transaction with that entity.

Effect: The District could unknowingly provide payment to a vendor that is suspended or debarred from receiving Federal funds.

Questioned Costs: The District received Title I services, from vendors whose total purchases exceeded \$25,000, in the amount of \$360,856.

Recommendation: We recommend the District verify parties that are expected to receive grant funds in excess of \$25,000 are not suspended or debarred according to the Federal grant guidelines. This can be completed by checking the Excluded Parties List System, collecting a certification from the entity or adding a clause or condition to the transaction with that entity.

Response and Corrective Action Plan: The District will develop procedures to identify vendors that on a cumulative basis have been paid more than \$25,000 in a fiscal year and determine whether those vendors have been suspended or debarred.

(Continued)

Des Moines Independent Community School District

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009**

09-III-D

**U.S. Department of Education
Direct and Passed Through Iowa Department of Education
GEAR UP (CFDA 84.334) (Fiscal Year 2008 and 2009)**

Finding: For the period July 1, 2008 to November 4, 2008, time records prepared by District employees for time spent on GEAR UP related activities and accounted for against the District's required match for the program were not reviewed and approved by a certifying official or supervisor.

Condition: The District did not have a process in place to review and approve time records prepared by the District employees for the time spent on GEAR UP related activities until November 4, 2008. This deficiency was reported in the prior year audit report, at which time the District took appropriate steps to correct the problem.

Criteria: OMB Circular A-133 dictates that employee time records must be accurate, and based on the actual effort devoted to the various functional and programmatic activities to which the salary and wage costs are charged. The time should also be allowable and clearly documented. This includes supervisory review of the time records. Amounts charged against the program for matching costs should be allowable and accurate.

Effect: Records used to account for whether proper matching requirements are being met for the program could be inaccurate for the period July 1, 2008 to November 4, 2008.

Questioned Costs: None

Recommendation: We recommend the District continue its review process that was implemented on November 4, 2008.

Response and Corrective Action Plan: The District now has a supervisory review of all time cards submitted for the matching requirement. We believe this control corrects the problem reported in our prior audit.

(Continued)

Des Moines Independent Community School District

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009**

IV. Other Findings Related to Required Statutory Requirements

09-IV-A – Certified Budget and General Fund Spending Authority

Finding: Expenditures for the year ended June 30, 2009 exceeded the final amended certified budget amounts in the instruction function by \$410,779 or 0.2 percent.

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

Response: The District will ensure that expenditures do not exceed the final amended budget for each functional area.

Conclusion: Response Accepted

09-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.

09-IV-C – Travel Expenses – 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.

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

09-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 that the coverage is adequate for current operations.

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

09-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 1: 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.

Conclusion: Response accepted, although there does not seem to be a solution because of confidentiality.

(Continued)

Des Moines Independent Community School District

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009

Finding 2: The District's supporting documentation did not agree to what was certified to the Iowa Department of Education for certain items in relation to tuition in and tuition out students, and open enrolled in students. These variances are noted in the table below. In addition to the variances below, the District incorrectly reported that 1 student attended a class that was actually attended by 45 students.

<u>Line No.</u>	<u>Certified Number</u>	<u>District Records</u>
3	156	147
8	606.60	606.20
9	146	138

Recommendation: The District should update and maintain proper documentation on file supporting the number of students reported in the certified enrollment. The District should also notify the Iowa Department of Management and Iowa Department of Education as required for the variances.

Response and Corrective Action Plan: The numbers reported as of the certified enrollment date can and may change up to the date the information is submitted to the State Department of Education. The District will continue to update and maintain appropriate documentation for those changes that occur during the year and also as of the designated certified enrollment date.

Conclusion: Response Accepted

09-IV-H – Deposits and Investments – Interest rates received on the District's short-term certificates of deposit were not in accordance with the statutory rates established by the State Rate Setting Committee.

Finding: Chapter 12C.6 of the Code of Iowa states that funds invested in time certificates of deposit shall draw interest at a rate which is not less than the minimum rate established by the State Rate Setting Committee. The District had three investments in the current year that were below that statutory rate.

Recommendation: The District should only invest in certificates of deposit that are above the rate set by the State Rate Setting Committee

Response and Corrective Action Plan: The depositories used by the District for short-term investment are made aware of the requirements of Iowa Code 12C.6 prior to becoming an approved depository. The same depository was used in all three investments identified in this finding. The District has elected to no longer do business with the depository in question, and is considering other alternatives to collect on the incremental difference in interest between the stated rate and the minimum rate as established by the State Rate Setting Committee.

Conclusion: Response Accepted

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

(Continued)

Des Moines Independent Community School District

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009**

09-IV-J – Deficit Balances – The Preschool Fund, Child Care Fund and Collage Fund had deficit balances as of June 30, 2009 of \$677,879, \$1,909 and \$55,847, respectively.

Finding: In the current and prior two years, the Preschool fund has had a deficit fund balance. The Collage Fund continues to have a deficit balance as it had in prior years. In the current year, the Child Care Fund 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: Preschool is no longer being accounted for as an enterprise fund. The state now provides free preschool to four year olds and program activities are now accounted for in the General Fund. 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.

Conclusion: Response Accepted

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

Des Moines Independent Community School District

**Corrective Action Plan
Year Ended June 30, 2009**

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
Significant Deficiency in Internal Control:				
09-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 09-II-A.	June 30, 2010	Patricia Schroeder
Instances of Noncompliance over Federal Awards				
09-III-A	The District did not have a system in place to document the time of split funded employee payroll costs related to Title I, Title II, Special Education, Reading First and HeadStart until January 1, 2009.	See response and corrective action plan at 09-III-A.	June 30, 2010	Twyla Woods
09-III-B	The District did not serve eligible schools or attendance areas in rank order according to their poverty level.	See response and corrective action plan at 09-III-B.	June 30, 2010	Twyla Woods
09-III-C	The District ensures vendors providing one time services in excess of \$25,000 are not suspended or debarred. However, the District did not ensure vendors were not suspended or debarred in situations where the District paid multiple invoices less than \$25,000 that exceeded \$25,000 in aggregate.	See response and corrective action plan at 09-III-C.	June 30, 2010	Sheila Mason
09-III-D	Time records prepared by District employees for time spent on GEAR UP related activities and accounted for against the District's required match for the program were not reviewed and approved by a certifying official or supervisor for the period July 1, 2008 to November 4, 2008.	See response and corrective action plan at 09-III-D.	June 30, 2010	Mike Munoz

(Continued)

Des Moines Independent Community School District

**Corrective Action Plan (Continued)
Year Ended June 30, 2009**

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
Other Findings Related to Required Statutory Reporting				
09-IV-A	Expenditures for the year ended June 30, 2009 exceeded the final amended certified budget amounts in the instruction function by \$410,779.	See response and corrective action plan at 09-IV-A.	June 30, 2010	Patricia Schroeder
09-IV-G	<u>Finding 1</u> - Documentation to support the number of foster care students reported as enrolled is not maintained.	See response and corrective action plan at 09-IV-G.	June 30, 2010	Greg Davis
09-IV-G	<u>Finding 2</u> - The District's supporting documentation did not agree to what was certified to the Iowa Department of Education in relation to tuitioned in-out, open enrolled in and tuitioned in students.	See response and corrective action plan at 09-IV-G.	June 30, 2010	Greg Davis
09-III-H	The District purchased short-term investments that were not in accordance with the statutory rates established by the State Rate Setting Committee	See response and corrective action plan at 09-III-H.	June 30, 2010	Patricia Schroeder
09-IV-J	The Preschool Fund, Child Care Fund and Collage Fund had deficit balances as of June 30, 2009 of \$677,879, \$1,909 and \$55,847, respectively.	See response and corrective action plan at 09-IV-J.	June 30, 2010	Patricia Schroeder

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