

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2015



Des Moines Independent Community School District
DES MOINES, IOWA

Des Moines Independent Community School District, Des Moines, Iowa

Comprehensive Annual Financial Report
Year Ended June 30, 2015

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

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

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October 30, 2015

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, 2015.

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

RSM US LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the District's financial statements for the year ended June 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

The responsibility for the accuracy and completeness of the presentation, including all disclosures, rests with management of the District. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. We believe that the data herein is accurately presented, in all material respects; that the data is presented to fairly set forth the financial position and results of operations of the District as measured by the financial activity of the various funds; and that all necessary disclosures have been included in order to enable the reader to gain the maximum understanding of the District's financial affairs.

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

As is the case every year, the District was required to undergo a single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U. S. Office of Management and Budget Circular A-133, Audits of States and Local Governments and Nonprofit Organizations. Information related to this single audit, including a schedule of expenditures of federal awards, summary schedule of prior audit findings, the independent auditor's report on internal control over financial reporting and on compliance and other matters, independent auditor's report on compliance with requirements applicable to each major program and internal control over compliance, a schedule of findings and questioned costs and corrective action plans (if any) are included in the single audit compliance section of this report.

Profile of the Government

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

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

The District serves more than 200,000 people who live in Polk and Warren Counties. Covering nearly 86 square miles, the District has developed in the heart of the Des Moines city center, east into Pleasant Hill, west into Windsor Heights and south into Warren County. The District benefits from having strong and diverse neighborhoods and a citizenry deeply involved in its public education. The District's enrollment for 2014 was 32,413, making it by far the largest public school district in Iowa.

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

- #2 Best City to Find a Job – 2015 – WalletHub
- Emerging Start Up City – 2015 – Investopedia
- #3 Top City for New College Graduates – 2015 – SmartAsset
- #6 Midsize Metro Where College Grads Move for Jobs – 2015 – AIER
- #4 Best City for Technology Workers to Start their Career – 2015 – Computer Training Schools
- Best Places for Business and Careers – 2015 - Forbes
- Des Moines is the #1 Best City for Young Professionals – 2014 – Forbes
- Des Moines is the #3 Best City with the most job opportunities per Capita – Beyond.com
- Des Moines is the #2 Best City for Business and Careers – 2014 – Forbes
- Des Moines is the #1 Wealthiest City in America – 2014 – Today show
- Des Moines is the #1 City with an Up and Coming Downtown – 2014 – Forbes
- Des Moines is the #6 City for raising a family – 2014 - Forbes
- Des Moines is the #1 Place for Business and Careers in 2013 - Forbes
- Des Moines ranks #1 "Best Cities for Families." - Kiplinger
- Des Moines Named No. 5 in Top 100 Best Cities for Families. - Parenting Magazine
- Greater Des Moines Ranks #1 Best City for Young Professionals. - Forbes
- Des Moines ranks #2 Best Place for Business. - Forbes
- Des Moines is the #1 richest metro in the nation. - US News & World Report
- Des Moines is the #1 city in the US for home renters. - Time Magazine
- Iowa ranks #9 for best state for business. - CNBC
- Des Moines is the #4 city in the nation for doing business. - MarketWatch
- Des Moines ranks in the top 10 "Best Cities for the Next Decade." - Kiplinger
- Des Moines ranks #1 as the "Best Place for Business and Careers." - Forbes 2010
- Des Moines is one of the 20 strongest-performing metro areas. - Brookings
- Des Moines living costs are 10 percent below the national average. - The Council for Community and Economic Research
- Des Moines is the #6 healthiest places to live. - Parenting Magazine

The District provides a full range of programs and services including instructional, preschool, student services, school building administration, maintenance of sites and facilities, transportation, food service, child care, custodial, extra-curricular and athletic activities and community education. The District provides a comprehensive educational

program appropriate to students in pre-school through grade twelve. These services include regular and enriched academic education, special education, vocational education and numerous individualized programs such as instruction for students at-risk, gifted and talented or extended learning language (ELL).

The District operates preschool programs for over 1900 children in most elementary schools and three preschool centers. It has 39 elementary schools; 10 middle schools; 1 standalone ninth grade academy; 6 high schools including an alternative high school; a career and technical institute and central academy; and many other special schools and programs. The District also maintains a maintenance/warehouse facility, a print shop, and athletic complexes.

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

- **Advanced Placement.** Central Academy, attended by students from 39 central Iowa middle and high schools, is Iowa's top AP program, dedicated to providing a challenging curriculum. The Belin-Blank Center for Gifted Education and Talent Development placed Central Academy "in a class by itself" as a college preparatory school. In addition, DMPS is in the midst of a significant expansion of AP course offerings throughout all five comprehensive high schools, providing thousands of student's access to rigorous and advanced courses.
- **International Baccalaureate.** Home to the only IB program in Iowa, DMPS offers this world- class educational opportunity at five elementary schools (Hubbell, Park Avenue, Stowe, Moore, and Walnut Street) and four middle schools (Brody, Goodrell, Meredith, and Merrill). Central Academy and Hoover are the only high schools in Iowa to offer these programs.
- **Career & Technical Institute.** Located at Central Campus, CTI presents students with learning opportunities in several high-skill areas, including graphic design, broadcasting & film, culinary arts, fashion, and automotive technology. Also, DMPS offers one of only three high school aviation programs certified by the FAA and has the largest marine biology program of any non- coastal high school.
- **Higher Education Partnerships.** Des Moines Public Schools' proximity to Drake University, Iowa State University, Des Moines University, Des Moines Area Community College, and other institutions of higher education have created numerous partnerships and collaborative efforts that support students, teachers, and administrators. This includes the District's Master Degree Program exclusively through Drake University offered to teachers at little or no cost who are part of the Alternative Teaching Contract.
- **Downtown School.** The Downtown School, located in Central Campus, is a national model where students learn in multiage classes. The school has been nationally recognized for its innovative programming, including an extended calendar, and is a great option for parents who work in the heart of the city.
- **Montessori.** Cowles Montessori School is the only public Montessori program in Iowa, serving students in grades K-8. Students learn in multiage classrooms and children's natural curiosities are exploited to the fullest as they advance at their own pace.
- **Alternative Programs.** Future Pathways, Scavo Alternative High School, Orchard Place, Des Moines Alternative, and Middle School Alternative offer programming for students who may be struggling with attendance requirements at a comprehensive school or have other personal issues and need alternative programming.
- **Ruby Van Meter and Smouse schools.** Ruby Van Meter School (serving secondary-age children) and Smouse Opportunity School (serving elementary-age children) provide high-quality, specialized instruction to physically and mentally disabled students.

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

- 2015 Magna Award – National School Board Association
- 2015 Iowa Teacher of the Year
- 2015 Ten National Award Winners

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

Economic Condition and Outlook

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

Des Moines, the city proper, is comprised of 80.87 square miles of land with a population of 207,000, approximately 25% of which is younger than 18. The median household income (2014) in Des Moines was \$60,011, and approximately 19% of persons live below the poverty line.

Today, Iowa's economy stands on firm ground as it recovers from the deep recession that began in 2008. An improved employment outlook nudged Iowa's unemployment rate down to 3.3 percent in August 2015 from 4.5 percent in July 2014. According to a report issued by the Iowa Legislative Services Agency (LSA) For FY 2016, the REC estimates growth will be positive 5.2%. In dollar terms, net revenue is projected to increase \$421.2 million for FY 2015 and increase \$352.2 million for FY 2016. When transfer revenue is included, FY 2014 projected growth

is \$361.5 million (5.6%), while FY 2016 growth is projected at positive \$328.2 million (4.8%) (LSA Summary of FY16 Budget).

The District has experienced slow but steady increases in its tax base, averaging about 2- 3 percent per year. At the same time, enrollment taken on October 1, 2014 affecting fiscal year 2016 remained flat with the October 1, 2013 count; while the October 1, 2014 enrollment affecting fiscal year 2016 remained flat with the 2014 count as well. The amount of state supplemental aid for FY16 is 1.25%. Enrollment is projected to remain stable or increase slightly in future years.

Long-Term Financial Planning and Relevant Financial Policies - The district's solvency ratio is a measure of the district's fund equity position and is defined as the unassigned fund balance (commonly referred to as the cash reserves) divided by the district's total General Fund revenues, less AEA flow-through. Board guidelines state that the solvency ratio should not go below 3 percent, without prior knowledge of the Board. The Iowa Association of School Boards (IASB) considers a solvency ratio of 0 - 5 percent to be adequate for short-term credit purposes, while a ratio of 5 – 10 is within "Target" or "Good" and therefore "can handle the unexpected." In addition during the 12-13 school year, the District's School Board approved a 15.0% minimum for the District's solvency ratio. The solvency ratio for the district decreased at year end to 13.2 percent, down from 15.4 percent in the prior year.

In addition, the Board monitors the district's unspent spending ratio. This ratio is a measure of the District's unbudgeted authorized spending capacity (not cash reserves) and is defined as the district's unspent spending authority divided by the district's maximum budget authority. It should be noted that reaching the maximum budget authority level would require the board to authorize and levy additional property taxes. The IASB recommends this ratio be in the target range of 10 – 20 percent. The projected unspent spending authority balance ratio is 15.7 percent, up from 14.6 percent for the prior year.

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

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

Our district continues to treat energy savings/consumption as a priority. Currently 99.8% of our classrooms are air conditioned. This is a 26% increase since 2008. 40 of our schools utilize the earth's natural temperatures to heat and cool our buildings. 46 schools are Energy Star qualified which means they operate in the upper 25% of like buildings nationally. Recognition of our sustainability is that the district was recognized with these major awards:

- Energy Star Partner of the Year – 2013 and 2012 (only back to back to back district nationally)
- Energy Star Partner of the Year for Sustained Excellence – 2014 and 2015
- Energy Star Partner of the Year for Climate Communications – 2014 and 2015
- Building Operations Managements FMXcellence Recognition - 2014
- Environmental Protection Agency's 2014 Energy Star National Building Competition: Findley Elementary School recognized for greatest overall energy-consumption reduction among all entered K-12 facilities. Pleasant Hill a top finisher in the category of water-use reduction with five additional facilities posting more than 20-percent reductions in water use.
- Named District of Distinction by District Administration magazine in 2014

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

Other Financial Information

Internal Control. Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that its assets are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America. Internal control is designed to provide reasonable, but not absolute, assurances that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

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

As a part of the District's single audit, described earlier, tests are made to determine the adequacy of the internal control over financial reporting and its compliance with applicable laws and regulations, including those related to major federal awards programs. The results of the District's single audit for the fiscal year ended June 30, 2015 provided no instances of material weaknesses in the internal control or violations of applicable laws.

Budgetary Controls. In addition, the District maintains strong budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of the General Fund, special revenue funds, Debt Service Fund, enterprise funds, Capital Projects Fund and Private Purpose Trust Funds, are included in the annual appropriated budget by program. Project length financial plans are adopted for the capital projects funds and budgeted accordingly on an annual basis. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the function level for all funds combined rather than at the individual fund level.

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

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

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

Awards and Acknowledgments

We are pleased to say that for the eighth 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, 2014. 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 eighth time, awarded a Certificate of Excellence in Financial Reporting to the district for the fiscal year ending June 30, 2014. This award represents the highest recognition for school district operations offered by ASBO International.

Each Certificate is valid for a period of one year only and the certificates for fiscal year 2014 are included in this report. We believe that our current CAFR continues to meet the GFOA and ASBO International Certificate of Achievement programs' requirements and we are submitting it to both the GFOA and ASBO International to determine its eligibility for another certificate.

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

Respectfully submitted,



Thomas M. Ahart, Superintendent



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

Des Moines Independent Community School District

**Board of Education and School District Officials
Year Ended June 30, 2015**

Name	Title	Term Expires
Board of Education		
Cindy Elsbernd	President	2015
Rob X. Barron	Vice President	2017
Connie Boesen	Board Member	2017
Teree Caldwell-Johnson	Board Member	2017
Toussaint Cheatom/Nathan Blake	Board Member	2015
Bill Howard	Board Member	2015
Pat Sweeney	Board Member	2015
School District Officials		
Thomas Ahart	Superintendent	
Thomas Harper	Secretary and Treasurer	Appointed



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Association of School Business Officials International



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

Des Moines Independent Community School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

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

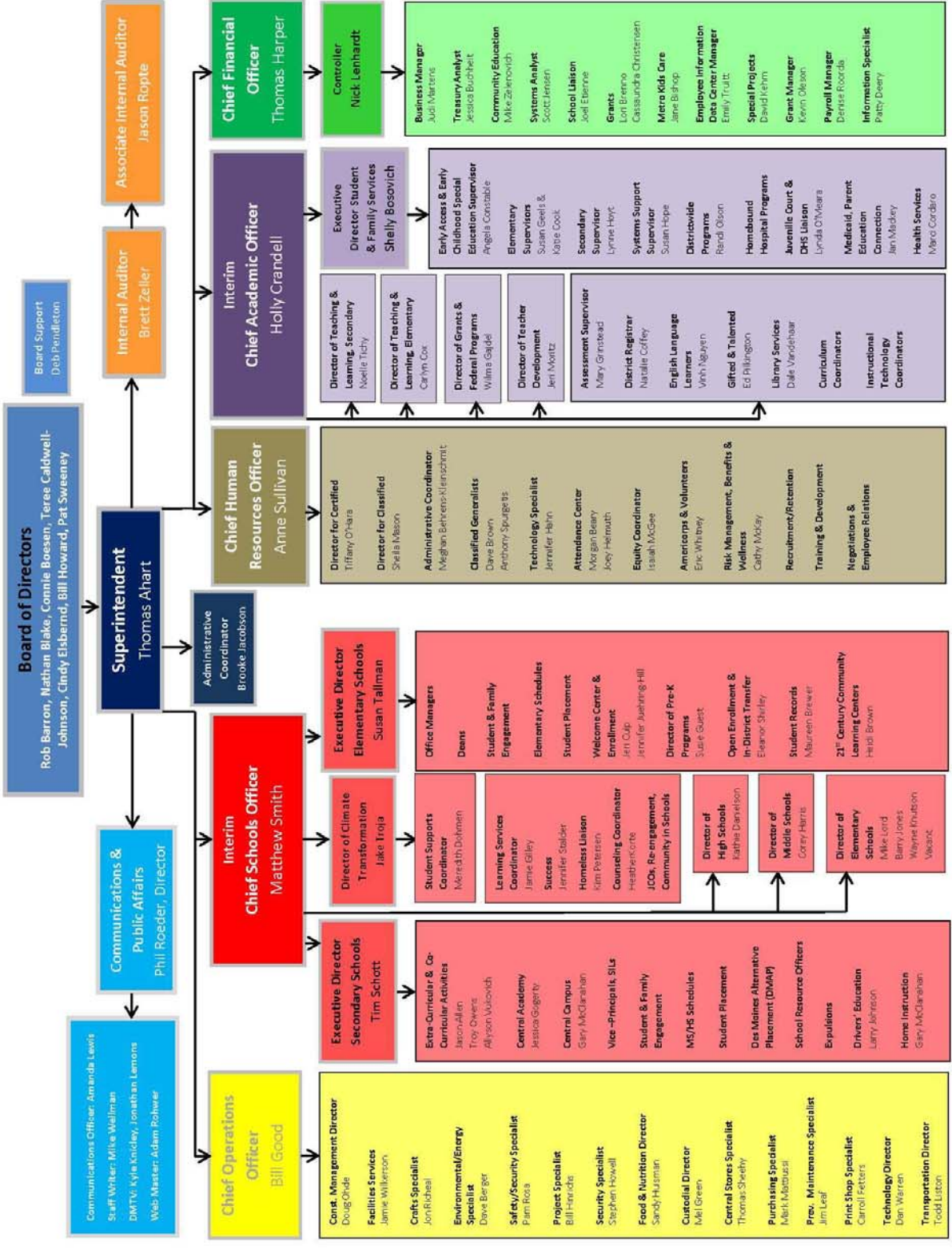


A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

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

John D. Musso, CAE, RSBA
Executive Director



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Independent Auditor's Report

RSM US LLP

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Des Moines Independent Community School District (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As explained in Note 14 to the basic financial statements, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which restated beginning net position, net pension (asset) liability and deferred outflows of resources of the governmental activities, business-type activities and the aggregate remaining fund information.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 15, the schedule of funding progress on page 63, the Iowa Public Employees' Retirement System pension plan schedules on pages 64 through 66, the Des Moines Teachers' Retirement System pension plan schedules on pages 67 through 73 and the budgetary comparison schedule on pages 74 through 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor fund financial statements and individual fund statements, listed in the table of contents as supplementary information, and the accompanying schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments and Nonprofit Organizations* are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* in considering the District's internal control over financial reporting and compliance.

RSM US LLP

Des Moines, Iowa
October 30, 2015

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2015

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, 2015. We encourage readers to consider this Discussion and Analysis presented here in conjunction with the financial statements, which follow.

Financial Highlights

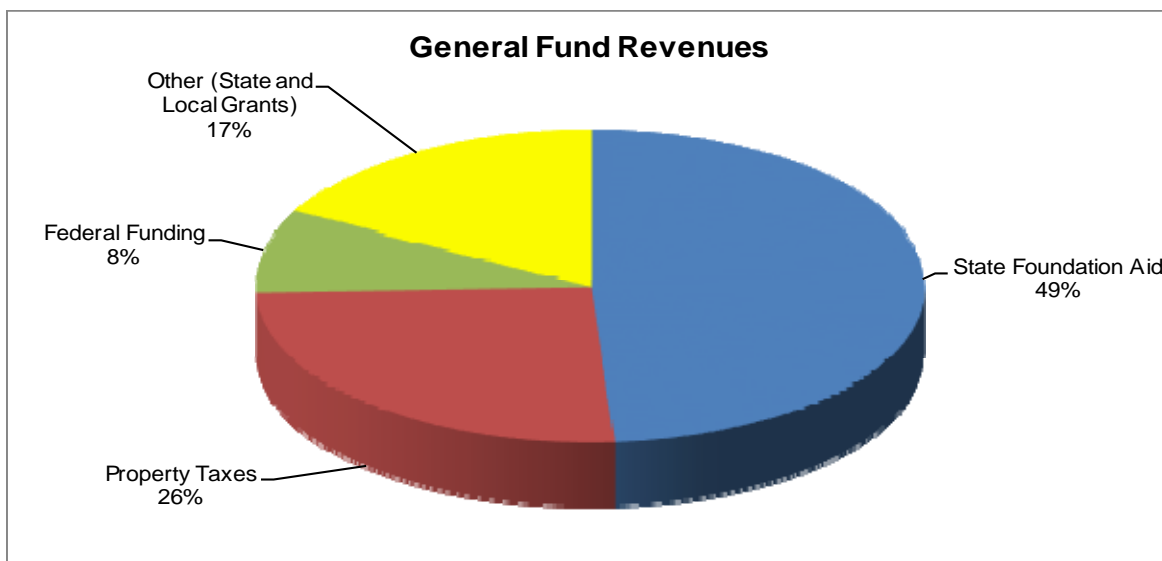
- **Budget:** The state of Iowa legislatively approved a state supplemental aid factor of 4.0 percent for fiscal year 2015. For fiscal year 2016 the state supplemental aid rate is 1.25 percent.

In April 2014, the board approved an expenditure budget for fiscal year 2015 for all funds of \$488.4 (without transfers) or \$506.4 million (including transfers). In May 2015, the board approved a budget amendment to increase expenditures by \$12.7 million.

This year, actual expenditures for all funds by major function were more than anticipated, \$1.4 million more than budgeted.

- **Revenue:** Government-wide revenues were \$475.7 million, which primarily consisted of state aid, property taxes, federal grants and local option sales taxes. General Fund revenues accounted for 83.4 percent of the Government-wide revenue. Program specific revenues in the form of charges for services and grants, and contributions accounted for 26.8 percent of total fiscal year 2015 revenues.

The General Fund had \$396.6 million in revenues for fiscal year 2015, which primarily consisted of state aid and property taxes. General Fund revenues increased 3.2 percent in fiscal year 2015, primarily due to a small increase in state supplemental aid.

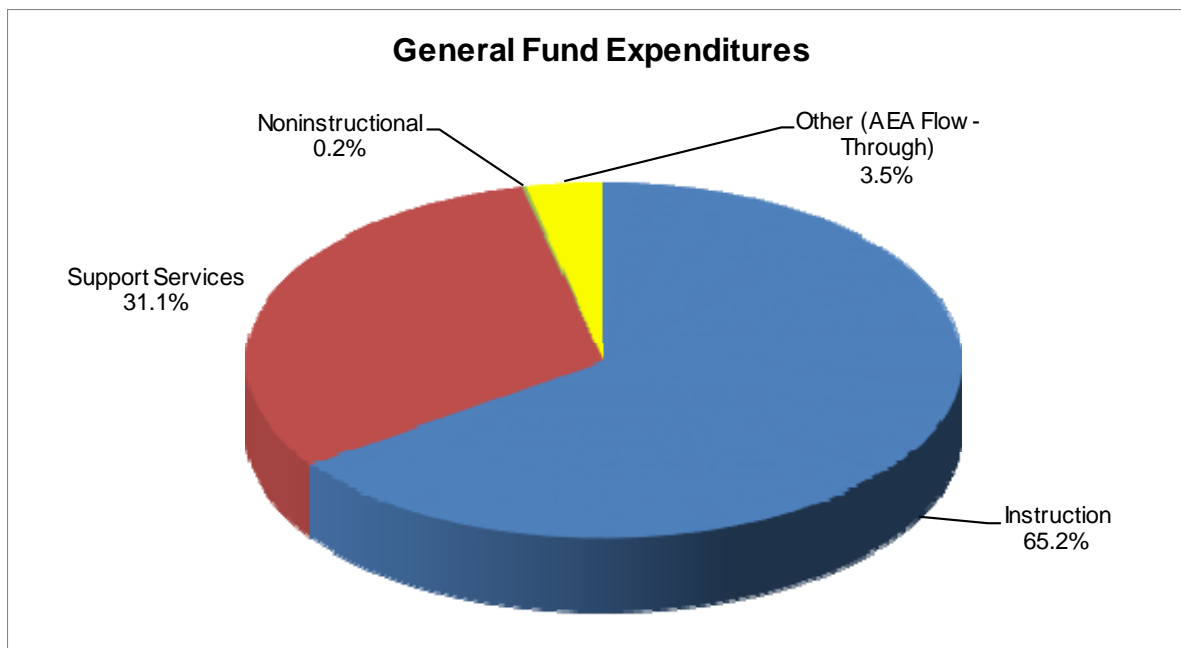


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Expenses: Government-wide expenses, including business-type activities, were \$460.1 million related to governmental activities, of which \$127.5 million of these expenses were offset by program specific charges for services or grants and contributions. General revenues of \$348.2 million provided for the remaining costs of these programs.

The General Fund had \$398.9 million in fiscal year 2015 expenditures, which primarily consisted of instructional expenditures. General Fund expenditures increased 4.7 percent, primarily due to an increase in overall FTEs, one-time initiatives to increase efficiency and effectiveness, the adoption of the District's IT Blueprint as well as increased benefit costs for previously existing FTEs.



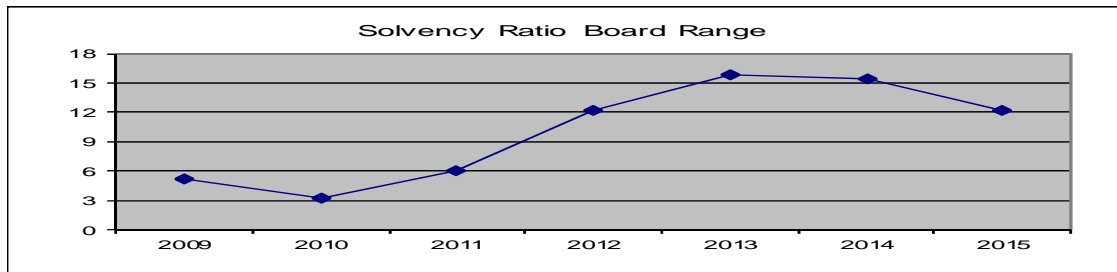
- **General Fund Balance and Solvency Ratio:** The District's overall General Fund balance decreased from \$76.4 million as of June 30, 2014 to \$74.2 million as of June 30, 2015, a decrease of \$2.2 million. The District, like all school districts in the state, is required to maintain a balanced budget. In an effort to balance the district budget, one of many strategies the district employed was to ensure revenue and expenditures remained balanced.

The General Fund unassigned portion of fund balance decreased from \$45.7 million as of June 30, 2014 to \$43.9 million as of June 30, 2015, a decrease of \$1.8 million.

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The District's solvency ratio also decreased from 15.4 percent as of June 30, 2014 to 13.2 percent as of June 30, 2015.



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

- **Debt:** The District's total long-term debt decreased by a net of \$9.8 million during the current fiscal year due to no new issuances of debt coupled with payments of current debt balances. The total outstanding bond debt at the end of the fiscal year is approximately \$186.1 million, consisting of revenue bonds.

Overview of the Financial Statements

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

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

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

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

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

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. These statements focus on individual parts (funds) of the District, reporting the District's operations in more detail than the Government-wide statements. Some funds are required by state law or bond covenants; some are established to control and manage money for particular purposes.

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

- **Governmental funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide financial statements. These statements explain how basic services, such as regular program and special education, were financed in the short-term as well as what remains for future spending.

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

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

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

These funds include activities defined as enterprise funds and internal service funds. The District's enterprise funds are all considered nonmajor and include School Nutrition, Child Care, Home Construction, Automotive and Wellness Center (which was permanently closed during FY15).

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.

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**Management’s Discussion and Analysis
Year Ended June 30, 2015**

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 Position	Balance Sheet	Statement of Net Position	Statement of Fiduciary Net Position
	Statement of Activities	Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Revenues, Expenses and Changes in Net Position Statement of Cash Flows	Statement of Changes in Fiduciary Net Position
Accounting basis	Accrual accounting	Modified accrual accounting	Accrual accounting	Accrual accounting
Measurement focus	Economic resources focus	Current financial focus	Economic resources focus	Economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital and short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or within specified periods after year-end of the year; expenditures when goods or services are received and liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

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

Government-Wide Financial Analysis

Net position: The following table presents a summary of the District's net position for the year ended June 30, 2015 with comparison totals as of June 30, 2014:

	Governmental Activities 2015 (as restated)	Governmental Activities 2014 (not restated)	Business-Type Activities 2015 (as restated)	Business-Type Activities 2014 (not restated)	Total 2015 (as restated)	Total 2014 (not restated)
Current assets and other assets	\$ 427,347,088	\$ 434,772,230	\$ 3,244,068	\$ 2,611,371	\$ 430,591,156	\$ 437,383,601
Capital assets, net	489,954,742	461,075,875	2,233,660	2,035,725	492,188,402	463,111,600
Total assets	917,301,830	895,848,105	5,477,728	4,647,096	922,779,558	900,495,201
Deferred outflows of resources	41,955,928	-	1,333,579	-	43,289,507	-
Current liabilities	86,063,976	80,576,423	992,433	926,241	87,056,409	81,502,664
Long-term liabilities	339,097,025	227,140,073	4,853,703	71,036	343,950,728	227,211,109
Total liabilities	425,161,001	307,716,496	5,846,136	997,277	431,007,137	308,713,773
Deferred inflows of resources	175,627,511	119,674,568	1,829,189	-	177,456,700	119,674,568
Net position:						
Net investment in capital assets	403,601,966	385,508,379	2,233,660	2,035,725	405,835,626	387,544,104
Restricted	28,487,506	27,692,220	-	-	28,487,506	27,692,220
Unrestricted	(73,620,226)	55,256,442	(3,097,678)	1,614,094	(76,717,904)	56,870,536
Total net position	\$ 358,469,246	\$ 468,457,041	\$ (864,018)	\$ 3,649,819	\$ 357,605,228	\$ 472,106,860

The District's combined net position as of June 30, 2015 was less the combined net position as of June 30, 2014; however the net position as of June 30, 2015 was greater than the combined *restated* net position as of June 30, 2014. The increase pertaining to net investment in capital assets was the result of the capitalization of school renovation, major repair projects that were completed as part of the District's Schools First and Students First Renovation Plans. It should be noted that the District uses these capital assets to provide educational services; consequently, these assets are not available for future spending. The primary reason for the overall reduction in the total net position was the adoption of Governmental Accounting Standards Board (GASB) pronouncement number 68. This required the District to report their proportionate share of the Iowa Public Employees Retirement System (IPERS) as well as the Des Moines Teachers Retirement System (DMTRS). Please refer to Note 9 for further details. The reason for the negative net position in the business type activities was due to the impact of GASB number 68 as explained above the fund had to record its proportionate share of the pension liability and expense.

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

Changes in net position: The following schedule shows the changes in net position for the year ended June 30, 2015 with comparison totals for the year ended June 30, 2014. The difference between revenues and expenditures represents the change in net position.

	Governmental Activities 2015 (as restated)	Governmental Activities 2014 (not restated)	Business-Type Activities 2015 (as restated)	Business-Type Activities 2014 (not restated)	Total 2015 (as restated)	Total 2014 (not restated)
Revenues:						
Program revenues:						
Charges for services	\$ 23,116,240	\$ 24,053,715	\$ 6,065,251	\$ 6,606,323	\$ 29,181,491	\$ 30,660,038
Operating grants and contributions	81,089,328	73,477,654	17,127,503	14,772,639	98,216,831	88,250,293
Capital grants and contributions	84,894	13,668	-	9,365	84,894	23,033
General revenues:						
Property taxes	121,872,271	121,571,048	-	-	121,872,271	121,571,048
Sales tax, capital projects	30,840,252	27,898,170	-	-	30,840,252	27,898,170
Investment earnings	296,406	533,415	-	-	296,406	533,415
State aid and other state sources	193,830,409	186,285,458	-	-	193,830,409	186,285,458
Other including transfers from fiduciary fund	1,394,310	1,877,806	-	-	1,394,310	1,877,806
Total revenues	452,524,110	435,710,934	23,192,754	21,388,327	475,716,864	457,099,261
Expenses:						
Instruction	275,533,672	269,507,255	-	-	275,533,672	269,507,255
Support services	137,518,672	127,421,918	-	-	137,518,672	127,421,918
Noninstructional	3,991,896	2,171,793	-	-	3,991,896	2,171,793
Other expenses	21,120,682	19,303,399	21,898,261	20,740,564	43,018,943	40,043,963
Total expenses	438,164,922	418,404,365	21,898,261	20,740,564	460,063,183	439,144,929
Increase in net position before transfers	14,359,188	17,306,569	1,294,493	647,763	15,653,681	17,954,332
Transfers	33,252	(677,879)	(33,252)	677,879	-	-
Change in net position	14,392,440	16,628,690	1,261,241	1,325,642	15,653,681	17,954,332
Net position, beginning, as restated	344,076,806	451,828,351	(2,125,259)	2,324,177	341,951,547	454,152,528
Net position, (deficit) ending	\$ 358,469,246	\$ 468,457,041	\$ (864,018)	\$ 3,649,819	\$ 357,605,228	\$ 472,106,860

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- The main revenue sources of state aid and other state sources, property and sales taxes account for 72.8 percent of total revenue.
- The District's expenses primarily relate to instruction and support services which account for 89.8 percent of the total expenses.
- Overall the District had an increase in net position of \$15.7 million which equates to a 4.6 percent increase over the prior year.
- Governmental activities increased the net position by \$14.4 million or 4.2 percent of the total growth in net position. The change was primarily due to the increase in state supplemental aid revenue compared to 2014.

Governmental Activities

- State foundation aid and other state sources, property taxes and sales taxes are the primary sources of revenue for the District, 43 percent, 27 percent and 7 percent, respectively, of total governmental activities revenues for fiscal year 2015 compared to 43 percent, 28 percent and 6 percent, respectively, for fiscal year 2014. Overall revenue increased 3.9 percent primarily due to an increase in state supplemental aid revenue and sales tax revenue. Instruction constitutes the largest portion of expenditures at \$275.5 million or 62.9 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 5.7 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 2014:

	2015		2014	
	Total Expenses	Net (Expense) Revenue	Total Expenses	Net (Expense) Revenue
Instruction	\$ 275,533,672	\$ (193,192,394)	\$ 269,507,255	\$ (192,590,492)
Other support services	137,518,672	(129,401,072)	127,421,918	(120,042,832)
Noninstructional programs	3,991,896	(3,989,375)	2,171,793	(2,009,367)
Other expenses	21,120,682	(7,291,619)	19,303,399	(6,216,637)
Total expenses	\$ 438,164,922	\$ (333,874,460)	\$ 418,404,365	\$ (320,859,328)

Net cost of governmental activities was financed by general revenues, which are made up of primarily property taxes and state aid. Federal and state governments and charges for services subsidized certain programs with federal stimulus funds, grants and contributions, and other local revenues of \$104.3 million or 23.8 percent of total governmental activities expenses.

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Business-Type Activities – Change in Net Position:

- The School Nutrition and Child Care programs constitute the majority of the business-type activities.
- The School Nutrition's primary sources of revenue are federal revenue and student fees and the primary expenses are staff and commodities. The District's free and reduced participation, coupled with the District's involvement with the federal community eligibility program, continued to increase during the fiscal year; therefore, the amount of federal revenue continued to increase, while the amount of student fees decreased. The School Nutrition Fund had a change in net position of \$0.8 million for fiscal year 2015.
- The primary source of revenue for the Child Care program is child care fees and the primary expense is staff. The Child Care Fund had a change in net position of \$0.4 million.

Financial Analysis of the District's Funds

Governmental Funds Highlights

General Fund:

- The General Fund is the principal operating fund of the District. The decrease in fund balance in the General Fund for the fiscal year was \$2.2 million. The District's solvency ratio (unassigned plus assigned fund balance/General Fund expenditures) decreased from 15.4 percent to 13.2 percent primarily due to an overall increase of FTEs, one-time initiatives to increase efficiency and effectiveness, the adoption of the District's IT Blueprint as well as increased benefit costs for previously existing FTEs..
- The increase in General Fund revenues (3.2 percent) compared to fiscal year 2014 was primarily due to state aid increase of 4.1 percent, other state and local sources increase of 5.9 percent and federal increase of 10.3 percent.
- The increase in General Fund expenditures (4.7 percent) compared to fiscal year 2014 was primarily due to an overall increase of FTEs, one-time initiatives to increase efficiency and effectiveness, the adoption of the District's IT Blueprint as well as increased benefit costs for previously existing FTEs.

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Capital Projects Fund:

- The Capital Projects Fund has a total fund balance of \$106.0 million for 2015 and \$132.7 million for 2014. The net decrease in the Capital Projects fund for the fiscal year was primarily due to consistent expenditures from the state-wide penny projects coupled with no new additional revenue bonds offered during the year.

Proprietary Fund Highlights

There are no major enterprise funds. The School Nutrition Fund represents 84.1 percent of the expenses of total enterprise funds. The District's percent of students eligible for free and reduced meals increased slightly from fiscal year 2014 (67.68 percent) to 2015 (69.12 percent), resulting in an increase in nonoperating revenue from the federal government to cover these meals and a decrease in operating revenues from meal charges to students.

Budgetary Highlights

In accordance with state law, the school board annually adopts a budget following the public notice and hearing requirements. Although the budget 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 2015.

- This year, expenditures (including transfers) for all funds by major function were greater than anticipated, at \$2.0 million more than the final budget.
- The District's General Fund, its principal operating fund, continues to remain financially solvent.
- The District received 101.1 percent of budgeted General Fund revenues, property taxes collected were slightly above budget, federal revenues were 103.02 percent of budget; other revenues were 104.26 percent of budget. Overall General Fund revenue increased 3.1 percent over the prior year primarily due to decreases in federal revenue.
- The District spent 101.9 percent of budgeted General Fund expenditures based on the final budget. General Fund expenditures increased primarily due to an increase in overall FTEs, one-time initiatives to increase efficiency and effectiveness while enhancing the district's use of technology, as well as increased benefit costs for previously existing FTEs.
- At the end of fiscal year 2015, the projected Unspent Authorized Budget ratio for the General Fund was 15.7 percent, an increase when compared to 14.6 percent at the end of fiscal year 2014.

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Capital Assets and Debt Administration

Capital Assets: As of June 30, 2014, the District had invested \$492.2 million in capital assets, including school buildings and major repairs, athletic facilities, buses and other vehicles, computers and other equipment. This amount represents a net increase of \$29.1 million from last year, primarily due to the accelerated spending on the Schools First and Students First school renovation plan as a result of the receipt of the proceeds of \$70 million in revenue bonds during fiscal year 2010, again in 2012 (\$71.9 million), as well as additional bonding in 2013 (\$8.78 million) and in 2014 (\$61.9 million).

The following schedule presents capital asset balances, net of accumulated depreciation, for the fiscal year ended June 30, 2015, compared with balances as of June 30, 2014:

	Governmental Activities 2015	Governmental Activities 2014	Business-Type Activities 2015	Business-Type Activities 2014	Total 2015	Total 2014
Land	\$ 4,113,994	\$ 4,113,994	\$ 98,173	\$ 60,724	\$ 4,212,167	\$ 4,174,718
Construction-in-progress	27,203,809	49,504,100	-	-	27,203,809	49,504,100
Land improvements	2,412,248	2,626,896	-	-	2,412,248	2,626,896
Buildings and improvements	444,569,990	393,936,316	-	-	444,569,990	393,936,316
Vehicles, furniture and equipment	11,654,701	10,894,569	2,135,488	1,975,001	13,790,189	12,869,570
Total	\$ 489,954,742	\$ 461,075,875	\$ 2,233,661	\$ 2,035,725	\$ 492,188,403	\$ 463,111,600

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

Debt Administration: As of June 30, 2015, the District had \$186.1 million in bonds outstanding, of which \$10.4 million is due within one year. The following table presents a summary of the District's outstanding long-term debt for the year ended June 30, 2015, with comparative information as of June 30, 2014:

	2015	2014
Sales tax revenue	\$ 186,140,000	\$ 195,985,000

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 \$536.0 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.

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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 decreased slightly from October 2014 to October 2015 by less than 0.5 percent, thus remaining stable overall. The enrollment in October 2013 times the district cost per student determines the amount of state foundation aid the district will receive for fiscal year 2015 from a combination of state aid and property taxes. The cost per student from year to year increases by a factor known as state supplemental aid. Normally, state supplemental aid is set by the legislature two years prior to the year it will affect the cost per student. The state supplemental aid rate for fiscal year 2015 was 4.0 percent, state supplemental aid rate for fiscal year 2016 is 1.25 percent.
- Enrollment per modeling done by the Iowa Department of Education is projected to remain stable or increase slightly in future years.
- The statewide penny sales (SWP) tax was implemented in the District on July 1, 2010. The District's SWP tax revenue for each fiscal year is calculated by multiplying the certified enrollment by the statewide average tax revenue per student. The statewide average is calculated by dividing the total statewide penny sales tax revenue by the statewide enrollment. For fiscal year 2014-15, total statewide penny sales tax revenue was projected to increase to \$440,240,459 million, while statewide enrollment increased to 478,921, producing a statewide average tax revenue per student of \$919 for fiscal year 2014-15. The Iowa Department of Management anticipates the statewide average will continue to increase 1-2 percent each year through fiscal year 2015-16.

Contacting the District's Financial Management

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

Des Moines Independent Community School District

**Statement of Net Position
June 30, 2015**

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and investments	\$ 155,875,963	\$ 1,922,840	\$ 157,798,803
Cash held with agent	18,626,480	-	18,626,480
Property taxes receivable - current year	1,304,992	-	1,304,992
Property taxes receivable - succeeding year	121,390,508	-	121,390,508
Interest receivable	187,338	-	187,338
Other receivables	467,071	571,046	1,038,117
Due from other governments	21,416,369	254,210	21,670,579
Inventories	503,466	495,972	999,438
Prepaid expenses	1,374,859	-	1,374,859
Total current assets	321,147,046	3,244,068	324,391,114
Noncurrent assets:			
Restricted cash and investments	93,320,519	-	93,320,519
Net pension asset	12,879,523	-	12,879,523
	106,200,042	-	106,200,042
Capital assets:			
Capital assets - nondepreciable	31,317,803	98,173	31,415,976
Capital assets - depreciable, net	458,636,939	2,135,487	460,772,426
Total capital assets	489,954,742	2,233,660	492,188,402
Total noncurrent assets	596,154,784	2,233,660	598,388,444
Total assets	917,301,830	5,477,728	922,779,558
Deferred Outflows of Resources			
Pension related amounts	41,955,928	1,333,579	43,289,507

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	\$ 12,691,615	\$ 249,467	\$ 12,941,082
Claims payable	7,477,836	-	7,477,836
Accrued payroll	28,600,899	178,116	28,779,015
Accrued interest payable	684,551	-	684,551
Other current liabilities	7,963,910	-	7,963,910
Due to other governments	12,146,644	429	12,147,073
Internal balances	(83,852)	83,852	-
Unearned revenue	59,039	267,375	326,414
Compensated absences	1,222,369	213,194	1,435,563
Special termination benefits	4,945,965	-	4,945,965
Revenue bonds	10,355,000	-	10,355,000
Total current liabilities	86,063,976	992,433	87,056,409
Noncurrent liabilities:			
Retrospective insurance rating plan	215,324	-	215,324
Compensated absences	3,324,601	57,355	3,381,956
Special termination benefits	10,017,846	-	10,017,846
Other postemployment benefits	22,850,666	-	22,850,666
Pollution remediation liability	42,800	-	42,800
Revenue bonds, net bond premiums	186,429,178	-	186,429,178
Net pension liability	116,216,610	4,796,348	121,012,958
Total noncurrent liabilities	339,097,025	4,853,703	343,950,728
Total liabilities	425,161,001	5,846,136	431,007,137
Deferred Inflows of Resources			
Property taxes	121,390,508	-	121,390,508
Pension related amounts	54,237,003	1,829,189	56,066,192
Total deferred inflows of resources	175,627,511	1,829,189	177,456,700
Net Position			
Net investment in capital assets	403,601,966	2,233,660	405,835,626
Restricted for:			
DMPS expendable trust	3,823,071	-	3,823,071
Permanent trust	11,573	-	11,573
Categorical funding	6,949,649	-	6,949,649
Shared programs	695,875	-	695,875
Medicaid	40,268	-	40,268
Grants	1,125,777	-	1,125,777
Management levy	6,976,077	-	6,976,077
Physical plant and equipment levy	7,182,684	-	7,182,684
Public education and recreation levy	99,614	-	99,614
Student activities	1,582,918	-	1,582,918
Unrestricted (deficit)	(73,620,226)	(3,097,678)	(76,717,904)
Total net position (deficit)	\$ 358,469,246	\$ (864,018)	\$ 357,605,228

Des Moines Independent Community School District

**Statement of Activities
Year Ended June 30, 2015**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
Instruction	\$ 275,533,672	\$ 8,118,482	\$ 74,137,902	\$ 84,894
Student services	23,458,269	-	4,069,055	-
Instructional support services	15,425,505	-	1,885,027	-
General administration	7,383,479	-	-	-
Building administration	21,862,042	-	-	-
Business and central administration	17,476,884	-	-	-
Plant operation and maintenance	39,177,136	389,873	499,372	-
Student transportation	12,735,357	778,822	495,451	-
Noninstructional	3,991,896	-	2,521	-
AEA support	13,829,063	13,829,063	-	-
Interest and issuance costs on long-term debt	7,291,619	-	-	-
Total governmental activities	438,164,922	23,116,240	81,089,328	84,894
Business-type activities:				
School nutrition	18,413,290	2,131,101	17,127,503	-
Child care	3,455,013	3,904,107	-	-
Home construction	2,665	-	-	-
Automotive	27,293	30,043	-	-
Wellness center	-	-	-	-
Total business-type activities	21,898,261	6,065,251	17,127,503	-
Total primary government	\$ 460,063,183	\$ 29,181,491	\$ 98,216,831	\$ 84,894

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

Transfers

Total general revenues and transfers

Changes in net position

Net position, beginning of year, as restated

Net position, end of year

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Totals
\$ (193,192,394)	\$ -	\$ (193,192,394)
(19,389,214)	-	(19,389,214)
(13,540,478)	-	(13,540,478)
(7,383,479)	-	(7,383,479)
(21,862,042)	-	(21,862,042)
(17,476,884)	-	(17,476,884)
(38,287,891)	-	(38,287,891)
(11,461,084)	-	(11,461,084)
(3,989,375)	-	(3,989,375)
-	-	-
(7,291,619)	-	(7,291,619)
(333,874,460)	-	(333,874,460)
-	845,314	845,314
-	449,094	449,094
-	(2,665)	(2,665)
-	2,750	2,750
-	-	-
-	1,294,493	1,294,493
(333,874,460)	1,294,493	(332,579,967)
101,357,950	-	101,357,950
12,704,254	-	12,704,254
6,917,190	-	6,917,190
892,877	-	892,877
30,840,252	-	30,840,252
193,830,409	-	193,830,409
296,406	-	296,406
1,394,310	-	1,394,310
33,252	(33,252)	-
348,266,900	(33,252)	348,233,648
14,392,440	1,261,241	15,653,681
344,076,806	(2,125,259)	341,951,547
\$ 358,469,246	\$ (864,018)	\$ 357,605,228

Des Moines Independent Community School District

**Balance Sheet
Governmental Funds
June 30, 2015**

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 107,323,881	\$ -	\$ 22,747,851	\$ 130,071,732
Restricted cash and investments	-	91,804,922	1,515,597	93,320,519
Cash held with agent	-	18,626,480	-	18,626,480
Property taxes receivable - current year	1,087,007	-	217,985	1,304,992
Property taxes receivable - succeeding year	105,523,267	-	15,867,241	121,390,508
Interest receivable	187,338	-	-	187,338
Other receivables	462,888	-	4,183	467,071
Due from other governments	15,167,403	6,248,966	-	21,416,369
Inventories	452,645	-	-	452,645
Prepaid items	1,270,031	-	104,828	1,374,859
Total assets	\$ 231,474,460	\$ 116,680,368	\$ 40,457,685	\$ 388,612,513
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 4,278,886	\$ 7,312,498	\$ 1,449,655	\$ 13,041,039
Accrued payroll	28,599,896	-	842	28,600,738
Special termination benefits	-	-	3,065,447	3,065,447
Other current liabilities	6,086,589	1,843,894	33,427	7,963,910
Due to other governments	11,655,112	4,406	12,688	11,672,206
Compensated absences	613,876	-	19,789	633,665
Total liabilities	51,234,359	9,160,798	4,581,848	64,977,005
Deferred inflows of resources:				
Succeeding year - property taxes	105,523,267	-	15,867,241	121,390,508
Unavailable revenue - sales tax	-	1,481,183	-	1,481,183
Unavailable revenue - intergovernmental	510,862	-	12,507	523,369
Total deferred inflows of resources	106,034,129	1,481,183	15,879,748	123,395,060
Fund balances:				
Nonspendable	1,722,676	-	114,706	1,837,382
Restricted	12,395,621	106,038,387	19,881,383	138,315,391
Committed	11,500,000	-	-	11,500,000
Assigned	4,717,021	-	-	4,717,021
Unassigned	43,870,654	-	-	43,870,654
Total fund balances	74,205,972	106,038,387	19,996,089	200,240,448
Total liabilities, deferred inflows of resources and fund balances	\$ 231,474,460	\$ 116,680,368	\$ 40,457,685	\$ 388,612,513

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

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

June 30, 2015

Total governmental fund balances \$ 200,240,448

Amount reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	\$	4,113,994	
Construction-in-progress		27,203,809	
Land improvements		9,859,510	
Buildings and improvements		575,477,960	
Vehicles, furniture and equipment		27,788,521	
Accumulated depreciation		<u>(154,532,354)</u>	489,911,440

Other long-term assets are not available to pay for current-period expenditures and, therefore, reported as deferred inflows of resources - unavailable revenue, in the governmental funds 2,004,552

Internal service funds are used by management to charge the costs of certain activities, such as self-insurance benefits for employees and print shop services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 20,852,545

Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:

Deferred outflows of resources - IPERS		29,000,840	
Deferred outflows of resources - DMTRS		12,955,088	
Deferred inflows of resources - IPERS		(44,321,667)	
Deferred inflows of resources - DMTRS		<u>(9,915,336)</u>	(12,281,075)

Certain assets and liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. These assets and liabilities at year-end consist of:

Net pension asset - DMTRS		12,879,523	
Compensated absences		(3,899,068)	
Sales tax revenue bonds		(186,140,000)	
Bond premiums		(10,644,178)	
Accrued interest payable		(684,551)	
Claims payable for workers' compensation		(2,546,626)	
Retrospective insurance rating plan		(215,324)	
Other postemployment benefits		(22,850,666)	
Net pension liability - IPERS		(116,216,610)	
Pollution remediation liability		(42,800)	
Special termination benefits		<u>(11,898,364)</u>	(342,258,664)
Net position of governmental activities			<u><u>\$ 358,469,246</u></u>

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2015**

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 101,357,950	\$ -	\$ 20,514,321	\$ 121,872,271
Other local sources	21,501,473	304,726	967,795	22,773,994
Sales tax, for capital projects	-	30,744,831	-	30,744,831
Investment earnings (losses)	368,895	89,159	(161,648)	296,406
Intermediate sources	767,417	-	-	767,417
State foundation aid	193,830,409	-	-	193,830,409
Other state sources	45,574,769	-	-	45,574,769
Federal sources	33,090,152	-	58,428	33,148,580
Student activities	73,588	-	3,045,807	3,119,395
Total revenues	396,564,653	31,138,716	24,424,703	452,128,072
Expenditures:				
Current:				
Instruction	260,332,804	-	7,834,327	268,167,131
Student services	22,474,496	-	584,344	23,058,840
Instructional support services	14,958,745	-	34,026	14,992,771
General administration	6,664,999	-	622,868	7,287,867
Building administration	21,142,500	-	452,987	21,595,487
Business and central administration	15,629,072	-	862,793	16,491,865
Plant operation and maintenance	33,343,029	-	5,057,876	38,400,905
Student transportation	9,712,461	-	2,264,048	11,976,509
Noninstructional	819,105	-	1,378,165	2,197,270
AEA support	13,829,063	-	-	13,829,063
Capital outlay	-	39,156,019	4,806,655	43,962,674
Debt service:				
Principal retirement	-	-	9,845,000	9,845,000
Interest	-	-	8,781,480	8,781,480
Total expenditures	398,906,274	39,156,019	42,524,569	480,586,862
(Deficiency) of revenues over expenditures	(2,341,621)	(8,017,303)	(18,099,866)	(28,458,790)
Other financing sources (uses):				
Proceeds from sale of capital assets	86,867	-	-	86,867
Transfers in	33,252	-	18,626,480	18,659,732
Transfers out	-	(18,626,480)	-	(18,626,480)
Total other financing sources (uses)	120,119	(18,626,480)	18,626,480	120,119
Net change in fund balances	(2,221,502)	(26,643,783)	526,614	(28,338,671)
Fund balances, beginning of year	76,427,474	132,682,170	19,469,475	228,579,119
Fund balances, end of year	\$ 74,205,972	\$ 106,038,387	\$ 19,996,089	\$ 200,240,448

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, 2015**

Net change in fund balances - total governmental funds \$ (28,338,671)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period and other transactions involving capital assets:

Capital outlay	\$ 41,088,513	
Depreciation expense	(12,085,049)	
Proceeds from sale of capital assets	(86,867)	
Loss on sale of capital assets	(26,493)	
	28,890,104	28,890,104

Revenues in statement of activities that do not provide current financial resources are not reported as revenues in the funds, change in deferred inflows of resources - unavailable revenue (416,870)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond premiums, whereas this amount is reported as a liability and amortized in the statement of activities:

Repayment of bond principal	9,845,000	
Amortization of bond premiums	1,464,977	
	11,309,977	11,309,977

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	101,883	
Decrease in retrospective insurance rating plan	182,502	
Decrease in accrued interest expense	24,884	
Increase in claims payable for workers' compensation	(852,107)	
Decrease in pollution remediation liability	13,000	
Pension expense	8,762,073	
Increase in other postemployment benefits	(4,747,000)	
Increase in special termination benefits	(1,282,493)	
	2,202,742	2,202,742

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

	745,158	
Change in net position of governmental activities	\$ 14,392,440	

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

**Statement of Net Position
Proprietary Funds
June 30, 2015**

	Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,922,840	\$ 25,804,231
Other receivables	571,046	-
Due from other governments	254,210	-
Inventories	495,972	50,821
Total current assets	3,244,068	25,855,052
Noncurrent assets:		
Advances to other funds	97,510	157,608
Capital assets:		
Nondepreciable	98,173	-
Depreciable, net	2,135,487	43,302
Total noncurrent assets	2,331,170	200,910
Total assets	5,575,238	26,055,962
Deferred Outflow of Resources , pension related amounts	1,333,579	-
Liabilities		
Current liabilities:		
Accounts payable	249,467	90,881
Claims payable	-	4,490,905
Accrued payroll	178,116	161
Due to other governments	429	474,438
Unearned revenue	267,375	59,039
Compensated absences	213,194	14,237
Total current liabilities	908,581	5,129,661
Noncurrent liabilities:		
Advances from other funds	181,362	73,756
Compensated absences	57,355	-
Net pension liability	4,796,348	-
Total noncurrent liabilities	5,035,065	73,756
Total liabilities	5,943,646	5,203,417
Deferred Inflow of Resources , pension related amounts	1,829,189	-
Net Position (Deficit)		
Investment in capital assets	2,233,660	43,302
Unrestricted	(3,097,678)	20,809,243
Total net position (deficit)	\$ (864,018)	\$ 20,852,545

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2015**

	Nonmajor Enterprise Funds	Governmental Activities <u>Internal Service Funds</u>
Operating revenues:		
Student activities	\$ 29,729	\$ -
Charges for services:		
Employee benefits	-	59,180,160
Sale of food	2,047,398	-
Child care	3,904,107	-
Miscellaneous	314	261,573
Total operating revenues	<u>5,981,548</u>	<u>59,441,733</u>
Operating expenses:		
Student services	18,056,261	-
Depreciation	384,015	11,237
Community services	3,457,678	-
Claims and related costs	-	58,380,809
Miscellaneous	-	304,529
Total operating expenses	<u>21,897,954</u>	<u>58,696,575</u>
Operating income (loss)	<u>(15,916,406)</u>	<u>745,158</u>
Nonoperating revenues (expenses):		
Other local sources	83,703	-
State sources	156,048	-
Federal sources	16,971,455	-
Loss on disposal of capital assets	(307)	-
Total nonoperating revenues	<u>17,210,899</u>	<u>-</u>
Income before capital contributions and transfers	<u>1,294,493</u>	<u>745,158</u>
Transfers out	(33,252)	-
Change in net position (deficit)	<u>1,261,241</u>	<u>745,158</u>
Total net position (deficit), beginning of year, as restated	(2,125,259)	20,107,387
Total net position (deficit), end of year	<u>\$ (864,018)</u>	<u>\$ 20,852,545</u>

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

**Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2015**

	Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
Cash flows from operating activities:		
Cash received from user charges	\$ 5,852,366	\$ 59,465,333
Cash payments to employees for services	(12,191,782)	(226,838)
Cash payments to suppliers for goods and services	(8,849,616)	(57,260,526)
Net cash provided by (used in) operating activities	(15,189,032)	1,977,969
Cash flows from noncapital financing activities:		
Payments from other funds	76,311	42,194
Payments to other funds	(76,293)	(42,212)
Transfers out	(33,252)	-
Grants and donations received	16,077,041	-
Net cash provided by (used in) noncapital financing activities	16,043,807	(18)
Cash flows from capital and related financing activities, acquisition of capital assets		
	(579,451)	-
Net increase in cash and cash equivalents	275,324	1,977,951
Cash and cash equivalents, beginning of year	1,647,516	23,826,280
Cash and cash equivalents, end of year	\$ 1,922,840	\$ 25,804,231
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (15,916,406)	\$ 745,158
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	384,015	11,237
Commodities used	1,004,156	-
Changes in assets and liabilities:		
Receivables	(155,172)	-
Inventories	(72,229)	(4,281)
Prepaid items	37	8,236
Accounts payable and due to other governments	80,737	51,611
Claims payable	-	1,148,077
Unearned revenue	25,990	23,600
Accrued liabilities and compensated absences	(57,040)	(5,669)
Net pension liability	(1,685,429)	-
Deferred outflows of resources	(626,880)	-
Deferred inflows of resources	1,829,189	-
Net cash provided by (used in) operating activities	\$ (15,189,032)	\$ 1,977,969
Noncash items:		
Noncapital financing activities, commodities received from the U.S. Department of Agriculture	\$ 1,004,156	\$ -
Capital and related financing activities, acquisition of capital assets through accounts payable	2,805	-

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

**Statement of Fiduciary Net Position
Fiduciary and Agency Funds
June 30, 2015**

	Pension Trust	Private Purpose Trust	Agency Faculty and Staff
Assets			
Cash and cash equivalents	\$ -	\$ 734,135	\$ 193,839
Investments:			
Certificates of deposit	1,716,879	-	-
Money market	9,740,795	-	-
U.S. government securities	5,624,022	5,280	-
Corporate equities	48,075,538	-	-
Mortgage-backed securities	18,204,550	-	-
Corporate obligations	81,190,298	-	-
Preferred stock	2,183,220	-	-
Municipal bonds	72,194,606	-	-
Other fixed income	5,438,563	-	-
Interest receivable	2,392,985	-	-
Other receivables	-	-	-
Prepaid expense	-	10,000	-
Total assets	246,761,456	749,415	193,839
Liabilities			
Accounts payable	19,440	-	38,465
Due to other entities	-	-	155,374
Total liabilities	19,440	-	\$ 193,839
Net Position			
Held in trust for:			
Employees' pension benefits	246,742,016	-	
Scholarships	-	749,415	
Total net position	\$ 246,742,016	\$ 749,415	

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2015**

	Pension Trust	Private Purpose Trust
Additions:		
Contributions:		
Employer	\$ 1,988,524	\$ -
Employee	1,604,689	-
Private sources	-	20,154
Total contributions	3,593,213	20,154
Investment earnings:		
Net (decrease) in fair value of investments	(858,786)	-
Interest	8,657,993	660
Dividends	1,490,652	-
Total investment earnings	9,289,859	660
Less investment expense	111,716	-
Net investment earnings	9,178,143	660
Total additions	12,771,356	20,814
Deductions:		
Benefit payments	15,110,909	-
Resignation refunds	39,614	-
Beneficiary settlements	590,643	-
Scholarship awarded	-	8,050
Administrative costs	85,656	-
Other	-	1,534
Total deductions	15,826,822	9,584
Change in net position	(3,055,466)	11,230
Net position, beginning of year	249,797,482	738,185
Net position, end of year	\$ 246,742,016	\$ 749,415

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

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

Nature of operations:

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

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

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

Reporting entity:

The District is a primary government that has a separately elected governing body, is legally separate and is fiscally independent of other state or local governments. The financial statements of the District include all District operations required to be included in accordance with GASB pronouncements concerning the reporting entity. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The GASB has set forth criteria to be considered in determining financial accountability. These criteria are: a) appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the District; and b) fiscal dependency. In addition, GASB Standards, set forth additional criteria to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District. These criteria include 1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the District, its component units, or its constituents, 2) the District being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the District and 3) the economic resources received or held by an individual organization that the District is entitled to, or has the ability to otherwise access, are significant to the District. The District evaluated certain alumni foundations and determined those foundations to not be significant to the District as a whole. Therefore, the District has no component units which meet the GASB criteria that should be included in these basic financial statements.

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 position and the statement of activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

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

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

Fund financial statements: Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the Government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Fund accounting: The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, deferred inflows/outflows, fund balance/net position, revenues and expenditures or expenses, as appropriate. The District has the following funds:

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

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

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

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

The following enterprise funds of the District are considered nonmajor:

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

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

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

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

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

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

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

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

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

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

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

The District has the following fiduciary fund types:

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

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the District’s proprietary funds are charges for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and claims, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash, cash equivalents and investments: The investments are stated at fair value based on quoted market prices. Short-term investments, which consist of nonnegotiable certificates of deposit, are reported at cost, which approximates fair value. Securities traded in a national or international exchange are valued at the last reported sales price at the current exchange rates. Cash and cash equivalents include the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost and nonnegotiable certificates of deposit which are at stated cost.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

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

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

Current year property tax receivable represents unpaid taxes related to the April 2014 levy certification. Property taxes become due and collectible in September and March of the following fiscal year with a 1½ percent per month penalty for delinquent payments. This tax levy is based on January 1, 2013 assessed property valuations and is revenue for fiscal year ended June 30, 2015.

The succeeding year property tax receivable represents taxes certified by the Board of Directors in April 2015. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. The tax asking represents a lien which is effective on the first day of that calendar year. Although the succeeding year property tax receivable has been recorded, the related revenue is a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year ended June 30, 2016, the year for which it is levied.

Due from other governments and other receivables: Due from other governments and other receivables represents amounts due from the state of Iowa, other school districts, and other various grants, reimbursements and shared revenues. As of June 30, 2015, the District does not have an allowance for uncollectible accounts related to amounts due from other governments or other receivables.

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

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

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

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

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

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

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.

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

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

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

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

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

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

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

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

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

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

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

Fund balance: In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed: Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board through resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same action it employed to commit those amounts.

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

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

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

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

Net position: Net position represent the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in the Government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net investment in capital assets excludes unspent debt proceeds. Unspent debt proceeds (which includes proceeds reserved for debt retirement) for the Capital Projects Fund was \$110,431,402. Net position is reported as restricted in the Government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Net position restricted through enabling legislation as of June 30, 2015 consists of \$6,976,077 for management levy, \$7,182,684 for physical plant and equipment levy, and \$99,614 for public education and recreation levy.

Donor restricted net position include \$3,823,071 for net position in the DMPS (Expendable Trust) Fund which is to be used mainly for the Smouse School and \$11,573 in the Permanent Fund to be used for teacher education and training.

Net position restricted for other purposes consists of \$10,394,487 restricted for various grants and sponsored programs, including Medicaid programs and Student Activity balances.

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

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

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

Estimates: The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

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 and Collage Fund had deficit balances as of June 30, 2015, of \$1,494,386 and \$73,823, respectively. The District will analyze the funds' activity and take the necessary steps to reduce the negative fund balance. See Note 14 for the effect of the GASB 68 implementation on the Child Care Fund.

Note 3. Deposits and Investments

As of June 30, 2015, the District's cash, cash equivalents and investments (including fiduciary fund assets) were as follows:

Cash and other deposits	\$ 71,843,825
Investments, primarily pension trust	424,577,222
	<u>\$ 496,421,047</u>

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

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

The above description of authorized investments does not apply to the Des Moines Teachers' Retirement System (DMTRS) Pension Trust Fund, whose investments are governed by the underlying Plan document, or investments donated to the District. As of June 30, 2015, all District investments in corporate bonds and stocks were held by the DMTRS or represent stock donated to special revenue and fiduciary funds. All the District investments, other than donated investments and DMTRS investments, are held in certificates of deposit or securities backed by the U.S. government or its agencies.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

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	\$ 1,515,597	N/A	N/A	N/A
U.S. Government securities	2,120	\$ 2,120	\$ -	\$ -
Fixed income securities	178,691,034	178,691,034	-	-
\$ 180,208,751	\$ 178,693,154	\$ -	\$ -	\$ -

Des Moines Teachers' Retirement System (DMTRS)

Fair Value	Investment Maturities (in Years)			
	Less than 1	1 - 5	6 - 10	More than 10
Certificates of deposit	\$ 1,716,879	N/A	N/A	N/A
Money Market Mutual Funds	9,740,795	N/A	N/A	N/A
U.S. Government securities	5,624,022	\$ 1,000,470	\$ 1,401,282	\$ 3,222,270
Corporate equities	48,075,538	N/A	N/A	N/A
Mortgage-backed securities	18,204,550	-	39,817	3,611,449
Corporate obligations	81,190,298	1,013,470	14,014,255	8,194,628
Preferred stock	2,183,220	N/A	N/A	N/A
Municipal bonds	72,194,606	-	2,425,423	18,077,745
Other fixed income	5,438,563	1,001,800	229,334	-
\$ 244,368,471	\$ 3,015,740	\$ 18,110,111	\$ 29,883,822	\$ 131,642,366

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

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

As of June 30, 2015, the District's investments in debt securities were rated as follows:

Investment Type	Standard & Poor's	Moody's Investor's Services
Investments (excluding DMTRS):		
Fixed Income Securities	AA+	AAA
U.S. Government Securities	N/A	AAA
DMTRS Investments:		
Mortgage-Backed Securities	Not Rated	Not Rated
Corporate Obligations	AAA	AAA
Corporate Obligations	AA+	A1
Corporate Obligations	AA	A1
Corporate Obligations	AA	AA1
Corporate Obligations	AA	AA2
Corporate Obligations	AA-	AA3
Corporate Obligations	AA-	N/A
Corporate Obligations	AA-	A1
Corporate Obligations	A+	A2
Corporate Obligations	A+	A2
Corporate Obligations	A+	A1
Corporate Obligations	A-	A2
Corporate Obligations	A-	BAA1
Corporate Obligations	A-	A2
Corporate Obligations	A-	A3
Corporate Obligations	A-	A1
Corporate Obligations	A	A2
Corporate Obligations	A	BAA1
Corporate Obligations	A	A1
Corporate Obligations	A	A3
Corporate Obligations	BBB+	A3
Corporate Obligations	BBB+	BAA1
Corporate Obligations	BBB+	BAA2

(Continued)

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

Investment Type	Standard & Poor's	Moody's Investor's Services
DMTRS Investments (Continued):		
Municipal Bonds	AAA	AAA
Municipal Bonds	AAA	AA1
Municipal Bonds	AA+	AA1
Municipal Bonds	AA+	AA2
Municipal Bonds	AA+	Not rated
Municipal Bonds	AA+	AA1
Municipal Bonds	AA	AA2
Municipal Bonds	AA	AA3
Municipal Bonds	AA	AA1
Municipal Bonds	AA	A3
Municipal Bonds	AA	Not rated
Municipal Bonds	AA	A1
Municipal Bonds	AA-	AA2
Municipal Bonds	AA-	Not rated
Municipal Bonds	AA-	AA3
Municipal Bonds	A-	Not rated
Municipal Bonds	Not rated	A1
Municipal Bonds	Not rated	AA1
Municipal Bonds	Not rated	AAA
Municipal Bonds	Not rated	AA2
Municipal Bonds	Not rated	AA3
Other Fixed Income Securities	A+	A2
Other Fixed Income Securities	A+	A1
Other Fixed Income Securities	A	A3
Other Fixed Income Securities	AA+	AA1

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

More than 5 percent of the District's investments are with Federal Home Loan Banks. These investments are approximately 42 percent of the District's total investments. The investments in U.S. Government Securities, Corporate Equities and Corporate obligations, are not subject to concentration of credit risk due to either being guaranteed by the U.S. government, considered a pooled investment, or none of the securities underlying the total investment type is more than 5 percent in any one issuer.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

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, 2015, 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, 2015, none of the District's investments were insured, but they were all registered in the District's name and held by the counterparty or the counterparty's trust department.

Note 4. Interfund Receivables/Payables and Transfers

Advances to and from other funds as of June 30, 2015 are as follows:

	Advances To Other Funds	Advances From Other Funds
Nonmajor enterprise funds	\$ 97,510	\$ 181,362
Internal service funds	157,608	73,756
	<u>\$ 255,118</u>	<u>\$ 255,118</u>

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

The \$181,362 of advances from other funds in the nonmajor enterprise funds is attributable to the Child Care fund. This fund was impacted by the GASB 68 implementation and the advance will be repaid now that the fund is solvent.

The \$73,756 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.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

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

	Transfers In	Transfers Out
Major funds:		
General fund	\$ 33,252	\$ -
Capital projects fund	-	18,626,480
Nonmajor governmental funds	18,626,480	-
Nonmajor enterprise funds	-	33,252
	<u>\$ 18,659,732</u>	<u>\$ 18,659,732</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in a certain fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

Note 5. Capital Assets

A summary of capital asset activity for the year ended June 30, 2015 is as follows:

Governmental Activities	Beginning Balance	Additions and Transfers In	Deletions and Transfers Out	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,113,994	\$ -	\$ -	\$ 4,113,994
Construction-in-progress	49,504,100	38,364,618	60,664,909	27,203,809
Total capital assets, not being depreciated	<u>53,618,094</u>	<u>38,364,618</u>	<u>60,664,909</u>	<u>31,317,803</u>
Capital assets, being depreciated:				
Land improvements	9,859,510	-	-	9,859,510
Buildings and improvements	515,025,882	60,664,909	212,831	575,477,960
Vehicles, furniture and equipment	25,527,816	2,723,895	254,240	27,997,471
Total capital assets, being depreciated	<u>550,413,208</u>	<u>63,388,804</u>	<u>467,071</u>	<u>613,334,941</u>
Less accumulated depreciation for:				
Land improvements	(7,232,614)	(214,648)	-	(7,447,262)
Buildings and improvements	(121,089,566)	(9,929,641)	(111,237)	(130,907,970)
Vehicles, furniture and equipment	(14,633,247)	(1,951,997)	(242,474)	(16,342,770)
Total accumulated depreciation	<u>(142,955,427)</u>	<u>(12,096,286)</u>	<u>(353,711)</u>	<u>(154,698,002)</u>
Total capital assets, being depreciated, net	<u>407,457,781</u>	<u>51,292,518</u>	<u>113,360</u>	<u>458,636,939</u>
Governmental activities capital assets, net	<u>\$ 461,075,875</u>	<u>\$ 89,657,136</u>	<u>\$ 60,778,269</u>	<u>\$ 489,954,742</u>

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, not being depreciated, construction-in-progress	\$ 60,724	\$ 37,449	\$ -	\$ 98,173
Capital assets, being depreciated:				
Vehicles, furniture and equipment	5,510,001	544,807	14,198	6,040,610
Less accumulated depreciation	(3,535,000)	(384,015)	(13,892)	(3,905,123)
Total capital assets, being depreciated, net	1,975,001	160,792	306	2,135,487
 Business-type activities capital assets, net	 \$ 2,035,725	 \$ 198,241	 \$ 306	 \$ 2,233,660

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

Governmental activities:

Instruction	\$ 10,313,561
Noninstructional	186,981
Business and central administration	533,860
Plant operation and maintenance	242,551
Student transportation	808,096
Capital assets held by governments internal service funds are charged to the various functions based on their usage of the assets	11,237
Total	\$ 12,096,286

Business-type activities, school nutrition

\$ 384,015

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 6. Long-Term Liabilities and Bonds Payable

The following is a summary of changes in bonded and other long-term liabilities for the year ended June 30, 2015:

	Beginning Balance (As Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Sales tax revenue bonds	\$ 195,985,000	\$ -	\$ 9,845,000	\$ 186,140,000	\$ 10,355,000
Bond premiums	12,109,155	-	1,464,977	10,644,178	-
Retrospective insurance rating plan	397,826	70,729	253,231	215,324	-
Special termination benefits	13,678,160	6,151,850	4,866,199	14,963,811	4,945,965
Compensated absences	4,531,561	3,848,201	3,832,792	4,546,970	1,222,369
Other postemployment benefits	18,103,666	6,118,000	1,371,000	22,850,666	-
Net pension liability	157,054,928	-	40,838,318	116,216,610	-
Polution remediation	55,800	-	13,000	42,800	-
Long-term liabilities	\$ 401,916,096	\$ 16,188,780	\$ 62,484,517	\$ 355,620,359	\$ 16,523,334
Business-type activities:					
Compensated absences	\$ 250,606	\$ 288,285	\$ 268,342	\$ 270,549	\$ 213,194
Net pension liability	6,481,777	-	1,685,429	4,796,348	-
Long-term liabilities	\$ 6,732,383	\$ 288,285	\$ 1,953,771	\$ 5,066,897	\$ 213,194

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

The District has pledged future statewide penny school infrastructure, services and use tax revenues to repay the \$70,000,000 of bonds issued March 2010 with interest rates ranging from 2 percent to 5 percent, \$71,900,000 of bonds issued May 2012 with an interest rate of 4 percent, \$8,780,000 of bonds issued December 2013 with interest rates ranging from 3 percent to 5 percent and \$61,940,000 of bonds issued May 2014 with interest rates ranging from 3 percent to 5 percent. The bonds were issued for the purpose of financing costs of school infrastructure improvement projects. The bonds are payable solely from the proceeds of the statewide penny school infrastructure, services and use tax revenue received by the District and are payable through 2029. The bonds are not a general obligation of the District; however, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds were expected to require less than 50 percent of the statewide penny school infrastructure, services and use tax revenues. For the current year, principal and interest paid and total statewide penny school infrastructure, services and use tax revenue were \$18,626,480 and \$30,744,831, respectively.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

Annual debt service requirements to maturity as of June 30, 2015 for the outstanding sales tax revenue bonds are summarized as follows:

Year Ending June 30:	Governmental Activities		
	Principal	Interest	Total
2016	\$ 10,355,000	\$ 8,143,820	\$ 18,498,820
2017	10,705,000	7,670,170	18,375,170
2018	11,075,000	7,175,970	18,250,970
2019	11,480,000	6,664,470	18,144,470
2020	11,905,000	6,138,970	18,043,970
2021 - 2025	66,410,000	23,216,951	89,626,951
2026 - 2029	64,210,000	7,472,806	71,682,806
Total	\$ 186,140,000	\$ 66,483,157	\$ 252,623,157

As of June 30, 2015, the District did not exceed its legal debt margin, computed as follows:

Total assessed valuation	<u><u>\$ 10,720,531,380</u></u>
Debt limit of 5% of total assessed valuation	\$ 536,026,569
Amount of debt applicable to debt limit, total general obligation bonded debt	186,140,000
Excess of debt limit over bonded debt issued, legal debt margin	<u><u>\$ 349,886,569</u></u>

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, 2015, the District has \$3,065,447 accrued in the Management Fund relating to employees over age 65 as they are considered due and expected to be liquidated with expendable available financial resources, plus an additional amount not considered due of \$11,898,364 recorded only in the government-wide financial statements. The current year amount paid by the District was \$4,866,199 which consisted of 100 participants in the plan. The special termination benefits are generally liquidated by the Management Fund.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 7. Commitments and Contingencies

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

As of June 30, 2015, the District was involved in construction projects with an estimated cost to complete the construction projects of \$27,692,194.

Note 8. Risk Management

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

The claims liability of \$4,490,905 in the Self Insurance fund is based on the requirements of the Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information indicates that it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an estimated amount for claims that have been incurred but not reported (IBNR) which represent estimates of the eventual loss on claims arising prior to year-end. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	Year Ended June 30,	
	2015	2014
Unpaid claims, beginning of year	\$ 3,284,717	\$ 4,370,114
Current year claims and changes in estimates	57,560,699	50,070,424
Claim payments	(56,354,511)	(51,155,821)
Unpaid claims, end of year	<u>\$ 4,490,905</u>	<u>\$ 3,284,717</u>

As of June 30, 2015, the unpaid claims payable of \$4,490,905 is net of \$449,139 of reimbursement receivable that the District expects to receive as it has exceeded its individual stop-loss amount. A total of \$449,139 reinsurance revenue to be received is netted against claims expense of \$57,560,699.

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, 2015, the amount of liabilities recorded for estimated claims payable for workers' compensation was \$2,882,624 of which \$335,998 was recorded in the Management Fund in accounts payable, a nonmajor governmental fund, as that portion of the liability has matured, and an additional \$2,546,626 was recorded in the government-wide statements. Losses on workers' compensation claims are limited through the purchase of stop-loss insurance to \$500,000 per occurrence. Liabilities are reported in the financial statements in accounts payable. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	Year Ended June 30,	
	2015	2014
Unpaid claims, beginning of year	\$ 2,134,824	\$ 685,260
Current year claims and changes in estimates	3,078,744	3,156,830
Claim payments	(2,330,944)	(1,707,266)
Unpaid claims, end of year	<u>\$ 2,882,624</u>	<u>\$ 2,134,824</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, 2015, 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 \$215,324. The liability is recorded in the Government-wide financial statements.

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

Note 9. Retirement Systems

Iowa Public Employees' Retirement System:

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

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

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 9. Retirement Systems (Continued)

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

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

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

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

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

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

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the District contributed 8.93 percent for a total rate of 14.88 percent.

The District's contributions to IPERS for the year ended June 30, 2015 were \$19,022,220.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 9. Retirement Systems (Continued)

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2015, the District reported a liability of \$121,012,958 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the District's collective proportion was 2.990126 percent, which was an increase of 0.101808 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$10,145,411 and reported deferred outflows of resources and deferred inflows of resources related to the IPERS pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,315,174	\$ -
Changes of assumptions	5,340,571	-
Net difference between projected and actual earnings on pension plan investments	-	46,150,856
Changes in proportion and differences between District contributions and proportionate share of contributions	4,656,131	-
Total deferred amounts to be recognized in pension expense in future periods	11,311,876	46,150,856
District contributions subsequent to the measurement date	19,022,543	-
Total deferred amounts related to pensions	\$ 30,334,419	\$ 46,150,856

\$19,022,543 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Deferred outflows of resources are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period, which was 5.29 years. The deferred inflows relates to the difference between expected and actual investment earnings is being amortized over a closed 5-year period beginning in the current year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$ 2,642,962	\$ (11,537,714)
2017	2,642,962	(11,537,714)
2018	2,642,962	(11,537,714)
2019	2,642,962	(11,537,714)
2020	740,028	-
	\$ 11,311,876	\$ (46,150,856)

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 9. Retirement Systems (Continued)

There were no non-employer contributing entities at IPERS.

Actuarial assumptions: The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

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

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
U.S. equity	23%	6.31%
Non U.S. equity	15	6.76
Private equity	13	11.34
Real estate	8	3.52
Core plus fixed income	28	2.06
Credit opportunities	5	3.67
TIPS	5	1.92
Other real assets	2	6.27
Cash	1	(0.69)
	100%	

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 9. Retirement Systems (Continued)

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

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

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 228,650,582	\$ 121,012,958	\$ 30,155,647

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

Payables to the pension plan: At June 30, 2015, the District reported payables to the defined benefit pension plan of \$1,639,762 for legally required employer contributions and \$1,092,562 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Des Moines Teachers' Retirement System:

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

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

Basis of accounting: The DMTRS financial statements are prepared on the accrual basis of accounting. Member contributions are recognized in the period in which the contributions are due. The District's contributions are recognized when due and a formal commitment to provide the contributions is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Securities without an established market value are reported at estimated fair value. Administrative costs of DMTRS are financed through investment earnings.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 9. Retirement Systems (Continued)

Employees of the District who are teachers as defined under the Plan are eligible to participate in the Plan. Each teacher may choose to participate in either the Plan or in the Iowa Public Employees Retirement System. The election is made within 30 days of hire. If no election is made, the default is to participate in IPERS. The membership data at June 30, 2015 included:

Active members	316
Retirees and beneficiaries currently receiving benefits	893
Inactive members entitled to but not yet receiving benefits	159
	1,368

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

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

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

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

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

Asset Class	Asset Allocation	Long-Term Expected Rate of Return
Money market mutual funds	4.7%	1.0%
U.S. government securities	1.3	2.0
Corporate equities	19.9	8.5
Mortgage-backed securities	7.5	2.3
Corporate obligations	33.6	5.0
Preferred stock	0.9	5.1
Municipal bonds	29.9	4.7
Other fixed income	2.2	2.3
	100.0%	

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 9. Retirement Systems (Continued)

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

Rate of return: For the year ended June 30, 2015, the annual weighted rate of return on pension plan investments, net of pension plan investment expense was 3.8 percent. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net pension (asset): The total pension liability was determined using an actuarial valuation date of June 30, 2014 rolled forward from the valuation date to the plan's year-end of June 30, 2015 using generally accepted actuarial principals and methods. In fiscal year 2015, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The District is utilizing June 30, 2015 as its measurement date for reporting its net pension asset and related deferred inflows/outflows in their financial statements.

A schedule of the District's changes in its net pension asset for DMTRS for the year ended June 30, 2015 is as follows:

Total pension liability	
Service cost	\$ 3,540,132
Interest	9,145,568
Benefit payments, including refunds of member contributions	(15,741,167)
Net change in total pension liability	<u>(3,055,467)</u>
Total pension liability - beginning	<u>236,917,960</u>
Total pension liability - ending (a)	<u><u>\$ 233,862,493</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 1,940,452
Contributions - member	1,599,680
Net investment income	9,342,942
Benefit payments, including refunds of member contributions	(15,741,167)
Administrative expense	(197,373)
Net change in plan fiduciary net position	<u>(3,055,466)</u>
Plan fiduciary net position - beginning	<u>249,797,482</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 246,742,016</u></u>
Net pension (asset) - ending (a) - (b)	<u><u>\$ (12,879,523)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	105.5%

Actuarial assumptions: The total pension liability in the June 30, 2014 actuarial valuation was determined using a 4.50 to 5.5 percent investment rate of return with mortality rates based on the RP-2014 Mortality Table for Males or Females, as appropriate, with adjustments for MP-2014 projections. The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 9. Retirement Systems (Continued)

Discount rate: The discount rate used to measure the total pension liability was 4.50 to 5.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's net pension (asset) to changes in the discount rate: The following presents the District's net pension (asset) calculated using the discount rate of 4.50 to 5.50 percent, as well as what the District's proportionate share of the net pension (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.50 to 4.50 percent) or 1-percentage-point higher (5.50 to 6.50 percent) than the current rate.

	1% Decrease (3.50/4.50%)	Discount Rate (4.50/5.50%)	1% Increase (5.50/6.50%)
District's net pension (asset) as of June 30, 2015	\$ (72,206)	\$ (12,879,523)	\$ (23,962,239)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended June 30, 2015, the District recognized pension expense of \$1,585,802. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to the DMTRS pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,863,119
Changes of assumptions	12,955,088	-
Net difference between projected and actual earnings on pension plan investments	-	8,052,217
Total deferred amounts related to pensions	\$ 12,955,088	\$ 9,915,336

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 9. Retirement Systems (Continued)

Deferred outflows of resources are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period, which was 7 years with a one-time reporting change in estimate of \$1,953,866 being amortized over the 12 months ending June 30, 2016. The deferred inflows related to the difference between expected and actual investment earnings is being amortized over a closed 5-year period beginning in the current year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2016	\$ 3,787,403	\$ (2,323,573)
2017	1,833,537	(2,323,573)
2018	1,833,537	(2,323,573)
2019	1,833,537	(2,323,573)
2020	1,833,537	(310,522)
Thereafter	1,833,537	(310,522)
	<u>\$ 12,955,088</u>	<u>\$ (9,915,336)</u>

Note 10. Other Postemployment Benefits

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

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2015, the District contributed \$1,371,000. Retiree and active members receiving benefits contributed through their required monthly contributions of:

<u>Rate Tier</u>	<u>Fiscal Year 2015 Alliance Select</u>	<u>Fiscal Year 2015 Blue Access</u>
Employee	\$ 440.44	\$ 441.24
Employee + One	839.92	841.44
Family	1,338.94	1,341.37

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

Annual required contribution	\$ 6,183,000
Interest on net OPEB obligation	724,000
Adjustment to annual required contribution	<u>(789,000)</u>
Annual OPEB cost	6,118,000
Contributions and payments made	<u>1,371,000</u>
Increase in net OPEB obligation	4,747,000
Net OPEB obligation - July 1, 2014	<u>18,103,666</u>
Net OPEB obligation - June 30, 2015	<u><u>\$ 22,850,666</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2015 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, 2013	\$ 5,092,000	12.80%	\$ 13,965,666
June 30, 2014	5,291,000	21.79	18,103,666
June 30, 2015	6,118,000	22.41	22,850,666

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

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

The covered payroll (annual payroll of active employees covered by the plan) was \$241,701,220 and the ratio of the UAAL to the covered payroll was 18.32 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, 2014 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 4.0 percent annual discount rate, an inflation rate of 3.0 percent, an annual health care cost trend rate of 8.0 percent in the year July 1, 2014 to June 30, 2015 grading down by 0.5% each year until an ultimate health care cost trend rate of 4.5% is reached. All rates include a 2 percent salary increase assumption. The District's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2014, was 30 years.

Note 11. Pollution Remediation Liability

The District has initiated remodeling several 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, 2015 is derived from the construction contracts. The District has recorded a liability of \$42,800 in the government-wide financial statements based on the estimated remaining future costs related to the remediation projects.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 12. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The details for the District's fund balance as of June 30, 2015 are as follows:

Fund Balances:	General	Capital Projects	Nonmajor Governmental	Total
Nonspendable:				
Inventories	\$ 452,645	\$ -	\$ -	\$ 452,645
Prepays	1,270,031	-	104,828	1,374,859
Permanent Trust	-	-	9,878	9,878
Total Nonspendable	1,722,676	-	114,706	1,837,382
Restricted:				
Student activities	-	-	1,582,918	1,582,918
Management levy purposes	-	-	7,191,401	7,191,401
Physical Plant and Equipment	-	-	7,182,684	7,182,684
Public Education and Recreation	-	-	99,614	99,614
DMPS Expendable Trust	-	-	3,823,071	3,823,071
Capital Projects	-	106,038,387	-	106,038,387
Permanent Trust	-	-	1,695	1,695
Categorical Funding	6,949,649	-	-	6,949,649
Shared Programs	695,875	-	-	695,875
Special Education	3,584,052	-	-	3,584,052
Medicaid	40,268	-	-	40,268
Grants	1,125,777	-	-	1,125,777
Total Restricted	12,395,621	106,038,387	19,881,383	138,315,391
Committed:				
Common Core Projects	5,000,000	-	-	5,000,000
Technology	6,500,000	-	-	6,500,000
Total Committed	11,500,000	-	-	11,500,000
Assigned, technology	4,717,021	-	-	4,717,021
Unassigned	43,870,654	-	-	43,870,654
Total fund balances	\$ 74,205,972	\$ 106,038,387	\$ 19,996,089	\$ 200,240,448

Nonspendable:

- Inventories: These dollars have been committed and spent on inventories that have yet to be consumed.
- Prepaid expenses: These dollars have been committed on expenditures that will take place in subsequent fiscal years.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 12. Fund Balances (Continued)

Restricted:

- The following list of funds are restricted per Department of Ed policy or explicitly spelled out in Iowa code. Please refer to Note 1 on page 31 to reference each fund and why it is restricted:
 - Student Activities
 - Management Levy Purposes
 - Physical Plant and Equipment (PPEL)
 - Public Education and Recreation (PERL)
 - DMPS Expendable Trust
 - Capital Projects
 - Permanent Trust

- Categorical funding: These are funds that Des Moines Public Schools has received from State and Federal sources. These dollars have to be spent in accordance with the guidelines defined by each of these categories. These programs include:
 - 4-Year Old Preschool
 - Early Childhood
 - English Language Learners (Students that English is not their first language)
 - Nonpublic Textbooks
 - Professional Development
 - Professional Development specifically for the Common Core implementation
 - Success Early Readers
 - Gifted & Talented
 - Teacher Leadership/Teacher Mentoring
 - Medicaid Reimbursement
 - Special Education Reserve to be utilized for special education related expenditures

Committed:

- Curriculum: These funds have been set aside to help Des Moines Public Schools continue to develop Common Core Strategies across the district now and in future years. This initiative will require significant resources and manpower to help the District move forward to this goal.
- Curriculum Technology: These funds have been set aside for Curriculum Technology as we move toward the Common Core Strategies and continue to move Des Moines Public Schools into the future state of learning in the 21st Century.

Assigned:

- Technology: These are funds that have been set aside to make sure that Des Moines Public Schools can maintain and improve its current technology infrastructure. This enables the students and employees to have access to the technology needs for the present and the future.
- Shared Programs Reserve: These funds have been set aside to allow students to take classes outside of their core classes. These courses allow students to take college level courses and Career courses that will help transfer these credits to a college after graduation.
- Technology Reserve: These funds have been set aside as part of a Microsoft Settlement and a grant received by Prairie Meadows. These funds must be spent as these two items stipulate towards technology.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 12. Fund Balances (Continued)

- Grants: These are funds that have been granted to Des Moines Public Schools from Federal, State or Local sources. These funds can only be spent as defined by the grant.
- Special Purpose of the Board: These are building funds that can be spent how the buildings determine that fall within Board and Department of Education Policy. These funds are carried over from year to year and redistributed to the schools.

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

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

- GASB Statement No. 72, *Fair Value Measurement and Application*, issued February 2015, will be effective for the District, with its year ending June 30, 2016. This Statement defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. This Statement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments, which generally are measured at fair value, are defined as a security or other asset that governments hold primarily for the purpose of income or profit and the present service capacity of which are based solely on their ability to generate cash or to be sold to generate cash. The related disclosures have been expanded to categorize fair values according to their relative reliability and to describe positions held in many alternative investments.
- GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, issued June 2015, will be effective for the District beginning with its fiscal year ending June 30, 2016— except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for the District beginning with its fiscal year ending June 30, 2017. The Statement establishes requirements for pensions not covered by Statement Nos. 67 and 68 which are essentially the same requirements as Statement No. 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements.
- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued in June 2015, will be effective for the District beginning with its fiscal year ending June 30, 2018. The Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust and OPEB not provided through a trust. The Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances, called special funding situations, the Statement requires these governments to recognize in their financial statements a share of the other government's net OPEB liability.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, issued July 2015, will be effective for the District beginning with its fiscal year ending June 30, 2016. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55. The first category of authoritative GAAP consists of GASB Statements. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the AICPA that is cleared by the GASB. The Statement also addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.
- GASB Statement No. 77, *Tax Abatement Disclosures*, issued August 2015, will be effective for the District beginning with its fiscal year ending June 30, 2017. This statement requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. The disclosures about the government's own tax abatement agreements includes the purpose of the tax abatement program, the tax being abated, the amount of tax being abated, the provisions of recapturing abated taxes, the types of commitments made by tax abatement recipients, and other commitments made by government in tax abatement agreements. The disclosures about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues includes the name of the government entering into the abatement agreement, the tax being abated, and the amount of the reporting government's tax being abated.

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

Note 14. Accounting Change and Restatement

As a result of the adoption of GASB Statement No. 68 and No. 71, the beginning net position of the governmental activities, business-type activities and two of the proprietary funds were restated. The effect on fiscal year 2014 is as follows:

	Governmental Activities	Business-Type Activities		
		School Nutrition	Child Care	Total Business- Type Activities
Net position (deficit) June 30, 2014, as previously reported	\$ 468,457,041	\$ 3,695,355	\$ (269,021)	\$ 3,649,819
Restatement due to DMTRS:				
Pension related deferred outflows	1,766,655	-	-	-
Net pension asset	13,784,558	-	-	-
Restatement due to IPERS:				
Net pension liability	(157,054,928)	(4,602,414)	(1,879,363)	(6,481,777)
Pension related deferred outflows	17,123,480	501,795	204,904	706,699
Net position (deficit) June 30, 2014, as restated	\$ 344,076,806	\$ (405,264)	\$ (1,943,480)	\$ (2,125,259)

Des Moines Independent Community School District

**Required Supplementary Information
Retiree Health Benefit Plan**

Schedule of Funding Progress

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2013	July 1, 2012	-	\$ 34,211,000	\$ 34,211,000	-	\$ 218,682,246	15.64%
2014	July 1, 2012	-	34,211,000	34,211,000	-	228,885,994	14.95
2015	July 1, 2014	-	44,283,000	44,283,000	-	241,701,220	18.32

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

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

Des Moines Independent Community School District

Required Supplementary Information

Schedule of the District's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System

	<u>June 30, 2015</u>
District's proportion of the net pension liability	2.990126%
District's proportionate share of the net pension liability	\$ 121,012,958
District's covered-employee payroll	\$ 199,662,244
District's proportionate share of the net pension liability as a percentage of its covered payroll	60.61%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

Note: Only the current fiscal year is presented using a June 30, 2014 measurement date because 10-year data is not yet available.

Des Moines Independent Community School District

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

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2015	\$ 19,022,220	\$ 19,022,220	\$ -	\$ 213,014,784	8.93%
2014	17,947,600	17,947,600	-	199,662,244	8.99
2013	16,364,515	16,364,515	-	N/A	N/A
2012	14,947,018	14,947,018	-	N/A	N/A
2011	12,599,247	12,599,247	-	N/A	N/A
2010	12,066,415	12,066,415	-	N/A	N/A
2009	11,531,747	11,531,747	-	N/A	N/A
2008	10,259,449	10,259,449	-	N/A	N/A
2007	9,029,636	9,029,636	-	N/A	N/A
2006	8,485,820	8,485,820	-	N/A	N/A

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

Des Moines Independent Community School District

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

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

Actuarial valuation:

Frequency	Annual
Cost method	Entry age normal

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

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

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

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

	2015	2014
Total Pension Liability		
Interest	\$ 11,540,872	\$ 10,694,208
Service cost	3,540,132	3,486,593
Benefit payments	(15,741,167)	(15,527,208)
Difference between expected and actual experience	-	(2,173,638)
Changes in assumptions	-	12,834,761
Unadjusted difference to statement of net position	(2,395,304)	-
Net change in total pension liability	(3,055,467)	9,314,716
Total pension liability - beginning of year	236,917,960	227,603,244
Total pension liability - end of year	<u>\$ 233,862,493</u>	<u>\$ 236,917,960</u>
Plan Net Position		
Contributions - employer	\$ 1,940,452	\$ 1,766,655
Contributions - members	1,599,680	1,719,938
Investment income, net of investment expenses	9,342,942	20,652,265
Benefit payments	(15,741,167)	(15,527,208)
Administrative expenses	(197,373)	(201,969)
Net change in plan net position	(3,055,466)	8,409,681
Total plan net position - beginning of year	249,797,482	241,387,802
Total plan net position - end of year	<u>\$ 246,742,016</u>	<u>\$ 249,797,483</u>
Net pension (asset)	<u>\$ (12,879,523)</u>	<u>\$ (12,879,523)</u>

No information available prior to June 30, 2009.

See Note to Required Supplementary Information.

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

Des Moines Independent Community School District

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

	<u>2015</u>	<u>2014</u>
Total pension liability - end of year	\$ 233,862,493	\$ 236,917,960
Plan net position - end of year	246,742,016	249,797,483
Net pension (asset)	\$ (12,879,523)	\$ (12,879,523)
Plan net position as a percentage of the total pension liability	105.5%	105.4%
Covered employee payroll	\$ 25,125,460	\$ 26,211,873
Net pension (asset) as a percentage of covered payroll	(51.2)%	(49.1)%

No information available prior to June 30, 2009.

See Note to Required Supplementary Information.

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

Des Moines Independent Community School District

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

Plan Year Ended June 30:

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

No information available prior to June 30, 2009.

See Note to Required Supplementary Information.

Des Moines Independent Community School District

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

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

No information available prior to June 30, 2009.

See Note to Required Supplementary Information.

Des Moines Independent Community School District

Note to Required Supplementary Information Des Moines Teachers' Retirement System

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

Actuarial valuation:

Frequency	Annual
Cost method	Not applicable

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

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

Mortality	RP-2014 Mortality with Scale MP-2014 - Generational Annuitant and Nonannuitant, male and female.
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Disability	Not applicable
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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, 2015**

	Actual			
	Governmental	Enterprise	Private Purpose	Total
	Fund Types	Funds	Trust Funds	
Revenues:				
Local sources	\$ 148,062,066	\$ 6,065,251	\$ 20,814	\$ 154,148,131
Intermediate sources	767,417	-	-	767,417
State sources	270,150,009	156,048	-	270,306,057
Federal sources	33,148,580	16,971,455	-	50,120,035
Total revenues	452,128,072	23,192,754	20,814	475,341,640
Expenditures/Expenses:				
Instruction	268,167,131	1,498	-	268,168,629
Support services	133,804,244	171,892	-	133,976,136
Noninstructional	2,197,270	21,724,871	9,584	23,931,725
Other	76,418,217	-	-	76,418,217
Total expenditures/expenses	480,586,862	21,898,261	9,584	502,494,707
Excess (deficiency) of revenues over expenditures/expenses	(28,458,790)	1,294,493	11,230	(27,153,067)
Other financing sources (uses):				
Proceeds from sale of capital assets	86,867	-	-	86,867
Transfers in	18,659,732	-	-	18,659,732
Transfers (out)	(18,626,480)	(33,252)	-	(18,659,732)
Net change in fund balances/net position	\$ (28,338,671)	\$ 1,261,241	\$ 11,230	\$ (27,066,200)

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

See Note to Required Supplementary Information.

Budget

Original	Final	Final Budget to Actual Variance
\$ 174,913,862	\$ 174,913,862	\$ (20,765,731)
567,000	567,000	200,417
239,052,625	239,052,625	31,253,432
47,475,646	47,475,646	2,644,389
<u>462,009,133</u>	<u>462,009,133</u>	<u>13,332,507</u>
265,677,091	267,211,383	957,246
119,703,379	128,234,142	5,741,994
25,036,629	25,036,629	(1,104,904)
77,962,470	80,626,470	(4,208,253)
<u>488,379,569</u>	<u>501,108,624</u>	<u>1,386,083</u>
(26,370,436)	(39,099,491)	11,946,424
12,000	12,000	74,867
18,062,619	18,062,619	597,113
<u>(18,062,619)</u>	<u>(18,062,619)</u>	<u>597,113</u>
<u>\$ (26,358,436)</u>	<u>\$ (39,087,491)</u>	<u>\$ 13,215,517</u>

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Des Moines Independent Community School District

Note to Required Supplementary Information – Budgetary Comparison Schedule

Note 1. Basis of Presentation

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

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

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

The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the functional area for budgeted governmental, enterprise, and private purpose trust funds in total, rather than by individual fund type. Formal and legal budgetary control is based on four major classes of expenditures known as functional areas. These four functional areas are instruction, support services, noninstructional programs and other expenditures. During the year ended June 30, 2015, the District overexpended in the instructional and support services functional areas. 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, one budget amendment increased budgeted expenditures by \$12,729,055.

The District is required by the Code of Iowa to budget for its share of media, educational services and special education support provided through the local area education agency. The District's actual amount for this purpose totaled \$13,829,063 for the year ended June 30, 2015.

Des Moines Independent Community School District

**Combining Balance Sheet
All Nonmajor Governmental Funds
June 30, 2015**

	Special Revenue		
	Student		
	Activity	Management	DMPS
Assets			
Cash and investments	\$ 1,982,193	\$ 10,464,618	\$ 2,316,767
Restricted investments	-	-	1,515,597
Property taxes receivable - current year	-	135,707	-
Property taxes receivable - succeeding year	-	8,103,593	-
Other receivables	4,183	-	-
Due from other governments	-	-	-
Inventories	-	-	-
Prepaid items	17,603	-	-
Total assets	\$ 2,003,979	\$ 18,703,918	\$ 3,832,364
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 388,446	\$ 335,998	\$ 7,296
Accrued payroll	755	-	8
Special termination benefits	-	3,065,447	-
Other current liabilities	-	-	-
Due to other governments	1,750	7,479	1,989
Compensated absences	-	-	-
Total liabilities	390,951	3,408,924	9,293
Deferred inflows of resources:			
Succeeding year - property taxes	-	8,103,593	-
Unavailable revenue - intergovernmental	12,507	-	-
Total deferred inflows of resources	12,507	8,103,593	-
Fund balances:			
Nonspendable	17,603	-	-
Restricted	1,582,918	7,191,401	3,823,071
Total fund balances	1,600,521	7,191,401	3,823,071
Total liabilities, deferred inflows of resources and fund balances	\$ 2,003,979	\$ 18,703,918	\$ 3,832,364

Capital Projects				
Physical Plant and Equipment Levy	Public Education and Recreation Levy	Permanent	Total Nonmajor Governmental Funds	
\$ 7,741,317	\$ 231,383	\$ 11,573	\$ 22,747,851	
-	-	-	1,515,597	
72,531	9,747	-	217,985	
6,888,460	875,188	-	15,867,241	
-	-	-	4,183	
-	-	-	-	
-	-	-	-	
-	87,225	-	104,828	
<u>\$ 14,702,308</u>	<u>\$ 1,203,543</u>	<u>\$ 11,573</u>	<u>\$ 40,457,685</u>	
\$ 597,737	\$ 120,178	\$ -	\$ 1,449,655	
-	79	-	842	
-	-	-	3,065,447	
33,427	-	-	33,427	
-	1,470	-	12,688	
-	19,789	-	19,789	
<u>631,164</u>	<u>141,516</u>	<u>-</u>	<u>4,581,848</u>	
6,888,460	875,188	-	15,867,241	
-	-	-	12,507	
<u>6,888,460</u>	<u>875,188</u>	<u>-</u>	<u>15,879,748</u>	
-	87,225	9,878	114,706	
7,182,684	99,614	1,695	19,881,383	
<u>7,182,684</u>	<u>186,839</u>	<u>11,573</u>	<u>19,996,089</u>	
<u>\$ 14,702,308</u>	<u>\$ 1,203,543</u>	<u>\$ 11,573</u>	<u>\$ 40,457,685</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, 2015**

	Special Revenue		
	Student		
	Activity	Management	DMPS
Revenues:			
Property taxes	\$ -	\$ 12,704,254	\$ -
Other local sources	150	-	543,769
Investment earnings (losses)	1,374	-	(168,372)
Federal sources	-	-	-
Student activities	3,032,076	-	11,553
Total revenues	3,033,600	12,704,254	386,950
Expenditures:			
Current:			
Instruction	3,137,396	4,489,037	69,049
Student services	-	584,344	-
Instructional support services	-	-	34,026
General administration	-	622,868	-
Building administration	-	283,005	-
Business and central administration	-	164,685	-
Plant operation and maintenance	-	2,102,308	787,361
Student transportation	-	1,480,522	-
Noninstructional	-	460,445	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Total expenditures	3,137,396	10,187,214	890,436
Excess (deficiency) of revenues over expenditures	(103,796)	2,517,040	(503,486)
Other financing sources:			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	(103,796)	2,517,040	(503,486)
Fund balances, beginning of year	1,704,317	4,674,361	4,326,557
Fund balances, end of year	\$ 1,600,521	\$ 7,191,401	\$ 3,823,071

Debt Service	Capital Projects		Permanent	Total Nonmajor Governmental Funds
	Physical Plant and Equipment Levy	Public Education and Recreation Levy		
\$ -	\$ 6,917,190	\$ 892,877	\$ -	\$ 20,514,321
-	8,400	415,476	-	967,795
-	5,341	-	9	(161,648)
-	58,428	-	-	58,428
-	-	2,178	-	3,045,807
-	6,989,359	1,310,531	9	24,424,703
-	100,000	38,845	-	7,834,327
-	-	-	-	584,344
-	-	-	-	34,026
-	-	-	-	622,868
-	-	169,982	-	452,987
-	602,517	95,591	-	862,793
-	2,168,207	-	-	5,057,876
-	783,526	-	-	2,264,048
-	-	917,720	-	1,378,165
-	4,695,055	111,600	-	4,806,655
9,845,000	-	-	-	9,845,000
8,781,480	-	-	-	8,781,480
18,626,480	8,349,305	1,333,738	-	42,524,569
(18,626,480)	(1,359,946)	(23,207)	9	(18,099,866)
-	-	-	-	-
18,626,480	-	-	-	18,626,480
18,626,480	-	-	-	18,626,480
-	(1,359,946)	(23,207)	9	526,614
-	8,542,630	210,046	11,564	19,469,475
\$ -	\$ 7,182,684	\$ 186,839	\$ 11,573	\$ 19,996,089

Des Moines Independent Community School District

Combining Statement of Net Position

All Nonmajor Enterprise Funds

June 30, 2015

	School Nutrition	Child Care	Home Construction
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,922,790	\$ 50	\$ -
Other receivables	252,722	318,324	-
Due from other governments	254,210	-	-
Inventories	495,972	-	-
Prepaid expenses	-	-	-
Total current assets	2,925,694	318,374	-
Noncurrent assets:			
Advances to other funds	-	-	20,790
Capital assets:			
Nondepreciable	-	-	98,173
Depreciable, net	2,135,487	-	-
Total noncurrent assets	2,135,487	-	118,963
Total assets	5,061,181	318,374	118,963
Deferred Outflow of Resources,			
pension related amounts	859,275	474,304	-
Liabilities			
Current liabilities:			
Accounts payable	208,721	35,381	3,607
Accrued payroll	84,734	93,382	-
Due to other governments	-	429	-
Unearned revenue	252,047	15,328	-
Compensated absences	178,041	35,153	-
Total current liabilities	723,543	179,673	3,607
Noncurrent liabilities:			
Advances from other funds	-	181,362	-
Compensated absences	52,371	4,984	-
Net pension liability	3,405,668	1,390,680	-
Total noncurrent liabilities	3,458,039	1,577,026	-
Total liabilities	4,181,582	1,756,699	3,607
Deferred Inflow of Resources,			
pension related amounts	1,298,824	530,365	-
Net Position (Deficit)			
Investment in capital assets	2,135,487	-	98,173
Unrestricted (deficit)	(1,695,437)	(1,494,386)	17,183
Total net position (deficit)	\$ 440,050	\$ (1,494,386)	\$ 115,356

	Automotive	Total
\$	-	\$ 1,922,840
	-	571,046
	-	254,210
	-	495,972
	-	-
	-	3,244,068
	76,720	97,510
	-	98,173
	-	2,135,487
	76,720	2,331,170
	76,720	5,575,238
	-	1,333,579
	1,758	249,467
	-	178,116
	-	429
	-	267,375
	-	213,194
	1,758	908,581
	-	181,362
	-	57,355
	-	4,796,348
	-	5,035,065
	1,758	5,943,646
	-	1,829,189
	-	2,233,660
	74,962	(3,097,678)
\$	74,962	\$ (864,018)

Des Moines Independent Community School District

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit)
All Nonmajor Enterprise Funds
Year Ended June 30, 2015**

	School Nutrition	Child Care	Home Construction
Operating revenues:			
Student activities	\$ -	\$ -	\$ -
Charges for services:			
Sale of food	2,047,398	-	-
Child care	-	3,904,107	-
Miscellaneous	-	-	-
Total operating revenues	2,047,398	3,904,107	-
Operating expenses:			
Student services	18,028,968	-	-
Depreciation	384,015	-	-
Community services	-	3,455,013	2,665
Total operating expenses	18,412,983	3,455,013	2,665
Operating income (loss)	(16,365,585)	449,094	(2,665)
Nonoperating revenues (expenses):			
Other local sources	83,703	-	-
State sources	156,048	-	-
Federal sources	16,971,455	-	-
Loss on disposal of capital assets	(307)	-	-
Total nonoperating revenues	17,210,899	-	-
Income (loss) before capital contributions and transfers	845,314	449,094	(2,665)
Capital contributions	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Change in net position (deficit)	845,314	449,094	(2,665)
Total net position (deficit), beginning of year, as restated	(405,264)	(1,943,480)	118,021
Total net position (deficit), end of year	\$ 440,050	\$ (1,494,386)	\$ 115,356

Automotive	Wellness Center	Total
\$ 29,729	\$ -	\$ 29,729
-	-	2,047,398
-	-	3,904,107
314	-	314
30,043	-	5,981,548
27,293	-	18,056,261
-	-	384,015
-	-	3,457,678
27,293	-	21,897,954
2,750	-	(15,916,406)
-	-	83,703
-	-	156,048
-	-	16,971,455
-	-	(307)
-	-	17,210,899
2,750	-	1,294,493
-	-	-
-	-	-
-	(33,252)	(33,252)
-	(33,252)	(33,252)
2,750	(33,252)	1,261,241
72,212	33,252	(2,125,259)
\$ 74,962	\$ -	\$ (864,018)

Des Moines Independent Community School District

Combining Statement of Cash Flows All Nonmajor Enterprise Funds Year Ended June 30, 2015

	School Nutrition	Child Care	Home Construction
Cash flows from operating activities:			
Cash received from user charges	\$ 2,020,943	\$ 3,801,380	\$ -
Cash payments to employees for services	(8,660,100)	(3,531,682)	-
Cash payments to suppliers for goods and services	(8,617,752)	(195,624)	(8,416)
Net cash provided by (used in) operating activities	(15,256,909)	74,074	(8,416)
Cash flows from noncapital financing activities:			
Payments from other funds	-	-	43,059
Payments to other funds	-	(74,074)	-
Transfers out	-	-	-
Grants and donations received	16,077,041	-	-
Net cash provided by (used in) noncapital financing activities	16,077,041	(74,074)	43,059
Cash flows from capital and related financing activities, acquisition of capital assets			
	(544,808)	-	(34,643)
Net increase in cash and cash equivalents	275,324	-	-
Cash and cash equivalents, beginning of year	1,647,466	50	-
Cash and cash equivalents, end of year	\$ 1,922,790	\$ 50	\$ -
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (16,365,585)	\$ 449,094	\$ (2,665)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	384,015	-	-
Commodities used	1,004,156	-	-
Changes in assets and liabilities:			
Receivables	(52,867)	(102,305)	-
Inventories	(72,229)	-	-
Prepaid items	37	-	-
Accounts payable and due to other governments	111,792	(24,773)	(5,751)
Unearned revenue	26,412	(422)	-
Accrued liabilities and compensated absences	(37,238)	(19,802)	-
Net pension liability	(1,196,746)	(488,683)	-
Deferred outflows of resources	(357,480)	(269,400)	-
Deferred inflows of resources	1,298,824	530,365	-
Net cash provided by (used in) operating activities	\$ (15,256,909)	\$ 74,074	\$ (8,416)
Noncash items:			
Noncapital financing activities, commodities received from U.S. Department of Agriculture	\$ 1,004,156	\$ -	\$ -
Capital and related financing activities, acquisition of capital assets through accounts payable	-	-	2,805

Automotive	Wellness Center	Total
\$ 30,043	\$ -	\$ 5,852,366
-	-	(12,191,782)
(27,824)	-	(8,849,616)
2,219	-	(15,189,032)
-	33,252	76,311
(2,219)	-	(76,293)
-	(33,252)	(33,252)
-	-	16,077,041
(2,219)	-	16,043,807
-	-	(579,451)
-	-	275,324
-	-	1,647,516
\$ -	\$ -	\$ 1,922,840

\$ 2,750 \$ - \$ (15,916,406)

-	-	384,015
-	-	1,004,156
-	-	(155,172)
-	-	(72,229)
-	-	37
(531)	-	80,737
-	-	25,990
-	-	(57,040)
-	-	(1,685,429)
-	-	(626,880)
-	-	1,829,189
\$ 2,219	\$ -	\$ (15,189,032)

\$ - \$ - \$ 1,004,156

- - 2,805

Des Moines Independent Community School District

Combining Statement of Net Position (Deficit)

All Internal Service Funds

June 30, 2015

	Self-Insurance	Risk Management	Collage	Print Shop	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 25,498,068	\$ 306,013	\$ 150	\$ -	\$ 25,804,231
Inventories	-	-	-	50,821	50,821
Total current assets	25,498,068	306,013	150	50,821	25,855,052
Noncurrent assets:					
Advances to other funds	132,043	-	-	25,565	157,608
Depreciable capital assets, net	-	-	-	43,302	43,302
Total noncurrent assets	132,043	-	-	68,867	200,910
Total assets	25,630,111	306,013	150	119,688	26,055,962
Liabilities					
Current liabilities:					
Accounts payable	-	89,067	56	1,758	90,881
Claims payable	4,490,905	-	-	-	4,490,905
Accrued payroll	-	-	161	-	161
Due to other governments	474,438	-	-	-	474,438
Unearned revenue	50,256	-	-	8,783	59,039
Compensated absences	-	-	-	14,237	14,237
Total current liabilities	5,015,599	89,067	217	24,778	5,129,661
Noncurrent liabilities, advances from other funds					
	-	-	73,756	-	73,756
Total liabilities	5,015,599	89,067	73,973	24,778	5,203,417
Net Position (Deficit)					
Investment in capital assets	-	-	-	43,302	43,302
Unrestricted	20,614,512	216,946	(73,823)	51,608	20,809,243
Total net position (deficit)	\$ 20,614,512	\$ 216,946	\$ (73,823)	\$ 94,910	\$ 20,852,545

Des Moines Independent Community School District

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit)
All Internal Service Funds
Year Ended June 30, 2015**

	Self-Insurance	Risk Management	Collage	Print Shop	Total
Operating revenues:					
Charges for services:					
Employee benefits	\$ 58,242,661	\$ 937,499	\$ -	\$ -	\$ 59,180,160
Miscellaneous	-	-	21,176	240,397	261,573
Total operating revenues	58,242,661	937,499	21,176	240,397	59,441,733
Operating expenses:					
Claims and related costs	57,502,588	878,221	-	-	58,380,809
Depreciation	-	-	-	11,237	11,237
Miscellaneous	-	-	21,507	283,022	304,529
Total operating expenses	57,502,588	878,221	21,507	294,259	58,696,575
Operating income (loss)	740,073	59,278	(331)	(53,862)	745,158
Total net position (deficit), beginning of year	19,874,439	157,668	(73,492)	148,772	20,107,387
Total net position (deficit), end of year	\$ 20,614,512	\$ 216,946	\$ (73,823)	\$ 94,910	\$ 20,852,545

Des Moines Independent Community School District

Combining Statement of Cash Flows All Internal Service Funds Year Ended June 30, 2015

	Self-Insurance	Risk Management	Collage	Print Shop	Total
Cash flows from operating activities:					
Cash received from user charges	\$ 58,257,478	\$ 937,499	\$ 21,176	\$ 249,180	\$ 59,465,333
Cash payments to employees for services	-	-	(14,514)	(212,324)	(226,838)
Cash payments to suppliers for goods and services	(56,325,487)	(849,327)	(7,054)	(78,658)	(57,260,526)
Net cash provided by (used in) operating activities	1,931,991	88,172	(392)	(41,802)	1,977,969
Cash flows from noncapital financing activities:					
Proceeds from other funds	-	-	392	41,802	42,194
Payments to other funds	(42,212)	-	-	-	(42,212)
Net cash provided by (used in) noncapital financing activities	(42,212)	-	392	41,802	(18)
Net increase in cash and cash equivalents	1,889,779	88,172	-	-	1,977,951
Cash and cash equivalents, beginning of year	23,608,289	217,841	150	-	23,826,280
Cash and cash equivalents, end of year	\$ 25,498,068	\$ 306,013	\$ 150	\$ -	\$ 25,804,231
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 740,073	\$ 59,278	\$ (331)	\$ (53,862)	\$ 745,158
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	-	11,237	11,237
Changes in assets and liabilities:					
Inventories	-	-	-	(4,281)	(4,281)
Prepaid items	6,192	-	-	2,044	8,236
Accounts payable and due to other governments	22,832	28,894	(93)	(22)	51,611
Claims payable	1,148,077	-	-	-	1,148,077
Unearned revenue	14,817	-	-	8,783	23,600
Accrued liabilities	-	-	32	(5,701)	(5,669)
Net cash provided by (used in) operating activities	\$ 1,931,991	\$ 88,172	\$ (392)	\$ (41,802)	\$ 1,977,969

Des Moines Independent Community School District

Statement of Changes in Assets and Liabilities

Agency Fund

Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Faculty and Staff				
Assets				
Cash and cash equivalents	\$ 194,970	\$ 162,563	\$ 163,694	\$ 193,839
Liabilities				
Accounts payable	\$ 8,848	\$ 163,396	\$ 133,779	\$ 38,465
Due to other entities	186,122	162,563	193,311	155,374
Total liabilities	\$ 194,970	\$ 325,959	\$ 327,090	\$ 193,839

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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.	92 - 107
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).	108 - 114
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.	115 - 120
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.	121 - 122
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.	123 - 145

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

Des Moines Independent Community School District

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

	Fiscal Year			
	2006	2007	2008	2009
Governmental activities:				
Net investment in capital assets	\$ 193,522,406	\$ 223,847,057	\$ 261,303,316	\$ 295,531,637
Restricted	31,370,418	35,019,609	28,171,672	27,723,729
Unrestricted	14,399,109	21,372,567	20,680,456	17,189,578
Total governmental activities net position	\$ 239,291,933	\$ 280,239,233	\$ 310,155,444	\$ 340,444,944
Business-type activities:				
Investment in capital assets	\$ 2,391,487	\$ 2,320,931	\$ 2,380,907	\$ 2,606,657
Restricted	-	-	-	-
Unrestricted	675,842	(288,605)	(1,843,960)	(2,512,906)
Total business-type activities net position	\$ 3,067,329	\$ 2,032,326	\$ 536,947	\$ 93,751
Primary government:				
Net investment in capital assets	\$ 195,913,893	\$ 226,167,988	\$ 263,684,223	\$ 298,138,294
Restricted	31,370,418	35,019,609	28,171,672	27,723,729
Unrestricted	15,074,951	21,083,962	18,836,496	14,676,672
Total primary government net position	\$ 242,359,262	\$ 282,271,559	\$ 310,692,391	\$ 340,538,695

Source: Comprehensive Annual Financial Report

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

							Fiscal Year					
2010		2011		2012		2013		2014		2015		
\$	321,900,574	\$	338,928,488	\$	359,352,093	\$	373,455,547	\$	385,508,379	\$	403,601,966	
	26,709,665		31,199,263		29,005,666		28,273,606		27,692,220		28,487,506	
	10,363,873		14,951,604		35,135,095		50,099,198		55,256,442		(73,620,226)	
\$	358,974,112	\$	385,079,355	\$	423,492,854	\$	451,828,351	\$	468,457,041	\$	358,469,246	
\$	2,411,710	\$	2,283,505	\$	1,989,314	\$	2,002,716	\$	2,035,725	\$	2,233,660	
	-		-		-		-		-		-	
	(2,236,234)		(1,365,198)		(245,440)		321,461		1,614,094		(3,097,678)	
\$	175,476	\$	918,307	\$	1,743,874	\$	2,324,177	\$	3,649,819	\$	(864,018)	
\$	324,312,284	\$	341,211,993	\$	361,341,407	\$	375,458,263	\$	387,544,104	\$	405,835,626	
	26,709,665		31,199,263		29,005,666		28,273,606		27,692,220		28,487,506	
	8,127,639		13,586,406		34,889,655		50,420,659		56,870,536		(76,717,904)	
\$	359,149,588	\$	385,997,662	\$	425,236,728	\$	454,152,528	\$	472,106,860	\$	357,605,228	

Des Moines Independent Community School District

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

	Fiscal Year			
	2006	2007	2008	2009
Expenses:				
Governmental activities:				
Instructional	\$ 206,822,872	\$ 210,863,364	\$ 229,908,604	\$ 238,676,928
Student services	17,175,275	17,565,934	19,144,119	20,471,493
Instructional support services	6,440,206	7,784,381	8,020,675	8,445,248
General administration	4,234,165	3,862,718	4,806,286	5,282,473
Central support services	-	-	-	-
Building administration	16,616,658	17,965,958	18,205,319	18,902,199
Business administration	-	-	-	-
Business and central administration	7,292,653	9,116,886	9,754,807	8,354,561
Plant operation and maintenance	30,416,184	31,675,467	33,557,855	35,647,890
Student transportation	10,189,064	10,856,840	10,635,752	10,518,100
Noninstructional	1,367,676	1,943,137	1,879,027	2,055,069
AEA support	9,855,798	10,455,648	10,993,407	11,511,318
Interest on long-term debt	101,253	894,900	835,766	709,817
Total governmental activities expenses	310,511,804	322,985,233	347,741,617	360,575,096
Business-type activities:				
School nutrition	12,865,670	13,856,434	14,833,221	14,790,948
Child care	4,461,347	2,530,578	3,479,097	3,468,091
Preschool	-	2,224,190	-	-
Other	99,833	112,292	99,935	97,908
Total business-type activities expenses	17,426,850	18,723,494	18,412,253	18,356,947
Total primary government expenses	\$ 327,938,654	\$ 341,708,727	\$ 366,153,870	\$ 378,932,043
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	\$ 11,123,854	\$ 12,002,157	\$ 10,969,649	\$ 10,625,291
Support services	11,153,073	11,332,332	11,417,248	12,351,149
Operating grants and contributions	48,330,052	50,812,813	63,411,312	75,779,208
Capital grants and contributions	1,771,836	3,652,164	700,002	3,436,715
Total governmental activities program revenues	72,378,815	77,799,466	86,498,211	102,192,363

(Continued)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 245,423,324	\$ 251,762,378	\$ 256,812,271	\$ 258,926,988	\$ 269,507,255	\$ 275,533,672
22,488,603	20,562,462	20,196,523	20,673,660	21,897,132	23,458,269
8,263,149	11,926,860	11,652,847	12,021,171	13,454,781	15,425,505
4,442,422	4,752,013	4,779,422	5,186,473	6,199,577	7,383,479
-	-	-	-	-	-
19,797,129	17,692,429	18,738,332	18,779,363	19,406,283	21,862,042
-	-	-	-	-	-
7,660,791	7,465,018	11,704,743	9,892,503	14,198,791	17,476,884
33,438,106	32,500,882	32,450,434	34,339,085	39,242,957	39,177,136
10,352,087	10,699,109	10,861,366	11,151,818	13,022,397	12,735,357
3,143,025	6,831,871	4,204,202	2,904,231	2,171,793	3,991,896
12,463,876	12,878,207	11,699,768	12,235,407	13,086,762	13,829,063
897,462	3,254,529	3,008,867	7,368,345	6,216,637	7,291,619
368,369,974	380,325,758	386,108,775	393,479,044	418,404,365	438,164,922
14,429,088	13,730,822	14,063,935	15,869,943	16,888,843	18,413,290
2,947,012	3,055,421	3,337,286	3,589,842	3,804,322	3,455,013
-	-	-	-	-	-
138,258	127,902	108,656	32,246	47,399	29,958
17,514,358	16,914,145	17,509,877	19,492,031	20,740,564	21,898,261
\$ 385,884,332	\$ 397,239,903	\$ 403,618,652	\$ 412,971,075	\$ 439,144,929	\$ 460,063,183
\$ 9,745,572	\$ 10,548,824	\$ 10,008,887	\$ 9,694,289	\$ 9,796,930	\$ 8,118,482
13,282,400	13,354,070	12,568,464	13,396,056	14,256,785	14,997,758
97,746,607	90,715,067	88,937,932	76,875,344	73,477,654	81,089,328
597,248	89,825	650,000	-	13,668	84,894
121,371,827	114,707,786	112,165,283	99,965,689	97,545,037	104,290,462

Des Moines Independent Community School District

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

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2006	2007	2008	2009
Business-type activities:				
Charges for services:				
School nutrition	\$ 3,933,497	\$ 3,904,411	\$ 3,845,874	\$ 4,299,682
Child care	4,516,777	2,555,465	3,172,336	3,221,833
Preschool	-	1,909,835	-	-
Other	129,302	78,934	72,913	67,550
Operating grants and contributions	8,639,090	9,239,846	9,825,079	10,324,686
Capital grants and contributions	-	-	672	-
Total business-type program revenues	17,218,666	17,688,491	16,916,874	17,913,751
Total primary government program revenues	\$ 89,597,481	\$ 95,487,957	\$ 103,415,085	\$ 120,106,114
Net (expense) revenue:				
Governmental activities	\$ (238,132,989)	\$ (245,185,767)	\$ (261,243,406)	\$ (258,382,733)
Business-type activities	(208,184)	(1,035,003)	(1,495,379)	(443,196)
Total primary government net expense	\$ (238,341,173)	\$ (246,220,770)	\$ (262,738,785)	\$ (258,825,929)

Source: Comprehensive Annual Financial Report

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

Fiscal Year						
2010	2011	2012	2013	2014	2015	
\$ 3,722,647	\$ 2,945,912	\$ 2,816,185	\$ 2,743,057	\$ 2,753,299	\$ 2,131,101	
2,695,149	3,053,866	3,451,999	3,465,978	3,799,779	3,904,107	
-	-	-	-	-	-	
104,511	96,197	93,344	62,249	53,245	30,043	
11,061,636	11,561,001	11,973,916	13,801,050	14,772,639	17,127,503	
-	-	-	-	9,365	-	
17,583,943	17,656,976	18,335,444	20,072,334	21,388,327	23,192,754	
\$ 138,955,770	\$ 132,364,762	\$ 130,500,727	\$ 120,038,023	\$ 118,933,364	\$ 127,483,216	
\$ (246,998,147)	\$ (265,617,972)	\$ (273,943,492)	\$ (293,513,355)	\$ (320,859,328)	\$ (333,874,460)	
69,585	742,831	(825,567)	580,303	647,763	1,294,493	
\$ (246,928,562)	\$ (264,875,141)	\$ (274,769,059)	\$ (292,933,052)	\$ (320,211,565)	\$ (332,579,967)	

Des Moines Independent Community School District

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

(accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2006	2007	2008	2009
Net (expense) revenue:				
Governmental activities	\$ (238,132,989)	\$ (245,185,767)	\$ (261,243,406)	\$ (258,382,733)
Business-type activities	(208,184)	(1,035,003)	(1,495,379)	(443,196)
Total primary government net expense	(238,341,173)	(246,220,770)	(262,738,785)	(258,825,929)
General revenues and other changes in net position:				
Governmental activities:				
Property taxes:				
Levied for general purposes	82,065,094	85,406,700	86,343,532	89,272,177
Levied for management	8,306,453	8,641,311	8,781,855	9,168,606
Levied for property, plant, and equipment	5,611,478	5,921,615	6,007,979	6,313,191
Levied for playground	721,094	755,290	762,490	796,190
Levied for debt service	-	-	-	-
Sales tax, for capital projects	31,448,902	30,872,838	31,143,691	28,221,919
State foundation aid	142,415,603	146,594,229	152,188,242	151,858,708
Investment earnings	2,719,950	5,284,862	2,966,414	623,796
Other local sources	997,253	1,230,586	1,587,590	1,115,926
State sources	1,922,351	1,425,636	1,357,067	1,301,720
Transfer from fiduciary fund	-	-	-	-
Transfers	-	-	-	-
Gain on sale of assets	-	-	20,757	-
Total governmental activities	276,208,178	286,133,067	291,159,617	288,672,233
Business-type activities:				
Transfers	-	-	-	-
Total business-type activities	-	-	-	-
Total primary government	276,208,178	286,133,067	291,159,617	288,672,233
Change in net position:				
Governmental activities	38,075,189	40,947,300	29,916,211	30,289,500
Business-type activities	(208,184)	(1,035,003)	(1,495,379)	(443,196)
Total primary government	\$ 37,867,005	\$ 39,912,297	\$ 28,420,832	\$ 29,846,304

Source: Comprehensive Annual Financial Report

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ (246,998,147)	\$ (265,617,972)	\$ (273,943,492)	\$ (293,513,355)	\$ (320,859,328)	\$ (333,874,460)
69,585	742,831	(825,567)	580,303	647,763	1,294,493
(246,928,562)	(264,875,141)	(274,769,059)	(292,933,052)	(320,211,565)	(332,579,967)
90,708,731	95,287,091	102,565,196	100,387,919	103,598,448	101,357,950
9,406,937	9,881,280	10,158,367	9,939,725	10,136,078	12,704,254
6,522,074	6,716,504	6,877,426	6,830,405	6,956,453	6,917,190
816,470	857,952	881,995	863,021	880,069	892,877
-	-	-	-	-	-
28,617,206	24,730,755	26,113,779	27,431,076	27,898,170	30,840,252
127,914,804	151,836,554	163,593,289	174,578,921	186,285,458	193,830,409
189,740	835,448	64,564	377,933	533,415	296,406
999,696	1,130,782	2,102,375	1,439,852	1,877,806	1,394,310
8,999	76,686	-	-	-	-
-	-	-	-	-	-
(12,140)	-	-	-	(677,879)	33,252
354,798	370,163	-	-	-	-
265,527,315	291,723,215	312,356,991	321,848,852	337,488,018	348,266,900
12,140	-	-	-	677,879	(33,252)
12,140	-	-	-	677,879	(33,252)
265,539,455	291,723,215	312,356,991	321,848,852	338,165,897	348,233,648
18,529,168	26,105,243	38,413,499	28,335,497	16,628,690	14,392,440
81,725	742,831	(825,567)	580,303	1,325,642	1,261,241
\$ 18,610,893	\$ 26,848,074	\$ 37,587,932	\$ 28,915,800	\$ 17,954,332	\$ 15,653,681

Des Moines Independent Community School District

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2006	2007	2008	2009
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	4,833,376	6,352,627	7,181,428	11,476,112
Unreserved	22,338,620	23,016,816	18,517,645	12,224,448
Total General Fund	\$ 27,171,996	\$ 29,369,443	\$ 25,699,073	\$ 23,700,560
All other governmental funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	879,079	437,781	702,247	2,826,104
Unreserved, reported in:				
Capital projects funds	18,562,188	21,210,594	14,048,083	6,030,119
Debt service	-	-	-	-
Permanent funds	-	-	1,515	1,641
Special revenue funds	9,740,894	9,680,298	9,254,412	10,887,744
Total all other governmental funds	\$ 29,182,161	\$ 31,328,673	\$ 24,006,257	\$ 19,745,608

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

Source: Comprehensive Annual Financial Report

							Fiscal Year					
2010		2011		2012		2013		2014		2015		
\$	798,809	\$	638,607	\$	520,900	\$	427,883	\$	1,133,969	\$	1,722,676	
	13,429,611		14,421,417		12,777,279		9,777,870		8,471,647		12,395,621	
	1,251,214		2,935,317		2,916,046		6,632,403		11,500,000		11,500,000	
	-		-		-		8,000,000		8,000,000		4,717,021	
	5,636,791		20,607,861		45,507,578		49,196,424		47,321,858		43,870,654	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
\$	21,116,425	\$	38,603,202	\$	61,721,803	\$	74,034,580	\$	76,427,474	\$	74,205,972	
<hr/>												
\$	21,537	\$	-	\$	10,628	\$	39,965	\$	16,465	\$	114,706	
	86,496,045		70,379,409		128,843,474		97,382,007		152,135,180		125,919,770	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
\$	86,517,582	\$	70,379,409	\$	128,854,102	\$	97,421,972	\$	152,151,645	\$	126,034,476	

Des Moines Independent Community School District

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

	Fiscal Year			
	2006	2007	2008	2009
Federal sources, federal grants and other outside sources	\$ 28,517,075	\$ 23,682,244	\$ 30,387,722	\$ 35,826,527
State sources, state foundation aid and other sources	165,966,827	173,169,285	186,768,387	192,271,659
Intermediate sources	7,427,928	8,184,914	9,203,713	827,589
Local sources, local and other sources	146,054,311	152,490,096	151,092,795	163,293,732
Total revenues	\$ 347,966,141	\$ 357,526,539	\$ 377,452,617	\$ 392,219,507

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
2010	2011	2012	2013	2014	2015	
\$ 55,991,777	\$ 48,798,707	\$ 48,888,317	\$ 37,849,720	\$ 30,009,399	\$ 33,148,580	
167,612,566	193,034,832	202,442,682	213,969,591	229,099,059	239,405,178	
490,869	425,109	380,240	540,171	708,970	767,417	
157,464,731	166,804,026	172,943,075	168,732,640	175,230,860	178,806,897	
\$ 381,559,943	\$ 409,062,674	\$ 424,654,314	\$ 421,092,122	\$ 435,048,288	\$ 452,128,072	

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			
	2006	2007	2008	2009
Instruction	\$ 199,686,716	\$ 204,333,386	\$ 225,309,061	\$ 232,694,472
Student services	17,263,980	17,993,709	19,497,475	20,831,163
Instructional support services	6,467,422	7,685,131	8,138,207	8,604,544
General administration	4,328,391	3,930,504	4,778,387	5,175,484
Building administration	16,642,315	18,113,129	18,519,205	19,539,562
Business and central administration	7,263,248	9,100,426	9,240,852	7,447,867
Plant operation & maintenance	30,232,224	31,913,066	33,505,014	35,133,406
Insurance	-	-	-	-
Student transportation	9,452,879	10,187,970	10,009,481	9,876,399
Non-instructional	1,158,221	1,952,323	1,981,376	2,020,184
AEA support	9,855,798	10,455,648	10,993,407	11,511,318
Unemployment compensation	-	-	-	-
Capital outlay	32,154,840	56,005,258	41,304,558	22,482,126
Capital outlay not capitalized	1,304,604	79,949	2,302,867	4,114,439
Debt service:				
Principal retirement	470,000	1,285,000	2,090,000	18,810,000
Interest	100,767	806,381	822,738	741,648
Bond issuance costs	-	65,000	-	-
Total expenditures	\$ 336,381,405	\$ 373,906,880	\$ 388,492,628	\$ 398,982,612
Debt service as a percentage of noncapital expenditures	0.19%	0.68%	0.84%	5.25%

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					
2010		2011		2012		2013		2014		2015		
\$	232,362,118	\$	235,454,394	\$	242,468,897	\$	248,569,469	\$	258,355,855	\$	268,167,131	
	21,746,835		19,847,087		20,447,634		20,677,284		21,660,306		23,058,840	
	8,101,158		11,724,151		11,547,096		12,220,238		13,537,582		14,992,771	
	4,399,564		4,490,055		4,691,758		5,086,112		6,217,049		7,287,867	
	19,622,589		17,422,604		18,905,852		19,269,977		19,518,195		21,595,487	
	7,232,503		7,930,388		11,037,950		9,440,413		12,741,906		16,491,865	
	32,886,528		31,519,245		31,561,906		33,601,546		38,768,237		38,400,905	
	-		-		-		-		-		-	
	9,602,623		9,825,338		10,185,732		10,403,066		12,304,303		11,976,509	
	2,092,321		2,253,303		2,458,060		1,741,450		1,842,754		2,197,270	
	12,463,876		12,878,207		11,699,768		12,235,407		13,086,762		13,829,063	
	-		-		-		-		-		-	
	38,124,836		39,884,842		41,985,618		51,387,286		40,938,222		41,088,513	
	3,392,283		7,772,199		5,138,277		3,528,631		897,825		2,874,161	
	520,000		3,180,000		2,590,000		5,810,000		6,595,000		9,845,000	
	39,078		4,334,020		3,418,000		6,348,244		6,036,366		8,781,480	
	499,051		-		1,299,592		-		817,127		-	
\$	393,085,363	\$	408,515,833	\$	419,436,140	\$	440,319,123	\$	453,317,489	\$	480,586,862	
	0.30%		2.08%		1.96%		3.15%		3.27%		4.27%	

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			
	2006	2007	2008	2009
Excess of revenues over (under) expenditures	\$ 11,584,736	\$ (16,380,341)	\$ (11,040,011)	\$ (6,763,105)
Other financing sources (uses):				
Issuance of debt	-	20,700,000	-	-
Proceeds from sale of capital assets	462,814	24,300	47,225	116,446
Proceeds from insurance recoveries	-	-	-	387,497
Premiums	-	-	-	-
Transfers in	823,295	2,091,381	2,912,738	19,551,648
Transfers out	(823,295)	(2,091,381)	(2,912,738)	(19,551,648)
Total other financing sources (uses)	462,814	20,724,300	47,225	503,943
Net change in fund balances	\$ 12,047,550	\$ 4,343,959	\$ (10,992,786)	\$ (6,259,162)

Source: Comprehensive Annual Financial Report

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ (11,525,420)	\$ 546,841	\$ 5,218,174	\$ (19,227,001)	\$ (18,269,201)	\$ (28,458,790)
70,000,000	-	71,900,000	-	70,720,000	-
441,743	801,763	21,150	107,648	214,140	86,867
-	-	-	-	-	-
5,271,516	-	4,453,970	-	5,135,507	-
559,078	7,514,020	6,008,000	12,333,049	12,631,366	18,659,732
(559,078)	(7,514,020)	(6,008,000)	(12,333,049)	(13,309,245)	(18,626,480)
75,713,259	801,763	76,375,120	107,648	75,391,768	120,119
\$ 64,187,839	\$ 1,348,604	\$ 81,593,294	\$ (19,119,353)	\$ 57,122,567	\$ (28,338,671)

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
2004	2005-06	5,551,407,515	8,486,145,995	-	-
2005	2006-07	5,887,919,450	9,410,985,530	-	-
2006	2007-08	5,981,343,640	9,545,918,160	-	-
2007	2008-09	6,287,922,470	10,354,470,310	-	-
2008	2009-10	6,492,990,940	10,515,202,140	-	-
2009	2010-11	6,787,866,460	10,753,974,740	-	-
2010	2011-12	6,906,961,444	10,805,005,808	-	-
2011	2012-13	6,845,833,397	10,453,353,698	-	-
2012	2013-14	7,030,673,370	10,507,339,484	-	-
2013	2014-15	6,905,500,764	10,363,626,769		

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

Railroad and Utilities		Gas & Electric		Total		Total Direct Rate
Without Gas & Electric						
Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	
49,945,107	49,945,107	227,362,080	249,987,192	5,828,714,702	8,786,078,294	18.01394
51,788,634	52,781,112	226,290,321	272,409,082	6,165,998,405	9,736,175,724	18.01713
43,993,892	44,752,336	220,407,867	292,396,945	6,245,745,399	9,883,067,441	17.93709
44,719,491	45,514,985	229,880,963	285,085,397	6,562,522,924	10,685,070,692	17.78888
44,706,450	45,515,560	233,093,334	320,082,558	6,770,790,724	10,880,800,258	17.64277
47,026,045	47,026,045	222,317,184	328,932,292	7,057,209,689	11,129,933,077	17.64347
52,757,932	52,757,932	235,362,890	337,445,312	7,195,082,266	11,195,209,052	18.34848
55,092,528	55,092,528	232,662,908	345,375,275	7,133,588,833	10,853,821,501	18.34845
57,982,509	57,982,509	231,076,580	357,993,296	7,319,732,459	10,923,315,289	18.14592
52,397,622	53,251,989	233,578,596	303,652,622	7,191,476,982	10,720,531,380	17.99477

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		
2004	2005-06	\$ 15.36410	\$ 1.55484	\$ 0.96000	\$ 0.13500	\$ -	\$ -	\$ 18.01394	
2005	2006-07	15.36729	1.55484	0.96000	0.13500	-	-	18.01713	
2006	2007-08	15.28725	1.55484	0.96000	0.13500	-	-	17.93709	
2007	2008-09	15.13904	1.55484	0.96000	0.13500	-	-	17.78888	
2008	2009-10	14.99293	1.55484	0.96000	0.13500	-	-	17.64277	
2009	2010-11	14.99363	1.55484	0.96000	0.13500	-	-	17.64347	
2010	2011-12	15.69864	1.55484	0.96000	0.13500	-	-	18.34848	
2011	2012-13	15.69861	1.55484	0.96000	0.13500	-	-	18.34845	
2012	2013-14	15.14156	1.90936	0.96000	0.13500	-	-	18.14592	
2013	2014-15	14.99041	1.90936	0.96000	0.13500			17.99477	

(Continued)

Overlapping Rates

Polk County	County Hospital	City of Des Moines	City of Norwalk	City of Pleasant Hill	City of Urbandale	City of Windsor Hts	City of WDM	Bloomfield Township	Ag Extension	Assessor
\$ 6.34845	\$ 3.20245	\$ 16.52000	\$ 12.43282	\$ 11.48189	\$ 9.07010	\$ 12.62896	\$ 11.72540	\$ 1.20791	\$ 0.03791	\$ 0.35437
6.34845	3.49157	16.45083	13.92023	11.48197	9.07393	12.21843	11.95000	1.18175	0.03771	0.29738
6.84207	2.96959	16.59028	14.98315	11.48209	9.22000	12.40322	12.04999	0.60759	0.03703	0.31349
6.83696	2.92408	16.57606	14.36542	11.48208	9.22000	14.79484	12.05000	0.60766	0.03717	0.32711
6.82855	2.80423	16.57614	14.60000	11.65000	9.22000	13.76398	12.05000	0.87750	0.03752	0.30104
6.81833	2.92111	16.57614	14.60000	11.65006	9.32000	13.31499	12.05000	0.87750	0.03631	0.27848
6.80992	2.92193	16.58000	16.34634	11.65000	9.52000	13.31486	12.05000	0.87750	0.03696	0.24628
6.80992	2.97819	16.91982	15.69000	11.65000	9.62000	13.31499	12.05000	0.87750	0.03866	0.24382
6.94381	2.99567	16.92001	15.69000	11.64997	9.57000	13.89892	12.05000	0.87733	0.03945	0.27822
7.30880	3.21296	16.92000	15.69376	11.65000	9.82000	15.07588	12.00000	0.87750	0.04102	0.27920

Des Moines Independent Community School District

Direct and Overlapping Property Tax Rates (Continued)

Last Ten Fiscal Years

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

(Unaudited)

Levy Year	Collection Year	Overlapping Rates									
		State	Area XI College	Urbandale-WH SS Dist	Downtown SSMID	Sherman Hills Lighting #1	Sherman Hills Lighting #2	Highland Park SSMID	Ingersoll SSMID	Beaverdale SSMID	
2004	2005-06	\$ 0.00400	\$ 0.68408	\$ 0.17530	\$ 1.00000	\$ 1.49508	\$ 1.50003	\$ 1.75000	\$ -		
2005	2006-07	0.00400	0.68688	0.16805	1.00000	1.50003	1.50002	1.74996	-		
2006	2007-08	0.00350	0.60276	0.16848	1.00000	1.49988	1.50000	1.74996	1.74997		
2007	2008-09	0.00350	0.56386	0.16550	0.99813	1.49999	1.49999	1.75000	1.75000		
2008	2009-10	0.00300	0.56778	0.24131	1.00000	1.49983	1.49996	1.74992	1.75000		
2009	2010-11	0.00340	0.56008	0.28411	1.00472	1.49989	1.50727	1.75003	1.75001		
2010	2011-12	0.00320	0.59018	0.38435	1.00472	1.49996	1.50727	1.74999	1.75004		
2011	2012-13	0.00330	0.58466	0.47069	1.00000	1.50011	1.50002	1.75001	1.75001		
2012	2013-14	0.00330	0.69120	0.47163	1.15002	1.50021	1.50001	1.75002	2.25000		
2013	2014-15	0.00330	0.67574	0.29126	1.30000	1.50012	1.50002	1.75010	2.25000	1.75007	

Source: Polk County Auditor

Des Moines Independent Community School District

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

Taxpayer	2015			2006		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Mid American Energy	230,445,787	1	3.20%			
Nationwide	142,773,282	2	1.99%	70,763,630	2	1.21%
Wellmark Inc	97,183,800	3	1.35%			
Principal Mutual Life Insurance	91,253,430	4	1.27%	214,185,690	1	3.67%
Wells Fargo Financial	86,013,630	5	1.20%	46,512,600	4	0.80%
Principal Life Insurance	78,144,291	6	1.09%	214,185,690	1	3.67%
Employers Mutual Casualty	46,441,413	7	0.65%	38,955,400	9	0.67%
Hoxies Addition	26,314,020	8	0.37%			
Macerich Southridge	25,525,350	9	0.35%			
Lexington TNI Des Moines	24,717,300	10	0.34%			
	848,812,303		11.80%			

Source: Polk County Assessor

Des Moines Independent Community School District

Property Tax Levies and Collections
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	83,327,610	82,693,512	99.24%	-	-	-
2003	85,353,643	84,841,216	99.40%	-	-	-
2004	87,904,026	87,744,734	99.82%	-	-	-
2005	96,308,035	95,796,242	99.47%	-	-	-
2006	96,901,103	96,704,119	99.80%	-	-	-
2007	101,152,617	100,724,916	99.58%	-	-	-
2008	102,277,748	101,895,857	99.63%	-	-	-
2009	105,892,487	105,550,164	99.68%	-	-	-
2010	107,733,427	107,454,211	99.74%	-	-	-
2011	113,255,898	112,742,827	99.55%	-	-	-
2012	120,926,483	119,010,714	98.42%	1,472,269	120,482,983	99.63%
2013	118,233,562	116,612,288	98.63%	1,364,597	117,976,885	99.78%
2014	122,372,255	120,135,631	98.17%	1,397,537	121,533,168	99.31%
2015	118,679,473	117,530,023	99.03%	1,305,381	118,835,404	100.13%

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 Value	Per Capita
				General Obligation Bonds	General Obligation Capital Loan Notes	Qualified Zone Academy Bonds				
2006	196,093	\$ 8,862,397,979	\$ 443,119,899	\$ -	\$ 2,545,000	\$ 1,000,000	\$ 3,545,000	0.04%	\$ 18.08	
2007	196,093	9,736,175,724	486,808,786	-	2,060,000	1,000,000	3,060,000	0.03%	15.60	
2008	196,093	9,883,067,441	494,153,372	-	1,570,000	1,000,000	2,570,000	0.03%	13.11	
2009	196,093	10,685,070,692	534,253,535	-	1,060,000	1,000,000	2,060,000	0.02%	10.51	
2010	193,886	10,880,800,258	544,040,013	-	540,000	1,000,000	1,540,000	0.01%	7.94	
2011	193,886	11,129,933,077	556,496,654	-	-	-	-	0.00%	-	
2012	206,599	11,195,209,052	560,590,108	-	-	-	-	0.00%	-	
2013	206,688	10,853,821,501	542,691,075	-	-	-	-	0.00%	-	
2014	207,510	10,923,315,289	546,165,764	-	-	-	-	0.00%	-	
2015	209,220	10,720,531,380	536,026,569	-	-	-	-	0.00%	-	

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

Des Moines Independent Community School District

**Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Governmental Activities				LOST/ Statewide Penny Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	General Obligation Capital Loan Notes	Qualified Zone Academy Bonds					
2006	\$ -	\$ 2,545,000	\$ 1,000,000	\$ -	\$ 3,545,000	0.05%	\$ 18.08	
2007	-	2,060,000	1,000,000	19,900,000	22,960,000	0.30%	\$ 117.09	
2008	-	1,570,000	1,000,000	18,300,000	20,870,000	0.26%	\$ 106.43	
2009	-	1,060,000	1,000,000	-	2,060,000	0.02%	\$ 10.51	
2010	-	540,000	1,000,000	70,000,000	71,540,000	0.86%	\$ 368.98	
2011	-	-	-	68,360,000	68,360,000	0.83%	\$ 352.58	
2012	-	-	-	137,670,000	137,670,000	1.51%	\$ 666.36	
2013	-	-	-	131,860,000	131,860,000	1.41%	\$ 637.97	
2014	-	-	-	195,985,000	195,985,000	2.39%	\$ 944.46	
2015				186,140,000	186,140,000	2.56%	\$ 889.69	

Source: District Records

Des Moines Independent Community School District

Direct and Overlapping Governmental Activities Debt

As of June 30, 2015

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Overlapping:			
City of Des Moines	\$ 464,246,254	96.4%	\$ 447,533,000
City of Pleasant Hill	2,865,000	24.1%	690,000
City of Urbandale	50,328,000	10.0%	5,033,000
City of Windsor Heights	12,970,000	0.9%	117,000
City of West Des Moines	75,814,689	0.1%	76,000
Des Moines Area Community College	69,105,000	30.1%	20,801,000
Polk County	251,119,573	35.3%	88,645,000
Warren County	414,794	5.4%	22,000
Subtotal, overlapping debt	926,863,310		562,917,000
Direct, Des Moines Independent Community School District:			
Sales tax revenue bond	186,140,000	100.0%	186,140,000
Subtotal direct debt	186,140,000		186,140,000
Total direct and overlapping debt	\$ 1,113,003,310		\$ 749,057,000

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

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

Des Moines Independent Community School District

Legal Debt Margin Information

Last Ten Fiscal Years

(Unaudited)

	2006	2007	2008	2009
Debt limit	\$ 443,119,899	\$ 486,808,786	\$ 494,153,352	\$ 534,253,535
Total net debt applicable to limit	3,545,000	22,960,000	20,870,000	2,060,000
Legal debt margin	\$ 439,574,899	\$ 463,848,786	\$ 473,283,352	\$ 532,193,535
Total net debt applicable to the limit as a percentage of debt limit	0.80%	4.72%	4.22%	0.39%

Source: Polk County Auditor and District Records

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value	\$ 10,720,531,380
Debt limit (5% of assessed value)	\$ 536,026,569
Debt applicable to limit	186,140,000
Legal debt margin	\$ 349,886,569

	2010	2011	2012	2013	2014	2015
\$	544,040,013	\$ 556,496,654	\$ 559,760,453	\$ 546,165,764	\$ 546,165,764	\$ 536,026,569
	71,540,000	68,360,000	137,670,000	131,860,000	195,985,000	186,140,000
\$	472,500,013	\$ 488,136,654	\$ 422,090,453	\$ 414,305,764	\$ 350,180,764	\$ 349,886,569
	13.15%	12.28%	24.59%	24.14%	35.88%	34.73%

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			
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%
2010	24,841,106	#		#	0.00%
2011	28,174,783	1,640,000		4,313,500	21.13%
2012	26,045,238	2,590,000		3,418,000	23.07%
2013	27,364,977	5,810,000		6,348,244	44.43%
2014	27,874,657	6,595,000		6,036,366	45.31%
2015	30,744,831	9,845,000		8,781,480	60.58%

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

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

Note:

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

Des Moines Independent Community School District

Demographic and Economic Statistics

Last Ten Calendar Years

(Unaudited)

Calendar Year	Population	Per Capita Personal Income	Personal Income for Polk County	Unemployment Rate
2006	196,093	39,418	7,729,593,874	3.8%
2007	196,093	40,764	7,993,535,052	3.7%
2008	196,093	48,980	9,604,635,140	6.7%
2009	193,886	43,098	8,356,098,828	6.4%
2010	193,886	42,381	8,217,082,566	6.0%
2011	206,599	44,178	9,127,130,622	5.4%
2012	206,688	45,356	9,374,540,928	4.8%
2013	207,510	46,753	9,701,715,030	4.2%
2014	209,220	47,612	9,961,382,640	4.3%

Note: FY2000 through FY2009 from the 2000 US Census.

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

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

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

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

Des Moines Independent Community School District

Largest Public and Private Employers in Greater Des Moines Region

Current Year

(Unaudited)

Employer	2015			2008		
	Employees *	Rank	Percentage of Total Employment	Employees ****	Rank	Percentage of Total Employment
Wells Fargo	14,500	1	4.1%		8	
Hy-Vee Food Corporation	7,500	2	2.1%			
Mercy Medical Center	7,055	3	2.0%		3	
UnityPoint Health(Iowa Health System)	6,435	4	1.8%		2	
Principal Financial Group, Inc.	6,184	5	1.8%		1	
Des Moines Independent CSD***	5,082	6	1.5%	4,973		
Nationwide/Allied Insurance	4,282	7	1.2%			
John Deere companies	3,089	8	0.9%		9	
Dupont Pioneer	3,000	9	0.9%		10	
Kum & Go	1,820	10	0.5%			
Blank Children's Pediatric(now part of UnityPoint)					4	
HP Enterprise Services(CDS)					5	
Des Moines Register					6	
Bridgestone America Tire(Firestone)					7	

Total employment ** 350,000

Source:

* Greater Des Moines Partnership

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

County employment and wages in Iowa, second quarter 2012:

*** District records

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

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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				
	2006	2007	2008	2009	2010
Administrators					
Central Office	32.5	32.5	32.0	40.0	39.0
Elementary Schools	33.0	33.0	33.0	36.0	37.0
Middle Schools	21.5	22.0	22.0	22.0	20.0
High Schools	24.5	26.0	29.0	28.0	29.0
Special Schools	7.0	7.0	8.0	5.0	5.0
Total Administrators	118.5	120.5	124.0	131.0	130.0
Teachers					
Academic Support	-	-	-	-	-
Behavior Coach	-	-	-	-	-
Non-classroom (other)	41.5	42.7	30.1	21.3	22.6
Classroom teachers	1,474.9	1,500.0	1,541.5	1,538.5	1,514.4
Counselors	73.9	75.2	76.7	81.9	76.1
Dean of Students	27.7	31.2	34.0	31.4	31.0
Educational tech support	3.6	5.8	6.2	4.0	2.5
ELL	67.1	85.7	84.3	81.3	81.3
Facilitator	7.9	7.9	7.0	8.0	2.0
Gifted and Talented	8.5	8.5	7.5	7.5	7.5
Head Start	15.0	15.0	16.0	15.0	18.5
Home Instruction	9.5	9.5	8.5	8.5	8.0
International Baccalaureate Coordinator	-	-	-	-	-
Library/Media specialists	9.4	9.4	8.4	8.0	8.0
Literacy trainer	6.0	6.0	-	-	-
Mentor Teacher	-	-	-	-	-
Montessori	-	-	-	-	-
New Horizons teachers	5.0	5.5	6.5	8.0	4.0
Nurses	54.0	53.6	55.8	55.4	54.7
Nursery	-	-	-	-	-
Preschool	20.5	20.5	47.5	48.0	46.5
Special Ed literacy support	10.6	8.6	-	-	-
Special Ed teachers	561.4	572.0	577.9	558.4	524.9
Special Ed consultants	30.2	29.2	31.0	31.0	30.5
Special Ed Support	115.7	124.0	132.0	126.1	124.5
Title I	172.0	158.6	172.0	185.3	194.8
Float	1.0	3.0	2.0	1.0	14.2
Total teachers	2,715.3	2,771.8	2,844.9	2,818.6	2,766.0
Associates					
Central Office	3.0	3.0	9.6	3.6	5.8
Elementary Schools	239.7	245.3	254.5	252.9	219.5
Middle Schools	69.7	66.4	62.8	62.8	52.0
High Schools	69.0	70.0	70.5	72.5	63.5
Special Schools	177.6	183.6	179.7	161.9	154.6
Total associates	559.0	568.3	577.1	553.7	495.4

Source: District records

(Continued)

Full-Time Equivalent Employees as of June 30					Percentage
2011	2012	2013	2014	2015	Change 2006 - 2015
29.0	30.0	35.0	36.0	37.0	13.8%
37.0	37.0	37.0	37.0	37.0	12.1%
22.0	21.0	21.0	21.0	20.0	-7.0%
21.0	22.0	22.0	22.0	24.0	-2.0%
6.0	7.0	8.0	8.0	5.0	-28.6%
115.0	117.0	123.0	124.0	123.0	3.8%
24.0	26.0	25.0	26.0	32.0	0.0%
-	-	7.5	9.5	19.7	0.0%
28.7	29.4	14.9	14.8	11.8	-71.6%
1,493.9	1,503.6	1,499.5	1,555.0	1,563.7	6.0%
57.0	51.5	58.3	58.4	63.0	-14.7%
15.0	17.0	16.2	14.5	4.6	-83.4%
3.0	-	-	-	-	-100.0%
84.3	85.3	86.8	88.8	91.0	35.6%
1.0	1.0	-	-	-	-100.0%
8.0	9.0	11.0	11.0	15.0	76.5%
17.5	15.5	14.5	13.5	14.0	-6.7%
7.0	7.0	7.0	6.0	6.0	-36.8%
-	5.0	7.0	8.0	8.0	0.0%
5.0	5.0	3.0	2.0	2.0	-78.7%
-	-	-	-	-	-100.0%
-	-	-	10.5	14.5	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	-100.0%
57.9	57.3	57.6	57.7	58.4	8.1%
-	-	-	-	-	0.0%
43.5	34.5	38.5	38.5	34.0	65.9%
-	-	-	-	-	-100.0%
493.9	506.4	508.8	509.3	499.4	-11.0%
33.0	32.0	30.0	31.0	34.0	12.6%
112.7	124.2	128.2	126.4	121.6	5.1%
180.8	181.0	171.4	187.8	208.9	21.4%
1.0	-	2.0	4.0	1.0	0.0%
2,667.2	2,690.7	2,687.2	2,772.7	2,802.6	3.2%
8.8	7.8	9.8	11.8	24.8	726.7%
202.3	223.8	211.0	222.0	195.0	-18.7%
58.8	59.5	62.0	61.0	58.8	-15.7%
56.0	53.2	44.6	46.0	57.0	-17.3%
164.4	163.5	191.9	180.2	182.6	2.8%
490.3	507.8	519.3	521.0	518.2	-7.3%

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				
	2006	2007	2008	2009	2010
Specialist, Clerical, and Paraprofessionals					
Central Office	191.6	199.1	190.4	194.1	189.6
Elementary Schools	110.8	112.6	113.7	114.7	105.2
Middle Schools	45.5	57.9	56.1	47.2	58.6
High Schools	87.6	99.2	109.4	119.9	109.7
Special Schools	15.0	15.0	15.1	9.4	22.6
Total specialists, clerical, and paraprofessionals	450.5	483.8	484.7	485.3	485.7
Food Service, Operations, Transportation and Child Care					
Central Office	326.2	328.8	357.1	365.1	345.6
Elementary Schools	282.2	286.2	267.1	272.0	265.3
Middle Schools	117.4	115.2	113.1	111.9	113.1
High Schools	128.1	137.5	126.5	127.6	134.3
Special Schools	10.4	11.0	12.1	12.3	10.8
Total food svc, oper, transportation, and child care	864.3	878.6	876.0	888.9	869.1
Total	4,707.6	4,823.0	4,906.7	4,877.5	4,746.2

* Detail unavailable

Source: District records

Full-Time Equivalent Employees as of June 30					Percentage
2011	2012	2013	2014	2015	Change 2006 - 2015
191.1	187.0	181.7	206.5	231.0	0.21
101.0	100.6	119.4	124.4	103.9	(0.06)
61.4	63.6	63.9	65.6	65.0	0.43
126.3	125.1	122.9	124.1	135.1	0.54
11.4	19.0	20.9	21.5	17.0	0.13
491.2	495.3	508.8	542.1	552.0	1.88
414.6	380.6	373.0	344.9	336.4	0.03
166.9	215.8	216.4	221.1	245.6	(0.13)
105.9	100.9	97.0	99.5	101.3	(0.14)
131.4	118.3	119.1	124.9	114.1	(0.11)
12.8	10.4	11.2	13.3	13.1	0.27
831.6	826.0	816.7	803.7	810.5	1.87
4,595.3	4,641.6	4,655.0	4,763.5	4,806.3	36.51

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
2006	31,874.0	\$ 310,410,551	\$ 9,739	9.41	\$ 17,426,850	\$ 547	6.01
2007	31,549.0	322,090,333	10,209	4.83	18,786,986	595	8.78
2008	31,218.4	346,905,851	11,112	0.09	18,412,253	590	(0.01)
2009	31,128.8	359,402,985	11,546	0.04	18,356,947	590	(0.00)
2010	30,783.0	368,369,974	11,967	0.04	17,514,358	569	(3.56)
2011	30,953.9	377,071,229	12,282	0.03	16,914,145	546	(0.04)
2012	31,546.3	383,099,908	12,144	0.01	17,509,877	555	(0.02)
2013	32,062.1	386,110,699	12,043	0.01	19,492,031	608	0.07
2014	32,413.2	412,187,728	12,717	0.06	20,740,564	640	0.12
2015	32,396.1	430,873,303	13,300	0.11	21,898,261	676	0.19

Fiscal Year	Teaching Staff	Percentage of Students Receiving Free or Reduced-Priced Meals
2006	2,715.3	56
2007	2,771.8	57
2008	2,844.9	62
2009	2,819.1	64
2010	2,766.0	65
2011	2,667.0	67
2012	2,690.7	66
2013	2,687.2	68
2014	2,772.7	69
2015	2,802.6	69

Source: District Records

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

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Des Moines Independent Community School District

School Building Information Last Ten Fiscal Years (Unaudited)

School	Fiscal Year			
	2006	2007	2008	2009
Elementary:				
Name (Year)	Adams	Adams		
Square feet	49,995	49,995		
Capacity	420	420		
Enrollment	337	294		
Name (Year)	Brubaker	Brubaker	Brubaker	Brubaker
Square feet	78,224	78,224	78,224	78,224
Capacity	720	720	720	792
Enrollment	655	717	715	684
Name (Year)	Capital View	Capital View	Capital View	Capital View
Square feet	76,525	76,525	75,740	75,740
Capacity	710	710	710	720
Enrollment	620	619	630	541
Name (Year)	Carver	Carver	Carver	Carver
Square feet	-	-	93,627	91,500
Capacity	-	-	690	720
Enrollment	-	-	647	560
Name (Year)	Cattell	Cattell	Cattell	Cattell
Square feet	47,821	47,821	47,821	47,821
Capacity	460	460	460	408
Enrollment	331	339	354	400
Name (Year)	Cowles	Cowles	Cowles	Cowles
Square feet	42,800	42,800	42,800	42,800
Capacity	380	380	380	432
Enrollment	194	224	290	299
Name (Year)	Downtown	Downtown	Downtown	Downtown
Square feet	32,767	32,767	32,767	32,767
Capacity	270	270	270	264
Enrollment	264	272	268	258
Name (Year)	Edmunds	Edmunds	Edmunds	Edmunds
Square feet	45,930	45,930	45,930	45,930
Capacity	320	320	320	240
Enrollment	148	143	175	180
Name (Year)	Findley	Findley	Findley	Findley
Square feet	38,354	38,354	38,354	38,354
Capacity	380	380	380	384
Enrollment	296	310	358	345
Name (Year)	Garton	Garton	Garton	Garton
Square feet	43,290	43,290	65,648	65,648
Capacity	500	500	460	720
Enrollment	330	343	602	619

(Continued)

		Fiscal Year					
		2010	2011	2012	2013	2014	2015
Brubaker	Brubaker	Brubaker	Brubaker	Brubaker	Brubaker	Brubaker	Brubaker
	78,224	78,224	78,224	78,224	78,224	78,224	78,224
	792	792	792	792	792	816	816
	680	661	694	672	642	642	704
Capital View	Capital View	Capital View	Capital View	Capital View	Capital View	Capital View	Capital View
	75,740	75,740	75,740	75,740	75,740	75,740	75,740
	720	720	720	720	720	720	720
	551	518	483	539	534	534	551
Carver	Carver	Carver	Carver	Carver	Carver	Carver	Carver
	91,500	91,500	91,500	91,500	91,500	91,500	91,500
	720	720	720	720	720	720	720
	606	558	557	611	626	626	577
Cattell	Cattell	Cattell	Cattell	Cattell	Cattell	Cattell	Cattell
	47,821	47,821	47,821	47,821	47,821	47,821	47,821
	408	408	408	408	408	408	408
	393	405	393	408	411	411	397
Cowles	Cowles	Cowles	Cowles	Cowles	Cowles	Cowles	Cowles
	42,800	42,800	42,800	42,800	42,800	42,800	42,800
	432	432	432	432	432	456	517
	319	261	284	348	361	361	364
Downtown	Downtown	Downtown	Downtown	Downtown	Downtown	Downtown	Downtown
	34,966	34,966	34,966	34,966	38,125	38,125	38,125
	264	264	264	264	312	312	312
	293	285	278	274	274	263	267
Edmunds	Edmunds	Edmunds	Edmunds	Edmunds	Edmunds	Edmunds	Edmunds
	45,930	45,930	45,930	45,930	76,385	76,385	76,385
	240	240	240	240	576	576	576
	211	171	274	287	409	409	435
Findley	Findley	Findley	Findley	Findley	Findley	Findley	Findley
	38,354	38,354	38,354	38,354	43,548	43,548	43,548
	384	384	384	384	384	384	384
	323	273	292	314	320	320	342
Garton	Garton	Garton	Garton	Garton	Garton	Garton	Garton
	65,648	65,648	65,648	65,648	65,648	65,648	65,648
	720	720	720	720	720	720	720
	596	596	522	564	595	595	624

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2006	2007	2008	2009
Elementary:				
Name (Year)	Granger	Granger/Mitchell		
Square feet		39,194	39,194	
Capacity		525	525	
Enrollment		335	550	
Name (Year)	Greenwood	Greenwood	Greenwood	Greenwood
Square feet	58,804	58,804	61,744	61,744
Capacity	450	450	450	456
Enrollment	454	420	454	453
Name (Year)	Hanawalt	Hanawalt	Hanawalt	Hanawalt
Square feet	43,246	43,246	43,246	43,246
Capacity	410	410	410	408
Enrollment	338	359	418	416
Name (Year)	Hillis	Hillis	Hillis	Hillis
Square feet	44,825	44,825	44,825	57,720
Capacity	410	410	410	420
Enrollment	399	390	468	460
Name (Year)	Howe	Howe	Howe	Howe
Square feet	38,505	38,505	38,505	38,505
Capacity	320	320	320	312
Enrollment	213	229	340	300
Name (Year)	Hubbell	Hubbell	Hubbell	Hubbell
Square feet	48,072	48,072	53,327	53,327
Capacity	390	390	390	456
Enrollment	309	347	402	390
Name (Year)	Jackson	Jackson	Jackson	Jackson
Square feet	35,872	35,872	35,872	35,872
Capacity	420	420	420	432
Enrollment	426	397	402	385
Name (Year)	Jefferson	Jefferson	Jefferson	Jefferson
Square feet	42,750	42,750	42,750	42,750
Capacity	480	480	480	408
Enrollment	423	424	421	426
Name (Year)	King	King	King	King
Square feet	51,414	51,414	51,414	54,171
Capacity	330	330	330	408
Enrollment	372	352	347	282
Name (Year)	Longfellow	Longfellow		
Square feet	31,420	31,420		
Capacity	300	300		
Enrollment	206	184		
Name (Year)	Lovejoy	Lovejoy	Lovejoy	Lovejoy
Square feet	31,806	31,806	31,806	31,806
Capacity	310	310	310	288
Enrollment	315	323	272	357

(Continued)

		Fiscal Year					
		2010	2011	2012	2013	2014	2015
Greenwood	Greenwood	Greenwood	Greenwood	Greenwood	Greenwood	Greenwood	Greenwood
	61,744	61,744	61,744	61,744	61,744	61,744	61,744
	456	456	456	456	456	456	456
	450	412	413	446	414		384
Hanawalt	Hanawalt	Hanawalt	Hanawalt	Hanawalt	Hanawalt	Hanawalt	Hanawalt
	43,246	43,246	43,246	43,246	43,246	43,246	43,246
	408	408	408	408	408	408	408
	365	358	345	352	376		373
Hillis	Hillis	Hillis	Hillis	Hillis	Hillis	Hillis	Hillis
	57,720	57,720	57,720	57,720	57,720	57,720	57,720
	600	600	600	600	600	600	600
	471	431	425	483	507		534
Howe	Howe	Howe	Howe	Howe	Howe	Howe	Howe
	38,505	38,505	38,505	38,505	38,505	38,505	38,505
	312	312	312	312	312	312	312
	307	304	276	297	282		298
Hubbell	Hubbell	Hubbell	Hubbell	Hubbell	Hubbell	Hubbell	Hubbell
	53,327	53,327	53,327	53,327	53,327	53,327	53,327
	456	456	456	456	456	456	456
	394	405	435	455	447		428
Jackson	Jackson	Jackson	Jackson	Jackson	Jackson	Jackson	Jackson
	45,585	45,585	45,585	45,585	45,585	45,585	45,585
	456	456	456	456	456	456	456
	345	403	395	413	418		435
Jefferson	Jefferson	Jefferson	Jefferson	Jefferson	Jefferson	Jefferson	Jefferson
	42,750	42,750	42,750	45,830	45,830		45,830
	408	408	408	408	408		456
	432	426	433	434	430		425
King	King	King	King	King	King	King	King
	54,171	54,171	54,171	54,171	54,171	54,171	54,171
	408	408	408	408	408	408	456
	318	344	335	335	362		376
Lovejoy	Lovejoy	Lovejoy	Lovejoy	Lovejoy	Lovejoy	Lovejoy	Lovejoy
	31,806	31,806	31,806	39,154	39,154		39,154
	288	288	288	456	456		456
	366	322	333	332	349		380

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2006	2007	2008	2009
Elementary:				
Name (Year)	Madison	Madison	Madison	Madison
Square feet	42,049	42,049	42,049	42,049
Capacity	430	430	430	408
Enrollment	332	314	359	334
Name (Year)	McKinley	McKinley	McKinley	McKinley
Square feet	49,994	49,994	49,994	49,994
Capacity	380	380	380	360
Enrollment	304	337	363	292
Name (Year)	Mitchell - Bridges	Mitchell - Bridges	Mitchell - Bridges	Mitchell
Square feet	31,682	31,682	31,682	31,682
Capacity	350	350	350	264
Enrollment	114	118	135	-
Name (Year)	Monroe	Monroe	Monroe	Monroe
Square feet	73,997	73,997	73,997	73,997
Capacity	660	660	660	576
Enrollment	492	526	533	523
Name (Year)	Moore	Moore		
Square feet	45,334	45,334		
Capacity	440	440		
Enrollment	320	287		
Name (Year)	Morris	Morris	Morris	Morris
Square feet	74,684	74,684	70,656	70,656
Capacity	700	700	700	744
Enrollment	563	577	583	630
Name (Year)	Moulton	Moulton	Moulton	Moulton
Square feet	121,650	121,650	121,650	121,650
Capacity	620	620	620	744
Enrollment	528	514	460	419
Name (Year)	Oak Park	Oak Park	Oak Park	Oak Park
Square feet	59,497	59,497	59,497	59,497
Capacity	380	380	380	408
Enrollment	355	399	405	403
Name (Year)	Park Avenue	Park Avenue	Park Avenue	Park Avenue
Square feet	59,565	59,565	59,565	59,565
Capacity	560	560	560	552
Enrollment	436	423	481	482
Name (Year)	Perkins	Perkins	Perkins	Perkins
Square feet	50,440	56,540	56,540	56,540
Capacity	440	440	420	432
Enrollment	361	423	453	460
Name (Year)	Phillips	Phillips	Phillips	Phillips
Square feet	41,936	41,936	41,936	41,936
Capacity	380	380	380	336
Enrollment	343	344	370	379

(Continued)

		Fiscal Year					
		2010	2011	2012	2013	2014	2015
Madison	Madison	Madison	Madison	Madison	Madison	Madison	Madison
	42,049	42,049	42,049	42,049	42,049	42,049	42,049
	408	408	408	408	408	408	408
	368	316	333	409	377		346
McKinley	McKinley	McKinley	McKinley	McKinley	McKinley	McKinley	McKinley
	49,994	49,994	49,994	49,994	49,994	49,994	49,994
	360	360	360	360	360	360	360
	292	316	342	319	331		343
Monroe	Monroe	Monroe	Monroe	Monroe	Monroe	Monroe	Monroe
	73,997	73,997	73,997	73,997	73,997	73,997	73,997
	576	576	576	576	576	576	600
	485	501	495	533	553		536
Morris	Morris	Morris	Morris	Morris	Morris	Morris	Morris
	70,656	70,656	70,656	70,656	70,656	70,656	70,656
	744	744	744	744	744	744	744
	691	602	616	617	612		595
Moulton	Moulton	Moulton	Moulton	Moulton	Moulton	Moulton	Moulton
	121,650	121,650	121,650	121,650	121,650	121,650	121,650
	744	744	744	744	744	744	744
	398	366	357	428	474		457
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
	408	408	408	408	408	408	408
	410	403	407	399	396		406
Park Avenue	Park Avenue	Park Avenue	Park Avenue	Park Avenue	Park Avenue	Park Avenue	Park Avenue
	59,565	59,565	59,565	59,565	64,925	64,925	64,925
	552	552	552	552	552	552	600
	502	457	465	472	472		424
Perkins	Perkins	Perkins	Perkins	Perkins	Perkins	Perkins	Perkins
	56,540	56,540	56,540	56,540	56,540	56,540	65,064
	432	432	432	432	432	432	528
	438	461	436	438	441		464
Phillips	Phillips	Phillips	Phillips	Phillips	Phillips	Phillips	Phillips
	41,936	41,936	41,936	41,936	41,936	41,936	41,936
	336	336	336	336	336	336	336
	394	359	362	404	407		387

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2006	2007	2008	2009
Elementary:				
Name (Year)	Pleasant Hill	Pleasant Hill	Pleasant Hill	Pleasant Hill
Square feet	36,161	36,161	36,161	36,161
Capacity	310	310	310	312
Enrollment	316	328	347	316
Name (Year)	River Woods	River Woods	River Woods	River Woods
Square feet	58,126	58,126	58,126	58,126
Capacity	500	500	500	504
Enrollment	546	518	491	501
Name (Year)	Samuelson(@Woodlawn)	Samuelson(@Woodlawn)	Samuelson(@Woodlawn)	Samuelson
Square feet	46,548	46,548	46,548	56,586
Capacity	450	450	450	504
Enrollment	417	394	534	467
Name (Year)	South Union	South Union	South Union	South Union
Square feet	-	68,508	68,508	68,508
Capacity	-	630	630	696
Enrollment	-	553	572	560
Name (Year)	Stowe	Stowe	Stowe	Stowe
Square feet	36,000	36,000	36,000	56,967
Capacity	400	400	400	408
Enrollment	294	267	352	364
Name (Year)	Studebaker	Studebaker	Studebaker	Studebaker
Square feet	42,272	42,272	42,272	42,272
Capacity	420	420	420	456
Enrollment	449	477	461	437
Name (Year)	Wallace	Wallace		
Square feet	31,960	31,960		
Capacity	360	360		
Enrollment	348	346		
Name (Year)	Walnut Street	Walnut Street	Walnut Street	Walnut Street
Square feet	37,206	38,800	38,800	58,212
Capacity	NA	NA	NA	384
Enrollment	93	104	212	248
Name (Year)	Willard	Willard	Willard	Willard
Square feet	59,301	59,301	59,301	59,301
Capacity	560	560	560	600
Enrollment	405	387	427	434
Name (Year)	Windsor	Windsor	Windsor	Windsor
Square feet	55,510	55,510	60,475	60,475
Capacity	420	420	420	408
Enrollment	341	346	375	415
Name (Year)	Wright	Wright	Wright	Wright
Square feet	30,300	30,300	30,300	30,300
Capacity	310	310	310	312
Enrollment	301	282	284	273

(Continued)

Fiscal Year						
2010	2011	2012	2013	2014	2015	
Pleasant Hill	Pleasant Hill	Pleasant Hill	Pleasant Hill	Pleasant Hill	Pleasant Hill	
36,161	36,161	36,161	41,270	41,270	41,270	
312	312	312	312	312	408	
310	270	283	312	309	309	
River Woods	River Woods	River Woods	River Woods	River Woods	River Woods	
58,126	58,126	58,126	59,950	58,126	64,773	
504	504	504	504	504	600	
530	489	509	509	540	545	
Samuelson	Samuelson	Samuelson	Samuelson	Samuelson	Samuelson	
56,586	56,586	56,586	58,678	58,678	58,678	
504	504	504	528	528	528	
475	481	514	526	515	527	
South Union	South Union	South Union	South Union	South Union	South Union	
68,508	68,508	68,508	68,508	68,508	68,508	
696	696	696	696	696	696	
533	542	545	578	562	520	
Stowe	Stowe	Stowe	Stowe	Stowe	Stowe	
56,967	56,967	56,967	56,967	56,967	56,967	
408	408	408	408	408	408	
408	416	389	362	363	365	
Studebaker	Studebaker	Studebaker	Studebaker	Studebaker	Studebaker	
42,272	42,272	42,272	45,400	45,400	45,400	
456	456	456	504	504	504	
435	454	401	416	479	451	
Walnut Street	Walnut Street	Walnut Street	Walnut Street	Walnut Street	Walnut Street	
58,212	58,212	58,212	58,212	58,212	58,212	
384	384	384	384	414	414	
250	205	281	312	278	283	
Willard	Willard	Willard	Willard	Willard	Willard	
59,301	59,301	59,301	59,301	59,301	59,301	
600	600	600	600	600	600	
437	432	439	426	437	429	
Windsor	Windsor	Windsor	Windsor	Windsor	Windsor	
60,475	60,475	60,475	60,475	60,475	60,475	
408	408	408	408	408	408	
400	384	416	425	394	360	
Wright	Wright	Wright	Wright	Wright	Wright	
30,300	30,300	30,300	30,300	30,300	30,300	
312	312	312	312	288	288	
252	273	248	271	258	289	

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2006	2007	2008	2009
Middle:				
Name (Year)	Brody	Brody	Brody	Brody
Square feet	90,500	90,500	90,500	90,500
Capacity	650	650	650	637
Enrollment	646	709	738	720
Name (Year)	Callanan	Callanan	Callanan	Callanan
Square feet	116,037	116,037	116,037	116,037
Capacity	700	700	700	828
Enrollment	644	621	591	612
Name (Year)	Goodrell	Goodrell	Goodrell	Goodrell
Square feet	102,230	102,230	110,495	110,495
Capacity	700	700	700	871
Enrollment	674	631	611	591
Name (Year)	Harding	Harding	Harding	Harding
Square feet	125,339	125,339	125,339	125,339
Capacity	840	840	840	828
Enrollment	589	562	530	557
Name (Year)	Hiatt	Hiatt	Hiatt	Hiatt
Square feet	103,060	103,060	103,060	103,060
Capacity	800	800	800	743
Enrollment	495	465	484	504
Name (Year)	Hoyt	Hoyt	Hoyt	Hoyt
Square feet	99,874	99,874	99,874	99,874
Capacity	750	750	750	850
Enrollment	632	625	590	608
Name (Year)	McCombs	McCombs	McCombs	McCombs
Square feet	78,978	78,978	78,978	78,978
Capacity	650	650	650	701
Enrollment	628	611	589	582
Name (Year)	Meredith	Meredith	Meredith	Meredith
Square feet	107,316	107,316	107,316	107,316
Capacity	850	850	850	871
Enrollment	745	676	654	645
Name (Year)	Merrill	Merrill	Merrill	Merrill
Square feet	89,500	89,500	89,500	89,500
Capacity	650	650	650	658
Enrollment	620	627	608	592
Name (Year)	Weeks	Weeks	Weeks	Weeks
Square feet	118,770	118,770	112,390	112,390
Capacity	900	900	900	1,041
Enrollment	789	728	754	757

(Continued)

Fiscal Year							
2010	2011	2012	2013	2014	2015		
Brody	Brody	Brody	Brody	Brody	Brody	Brody	
90,500	90,500	90,500	90,500	90,500	98,082	98,082	
637	637	637	637	871	871	871	
688	689	680	702	744	736	736	
Callanan	Callanan	Callanan	Callanan	Callanan	Callanan	Callanan	
116,037	116,037	116,037	116,037	116,037	116,037	116,037	
828	828	828	828	828	828	828	
604	607	643	626	620	572	572	
Goodrell	Goodrell	Goodrell	Goodrell	Goodrell	Goodrell	Goodrell	
110,495	110,495	110,495	110,495	110,495	110,495	110,495	
871	871	871	871	871	871	893	
614	608	594	591	619	633	633	
Harding	Harding	Harding	Harding	Harding	Harding	Harding	
125,339	125,339	125,339	125,339	125,339	125,339	125,339	
828	828	828	828	828	850	850	
581	556	534	619	700	767	767	
Hiatt	Hiatt	Hiatt	Hiatt	Hiatt	Hiatt	Hiatt	
103,060	103,060	103,060	103,060	103,060	109,879	109,879	
743	743	743	850	850	850	850	
533	579	609	634	626	551	551	
Hoyt	Hoyt	Hoyt	Hoyt	Hoyt	Hoyt	Hoyt	
99,874	99,874	99,874	99,874	99,874	100,691	100,691	
850	850	850	850	850	893	893	
594	580	533	518	488	488	488	
McCombs	McCombs	McCombs	McCombs	McCombs	McCombs	McCombs	
78,978	78,978	78,978	78,978	78,978	88,258	88,258	
701	701	701	807	807	829	829	
594	626	591	664	657	662	662	
Meredith	Meredith	Meredith	Meredith	Meredith	Meredith	Meredith	
107,316	107,316	107,316	107,316	107,316	107,316	107,316	
871	871	891	891	891	891	891	
638	607	687	666	715	713	713	
Merrill	Merrill	Merrill	Merrill	Merrill	Merrill	Merrill	
89,500	89,500	89,500	89,500	89,500	94,162	94,162	
658	658	658	658	658	658	701	
615	623	671	658	705	718	718	
Weeks	Weeks	Weeks	Weeks	Weeks	Weeks	Weeks	
112,390	112,390	112,390	112,390	112,390	112,390	112,390	
1,041	1,041	1,041	1,041	1,041	1,041	1,063	
749	677	675	689	633	670	670	

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2006	2007	2008	2009
High:				
Name (Year)	East	East	East	East
Square feet	355,293	355,293	344,376	344,376
Capacity	2,100	2,100	2,100	2,337
Enrollment	2,115	2,191	2,216	2,160
Name (Year)	Hoover	Hoover	Hoover	Hoover
Square feet	183,400	183,400	183,400	183,400
Capacity	1,175	1,175	1,175	1,083
Enrollment	1,212	1,188	1,174	1,115
Name (Year)	Lincoln	Lincoln	Lincoln	Lincoln
Square feet	269,905	269,905	312,628	312,628
Capacity	1,800	1,900	1,800	1,848
Enrollment	2,126	2,175	2,203	2,181
Name (Year)	Kurtz	Kurtz	Kurtz	Kurtz
Square feet	106,264	106,264	106,264	106,264
Capacity	730	730	730	637
Enrollment				
Name (Year)	North	North	North	North
Square feet	220,960	220,960	220,960	220,960
Capacity	1,150	1,150	1,150	1,147
Enrollment	1,156	1,132	1,139	1,133
Name (Year)	Roosevelt	Roosevelt	Roosevelt	Roosevelt
Square feet	282,050	282,050	282,050	282,050
Capacity	1,550	1,550	1,550	1,145
Enrollment	1,591	1,622	1,671	1,654

(Continued)

Fiscal Year							
2010	2011	2012	2013	2014	2015		
East	East	East	East	East	East	East	
344,376	344,376	344,376	344,376	344,376	344,376	344,376	344,376
2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337
2,224	2,266	2,230	2,288	2,291	2,291	2,286	2,286
Hoover	Hoover	Hoover	Hoover	Hoover	Hoover	Hoover	
183,400	183,400	183,400	183,400	183,400	191,700	191,700	191,700
1,083	1,083	1,105	1,105	1,105	1,105	1,105	1,105
1,130	1,075	1,065	1,028	966	966	1,016	1,016
Lincoln	Lincoln	Lincoln	Lincoln	Lincoln	Lincoln	Lincoln	
312,628	312,628	312,628	312,628	312,628	312,628	312,628	312,628
1,848	1,848	1,848	1,848	1,848	1,848	1,848	1,848
2,262	2,252	2,218	2,144	2,185	2,185	2,166	2,166
Kurtz	Kurtz	Kurtz(Lincoln 9th Grade)	Kurtz(Lincoln 9th Grade)	Kurtz(Lincoln 9th Grade)	Kurtz(Lincoln 9th Grade)	Kurtz(Lincoln 9th Grade)	
106,264	106,264	106,264	106,498	106,264	106,264	106,264	106,264
637	637	637	637	637	637	637	637
		%	%	%	%	%	
North	North	North	North	North	North	North	
220,960	220,960	220,960	220,960	220,960	249,639	249,639	249,639
1,147	1,147	1,253	1,253	1,253	1,253	1,253	1,253
1,170	1,133	1,121	1,182	1,251	1,251	1,196	1,196
Roosevelt	Roosevelt	Roosevelt	Roosevelt	Roosevelt	Roosevelt	Roosevelt	
239,117	239,117	239,117	239,117	239,117	239,117	240,317	240,317
1,678	1,678	1,785	1,785	1,785	1,785	1,785	1,785
1,654	1,628	1,659	1,658	1,708	1,708	1,819	1,819

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2006	2007	2008	2009
Special Schools:				
Name (Year)	Central Campus	Central Campus	Central Campus	Central Campus
Square feet	456,660	456,660	456,660	456,660
Capacity	1,500	1,500	1,500	1,615
Enrollment	\$	\$	\$	\$
Name (Year)			Central Academy \$	Central Academy \$
Square feet			86,426	86,426
Capacity			658	658
Enrollment			\$	\$
Name (Year)	Scavo @ Central Campus	Scavo @ Central Campus	Scavo @ Central Campus	Scavo @ Central Campus
Square feet	-----	-----	see Central Campus	-----
Capacity	-----	-----	see Central Campus	-----
Enrollment	N/A	287	394	399
Name (Year)	Smouse	Smouse	Smouse ****	Smouse ****
Square feet	53,809	53,809	53,809	53,809
Capacity	NA	NA	NA	NA
Enrollment	119	123	121	136
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	218	211	192	189

(Continued)

Fiscal Year						
2010	2011	2012	2013	2014	2015	
Central Campus	Central Campus	Central Campus	Central Campus	Central Campus	Central Campus	Central Campus
456,660	456,660	456,660	456,660	456,660	456,660	456,660
1,615	1,615	1,530	1,328	1,328	1,328	1,848
\$	\$	\$	\$	\$	\$	\$
Central Academy \$	Central Academy \$	Central Academy \$	Central Academy \$	Central Academy \$	Central Academy \$	Central Academy \$
86,426	86,426	86,426	86,426	86,426	86,426	86,426
658	658	658	658	658	658	658
\$	\$	\$	\$	\$	\$	\$
Scavo @ Central Campus	Scavo @ Moore	Scavo @ Moore	Scavo @ Moore	Scavo @ Moore	Scavo @ Moore	Scavo @ Moore
- - - - -	45,334	45,334	45,334	45,334	45,334	see Central Campus
- - - - -	504	504	504	504	504	see Central Campus
301	266	272	304	265	265	359
Smouse	Smouse	Smouse	Smouse	Smouse	Smouse	Smouse
53,809	53,809	53,809	53,809	53,809	53,809	53,809
384	384	384	384	384	384	384
137	110	100	128	110	110	93
Van Meter ****	Van Meter ****	Van Meter ****	Van Meter ****	Van Meter ****	Van Meter ****	Van Meter ****
56,460	56,460	56,460	56,460	56,460	56,460	56,460
403	403	403	403	403	403	553
170	168	174	170	163	163	156

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2006	2007	2008	2009
Other:				
Name (Year)	Casady	Casady	Casady	Casady
Square feet	43,709	43,709	43,709	43,709
Name (Year)	Central Campus Ag Lab	Central Campus Ag Lab	Central Campus Ag Lab	Central Campus Ag Lab
Square feet	12,500	12,500	12,500	12,500
Name (Year)	Central Nutrition Center	Central Nutrition Center	Central Nutrition Center	Central Nutrition Center
Square feet	56,186	56,186	56,186	56,186
Name (Year)	Walker Street	Walker Street	Walker Street %	Walker Street %
Square feet	33,481	33,481	33,481	33,481
Name (Year)	Operations Center	Operations Center	Operations Center	Operations Center
Square feet	-	-	-	-
Name (Year)	McKee	McKee	McKee	McKee
Square feet	43,400	43,400	43,400	43,400
Name (Year)				
Square feet				
Name (Year)	Mann	Mann	Mann	Mann
Square feet	32,490	32,490	32,490	32,490
Name (Year)	MSSV-1915 Prospect	MSSV-1915 Prospect	MSSV-1915 Prospect	MSSV-1915 Prospect
Square feet	52,573	52,573	52,573	52,573
Name (Year)	Walnut St Admin	Walnut St Admin	Walnut St Admin	Walnut St Admin
Square feet	-	77,600	77,600	58,212
Name (Year)				
Square feet				
Name (Year)				
Square feet				
Name (Year)	Welcome Center	Welcome Center	Welcome Center	Welcome Center
Square feet	6,200	6,200	6,200	6,200

Source: District records.

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

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

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

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

Fiscal Year						
2010	2011	2012	2013	2014	2015	
Casady	Casady	Casady	Casady	Jesse Taylor @ Cassady	Jesse Taylor @ Cassady	
43,709	43,709	43,709	43,709	45,297	45,297	
Central Campus Ag Lab	Central Campus Ag Lab	Central Campus Ag Lab	Central Campus Ag Lab	Central Campus Ag Lab	Central Campus Ag Lab	
12,500	12,500	12,500	12,500	12,500	12,500	
Central Nutrition Center	Central Nutrition Center	Central Nutrition Center	Central Nutrition Center	Central Nutrition Center	Central Nutrition Center	
56,186	56,186	56,186	56,186	56,186	56,186	
Walker Street %	Walker Street %	Walker Street %	Walker Street %	Walker Street %	Walker Street %	
33,481	33,481	33,481	33,481	33,481	33,481	
Operations Center-Dean	Operations Center-Dean	Operations Center-Dean	Operations Center-Dean	Operations Center-Dean	Operations Center-Dean	
97,404	97,404	97,404	97,404	97,404	97,404	
McKee	McKee	McKee	McKee	McKee	McKee	
43,400	43,400	43,400	43,400	43,400	43,400	
Mitchell	Mitchell	Mitchell	Mitchell	Mitchell	Mitchell	
31,682	31,682	31,682	31,682	31,682	31,682	
Mann	Mann	Mann	Mann	Mann	Mann	
32,490	32,490	32,490	32,490	32,490	32,490	
MSSV-1915 Prospect	MSSV-1915 Prospect	MSSV-1915 Prospect	1915 Prospect	1915 Prospect	1915 Prospect	
52,573	52,573	52,573	52,573	52,573	52,573	
Walnut St Admin	Walnut St Admin	Walnut St Admin	Walnut St Admin	Walnut St Admin	Walnut St Admin	
58,212	58,212	58,212	58,212	58,212	19,404	
					2323 Grand	
					53,200	
				Woodlawn Education Ctr	Woodlawn Education Ctr	Woodlawn Education Ctr
				46,548	46,548	46,548
Welcome Center	Welcome Center	Welcome Center	Welcome Center	Welcome Center	Welcome Center	
6,200	6,200	6,200	6,200	6,200	6,200	

Des Moines Independent Community School District

Capital Asset Information

Last Ten Fiscal Years

(Unaudited)

Schools:	Fiscal Year			
	2006	2007	2008	2009
Elementary:				
Buildings	45	45	46	46
Square feet	2,145,462	2,229,859	2,365,082	2,418,986
Capacity	18,900	19,055	19,791	20,532
Enrollment	14,927	15,012	15,881	15,428
Middle:				
Buildings	12	12	12	12
Square feet	1,194,328	1,194,328	1,196,213	1,196,213
Capacity	8,220	8,220	8,220	8,665
Enrollment	6,680	6,466	6,341	6,357
High:				
Buildings	6	6	7	7
Square feet	1,768,268	1,768,268	1,886,500	1,886,500
Capacity	9,275	9,375	9,275	9,833
Enrollment	10,699	10,895	11,038	8,243
Special Schools:				
Buildings				
Square feet				
Capacity				
Enrollment				
Other:				
Buildings	5	6	6	6
Square feet	214,397	214,397	214,397	214,397
Total District Sq Ft (less modulars)	5,322,455	5,406,852	5,662,192	5,716,096
Transportation:				
Garages	1	1	1	1
Buses	139	138	131	131
Athletics:				
Football fields	5	5	5	5
Soccer fields	-	-	-	-
Running tracks	6	6	6	6
Baseball/softball	10	10	10	10
Swimming pools	8	8	8	8
Playgrounds	45	45	46	46

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

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

Source: District records.

Fiscal Year						
2010	2011	2012	2013	2014	2015	
				#	#	
43	44	44	44	36	36	
2,305,821	2,335,017	2,338,302	2,338,302	2,117,554	2,132,725	
20,040	19,584	19,680	19,968	17,840	18,261	
15,565	15,286	15,105	15,848	15,944	15,930	
12	12	12	12	10	10	
1,196,213	1,196,213	1,196,213	1,196,213	1,062,649	1,062,649	
9,068	9,068	9,088	9,535	8,560	8,669	
6,380	6,320	6,391	6,537	6,507	6,510	
7	8	8	8	6	6	
1,843,567	1,888,901	1,888,901	1,888,901	1,443,724	1,444,924	
10,366	10,870	11,020	10,818	8,965	8,965	
8,745	11,262	8,565	8,604	8,401	8,483	
				5	4	
				698,689	653,355	
				3,277	3,443	
				538	608	
8	7	7	7	12	13	
445,095	289,553	347,765	347,765	515,973	530,365	
5,790,696	5,709,684	5,771,181	5,771,181	5,838,589	5,824,018	
1	1	1	1	1	1	
134	135	135	132	136	130	
5	5	5	5	4	4	
-	-	-	-	-	-	
6	6	6	6	5	5	
10	10	10	10	10	10	
8	8	8	8	8	8	
46	44	44	44	41	39	

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Des Moines Independent Community School District

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015**

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):			
Child Nutrition Cluster:			
School Breakfast Program	10.553	42-6004525	\$ 3,957,507
National School Lunch Program	10.555	42-6004525	10,977,329
NSLP - Fruit and Vegetable Program	10.555	42-6004525	603,798
Summer Food Service Program for Children	10.559	42-6004525	400,259
Subtotal			<u>11,981,386</u>
Child and Adult Care Food Program	10.558	42-6004525	36,624
NSLP - USDA Commodities	10.550	77-1737	1,004,156
Team Nutrition	10.574	42-6004525	1,498
School Lunch Equipment Grant Stabilization	10.579	42-6004525	62,003
(Passed through Iowa Department of Public Health),			
State Administrative Matching Grants for Food Stamp Program	10.561	42-6004523	152,724
Total U.S. Department of Agriculture			<u>17,195,898</u>
U.S. Department of Education:			
(Direct):			
Transforming School Climate	84.184G	42-6001433	237,888
High School Graduation Initiative	84.360	42-6001433	1,700,992
(Passed through Iowa Department of Education):			
Title I Grants to Local Educational Agencies	84.010A	42-6004525	11,387,933
Title I School Improvement	84.377	42-6004525	554,728
Special Education High Cost Fund	84.027	42-6004525	62,621
Alternate Assessment - IDEA	84.027	42-6004525	15,713
Subtotal			<u>78,334</u>
Vocational Education Basic Grants to States	84.048	42-6004525	528,527
Improving Teacher Quality State Grant (Title II)	84.367	42-6004525	1,607,984
Education for Homeless Children & Youth	84.196	42-6004525	35,000
English Language Acquisition Grants (Title III ELL/LEP)	84.365	42-6004525	592,031
Grants for State Assessments & Related Activities	84.369	42-6004525	155,875
Iowa Demonstration Construction Grants	84.215K	42-6004525	58,428
Advanced Placement Program	84.330	42-6004525	49,813
21st Century Community Learning Centers	84.287	42-6004525	1,499,842
Safe and Supportive Schools	84.184Y	42-6004525	196,401

Des Moines Independent Community School District

**Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2015**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
(Passed through Heartland Area Education Agency 11):			
Special Education Grants to States (Individuals with Disabilities Education Act)	84.027	42-1028173	1,799,080
Special Education Grants to States (Handicapped Preschool Program Vocational Assessment)	84.027	42-1028173	<u>5,815,603</u>
Subtotal			<u>7,614,683</u>
Federal Part C	84.181	42-1028173	193,566
Parent Education Project	84.029	42-1028173	20,221
Least Restrictive Environment Coordinator	84.173	42-1028173	167,821
(Passed through University of Northern Iowa), Investing in Innovations (i3)			
	84.396A	42-1028173	16,870
(Passed through Iowa College Student Aid Commission), Gaining Early Awareness and Readiness (GEAR UP)			
	84.334	42-00891451	<u>164,950</u>
Total U.S. Department of Education			<u>26,861,887</u>
U.S. Department of Health and Human Services:			
(Direct):			
Transforming School Climate	93.243	42-6001433	37,438
(Passed through Iowa Department of Education):			
Youth At Risk	93.938	42-6004525	700
Refugee Assistance Program	93.576	42-6004525	146,662
School Wellness	93.945	42-6004525	3,425
(Passed through State of Iowa Vocational Rehabilitation), Project SEARCH			
	84.126	42-6004525	65,702
(Passed through Iowa Economic Development Authority), AmerCorp			
	94.006	42-6004525	455,777
(Passed through Drake University), Head Start			
Total U.S. Department of Health and Human Services			<u>1,743,034</u> <u>2,452,738</u>
U.S. Department of Defense:			
(Direct):			
Air Education & Training Command	12.999	N/A	128,751
National Security Agency - Startalk	12.900	N/A	4,349
Total U.S. Department of Defense			<u>133,100</u>
Total Expenditures of Federal Awards			<u><u>\$ 46,643,623</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, 2015**

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, 2015. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental or nonprofit entities 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. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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	\$ 116,726
Project SEARCH	84.126	23,042

Note 4. Noncash Assistance

The schedule includes federal awards in the form of noncash assistance (commodities) received during the year in the amount of \$1,004,156 related to USDA Commodities grants provided by the U.S. Department of Agriculture and passed through the Iowa Department of Education.

Note 5. Catalog of Federal Domestic Assistance (CFDA) Number

Because there is no subtotal reported on the schedule of certain federal awards for these programs, the total federal expenditures are as follows:

CFDA No.	Federal Expenditures
84.027	\$ 7,693,017

Des Moines Independent Community School District

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015**

	Findings	Status	Corrective Action Plan or Other Explanation
Findings Related to Federal Awards:			
None			
Other Findings Related to Required Statutory Reporting			
14-IV-G	Documentation to support the number of foster care students reported as enrolled is not maintained.	Corrected	Due to confidentiality of foster care records, the District is maintaining proper documentation.
14-IV-G	Various certified enrollment variances identified by the State.	Uncorrected	See similar finding and corrective action plan at 15-IV-G
14-IV-M	The Child Care Fund and Collage Fund had deficit balances as of June 30, 2014 of \$269,021 and \$73,492, respectively.	Partially Corrected	See similar finding and corrective action plan at 15-IV-M for the Child Care and Collage funds.

**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***

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Des Moines Independent Community School District (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 30, 2015. The District's June 30, 2014 financial statements have been restated due to the implementation of GASB Statement Nos. 68 and 71 to recognize a net pension liability and deferred outflow of resources of the governmental activities, business-type activities and aggregate remaining fund information. Our opinion was not modified with respect to this matter.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2015 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 are not intended to constitute legal interpretations of those statutes.

District's Responses to Findings

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

Purpose of this Report

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

RSM US LLP

Des Moines, Iowa
October 30, 2015

**Report on Compliance For Each Major Federal Program
and Report on Internal Control Over Compliance**

RSM US LLP

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited Des Moines Independent Community School District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

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

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

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

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

RSM US LLP

Des Moines, Iowa
October 30, 2015

Des Moines Independent Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2015**

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

- 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 programs:

CFDA Number	Name of Federal Program
84.010A	Title I
84.360	High School Graduation Initiative

Dollar threshold used to distinguish between type A and type B programs: \$1,399,308

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, 2015**

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

A. Internal Control

No matters reported.

B. Compliance Findings

No matters reported.

III. Findings and Questioned Costs for Federal Awards

A. Internal Control

No matters reported.

B. Compliance Findings

No matters reported.

IV. Other Findings Related to Required Statutory Requirements

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

15-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.

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

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

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

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

Des Moines Independent Community School District

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2015

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

Finding: There were various certified enrollment variances identified by the State that resulted in a reduction of 8.16 students from the October 1, 2014 certified enrollment numbers reported by the District.

Recommendation: The District should correct the errors prior to providing the information to the State to avoid adjustments made by the State.

Response and Corrective Action Plan: The District has reviewed and agreed to the certified enrollment variances identified by the State as well as responded to the State with the District's assessment performed.

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

15-IV-I – Deposits and Investments – The District's policy for deposits and investments is in compliance with the Code of Iowa.

15-IV-J – Certified Annual Report – The Certified Annual Report was certified timely to the Iowa Department of Education.

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

Des Moines Independent Community School District

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2015

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

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2015, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		<u>\$ 132,682,170</u>
Local option sales tax		30,744,831
Earnings on investments		89,159
Other local sources		<u>304,726</u>
		31,138,716
Expenditures/transfers out:		
School infrastructure:		
Land	\$ -	
Buildings	37,451,368	
Equipment	1,279,205	
Other improvements	425,446	
Debt service for school infrastructure:		
General obligation debt	-	
Bond issue costs	-	
Revenue debt	18,626,480	57,782,499
Ending balance		<u><u>\$ 106,038,387</u></u>

Des Moines Independent Community School District

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2015

For the year ended June 30, 2014, the District did not reduce any levies as a result of the monies received under Chapter 423E or 423F of the Code of Iowa.

15-IV-M – Deficit Balances – The Child Care Fund and Collage Fund had deficit balances as of June 30, 2014 of \$1,494,386 and \$73,823, respectively.

Finding: As of June 30, 2015, the Child Care Fund and Collage Fund had reported deficit balances.

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: The primary cause of the deficit balance in the Child Care Fund is due to the implementation of GASB 68 during the year ended June 30, 2015. The District continues to analyze the Child Care Fund and Collage Fund's activities and have taken steps to reduce the negative fund balance.

15-IV-N – Revenue Bonds – The District has established the reserve account required by all revenue bond resolutions as of June 30, 2015. The required monthly transfers from the revenue account to the sinking account were made by the District.

15-IV-O – Student Activity Fund – No instances of noncompliance with the use of student activity funds provisions of Chapter 298A.8 of the Code of Iowa and Iowa Administrative Rule 281-12.6(1) were noted.

15-IV-P – Early Childhood Iowa Area Board – The District is not the fiscal agent for the Early Childhood Iowa Area Board.

Des Moines Independent Community School District

**Corrective Action Plan
Year Ended June 30, 2015**

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
Other Findings Related to Required Statutory Reporting				
15-IV-G	Various certified enrollment variances identified by the State.	See response and corrective action plan at 15-IV-G.	June 30, 2015	CFO
15-IV-M	The Child Care Fund and Collage Fund had deficit balances as of June 30, 2014 of \$1,494,386 and \$73,823, respectively.	See response and corrective action plan at 15-IV-M.	June 30, 2015	CFO

