

**West Des Moines Community School District**

West Des Moines, Iowa

Comprehensive Annual Financial Report

Year Ended June 30, 2020



Comprehensive Annual Financial Report of the

West Des Moines Community School District  
West Des Moines, Iowa

For the Fiscal Year Ended June 30, 2020

Official Issuing Report

Paul Bobek, CPA, Chief Financial Officer

Office Issuing Report

Administrative Services Division



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**WEST DES MOINES**  
COMMUNITY SCHOOLS

**Learning Resource Center**

3550 Mills Civic Parkway • West Des Moines, IA 50265

515-633-5000 • [www.wdmcs.org](http://www.wdmcs.org)

November 23, 2020

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

Ladies and Gentlemen:

The following report is a comprehensive financial record of the District for the fiscal year ended June 30, 2020. The report is a reflection of the conditions which have enabled the West Des Moines Community School District to maintain a favorable financial position despite state and federal budget constraints and the related impact on local school districts across our state as well as the world wide COVID-19 pandemic.

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

This shared vision provides the foundation of our District's financial planning. Meeting the educational needs of our students despite state and federal budget constraints is no simple task. The educational success of the West Des Moines Community School District is due to many factors including:

- An outstanding and effective Board of Education.
- A very supportive community with high expectations for outstanding schools.
- Supportive parents who have high expectations for their children.
- A team of outstanding and dedicated teachers, staff and administrators.
- Students who understand the importance of obtaining a quality education.

As you review the information included in this report, please be sure to contact us if you have any questions or suggestions. Our focus is upon the learning needs of all of our students. With your help and support, we will continue to be an excellent system of schools. We can all take pride in the outstanding success of our students as they graduate as learners prepared for life.

Sincerely,

Lisa Remy, Ed.D.  
Superintendent



**WEST DES MOINES**  
**COMMUNITY SCHOOLS**





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November 23, 2020

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

The Comprehensive Annual Financial Report of the West Des Moines Community School District (the District) for the fiscal year ended June 30, 2020 is submitted herewith. The District is an independent entity governed by a seven member board. Responsibility for the accuracy and completeness of the presentation, including all disclosures, rests with the officials of the District's Administrative Services Division. We believe that the data is accurately presented, in all material respects; that the data is presented to fairly set forth the financial position and results of operations of the District as measured by the financial activity of the various funds; and that all necessary disclosures have been included in order to enable the reader to gain the maximum understanding of the District's financial affairs.

The District was required to undergo a single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), Audits of States and Local Governments and Nonprofit Organizations. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditor's report on internal control over financial reporting and on compliance and other matters, independent auditor's report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance, and a schedule of findings are included in the single audit compliance section of this report.

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

Management is responsible for preparing a Management's discussion and Analysis. This discussion follows the independent auditor's report and provides an assessment of the District's finances for 2020.

### **Profile of the Government**

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

The West Des Moines Community School District serves more than 58,000 people who live in the western portion of Polk County-West Des Moines, Clive, parts of Urbandale and Windsor Heights and nearby rural areas. Covering 36.6 square miles, the District has grown up around a former railroad center, Valley Junction, and the farmland north and south of the Raccoon River. The District experienced rapid growth up until the fall of 1975 when enrollment reached 6,726 students. Enrollment gradually declined to 5,825

students in the fall of 1982, but increased annually (except for September 1999) through September 2002, to 8,776 students. Enrollment declined more than 200 students during fiscal years 2004 and 2005. The District's enrollment projections estimate slightly declining enrollments averaging approximately 83 students for each of the next three years. In October 2019 and 2018, the District's Official Enrollment increase by 49 and 22 students, respectively. However, in October 2019, the number of students served within the District increased by 130 which is primarily due to fewer open enrolled out students and an increase in the number of students open enrolled into the District.

COVID-19 reversed this increasing official enrollment trend in October 2020 with official enrollment decreasing by 169 students, but students served only decreased by 85 students as open enrolled out students declined by 85 students and open enrolled in students increased.

The District operates thirteen schools, a maintenance/transportation/warehouse facility, a stadium and the Learning Resource Center (administrative offices). Phenix Elementary School was closed starting in fiscal year 2014-15 as part of the District's budget reductions and subsequently sold during the year. During 2015-16, the District sold the Old Walnut Creek Campus at appraised value. All current real property is used for instructional or support services. The West Des Moines Community School District provides a comprehensive Pre-K-12 educational program and an extensive Community Education program.

### **Economic Condition and Outlook**

The District is located in the central part of the state, within the larger Des Moines metropolitan area and ranks as one of the top growth areas of the state. The economic condition and outlook of the District have remained strong during the past ten years, following several years of very high economic growth and steady enrollment growth. This growth has had a positive effect on employment and the District's tax base. The District's tax base increased at an average annual rate of approximately 3.85% over the past 15 years. In fiscal year 2020, the District experienced an increase in valuation of 4.73%.

The tax base is expected to grow more slowly in the next five years.

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

In recent years, the state of Iowa faced an economic downturn that severely hampered its ability to fund schools at the same level as in prior years. After two consecutive years of 4.5% declines in the state's net receipts, in 2011, the state's net receipts increased by 5.8%. In light of these challenging economic times, the District has publicly discussed operating budget concerns looking ahead to the next five years. In May 2014, the Board approved a plan to reduce \$2.7 million in General Fund Budget in the 2014-15 fiscal year including the closing of Phenix Elementary School. The Board of Education continues to implement the District's long-range facilities plan, which was approved in March 2010. In addition, the Board has directed the Administration to review this plan so that additional Revenue Bonds are not necessary to finance the plan and the Administration has since presented a plan to make \$12.3 million in scope reductions to this plan.

The 2019-20 school year included many stories of success. The shared vision and five guiding principles continue to be the foundation for curriculum development, integration of technology, community involvement and the learning process.

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

The Stretching Minds program continued serving many elementary and junior high students during the summer. The program targets students most likely to benefit from additional opportunities in reading, mathematics and community learning.

The District has spent a significant amount of 2018-19 evaluating districtwide building structures for the purpose of creating effective learning spaces, also known as the Framework. Subsequent to June 30, 2019, the Board approved Framework Option D (Option D) which architects estimate will cost approximately \$167,000,000. In addition, the District is in the process of reviewing each school buildings envelope along with its mechanical, electrical and plumbing needs. However, when the estimated cost of the building envelop projects were added to Option D, it was determined too costly and the Board rescinded Option D and settled on a new scope known as Phase 2.1 with an estimated cost of \$105,300,000. On September 28, 2020, the Board approved the Comprehensive Master Facility Plan (Plan) with an estimated ten-year cost of \$234,300,000 which includes an annual estimated inflation factor of 4.00%.

On September 12, 2017, the taxpayers, with an 82% approval, voted to extend the Voted Physical Plant and Equipment Levy (VPPEL) for another ten-year period starting with fiscal year ending June 30, 2022. In 2019, the VPPEL generated \$6.7 million. The VPPEL and Statewide Sale Tax mentioned above will be the two sources of revenue to finance the Plan.

On November 5, 2019, with 86% approval, the community approved the District’s Revenue Purpose Statement which will allow the District to use anticipated sales tax revenues to finance the Plan.

In September 2020, the District sold \$50,225,000 of General Obligation School Capital Loan Notes, Series 2020A (Notes), which mature serially over ten years at a net interest rate of .8266% to begin financing the Plan. Future bond issues are anticipated over the next ten years to finish financing the Plan. Repayment of the Notes will come from the Voted Physical Plant and Equipment Fund.

#### **Athletic Report for 2019-20 School Year**

The Valley High School Tigers had another very great year on the athletic fields of competition. The Tigers finished 6th in the Des Moines Register All-Sports (Large School) Standings without counting Spring Sports. Valley has finished in the top 2 or 3 most every year since point tracking has begun. Valley has won the All-Sports Award seven times. Eight different teams finished in the top ten at their respective tournaments, with 3 State Runner-Up finishes to start the Fall seasons.

Over 900 students participated in athletics at Valley Southwoods and Valley High School during the 2019-20 school year and as a group, they continue to lead in the classroom, community, and playing fields.

West Des Moines Community Schools continues to be very well represented by students, coaches, teachers, and families dedicated to the pursuit of excellence both in competitions and in academics. The

following is a breakdown of all teams finishes at the state level categorized by Sport, State Finish, and All-Sports Award points. Unfortunately, our strong Spring sports were shut down due to the Covid-19 pandemic. We feel very strong that we would have been top 3 in both Boys and Girls Soccer, Boys Track (back to back to back State Champs), likely #1 in Girls Golf (defending State Champs) and also very strong showings in both Boys and Girls Tennis.

<b>Sport</b>	<b>State Finish</b>	<b>Valley</b>
Girls Cross Country	6 <sup>th</sup>	3
Boys Cross Country	-	0
Boys Golf	2 <sup>nd</sup>	8
Football	2 <sup>nd</sup>	8
Girls Swimming	14 <sup>th</sup>	0
Volleyball	2 <sup>nd</sup>	8
Wrestling	10 <sup>th</sup>	0
Boys Basketball	Sub-State F	0
Girls Basketball	Sub-State SF	0
Boys Swimming	9 <sup>th</sup>	0
Boys Bowling	-	0
Girls Bowling	-	0
Boys Track & Field	-	0
Girls Track & Field	-	0
Girls Tennis	-	0
Boys Tennis	-	0
Girls Golf	-	0
Boys Soccer	-	0
Girls Soccer	-	0
Softball	State QF	2.5
Baseball	Sub-State SF	0
<b>TOTAL</b>		<b>29.5</b>
<b>Place</b>		<b>6</b>

### **Other Financial Information**

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

Single Audit. As a recipient of federal, state and county financial assistance, the District is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and

regulations related to those programs. The internal control procedures are subject to periodic evaluation by management and external auditors.

As a part of the District's audit, tests are made to determine the adequacy of the internal control over financial reporting and its compliance with applicable laws and regulations, including those related to major federal award programs. The results of the District's audit for the fiscal year ended June 30, 2020 noted no material weaknesses in the internal controls over financial reporting or for compliance issues.

Budgetary Controls. In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of the General Fund, special revenue funds, Debt Service Fund, and enterprise funds are included in the annual appropriated budget by program. Project length financial plans are adopted for the capital projects funds and budgeted accordingly on an annual basis. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by the functional level for all funds combined rather than at the individual fund level. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at the fiscal year's end. However, encumbrances generally are re-appropriated as part of the following year's budget.

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

In the 2014-15 fiscal year, the District implemented budgetary reductions totaling \$2.7 million. The District again initiated a budgetary process to reduce up to \$850,000 for the 2016-17 fiscal year given the District's 134 student decrease in Official Enrollment, which generates 2016-17 funding. In the spring of 2016, the District refunded its 2010 and 2011 Capital Loan Notes resulting in a net savings of approximately \$1.9 million over the remaining five years maturity. This Notes are paid from the District's Physical Plant and Equipment Levy Fund, PPEL, and this Fund will realize the \$1.9 million savings over the next five years.

The District's General Fund's categorical program's carryover balances decreased by \$727,529 to a total carryover amount of \$2,201,318 at June 30, 2020. This carryover amount is reflected in both the General Fund's Fund Balance and Unspent Balances as of June 30, 2020.

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

Relevant Financial Policies. Since the funding formula is pupil driven, an increase in total spending authority occurs by increasing the number of pupils or by increasing the cost per pupil. The cost per pupil is determined by the legislature in setting the amount of Supplemental State Aid, formerly known as allowable growth, each year. The Supplemental State Aid becomes increasingly important because as a

District, if we are faced with declining enrollment in a given year, the amount of Supplemental State Aid often will dictate budget reductions that will take place.

### **Awards and Acknowledgements**

**Independent Audits.** The accounting firm of Bohnsack & Frommelt, LLP performed the annual audit. In addition to meeting requirements set forth in state statutes, the audit was designed to meet the requirements of federal Single Audit Act Amendments of 1996 and related and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The auditor's report on the basic financial statements, required supplementary information, combining and individual fund statements and other schedules are included in the financial section of this report.

**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the West Des Moines Community School District for its comprehensive annual financial report for the fiscal year ended June 30, 2020. The Certificate of Achievement is the highest form of recognition for excellence in state and local financial reporting.

In order to be presented this award, the District must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The West Des Moines Community School District has received a Certificate of Achievement for twenty-eight consecutive years.

The School District has also received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials (ASBO) for thirty-one consecutive years. Upon recommendation of the Association's Panel and Review, which has judged that the report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program, we are submitting this report to ASBO to determine its eligibility for another certificate.

A certificate from both associations is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the program requirements of GFOA and ASBO and we are submitting it to both associations to determine its eligibility for another certificate.

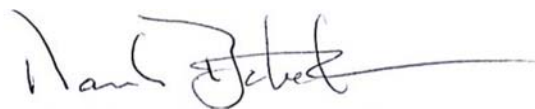
### **Acknowledgement**

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

Respectively submitted,



Lisa Remy, Ed.D.  
Superintendent



Paul Bobek, CPA  
Chief Financial Officer

**West Des Moines Community School District**

**Board of Education**

**Year Ended June 30, 2020**

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	<u>Title</u>	<u>Term/Contract Expires</u>
Liz Cox	President	November 2023
Dr. Jennifer Ulie-Wells	Vice President	November 2021
Elizabeth Brennan	Board Member	November 2021
Dr. Jill Canton Johnson	Board Member	November 2023
Lonnie Dafney	Board Member	November 2023
Jeff Hicks	Board Member	November 2023
Dr. Vicky Poole	Board Member	November 2021



**WEST DES MOINES**  
**COMMUNITY SCHOOLS**



## **West Des Moines Community School District**

### **District Administration**

**Year Ended June 30, 2020**

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Dr. Lisa Remy	Superintendent
Michelle Lettington	Associate Superintendent of Teaching and Learning
Dr. Carol Seid	Associate Superintendent of Human Resources
Paul Bobek, C.P.A.	Chief Financial Officer
Donna Beerman	Director of Business Services
Christine Maduro	Director of Operations
Robin Pickard	Director of Transportation
Shahna Janssen	Director of Community Education
Willow Dye	Director of Nutrition Services
Laine Mendenhall-Buck	Director of School/Community Relations
Brian Abeling	Director of Technology
Kandi Hensel	Director of Special Education
Dr. Joe Libby	Executive Director of Teaching and Learning
Shane Scott	Director of Curriculum and Instruction
Leigh Goldie	Director of Curriculum and Instruction
David Maxwell	Valley High School Principal
Shannon Campbell	Valley High School Associate Principal
Dr. Jeff Grassmeyer	Valley High School Associate Principal
Joshua Griffith	Valley High School Associate Principal
Megan Thole	Valley High School Associate Principal
Brad Rose	Valley High School Athletic Administrator
Mitch Kuhnert	Valley Southwoods Freshman High School Principal
Haley Hockensmith-Henry	Valley Southwoods Freshman High School Associate Principal/Team Leader
Dr. Kim Davis	Walnut Creek Campus Principal
Dr. Shane Christensen	Indian Hills Junior High Principal
Zac Sinram	Indian Hills Junior High Assistant Principal
Erica Whittle	Stilwell Junior High Principal
David Perrigo	Stilwell Junior High Assistant Principal
Dr. Robert Davis	Crossroads Park Elementary School Principal
Shelly Pospeshil	Clive Learning Academy Principal
Tamara Tjeerdsma	Crestview School of Inquiry Principal
Brandon Pierce	Fairmeadows Elementary School Principal
Dr. Graham Jones	Hillside Elementary Principal
Paul Wenger	Jordan Creek Elementary School Principal
Annie Orsini	Jordan Creek Elementary School/Westridge Elementary School Vice Principal
George Panosh	Western Hills Elementary School Principal
Beth Brewer	Westridge Elementary School Principal





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

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

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO



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

**West Des Moines Community School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'.

**Claire Hertz, SFO**  
President

A handwritten signature in black ink, reading 'David J. Lewis'.

**David J. Lewis**  
Executive Director



## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the West Des Moines Community School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the West Des Moines Community School District, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's total OPEB liability and related ratios, and schedule of the District's proportionate share of the net pension liability and schedule of District contributions on pages 4-13 and 56-63 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 other supplementary information, as listed in the table of contents, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the other information, including the introductory and statistical sections and are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Bohnsack & Frommelt LLP*

Moline, Illinois  
November 23, 2020



**WEST DES MOINES**  
**COMMUNITY SCHOOLS**



## **West Des Moines Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2020**

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It is an honor to present to you the financial picture of West Des Moines Community School District. We offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the West Des Moines Community School District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

#### **FINANCIAL HIGHLIGHTS**

The District showed an increase in net position of \$6,857,872 during the year ended June 30, 2020, compared to an increase in net position of \$79,306 during the year ended 2019.

Total revenues for the fiscal year ended June 30, 2020 and 2019 of \$145,209,934 and \$145,610,338 were comprised of general revenues in the amount of \$109,896,627 and \$109,775,778 and program revenues totaling \$35,313,307 and \$35,834,560, respectively.

As of June 30, 2020, the District's governmental funds reported combined ending fund balances of \$42,989,446 a decrease of \$6,891,412 in comparison to 2019. As of June 30, 2019, the District's governmental funds reported combined ending fund balances of \$49,880,858 a decrease of \$171,982 in comparison to 2018.

As of June 30, 2020, unassigned fund balance of the General Fund was \$10,924,314 or 9.5 percent of total General Fund expenditures. As of June 30, 2019, unassigned fund balance of the General Fund was \$7,337,358 or 6.5 percent of total General Fund expenditures.

The West Des Moines Community School District's total bonded long-term debt decreased by \$7,583,458 during the fiscal year 2020 and decreased by \$7,308,458 during fiscal year ended June 30, 2019. The decreases for both years were due to scheduled principal payments.

#### **OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the West Des Moines Community School District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains other information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of West Des Moines Community School District's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of West Des Moines Community School District's assets, deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

## West Des Moines Community School District

### Management's Discussion and Analysis Year Ended June 30, 2020

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The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements reflect functions of West Des Moines Community School District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, noninstructional programs, other and interest on long-term debt. Business-type activities are those that the District charges a fee to help cover the costs, such as School Nutrition and Community Education.

The government-wide financial statements include only West Des Moines Community School District. There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the District.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The West Des Moines Community School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The West Des Moines Community School District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Management Fund, Capital Projects Fund, and Debt Service Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 18 through 21 of this report.

**Proprietary funds.** The District maintains two types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District maintains two enterprise funds. Internal service funds are used to report the same functions presented as governmental activities in the government-wide financial statements. The District maintains one internal service fund to account for the premium and claim payments for the self-insured health insurance and dental insurance plans for District's employees. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. Because the service provided by the District predominately benefits

## West Des Moines Community School District

### Management's Discussion and Analysis Year Ended June 30, 2020

governmental, rather than business-type functions, it has been included within governmental activities in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 22 through 27 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the West Des Moines Community School District's own programs. The fiduciary fund of the District is an agency fund. Agency funds are custodial in nature and do not involve measurement of results of operation. The basic fiduciary fund financial statement can be found on page 28 of this report.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the West Des Moines Community School District's budgetary comparison, schedule of changes in the District's total OPEB liability and related ratios and schedule of proportionate share of the net pension liability and schedule of contributions. Required supplementary information can be found on pages 56 through 63 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's total net position has increased from a year ago from \$155,344,774 to \$162,202,646.

Table 1 - Net Position

	Governmental Activities		Business-Type Activities		Total District	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 146,248,011	\$ 150,558,367	\$ 4,085,587	\$ 4,745,867	\$ 150,333,598	\$ 155,304,234
Capital assets	212,197,869	209,137,200	1,217,770	1,375,516	213,415,639	210,512,716
<b>Total assets</b>	<b>358,445,880</b>	<b>359,695,567</b>	<b>5,303,357</b>	<b>6,121,383</b>	<b>363,749,237</b>	<b>365,816,950</b>
Deferred outflows of resources:						
Pension related deferred outflows	13,068,205	15,682,365	628,234	900,903	13,696,439	16,583,268
OPEB related deferred outflows	690,548	776,127	30,376	33,942	720,924	810,069
<b>Total deferred outflows of resources</b>	<b>13,758,753</b>	<b>16,458,492</b>	<b>658,610</b>	<b>934,845</b>	<b>14,417,363</b>	<b>17,393,337</b>
Noncurrent liabilities	98,387,440	125,986,258	3,346,389	4,134,549	101,733,829	130,120,807
Other liabilities	32,322,825	29,845,038	301,969	364,257	32,624,794	30,209,295
<b>Total liabilities</b>	<b>130,710,265</b>	<b>155,831,296</b>	<b>3,648,358</b>	<b>4,498,806</b>	<b>134,358,623</b>	<b>160,330,102</b>
Deferred revenue	67,607,154	64,122,853	-	-	67,607,154	64,122,853
OPEB related deferred inflows	5,563,353	539,080	232,920	23,576	5,796,273	562,656
Pension related deferred inflows	7,828,698	2,763,597	373,206	86,305	8,201,904	2,849,902
<b>Total deferred inflows of resources</b>	<b>80,999,205</b>	<b>67,425,530</b>	<b>606,126</b>	<b>109,881</b>	<b>81,605,331</b>	<b>67,535,411</b>
Net position:						
Net investment in capital assets	176,849,809	166,205,682	1,217,770	1,375,516	178,067,579	167,581,198
Restricted	23,670,070	34,162,545	-	-	23,670,070	34,162,545
Unrestricted	(40,024,716)	(47,470,994)	489,713	1,072,025	(39,535,003)	(46,398,969)
<b>Total net position</b>	<b>\$ 160,495,163</b>	<b>\$ 152,897,233</b>	<b>\$ 1,707,483</b>	<b>\$ 2,447,541</b>	<b>\$ 162,202,646</b>	<b>\$ 155,344,774</b>

## **West Des Moines Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2020**

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A significant portion of the District's total assets reflects its investment in capital assets. The District uses these capital assets to provide educational services; consequently, these assets are not available for future spending. The District's net investment in capital assets-net position was \$178,067,579 for 2020 and \$167,581,198 for 2019. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the District's net position (14.6 percent for 2020 and 22.0 percent for 2019) represents resources that are subject to external restrictions on how they may be used. These restrictions for 2020 include \$2,201,318 for categorical funding, \$798,337 for physical plant and equipment levy, \$2,711,962 for debt service, \$582,184 for statewide sales and services tax, \$15,911,600 for management levy, \$923,969 for student activities and \$540,700 for public education and recreation levy. The remaining balance of unrestricted net position, (\$40,024,716) for 2020 and (\$46,470,994) for 2019, is in a deficit position, due to the unfunded net pension liability and net other postemployment benefit (OPEB) liability.

At the end of the current and prior fiscal years, the West Des Moines Community School District is able to report positive balances in two categories of net position. Unrestricted net position is deficit in the current and prior fiscal year due to the net pension liability and net OPEB liability.

Table 2 highlights the District's revenues and expenses for the fiscal year ended June 30, 2020 and 2019. This table utilizes the full accrual method of accounting. Revenues less expenses yielded the change in net position. This change was anticipated and it enabled the District to acquire capital assets and to service its long-term debt.

## West Des Moines Community School District

### Management's Discussion and Analysis Year Ended June 30, 2020

**Table 2 - Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total District	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
Program revenues:						
Charges for service and sales	\$ 10,742,435	\$ 9,750,752	\$ 3,703,675	\$ 5,159,281	\$ 14,446,110	\$ 14,910,033
Operating grants and contributions	18,291,760	18,473,436	2,575,437	2,451,091	20,867,197	20,924,527
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes and other taxes	72,391,252	72,565,304	-	-	72,391,252	72,565,304
State sources	36,421,210	35,568,960	-	-	36,421,210	35,568,960
Investment earnings	1,022,595	1,566,173	45,365	58,687	1,067,960	1,624,860
Other	16,205	16,654	-	-	16,205	16,654
<b>Total revenues</b>	<b>138,885,457</b>	<b>137,941,279</b>	<b>6,324,477</b>	<b>7,669,059</b>	<b>145,209,934</b>	<b>145,610,338</b>
<b>Program expenses:</b>						
Instruction	89,204,546	93,945,184	-	-	89,204,546	93,945,184
Support services	36,816,314	38,326,228	-	-	36,816,314	38,326,228
Noninstructional programs	638,465	535,148	-	-	638,465	535,148
Other	4,026,872	3,935,098	-	-	4,026,872	3,935,098
Interest on long-term debt	809,005	1,149,116	-	-	809,005	1,149,116
School nutrition	-	-	4,399,266	4,647,074	4,399,266	4,647,074
Community education	-	-	2,457,594	2,993,184	2,457,594	2,993,184
<b>Total expenses</b>	<b>131,495,202</b>	<b>137,890,774</b>	<b>6,856,860</b>	<b>7,640,258</b>	<b>138,352,062</b>	<b>145,531,032</b>
<b>Excess (deficiency) of revenues over (under) expenses before transfers</b>	<b>7,390,255</b>	<b>50,505</b>	<b>(532,383)</b>	<b>28,801</b>	<b>6,857,872</b>	<b>79,306</b>
Transfers	207,675	239,317	(207,675)	(239,317)	-	-
<b>Change in net position</b>	<b>7,597,930</b>	<b>289,822</b>	<b>(740,058)</b>	<b>(210,516)</b>	<b>6,857,872</b>	<b>79,306</b>
Net position, beginning	152,897,233	152,607,411	2,447,541	2,658,057	155,344,774	155,265,468
Net position, ending	\$ 160,495,163	\$ 152,897,233	\$ 1,707,483	\$ 2,447,541	\$ 162,202,646	\$ 155,344,774

The District's total net position increased by \$6,857,872 during the current fiscal year as compared to an increase of \$79,306 in 2019. The governmental activities net position increased by \$7,597,930 in 2020 and increased by \$289,822 in 2019. The business-type activities, which include nutrition and community education, decreased by \$740,058 in 2020 and decreased by \$210,516 in 2019.

Net position increased in governmental activities primarily due to the change in other postemployment benefits offered to early retirees. The District removed the explicit benefit of converting sick leave to the early retirement plan resulting in approximately \$9 million decrease in the present value of future benefits of the early retirement plan. Instead, early retirees will receive a lump sum payment to their TSA based on base salary.

Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for services and sales, operating and capital grants and contributions. General revenue includes taxes and unrestricted grants such as state foundation support. Expenses are shown in programs including instruction, support services, noninstructional programs, other, interest on long-term debt, school nutrition and community education.

## West Des Moines Community School District

### Management's Discussion and Analysis Year Ended June 30, 2020

#### GOVERNMENTAL ACTIVITIES

Revenues for governmental activities were \$138,885,457 and expenses were \$131,495,202. Property taxes and other taxes such as sales tax and utility replacement tax and state sources including state foundation aid are the primary sources of revenue for the District. These sources represent 78.3 percent of total revenues. Instruction constitutes the largest portion of governmental activities expenses at \$89,204,546 or 67.8 percent of total expenses.

Table 3 discloses cost of services for governmental and business-type activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by state aid or local taxes. The difference in these two columns would represent restricted grants and charges for services.

**Table 3 - Governmental and Business-Type Activities**

	Total Cost of Services		Net Cost of Services	
	2020	2019	2020	2019
Instruction	\$ 89,204,546	\$ 93,945,184	\$ 66,670,659	\$ 71,365,937
Support services	36,816,314	38,326,228	34,342,878	36,616,385
Noninstructional programs	638,465	535,148	638,465	535,148
Other	4,026,872	3,935,098	-	-
Interest on long-term debt	809,005	1,149,116	809,005	1,149,116
School nutrition	4,399,266	4,647,074	212,981	41,254
Community education	2,457,594	2,993,184	364,767	(11,368)
<b>Total expenses</b>	<b>\$ 138,352,062</b>	<b>\$ 145,531,032</b>	<b>\$ 103,038,755</b>	<b>\$ 109,696,472</b>

Net cost of services is 74.5 percent of total cost of services in 2020 and 75.4 percent of total cost of services in 2019. The cost of governmental activities financed by users of the District's programs was \$10,742,435 in 2020 and \$9,750,752 in 2019. Federal and state governments subsidized certain programs with grants and contributions totaling \$18,291,760 in 2020 and \$18,473,436 for 2019. The remaining net cost of the governmental activities was financed with property tax, state foundation aid and investment earnings.

Approximately 81 percent of the District's general fund budget is comprised of salary and benefit costs. Historically speaking, collective bargaining contracts have increased approximately four percent or more each year. Until 2010, District staffing had increased for several consecutive years due to gradual enrollment growth, changing student needs and demographics. More recently, the Board of Education has approved the administration's recommendation to reduce some teaching and staff positions in various education programs and support areas. These reductions were made in response to state funding cuts.

#### BUSINESS-TYPE ACTIVITIES

- The School Nutrition and Community Education programs constitute the business-type activities.
- The primary sources of income are charges for services and federal revenues.
- The School Nutrition Fund's primary expenses are staff and food. The District's free and reduced participation continued to increase during the fiscal year. The School Nutrition Fund had a decrease in net position of \$264,037 primarily due to decreases in revenue as a result of COVID 19 closure. For fiscal year 2019 net position decreased \$114,213.
- The primary source of revenue for the Community Education Fund is sales of services for educational programs. The Community Education Fund had a decrease in net position of \$398,175 during the fiscal year, primarily due to a decrease in revenue as a result of COVID 19 closure. For fiscal year 2019 net position decreased \$23,273.

## West Des Moines Community School District

### Management's Discussion and Analysis Year Ended June 30, 2020

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#### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the West Des Moines Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the West Des Moines Community School District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the West Des Moines Community School District's governmental funds reported combined ending fund balances of \$42,989,446, a decrease of \$6,891,412 in comparison with the prior year fund balance of \$49,880,858. Approximately 25 percent or \$10,924,314 for 2020 and 15 percent or \$7,337,358 for 2019, constitutes unassigned fund balance, which is available for spending at the government's discretion. The majority of the remaining fund balance for 2020 and 2019 is restricted to indicate that it is not available for new spending because it has already been restricted for other purposes. The District committed \$4,598,506 and \$4,832,526 of fund balance for curriculum as of June 30, 2020 and 2019, respectively.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$10,924,314 and \$7,337,358 for 2020 and 2019, respectively while total fund balance reached \$17,864,713 in 2020 and \$15,264,179 for 2019. This increase is primarily attributable to an increase of \$1,326,441 in state aid, calculated in accordance with the statutory funding formula, and \$7,916,645 increase in property taxes due to increased assessed valuation and allocation of tax rates to general purposes rather than the Management Fund.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 9.5 percent of total General Fund expenditures, and total fund balance represents approximately 15.6 percent of that same amount for 2020. For 2019, unassigned fund balance represents 6.5 percent of total General Fund expenditures, while total fund balance represents approximately 13.5 percent of that same amount.

The Management Fund fund balance decreased \$854,297 to \$15,911,600 in 2020 from \$16,765,897 in 2019. The decrease is primarily due to a decrease to the property tax levy noted above.

The Capital Projects Fund fund balance decreased to \$7,784,464 from \$16,348,856 in 2019. This decrease is due to scheduled debt service transfers of sales tax revenues to the Debt Service Fund.

The Debt Service Fund balance is \$0 in both fiscal years. The District paid \$6,890,000 in principal and \$1,626,797 in interest on the bonded long-term debt of the District.

## West Des Moines Community School District

### Management's Discussion and Analysis Year Ended June 30, 2020

#### BUDGETARY HIGHLIGHTS

As allowed by GASB Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget. In accordance with the Code of Iowa, the Board of Education annually adopts a program budget which includes all funds except internal service and agency funds as described in the note to required supplementary information.

A comparison of the actual expenditures/expenses of the District's budgeted funds with the final amended program budget amounts is as follows:

	Budget		Actual Expenditures/ Expenses	Variance
	Original	Final		
Instruction	\$ 89,951,164	\$ 89,951,164	\$ 86,031,399	\$ 3,919,765
Support services	34,598,434	36,598,434	32,991,011	3,607,423
Noninstructional programs	7,741,218	8,241,218	7,360,397	880,821
Other	23,567,049	23,567,049	26,567,981	(3,000,932)
<b>Total</b>	<b>\$ 155,857,865</b>	<b>\$ 158,357,865</b>	<b>\$ 152,950,788</b>	<b>\$ 5,407,077</b>

The original budget is published at least three months prior to the start of the fiscal year-often prior to settlement of collective bargaining agreements and before final legislative action on the state budget. In the latter portion of the fiscal year the amended budget is published with "not to exceed" amounts to satisfy Iowa's statutory reporting requirements.

The original budget was amended to include additional expenditures not expected in the original budget. The actual expenditures were less than the final amended budget by \$5,407,077 due to the timing of incurring the additional expenditures.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

The following table shows ending balances of capital assets invested in various categories. The District recognized a total net increase of \$2,902,923 for 2020.

Table 4 - Capital Assets as of June 30 (Net of Depreciation)

	2020	2019
Land	\$ 4,095,848	\$ 4,095,848
Construction-in-progress	5,988,514	3,767,545
Buildings and improvements	199,176,861	198,305,068
Machinery and equipment	4,154,416	4,344,255
<b>Total</b>	<b>\$ 213,415,639</b>	<b>\$ 210,512,716</b>

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



## West Des Moines Community School District

### Management's Discussion and Analysis Year Ended June 30, 2020

#### Debt

As of June 30, 2020, the West Des Moines Community School District had bonds and capital loan notes outstanding totaling \$39,181,041 compared to \$46,764,499 as of June 30, 2019. In the current year, the District paid \$6,890,000 in principal and \$1,626,797 in interest on outstanding debt.

	2020	2019
Capital loan notes	\$ 5,840,661	\$ 11,426,321
Revenue bonds	33,340,380	35,338,178
	<u>\$ 39,181,041</u>	<u>\$ 46,764,499</u>

As of June 30, 2020, the District's available legal debt margin was \$341,388,799 compared to \$334,498,799 as of June 30, 2019. Additional information about the District's long-term debt can be found in Note 6 to the financial statements.

Other long-term debt consists of:

Outstanding Long-Term Obligations						
	Governmental Activities		Business-Type Activities		Total District	
	2020	2019	2020	2019	2020	2019
Early retirement	\$ 1,317,868	\$ 551,425	\$ -	\$ -	\$ 1,317,868	\$ 551,425
Compensated absences	644,250	1,546,840	31,175	24,025	675,425	1,570,865
Net pension liability	49,153,935	54,037,649	2,574,171	2,777,659	51,728,106	56,815,308
Net OPEB liability	16,994,968	31,027,110	772,218	1,356,890	17,767,186	32,384,000
<b>Total</b>	<u>\$ 68,111,021</u>	<u>\$ 87,163,024</u>	<u>\$ 3,377,564</u>	<u>\$ 4,158,574</u>	<u>\$ 71,488,585</u>	<u>\$ 91,321,598</u>

Additional information about the District's other long-term obligations can be found Note 7, Note 8, and Note 9 to the financial statements.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District is located in the central part of the state, within the larger Des Moines metropolitan area and ranks as one of the top growth areas of the state. The economic condition and outlook of the District have remained strong during the past ten years, following several years of very high economic growth and steady enrollment growth. This growth has had a positive effect on employment and the District's tax base. The District's tax base increased at an average annual rate of approximately 4.12% over the past 15 years. In fiscal year 2020 and 2019, the District experienced an increase in valuation of 2.52% and 2.43% respectively.

The tax base is expected to grow more slowly in the next five years.

## **West Des Moines Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2020**

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

In recent years, the state of Iowa faced an economic downturn that severely hampered its ability to fund schools at the same level as in prior years. After two consecutive years of 4.5% declines in the state's net receipts, in 2011, the state's net receipts increased by 5.8%. In light of these challenging economic times, the District has publicly discussed operating budget concerns looking ahead to the next five years. In May 2014, the Board approved a plan to reduce \$2.7 million in General Fund Budget in the 2014-15 fiscal year including the closing of Phenix Elementary School. The Board of Education continues to implement the District's long-range facilities plan, which was approved in March 2010. In addition, the Board has directed the Administration to review this plan so that additional Revenue Bonds are not necessary to finance the plan and the Administration has since presented a plan to make \$12.3 million in scope reductions to this plan.

#### **Request for Information**

These financial statements and discussions are designed to provide our students, citizens, taxpayers, investors and creditors with a complete disclosure of the District's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, please contact Mr. Paul Bobek, Chief Financial officer, West Des Moines Community School District, 3550 Mills Civic Parkway, West Des Moines, Iowa 50265-5556.



**WEST DES MOINES**  
**COMMUNITY SCHOOLS**

**West Des Moines Community School District**

**Statement of Net Position**

**June 30, 2020**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current assets:			
Cash, cash equivalents and investments	\$ 68,500,459	\$ 2,246,315	\$ 70,746,774
Restricted cash, cash equivalents and investments	6,544,943	-	6,544,943
Receivables:			
Property taxes:			
Current year	344,826	-	344,826
Succeeding year	67,607,154	-	67,607,154
Other	4,491,760	52,920	4,544,680
Inventories	140,575	404,646	545,221
Internal balances	(1,381,706)	1,381,706	-
<b>Total current assets</b>	<b>146,248,011</b>	<b>4,085,587</b>	<b>150,333,598</b>
Noncurrent assets:			
Capital assets:			
Nondepreciable:			
Land	4,095,848	-	4,095,848
Construction-in-progress	5,988,514	-	5,988,514
Depreciable:			
Buildings and improvements	310,473,937	-	310,473,937
Machinery and equipment	12,741,129	4,248,826	16,989,955
Accumulated depreciation	(121,101,559)	(3,031,056)	(124,132,615)
<b>Total noncurrent assets</b>	<b>212,197,869</b>	<b>1,217,770</b>	<b>213,415,639</b>
<b>Total assets</b>	<b>358,445,880</b>	<b>5,303,357</b>	<b>363,749,237</b>
<b>Deferred outflows of resources:</b>			
Pension related deferred outflows	13,068,205	628,234	13,696,439
OPEB related deferred outflows	690,548	30,376	720,924
<b>Total deferred outflows of resources</b>	<b>13,758,753</b>	<b>658,610</b>	<b>14,417,363</b>

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	7,235,174	58,912	7,294,086
Claims payable	3,105,000	-	3,105,000
Accrued liabilities	10,654,755	-	10,654,755
Unearned revenue	1,836,242	211,882	2,048,124
Capital loan notes	5,840,661	-	5,840,661
Revenue bonds	1,940,000	-	1,940,000
Compensated absences	644,250	31,175	675,425
Liability for early retirement	479,711	-	479,711
Accrued interest payable	587,032	-	587,032
<b>Total current liabilities</b>	<b>32,322,825</b>	<b>301,969</b>	<b>32,624,794</b>
Noncurrent liabilities:			
Revenue bonds	31,400,380	-	31,400,380
Net pension liability	49,153,935	2,574,171	51,728,106
Net OPEB liability	16,994,968	772,218	17,767,186
Liability for early retirement	838,157	-	838,157
<b>Total noncurrent liabilities</b>	<b>98,387,440</b>	<b>3,346,389</b>	<b>101,733,829</b>
<b>Total liabilities</b>	<b>130,710,265</b>	<b>3,648,358</b>	<b>134,358,623</b>
<b>Deferred inflows of resources:</b>			
Succeeding year property tax	67,607,154	-	67,607,154
Pension related deferred inflows	7,828,698	373,206	8,201,904
OPEB related deferred inflows	5,563,353	232,920	5,796,273
<b>Total deferred inflows of resources</b>	<b>80,999,205</b>	<b>606,126</b>	<b>81,605,331</b>
<b>Net Position</b>			
Net investment in capital assets	176,849,809	1,217,770	178,067,579
Restricted for:			
Categorical funding	2,201,318	-	2,201,318
Physical plant and equipment levy	798,337	-	798,337
Debt service	2,711,962	-	2,711,962
Statewide sales and services tax	582,184	-	582,184
Management levy	15,911,600	-	15,911,600
Public education and recreation levy	540,700	-	540,700
Student activities	923,969	-	923,969
Unrestricted	(40,024,716)	489,713	(39,535,003)
<b>Total net position</b>	<b>\$ 160,495,163</b>	<b>\$ 1,707,483</b>	<b>\$ 162,202,646</b>

**West Des Moines Community School District**

**Statement of Activities  
Year Ended June 30, 2020**

Functions/Programs	Expenses	Charges for Services and Sales
Primary Government:		
Governmental activities:		
Instruction	\$ 89,204,546	\$ 8,268,999
Support services	36,816,314	2,473,436
Noninstructional programs	638,465	-
Other, AEA flowthrough	4,026,872	-
Interest on long-term debt	809,005	-
<b>Total governmental activities</b>	<b>131,495,202</b>	<b>10,742,435</b>
Business-type activities:		
School nutrition	4,399,266	1,610,848
Community education	2,457,594	2,092,827
<b>Total business-type activities</b>	<b>6,856,860</b>	<b>3,703,675</b>
<b>Total primary government</b>	<b>\$ 138,352,062</b>	<b>\$ 14,446,110</b>

General revenues and transfers:

General revenues:

Property taxes for general purposes  
Property taxes for specific purposes  
Revenue in lieu of taxes  
Statewide sales and services tax  
Utility replacement tax  
State foundation aid, unrestricted  
Investment earnings  
Other

Transfers

**Total general revenues and transfers**

**Change in net position**

Net position, beginning of year

Net position, end of year

See Notes to Basic Financial Statements.

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ 14,264,888	\$ -	\$ (66,670,659)	\$ -	\$ (66,670,659)
-	-	(34,342,878)	-	(34,342,878)
-	-	(638,465)	-	(638,465)
4,026,872	-	-	-	-
-	-	(809,005)	-	(809,005)
18,291,760	-	(102,461,007)	-	(102,461,007)
2,575,437	-	-	(212,981)	(212,981)
-	-	-	(364,767)	(364,767)
2,575,437	-	-	(577,748)	(577,748)
\$ 20,867,197	\$ -	(102,461,007)	(577,748)	(103,038,755)
		52,490,142	-	52,490,142
		9,999,581	-	9,999,581
		2,014,996	-	2,014,996
		8,990,382	-	8,990,382
		911,147	-	911,147
		34,406,214	-	34,406,214
		1,022,595	45,365	1,067,960
		16,205	-	16,205
		207,675	(207,675)	-
		110,058,937	(162,310)	109,896,627
		7,597,930	(740,058)	6,857,872
		152,897,233	2,447,541	155,344,774
		\$ 160,495,163	\$ 1,707,483	\$ 162,202,646

# West Des Moines Community School District

## Balance Sheet Governmental Funds June 30, 2020

	General	Special Revenue Management	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
<b>Assets</b>						
Cash and investments	\$ 28,854,056	\$ 16,464,404	\$ 3,614,030	\$ -	\$ 1,533,495	\$ 50,465,985
Restricted cash and investments	-	-	6,544,943	-	-	6,544,943
Receivables:						
Property taxes:						
Current year	291,440	5,573	44,287	-	3,526	344,826
Succeeding year	56,106,864	1,833,480	8,981,387	-	685,423	67,607,154
Due from other governments	484,041	-	957,337	-	-	1,441,378
Other	2,834,951	26,747	608	-	1,199	2,863,505
Inventories	140,575	-	-	-	-	140,575
<b>Total assets</b>	<b>\$ 88,711,927</b>	<b>\$ 18,330,204</b>	<b>\$ 20,142,592</b>	<b>\$ -</b>	<b>\$ 2,223,643</b>	<b>\$ 129,408,366</b>
<b>Liabilities, Deferred Inflows of Resources and and Fund Balances</b>						
Liabilities:						
Accounts payable	\$ 3,802,220	\$ 413	\$ 3,235,741	\$ -	\$ 73,551	\$ 7,111,925
Accrued liabilities	10,654,755	-	-	-	-	10,654,755
Unearned revenue	106,732	-	-	-	-	106,732
Claims payable	-	105,000	-	-	-	105,000
Liability for early retirement	-	479,711	-	-	-	479,711
<b>Total liabilities</b>	<b>14,563,707</b>	<b>585,124</b>	<b>3,235,741</b>	<b>-</b>	<b>73,551</b>	<b>18,458,123</b>
Deferred inflows of resources,						
Unavailable revenue:						
Succeeding year property tax	56,106,864	1,833,480	8,981,387	-	685,423	67,607,154
Statewide sales and services	-	-	177,000	-	-	177,000
Grants	176,643	-	-	-	-	176,643
<b>Total deferred inflows of of resources</b>	<b>56,283,507</b>	<b>1,833,480</b>	<b>9,158,387</b>	<b>-</b>	<b>685,423</b>	<b>67,960,797</b>
Fund balances:						
Nonspendable, inventories	140,575	-	-	-	-	140,575
Restricted for:						
Categorical funding	2,201,318	-	-	-	-	2,201,318
Physical plant and equipment	-	-	798,337	-	-	798,337
Debt service	-	-	6,544,943	-	-	6,544,943
School infrastructure	-	-	405,184	-	-	405,184
Management levy	-	15,911,600	-	-	-	15,911,600
Public education and recreation levy	-	-	-	-	540,700	540,700
Student activities	-	-	-	-	923,969	923,969
Committed for curriculum	4,598,506	-	-	-	-	4,598,506
Unassigned	10,924,314	-	-	-	-	10,924,314
<b>Total fund balances</b>	<b>17,864,713</b>	<b>15,911,600</b>	<b>7,748,464</b>	<b>-</b>	<b>1,464,669</b>	<b>42,989,446</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 88,711,927</b>	<b>\$ 18,330,204</b>	<b>\$ 20,142,592</b>	<b>\$ -</b>	<b>\$ 2,223,643</b>	<b>\$ 129,408,366</b>

See Notes to Basic Financial Statements.



**West Des Moines Community School District**

**Reconciliation of Total Governmental Fund Balances  
to Net Position of Governmental Activities  
June 30, 2020**

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Total fund balances \$ 42,989,446

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

Capital assets net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the funds 212,197,869

Receivables not collected within 60 days of year-end are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds 353,643

Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net position:

Other current assets	18,221,351	
Other current liabilities	(4,852,759)	13,368,592

Internal Service Fund allocated to business-type activities (1,381,706)

Pension and OPEB 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 related to pension	13,068,205	
Deferred inflows of resources related to pension	(7,828,698)	
Deferred outflows of resources related to OPEB	690,548	
Deferred inflows of resources related to OPEB	(5,563,353)	366,702

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Net pension liability	(49,153,935)	
Accrued interest payable	(587,032)	
Capital notes, current	(5,245,000)	
Premium on capital notes	(595,661)	
Revenue bonds, current	(1,940,000)	
Revenue bonds, noncurrent	(30,525,000)	
Discount on revenue bonds	52,394	
Premium on revenue bonds	(927,774)	
Compensated absences, current	(644,250)	
Other postemployment benefits payable	(16,994,968)	
Liability for early retirement, noncurrent	(838,157)	(107,399,383)

**Net position of governmental activities**

**\$ 160,495,163**

See Notes to Basic Financial Statements.

# West Des Moines Community School District

## Statement of Revenues, Expenditures and Changes in Fund Balances

### Governmental Funds

Year Ended June 30, 2020

	General	Special Revenue Management	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
Revenues:						
Local sources:						
Property taxes	\$ 52,490,142	\$ 999,375	\$ 8,368,317	\$ -	\$ 631,889	\$ 62,489,723
Utility replacement	771,427	14,771	115,604	-	9,345	911,147
Other local sources	1,408,608	92,702	311,042	-	352,144	2,164,496
Investment earnings	562,403	235,497	200,809	-	23,886	1,022,595
Student activities	165,898	-	-	-	1,081,673	1,247,571
Tuition/transportation	6,864,687	-	-	-	-	6,864,687
State sources:						
State foundation aid	34,406,214	-	-	-	-	34,406,214
Statewide sales and services tax	-	-	9,263,381	-	-	9,263,381
Other state sources	17,095,352	37,752	331,030	-	24,275	17,488,409
Federal sources	3,179,910	-	-	-	-	3,179,910
<b>Total revenues</b>	<b>116,944,641</b>	<b>1,380,097</b>	<b>18,590,183</b>	<b>-</b>	<b>2,123,212</b>	<b>139,038,133</b>
Expenditures:						
Current:						
Instruction	80,673,351	65,400	3,754,366	-	1,529,825	86,022,942
Support services:						
Student	3,757,344	-	-	-	12,984	3,770,328
Instructional staff	4,847,778	-	-	-	5,563	4,853,341
General administration	955,051	440,304	3,861	-	907	1,400,123
School building	5,121,913	-	-	-	-	5,121,913
Business administration	3,653,181	-	331,523	-	34,656	4,019,360
Plant operation and maintenance	8,140,612	1,728,690	356,716	-	23,028	10,249,046
Student transportation	3,269,378	-	203,000	-	2,363	3,474,741
Noninstructional programs	968	-	-	-	691,031	691,999
Other:						
AEA support	4,026,872	-	-	-	-	4,026,872
Capital outlay	-	-	14,024,312	-	-	14,024,312
Debt service:						
Principal	-	-	-	6,890,000	-	6,890,000
Interest	-	-	-	1,626,797	-	1,626,797
<b>Total expenditures</b>	<b>114,446,448</b>	<b>2,234,394</b>	<b>18,673,778</b>	<b>8,516,797</b>	<b>2,300,357</b>	<b>146,171,774</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,498,193</b>	<b>(854,297)</b>	<b>(83,595)</b>	<b>(8,516,797)</b>	<b>(177,145)</b>	<b>(7,133,641)</b>
Other financing sources (uses):						
Transfers in	217,675	-	-	8,516,797	149,888	8,884,360
Transfers (out)	(149,888)	-	(8,516,797)	-	(10,000)	(8,676,685)
Proceeds from sale of capital assets	34,554	-	-	-	-	34,554
<b>Total other financing sources (uses)</b>	<b>102,341</b>	<b>-</b>	<b>(8,516,797)</b>	<b>8,516,797</b>	<b>139,888</b>	<b>242,229</b>
<b>Net change in fund balances</b>	<b>2,600,534</b>	<b>(854,297)</b>	<b>(8,600,392)</b>	<b>-</b>	<b>(37,257)</b>	<b>(6,891,412)</b>
Fund balances, beginning	15,264,179	16,765,897	16,348,856	-	1,501,926	49,880,858
Fund balances, end of year	\$ 17,864,713	\$ 15,911,600	\$ 7,748,464	\$ -	\$ 1,464,669	\$ 42,989,446

See Notes to Basic Financial Statements.

## West Des Moines Community School District

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2020

Net change in fund balances - total governmental funds		\$	(6,891,412)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:			
Capital outlay	12,296,678		
Depreciation expense by function:			
Instruction	(5,124,138)		
Support services	(4,111,871)		
Gain from sale of capital assets	34,554		
Proceeds on sale of capital assets	(34,554)		3,060,669
Revenue in the statement of activities that does not provide current financial resources are not reported as revenues in the funds, statewide sales and use tax			(152,676)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. The issuance of long-term debt increases liabilities in the statement of net position, while the repayment of long-term debt reduces long-term liabilities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:			
Repayment of bond principal	6,890,000		
Accretion of premium	699,622		
Amortization of discount	(6,164)		
Interest	124,334		7,707,792
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.			(2,395,465)
Change in Internal Service Fund allocation to business-type activities			77,846
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:			
Change in compensated absences	902,590		
Change in net pension liability	(2,795,547)		
Change in liability for other postemployment benefits	8,922,290		
Change in liability for early retirement	(838,157)		6,191,176
<b>Change in net position of governmental activities</b>		\$	<b>7,597,930</b>

See Notes to Basic Financial Statements.

**West Des Moines Community School District**

**Statement of Net Position**

**Proprietary Funds**

**June 30, 2020**

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
<b>Assets</b>		
Current assets:		
Cash, cash equivalents and investments	\$ 2,246,315	\$ 18,034,474
Other receivables	182,501	186,877
Inventories	275,065	-
<b>Total current assets</b>	<b>2,703,881</b>	<b>18,221,351</b>
Noncurrent assets:		
Capital assets:		
Machinery and equipment	4,248,826	-
Less accumulated depreciation	(3,031,056)	-
<b>Total noncurrent assets</b>	<b>1,217,770</b>	<b>-</b>
<b>Total assets</b>	<b>3,921,651</b>	<b>18,221,351</b>
<b>Deferred outflows of resources,</b>		
Pension related deferred outflows	628,234	-
OPEB related deferred outflows	30,376	-
	<b>658,610</b>	<b>-</b>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	58,912	123,249
Compensated absences	31,175	-
Claims payable	-	3,000,000
Unearned revenue	211,882	1,729,510
<b>Total current liabilities</b>	<b>301,969</b>	<b>4,852,759</b>
Long-term liabilities:		
Net pension liability	2,574,171	-
Net OPEB liability	772,218	-
<b>Total long-term liabilities</b>	<b>3,346,389</b>	<b>-</b>
<b>Total liabilities</b>	<b>3,648,358</b>	<b>4,852,759</b>
<b>Deferred inflows of resources:</b>		
Pension related deferred inflows	373,206	-
Net OPEB related deferred inflows	232,920	-
<b>Total deferred inflows of resources</b>	<b>606,126</b>	<b>-</b>
<b>Net Position</b>		
Net investment in capital assets	1,217,770	-
Unrestricted	(891,993)	13,368,592
<b>Total net position</b>	<b>\$ 325,777</b>	<b>\$ 13,368,592</b>

See Notes to Basic Financial Statements.

**West Des Moines Community School District**

**Reconciliation of Enterprise Funds Net Position to the Net Position of  
Business-Type Activities**

**June 30, 2020**

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Total enterprise funds net position	\$ 325,777
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Amounts reported for business-type activities in the statement of net position are different because internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the Internal Service Fund is included in governmental activities in the statement of net position.

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1,381,706

**Net position of business-type activities**

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\$ 1,707,483

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See Notes to Basic Financial Statements.

**West Des Moines Community School District**

**Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
Year Ended June 30, 2020**

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
Operating revenues:		
Food sales	\$ 1,610,203	\$ -
Sale of services	2,092,827	-
Charges for services	-	17,925,138
<b>Total operating revenues</b>	<b>3,703,030</b>	<b>17,925,138</b>
Operating expenses:		
Salaries	3,194,724	-
Employee benefits	1,065,588	-
Purchased services	106,769	2,143,352
Food consumed	1,750,442	-
Supplies	414,532	128,253
Depreciation	224,481	-
Claims and administration	-	18,048,998
Other	22,478	-
<b>Total operating expenses</b>	<b>6,779,014</b>	<b>20,320,603</b>
<b>Operating (loss)</b>	<b>(3,075,984)</b>	<b>(2,395,465)</b>
Nonoperating revenues:		
Gain on sale of capital assets	645	-
Federal food commodities	417,006	-
Federal appropriations	2,129,798	-
State appropriations	28,633	-
Interest	45,365	-
<b>Total nonoperating revenues</b>	<b>2,621,447</b>	<b>-</b>
<b>(Loss) before transfers</b>	<b>(454,537)</b>	<b>(2,395,465)</b>
Transfers (out)	(207,675)	-
<b>Change in net position</b>	<b>(662,212)</b>	<b>(2,395,465)</b>
Net position, beginning of year	987,989	15,764,057
Net position, end of year	<u>\$ 325,777</u>	<u>\$ 13,368,592</u>

See Notes to Basic Financial Statements.

**West Des Moines Community School District**

**Reconciliation of the Change in Net Position of Enterprise Funds to the  
Statement of Activities  
Year Ended June 30, 2020**

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Net change in net position in enterprise funds	\$ (662,212)
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Amounts reported for proprietary activities in the statement of activities are different because internal service funds are used by management to charge the costs of various activities internally to individual funds. The net revenue of certain activities of the Internal Service Fund is reported with business-type activities.

(77,846)
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**Change in net position of business-type activities**

<u>\$ (740,058)</u>
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See Notes to Basic Financial Statements.

**West Des Moines Community School District**

**Statement of Cash Flows**

**Proprietary Funds**

**Year Ended June 30, 2020**

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
Cash flows from operating activities:		
Receipts from customers and users	\$ 3,825,816	\$ 18,241,557
Payments to suppliers	(2,103,139)	(2,276,938)
Payments to employees	(4,268,842)	-
Claims paid	-	(17,910,891)
<b>Net cash (used in) operating activities</b>	<b>(2,546,165)</b>	<b>(1,946,272)</b>
Cash flows from noncapital financial activities:		
Federal and state appropriations received	2,158,431	-
Transfers (out)	(207,675)	-
<b>Net cash provided by noncapital financing activities</b>	<b>1,950,756</b>	<b>-</b>
Cash flows from capital and related financing activities:		
Proceeds on sale of capital assets	1,419	-
Purchase of capital assets	(67,509)	-
<b>Net cash (used in) capital and related financing activities</b>	<b>(66,090)</b>	<b>-</b>
Cash flows from investing activities,		
interest received	45,365	-
<b>Net (decrease) in cash and cash equivalents</b>	<b>(616,134)</b>	<b>(1,946,272)</b>
Cash and cash equivalents, beginning of year	2,862,449	19,980,746
Cash and cash equivalents, end of year	<b>\$ 2,246,315</b>	<b>\$ 18,034,474</b>

(Continued)



**West Des Moines Community School District**

**Statement of Cash Flows (Continued)**

**Proprietary Funds**

**Year Ended June 30, 2020**

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
Reconciliation of operating (loss) to net cash (used in) operating activities:		
Operating (loss)	(3,075,984)	(2,395,465)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation	224,481	-
Federal food commodities used	417,006	-
Change in assets and liabilities:		
Receivables	105,078	137,123
Inventories	(138,778)	-
Accounts payable	(87,146)	(5,333)
Compensated absences	7,150	-
Claims payable	-	138,107
Unearned revenue	17,708	179,296
Net pension liability	356,082	-
Net OPEB liability	(371,762)	-
<b>Net cash (used in) operating activities</b>	<b>\$ (2,546,165)</b>	<b>\$ (1,946,272)</b>
Schedule of noncash items:		
Noncapital financing activities, federal commodities	\$ 417,006	\$ -

See Notes to Basic Financial Statements.

**West Des Moines Community School District**

**Statement of Fiduciary Assets and Liabilities**

**Agency Fund**

**June 30, 2020**

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	<u>Flower</u>
<b>Assets</b>	
Cash, cash equivalents and investments	<u>\$ 831</u>
<b>Liabilities and Fund Equity</b>	
Due to private individuals	<u>\$ 831</u>

See Notes to Basic Financial Statements.

## **West Des Moines Community School District**

### **Notes to Basic Financial Statements Year Ended June 30, 2020**

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

##### **Nature of operations:**

The West Des Moines Community School District (the District) was incorporated under Chapter 274 of the State Code of Iowa. The District has the power to make rules and regulations for its own government consistent with the laws of the state of Iowa and the regulations of the Iowa State Board of Education. The District is governed by the elected West Des Moines Community School Board of Education (the Board). The District is composed of one high school, one ninth grade school, two junior high schools, eight elementary schools and one alternative high school. Student enrollment (kindergarten through high school) for the 2019-2020 school year was 8,989 regular and special education students. The District employs approximately 1,200 full-time equivalent personnel.

##### **Reporting entity:**

In accordance with Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, organizations, agencies, boards, commissions and authorities for which the District is financially accountable. The District has also considered all other potential organizations for which the nature and significance of their relationships with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the District. In addition, the GASB Statement No. 39, as amended by GASB Statement No. 61 sets forth additional criteria to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District. These criteria include 1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the District, its component units, or its constituents, 2) the District being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the organization and 3) the economic resources received or held by an individual organization that the District is entitled to, or has the ability to otherwise access, are significant to the District. Based on these criteria, there are no other organizations which should be included in these basic financial statements.

**Basis of presentation:** The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements which provide a more detailed level of financial information.

**Government-wide and fund financial statements:** The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of the interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. Interfund services provided and used are not eliminated in the process of consolidation for these statements.

## West Des Moines Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2020

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

The statement of net position presents the District's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in the following categories:

*Net investment in capital assets:* Consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

*Restricted net position:* Results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position:* Consist of net position that does not meet the definition of the preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

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

General Fund: The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund accounts for the instructional and most of the support service programs of the District's operations. Revenue of the fund consists primarily of local property taxes and state governmental aid.

Management Fund, a special revenue fund: Accounts for the resources from a specific tax levy for tort liability insurance premiums, unemployment compensation insurance claims and early retirement incentive payments.

Capital Projects Fund: Accounts for the resources used to pay for the purchase and improvement of sites, demolition work, special assessments and major building repairs, physical plant and equipment levy (PPEL) as well as the statewide sales and services tax for school infrastructure.

## West Des Moines Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2020

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

Debt Service Fund: Accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

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

Special Revenue Funds: Are used to account for the revenue sources that are legally restricted to expenditures for specific purposes.

Playground Fund: Accounts for the resources used to establish and maintain public recreation places and playgrounds and necessary accommodations for children and adults.

Student Activity Fund: Accounts for money held by the District on behalf of the students who have raised these funds and are responsible for their disposition for co-curricular to extracurricular activities of the District.

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

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

The following enterprise funds of the District are considered nonmajor:

School Nutrition Fund: Accounts for the food service operations of the District.

Community Education Fund: Accounts for the educational programs available to the general public on a fee basis.

**Internal Service Fund**: The Internal Service Fund is used to account for goods or services provided by one department to other departments of the District on a cost reimbursement basis. The District's Internal Service Fund is used to account for the premium and claim payments for the self-insured health insurance and dental insurance plans for District employees.

**Fiduciary Fund Types**: Fiduciary fund types are used to account for net position and changes in net position. The District has one fiduciary fund which is considered an Agency Fund:

Flower Fund: To account for donations to be used for flower purchases for memorials or illnesses of District employees.

**Measurement Focus and Basis of Accounting**: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied. The District also reports fiduciary funds which focus on net position and changes in net position. The fiduciary fund reports on the accrual basis of accounting.

## West Des Moines Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2020

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

**Revenues – exchange and nonexchange transactions:** Property taxes, other taxes, grants, entitlements and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which it is budgeted. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Property taxes are recognized as a receivable at the time they become an enforceable legal claim. This is determined to occur when the budget is certified and approved by the state of Iowa. The current tax levy recognized in revenue was certified in April 2019 based on 2018 assessed valuations. The current property tax receivable was certified in April 2020 based on 2019 assessed valuations. These taxes are due in two installments on September 30 and March 31, with a 1.5 percent per month penalty for delinquent payment.

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

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

## West Des Moines Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2020

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

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

#### Significant Accounting Policies:

The significant accounting policies followed by the District include the following:

**Cash, cash equivalents and investment accounts:** Separate bank accounts and investments are not maintained for all District funds, as certain funds maintain their cash and investment balances in a pooled account. Accounting records are maintained to show the portion of the pooled account attributable to each participating fund.

**Inventories:** Inventories are valued at cost (first-in, first-out), which approximates market. The consumption method of accounting is applied to the governmental fund type inventories. Unused commodities at balance sheet date are reported as inventory in the statement of net position.

**Capital assets:** General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirement during the year. Donated capital assets are recorded at the acquisition value as of the date received. The District maintains a capitalization threshold of \$5,000 (\$500 for the School Nutrition Fund). The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported assets except land and construction-in-progress are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Useful Lives
Buildings and improvements	20 - 50 years
Machinery and equipment	5 - 15 years
Intangibles	15 years

The District's collection of library books and other similar assets are not capitalized due to the individual assets not meeting the District's capitalization threshold. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to District policy that requires proceeds from the sale of these items, if any, to be used to acquire other collection items.

**Unearned revenue:** Proprietary funds defer revenue recognition in connection with resources that have been received, but not earned. Unearned revenue in governmental funds arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue. Unearned revenue consists primarily of school registration fees, unexpended grant receipts and meal revenues collected for the programs and services in the next school year.

**West Des Moines Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2020**

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

**Accrued payroll:** Payroll and the related payroll taxes and benefits for teachers with annual contracts corresponding to the school year, but have balances payable in July and August, have been accrued as a liability as they are applicable to services provided during the respective fiscal years and will be paid with available resources.

**Compensated absences:** District employees accumulate a limited amount of earned but unused vacation and sick leave for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the District-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect as of June 30, 2020. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and by the Special Revenue Fund, Management Levy.

**Self-insurance:** The District is self-insured for health and dental benefits. The District's premiums and claims are accounted for in the Internal Service Fund. Premiums are charged by the Internal Service Fund to operating funds based upon number of employees and selected coverage in each fund. There have been no significant reductions in insurance coverage for the District from the prior year.

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

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

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

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

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

**Assigned:** Amounts the Board of Education intend to use for specific purposes. The authority to assign fund balances has been delegated to the Chief Financial Officer through the Board approved budget of the District.

**Unassigned:** All amounts not included in other spendable classifications as well as any deficit fund balance of any other governmental fund is reported as unassigned.



## West Des Moines Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2020

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

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first followed by assigned funds and then unassigned.

**Deferred outflows/inflows of resources:** In addition to assets, the balance sheet and/or statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of fund balance or net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. Deferred outflows of resources in the proprietary funds and government-wide statement of net position consist of unrecognized items not yet charged to pension expense and other postemployment benefit expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

In addition to liabilities, the balance sheet and/or statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance or net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports unavailable revenue in the governmental funds balance sheet from the statewide sales and services tax, grants and property tax. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. In the District's government-wide statements, only the succeeding year property tax revenues remain as a deferred inflow of resources under the full accrual basis of accounting and will become an inflow in the year for which levied. Deferred inflows of resources in the proprietary funds and government-wide statements also include the unrecognized items not yet charged to pension expense and other postemployment benefit expense.

**Pensions:** For purposes of measuring the net pension 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 additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported as fair value.

**Net position:** In proprietary funds, fiduciary funds, and government-wide financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent bond proceeds of \$3,832,981.

Net position is reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net position restricted through enabling legislation consists of \$798,337 for physical plant and equipment levy, \$2,711,962 for debt service, \$582,184 for statewide sales and services tax, \$15,911,600 for management levy and \$540,700 for public education and recreation levy. All other restricted net position consists of \$2,201,318 for categorical funding and \$923,969 for student activities and are restricted by grantors and donors.

## West Des Moines Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2020

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

**Net position flow assumption:** Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

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

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

#### **Note 2. Budgetary and Budgetary Control**

As allowed by GASB Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget. The District's actual expenditures in the other expenditures function exceeded the budgeted amounts by \$3,000,932.

#### **Note 3. Cash and Cash Equivalents and Investments**

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts and warrants or improvements certificates of a drainage district.

As of June 30, 2020, the District had investments in the Iowa Schools Joint Investment Trust Direct Government Obligations Portfolio which are valued at an amortized cost of \$1,548,495 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The District had investments in the Goldman Sachs Financial Square Fund Governmental Fund of \$4,996,448. There were no limitations or restrictions on withdrawals from these investments.

**Custodial credit risk:** The District's deposits in banks as of June 30, 2020 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to insure there will be no loss of public funds. The District does not have a separate policy from state statutes.

**Credit risk:** The investment in the Iowa Schools Joint Investment Trust was rated AAAM by Standard & Poor's Rating Service. The investment in the Goldman Sachs Financial Square Fund Governmental Fund was rated AAAM by Standard & Poor's Rating Service and Aaa-mf by Moody's Rating Service. The District does not have a separate credit risk policy from state statutes.

The District does not have a separate interest rate risk or concentration of credit risk policy from state statutes.

# West Des Moines Community School District

## Notes to Basic Financial Statements Year Ended June 30, 2020

### Note 4. Interfund Transfers and Balances

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

	Transfers In	Transfers Out
Major funds:		
General	\$ 217,675	\$ 149,888
Capital Projects Fund	-	8,516,797
Debt Service Fund	8,516,797	-
Other nonmajor governmental funds	149,888	10,000
Other nonmajor enterprise fund	-	207,675
	<u>\$ 8,884,360</u>	<u>\$ 8,884,360</u>

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

### Note 5. Capital Assets

Capital asset activity for the governmental activities for the year ended June 30, 2020 was as follows:

	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,095,848	\$ -	\$ -	\$ 4,095,848
Construction-in-progress	3,767,545	12,111,050	9,890,081	5,988,514
<b>Total capital assets, not being depreciated</b>	<b>7,863,393</b>	<b>12,111,050</b>	<b>9,890,081</b>	<b>10,084,362</b>
Capital assets, being depreciated:				
Buildings and improvements	301,394,427	9,079,510	-	310,473,937
Machinery and equipment	11,859,289	996,199	114,359	12,741,129
<b>Total capital assets, being depreciated</b>	<b>313,253,716</b>	<b>10,075,709</b>	<b>114,359</b>	<b>323,215,066</b>
Accumulated depreciation:				
Buildings and improvements	103,089,359	8,207,717	-	111,297,076
Machinery and equipment	8,890,550	1,028,292	114,359	9,804,483
<b>Total accumulated depreciation</b>	<b>111,979,909</b>	<b>9,236,009</b>	<b>114,359</b>	<b>121,101,559</b>
<b>Total capital assets, being depreciated, net</b>	<b>201,273,807</b>	<b>839,700</b>	<b>-</b>	<b>202,113,507</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 209,137,200</b>	<b>\$ 12,950,750</b>	<b>\$ 9,890,081</b>	<b>\$ 212,197,869</b>

**West Des Moines Community School District**

**Notes to Basic Financial Statements**  
**Year Ended June 30, 2020**

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**Note 5. Capital Assets (Continued)**

Capital asset activity for the business-type activities for the year ended June 30, 2020 was as follows:

	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020
Business-type activities:				
Capital assets, being depreciated, machinery and equipment	\$ 4,210,874	\$ 67,509	\$ 29,557	\$ 4,248,826
Accumulated depreciation, machinery and equipment	2,835,358	224,481	28,783	3,031,056
<b>Total capital assets, being depreciated, net</b>	<b>1,375,516</b>	<b>(156,972)</b>	<b>774</b>	<b>1,217,770</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 1,375,516</b>	<b>\$ (156,972)</b>	<b>\$ 774</b>	<b>\$ 1,217,770</b>

Depreciation expense was charged to the functions as follows:

Governmental activities:	
Instruction	\$ 5,124,138
Support services	4,111,871
<b>Total depreciation expense, governmental activities</b>	<b>\$ 9,236,009</b>
Business-type activities, nutrition	<b>\$ 224,481</b>

# West Des Moines Community School District

## Notes to Basic Financial Statements Year Ended June 30, 2020

### Note 6. Long-Term Debt

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

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Balances Due Within One Year
<b>Governmental activities:</b>					
Capital loan notes, Series 2016	\$ 10,235,000	\$ -	\$ 4,990,000	\$ 5,245,000	\$ 5,245,000
Premium on capital loan notes, Series 2016	1,191,321	-	595,660	595,661	595,661
Revenue bonds, Series 2012	10,000,000	-	-	10,000,000	-
Discount on revenue bonds, Series 2012	(58,558)	-	(6,164)	(52,394)	-
Revenue bonds, Series 2013	7,200,000	-	560,000	6,640,000	575,000
Premium on revenue bonds, Series 2013	149,476	-	15,736	133,740	-
Revenue bonds, Series 2014	17,165,000	-	1,340,000	15,825,000	1,365,000
Premium on revenue bonds, Series 2014	882,260	-	88,226	794,034	-
Compensated absences	1,546,840	696,548	1,599,138	644,250	644,250
Net pension liability	54,037,649	-	4,883,714	49,153,935	-
Net OPEB liability	31,027,110	-	14,032,142	16,994,968	-
<b>Total</b>	<b>\$ 133,376,098</b>	<b>\$ 696,548</b>	<b>\$ 28,098,452</b>	<b>\$ 105,974,194</b>	<b>\$ 8,424,911</b>
<b>Business-type activities:</b>					
Compensated absences	\$ 24,025	\$ 43,239	\$ 36,089	\$ 31,175	\$ 31,175
Net pension liability	2,777,659	-	203,488	2,574,171	-
Net OPEB liability	1,356,890	-	584,672	772,218	-
	<b>\$ 4,158,574</b>	<b>\$ 43,239</b>	<b>\$ 824,249</b>	<b>\$ 3,377,564</b>	<b>\$ 31,175</b>

Compensated absences are generally liquidated by the General Fund.

Net OPEB liability and net pension liability are generally liquidated by the General Fund for governmental activities and the respective funds for business-type activities.

The District's general obligation and revenue debt is as follows:

#### Capital loan notes:

**Series 2016:** On March 8, 2016, the District issued \$23,665,000 General Obligation School Capital Loan Refunding Notes, Series 2016 with an interest rate of 5.0 percent to current refund \$7,565,000 of the General Obligation Capital Loan Notes, Series 2010 and \$19,140,000 of the General Obligation School Capital Loan Notes, Series 2011. The District current refunded the Series 2010 and Series 2011 Capital Loan Notes to reduce its debt service payments over the next five years by \$1,947,227 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,898,067. Principal is payable each May 1 and interest is payable semi-annually each November 1 and May 1 until maturity on May 1, 2021. The total principal and interest remaining to be paid on the 2016 bonds is \$5,507,250. During the year ended June 30, 2020, \$4,990,000 of principal and \$511,750 of interest was paid on the bonds.

## West Des Moines Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2020

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#### Note 6. Long-Term Debt (Continued)

Revenue bonds:

Series 2012: On April 5, 2012, The District issued \$10,000,000 in School Infrastructure Sales, Services and Use Tax Revenue Bonds to finance school infrastructure projects. The bonds bear interest at rates ranging from 2.10 percent to 3.00 percent and had an unpaid balance of \$10,000,000. The revenue bonds will be repaid using statewide sales, services and use tax collected in the Capital Project Fund. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District. The bonds are not general obligations of the District. The total principal and interest remaining to be paid on the 2012 bonds is \$11,526,020. During the year ended June 30, 2020, no principal was paid on the 2012 bonds and \$255,390 of interest was paid on the bonds.

Series 2013: On December 23, 2013, the District issued \$9,760,000 in School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2013 to finance school infrastructure projects. The bonds bear interest at rates ranging from 3.00 percent to 4.00 percent and had an unpaid balance of \$6,640,000. The revenue bonds will be repaid using statewide sales, services and use tax collected in the Capital Projects Fund. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District. The bonds are not general obligations of the District. The total principal and interest remaining to be paid on the 2013 bonds is \$7,859,103. During the year ended June 30, 2020, \$560,000 of principal and \$228,745 of interest was paid on the 2013 bonds.

Series 2014: On June 24, 2014, the District issued \$22,320,000 in School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2014 to finance school infrastructure projects. The bonds bear interest at rates ranging from 2.00 percent to 5.00 percent and had an unpaid balance of \$15,825,000. The revenue bonds will be repaid using statewide sales, services and use tax collected in the Capital Projects Fund. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District. The bonds are not general obligations of the District. The total principal and interest remaining to be paid on the 2014 bonds is \$18,697,596. During the year ended June 30, 2020, \$1,340,000 of principal and \$624,313 of interest was paid on the 2014 bonds.

The statewide sales, services and use tax revenues were \$9,263,381 for the year ended June 30, 2020. Annual principal and interest payments on the bonds are expected to require approximately 35 percent of the statewide sales, services, and use tax revenues. Total principal and interest remaining on the revenue bonds is \$38,082,719. For the current year, total principal paid was \$1,900,000 and total interest paid was \$1,108,448.

The resolution providing for the issuance of the revenue bonds included the following provisions:

- All proceeds from the statewide sales, service and use tax shall be deposited into the revenue account.
- Monies in the revenue account shall first be disbursed to make deposits into the sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year. At June 30, 2020, there was \$127,695, \$685,173, and \$1,670,458 deposited in the sinking account for the 2012, 2013 and 2014 bonds respectively.
- Monies in the revenue account shall next be disbursed to maintain a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. At June 30, 2020, there was \$979,069, \$798,495 and \$2,055,417 deposited in the reserve account for the 2012, 2013 and 2014 bonds respectively.
- If monies in the sinking fund exceed the required amount, the excess shall be transferred to the revenue account. At June 30, 2020, there was \$27,613, \$81,721 and \$119,302 deposited in the revenue account for the 2012, 2013 and 2014 bonds respectively.

# West Des Moines Community School District

## Notes to Basic Financial Statements Year Ended June 30, 2020

### Note 6. Long-Term Debt (Continued)

Annual debt service requirements on all outstanding indebtedness as of June 30, 2020, are as follows:

Capital Loan Refunding Notes, Series 2016			
Year ending June 30:	Principal	Interest	Total
2021	\$ 5,245,000	\$ 262,250	\$ 5,507,250
Plus unamortized premium	595,661	-	595,661
<b>Totals</b>	<b>\$ 5,840,661</b>	<b>\$ 262,250</b>	<b>\$ 6,102,911</b>

Revenue Bonds, Series 2012			
Year ending June 30:	Principal	Interest	Total
2021	\$ -	\$ 255,390	\$ 255,390
2022	1,000,000	244,890	1,244,890
2023	1,020,000	222,915	1,242,915
2024	1,045,000	199,423	1,244,423
2025	1,075,000	174,505	1,249,505
2026-2030	5,860,000	428,897	6,288,897
<b>Subtotal</b>	<b>10,000,000</b>	<b>1,526,020</b>	<b>11,526,020</b>
Less unamortized discount	(52,394)	-	(52,394)
<b>Totals</b>	<b>\$ 9,947,606</b>	<b>\$ 1,526,020</b>	<b>\$ 11,473,626</b>

Revenue Bonds, Series 2013			
Year ending June 30:	Principal	Interest	Total
2021	\$ 575,000	\$ 211,720	\$ 786,720
2022	595,000	194,170	789,170
2023	610,000	176,095	786,095
2024	630,000	157,495	787,495
2025	650,000	137,970	787,970
2026-2030	3,580,000	341,653	3,921,653
<b>Subtotal</b>	<b>6,640,000</b>	<b>1,219,103</b>	<b>7,859,103</b>
Plus unamortized premium	133,740	-	133,740
<b>Totals</b>	<b>\$ 6,773,740</b>	<b>\$ 1,219,103</b>	<b>\$ 7,992,843</b>

Revenue Bonds, Series 2014			
Year ending June 30:	Principal	Interest	Total
2021	\$ 1,365,000	\$ 576,788	\$ 1,941,788
2022	1,400,000	507,663	1,907,663
2023	1,440,000	436,663	1,876,663
2024	1,490,000	363,413	1,853,413
2025	1,540,000	295,363	1,835,363
2026-2030	8,590,000	692,706	9,282,706
<b>Subtotal</b>	<b>15,825,000</b>	<b>2,872,596</b>	<b>18,697,596</b>
Plus unamortized premium	794,034	-	794,034
<b>Totals</b>	<b>\$ 16,619,034</b>	<b>\$ 2,872,596</b>	<b>\$ 19,491,630</b>

## West Des Moines Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2020

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#### Note 6. Long-Term Debt (Continued)

As of June 30, 2020, the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	\$ 7,581,975,987
Debt limit, 5% of total assessed valuation	\$ 379,098,799
Amount of debt applicable to debt limit, total indebtedness	<u>37,710,000</u>
<b>Excess of debt limit over debt outstanding, legal debt margin</b>	<u><u>\$ 341,388,799</u></u>

#### Note 7. Early Retirement

In order to hasten early retirement, the District offered an early retirement plan benefit to its employees. The Board reserves the right to amend or revoke this Early Retirement Plan or any provision of this plan at any time, with or without notice.

To be eligible to participate in this Plan, an employee must (1) have worked a minimum of 30 hours per week, or 70 percent of contract, during each of the last ten full years of service; (2) a year of service refers to a school year. Thus, in order to count as a school year, the employee must be employed by the first student contact day in order for that year to count towards a full year of service; (3) have a minimum of ten full years of continuous service in the District; (4) have obtained the age of 55 as of June 30, 2020; (5) an employee terminated for just cause, or receiving payments or benefits from or on behalf of the District that are not tied to the performance of current duties, is not eligible (6) an employee is eligible to participate in the plan only at the end of the current school year for certified employees or nine month employees or June 30<sup>th</sup> for all other employees.

Benefits to eligible employees include a lump sum payment into a tax-sheltered annuity benefit in December following retirement equal to the number of sick leave days accumulated as of retirement (125 maximum for nine- and ten-month employees or 135 maximum for 11- and 12-month employees) multiplied by \$50 per day. In addition, eligible employees will receive single District/major medical insurance capped at the 2019-2020 premiums for the District's lowest cost plan. The District's contribution to an early retiree's health insurance will end the earlier of 1) six years from the retirement date, or 2) the month prior to the early retiree's 65<sup>th</sup> birthday.

At the October 14, 2019 Board meeting, the Board voted to discontinue the use of converting sick leave as part of the early retirement plan. Instead, those employees who qualify and elect early retirement will receive a lump sum payment to their TSA based on their base salary. In the past year, the conversion to sick leave was treated as a long-standing on going benefit that was treated as an explicit rate subsidy of GASB Statement No. 75. In the current year GASB Statement No. 75 actuarial valuation, based on the discontinuance of the former plan the Early Retirement plan is not considered an explicit benefit and is now considered an early retirement benefit under GASB Statement No. 47. In addition, sick leave no longer vests.



## West Des Moines Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2020

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#### Note 7. Early Retirement (7 ontinued)

As of June 30, 2020, the District had \$479,711 accrued in the Management Fund and \$838,157 accrued in a long term liability in Governmental Activities. The current year cost to the District was \$551,425 consisted of 111 participants in the plan. A summary of changes in liability for early retirement is shown as follows:

Balance, June 30, 2019	\$	551,425
Additions		1,317,868
Reductions		551,425
Balance, June 30, 2020	\$	<u>1,317,868</u>

#### Note 8. Postemployment Benefits Other Than Pensions (OPEB)

##### General Information about the OPEB Plan

Plan description: The District's defined benefit OPEB plan, West Des Moines Community School District Postemployment Plan Other Than Pensions (the Plan), provides postemployment benefits for eligible participants enrolled in its plans. The plan is a single-employer defined benefit OPEB plan administered by the District. Under Chapter 509A.13 of the Code of Iowa, "Group Insurance for Public Employees": *If a governing body... has procured insurance for its employees, the governing body shall allow its employees who retired before attaining sixty-five years of age to continue participation in the group plan or under the group contract at the employee's own expense until the employee attains sixty-five years of age.*

In order to be eligible for the District premium subsidy at retirement, employees must have obtained the age of 55 with a minimum of ten full years of continuous employment in the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standard Board Statement No. 75.

Benefits provided: The Plan provides pre Medicare medical and prescription drug benefits to its participants. The medical and prescription drug benefits are provided through a self funded program administered by a third-party administrator. Retirees are eligible for three self-insured PPO plans offered through Wellmark. Dental coverage is made available to eligible retirees and is fully contributory.

The full monthly premium rates as of July 1, 2020 for each plan are as shown below:

Rate Tier	Plan 1	Plan 2	Plan 3
Single	\$ 559	\$ 537	\$ 503
Subscriber and Spouse	1,230	1,181	1,107
Subscriber and Children	1,062	1,020	956
Family	1,677	1,610	1,510

Future retirees meeting eligibility requirements are reimbursed a fixed subsidy equal to the lowest single medical premium equivalent at the time of retirement. The District provides the subsidy for six years or until the retiree reaches age 65.

**West Des Moines Community School District**

**Notes to Basic Financial Statements**  
**Year Ended June 30, 2020**

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**Note 8. Other Postemployment Benefits (Continued)**

Employees covered by benefit terms: At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	23
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	1,221
	<u>1,244</u>

**Total OPEB Liability**

The District's total OPEB liability of \$17,767,186 was measured as of June 30, 2020 and was determined by an actuarial valuation dated September 8, 2020.

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.00% per annum
Salary increases	3.25% per annum
Discount rate	2.21% per annum
Retirees' share of benefit-related costs	0%
Health care cost trend rate	6.0%
	The trend rate is reduced by 0.50% each year until reaching the ultimate trend rate of 4.50%

The discount rate was based on the Bond Buyer 20-Bond GO index. Mortality rates were based on the Pub-2010 mortality table with generational scale MP-2019. The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period 2010– 2019.

# West Des Moines Community School District

## Notes to Basic Financial Statements Year Ended June 30, 2020

### Note 8. Other Postemployment Benefits (Continued)

#### Changes in the Total OPEB Liability

Since the prior valuation, the retirement rates were updated from the Iowa Public Retirement System (IPERS) Actuarial Valuation Report as of June 30, 2019. The mortality assumption was updated from RP-2014 mortality table with generational scale to Pub-2010 mortality table with generational scale MP-2019. The salary scale assumption was updated from 3.5% to 3.25% and participation was lowered from 100% to 85% due to the removal of the explicit subsidy. Changes of assumptions or other inputs reflect a change in the discount rate from 3.50% per annum in 2019 to 2.21% per annum in 2020.

	Total OPEB Liability
Balance at July 1, 2019	\$ 32,384,000
Changes for the year:	
Service cost	2,968,272
Interest	1,232,636
Changes of benefit terms	(12,779,161)
Differences between expected and actual experience	(2,593,597)
Changes in assumptions or other inputs	(3,176,752)
Benefit payments	(268,212)
Net changes	(14,616,814)
Balance at June 30, 2020	\$ 17,767,186

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 19,345,000	\$ 17,767,186	\$ 16,318,000

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents that total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1-percentage point higher than the current healthcare cost trend rates.

	1% Decrease (5.00% decreasing to 3.50%)	Healthcare Cost Trend Rates (6.00% decreasing to 4.50%)	1% Increase (7.00% decreasing to 5.5%)
Total OPEB liability	\$ 15,515,000	\$ 17,767,186	\$ 20,472,000

## West Des Moines Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2020

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#### Note 8. Other Postemployment Benefits (Continued)

For the year ended June 30, 2020, the District recognized OPEB expense of \$9,026,000. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (2,383,625)
Changes of assumptions or other inputs	720,924	(3,412,648)
Net difference between projected and actual investments	-	-
<b>Total</b>	<b>\$ 720,924</b>	<b>\$ (5,796,273)</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2021	\$ (447,585)
2022	(447,585)
2023	(447,585)
2024	(447,585)
2025	(447,585)
Thereafter	(2,837,424)
	<u>\$ (5,075,349)</u>

#### Note 9. 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](http://www.ipers.org).

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

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time 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, except members with service before June 30, 2012, will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

## West Des Moines Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2020

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#### Note 9. Retirement System (Continued)

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 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 – Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State 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 2020, pursuant to the required rate, Regular members contributed 6.29 percent of covered payroll and the District contributed 9.44 percent of covered payroll for a total rate of 15.73 percent.

The District's contributions to IPERS for the year ended June 30, 2020 were \$6,677,366.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2020, the District reported a liability of \$51,728,106 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the District's collective proportion was 0.8933927 percent, which was a decrease of .004412 from its proportion measured as of June 30, 2018.

## West Des Moines Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2020

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#### Note 9. Retirement System (Continued)

For the year ended June 30, 2020, the District recognized pension expense of \$9,828,996. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 143,405	\$ (1,859,874)
Changes of assumptions	5,540,820	-
Net difference between projected and actual earnings on pension plan investments	-	(5,829,135)
Changes in proportion and differences between District contributions and proportionate share of contributions	1,334,848	(512,895)
District contributions subsequent to the measurement date	6,677,366	-
<b>Total</b>	<b>\$ 13,696,439</b>	<b>\$ (8,201,904)</b>

\$6,677,366 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 ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2021	\$ 1,484,223
2022	(952,845)
2023	(619,376)
2024	(933,089)
2025	(161,744)
Thereafter	-
<b>Total</b>	<b>\$ (1,182,831)</b>

There were no non-employer contributing entities to IPERS.

# West Des Moines Community School District

## Notes to Basic Financial Statements Year Ended June 30, 2020

### Note 9. Retirement System (Continued)

Actuarial Assumptions – The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2017)	2.60 percent per annum
Salary Increases (effective June 30, 2017)	3.25 percent to 16.25 percent average, including inflation. Rates vary by membership group.
Investment rate of return (effective June 30, 2017)	7.00 percent per annum, compounded annually, net of pension plan, investment expense, including inflation
Wage growth (effective June 30, 2017)	3.25 percent per annum, based on 2.60 percent inflation and 0.65 percent real wage inflation

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience study dated March 24, 2017 and a demographic assumption study dated June 28, 2018. Mortality rates were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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
Domestic equity	22.0%	5.60%
International equity	15.0%	6.08%
Global smart beta equity	3.0%	5.82%
Core plus fixed income	27.0%	1.71%
Public credit	3.5%	3.32%
Public real assets	7.0%	2.81%
Cash	1.0%	-0.21%
Private equity	11.0%	10.13%
Private real assets	7.5%	4.76%
Private credit	3.0%	3.01%
<b>Total</b>	<b>100%</b>	

## West Des Moines Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2020

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#### Note 9. Retirement System (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.00 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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ 91,852,418	\$ 51,728,106	\$ 18,072,274

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](http://www.ipers.org).

Payables to the Pension Plan – At June 30, 2020, the District reported payables to the defined benefit pension plan of \$581,725 for legally required employer contributions and \$387,612 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

#### Note 10. Risk Management

The District is exposed to various risks of loss related to torts, theft; damage to and destruction of assets; errors and omissions; and natural disasters. These risks, except injuries to employees and claim payments for health, prescriptions and dental insurance, are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District has established an internal service fund to account for premium and claim payments for a self-insured group health insurance plan for the District's employees to meet potential losses from medical claims. Self-insurance is in effect up to an individual stop loss amount of \$100,000 and aggregate amount of 125 percent of expected claims. The District also self-insures for its dental plan. The dental plan includes no aggregate reinsurance.



## West Des Moines Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2020

#### Note 10. Risk Management (Continued)

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims payable include all known claims and an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are estimated by considering the effects of inflation, recent claim settlement trends, including frequency and amount of pay-outs and other economic and social factors.

Changes in the balances of claims payable during the years ended June 30, 2020 and 2019 are as follows:

	Self-Insurance Fund	
	2020	2019
Claims payable, beginning of year	\$ 2,861,893	\$ 2,508,384
Incurred claims (including IBNR and changes in estimates)	18,015,947	17,536,792
Claim payments	17,877,840	17,183,283
Claims payable, end of year	<u>\$ 3,000,000</u>	<u>\$ 2,861,893</u>

Each participating fund makes payments to the self-insurance fund for amounts which are determined based on historical claims experience. Such payments are displayed on the financial statements as revenues and expenditures/expenses. There have been no significant reductions in insurance coverage from the prior year.

The District became self-insured for its workers' compensation exposures beginning in September 2005. Claims which are due and payable are recorded in the Management Fund, a governmental fund. In 2020, the District became commercially insured for workers compensation. The claim liability below represents the runout claims for the District's formally self-insured plan. Changes in the balances of claims liabilities for the years ended June 30, 2020 and 2019 are as follows:

	Workers Compensation	
	2020	2019
Claims payable, beginning of year	\$ 350,000	\$ 700,000
Incurred claims (including IBNR)	-	-
Claim payments	245,000	350,000
Claims payable, end of year	<u>\$ 105,000</u>	<u>\$ 350,000</u>

#### Note 11. Deficit Fund Equity

The District's Community Education Fund, a nonmajor enterprise fund, had a deficit net position of \$135,441. The deficit is expected to be eliminated through future operations.

#### Note 12. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the local area education agency. The District's actual amount for this purpose totaled \$4,026,872 for the year ended June 30, 2020 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

## West Des Moines Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2020

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#### **Note 13. Commitments and Contingencies**

As of June 30, 2020, the District is involved in various claims against the District that arise in the normal course of operations, which are covered by insurance. The outcome and eventual liability of the District, if any, from these claims and any unasserted claims is not known at this time; however, management does not believe they will be material to the basic financial statements.

The District has entered contract commitments with contractors for the completion of several construction projects. The total contract commitments are \$7,342,558 of which \$5,988,514 has been incurred as of June 30, 2020. The unpaid commitment balance is \$1,354,044. Revenue and general obligation bonds will provide funding for these future expenditures.

#### **Note 14. Tax Abatements**

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2020 under tax abatement agreements of other entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Clive, Iowa	Urban renewal and economic development projects	\$ 302,848
City of Urbandale, Iowa	Urban renewal and economic development projects	11,002
City of West Des Moines, Iowa	Urban renewal and economic development projects	45,329

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2020, this reimbursement amounted to \$191,564.

#### **Note 15. New Governmental Accounting Standards Board (GASB) Statements**

The District adopted the following statement during the year ended June 30, 2020:

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, issued May 2020, the provisions of this statement was effective immediately upon issuance. The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statements Nos. 83, 84, 88, 89, 90, 91, 92 and 93, and Implementation Guide Nos. 2018-1, 2019-1, and 2019-2. The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87 and Implementation Guide No. 2019-3.

## West Des Moines Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2020

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#### **Note 15. New Governmental Accounting Standards Board (GASB) Statements (Continued)**

As of June 30, 2020, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District are as follows:

GASB Statement No. 84, *Fiduciary Activities*, issued January 2017, will be effective for the District beginning with its fiscal year ending June 30, 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The focus of the identification criteria established by the Statement is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported as a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the District beginning with its fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 89, *Accounting for Interest Cost before the End of a Construction Period*, issued June 2018, will be effective for the District beginning with its fiscal year ending June 30, 2022. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that was previously accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or an enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

GASB Statement No. 90, *Majority Equity Interest-An Amendment of GASB Statement No. 14 and No. 61*, issued August 2018, will be effective for the District beginning with its fiscal year ending June 30, 2021. The primary objectives of this Statement are to improve consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies the reporting of a majority equity interest. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities and deferred inflows of resources at acquisition value at the date the government acquired the 100 percent equity interest in the component unit.

## West Des Moines Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2020

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#### **Note 15. New Governmental Accounting Standards Board (GASB) Statements (Continued)**

GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2020, will be effective for the District beginning with its fiscal year ending June 30, 2023. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements association with conduit debt obligations; and improving required note disclosures. This Statement requires issuers to disclose general information about their conduit debt obligations organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

GASB Statement No. 92, *Omnibus 2020*, issued January 2020, will be effective for the District beginning with its fiscal year ending June 30, 2022 except for the requirements related to the effective date of Statement No. 87 and Implementation Guide 2020-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including leases, intra-entity transfers, assets accumulated for postemployment benefits, applicability of Statement No. 84 to postemployment benefit arrangements, measurement of liabilities related to asset retirement obligations in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, nonrecurring fair value measurements of assets or liabilities, and terminology to refer to derivative instruments.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, issued March 2020, will be effective for the District beginning with its fiscal year ending June 30, 2022. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This statement provides exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variably payment, clarifies the hedge accounting termination provisions when a hedge item is amended to replace the reference rate, clarifies the uncertainty related to the continued availability of IBORS, removes LIBOR as an appropriate benchmark interest rate for qualitative evaluation, identifies a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap, and clarifies the definition of reference rate, as it is used in Statement 53, as amended.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020, will be effective for the District beginning with its fiscal year ending June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

## West Des Moines Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2020

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#### **Note 15. New Governmental Accounting Standards Board (GASB) Statements (Continued)**

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued May 2020, will be effective for the District beginning with its fiscal year ending June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription assets- an intangible asset- and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and 4) requires note disclosures regarding a SBITA.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans- an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, issued June 2020, will be effective for the District beginning with its fiscal year ending June 30, 2022. The primary objective of this Statement are to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and 3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

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

#### **Note 16. Subsequent Events**

The COVID-19 outbreak is disrupting business across a range of industries in the United States and financial markets have experienced a significant decline. As a result, local, regional and national economies, including that of the District, may be adversely impacted. The extent of the financial impact of COVID-19 will depend on future developments, including the duration and spread, which are uncertain and cannot be predicted. Due to the uncertainties surrounding the outbreak, management cannot presently estimate the potential impact on the District's operations and finances.

On September 28, 2020 the Board approved the sale of \$50,225,000 General Obligation School Capital Loan Notes, Series 2020A. The capital loan notes are being issued for the purpose of providing funds to construct, build, furnish and equip additions, including storm shelters. The bonds which have 2.0-5.0 percent interest rates, require interest payments semi-annually on May 1 and November 1 and principal annually on May 1 ranging from \$490,000 to \$5,815,000 until maturity on May 1, 2031.



**WEST DES MOINES**  
**COMMUNITY SCHOOLS**

## **REQUIRED SUPPLEMENTARY INFORMATION**

**West Des Moines Community School District**

**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances -  
Budget and Actual - All Governmental and Enterprise Funds  
Required Supplementary Information  
Year Ended June 30, 2020**

	Governmental Funds - Actual	Proprietary Fund - Actual
Revenues:		
Local sources	\$ 74,700,219	\$ 3,748,395
State sources	61,158,004	28,633
Federal sources	3,179,910	2,546,804
<b>Total revenues</b>	<b>139,038,133</b>	<b>6,323,832</b>
Expenditures/expenses:		
Instruction	86,022,942	8,457
Support services	32,888,852	102,159
Noninstructional programs	691,999	6,668,398
Other expenditures	26,567,981	-
<b>Total expenditures/expenses</b>	<b>146,171,774</b>	<b>6,779,014</b>
<b>Excess (deficiency) of revenues over (under) expenditures/expenses</b>	<b>(7,133,641)</b>	<b>(455,182)</b>
Other financing sources (uses):		
Transfers in	8,884,360	-
Transfers (out)	(8,676,685)	(207,675)
Proceeds from sale of capital assets	34,554	645
<b>Total other financing sources (uses)</b>	<b>242,229</b>	<b>(207,030)</b>
<b>Net change in fund balance</b>	<b>(6,891,412)</b>	<b>(662,212)</b>
Balance, beginning of year	49,880,858	987,989
Balance, end of year	<b>\$ 42,989,446</b>	<b>\$ 325,777</b>

See Notes to Required Supplementary Information.



Total Actual		Budgeted Amounts		Final to Actual
		Original	Final	Variance
\$	78,448,614	\$ 81,990,427	\$ 81,990,427	\$ (3,541,813)
	61,186,637	62,350,067	62,350,067	(1,163,430)
	5,726,714	5,171,590	5,171,590	555,124
	145,361,965	149,512,084	149,512,084	(4,150,119)
	86,031,399	89,951,164	89,951,164	3,919,765
	32,991,011	34,598,434	36,598,434	3,607,423
	7,360,397	7,741,218	8,241,218	880,821
	26,567,981	23,567,049	23,567,049	(3,000,932)
	152,950,788	155,857,865	158,357,865	5,407,077
	(7,588,823)	(6,345,781)	(8,845,781)	1,256,958
	8,884,360	8,919,644	8,919,644	(35,284)
	(8,884,360)	(8,919,644)	(8,919,644)	35,284
	35,199	30,450	30,450	4,749
	35,199	30,450	30,450	4,749
	(7,553,624)	(6,315,331)	(8,815,331)	1,261,707
	50,868,847			
\$	43,315,223			

## West Des Moines Community School District

### Required Supplementary Information Schedule of Changes in the District's Total OPEB Liability and Related Ratios Last Three Fiscal Years

	2020	2019	2018
Total OPEB liability			
Changes for the year:			
Service cost	\$ 2,968,272	\$ 2,877,402	\$ 2,770,560
Interest	1,232,636	1,200,012	1,122,790
Changes of benefit terms	(12,779,161)	-	-
Differences between expected and actual experience	(2,593,597)	-	-
Changes in assumptions or other inputs	(3,176,752)	899,215	(701,804)
Benefit payments	(268,212)	(1,445,811)	(1,160,978)
Net changes in total OPEB liability	(14,616,814)	3,530,818	2,030,568
Total OPEB liability - beginning	32,384,000	28,853,182	26,822,614
Total OPEB liability - ending	\$ 17,767,186	\$ 32,384,000	\$ 28,853,182
Covered employee payroll	\$ 71,152,657	\$ 66,729,000	\$ 64,472,632
Total OPEB liability as a percentage of covered employee payroll	25%	49%	45%

#### Notes to Schedule:

##### Changes of benefit terms:

The District changed their postemployment benefit by removing the explicit subsidy. The aggregate impact of plan changes to the total OPEB liability was a decrease of approximately \$2,593,000 to the total OPEB liability.

##### Changes of assumption:

Changes of assumptions or other inputs reflect a change in the discount rate. The following are the discount rates used in each period:

2.21%	3.50%	3.87%
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Since the prior valuation:

- The retirement rates were updated from Iowa Public retirement System (IPERS) Actuarial Valuation Report as of June 30, 2019.
- The mortality assumption was updated from RP-2014 mortality table with generational scale to Pub-2010 mortality table with generational scale MP-2019 to reflect the Society of Actuaries' recent mortality study.
- The Excise Tax (ACA Cadillac Tax) on high cost employer sponsored health plans was repealed by a Bill in December 2019. We have removed the Excise Tax assumptions from the valuation.
- The salary scale assumption was updated from 3.5% to 3.25%.
- Participation was lowered from 100% to 85% due to the removal of the explicit subsidy.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75

\* The schedule is intended to present information for ten years.  
Information prior to 2018 is not available.

**West Des Moines Community School District**

**Required Supplementary Information**

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

**Iowa Public Employees' Retirement System**

**Last Six Fiscal Years**

	2020*	2019*	2018*	2017*	2016*	2015*
District's proportion of the net pension liability	0.8933927%	0.8978051%	0.857589%	0.855692%	0.854553%	0.872553%
District's proportionate share of the net pension liability	\$ 51,728,106	\$ 56,815,308	\$ 57,126,273	\$ 53,851,401	\$ 42,219,060	\$ 34,604,646
District's covered payroll	\$ 68,028,825	\$ 67,554,020	\$ 64,049,494	\$ 61,464,091	\$ 58,586,855	\$ 57,149,369
District's proportionate share of the net pension liability as a percentage of its covered payroll	76.04%	84.10%	89.19%	87.61%	72.06%	60.55%
Plan fiduciary net pension as a percentage of the total pension liability	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

\*The amounts presented for each fiscal year were determined as of the prior fiscal-year end.

Note: The schedule is intended to present information for ten years. Information prior to 2015 is not available.

See Notes to Required Supplementary Information.

**West Des Moines Community School District**

**Required Supplementary Information**  
**Schedule of District Contributions (In Thousands)**  
**Iowa Public Employees' Retirement System**  
**Last Ten Fiscal Years**

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	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 6,677	\$ 6,418	\$ 6,032	\$ 5,720	\$ 5,489
Contributions in relation to the statutorily required contribution	\$ (6,677)	\$ (6,418)	\$ (6,032)	\$ (5,720)	\$ (5,489)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 70,731	\$ 68,028	\$ 67,554	\$ 64,049	\$ 61,464
Contributions as a percentage of covered payroll	9.44%	9.43%	8.93%	8.93%	8.93%

See Notes to Required Supplementary Information.

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2015		2014		2013		2012		2011	
\$	5,232	\$	5,103	\$	4,817	\$	4,366	\$	3,654
\$	(5,232)	\$	(5,103)	\$	(4,817)	\$	(4,366)	\$	(3,654)
\$	-	\$	-	\$	-	\$	-	\$	-
\$	58,587	\$	57,149	\$	55,519	\$	54,198	\$	52,578
	8.93%		8.93%		8.68%		8.06%		6.95%



**WEST DES MOINES**  
**COMMUNITY SCHOOLS**

## West Des Moines Community School District

### Note to Required Supplementary Information

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#### Note 1. Budgets and Budgetary Information

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except internal service, private-purpose trust and agency funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the accrual basis.

Formal and legal budgetary control for the certified budget is based upon four major classes or expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, noninstructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment increasing budgeted expenditures by \$2,500,000.

During the year ended June 30, 2020, expenditures exceeded the amounts budgeted in the other expenditures function.

#### Note 2. Iowa Public Employees' Retirement System Pension Liability

##### Changes of benefit terms:

There are no significant changes in benefit terms.

##### Changes of assumptions:

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

**West Des Moines Community School District**

**Note to Required Supplementary Information**

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**Note 2. Iowa Public Employees' Retirement System Pension Liability (Continued)**

The 2014 valuation implemented the following refinements as a result of quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.



**OTHER COMBINING AND  
INDIVIDUAL FUND FINANCIAL STATEMENTS**

**West Des Moines Community School District**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2020**

	Special Revenue		
	Playground	Student Activity	Total
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 539,368	\$ 994,127	\$ 1,533,495
Receivables:			
Property tax:			
Current year	3,526	-	3,526
Succeeding year	685,423	-	685,423
Other	-	1,199	1,199
<b>Total assets</b>	<b>\$ 1,228,317</b>	<b>\$ 995,326</b>	<b>\$ 2,223,643</b>
<b>Liabilities, deferred inflows of resources and fund balances</b>			
Liabilities:			
Accounts payable	\$ 2,194	\$ 71,357	\$ 73,551
<b>Total liabilities</b>	<b>2,194</b>	<b>71,357</b>	<b>73,551</b>
Deferred inflows of resources, unavailable revenue:			
Succeeding year property tax	685,423	-	685,423
Fund balances, Restricted	540,700	923,969	1,464,669
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,228,317</b>	<b>\$ 995,326</b>	<b>\$ 2,223,643</b>

**West Des Moines Community School District**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2020**

	Special Revenue		
	Playground	Student Activity	Total
Revenues:			
Property taxes and other local sources:			
Property taxes	\$ 631,889	\$ -	\$ 631,889
Utility replacement	9,345	-	9,345
Other local sources	3,737	348,407	352,144
Investment earnings	8,857	15,029	23,886
Student activities	-	1,081,673	1,081,673
State sources, other state sources	24,275	-	24,275
<b>Total revenues</b>	<b>678,103</b>	<b>1,445,109</b>	<b>2,123,212</b>
Expenditures:			
Current:			
Instruction	5,593	1,524,232	1,529,825
Support services:			
Student	12,984	-	12,984
Instructional staff	-	5,563	5,563
General administration	907	-	907
Business administration	11,026	23,630	34,656
Operation and maintenance of plant services	396	22,632	23,028
Student transportation	2,363	-	2,363
Noninstructional programs	691,031	-	691,031
<b>Total expenditures</b>	<b>724,300</b>	<b>1,576,057</b>	<b>2,300,357</b>
<b>(Deficiency) of revenues (under) expenditures</b>	<b>(46,197)</b>	<b>(130,948)</b>	<b>(177,145)</b>
Other financing sources (uses):			
Transfer in	-	149,888	149,888
Transfer out	(10,000)	-	(10,000)
<b>Total other financing sources (uses)</b>	<b>(10,000)</b>	<b>149,888</b>	<b>139,888</b>
<b>Net change in fund balances</b>	<b>(56,197)</b>	<b>18,940</b>	<b>(37,257)</b>
Fund balances, beginning of year	596,897	905,029	1,501,926
Fund balances, end of year	\$ 540,700	\$ 923,969	\$ 1,464,669

**West Des Moines Community School District**

**Schedule of Combining Balance Sheet-  
Capital Projects Fund, By Account  
June 30, 2020**

	Capital Projects Fund Accounts		
	Physical Plant and Equipment	Statewide Sales and Services Tax	Total
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 2,135,647	\$ 1,478,383	\$ 3,614,030
Restricted cash, cash equivalents and investments	-	6,544,943	6,544,943
Receivables:			
Property taxes:			
Current year	44,287	-	44,287
Succeeding year	8,981,387	-	8,981,387
Due from other governments	-	957,337	957,337
Other	608	-	608
<b>Total assets</b>	<b>\$ 11,161,929</b>	<b>\$ 8,980,663</b>	<b>\$ 20,142,592</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities,			
Accounts payable	\$ 1,382,205	\$ 1,853,536	\$ 3,235,741
Deferred inflows of resources, unavailable revenue:			
Succeeding year property tax	8,981,387	-	8,981,387
Sales and services tax	-	177,000	177,000
<b>Total deferred inflows of resources</b>	<b>8,981,387</b>	<b>177,000</b>	<b>9,158,387</b>
Fund balances:			
Restricted for:			
Physical plant and equipment	798,337	-	798,337
Debt service	-	6,544,943	6,544,943
School infrastructure	-	405,184	405,184
<b>Total fund balances</b>	<b>798,337</b>	<b>6,950,127</b>	<b>7,748,464</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 11,161,929</b>	<b>\$ 8,980,663</b>	<b>\$ 20,142,592</b>

**West Des Moines Community School District**

**Schedule of Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance-Capital Projects Fund, By Account  
Year Ended June 30, 2020**

	Capital Projects Fund Accounts		
	Physical Plant and Equipment	Statewide Sales and Services Tax	Total
Revenues:			
Property taxes and other local sources:			
Property taxes	\$ 8,368,317	\$ -	\$ 8,368,317
Utility replacement	115,604	-	115,604
Other local sources	2,056	308,986	311,042
Investment earnings	93,367	107,442	200,809
State sources:			
Statewide sales and services tax	-	9,263,381	9,263,381
State sources, other state sources	331,030	-	331,030
<b>Total revenues</b>	<b>8,910,374</b>	<b>9,679,809</b>	<b>18,590,183</b>
Expenditures:			
Current:			
Instruction	122,737	3,631,629	3,754,366
Support services:			
General administration	-	3,861	3,861
Business administration	331,523	-	331,523
Plant operation and maintenance	356,716	-	356,716
Student transportation	-	203,000	203,000
Capital outlay	7,026,113	6,998,199	14,024,312
<b>Total expenditures</b>	<b>7,837,089</b>	<b>10,836,689</b>	<b>18,673,778</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,073,285</b>	<b>(1,156,880)</b>	<b>(83,595)</b>
Other financing (uses):			
Transfers (out)	(5,502,350)	(3,014,447)	(8,516,797)
<b>Total other financing (uses)</b>	<b>(5,502,350)</b>	<b>(3,014,447)</b>	<b>(8,516,797)</b>
<b>Net change in fund balance</b>	<b>(4,429,065)</b>	<b>(4,171,327)</b>	<b>(8,600,392)</b>
Fund balances, beginning of year	5,227,402	11,121,454	16,348,856
Fund balances, end of year	\$ 798,337	\$ 6,950,127	\$ 7,748,464

**West Des Moines Community School District**

**Combining Statement of Net Position**

**Nonmajor Enterprise Funds**

**June 30, 2020**

	School Nutrition	Community Education	Total
<b>Assets</b>			
Current assets:			
Cash, cash equivalents and investments	\$ 871,229	\$ 1,375,086	\$ 2,246,315
Other receivables, net of \$129,581 allowance	160,822	21,679	182,501
Inventories	275,065	-	275,065
<b>Total current assets</b>	<b>1,307,116</b>	<b>1,396,765</b>	<b>2,703,881</b>
Noncurrent assets:			
Capital assets:			
Machinery and equipment	4,248,826	-	4,248,826
Less accumulated depreciation	(3,031,056)	-	(3,031,056)
<b>Total noncurrent assets</b>	<b>1,217,770</b>	<b>-</b>	<b>1,217,770</b>
<b>Total assets</b>	<b>2,524,886</b>	<b>1,396,765</b>	<b>3,921,651</b>
<b>Deferred outflows of resources,</b>			
Pension related deferred outflows	273,987	354,247	628,234
OPEB related deferred outflows	17,335	13,041	30,376
<b>Total deferred outflows of resources</b>	<b>291,322</b>	<b>367,288</b>	<b>658,610</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	56,266	2,646	58,912
Compensated absences	10,835	20,340	31,175
Unearned revenue	185,732	26,150	211,882
Long-term liabilities:			
Net pension liability	1,399,639	1,174,532	2,574,171
Net OPEB liability	471,927	300,291	772,218
<b>Total liabilities</b>	<b>2,124,399</b>	<b>1,523,959</b>	<b>3,648,358</b>
<b>Deferred inflows of resources:</b>			
Pension related deferred inflows	112,640	260,566	373,206
Net OPEB related deferred inflows	117,951	114,969	232,920
<b>Total deferred inflows of resources</b>	<b>230,591</b>	<b>375,535</b>	<b>606,126</b>
<b>Net Position</b>			
Net investment in capital assets	1,217,770	-	1,217,770
Unrestricted	(756,552)	(135,441)	(891,993)
<b>Total net position</b>	<b>\$ 461,218</b>	<b>\$ (135,441)</b>	<b>\$ 325,777</b>

**West Des Moines Community School District**

**Combining Statement of Revenues, Expenses and Changes in Net Position '18 '19  
Nonmajor Enterprise Funds  
Year Ended June 30, 2020**

	School Nutrition	Community Education	Total
Operating revenues:			
Food sales	\$ 1,610,203	\$ -	\$ 1,610,203
Sale of services	-	2,092,827	2,092,827
<b>Total operating revenues</b>	<b>1,610,203</b>	<b>2,092,827</b>	<b>3,703,030</b>
Operating expenses:			
Salaries	1,667,148	1,527,576	3,194,724
Employee benefits	589,521	476,067	1,065,588
Purchased services	2,567	104,202	106,769
Food consumed	1,750,442	-	1,750,442
Supplies	123,682	290,850	414,532
Depreciation	224,481	-	224,481
Other	2,502	19,976	22,478
<b>Total operating expenses</b>	<b>4,360,343</b>	<b>2,418,671</b>	<b>6,779,014</b>
<b>Operating (loss)</b>	<b>(2,750,140)</b>	<b>(325,844)</b>	<b>(3,075,984)</b>
Nonoperating revenues:			
Gain on sale of capital assets	645	-	645
Federal food commodities	417,006	-	417,006
Federal appropriations	2,129,798	-	2,129,798
State appropriations	28,633	-	28,633
Interest	17,696	27,669	45,365
<b>Total nonoperating revenues</b>	<b>2,593,778</b>	<b>27,669</b>	<b>2,621,447</b>
<b>(Loss) before transfers</b>	<b>(156,362)</b>	<b>(298,175)</b>	<b>(454,537)</b>
Transfers (out)	(107,675)	(100,000)	(207,675)
<b>Changes in net position</b>	<b>(264,037)</b>	<b>(398,175)</b>	<b>(662,212)</b>
Net position, beginning	725,255	262,734	987,989
Net position (deficit), end of year	\$ 461,218	\$ (135,441)	\$ 325,777

**West Des Moines Community School District**

**Combining Statement of Cash Flows**

**Nonmajor Enterprise Funds**

**Year Ended June 30, 2020**

	School Nutrition	Community Education	Total
Cash Flows From Operating Activities:			
Receipts from customers and users	\$ 1,703,062	\$ 2,122,754	\$ 3,825,816
Payments to suppliers	(1,619,884)	(483,255)	(2,103,139)
Payments to employees	(2,274,464)	(1,994,378)	(4,268,842)
<b>Net cash (used in) operating activities</b>	<b>(2,191,286)</b>	<b>(354,879)</b>	<b>(2,546,165)</b>
Cash Flows From Noncapital Financing Activities:			
Federal and state appropriations received	2,158,431	-	2,158,431
Transfers (out)	(107,675)	(100,000)	(207,675)
<b>Net cash provided by (used in) financing activities</b>	<b>2,050,756</b>	<b>(100,000)</b>	<b>1,950,756</b>
Cash Flows From Capital and Related Financing Activities:			
Purchases of capital assets	(67,509)	-	(67,509)
Proceeds on sale of capital assets	1,419	-	1,419
<b>Net cash (used in) capital and related financing activities</b>	<b>(66,090)</b>	<b>-</b>	<b>(66,090)</b>
Cash Flows From Investing Activities, interest received	17,696	27,669	45,365
<b>Net change in cash and cash equivalents</b>	<b>(188,924)</b>	<b>(427,210)</b>	<b>(616,134)</b>
Cash and Cash Equivalents:			
Beginning of year	1,060,153	1,802,296	2,862,449
End of year	\$ 871,229	\$ 1,375,086	\$ 2,246,315

(Continued)



**West Des Moines Community School District**

**Combining Statement of Cash Flows (Continued)**

**Nonmajor Enterprise Funds**

**Year Ended June 30, 2020**

	School Nutrition	Community Education	Total
Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities:			
Operating (loss)	\$ (2,750,140)	\$ (325,844)	\$ (3,075,984)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:			
Depreciation	224,481	-	224,481
Federal food commodities used	417,006	-	417,006
Change in assets and liabilities			
Receivables	28,269	76,809	105,078
Inventories	(138,778)	-	(138,778)
Accounts payable	(18,919)	(68,227)	(87,146)
Compensated absences	3,247	3,903	7,150
Unearned revenue	64,590	(46,882)	17,708
Net pension liability and related deferrals	164,839	191,243	356,082
Net OPEB liability and related deferrals	(185,881)	(185,881)	(371,762)
<b>Net cash (used in) operating activities</b>	<b>\$ (2,191,286)</b>	<b>\$ (354,879)</b>	<b>\$ (2,546,165)</b>
Schedule of Noncash Items:			
Noncapital financing activities, Federal commodities	\$ 417,006	\$ -	\$ 417,006

**West Des Moines Community School District**

**Statement of Changes in Assets and Liabilities**

**Agency Fund**

**Year Ended June 30, 2020**

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	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<b>Flower Fund</b>				
Assets, cash, cash equivalents and investments	\$ 904	\$ -	\$ 73	\$ 831
<b>Liabilities</b> , due to private individuals	\$ 904	\$ -	\$ 73	\$ 831

## West Des Moines Community School District

### Statistical Section Contents

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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
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	74
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax).	88
<b>Debt Capacity</b>	
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.	94
<b>Demographic and Economic Information</b>	105
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
<b>Operating Information</b>	108
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

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

**West Des Moines Community School District**

**Net Position by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
**(Unaudited)**

	2011	2012	2013	2014
Governmental activities:				
Net investment in capital assets	\$ 147,846,051	\$ 158,150,471	\$ 162,317,475	\$ 162,629,002
Restricted	14,014,432	12,748,833	17,384,787	18,089,610
Unrestricted	12,371,586	22,003,113	15,504,430	19,104,764
<b>Total governmental activities net position</b>	<b>\$ 174,232,069</b>	<b>\$ 192,902,417</b>	<b>\$ 195,206,692</b>	<b>\$ 199,823,376</b>
Business-type activities				
Net investment in capital assets	\$ 641,315	\$ 593,670	\$ 2,130,339	\$ 1,901,196
Unrestricted	2,757,854	3,611,829	3,419,635	3,221,434
<b>Total business-type activities net position</b>	<b>\$ 3,399,169</b>	<b>\$ 4,205,499</b>	<b>\$ 5,549,974</b>	<b>\$ 5,122,630</b>
Primary government:				
Net investment in capital assets	\$ 148,487,366	\$ 158,744,141	\$ 164,447,814	\$ 164,530,198
Restricted	14,014,432	12,748,833	17,384,787	18,089,610
Unrestricted	15,129,440	25,614,942	18,924,065	22,326,198
<b>Total primary government net position</b>	<b>\$ 177,631,238</b>	<b>\$ 197,107,916</b>	<b>\$ 200,756,666</b>	<b>\$ 204,946,006</b>

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2015	2016	2017	2018	2019	2020
\$ 150,519,660	\$ 152,861,497	\$ 157,687,214	\$ 160,105,762	\$ 166,205,682	<b>\$ 176,849,809</b>
34,014,409	34,915,134	33,095,051	29,030,351	34,162,545	<b>23,670,070</b>
(18,824,684)	(13,915,780)	(13,220,139)	(36,528,702)	(47,470,994)	<b>(40,024,716)</b>
<b>\$ 165,709,385</b>	<b>\$ 173,860,851</b>	<b>\$ 177,562,126</b>	<b>\$ 152,607,411</b>	<b>\$ 152,897,233</b>	<b>\$ 160,495,163</b>
\$ 1,740,773	\$ 1,521,188	\$ 1,470,428	\$ 1,460,202	\$ 1,375,516	<b>\$ 1,217,770</b>
1,259,718	1,357,309	1,617,426	1,197,855	1,072,025	<b>489,713</b>
<b>\$ 3,000,491</b>	<b>\$ 2,878,497</b>	<b>\$ 3,087,854</b>	<b>\$ 2,658,057</b>	<b>\$ 2,447,541</b>	<b>\$ 1,707,483</b>
\$ 152,260,433	\$ 154,382,685	\$ 159,157,642	\$ 161,565,964	\$ 167,581,198	<b>\$ 178,067,579</b>
34,014,409	34,915,134	33,095,051	29,030,351	34,162,545	<b>23,670,070</b>
(17,564,966)	(12,558,471)	(11,602,713)	(35,330,847)	(46,398,969)	<b>(39,535,003)</b>
<b>\$ 168,709,876</b>	<b>\$ 176,739,348</b>	<b>\$ 180,649,980</b>	<b>\$ 155,265,468</b>	<b>\$ 155,344,774</b>	<b>\$ 162,202,646</b>

**West Des Moines Community School District**

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

	2011	2012	2013	2014
Expenses:				
Governmental activities:				
Instruction	\$ 66,020,971	\$ 64,031,921	\$ 72,787,048	\$ 74,101,225
Support services	28,725,290	30,460,006	33,543,019	33,104,411
Noninstructional programs	119,681	504,947	514,568	545,689
Other	3,548,218	3,310,851	3,414,456	3,596,211
Interest on long-term debt	357,099	1,322,932	1,387,760	1,711,719
<b>Total governmental activities</b>	<b>98,771,259</b>	<b>99,630,657</b>	<b>111,646,851</b>	<b>113,059,255</b>
Business-type activities:				
Nutrition	4,051,189	3,837,098	4,412,926	4,603,634
Community education	2,478,636	2,484,504	2,801,078	2,680,646
Preschool regular education	162,440	162,529	174,674	101,006
Student construction	53,218	24,670	-	-
<b>Total business-type activities</b>	<b>6,745,483</b>	<b>6,508,801</b>	<b>7,388,678</b>	<b>7,385,286</b>
<b>Total primary government expenses</b>	<b>105,516,742</b>	<b>106,139,458</b>	<b>119,035,529</b>	<b>120,444,541</b>
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	5,656,757	6,398,639	7,215,947	7,317,855
Support services	-	678,630	1,626,797	1,583,371
Operating grants and contributions	13,977,744	15,985,636	12,830,255	14,192,480
Capital grants and contributions	-	1,509,864	118,493	-
<b>Total governmental activities</b>	<b>19,634,501</b>	<b>24,572,769</b>	<b>21,791,492</b>	<b>23,093,706</b>
Business-type activities:				
Charges for services:				
Nutrition	2,718,971	2,638,472	2,438,304	2,322,567
Community education	2,589,715	2,777,207	2,796,728	2,695,600
Preschool regular education	-	-	-	-
Student construction	-	-	-	-
Operating grants and contributions	1,657,077	1,967,784	1,937,963	2,057,772
Capital grants and contributions	-	15,000	1,674,887	-
<b>Total business-type activities</b>	<b>6,965,763</b>	<b>7,398,463</b>	<b>8,847,882</b>	<b>7,075,939</b>
<b>Total primary government revenues</b>	<b>26,600,264</b>	<b>31,971,232</b>	<b>30,639,374</b>	<b>30,169,645</b>
Net (expense) revenues:				
Governmental activities	(79,136,758)	(75,057,888)	(89,855,359)	(89,965,549)
Business-type activities	220,280	889,662	1,459,204	(309,347)
<b>Total primary government revenues</b>	<b>\$ (78,916,478)</b>	<b>\$ (74,168,226)</b>	<b>\$ (88,396,155)</b>	<b>\$ (90,274,896)</b>

2015	2016	2017	2018	2019	2020
\$ 79,526,445	\$ 80,072,100	\$ 87,584,473	\$ 95,705,186	\$ 93,945,184	\$ 89,204,546
31,693,679	32,307,088	33,313,550	40,132,796	38,326,228	36,816,314
511,434	507,475	472,727	521,785	535,148	638,465
3,741,994	3,804,493	3,814,800	3,898,573	3,935,098	4,026,872
2,175,143	1,674,726	1,703,274	1,543,841	1,149,116	809,005
117,648,695	118,365,882	126,888,824	141,802,181	137,890,774	131,495,202
4,630,609	4,565,909	4,442,272	4,104,322	4,647,074	4,399,266
2,623,649	2,761,087	3,055,352	3,090,242	2,993,184	2,457,594
967	-	-	-	-	-
-	-	-	-	-	-
7,255,225	7,326,996	7,497,624	7,194,564	7,640,258	6,856,860
124,903,920	125,692,878	134,386,448	148,996,745	145,531,032	138,352,062
7,480,699	8,028,185	8,158,876	9,440,258	8,040,909	8,268,999
1,315,940	1,634,911	1,837,100	1,883,959	1,709,843	2,473,436
17,472,369	19,045,978	16,829,008	16,345,122	18,473,436	18,291,760
2,000,000	-	-	-	-	-
28,269,008	28,709,074	26,824,984	27,669,339	28,224,188	29,034,195
2,389,672	2,234,029	2,232,027	2,159,035	2,154,729	1,610,848
2,967,741	2,958,351	3,271,549	2,742,428	3,004,552	2,092,827
-	-	-	-	-	-
-	-	-	-	-	-
1,998,988	2,122,138	2,164,865	2,187,366	2,451,091	2,575,437
-	-	139,080	157,342	-	-
7,356,401	7,314,518	7,807,521	7,246,171	7,610,372	6,279,112
35,625,409	36,023,592	34,632,505	34,915,510	35,834,560	35,313,307
(89,379,687)	(89,656,808)	(100,063,840)	(114,132,842)	(109,666,586)	(102,461,007)
101,176	(12,478)	309,897	51,607	(29,886)	(577,748)
\$ (89,278,511)	\$ (89,669,286)	\$ (99,753,943)	\$ (114,081,235)	\$ (109,696,472)	\$ (103,038,755)

**West Des Moines Community School District**

**General Revenues and Total Change in Net Position**

**Last Ten Fiscal Years**

*(accrual basis of accounting)*

**(Unaudited)**

	2011	2012	2013	2014
Net (expense) revenues:				
Governmental activities	\$ (79,136,758)	\$ (75,057,888)	\$ (89,855,359)	\$ (89,379,687)
Business-type activities	220,280	889,662	1,459,204	101,176
<b>Total primary government net expense</b>	<b>(78,916,478)</b>	<b>(74,168,226)</b>	<b>(88,396,155)</b>	<b>(89,278,511)</b>
General revenues and other changes in net position:				
Governmental activities:				
General revenues:				
Taxes:				
Property taxes	56,142,287	56,399,367	52,951,824	53,787,935
Statewide sales and services tax	7,087,894	7,579,856	7,881,340	7,927,921
Utility replacement tax	898,786	950,942	907,497	894,863
Other local sources	1,409,137	49,880	-	-
State foundation aid, unrestricted	23,888,724	28,223,794	30,002,209	31,598,458
Other state sources, unrestricted	-	-	-	-
Investment earnings	359,734	421,064	289,536	176,998
Gain (loss) on disposal of capital assets	-	-	-	-
Miscellaneous	-	-	-	71,058
Transfers	25,000	103,333	127,228	125,000
<b>Total governmental activities</b>	<b>89,811,562</b>	<b>93,728,236</b>	<b>92,159,634</b>	<b>94,582,233</b>
Business-type activities:				
Other local sources	150,117	-	-	-
Investment earnings	18,060	20,001	12,499	7,003
Miscellaneous	-	-	-	-
Transfers	(25,000)	(103,333)	(127,228)	(125,000)
<b>Total business-type activities</b>	<b>143,177</b>	<b>(83,332)</b>	<b>(114,729)</b>	<b>(117,997)</b>
<b>Total primary government</b>	<b>89,954,739</b>	<b>93,644,904</b>	<b>92,044,905</b>	<b>94,464,236</b>
Change in net position:				
Governmental activities	10,674,804	18,670,348	2,304,275	5,202,546
Business-type activities	363,457	806,330	1,344,475	(16,821)
<b>Total primary government</b>	<b>\$ 11,038,261</b>	<b>\$ 19,476,678</b>	<b>\$ 3,648,750</b>	<b>\$ 5,185,725</b>





**West Des Moines Community School District**

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

	2011	2012	2013	2014
General Fund:				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	48,109	62,518	56,188	59,724
Restricted	-	1,176,520	1,301,007	1,132,103
Committed	-	-	1,770,000	3,346,429
Unassigned	13,896,876	17,459,849	14,424,333	9,252,985
<b>Total General Fund</b>	<b>13,944,985</b>	<b>18,698,887</b>	<b>17,551,528</b>	<b>13,791,241</b>
All other governmental funds:				
Reserved	-	-	-	-
Restricted	52,594,203	41,111,332	15,933,068	32,472,010
Unassigned	-	-	(1,811,965)	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
<b>Total all other governmental funds</b>	<b>52,594,203</b>	<b>41,111,332</b>	<b>14,121,103</b>	<b>32,472,010</b>
<b>Total governmental funds</b>	<b>\$ 66,539,188</b>	<b>\$ 59,810,219</b>	<b>\$ 31,672,631</b>	<b>\$ 46,263,251</b>

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

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2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-
57,385	55,794	71,931	69,632	165,448	<b>140,575</b>
2,145,210	3,805,044	4,087,212	3,482,187	2,928,847	<b>2,201,318</b>
4,587,716	4,988,125	5,567,381	4,881,607	4,832,526	<b>4,598,506</b>
9,218,538	11,844,251	17,584,460	12,388,268	7,337,358	<b>10,924,314</b>
16,008,849	20,693,214	27,310,984	20,821,694	15,264,179	<b>17,864,713</b>
-	-	-	-	-	-
35,303,565	34,543,070	32,540,820	29,231,146	34,616,679	<b>25,124,733</b>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
35,303,565	34,543,070	32,540,820	29,231,146	34,616,679	<b>25,124,733</b>
\$ 51,312,414	\$ 55,236,284	\$ 59,851,804	\$ 50,052,840	\$ 49,880,858	<b>\$ 42,989,446</b>

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**West Des Moines Community School District**

**Governmental Funds Revenues**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

**(Unaudited)**

	2011	2012	2013	2014
Local sources:				
Property taxes	\$ 56,142,287	\$ 56,399,367	\$ 52,951,824	\$ 53,787,935
Statewide sales and services tax	8,083,690	7,556,656	7,858,340	-
Utility replacement	898,786	950,942	907,497	894,863
Other local sources	1,635,937	6,530,960	7,215,717	6,885,922
Investment earnings (loss)	359,734	421,064	289,536	176,998
Student activities	5,521,807	1,447,701	1,911,051	1,680,020
<b>Total local sources</b>	<b>72,642,241</b>	<b>73,306,690</b>	<b>71,133,965</b>	<b>63,425,738</b>
State sources:				
State foundation aid	27,433,861	31,532,435	30,002,209	31,598,458
Statewide sales and services tax	-	-	-	7,925,921
Other state sources	6,765,116	7,173,902	10,272,979	11,737,750
<b>Total state sources</b>	<b>34,198,977</b>	<b>38,706,337</b>	<b>40,275,188</b>	<b>51,262,129</b>
Federal sources	3,667,491	5,624,164	2,888,935	2,793,147
<b>Total revenues</b>	<b>\$ 110,508,709</b>	<b>\$ 117,637,191</b>	<b>\$ 114,298,088</b>	<b>\$ 117,481,014</b>

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	2015	2016	2017	2018	2019	2020
\$	53,916,073	\$ 53,605,669	\$ 56,625,455	\$ 58,250,769	\$ 62,188,047	\$ 62,489,723
	-	-	-	-	-	-
	1,058,440	888,823	985,360	935,285	928,717	911,147
	8,748,543	7,421,566	7,904,615	9,161,188	8,863,643	9,029,183
	196,127	534,348	1,055,270	1,400,113	1,566,173	1,022,595
	1,579,994	1,429,051	1,370,020	1,387,918	1,323,406	1,247,571
	65,499,177	63,879,457	67,940,720	71,135,273	74,869,986	74,700,219
	32,747,900	33,926,861	33,955,733	34,065,737	33,079,773	34,406,214
	8,601,194	8,727,573	8,635,006	8,353,971	9,148,540	9,263,381
	15,296,027	17,068,526	16,897,460	17,149,980	17,514,592	17,488,409
	56,645,121	59,722,960	59,488,199	59,569,688	59,742,905	61,158,004
	2,644,444	2,789,931	3,117,323	2,405,297	2,972,068	3,179,910
\$	124,788,742	\$ 126,392,348	\$ 130,546,242	\$ 133,110,258	\$ 137,584,959	\$ 139,038,133

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**West Des Moines Community School District**

**Governmental Funds Expenditures and Debt Service Ratio**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

**(Unaudited)**

	2011	2012	2013	2014
Instruction	\$ 60,505,485	\$ 63,208,763	\$ 68,764,247	\$ 69,137,320
Support services:				
Student support services	3,084,473	3,288,569	3,280,527	3,435,195
Instructional staff support services	4,347,578	4,310,078	4,763,412	4,593,121
General administration	1,907,523	4,086,991	2,022,910	3,921,230
School/building administration	4,471,741	4,553,847	4,617,999	4,517,735
Business administration	2,987,958	3,097,271	3,047,268	3,160,543
Plant operation and maintenance	8,079,892	8,105,239	8,756,072	8,945,443
Student transportation	3,697,114	3,985,699	4,018,546	4,145,312
Noninstructional programs	479,502	506,046	511,282	534,005
Other	3,548,218	3,310,851	3,414,456	3,596,211
Capital outlay	19,305,367	30,064,119	33,341,453	24,355,046
Debt service:				
Principal	1,150,000	4,735,000	4,665,000	4,755,000
Interest	294,211	1,194,187	1,409,645	1,385,818
Bond issuance costs	-	-	-	244,332
<b>Total expenditures</b>	<b>\$ 113,859,062</b>	<b>\$ 134,446,660</b>	<b>\$ 142,612,817</b>	<b>\$ 136,726,311</b>
Debt service as a percentage of noncapital expenditures	1.50%	5.68%	5.40%	5.75%

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	2015	2016	2017	2018	2019	2020
\$	72,991,704	\$ 76,645,305	\$ 77,083,227	\$ 91,166,727	\$ 84,150,857	\$ 86,022,942
	3,283,989	3,316,259	3,239,452	3,920,957	3,431,283	3,770,328
	4,095,927	4,195,707	4,468,736	5,021,110	4,988,799	4,853,341
	1,765,809	1,636,965	1,287,262	1,532,759	1,443,575	1,400,123
	4,536,649	4,492,476	4,045,281	5,208,013	4,943,484	5,121,913
	2,878,381	3,235,918	3,284,187	4,275,054	4,318,328	4,019,360
	8,197,498	8,813,470	8,906,209	10,359,180	10,088,271	10,249,046
	3,985,448	3,685,734	3,155,733	3,648,449	3,567,080	3,474,741
	506,448	503,479	468,672	509,347	527,316	691,999
	3,741,994	3,804,493	3,821,300	3,905,073	3,935,098	4,026,872
	7,224,711	3,995,791	7,774,638	5,115,932	8,174,894	14,024,312
	5,340,000	33,425,000	5,935,000	6,350,000	6,615,000	6,890,000
	2,006,062	2,230,515	2,618,198	2,230,798	1,907,623	1,626,797
	-	-	-	-	-	-
\$	120,554,620	\$ 149,981,112	\$ 126,087,895	\$ 143,243,399	\$ 138,091,608	\$ 146,171,774
	6.50%	24.49%	7.17%	6.17%	6.54%	6.36%

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**West Des Moines Community School District**

**Other Financing Sources and Uses and Net Change in Fund Balances**

**Governmental Funds**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

**(Unaudited)**

	2009	2011	2012	2013	2014
Excess (deficiency) of revenues over (under) expenditures	\$ (2,865,183)	\$ (3,350,353)	\$ (16,809,469)	\$ (28,314,729)	\$ (19,245,297)
Other financing sources (uses):					
Proceeds from the sale of capital assets	15,746	9,978	81,955	49,913	71,510
Transfers in	9,703,929	12,644,611	28,109,224	6,310,959	6,353,818
Transfers out	(9,567,301)	(12,619,611)	(28,005,891)	(6,183,731)	(6,228,818)
Capital loan notes issued	-	36,825,000	-	-	-
Premiums on bonds	-	777,990	-	-	1,559,407
Discounts on bonds	-	-	(104,788)	-	-
Revenue bonds issued	-	-	10,000,000	-	32,080,000
General obligation bonds issued	-	-	-	-	-
Payments to escrow agent to refund bonds	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>152,374</b>	<b>37,637,968</b>	<b>10,080,500</b>	<b>177,141</b>	<b>33,835,917</b>
<b>Net change in fund balances</b>	<b>\$ (2,712,809)</b>	<b>\$ 34,287,615</b>	<b>\$ (6,728,969)</b>	<b>\$ (28,137,588)</b>	<b>\$ 14,590,620</b>



2015	2016	2017	2018	2019	2020
\$ 4,234,122	\$ (23,588,764)	\$ 4,458,347	\$ (10,133,141)	\$ (506,649)	\$ (7,133,641)
690,041	570,599	32,173	97,667	95,350	34,554
7,562,062	35,851,496	8,780,198	8,999,823	8,918,243	8,884,360
(7,437,062)	(35,726,496)	(8,655,198)	(8,763,313)	(8,678,926)	(8,676,685)
-	23,665,000	-	-	-	-
-	3,152,035	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
815,041	27,512,634	157,173	334,177	334,667	242,229
\$ 5,049,163	\$ 3,923,870	\$ 4,615,520	\$ (9,798,964)	\$ (171,982)	\$ (6,891,412)



**WEST DES MOINES**  
**COMMUNITY SCHOOLS**

## West Des Moines Community School District

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

Fiscal Year	Real Property	Personal Property	Assessed Value		Total Assessed Value	Total Taxable Value	Total Direct Rate (a)
			Railroad and Utilities Without Gas & Electric	Gas and Electric			
2011	6,245,066,680	-	22,221,322	64,984,529	6,332,272,531	4,073,324,916	13.94266
2012	6,017,878,720	-	23,181,069	69,061,377	6,110,121,166	3,979,089,714	13.89454
2013	6,180,263,119	-	23,181,069	68,129,330	6,271,573,518	3,974,375,658	13.30184
2014	6,242,182,454	-	23,446,169	104,646,454	6,370,275,077	4,355,728,442	13.26452
2015	6,186,249,251	-	24,716,450	84,952,906	6,295,918,607	4,275,650,297	13.26572
2016	6,196,178,981	-	18,366,254	100,256,276	6,314,801,511	4,231,799,008	13.24189
2017	6,633,975,274	-	14,750,212	121,561,635	6,770,287,121	4,529,501,971	13.26872
2018	6,715,431,412	-	18,640,806	123,199,768	6,857,271,986	4,639,538,873	13.26871
2019	7,340,406,858	-	19,048,118	120,832,179	7,480,287,155	5,009,228,399	13.27000
<b>2020</b>	<b>7,437,469,446</b>	<b>-</b>	<b>20,303,803</b>	<b>124,202,735</b>	<b>7,581,975,987</b>	<b>5,065,497,498</b>	<b>13.16229</b>

Note: The assessed values are determined as of January 1, of the prior fiscal year indicated. These assessed values are used to calculate the taxable values for the second budget following assessment date. For taxable values for the second budget following assessment date. For example the total assessed value of \$5,558,206,021 from January 1, 2007 is used for the taxable values for fiscal year 2009.

Gas and electric is not subject to property tax, but instead pay utility replacement taxes.

Source: Polk County Auditor and/or Iowa Department of Management

## West Des Moines Community School District

### Direct and Overlapping Property Tax Rates

#### Last Ten Fiscal Years

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

(Unaudited)

Fiscal Year	District Direct Rates				Overlapping Rates			
	General Purposes	Capital Purposes	Debt Service	Total	County	City of Clive	City of Urbandale	City of West Des Moines
2011	12.13766	1.80500	-	13.94266	10.61771	9.53866	9.32000	12.05000
2012	12.04454	1.80500	-	13.84954	10.60847	9.54485	9.52000	12.05000
2013	11.46603	1.83581	-	13.30184	10.65855	9.98810	9.62000	12.05000
2014	11.44810	1.81642	-	13.26452	11.49540	9.98809	9.57000	12.05000
2015	11.55881	1.70691	-	13.26572	11.72039	9.98952	9.72000	12.05000
2016	11.43689	1.80500	-	13.24189	11.86039	9.98951	9.82000	12.00000
2017	11.46372	1.80500	-	13.26872	11.86039	10.14499	9.92000	12.00000
2018	11.46371	1.80500	-	13.26871	11.86039	10.14499	10.02000	12.00000
2019	11.46500	1.80500	-	13.27000	11.86039	10.14475	10.02000	11.79000
<b>2020</b>	<b>11.35729</b>	<b>1.80500</b>	<b>-</b>	<b>13.16229</b>	<b>11.86039</b>	<b>10.14475</b>	<b>10.52000</b>	<b>10.99000</b>

**Source:** Polk County Auditor's Office.

#### Note:

\* Includes levies for operating and debt service costs.

The District has certain restrictions on raising the property tax rate.

General Fund - the District's enrollment as well as District property value and state aid is formula calculated to determine the maximum amount of allowable funding.

Special Revenue Funds - The Special Revenue Fund, PPEL has a restriction from voters of \$1.00 and board imposed levy up to \$0.33.

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Overlapping Rates					
City of Windsor Heights	Area XI Community College	Special Rates for City of:			
		Clive	Urbandale	West Des Moines	Windsor Heights
13.31499	0.56008	-	0.08005	0.28411	0.28411
13.31486	0.59018	-	0.08531	0.38435	0.38435
13.31499	0.58466	-	0.06011	0.47069	0.47069
13.89892	0.69120	-	0.06911	0.47163	0.47163
15.34886	0.65724	-	0.05699	0.49915	0.49915
15.07588	0.67574	-	0.05484	0.34610	0.34610
15.66110	0.72334	-	0.06151	0.30810	0.30810
16.96522	0.67458	-	0.06856	0.38597	0.38597
16.58088	0.69468	-	0.06438	0.40186	0.41860
<b>16.52430</b>	<b>0.65249</b>	-	<b>0.15929</b>	<b>0.42000</b>	<b>0.42000</b>

**West Des Moines Community School District**

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

Taxpayer	2020			2011		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Microsoft Corporation	\$ 217,851,732	1	4.30%			
IFBF Property Management Inc	\$ 44,010,180	2	0.87%	45,599,700	4	1.12%
Regency West Office Partners LLC	\$ 43,470,000	3	0.86%			
Valley West Mall LLC	\$ 39,276,000	4	0.78%	67,710,000	1	1.66%
MRES West Glen Holdings LP	\$ 34,397,208	5	0.68%			
LOJA WTP LLC	\$ 32,535,000	6	0.64%			
Hy-Vee Food Stores, Inc.	\$ 30,780,000	7	0.61%	27,761,300	9	0.68%
1776 Westlakes Parkway LC	\$ 27,542,852	8	0.54%	32,700,000	7	0.80%
Three Fountains II LLC	\$ 26,712,000	9	0.53%			
True Parkway LLC	\$ 22,586,250	10	0.45%			0.00%
Mid-America Investment Company				59,850,920	2	1.47%
West Glen I LLC				47,521,100	3	1.17%
Deerfield Retirement Community, Inc.				44,800,800	5	1.10%
Ladco Props				37,469,950	6	0.92%
Water Tower Place Shopping Center LC				28,776,100	8	0.71%
Colby West Trust				26,198,000	10	0.64%
Total	<u>\$ 519,161,222</u>		<u>10.25%</u>	<u>\$ 418,387,870</u>		<u>10.26%</u>
Total taxable value	5,065,497,498			4,073,324,916		

Source: Polk County Auditor.

**West Des Moines Community School District**

**Property Tax Levies and Collections**

**Last Ten Fiscal Years**

**(Unaudited)**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date*	
		Amount*	Percentage of Levy		Amount	Percentage of Levy
2011	56,344,110	56,142,286	99.64%	3,276	56,145,562	99.65%
2012	57,734,021	57,379,916	99.39%	8,603	57,388,518	99.40%
2013	53,294,789	52,935,461	99.33%	323,440	53,258,901	99.93%
2014	55,235,446	54,696,827	99.02%	506,156	55,202,983	99.94%
2015	55,114,810	54,985,578	99.77%	-	54,985,578	99.77%
2016	54,473,339	54,477,366	100.01%	-	54,477,366	100.01%
2017	57,668,175	57,620,284	99.92%	-	57,620,284	99.92%
2018	59,187,437	59,187,437	100.00%	327,741	59,515,178	100.55%
2019	65,722,764	65,631,354	99.86%	-	65,631,354	99.86%
<b>2020</b>	<b>63,996,403</b>	<b>63,981,696</b>	<b>99.98%</b>	<b>-</b>	<b>63,981,696</b>	<b>99.98%</b>

Source: Polk County Auditor and School District financial records.

Note: Information regarding subsequent years collections of prior tax levies is not available.

**West Des Moines Community School District**

**Actual Historic Sales, Services and Use Tax Collections  
Last Ten Fiscal Years  
(Unaudited)**

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Presented below is a table illustrating the actual sales, services and use tax collections of the District for the period indicated, on an accrual basis.

Fiscal year	Dallas Co. Revenue	Polk Co. Revenue	Total Revenue
<b>2020</b>	<b>\$ -</b>	<b>\$ 9,263,382</b>	<b>9,263,382</b>
2019	-	9,148,540	9,148,540
2018	-	8,353,971	8,353,971
2017	726,509	7,908,496	8,635,005
2016	3,360	8,724,213	8,727,573
2015	65,427	8,535,767	8,601,194
2014	72,307	7,853,614	7,925,921
2013	83,950	7,774,390	7,858,340
2012	79,765	7,476,891	7,556,656
2011	75,600	8,008,090	8,083,690

Source: District records.



## West Des Moines Community School District

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

Fiscal Year	General Obligation Bonds	Sales Tax Revenue Bonds	Capital Loan Notes	Total	G.O. Bonds as a Percent of Actual Taxable Value of Property	G.O. Bonds Per Capita Personal Income	G.O. Bonds as a Percent of Personal Income
2011	-	-	50,675,000	50,675,000	*	*	*
2012	-	10,000,000	45,940,000	55,940,000	*	*	*
2013	-	10,000,000	41,275,000	51,275,000	*	*	*
2014	-	43,542,162	37,064,593	80,606,755	*	*	*
2015	-	42,959,365	32,131,794	75,091,159	*	*	*
2016	-	41,101,568	26,643,301	67,744,869	*	*	*
2017	-	39,213,772	21,902,641	61,116,413	*	*	*
2018	-	37,295,976	16,776,981	54,072,957	*	*	*
2019	-	35,338,178	11,426,321	46,764,499	*	*	*
<b>2020</b>	-	<b>33,340,380</b>	<b>5,840,661</b>	<b>39,181,041</b>	*	*	*

Source: District records.

\* Information not available



**WEST DES MOINES**  
**COMMUNITY SCHOOLS**

**West Des Moines Community School District**

**Direct and Overlapping Governmental Activities Debt**

**As of June 30, 2020**

**(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Direct and Overlapping Debt
Polk County	\$ 175,655,008	22.24%	\$ 39,065,674
City of West Des Moines	248,250,000	99.94%	248,101,050
City of Des Moines	402,520,000	0.20%	805,040
City of Clive	25,205,000	100.00%	25,205,000
City of Urbandale	81,715,000	19.61%	16,024,312
City of Windsor Heights	18,985,000	50.05%	9,501,993
<b>Subtotal, overlapping debt</b>	<b>\$ 952,330,008</b>		<b>338,703,068</b>
District direct debt, capital loan notes	39,181,041	100.00%	39,181,041
<b>Total direct and overlapping debt</b>	<b>\$ 991,511,049</b>		<b>\$ 377,884,109</b>

Source: Polk County Auditor.

Source: Treasurer of State of Iowa.

\* Compares the taxable valuation of the West Des Moines Community School District to the taxable valuation of each taxing district located within the District. Includes TIF incremental values. Does not include ag land.

## West Des Moines Community School District

### Legal Debt Margin Information Last Ten Fiscal Years (Unaudited)

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	2011	2012	2013	2014
Debt limit	\$ 330,961,855	\$ 319,508,048	\$ 313,578,676	\$ 314,795,930
Total net debt applicable to limit	50,675,000	55,940,000	51,275,000	78,600,000
Legal debt margin	\$ 280,286,855	\$ 263,568,048	\$ 262,303,676	\$ 236,195,930
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	15.31%	17.51%	16.35%	24.97%

Source: Polk County Auditor and District records.

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value

**\$ 7,581,975,987**

Debt limit (5% of assessed value)

**\$ 379,098,799**

Debt applicable to limit

**37,710,000**

Legal debt margin

**\$ 341,388,799**

2015	2016	2017	2018	2019	2020
\$ 315,740,076	\$ 338,308,136	\$ 343,061,671	\$ 374,202,428	\$ 379,098,799	<b>\$ 379,098,799</b>
73,260,000	63,500,000	57,565,000	51,215,000	44,600,000	<b>37,710,000</b>
<b>\$ 242,480,076</b>	<b>\$ 274,808,136</b>	<b>\$ 285,496,671</b>	<b>\$ 322,987,428</b>	<b>\$ 334,498,799</b>	<b>\$ 341,388,799</b>
23.20%	18.77%	16.78%	13.69%	11.76%	<b>9.95%</b>

**West Des Moines Community School District**

**Pledged Revenue Coverage**

**Last Ten Fiscal Years**

**(Unaudited)**

Fiscal Year	Local Option Sales Tax Revenue Bonds					Coverage
	Revenue	Debt Service			Total	
		Principal	Interest			
2011	\$ 8,083,690	\$ 1,150,000	\$ 294,211	\$ 1,444,211	5.60	
2012	7,579,856	4,735,000	1,194,187	5,929,187	78.22	
2013	7,858,340	4,665,000	1,409,645	6,074,645	77.30	
2014	7,925,921	4,755,000	1,385,818	6,140,818	77.48	
2015	8,601,194	5,340,000	2,006,062	7,346,062	85.41	
2016	8,727,573	1,760,000	1,314,073	3,074,073	35.22	
2017	8,635,006	1,790,000	1,005,358	2,795,358	32.37	
2018	8,353,971	1,820,000	1,200,198	3,020,198	36.15	
2019	9,448,540	1,860,000	1,151,573	3,011,573	31.87	
2020	9,263,381	1,900,000	1,108,448	3,008,448	32.48	

Source: District records.

**West Des Moines Community School District**

**Current Statewide Receipts of the SAVE Tax - Average Per Pupil  
Last Six Fiscal Years  
(Unaudited)**

Fiscal Year	Statewide Disbursements (1)	Statewide Enrollment (Prior October Count)	Statewide Average Revenue Per Student (2)
<b>2020</b>	<b>\$ 505,593,619</b>	<b>487,652</b>	<b>\$ 1,037.00</b>
2019	483,940,176	486,264	995.22
2018	471,365,664	485,147	971.59
2017	454,315,075	483,451	939.73
2016	453,349,009	480,772	942.96
2015	441,852,491	478,921	922.60
2014	430,107,790	476,245	903.12
2013	410,948,081	473,504	867.89
2012	410,776,902	473,493	867.55
2011	384,322,447	474,227	810.42

(1) Fiscal year 2008 through 2015 Statewide disbursements are final receipts.

(2) Statewide Average Revenue Per Student is based on the State's projected statewide receipts for each year.

Source: Department of Revenue, State of Iowa and District records.

## West Des Moines Community School District

### Estimated Receipts of the Tax Available for Distribution (Unaudited)

Table I: Assuming no growth in statewide revenues and no enrollment changes

Fiscal Year June 30:	Total Revenues (1)	Total Enrollment	Average Per Student
2016	\$ 440,128,399	478,921	919
2017	440,128,399	478,921	919
2018	440,128,399	478,921	919
2019	440,128,399	478,921	919
2020	440,128,399	478,921	919
2021	440,128,399	478,921	919
2022	440,128,399	478,921	919
2023	440,128,399	478,921	919
2024	440,128,399	478,921	919
2025	440,128,399	478,921	919
2026	440,128,399	478,921	919
2027	440,128,399	478,921	919
2028	440,128,399	478,921	919
2029	440,128,399	478,921	919
2030	220,064,200	478,921	460

Table II: Assuming growth in statewide revenues at historical rates and enrollment changes at historic rates

Fiscal Year June 30:	Total Revenues (1)(2)	Total Enrollment	Average Per Student
2015	\$ 440,128,399	478,921	919
2016	448,930,967	480,720	934
2017	457,909,586	481,756	951
2018	467,067,778	482,293	968
2019	476,409,134	483,109	986
2020	476,409,134	483,641	985
2021	476,409,134	483,641	985
2022	476,409,134	483,641	985
2023	476,409,134	483,641	985
2024	476,409,134	483,641	985
2025	476,409,134	483,641	985
2026	476,409,134	483,641	985
2027	476,409,134	483,641	985
2028	476,409,134	483,641	985
2029	476,409,134	483,641	985
2030	238,204,567	483,641	493

(1) The tax expires December 31, 2029 for Dallas County and schools will receive revenues for only one-half of fiscal year 2030.

(2) The assumption for growth in retail sales is based on the 10 year growth of Taxable Sales of approximately 2.00%.

Fiscal Years 2015 through 2019 are projected by the Iowa Department of Education.

Fiscal Year 2020-2030 assumes no growth.

Source: District records.



## West Des Moines Community School District

### Estimated Future Tax Revenues (Unaudited)

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Presented below is a table illustrating the estimated collections of the tax for the periods indicated, using the assumptions below:

Fiscal Year June 30:	Without Growth Estimated Collection (1)(3)	With Growth Estimated Collection (2)(3)
2016	\$ 7,910,206	\$ 8,456,436
2017	7,910,206	8,610,354
2018	7,910,206	8,764,272
2019	7,910,206	8,927,244
2020	7,910,206	8,918,190
2021	7,910,206	8,918,190
2022	7,910,206	8,918,190
2023	7,910,206	8,918,190
2024	8,227,611	8,918,190
2025	8,227,611	8,918,190
2026	8,227,611	8,918,190
2027	8,227,611	8,918,190
2028	8,227,611	8,918,190
2029	8,227,611	8,918,190
2030	4,113,805	4,463,622

(1) FY2015 Tax Revenue is based on Iowa Department of Revenue estimates and includes a projection for the November 2014 reconciliation payment in the amount of \$400,551 which represents the remaining 5% of the collections estimated by the Iowa Department of Revenue.

(2) The District projects future enrollment to remain stable at 9,054. Estimated growth in District's Tax Revenue is reflective of the projected increase in the Statewide Average Revenue Per Student as previously stated.

(3) The Tax expires December 31, 2029 for Dallas County and schools will receive revenue for only one-half of the FY2030.

Source: District records.

# West Des Moines Community School District

## Projected Debt Service Coverage (Unaudited)

Fiscal Year June 30:	Combined P&I Payments (1)	Tax Revenue (2)	Estimated Coverage
2016	\$ 3,083,998	\$ 7,910,206	2.56 x
2017	3,047,498	7,910,206	2.60 x
2018	3,032,898	7,910,206	2.61 x
2019	3,030,248	7,910,206	2.61 x
2020	3,026,648	7,910,206	2.61 x
2021	3,996,148	7,910,206	1.98 x
2022	3,962,298	7,910,206	2.00 x
2023	3,944,048	7,910,206	2.01 x
2024	3,926,613	7,910,206	2.01 x
2025	3,919,063	7,910,206	2.02 x
2026	3,931,963	7,910,206	2.01 x
2027	3,954,838	7,910,206	2.00 x
2028	3,971,188	7,910,206	1.99 x
2029	3,993,238	7,910,206	1.98 x

(1) For parity test calculation requirements of a fiscal year, per resolution, shall exclude any payment of principal or interest falling due on the first day of the fiscal year and include any payment of principal or interest falling due on the first day of the succeeding fiscal year.

(2) FY2015 tax revenue is based on Iowa Department of Revenue estimates and includes a projection for the November 2014 reconciliation payment in the amount of \$400,551 which represents the remaining 5% of the collections estimated by the Iowa Department of Revenue.

Source: District records.

## West Des Moines Community School District

### Retail Sales Within District

#### Last Nine Fiscal Years

(Unaudited)

Fiscal Year		City of Clive		City of Des Moines		City of Urbandale		City of Windsor Heights		City of * West Des Moines
2012	\$	390,334,556	\$	3,264,362,488	\$	619,399,037	\$	40,905,928	\$	1,700,406,372
2013		401,957,952		3,325,445,763		630,794,708		56,851,765		1,636,714,660
2014		414,574,277		3,439,860,062		672,013,925		44,516,033		1,647,831,070
2015		440,106,813		3,661,238,466		732,119,796		36,494,864		1,723,946,833
2016		469,996,335		3,789,289,855		752,452,126		39,242,425		1,768,926,175
2017		502,265,386		3,851,675,382		790,710,349		40,007,863		1,796,720,183
2018		490,636,671		3,980,273,823		815,971,715		56,240,091		1,750,840,994
2019		454,372,730		4,049,916,575		817,795,298		82,721,678		1,810,482,118
<b>2020</b>		<b>430,949,320</b>		<b>3,982,845,524</b>		<b>826,263,273</b>		<b>86,039,396</b>		<b>1,674,747,675</b>

Source: Iowa Department of Revenue website

\* Includes Dallas County and Polk County

## West Des Moines Community School District

### Debt Ratios and Valuation Per Capita Year Ended June 30, 2020 (Unaudited)

Debt Ratios:	General Obligation Debt	(1) Debt/Actual Market Value \$ (7,581,975,984)	(2) Debt/Taxable Value \$ (5,065,497,498)	(3) Debt Per Capita (64,104)
District's Total General Obligation Debt	\$ 5,245,000	0.07%	0.10%	\$ 81.82
District's Proportionate Share of Overlapping Debt	343,948,068	4.54%	6.79%	\$ 5,365.47
District's Net Overall Debt	<u>\$ 349,193,068</u>	<u>4.61%</u>	<u>6.89%</u>	<u>\$ 5,447.29</u>

(1) Based on the District's 1/1/18 Actual Valuation including Ag Land & Buildings, Taxable TIF Increment and all Utilities.

(2) Based on the District's 1/1/18 Taxable Valuation including Ag Land & Buildings, Taxable TIF Increment and all Utilities.

(3) Population based on the 2010 Census Demographic Summary, U.S. Census Bureau.

Valuation Per Capita:	Valuation 1/1/2019	Valuation Per Capita (64,104)
100% Actual Valuation	\$ 7,581,975,987	\$ 118,276
Taxable Valuation	\$ 5,065,497,498	\$ 79,020

(1) Based on the District's 1/1/18 Actual Valuation including Ag Land & Buildings, Taxable TIF Increment and all Utilities.

(2) Based on the District's 1/1/18 Taxable Valuation including Ag Land & Buildings, Taxable TIF Increment and all Utilities.

(3) Population based on the 2010 Census Demographic Summary, U.S. Census Bureau.

## West Des Moines Community School District

### Demographic and Economic Statistics Last Ten Calendar Years (Unaudited)

Calendar Year	Population *	Personal Income (Thousands of Dollars)	Margin of Error (+/-)	Per Capita Personal Income (1)	Margin of Error (+/-)	Unemployment Rate (2)
2011	64,104	\$ 2,755,794	\$ 345,111	\$ 38,490	\$ 4,180	4.10%
2012	64,104	2,419,733	209,880	37,134	2,868	3.60%
2013	64,104	3,072,263	380,488	44,854	5,566	3.40%
2014	64,104	2,917,044	304,681	42,707	4,723	3.10%
2015	64,104	2,903,856	279,342	43,304	4,294	2.60%
2016	64,104	2,838,957	297,020	44,512	4,720	2.50%
2017	64,104	2,803,092	260,212	43,843	3,738	2.40%
2018	64,104	2,882,189	260,664	44,989	4,091	2.00%
2019	64,104	3,244,833	266,775	50,017	4,273	2.20%
<b>2020</b>	<b>64,104</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>6.20%**</b>

\* Population figures related to 2010 Census Demographic Summary, U.S. Census Bureau

(1) Source: Office of Social and Economic Trend Analysis [www.seta.iastate.edu](http://www.seta.iastate.edu)

(2) Source: Iowa Workforce

N/A - Information not available

Notes: N/A = not available.

\*\* Based on a eight-month period, January through August.

**West Des Moines Community School District**

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

Employer	2020			2011		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Wells Fargo & Company	9,144	1	15%	6,534	1	12%
Wells Fargo Home Mortgage	3,336	2	6%			
West Des Moines School District	1,282	3	2%	1,128	3	2%
Hy-Vee Inc.	1,260	4	2%	802	6	1%
Wells Fargo Card Services	1,205	5	2%	870	5	2%
Athene USA Corp.	1,100	6	2%			
Home Services of Iowa	1,100	7	2%			
The Iowa Clinic	1,100	8	2%			
FBL Financial Group	1,050	9	2%	1,048	4	2%
Iowa Foundation for Medical Care	671	10	1%			
Aviva USA				1,157	2	2%
MetLife				534	7	1%
ADP National Service Center				520	8	1%
GuideOne Insurance				493	9	1%
Iowa Realty Co., Inc.				469	10	1%
All other employers	38,051		64%	40,391		75%
<b>Total</b>	<b>59,299</b>		<b>100%</b>	<b>53,946</b>		<b>100.0%</b>

Sources:

West Des Moines Chamber of Commerce  
Iowa Workforce Development

## West Des Moines Community School District

### Population of Cities and Counties Within District Last Three U.S. Census Data Years (Unaudited)

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Calendar Year	Polk County	City of Clive	City of Des Moines	City of Urbandale	City of Windsor Heights	City of West Des Moines
1990	327,140	7,462	193,187	23,500	5,190	31,702
2000	374,601	12,855	198,682	29,072	4,805	46,403
2010	430,640	15,447	203,433	39,463	4,860	56,609

Note 1: No information is reported for Dallas County as the District is served by 1% and it is made up of rural area.

Note 2: Populations for school districts are not calculated by the U.S. Census Bureau. The population of the city and county within which the District is located best illustrates school district population trends.

Source: U.S. Census Bureau

**West Des Moines Community School District**

**Full-Time Equivalent District Employees By Type**

**Last Ten Fiscal Years**

**(Unaudited)**

	Full-Time Equivalent Employees as of June 30				
	2011	2012	2013	2014	2015
Administration:					
Superintendent	1.0	1.0	1.0	1.0	1.0
Principals	14.0	14.0	13.0	14.0	13.0
Assistant principals	10.0	11.0	9.0	8.0	8.0
Other	13.0	13.0	13.0	14.0	14.0
Other professionals	15.0	15.0	13.0	13.0	12.4
<b>Total supervisory</b>	<b>53.0</b>	<b>54.0</b>	<b>49.0</b>	<b>50.0</b>	<b>48.4</b>
Instruction:					
Teacher	584.9	586.0	586.4	588.3	603.7
Counselor	19.6	19.6	19.6	18.6	19.0
Title I	4.5	5.0	4.5	4.0	5.0
Librarian	8.5	8.0	8.5	8.5	6.9
<b>Total instruction</b>	<b>617.5</b>	<b>618.6</b>	<b>619.0</b>	<b>619.4</b>	<b>634.6</b>
Student services:					
Nurse	2.0	2.0	2.0	2.0	2.0
Other professionals	4.9	4.1	3.1	3.1	2.4
<b>Total student services</b>	<b>6.9</b>	<b>6.1</b>	<b>5.1</b>	<b>5.1</b>	<b>4.4</b>
Support and administration:					
Clerical/secretarial	63.3	62.9	63.2	66.4	58.9
Teacher assistant	180.3	192.2	194.8	205.4	206.5
Other support personnel	210.3	210.1	207.6	216.1	207.7
Crafts/trades	15.0	15.0	16.0	20.0	17.0
<b>Total support and administration</b>	<b>468.9</b>	<b>480.2</b>	<b>481.6</b>	<b>507.9</b>	<b>490.1</b>
<b>Total</b>	<b>1,146.3</b>	<b>1,159.0</b>	<b>1,154.7</b>	<b>1,182.4</b>	<b>1,177.5</b>

Source: District records



Full-Time Equivalent Employees as of June 30					Percentage
2016	2017	2018	2019	2020	2011 - 2020
1.0	1.0	1.0	1.0	<b>1.0</b>	0.0%
13.0	13.0	13.0	13.0	<b>13.0</b>	-7.1%
8.0	7.0	7.0	8.0	<b>8.0</b>	-20.0%
14.0	15.0	18.0	19.0	<b>19.0</b>	46.2%
10.0	9.0	12.0	13.0	<b>13.0</b>	-13.3%
46.0	45.0	51.0	54.0	<b>54.0</b>	1.9%
605.2	611.0	627.4	630.1	<b>649.3</b>	11.0%
19.0	21.0	21.0	21.0	<b>21.0</b>	7.1%
7.2	7.4	7.0	7.5	<b>7.9</b>	75.6%
6.7	6.7	6.5	11.3	<b>11.3</b>	32.9%
638.1	646.1	661.9	669.9	<b>689.5</b>	11.7%
2.0	2.0	2.0	1.0	<b>1.0</b>	-50.0%
2.4	2.4	2.0	2.0	<b>2.0</b>	-59.2%
4.4	4.4	4.0	3.0	<b>3.0</b>	-56.5%
59.6	63.8	59.2	54.8	<b>55.9</b>	-11.7%
217.1	238.7	237.2	241.2	<b>246.2</b>	36.6%
214.3	209.3	213.1	233.9	<b>228.5</b>	8.7%
14.0	16.0	14.0	13.0	<b>18.0</b>	20.0%
505.0	527.8	523.5	542.9	<b>548.6</b>	17.0%
1,193.5	1,223.3	1,240.4	1,269.8	<b>1,295.1</b>	13.0%



**WEST DES MOINES**  
**COMMUNITY SCHOOLS**

**West Des Moines Community School District**

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

Fiscal Year	Dallas County	Polk County	Certified Enrollment	General Fund Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Percentage of Students Receiving Free or Reduced-Price Meals
2011	104	8,890	8,994	\$ 87,922,521	\$ 9,776	0.67	617.5	26.44
2012	94	8,956	9,050	90,287,258	9,976	2.05	618.6	27.59
2013	73	9,030	9,103	94,997,978	10,436	4.61	619.0	27.94
2014	68	8,986	9,054	94,968,196	10,489	1.64	619.4	30.45
2015	65	9,081	9,146	98,089,800	10,725	0.02	634.6	31.35
2016	51	8,962	9,013	101,836,294	11,299	5.35%	638.1	34.01
2017	40	8,929	8,969	101,395,015	11,305	0.06%	646.1	32.21
2018	45	8,873	8,918	118,277,391	13,263	17.32%	661.9	33.98
2019	40	8,901	8,941	113,166,279	12,658	-4.56%	669.8	35.43
<b>2020</b>	<b>33</b>	<b>8,957</b>	<b>8,989</b>	<b>114,446,448</b>	<b>12,748</b>	<b>0.71%</b>	<b>689.5</b>	<b>39.67</b>

Source: District records.

# West Des Moines Community School District

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

School	Fiscal Year			
	2011	2012	2013	2014
Elementary:				
Clive (1952, 1955, 1957, 1959, 1965, 1989, 1991, 2005):				
Square feet	67,802	67,802	67,802	67,802
Number of classrooms	21	21	21	21
Enrollment	505	539	474	458
Crestview (1961, 1966, 1969, 1976, 1991, 2009, 2018):				
Square feet	73,414	73,414	73,414	73,414
Number of classrooms	25	25	25	25
Enrollment	565	518	478	469
Crossroads Park (1977, 2010, 2018):				
Square feet	68,875	68,875	68,875	68,875
Number of classrooms	25	25	25	25
Enrollment	542	565	548	537
Fairmeadows (1957, 1962, 1976, 1987, 1992, 2006):				
Square feet	51,435	51,435	51,435	51,435
Number of classrooms	23	23	23	23
Enrollment	521	535	535	540
Hillside (2004):				
Square feet	81,222	81,222	81,222	81,222
Number of classrooms	45	45	45	45
Enrollment	600	581	535	548
Jordan Creek (1992, 2016):				
Square feet	82,000	82,000	82,000	82,000
Number of classrooms	35	35	35	35
Enrollment	738	714	689	693
Rex Mathes (1951, 1956, 1969, 1989, 1991):				
Square feet	20,600	20,600	20,600	20,600
Number of classrooms	3	3	3	3
Enrollment	-	-	-	-
Western Hills (1967, 1968, 1988, 1992, 2009):				
Square feet	74,755	74,755	74,755	74,755
Number of classrooms	27	27	27	27
Enrollment	571	585	576	570
Westridge (1990, 2013):				
Square feet	81,000	81,000	81,000	81,000
Number of classrooms	32	32	32	35
Enrollment	660	662	587	546

\* Information not available

(Continued)

Fiscal Year					
2015	2016	2017	2018	2019	2020
67,802	67,802	67,802	67,802	67,802	<b>67,802</b>
30	30	30	30	30	<b>30</b>
539	517	447	443	443	<b>444</b>
73,414	73,414	73,414	73,764	74,114	<b>74,114</b>
30	30	30	30	30	<b>30</b>
518	530	459	463	479	<b>480</b>
68,875	68,875	68,875	69,305	69,735	<b>69,735</b>
33	33	33	33	33	<b>33</b>
565	546	536	532	525	<b>524</b>
55,343	55,343	55,343	55,343	55,343	<b>55,343</b>
35	35	35	35	35	<b>35</b>
535	575	531	529	534	<b>533</b>
81,222	81,222	81,222	81,222	81,222	<b>81,222</b>
40	40	40	40	40	<b>40</b>
581	580	538	546	546	<b>539</b>
82,000	85,637	85,637	85,637	85,637	<b>85,637</b>
40	40	40	40	40	<b>40</b>
714	781	685	650	663	<b>659</b>
20,600	20,600	20,600	20,600	20,600	<b>20,600</b>
3	3	3	3	3	<b>3</b>
-	-	-	-	-	<b>-</b>
73,689	73,689	73,689	73,689	73,689	<b>73,689</b>
36	36	36	36	36	<b>36</b>
585	587	541	537	538	<b>535</b>
81,000	81,000	81,000	81,000	81,000	<b>81,000</b>
40	40	40	40	40	<b>40</b>
662	753	648	619	651	<b>647</b>

**West Des Moines Community School District**

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

School	Fiscal Year		
	2011	2012	2013
Middle:			
Indian Hills (1977,1992)			
Square feet	115,074	115,074	115,074
Number of classrooms	45	45	45
Enrollment	640	675	618
Stilwell (1960, 1962, 1968, 1984, 1988, 1992, 2002, 2010, 2012):			
Square feet	95,520	95,520	108,416
Number of classrooms	42	42	42
Enrollment	742	692	660
High:			
Valley Southwoods Freshman (1999)			
Square feet	162,500	162,500	162,500
Number of classrooms	44	44	44
Enrollment	704	711	666
Valley (1964, 1967, 1969, 1970, 1989, 1992, 2005, 2012, 2015):			
Square feet	345,437	455,418	455,418
Number of classrooms	107	124	124
Enrollment	1,964	1,951	1,800
Other:			
Walnut Creek Campus Alternative High School (1957, 1970, 1989, 1991, 2012)			
Square feet	18,052	18,052	18,052
Number of classrooms	16	16	16
Enrollment	(A)	(A)	166

\* Information not available

Source: District record (Reflects Students served as of October 1st of each school year)

(A) Clegg Park Elementary was repurposed as the Alternative High School effective August 21, 2012 and renamed Walnut Creek Campus.

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Fiscal Year						
2014	2015	2016	2017	2018	2019	2020
115,074	115,074	115,074	115,074	115,074	115,074	<b>115,074</b>
45	55	55	55	55	55	<b>55</b>
610	675	711	607	574	620	<b>615</b>
108,416	99,571	99,571	99,571	99,571	99,571	<b>99,571</b>
42	59	59	59	59	59	<b>59</b>
667	692	717	665	677	703	<b>699</b>
162,500	162,500	162,500	162,500	162,500	162,500	<b>162,500</b>
44	55	55	55	55	55	<b>55</b>
614	711	680	674	669	668	<b>666</b>
455,418	456,360	456,360	456,360	456,360	456,360	<b>456,360</b>
124	125	125	125	125	125	<b>125</b>
1,854	1,951	1,974	1,830	1,844	1,831	<b>1,824</b>
18,052	41,260	41,260	41,260	41,260	41,260	<b>41,260</b>
16	15	15	15	15	15	<b>15</b>
158	173	156	119	130	138	<b>138</b>

## West Des Moines Community School District

### Open Enrollment Last Eight Fiscal Years (Unaudited)

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Fiscal Year	Open Enrolled In	Open Enrolled Out	Net Open Enrollment
2013	565.5	548.3	17.2
2014	609.0	621.0	(12.0)
2015	614.5	638.9	(24.4)
2016	672.0	635.0	37.0
2017	649.0	630.5	18.5
2018	590.0	647.0	(57.0)
2019	894.0	612.0	282.0
<b>2020</b>	<b>701.8</b>	<b>609.2</b>	<b>92.6</b>

Note: Students in Iowa are allowed to choose to enroll into and out of the District. The District's revenues per pupil are adjusted for any net gains and/or losses in enrollment. Listed above are recent open enrollment numbers for the District.

Source: Certified enrollment from state as of October 1.



## **COMPLIANCE**



**WEST DES MOINES**  
**COMMUNITY SCHOOLS**

**West Des Moines Community School District**

**Schedule of Expenditures of Federal Awards**

**Year Ended June 30, 2020**

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through	Passed Through to Subrecipients	Federal Expenditures
		Entity Identifying Number		
U.S. Department of Agriculture				
Passed through State Department of Agriculture and State of Iowa Department of Education:				
Child Nutrition Cluster:				
National School Breakfast Program	10.553	77-1737	\$ -	\$ 193,603
National School Lunch Program	10.555	77-1737	-	1,162,388
Commodities-Noncash	10.555	77-1737	-	323,012
Commodities-Noncash, Department of Defense	10.555	77-1737	-	93,994
Child Nutrition Program CARES grants to States				
SFSP COVID-19	10.555	77-1737	-	631,520
Summer Food Service Program for Children	10.559	77-1737	-	121,154
Total Child Nutrition Cluster			-	2,525,671
Fruit and Vegetable Program	10.582	77-1737	-	21,133
Total U.S. Department of Agriculture			-	2,546,804
U.S. Department of Education				
Passed Through State of Iowa Department of Education:				
Title I - Grants to Local Educational Agencies	84.010A	42-6004501	-	902,820
Special Education Cluster:				
Special Education-Grants to States (Part B Section 611) (High Cost Claim)	84.027	42-6004525	-	22,185 (1)
Vocational Education Basic Grants to States - Carl Perkins Basic Grant	84.048A	42-6004531	-	87,950
Special Education-State Personnel Development Grants	84.323	42-6004526	-	1,290
Title II - Improving Teacher Quality State Grant	84.367	42-6004643	-	153,405
Title IV - Student Support and Academic Enrichment Program	84.424	42-6004669	-	54,289
Elementary and Secondary School Emergency Fund (ESSER) COVID 19	84.425	42-6004052	-	604,688
Elementary and Secondary School Emergency Fund (ESSER) COVID 19	84.425	42-6004051	-	34,237
Total Elementary and Secondary School Emergency Fund (ESSER) COVID 19			-	638,925
			-	1,860,864
Passed Through Heartland Area Education Agency:				
Special Education Cluster:				
Special Education-Grants to States IDEA, Part B	84.027	N/A	-	459,304 (1)
Title III English Language Acquisition	84.365	4644	-	9,093
			-	468,397
Total U.S. Department of Education			-	2,329,261
U.S. Department of Health and Human Services				
Passed Through State of Iowa Department of Education:				
Developmental Disabilities Projects of National Significance				
Model Employment Transition	93.658	4623	-	2,851
Child Care Development Block Grants (DHS)	93.958	4616	-	968
Total U.S. Department of Health and Human Services			-	3,819
Total expenditures of federal awards			\$ -	\$ 4,879,884

(1) Total CFDA 84.027 \$481,489

See Notes to Schedule of Expenditures of Federal Awards.



**WEST DES MOINES**  
**COMMUNITY SCHOOLS**

## **West Des Moines Community School District**

### **Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2020**

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#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of West Des Moines Community School District under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

#### **Note 2. Significant Accounting Policies**

Expenditures reported on the schedule of expenditures of federal awards are reported on the modified accrual or accrual basis of accounting based on the fund type of the program. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. 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 awards is recognized when it is both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

#### **Note 3. Indirect Cost Rate**

The District has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.



**West Des Moines Community School District**

**Summary Schedule of Prior Audit Findings**

**Year Ended June 30, 2020**

Findings	Status	Reason for Recurrence and
		Corrective Action Plan or Other Explanation
<b>Findings Related to Federal Awards</b>		
<b>2019-001</b> The District has inadequate documentation for allowable costs for split-funded employees.	Corrected.	
<b>Findings Related to Statutory Reporting</b>		
<b>IV-A-19</b> Expenditures in the noninstructional function exceeded the amended budget.	Not corrected.	See corrective action plan IV-A-20.
<b>IV-G-19</b> The District identified variances in certified enrollment certified to the state in October 2018.	Not corrected.	See corrective action plan IV-G-20.
<b>IV-H-19</b> The District identified variances in supplementary weighting certified to the state in October 2018.	Not corrected.	See corrective action plan IV-H-20.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of West Des Moines Community School District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 23, 2020.

**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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of West Des Moines Community School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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*. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2020 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

## **District's Response to Finding**

The District's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

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

The image shows a handwritten signature in black ink that reads "Bohnsack & Frommelt LLP". The signature is written in a cursive, flowing style.

Moline, Illinois  
November 23, 2020





**Independent Auditor's Report on Compliance For Each  
Major Federal Program and On Internal Control  
Over Compliance Required by the Uniform Guidance**

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

**Report on Compliance for Each Major Federal Program**

We have audited West Des Moines Community School District's (the District) compliance with the types of compliance requirements described in the *OMB 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, 2020. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## 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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Bohnsack & Frommelt LLP*

Moline, Illinois  
November 23, 2020

**West Des Moines Community School District**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2020**

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**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 deficiency 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 deficiency 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 2 CFR 200.516(a)?

☐

Yes

☒

No

**Identification of major programs:**

CFDA Number	Name of Federal Program or Cluster
84.425	Elementary and Secondary School Emergency Fund (ESSER) COVID 19
Child Nutrition Cluster:	
10.553	National School Breakfast Program
10.555	National School Lunch Program
10.555	Commodities- Noncash
10.555	Commodities- Noncash, Department of Defense
10.555	Child Nutrition Program CARES Grants to States SFSP COVID-19
10.559	Summer Food Service Program for Children

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?

☒

Yes

☐

No

(Continued)

## **West Des Moines Community School District**

### **Schedule of Findings and Questioned Costs Year Ended June 30, 2020**

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#### **Part II: Findings Related to the Basic Financial Statements**

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

No matters were reported.

#### **Part III: Findings and Questioned Costs for Federal Awards**

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

No matters were reported.

#### **Part IV: Other Findings Related to Statutory Reporting**

##### **IV-A-20 - Certified Budget:**

Finding: Expenditures for the year ended June 30, 2020 exceeded the amended certified budget in the other expenditures function.

Recommendation: The certified budget should be amended before expenditures are allowed to exceed the budget.

Response and Correction Action Plan: Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded. Generally, the budget is amended in May or June. Going forward, amendments will be considered in February.

Conclusion: Response accepted.

**IV-B-20 - Questionable Expenditures:** There were no expenditures noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

**IV-C-20 - Travel Expense:** No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

**IV-D-20 - Business Transactions:** No business transactions between the District and District officials or employees were noted except for the following:

The District incurred \$53,620 in expenditures to Drake University. Board Member Jill Johnson is an employee of Drake University and abstains from voting on the transactions.

The District incurred \$2,655 in expenditures to Please Pass the Love. Board Member Jennifer Ulie-Wells is the executive director of the nonprofit and abstains from voting on the transactions.

In accordance with the Attorney General's opinion dated November 9, 1976, the transactions do not appear to represent a conflict of interest.

## **West Des Moines Community School District**

### **Schedule of Findings and Questioned Costs Year Ended June 30, 2020**

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**IV-E-20- Bond Coverage:** Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

**IV-F-20 - Board Minutes:** No transactions requiring Board approval which had not been approved by the Board were noted.

**IV-G-20 - Certified Enrollment:**

Finding: The District identified variances in certified enrollment certified to the state in October 2019.

Recommendation: We recommend the District review certified enrollment data for accuracy prior to submission to the state.

Response and Correction Action Plan: The District will continue to review data prior to submission. Unfortunately, facts are learned after certification date that result in required adjustments.

Conclusion: Response accepted.

**IV-H-20 - Supplementary Weighting:**

Finding: The District identified variances in supplementary weighting certified to the state in October 2019.

Recommendation: We recommend the District review supplementary weighting for accuracy prior to submission to the state.

Response and Correction Action Plan: The District will continue to review data prior to submission.

Conclusion: Response accepted.

**IV-I-20 - Deposits and Investments:** No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.

**IV-J-20 - Certified Annual Report:** The certified annual report was certified timely to the Iowa Department of Education.

**IV-K-20 - Categorical Funding:** No instances of categorical funding being used to supplant rather than supplement other funds were noted.

## West Des Moines Community School District

### Schedule of Findings and Questioned Costs Year Ended June 30, 2020

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**IV-L-20 - Statewide Sales and Services Tax:** No instances of noncompliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted. Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales and services tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2020, the District reported the following information regarding the statewide sales and services tax revenue in the District's CAR:

Beginning balance		\$	11,121,454
Revenues/other financing sources:			
Statewide sales and services tax revenue	\$	9,263,381	
Investment earnings		107,442	
Other local sources		308,986	9,679,809
Expenditures/other financing uses:			
Instruction		3,631,629	
Support services		206,861	
Transfers out, debt service		3,014,447	
School infrastructure:			
Buildings		6,998,199	13,851,136
Ending balance			\$ 6,950,127

For the year ended June 30, 2020, the District reduced the tax levy by not having a debt service levy of \$1.80 per \$1000 of taxable valuation as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.



**WEST DES MOINES**  
COMMUNITY SCHOOLS

**Learning Resource Center**

3550 Mills Civic Parkway • West Des Moines, IA 50265

515-633-5000 • [www.wdmcs.org](http://www.wdmcs.org)

**West Des Moines Community School District**

**Corrective Action Plan**

**Year Ended June 30, 2020**

Findings		Corrective Action Plan	Anticipated Date of Completion and Responsible Contact Person
<b>Findings Related to Statutory Reporting</b>			
<b>IV-A-20</b>	Expenditures in the other expenditures function exceeded the amended budget.	See IV-A-20	Fiscal Year 2021 Paul Bobek
<b>IV-G-20</b>	The District identified variances in certified enrollment certified to the state in October 2019.	See IV-G-20	Fiscal Year 2021 Mike Sherman
<b>IV-H-20</b>	The District identified variances in supplementary weighting certified to the state in October 2019.	See IV-H-20	Fiscal Year 2021 Mike Sherman