

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022



Des Moines Independent Community School District
DES MOINES, IOWA

Des Moines Independent Community School District, Des Moines, Iowa

Annual Comprehensive Financial Report
Year Ended June 30, 2022

**Official Issuing Report:
Shashank Aurora**

Chief Financial Officer

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

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Chief Financial Officer

November 29, 2022

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

We are pleased to submit the Annual Comprehensive Financial Report for the Des Moines Independent Community School District (the District, Des Moines Public Schools, or DMPS) for fiscal year ending June 30, 2022.

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

RSM US LLP, Certified Public Accountants, has issued an unmodified ("clean") opinion on the District's financial statements for the year ended June 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

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

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

As is the case every year, the District was required to undergo a single audit in conformity with the provisions of the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to this Single Audit, including a schedule of expenditures of federal awards, summary schedule of prior audit findings, the independent auditor's report on internal control over financial reporting and on compliance and other matters, independent auditor's report on compliance with requirements applicable to each major program and internal control over compliance, a schedule of findings and questioned costs, and corrective action plans (if any) are included in the single audit compliance section of this report.

Profile of the Government

In May 2017, the Iowa Legislature created limited home rule for Iowa school districts. The change provides more flexibility to school districts in their exercise of powers, where the law or administrative rule does not already prescribe or prohibit the action. All Iowa school districts remain under the control of a local board of directors and have fiscal independence from other governmental entities. The District is a political subdivision of the State of Iowa, and, as such, operates public schools and supporting programs for children in preschool through grade twelve.

A seven-member Board of Education (the Board) governs the District. Members serve overlapping four-year terms and are elected on a non-partisan basis. The Board operates under the policy governance model and, thus, is a policymaking and planning body whose decisions are carried out by the Superintendent.

The District serves more than 214,000 people who live in Polk and Warren Counties. Covering nearly 86 square miles, the District has developed in the heart of the Des Moines city center, east into Pleasant Hill, west into Windsor Heights, and south into Warren County. The District benefits from having strong and diverse neighborhoods and a citizenry deeply involved in its public education.

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

- 2022 – #13 Best Places to Live in the US – U.S. News & World Report
- 2021 – Top 10 City to Live in After the Pandemic – Today.com
- 2020 – #7 Best Place to Live in the U.S. – U.S. News & World Report
- 2020 – #3 Best Affordable Place to Live in the U.S. – U.S. News & World Report
- 2019 – #5 Best Place to Live in the U.S. – U.S. News & World Report
- 2019 – #3 Best Affordable Place to Live in the U.S. – U.S. News & World Report
- 2019 – #10 on Best State Capitals to Live In – WalletHub.com
- 2019 – #6 Best American Cities to Work in Tech in 2019 – Yahoo Finance
- 2018 – #1 Most Popular City for Millennial Homebuyers – Lending Tree
- 2018 – #8 Best Job Market for 2018 – ZipRecruiter
- 2018 – One of “5 Up-and-Coming Tech Hotspots” – Livability
- 2018 – #8 Best City to Find Small Business Jobs – ZipRecruiter
- 2018 – #7 Place Where Jobs Will Be In 2018 – Forbes
- 2017 – #1 Best Place for Millennials to Live in the Midwest – Growella
- 2017 – #1 Best Affordable Place to Live in the U.S. – U.S. News and World Report
- 2017 – #4 Best Place for Children – SmartAsset
- 2017 – #3 Best Place to Live with a Low Cost of Living – Business Insider
- 2017 – The best city for young professionals – TheSpruce.com
- 2016 – Best City for the Middle Class – BusinessInsider
- 2016 – Ranked in the Top 10 Hippest Mid-Sized Cities in America – Gogobot.com
- 2016 – #4 Best Mid-Sized Cities for Making a Living – MoneyGeek.com
- 2016 – #4 Best Cities for Young Families – ValuePenguin.com
- 2016 – #10 Best City to Live and Work – Robert Half
- 2015 – #2 Best City to Find a Job – WalletHub
- 2015 – Emerging Start Up City – Investopedia
- 2015 – #3 Top City for New College Graduates – SmartAsset
- 2015 – #6 Midsize Metro Where College Grads Move for Jobs – AIER
- 2015 – #4 Best City for Technology Workers to Start their Career – Computer Training Schools
- 2015 – Best Places for Business and Careers – Forbes

The District provides a full range of programs and services including instructional, preschool, student services, school building administration, maintenance of sites and facilities, transportation, food service, custodial, extra co-curricular and athletic activities, and childcare. The District provides a comprehensive educational program appropriate to students in preschool through grade twelve. These services include regular and enriched academic education; special education; vocational education; and numerous individualized programs such as instruction for at-risk students, gifted and talented students, and students in the English Learner (EL) program.

The District's enrollment for school year 2021-2022 was 31,024, making it by far the largest public school district in Iowa. Students are served in 38 elementary schools, 10 middle schools, five comprehensive high schools, a secondary career and technical institute, an advanced learning central academy, a virtual school, and other specialty schools and programs. The District also operates preschool programs for more than 1,500 children in four District preschool centers, a half-dozen elementary schools throughout Des Moines, as well as more than a dozen community partners. The District also maintains a maintenance/warehouse facility, a print shop, and athletic complexes. The average age of the District's buildings is 69 years. However, using Statewide Penny revenues, the District has ensured these buildings are well-maintained allowing for many additional years of future use. The District prefers to renovate and maintain current structures, as opposed to building new ones to replace them, whenever possible.

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

- *Advanced Learning. Central Academy* — attended by students from 39 central Iowa middle and high schools — is Iowa's top Advanced Placement program, dedicated to providing a challenging curriculum. The Belin-Blank Center for Gifted Education and Talent Development placed Central Academy "in a class by itself" as a college preparatory school. In addition, the District significantly expanded AP course offerings in all five comprehensive high schools. All five comprehensive high schools are on the Belin-Blank Center's Iowa AP Top 25 Index.
- *Career & Technical Institute (CTI)*. Located at Central Campus, CTI presents students with learning opportunities in several high-skill areas, including graphic design, broadcasting & film, culinary arts, fashion, skilled trades, and automotive technology. In addition, DMPS offers one of only three high school aviation programs certified by the Federal Aviation Administration (FAA) and has the largest marine biology program of any non-coastal high school. Central Campus is the first Iowa school named by the Department of Labor (DOL) as a "high-quality pre-apprenticeship" program.
- *International Baccalaureate (IB)*. Home to the first IB program in Iowa, DMPS offers this world-class educational opportunity at five elementary schools (Hubbell, Park Avenue, Stowe, Moore, and Walnut Street), four middle schools (Brody, Goodrell, Meredith, and Merrill), and at Hoover High School.
- *Montessori*. Cowles Montessori School is the only public Montessori program in Iowa, serving students in kindergarten through eighth grade. Students learn in multiage classrooms and children's natural curiosities are exploited to the fullest as they advance at their own pace.
- *Virtual School*. Virtual Campus is an online high school, designed and taught by DMPS educators, to provide greater equity of access and opportunity for success to all students. The District continues to expand course offerings each semester to fully maximize the virtual opportunities for students.
- *Higher Education Partnerships*. Des Moines Public Schools' proximity to Drake University, Iowa State University, Des Moines University, Grandview University, Des Moines Area Community College, and other institutions of higher education have created numerous partnerships and collaborative efforts that support students, teachers, and administrators. This includes the District's Master's Degree Program available exclusively through Drake offered to teachers, at little or no cost, who are part of the Blue Teaching Contract.

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

- 2022 Junior High Coach of the Year – Iowa Wrestling Coaches and Officials Association
- 2022 - 2014 Energy Star Partner of the Year (Sustained Excellence)
- 2021 - 2007 Certificate of Excellence in Financial Reporting from the Association of School Business Officials for the District's annual comprehensive financial report
- 2021 - 2007 Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the District's annual comprehensive financial report
- 2021 Iowa History Teacher of the Year
- 2021 Ag Ed Administrator of the Year
- 2021 School Lunch Hero
- 2021 ISPRA Communication Awards – 25 honors
- 2021 ASCA Model Program Award – American School Counselor Association
- 2020, 2016, 2013, 2012, 2010, 2009, 2006, 1998, 1997, 1997, 1995, 1995, 1983 Presidential Award for Excellence in Mathematics and Science Teaching – National Science Foundation, on behalf of the White House Office of Science and Technology Policy
- 2020 Administrator of the Year - Iowa High School Press Association
- 2020 Orgametrics Award Winner - Orgametrics
- 2020 Top 5 ESPN Unified Champion School - ESPN
- 2019 - 2015 – Meritorious Budget Award from the Association of School Business Officials
- 2019 Teacher of the Year – Des Moines chapter of the Izaak Walton League
- 2017 - 2013 – Distinguished Budget Presentation Award from the Government Finance Officers Association
- 2018 Teacher of Promise – Iowa World Language Association
- 2018 Agriculture Leader of the Year – Iowa Department of Agriculture and Land Management
- 2018 Iowa School Social Worker of the Year – Midwest School Social Work Council
- 2018 Iowa Middle School Physical Education Teacher of the Year - Iowa Association for Health, Physical Education, Recreation and Dance
- 2018 Des Moines Police Department Officer of the Year – Des Moines Rotary Club
- Ten awards in NSPRA's 2018 Publications and Electronic Media Awards competition, including six entries earning an Award of Excellence, the highest honor in each category
- 2018 Ally of the Year – Capital City Pride
- 2018 Iowa's Educator of the Year - National Speech & Debate Association
- 2018 Friend of Children Award - Iowa School Social Workers Association
- 2017 Stephen Tsai Award for Excellence in Autism Education - Autism Society of Iowa
- 2017 Iowa High School Press Association's Administrator of the Year - Iowa High School Press Association
- 2017 PBS Digital Innovator
- 2016 AP Teacher of the Year
- 2016 ISPRA Communicator of the Year
- 2016 Des Moines Register Coach of the year

Economic Condition and Outlook

State Economy – The net General Fund receipts for the State of Iowa for fiscal year 2021 actual was \$8,800.6 million. The Iowa Revenue Estimating Conference (REC) met on March 10, 2022 and increased the estimated net General Fund receipts for the State of Iowa for fiscal year 2022 to \$9,171.1 million (an increase of \$370.5 million (+4.2%) compared to fiscal year 2021 actual). The March 2022 REC established a net General Fund receipts estimate for FY 2023 of \$9,156.3 million. This is a decrease of \$14.8 million (-0.2%) compared to the revised FY 2022 estimate.

The REC met on October 13, 2022 and revised estimates for FY 2023. The actual net General Fund receipts for the State of Iowa for fiscal year 2022 was \$9,803.4 million (an increase of \$1,002.8 million (11.4%) compared to the fiscal year 2021 actual of \$8,800.6 million). The October 2022 estimate for FY 2023 net General Fund receipts for the State of Iowa is \$9,534.1 million (a decrease of \$269.3 million (-2.7%) compared to fiscal year 2022 actual).

Local Economy – The Des Moines Independent Community School District is in the center of Iowa, primarily in the city of Des Moines (the City). The City is comprised of 80.87 square miles of land with a population of 214,000, approximately 24% of which is younger than 18. The median household income (2019) in Des Moines was \$54,843, and approximately 16.0% of persons live below the poverty line.

While Iowa is an agricultural state, the City's economic diversification insulates it from most swings in the farming-based economy. The City is the industrial, technology, commercial, financial, trade, transportation, and governmental center of Iowa. The City's insurance industry is the third largest in the world, after London and Hartford, with more than 200 insurance offices/headquarters located in Des Moines. Insurance activities are part of a strong local economy that is also based in agriculture, manufacturing, technology, education, health care, and other services. Wells Fargo, UnityPoint Health Systems, and Principal Financial Group, Inc. are the major private employers within the District.

The variety of components contributing to the City's economy creates a stability that is apparent from unemployment figures. The City has historically enjoyed a relatively low unemployment rate for each of the last three years: 4.2 percent in 2021, 4.1 percent in 2020, and 2.7 percent in 2019.

State Funding – State Aid is the largest single source of revenue the district receives. The two factors that impact the amount of State Aid the District receives are: the rate of growth for Supplemental State Aid and student enrollment. The rate of growth for Supplemental State Aid for fiscal year 2022 was 2.4, compared to 2.3 percent for fiscal year 2021. Supplemental State Aid for fiscal year 2023 will be 2.5 percent.

The last four school years, the District has experienced declining enrollment. Official enrollment that determined fiscal year 2022 State Aid was taken on October 1, 2020. As a direct result of COVID-19, enrollment decreased by 3.1% (986 students) as compared to the October 1, 2019 count. This was the largest single decrease in enrollment in decades. The District was down approximately 600 students in the 2021-22 school year compared to the 2020-21 school year. This official enrollment impacts State Aid for fiscal year 2023. Overall, the District has lost nearly 1,600 students when compared to the pre-pandemic school year of 2019-20. Enrollment is projected to continue to decrease in future years.

Long-Term Financial Planning and Relevant Financial Policies - The District's solvency ratio is a measure of the District's fund equity position and is defined as the unassigned fund balance (commonly referred to as the cash reserves) divided by the District's total General Fund revenues, less the Area Education Agency (AEA) flow-through. Board guidelines state that the solvency ratio should not go below three percent, without prior knowledge of the Board. The Iowa Association of School Boards (IASB) considers a solvency ratio of zero to five percent to be adequate for short-term credit purposes, while a ratio of five to ten percent is within "Target" or "Good" and therefore "can handle the unexpected." In addition, during the 2012-2013 school year, the Board approved a 15% target for the District's solvency ratio. The solvency ratio for the District was 34.82% as of June 30, 2022, compared to 31.15% in the prior year.

In addition, the Board monitors the District's unspent spending ratio. This ratio is a measure of the District's unbudgeted authorized spending capacity (not cash reserves) and is defined as the District's unspent spending authority divided by the District's maximum budget authority. It should be noted that reaching the maximum budget authority level would

require the Board to authorize and levy additional property taxes. The IASB recommends this ratio be in the target range of 5% - 15%, not to exceed 25%. The unspent spending authority balance ratio (including categoricals) for fiscal year 2022 is estimated to be 14.9%, compared to 13.8% for the prior year. Excluding categoricals, the unspent spending authority balance ratio for fiscal year 2022 is estimated to be 13.4%, compared to 11.3% for the prior year.

Major Initiatives - The District has completed the fifth phase of bonding ahead on the Statewide Penny. The District sold Revenue Bonds in fiscal year 2018 to minimize future inflationary increases by condensing repair and renovation costs from a 10-year plan into a five-year plan. In November 2021, the District refunded the Series 2012, 2013, and 2016 revenue bonds with the Series 2021 bonds. The refinancing of the bonds led to an approximate savings of \$6,650,000 over the life of the bonds. The District carries the following revenue bonds currently: Series 2014, Series 2018, and Series 2021. All revenue bonds will be paid back using Statewide Penny revenue.

The District continues to treat energy savings and consumption as a priority. Currently 100% of classrooms are air conditioned. This is a 35% increase since 2008. Forty-one (41) DMPS schools utilize the earth's natural temperatures to heat and cool the building through geothermal heating/cooling. The District's sustainability efforts have been recognized with these major awards:

- 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014 ENERGY STAR Partner of the Year – Environmental Protection Agency, Department of Energy
- 2017 Achievement Award - Facility Maintenance Decisions
- 2016 Governor's Iowa Environmental Excellence Award in Energy Efficiency/Renewable Energy - Office of the Governor
- 2016, 2015, 2014 ENERGY STAR Partner of the Year: Climate Communications – Environmental Protection Agency, Department of Energy
- 2015 Environmental Protection Agency's ENERGY STAR National Building Competition: Operations Center and Greenwood Elementary School top finishers in the category of water-use reduction for individual buildings. DMPS High Schools team finished #5 for water-use reduction out of all teams entered.
- 2014 Environmental Protection Agency's ENERGY STAR National Building Competition: Findley Elementary School ranked #1 in education category for the most energy-consumption reduction among all entered K-12 facilities. Pleasant Hill, a top finisher in the category of water-use reduction, with five additional facilities posting more than 20-percent reductions in water use.
- 2014 FMXcellence Recognition - Building Operations Management

The District continues to heavily invest in technology in the classroom, and investment in technology was ramped up in response to the COVID-19 pandemic. All DMPS students are given a laptop for their academic use and wifi hotspots are available for students and teachers who need connectivity from home. The District is incorporating a blended learning approach in the classroom as well as through its virtual school. This is an ongoing initiative to ensure each student is taught in a 21st century learning environment.

Voters approved the continuation of the District's Property, Plant, And Equipment Levy (PPEL) on November 5, 2019 for another 10 years. With this vote, the District will continue to receive PPEL funds through fiscal year 2031.

Other Financial Information

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

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

As a part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control over financial reporting and its compliance with applicable laws and regulations, including those related to major federal awards programs. The results of the District's single audit for the fiscal year ending June 30, 2022 provided no instances of material weaknesses in the District's internal controls or violations of applicable laws and regulations.

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

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

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

Independent Audit. The accounting firm RSM US LLP was selected to perform the annual audit in accordance with Chapter 11 of the Code of Iowa. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the federal Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The auditor's report on the basic financial statements, combining and individual fund statements and other schedules, is included in the financial section of this report. The Annual Comprehensive Financial Report also includes a statistical section which is unaudited.

Awards and Acknowledgments

The District is pleased to say that ASBO International awarded a *Certificate of Excellence in Financial Reporting* to the District for fiscal year ended June 30, 2021. The District has received this recognition from ASBO since 2007. This award represents the highest recognition for school district operations offered by ASBO International. In addition, GFOA awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the District for its for fiscal year ended June 30, 2021. The District has received this recognition from GFOA since 2007. To be awarded a Certificate of Achievement, a district must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

Each certificate is valid for a period of one year only, and the certificates for fiscal year 2021 are included in this report. The District believes that the current Annual Comprehensive Financial Report continues to meet the requirements for the GFOA and ASBO International certificate programs and will be submitting it to GFOA and ASBO International to determine eligibility for another certificate.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated efforts of the District's Financial Services and Human Resources departments staff and our independent auditors from RSM US LLP. The District would like to express its appreciation to all staff members who assisted and contributed to this report, as well as members of city and county governments. Additional information on the operation of Des Moines Public Schools can be obtained from the District website: www.dmschools.org. Finally, appreciation is expressed for the interest and support of the Board in conducting the financial operations of the District in a most responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Matthew Smith", with a stylized flourish at the end.

Matthew Smith, Interim Superintendent

A handwritten signature in black ink, appearing to read "Shashank Aurora", with a horizontal line underneath.

Shashank Aurora, CFO
CPA, SBO

Des Moines Independent Community School District

Board of Education and School District Officials Year Ended June 30, 2022

Name	Title	Term Expires	District
Board of Education			
Dwana Bradley	Chair	2023	District Three
Teree Caldwell-Johnson *	Vice Chair	2025	District Four
Maria Alonzo-Diaz	Board Member	2025	At-Large
Jenna Knox	Board Member	2025	District Two
Kimberly Martorano **	Board Member	2023	District One
Jackie Norris	Board Member	2025	At-Large
Kelli Soyer	Board Member	2023	At-Large

* Ms. Caldwell-Johnson was elected Chair for 2022-2023 on November 15, 2022.

** Ms. Martorano was elected Vice Chair for 2022-2023 on November 15, 2022.

School District Officials

Matthew Smith ***	Interim Superintendent	
Shashank Aurora	Secretary and Treasurer	Appointed

*** Mr. Smith was appointed Interim Superintendent by the Board on June 1, 2022 after the resignation of former Superintendent Dr. Thomas Ahart.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Des Moines Independent Community School District
Iowa**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



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

**Des Moines Independent Community
School District**

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, appearing to read 'Will Sutter'.

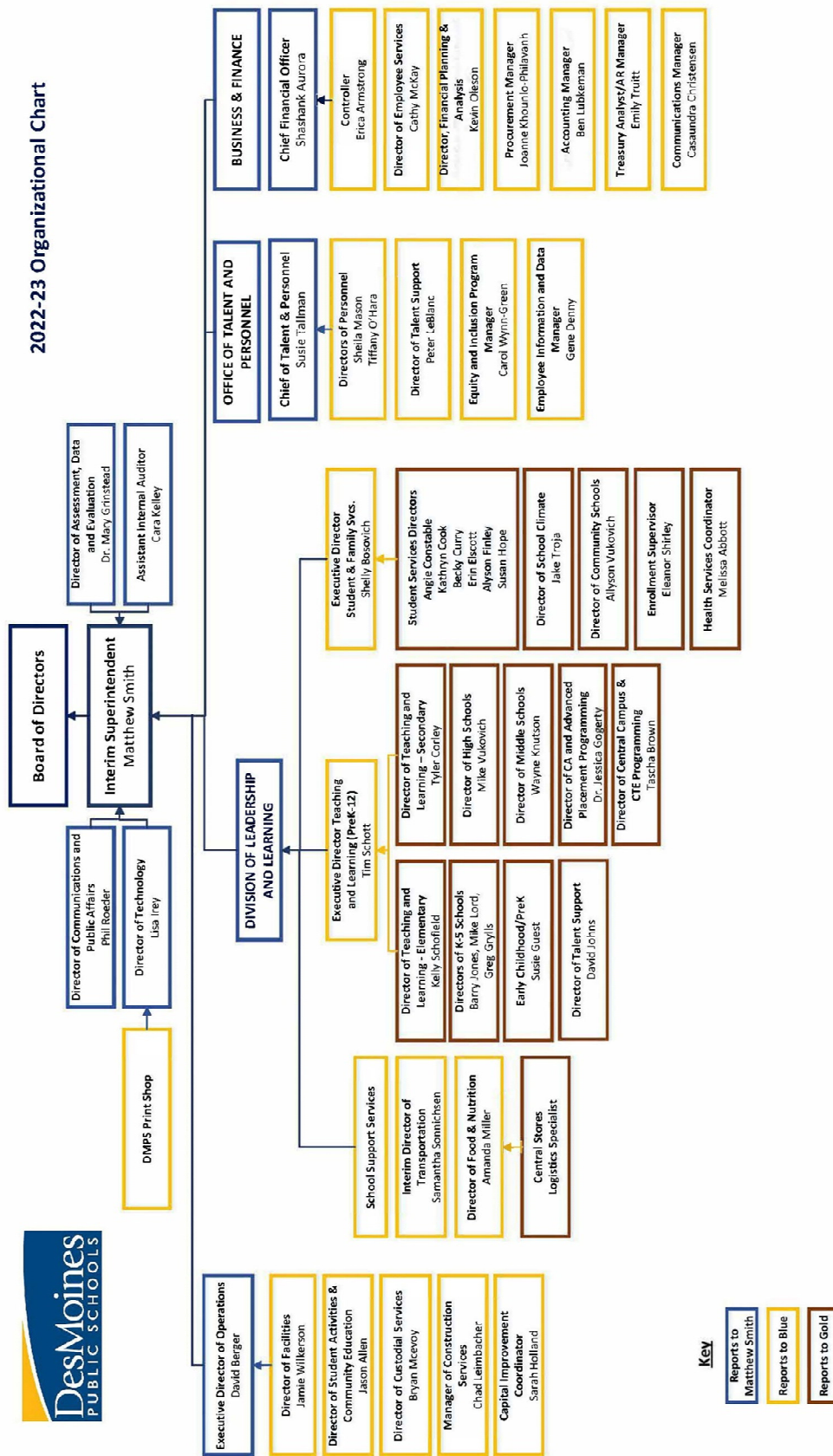
William A. Sutter
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

David J. Lewis
Executive Director



2022-23 Organizational Chart



Approved 8/23/22

Independent Auditor's Report

RSM US LLP

Board of Education
Des Moines Independent Community School District

Report on the Audit of the Financial Statements***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Des Moines Independent Community School District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 Des Moines Independent Community School District, as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 14 to the financial statements, the District adopted Governmental Accounting Standards Statement No. 87, *Lease*, as of July 1, 2021. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Districts' ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, the Iowa Public Employees' Retirement System schedule of the District's proportionate share of the net pension liability, schedule of the District's contributions, notes to required supplementary information, Des Moines Teachers' Retirement System schedule of changes in net pension liability (asset), schedule of net pension liability (asset) and related ratios, schedule of money-weighted rate of return and schedule of contributions from the District. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor fund financial statements and the accompanying 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* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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 District's internal control over financial reporting and compliance.

RSM US LLP

Des Moines, Iowa
November 29, 2022

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

This Management's Discussion and Analysis is provided by the management of the Des Moines Independent Community School District (the District or DMPS) to offer readers an overview and analysis of the financial activities of the District for the fiscal year that ended June 30, 2022. We encourage readers to consider the discussion and analysis presented here in conjunction with the financial statements, which follow.

Financial Highlights

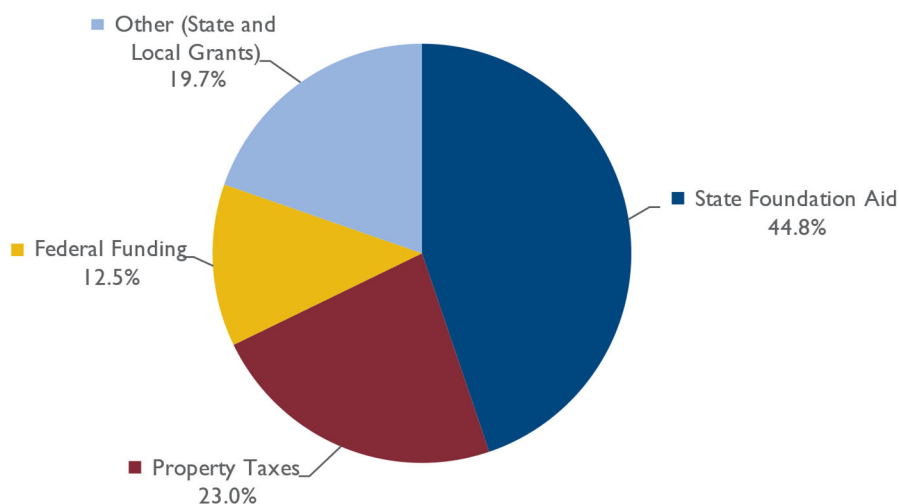
- **Budget:** The State of Iowa (the State) legislatively approved a state supplemental aid factor of 2.30% for fiscal year 2021. For fiscal year 2022, the state supplemental aid rate was 2.40%.

In April 2021, the District's Board of Education (the Board) approved an expenditure budget for fiscal year 2022 for all funds of \$554.2 million (without transfers) or \$578.2 million (including transfers). In April 2022, the Board approved a budget amendment to increase expenditures by \$109 million due to \$75.7 million sales tax revenue bond refinancing from the debt service fund and \$33.3 million of COVID-19 / ESSER expenses.

- **Revenue:** Government-wide revenues were \$570.7 million for the year ended June 30, 2022, which primarily consisted of state aid, property taxes, federal grants, and SAVE taxes for capital projects. General revenues accounted for 68.7% of the Government-wide revenue. Program revenues in the form of charges for services and operating grants and contributions accounted for 31.3% of total government-wide fiscal year 2022 revenues. Government-wide revenues were lower in fiscal year 2022 compared to fiscal year 2021, and the decrease was primarily in General Fund revenues, as described below.

The General Fund had \$459.4 million in revenues for fiscal year 2022, which primarily consisted of state aid and property taxes. General Fund revenues decreased 9.6% (approximately \$48.8 million) in fiscal year 2022, primarily due to a decrease in federal funds and property tax revenues. Federal funds decreased as a result of \$25.6 million less in ESSER funding. Property tax revenues decreased by \$20.1 million, primarily because the district did not charge the Cash Reserve levy in fiscal year 2022, as the District hit the cash reserve limitation clause.

GENERAL FUND REVENUES



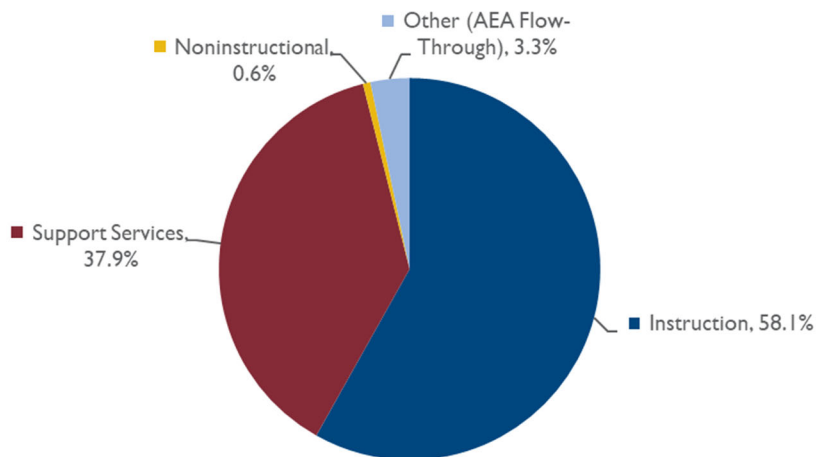
Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

- **Expenses:** Government-wide expenses (including business-type activities) for the year ended June 30, 2022 were \$493.9 million, of which \$178.9 million of these expenses were offset by program specific charges for services or grants and contributions. General revenues of \$391.8 million provided for the remaining costs of these programs.

The General Fund had \$465.8 million in fiscal year 2022 expenditures, which primarily consisted of instructional expenditures. General Fund expenditures increased 3.5%. Increases in expenditures are the result of costs correlating to federal COVID funds, a one-time teacher retention bonus of \$2.3 million, tuition out costs of \$2.0 million, and other operational costs related to being back in school for the full year, compared to fiscal year 2021 which was partially hybrid.

GENERAL FUND EXPENDITURES



- **General Fund Balance and Solvency Ratio:** The District's overall General Fund balance decreased from \$184.3 million as of June 30, 2021 to \$179.8 million as of June 30, 2022, a decrease of \$4.4 million. The District, like all school districts in the state, is required to maintain a balanced budget. To balance the District budget, one of many strategies the District employed was to ensure revenue and expenditures remained balanced.

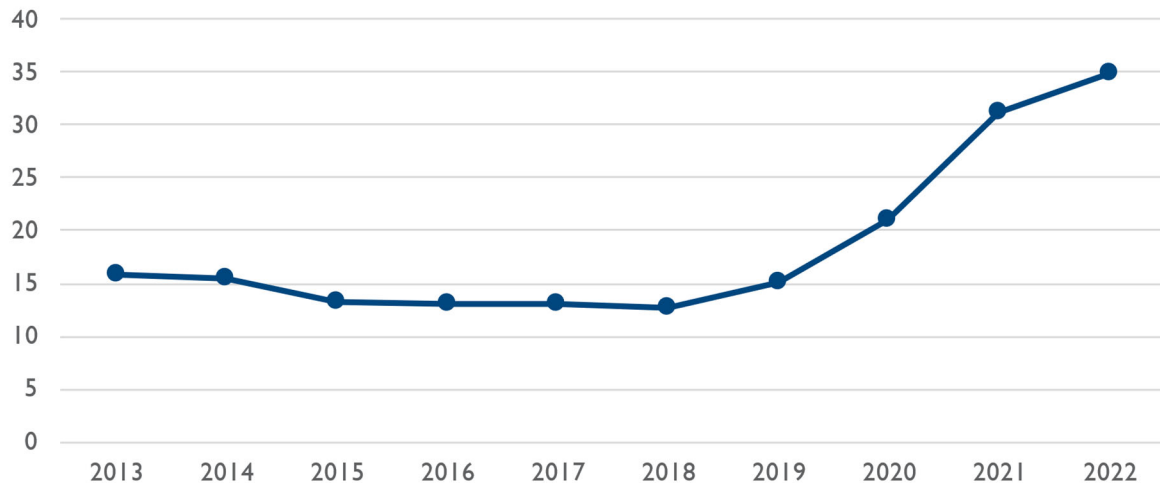
The General Fund unassigned portion of fund balance increased from \$152.0 million as of June 30, 2021 to \$154.4 million as of June 30, 2022, an increase of \$2.4 million.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

The District's solvency ratio increased from 31.2% as of June 30, 2021 to 34.8% as of June 30, 2022.

SOLVENCY RATIO BOARD RANGE



The Board established a solvency ratio minimum of 15% during fiscal year 2013. The Iowa Association of School Boards (IASB) considers a solvency ratio of 0% - 5% to be adequate for short-term credit purposes, while a ratio of 5% - 15% is within "target" or "good" and, therefore, "can handle the unexpected." The Government Finance Officers Association (GFOA) recommends at least two months of expenditures of cash on hand. The District will continue to focus efforts on maintaining the solvency ratio to meet the 15% objective.

- **Debt:** The District's total long-term debt related to bonds decreased by \$25.4 million during the fiscal year due to continued principal payments on existing bonds and refinancing of Series 2012, 2013, and 2016 SAVE Revenue Bonds, along with the corresponding reduction in interest expense. The total outstanding bond debt at the end of the fiscal year is approximately \$132.6 million, consisting solely of revenue bonds. The District implemented GASB Statement No. 87 (capitalizing leases on right-to use assets), which resulted in an increase in debt of \$10.5 million. After principal and interest payments made during fiscal year 2022, the remaining lease obligation was \$6.0 million at June 30, 2022.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

Overview of the Financial Statements

This Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements is comprised of: 1) government-wide financial statements, 2) fund financial statements, 3) notes to basic financial statements, and 4) required supplementary information.

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

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

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

- **Governmental activities:** These are activities primarily supported by property taxes and intergovernmental revenues such as state aid or federal funding, and expenditures are classified by function such as instruction, student services, instructional support services, general administration, building administration, business and central administration, plant operation and maintenance, student transportation, noninstructional, and interest and issuance costs on long-term debt.
- **Business-type activities:** These are supported by fees charged by the District to help cover the costs of services such as school nutrition, childcare, home construction, automotive, and farm-to-market ag store.

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

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

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

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

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

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

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

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

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

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

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

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

Government-Wide Statements		Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	Activities that are not proprietary or fiduciary, such as instruction, administration, and building maintenance	Activities the District operates similar to private businesses such as school nutrition	Activities the District administers resources on behalf of someone else, such as scholarships
Required financial statements	Statement of Net Position	Balance Sheet	Statement of Net Position	Statement of Fiduciary Net Position
	Statement of Activities	Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Revenues, Expenses and Changes in Net Position	Statement of Changes in Fiduciary Net Position
			Statement of Cash Flows	
Accounting basis	Accrual accounting	Modified accrual accounting	Accrual accounting	Accrual accounting
Measurement focus	Economic resources focus	Current financial resources focus	Economic resources focus	Economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital and short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

	Government-Wide Statements	Fund Financial Statements		
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or within specified periods after year-end of the year; expenditures when goods or services are received and liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

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

Government-Wide Financial Analysis

Net position: The following table presents a summary of the District's net position for the year ended June 30, 2022 with comparison totals as of June 30, 2021.

	Governmental Activities 2022	Governmental Activities 2021 Not Restated	Business-Type Activities 2022	Business-Type Activities 2021	Total 2022	Total 2021 Not Restated	Difference
Current assets and other assets	\$ 539,185,622	\$ 520,372,883	\$ 4,879,784	\$ 2,396,241	\$ 544,065,406	\$ 522,769,124	\$ 21,296,282
Capital assets, net	580,518,483	570,494,566	1,472,250	1,702,350	581,990,733	572,196,916	9,793,817
Total assets	1,119,704,105	1,090,867,449	6,352,034	4,098,591	1,126,056,139	1,094,966,040	31,090,099
Deferred outflows of resources	76,164,353	80,090,246	1,676,730	2,269,791	77,841,083	82,360,037	(4,518,954)
Current liabilities	103,320,536	98,507,850	1,584,580	1,209,115	104,905,116	99,716,965	5,188,151
Long-term liabilities	218,196,948	399,650,586	1,394,639	10,464,732	219,591,587	410,115,318	(190,523,731)
Total liabilities	321,517,484	498,158,436	2,979,219	11,673,847	324,496,703	509,832,283	(185,335,580)
Deferred inflows of resources	345,135,176	217,012,394	7,247,140	1,218,693	352,382,316	218,231,087	134,151,229
Net position:							
Net investment in capital assets	454,935,481	431,069,588	1,472,250	1,702,350	456,407,731	432,771,938	23,635,793
Restricted	112,513,490	100,034,357	-	-	112,513,490	100,034,357	12,479,133
Unrestricted	(38,233,173)	(75,317,080)	(3,669,845)	(8,226,508)	(41,903,018)	(83,543,588)	41,640,570
Total net position	\$ 529,215,798	\$ 455,786,865	\$ (2,197,595)	\$ (6,524,158)	\$ 527,018,203	\$ 449,262,707	\$ 77,755,496

The Districts total assets increased by \$31.1 million during the year ended June 30, 2022, \$11.5 million of this increase was due to adoption of GASB Statement No. 87, excluding this, the District had an increase in total assets of \$19.6 million. The \$9.8 million increase pertaining to capital assets (net) was primarily the result of the sale of two buildings offset by continued capitalization of school renovation and major repair projects completed as part of the District's renovation plans and implementation of GASB Statement No. 87 for capitalizing right-to-use assets with net book value of \$7.8 million at June 30, 2022. It should be noted that the District uses these capital assets to provide educational services; consequently, these assets are not available for future spending. The \$21.3 million increase in current and other assets was primarily due increase in cash and investments offset by reduction in due from other governments related to ESSER claims.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

Deferred outflows of resources decreased by \$4.5 million during the year ended June 30, 2022, primarily from amounts recorded for IPERS and DMTRS defined benefit pension plans as detailed in Note 9.

During the year ended June 30, 2022, the District's total liabilities decreased by \$185.3 million compared to year ended June 30, 2021. The change is primarily due to an increase in capital lease obligations of \$6.0 million offset by a decrease in termination benefits of \$8.4 million, a decrease in long term liabilities related to revenue bonds of \$19.2 million, and a decrease due to post-employment benefits and change in net pension liability of \$172.7 million.

Deferred inflows of resources increased by \$134.2 million during the year ended June 30, 2022, primarily from amounts recorded for IPERS and DMTRS defined benefit pension plans as detailed in Note 9.

The District's total net position increased by \$76.8 million during the year ended June 30, 2022. At the end of fiscal year 2022, the District reported a positive balance in total net position. The same held true for the prior fiscal year.

Changes in net position: The following schedule shows the changes in net position for the year ended June 30, 2022 with comparison totals for the year ended June 30, 2021. The difference between revenues and expenditures represents the change in net position.

	Governmental Activities 2022	Governmental Activities 2021 Not Restated	Business-Type Activities 2022	Business-Type Activities 2021	Total 2022	Total 2021 Not Restated	Difference
Revenues:							
Program revenues:							
Charges for services	\$ 36,259,644	\$ 33,572,603	\$ 3,381,081	\$ 1,796,263	\$ 39,640,725	\$ 35,368,866	\$ 4,271,859
Operating grants and contributions	115,933,911	146,867,423	23,346,985	16,287,095	139,280,896	163,154,518	(23,873,622)
General revenues:							
Property taxes	143,834,920	164,515,529	-	-	143,834,920	164,515,529	(20,680,609)
Sales tax, capital projects	38,218,634	31,561,628	-	-	38,218,634	31,561,628	6,657,006
Investment earnings	(181,252)	(252,637)	-	-	(181,252)	(252,637)	71,385
State aid and other state sources	205,760,431	207,395,814	-	-	205,760,431	207,395,814	(1,635,383)
Other local sources, including gain on sale of capital assets	4,181,651	2,558,487	-	-	4,181,651	2,558,487	1,623,164
Total revenues	544,007,939	586,218,847	26,728,066	18,083,358	570,736,005	604,302,205	(33,566,200)
Expenses:							
Instruction	251,459,003	303,488,319	-	-	251,459,003	303,488,319	(52,029,316)
Support services	191,817,911	187,197,565	-	-	191,817,911	187,197,565	4,620,346
Noninstructional	4,122,574	2,064,361	-	-	4,122,574	2,064,361	2,058,213
Other expenses	23,652,701	20,040,561	22,894,116	20,899,496	46,546,817	40,940,057	5,606,760
Total expenses	471,052,189	512,790,806	22,894,116	20,899,496	493,946,305	533,690,302	(39,743,997)
Increase in net position before transfers	72,955,750	73,428,041	3,833,950	(2,816,138)	76,789,700	70,611,903	6,177,797
Transfers	(492,613)	1,139,221	492,613	(1,139,221)	-	-	-
Change in net position	72,463,137	74,567,262	4,326,563	(3,955,359)	76,789,700	70,611,903	6,177,797
Net position, beginning of year, as restated	456,752,661	381,219,603	(6,524,158)	(2,568,799)	450,228,503	378,650,804	71,577,699
Net position, (deficit) ending	\$ 529,215,798	\$ 455,786,865	\$ (2,197,595)	\$ (6,524,158)	\$ 527,018,203	\$ 449,262,707	\$ 77,755,496

- The main revenue sources of general revenues for fiscal year 2022 were state aid and other state sources, property taxes, and sales taxes, which account for 68.0% of total revenue.
- The District's expenses primarily relate to instruction and support services which account for 89.7% of the total expenses for fiscal year 2022.
- Overall, the District had an increase in net position of \$76.8 million in fiscal year 2022. The change in net position was an increase of \$70.6 million in fiscal year 2021.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

- Governmental activities increased the net position by \$72.4 million, which is 94.4% of the total increase in net position for fiscal year 2022. The change was primarily the result of a decrease in federal revenues and reduction in expenditures to ensure we maintained compliance with the District's spending authority requirements.
- Restatement of beginning net position is a result of implementation of GASB Statement No. 87 – Lease accounting for right-to-use assets during fiscal year 2022. Net effect of beginning balances was an increase to net position for Governmental activities of \$965,796.

Governmental Activities

- State foundation aid and other state sources, property taxes, and sales taxes are the primary sources of general revenue for the District at 37.8%, 26.4%, and 7.0%, respectively, of total governmental activities revenues for fiscal year 2022 compared to 35.4%, 28.1%, and 5.4%, respectively, for fiscal year 2021. Overall, governmental activities revenue decreased by 7.2%.
- Instruction constitutes the largest portion of governmental activity expenditures at \$251.5 million, representing 53.4% of governmental activities expenses. The District offers a wide array of programs including general and special education, vocational, and college preparatory classes.
- The noninstructional and other expenses of the District accounted for 5.9% of total governmental activity expenses.

Net Cost: The following table presents the total and net cost of the District's major governmental activities including instruction, other support services, noninstructional programs, and other expenses for fiscal year 2022, with comparative totals for fiscal year 2021:

	2022		2021	
	Total Expenses	Net (Expense) Revenue	Total Expenses	Net (Expense) Revenue
Instruction	\$ 251,459,003	\$ (152,527,454)	\$ 303,488,319	\$ (161,465,679)
Other support services	191,817,911	(156,155,433)	187,197,565	(164,397,709)
Noninstructional programs	4,122,574	(1,928,654)	2,064,361	(1,870,857)
Other expenses	23,652,701	(8,247,093)	20,040,561	(4,616,535)
Total expenses	\$ 471,052,189	\$ (318,858,634)	\$ 512,790,806	\$ (332,350,780)

Net cost of governmental activities was financed by general revenues, which are made up of primarily property taxes and state aid. Federal and state governments and charges for services subsidized certain programs with federal funds, grants and contributions, and other local revenues of \$152.2 million, representing 32.3% of total governmental activities expenses.

Business-Type Activities – Change in Net Position:

- The School Nutrition and Child Care funds constitute most of the District's business-type activities.
- The School Nutrition Fund's primary sources of revenue are (1) federal revenue and (2) student fees, and the primary expenses are staff and food expenses. Compared to FY 2021, there was an increase in food sales and a higher federal reimbursement rate from COVID funding. As a result of the COVID-19 pandemic, all students in all DMPS schools were eligible for free meals in fiscal year 2022. The School Nutrition Fund had an increase in net position of \$1.9 million for fiscal year 2022.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

- The primary source of revenue for the Child Care Fund is childcare fees, and the primary expense is staff. Compared to FY 2021, there was an increase in the number of families that participated in the District's childcare program, sites previously closed during the pandemic were reopened, leading to an increase in revenue. The Child Care Fund had an increase in net position of \$2.4 million for fiscal year 2022.

Financial Analysis of the District's Funds

Governmental Funds Highlights

General Fund:

- The General Fund is the principal operating fund of the District.
- The fund balance for the General Fund for decreased \$4.4 million in fiscal year 2022 compared to fiscal year 2021.
- General Fund revenues decreased 9.6% in fiscal year 2022 compared to fiscal year 2021 and was primarily due to 16.0% decrease in property taxes, a 36.7% decrease in federal funding, and a slight decrease in state foundation aid of 0.8%, as compared to fiscal year 2021. The decrease in property taxes and state foundation aid is tied to declining student enrollment and the inability to levy cash reserves. The decrease in federal funding is tied to a decrease in ESSER claims of \$25.6 million for fiscal year 2022.
- The General Fund had \$465.8 million in fiscal year 2022 expenditures, which primarily consisted of instructional expenditures. General Fund expenditures increased 3.5%, primarily due to expenditures related to COVID funding. Additional increases in expenditures are a result of teacher retention bonus of \$2.3 million, tuition out costs of \$2.0 million, and other operational costs related to being back in school for the full year, compared to fiscal year ending 2021 which was partially hybrid.

Capital Projects Fund:

- The Capital Projects Fund accounts for all revenues and expenditures generated through the collection of SAVE tax dollars and expenditures for capital outlays. The cash restricted in this fund is for the purpose of future capital outlay expenditures.
- The Capital Projects Fund has a total fund balance of \$70.8 million as of June 30, 2022 and \$75.4 million as of June 30, 2021.
- The net decrease in the Capital Projects Fund for the fiscal year was due to continued principal payments on existing bonds.
- In May 2019, House File 546 was signed into law, which extended the Secure an Advanced Vision for Education (SAVE) program through calendar year 2050. The District will continue to evaluate the pragmatism of issuing additional revenue bonds.

Debt Service:

- Accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term debt. Management elected to classify the debt service fund as a major fund due to bond refunding in the current year for public interest purposes.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

- The Debt Service fund does not hold a fund balance. Funds are transferred in cover the debt payments due during the current fiscal year. Debt Service payments are made on the principal and interest payments for sales tax and service revenue bonds and lease obligations. For the current year, principal and interest paid was \$26.5 million.
- On November 15, 2021, the District issued School Infrastructure Sales, Service and Use Tax Revenue Refunding Bonds, Series 2022 totaling \$66.3 with an interest rate of 0.84 percent. The bonds were issued to advance refund the School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2012, 2013, and 2016. The District paid \$75.7 million of existing debt service reserve fund resources into escrow as a result of the issuance. As a result of the refunding, the District reduced its debt service requirements by \$6.9 million for a net present value savings of \$6.6 million after considering the payment of existing resources from the debt service reserve fund.

Management Fund:

- Management Fund is the accounts for transactions related to unemployment, early retirement, judgments and settlements and the cost of liability insurance as it relates to property and casualty.
- The Management Fund has a total fund balance of \$33.9 million as of June 30, 2022 and \$19.6 million as of June 30, 2021.
- The net increase in the Management Fund for the fiscal year was due to an increase in the Management Fund levy due to planned authorized expenses. The District implemented a new break/fix insurance program that is funded through the Management Fund.

Business-Type Activities – Proprietary Fund Highlights

There are no major enterprise funds.

Budgetary Highlights

In accordance with state law, the Board annually adopts a budget following the public notice and hearing requirements. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared in accordance with accounting principles generally accepted in the United States of America. As is the District's practice, the District modified its adopted budget once during fiscal year 2022.

- For fiscal year 2022, the District received 105.1% of budgeted General Fund revenues.
- The District had an additional influx of federal funds via the American Rescue Plan Act after the FY 2022 budget was certified in April 2021. ESSER 3 was not announced by the Federal government until March 2021 and allocations to districts from the Iowa Department of Education were not provided until summer 2021. The initial application window for the FCC Emergency Connectivity program was not available until summer 2021.
- The District budgeted for a total General Fund Expenditure for fiscal year 2022 to be \$437.9 million. The actual fiscal year 2022 General Fund Expenditure was \$469.8 million, a \$32.0 million increase.
- The General Fund had \$465.8 million in fiscal year 2022 expenditures, which primarily consisted of instructional expenditures. General Fund expenditures increased 3.5%. Increases in expenditures are the result of costs correlating to federal COVID funds, a one-time teacher retention bonus of \$2.3 million, tuition out costs of \$2.0 million, and other operational costs related to being back in school for the full year, compared to fiscal year 2021 which was partially hybrid.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

- The District's General Fund, its principal operating fund, continues to remain financially solvent.

Capital Assets and Debt Administration

Capital Assets: As of June 30, 2022, the District had invested \$582.0 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. The sale of two buildings was offset by continued capitalization of school renovation and major repair projects that were completed as part of the District's renovation plans. Total capital assets represents a net increase of \$9.8 million, the District had an increase in capital assets of \$11.5 million due to adoption of GASB Statement No. 87, excluding this, the District had net capital asset decrease of \$1.7 million.

The following schedule presents capital asset balances, net of accumulated depreciation, for the fiscal year ended June 30, 2022, compared with balances as of June 30, 2021:

	Governmental Activities 2022	Governmental Activities 2021 Not Restated	Business-Type Activities 2022	Business-Type Activities 2021	Total 2022	Total 2021 Not Restated	Difference
Land	\$ 4,963,615	\$ 4,963,615	\$ 9,499	\$ 9,499	\$ 4,973,114	\$ 4,973,114	\$ -
Construction-in-progress	9,918,962	13,147,599	-	-	9,918,962	13,147,599	(3,228,637)
Land improvements	1,011,660	1,191,895	-	-	1,011,660	1,191,895	(180,235)
Buildings and improvements	544,285,547	540,557,349	-	-	544,285,547	540,557,349	3,728,198
Vehicles, furniture and equipment	12,574,842	10,634,108	1,462,751	1,692,851	14,037,593	12,326,959	1,710,634
Lease assets, equipment	7,763,857	-	-	-	7,763,857	-	7,763,857
Total	\$ 580,518,483	\$ 570,494,566	\$ 1,472,250	\$ 1,702,350	\$ 581,990,733	\$ 572,196,916	\$ 9,793,817

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

Debt Administration: The District debt liability consists of SAVE revenue bonds and lease liabilities.

The District currently holds the following SAVE revenue bonds:

- Series 2014 SAVE Revenue Bonds: \$61.9 million
- Series 2018 SAVE Revenue Bonds: \$56.2 million
- Series 2021 SAVE Revenue Bonds: \$66.3 million

In fiscal year 2021, the Series 2012, 2013, and 2016 SAVE Revenue Bonds were refunded with \$66.3 million in revenue bonds (Series 2021 SAVE Revenue Bonds). The refinancing of the bonds led to an approximate savings of \$6.7 million over the life of the bonds.

As of June 30, 2022, the District had \$132.6 million in bonds outstanding, of which \$16.4 million is due within one year.

The District implemented GASB Statement No. 87 (capitalizing leases on right-to use assets), which resulted in an increase of debt of \$10.5 million. After principal and interest payments made during fiscal year 2022, the remaining lease obligation was \$6.0 million at June 30, 2022, of which \$3.5 million is due within one year.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

The following table presents a summary of the District's outstanding long-term debt for the year ended June 30, 2022, with comparative information as of June 30, 2021:

	2022	2021 As Restated	Difference
Lease liability	\$ 5,984,721	\$ 10,508,349	\$ (4,523,628)
Sales tax revenue bonds	132,600,000	158,015,000	(25,415,000)
Total	<u>\$ 138,584,721</u>	<u>\$ 168,523,349</u>	<u>\$ (29,938,628)</u>

State statutes currently limit the amount of debt a district may issue to five percent of its total assessed valuation. The District's debt limitation for fiscal year 2022 was \$720.5 million, which is substantially more than the District's outstanding debt.

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

Factors Bearing on the District's Future

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

- Due to COVID-19, the District experienced a significant enrollment decrease of nearly 600 students for school year 2021-2022. This was the second largest single decrease the District has experienced in decades and impacted the District in fiscal year 2022 and will continue to impact in 2023 and potentially for years beyond. Overall, the District has lost nearly 1,600 students when compared to the pre-pandemic school year of 2019-20. Enrollment is projected to continue to decrease in future years.
- In addition to the enrollment impact due to the global pandemic, during the 2021 legislative session, the Iowa Legislature enacted a bill to eliminate voluntary diversity plans for Iowa school districts. The District has been operating without a diversity plan since spring of 2021 when the governor signed that new legislation into effect for the 21/22 school year. At that time, the deadline was eliminated for families residing in a district that had a diversity plan, and impacted families were able to apply to leave the District at any time.

Last session, legislation was also passed to remove the deadline for ALL applicants so now anyone in Iowa can apply for OE at any time. This means that open enrollment decisions are made by the receiving districts, and they can only deny the request if they do not have the space/staff to accommodate the student. There are no other means of denial for open enrollment per new state code. Those two factors have led to the dramatic 50% increase in the number of new open enrollment out applicants the last two years because of the lack of deadline.

- The October 2021 enrollment was multiplied by the district cost per student to determine the amount of state foundation aid the District received for fiscal year 2022 (from a combination of state aid and property taxes). The cost per student from year-to-year increases by a factor known as state supplemental aid. The state supplemental aid rate for fiscal year 2022 was 2.4%; state supplemental aid rate for fiscal year 2023 is 2.5%. The Consumer Price Index-U (Midwest) has a 5.1 percent from 2020 to 2021. The first half of 2022 has had an 8.5 percent increase. It is unknown if the state supplemental aid rate that will be established in the 2023 Iowa Legislative Session will cover the cost of inflation.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

- COVID-19 has impacted the District in more than just enrollment. Significant expenses have been incurred because of the pandemic for example the purchase of hot spots, increased technology needs, development of online curriculum, purchase of personal protective equipment, and increased cleaning expenses. There has been a tremendous shortage of substitute teachers, which has resulted in an increased cost to incentivize subs to work in the District. Finally, COVID-19 has had an enormous impact on the economy, causing the United States to experience another economic recession, the full impact of which remains to be seen. While it is unknown the impact that COVID-19 will have on the overall economy, a significant enrollment decrease would likely necessitate the District utilizing the Budget Guarantee again. The Budget Guarantee allows for a budget equal to 101% of the previous year's regular program budget, and it is funded completely by property tax.
- The state controls the maximum amount each district can spend each year through the spending authority function. Under the spending authority control, it is illegal for a school district to exceed its maximum authorized budget (to reach the maximum budget authority level, the Board would have to authorize and levy additional property taxes). It is important to understand that the limit on spending is the amount of spending authority a district has, not the amount of cash or fund balance a district has. The District's total spending authority includes the current-year authorized budget *plus* the unspent authorized budget from the prior year (e.g., the amount of money that a district was authorized to spend in a fiscal year but did not, similar to "savings").

Spending authority is directly tied to student enrollment, and there are only three general means by which the District's spending authority can increase: (1) increased State Supplemental Aid (i.e., Allowable Growth), (2) increased enrollment, or (3) increased miscellaneous income. The District does not anticipate significant growth in any of those three areas.

The unspent spending authority ratio is a measure of the District's unbudgeted authorized spending capacity (not cash reserves) and is defined as a district's unspent spending authority divided by the district's maximum budget authority. The Iowa Association of School Boards (IASB) recommends this ratio be in the target range of 5% - 15%. The Board adopted guidelines in fiscal year 2012 setting the target for the District's unspent spending authority ratio at 10%; in 2015 the Board raised this target to 15%. The district ended fiscal year 2022 with an increase to the unspent spending authority ratio. The unspent spending authority balance ratio (including categoricals) for fiscal year 2022 is estimated to be 14.9%, compared to 13.8% for the prior year. Excluding categoricals, the unspent spending authority balance ratio for fiscal year 2022 is estimated to be 13.4%, compared to 11.3% for the prior year.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, please contact:

Shashank Aurora, CPA
Chief Financial Officer
Des Moines Independent Community School District
Office of Business and Finance
515-242-7635
2100 Fleur Drive
Des Moines, Iowa 50321

Des Moines Independent Community School District

**Statement of Net Position
June 30, 2022**

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and investments	\$ 321,849,087	\$ 2,111,982	\$ 323,961,069
Cash held with agent	20,341,043	-	20,341,043
Property taxes receivable—current year	884,957	-	884,957
Property taxes receivable—succeeding year	139,118,437	-	139,118,437
Interest receivable	238,475	-	238,475
Other receivables, net	1,937,294	1,218,413	3,155,707
Due from other governments	48,708,565	712,814	49,421,379
Inventories	1,971,235	836,575	2,807,810
Prepaid expenses	525,961	-	525,961
Total current assets	535,575,054	4,879,784	540,454,838
Noncurrent assets:			
Restricted cash and investments	3,610,568	-	3,610,568
Capital assets:			
Capital assets—nondepreciable	14,882,577	9,499	14,892,076
Capital assets—depreciable, net	565,635,906	1,462,751	567,098,657
Total capital assets	580,518,483	1,472,250	581,990,733
Total noncurrent assets	584,129,051	1,472,250	585,601,301
Total assets	1,119,704,105	6,352,034	1,126,056,139
Deferred Outflows of Resources			
Pension related amounts	72,699,722	1,676,730	74,376,452
OPEB related amounts	3,464,631	-	3,464,631
Total deferred outflow of resources	76,164,353	1,676,730	77,841,083

See notes to basic financial statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	\$ 10,459,288	\$ 248,001	\$ 10,707,289
Claims payable	12,762,305	-	12,762,305
Accrued payroll	25,125,504	128,058	25,253,562
Accrued interest payable	513,150	-	513,150
Other current liabilities	15,009,952	-	15,009,952
Due to other governments	14,955,892	-	14,955,892
Unearned revenue	46,944	908,661	955,605
Termination benefits	752,178	-	752,178
Compensated absences	3,764,313	299,860	4,064,173
Lease liability	3,486,010	-	3,486,010
Revenue bonds	16,445,000	-	16,445,000
Total current liabilities	103,320,536	1,584,580	104,905,116
Noncurrent liabilities:			
Retrospective insurance rating plan	1,404,457	-	1,404,457
Compensated absences	1,624,888	107,836	1,732,724
Lease liability, net of current position	2,498,711	-	2,498,711
Termination benefits	86,502	-	86,502
Other postemployment benefits (OPEB)	41,254,939	-	41,254,939
Revenue bonds, net of bond premiums and current position	127,507,292	-	127,507,292
Pollution liability	174,814	-	174,814
Net pension liability	43,645,345	1,286,803	44,932,148
Total noncurrent liabilities	218,196,948	1,394,639	219,591,587
Total liabilities	321,517,484	2,979,219	324,496,703
Deferred Inflows of Resources			
Property taxes—succeeding year	139,118,437	-	139,118,437
Pension related amounts	166,586,225	7,247,140	173,833,365
OPEB related amounts	38,348,704	-	38,348,704
Deferred gain on refunding	1,081,810	-	1,081,810
Total deferred inflows of resources	345,135,176	7,247,140	352,382,316
Net Position (Deficit)			
Net investment in capital assets	454,935,481	1,472,250	456,407,731
Restricted for:			
District Supported Trust	2,666,919	-	2,666,919
Capital projects	50,447,132	-	50,447,132
Categorical funding	8,127,592	-	8,127,592
Shared programs	964,038	-	964,038
Grants	602,769	-	602,769
Management levy	33,938,622	-	33,938,622
Physical plant and equipment levy	12,636,989	-	12,636,989
Public education and recreation levy	2,101,654	-	2,101,654
Student activities	1,027,775	-	1,027,775
Unrestricted (deficit)	(38,233,173)	(3,669,845)	(41,903,018)
Total net position (deficit)	\$ 529,215,798	\$ (2,197,595)	\$ 527,018,203

Des Moines Independent Community School District

Statement of Activities Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental activities:			
Instruction	\$ 251,459,003	\$ 20,492,892	\$ 78,438,657
Student services	37,694,571	-	4,069,634
Instructional support services	28,781,319	-	30,815,182
General administration	8,235,575	-	-
Building administration	29,735,063	-	-
Business and central administration	22,072,137	-	-
Plant operation and maintenance	51,145,290	-	-
Student transportation	14,153,956	361,144	416,518
Noninstructional	4,122,574	-	2,193,920
AEA support	15,405,608	15,405,608	-
Interest and issuance costs on long-term debt	8,247,093	-	-
Total governmental activities	471,052,189	36,259,644	115,933,911
Business-type activities:			
School nutrition	19,784,668	492,581	22,258,103
Child care	3,066,812	2,875,880	1,088,882
Automotive	13,825	8,121	-
Farm to market ag store	28,811	4,499	-
Total business-type activities	22,894,116	3,381,081	23,346,985
Total primary government	\$ 493,946,305	\$ 39,640,725	\$ 139,280,896

General revenues:

Property taxes:

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

Sales tax, for capital projects

State foundation aid, for general purposes

Investment loss

Other local sources

Transfers

Total general revenues and transfers

Changes in net position

Net position (deficit), beginning of year, as restated

Net position (deficit), end of year

See notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Totals
\$ (152,527,454)	\$ -	\$ (152,527,454)
(33,624,937)	-	(33,624,937)
2,033,863	-	2,033,863
(8,235,575)	-	(8,235,575)
(29,735,063)	-	(29,735,063)
(22,072,137)	-	(22,072,137)
(51,145,290)	-	(51,145,290)
(13,376,294)	-	(13,376,294)
(1,928,654)	-	(1,928,654)
-	-	-
(8,247,093)	-	(8,247,093)
(318,858,634)	-	(318,858,634)
-	2,966,016	2,966,016
-	897,950	897,950
-	(5,704)	(5,704)
-	(24,312)	(24,312)
-	3,833,950	3,833,950
(318,858,634)	3,833,950	(315,024,684)
105,721,486	-	105,721,486
20,660,671	-	20,660,671
16,270,408	-	16,270,408
1,182,355	-	1,182,355
38,218,634	-	38,218,634
205,760,431	-	205,760,431
(181,252)	-	(181,252)
4,181,651	-	4,181,651
(492,613)	492,613	-
391,321,771	492,613	391,814,384
72,463,137	4,326,563	76,789,700
456,752,661	(6,524,158)	450,228,503
\$ 529,215,798	\$ (2,197,595)	\$ 527,018,203

Des Moines Independent Community School District

Balance Sheet Governmental Funds June 30, 2022

	General	Capital Projects	Management	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 192,192,106	\$ 50,013,244	\$ 34,967,499	\$ 18,341,332	\$ 295,514,181
Restricted cash and investments	-	1,840,965	-	1,769,603	3,610,568
Cash held with agent	-	20,341,043	-	-	20,341,043
Property taxes receivable—current year	661,719	-	133,579	89,659	884,957
Property taxes receivable—succeeding year	100,368,244	-	20,799,985	17,950,208	139,118,437
Interest receivable	238,475	-	-	-	238,475
Other receivables	1,825,521	9,431	-	100,736	1,935,688
Due from other governments	40,333,668	7,988,565	20,874	-	48,343,107
Inventories	1,846,110	-	-	-	1,846,110
Due from other funds	9,366,985	-	-	-	9,366,985
Prepaid items	101,415	15,680	-	408,866	525,961
Total assets	\$ 346,934,243	\$ 80,208,928	\$ 55,921,937	\$ 38,660,404	\$ 521,725,512
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 5,868,307	\$ 2,681,028	\$ -	\$ 1,775,325	\$ 10,324,660
Claims payable	-	-	431,152	-	431,152
Accrued payroll	24,721,005	2,133	-	1,847	24,724,985
Termination benefits	-	-	752,178	-	752,178
Other current liabilities	13,436,544	1,421,331	-	89,636	14,947,511
Due to other governments	14,424,453	944	-	1,185	14,426,582
Compensated absences	502,784	-	-	-	502,784
Total liabilities	58,953,093	4,105,436	1,183,330	1,867,993	66,109,852
Deferred inflows of resources:					
Succeeding year—property taxes	100,368,244	-	20,799,985	17,950,208	139,118,437
Unavailable revenue—sales tax	-	5,315,317	-	-	5,315,317
Unavailable revenue—intergovernmental	7,767,005	-	-	-	7,767,005
Total deferred inflows of resources	108,135,249	5,315,317	20,799,985	17,950,208	152,200,759
Fund balances:					
Nonspendable	1,947,525	15,680	-	408,866	2,372,071
Restricted	9,694,399	70,772,495	33,938,622	18,433,337	132,838,853
Committed	11,500,000	-	-	-	11,500,000
Assigned	2,331,042	-	-	-	2,331,042
Unassigned	154,372,935	-	-	-	154,372,935
Total fund balances	179,845,901	70,788,175	33,938,622	18,842,203	303,414,901
Total liabilities, deferred inflows of resources and fund balances	\$ 346,934,243	\$ 80,208,928	\$ 55,921,937	\$ 38,660,404	\$ 521,725,512

See notes to basic financial statements.

Des Moines Independent Community School District

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities June 30, 2022

Total governmental fund balances		\$	303,414,901
Amount reported for governmental activities in the statement of net position are different because:			
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds:			
Land	\$	4,963,615	
Construction-in-progress		9,918,962	
Land improvements		9,742,977	
Buildings and improvements		759,178,607	
Lease asset		9,836,616	
Vehicles, furniture and equipment		35,180,609	
Accumulated depreciation and amortization		(249,490,520)	579,330,866
Other long-term assets are not available to pay for current-period expenditures and, therefore, reported as deferred inflows of resources—unavailable revenue, in the governmental funds.			13,082,322
Internal service funds are used by management to charge the costs of certain activities, such as self-insurance benefits for employees and print shop services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.			11,051,466
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—IPERS		29,201,894	
Deferred outflows of resources—DMTRS		43,497,828	
Deferred outflows of resources—OPEB		3,464,631	
Deferred inflows of resources—IPERS		(159,017,594)	
Deferred inflows of resources—DMTRS		(7,568,631)	
Deferred inflows of resources—OPEB		(38,348,704)	(128,770,576)
Certain assets and liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported as assets or liabilities in the funds. These assets and liabilities at year-end consist of:			
Net pension liability—DMTRS		(40,647,473)	
Net pension liability—IPERS		(2,997,872)	
Compensated absences		(4,865,022)	
Sales tax revenue bonds		(132,600,000)	
Bond premiums		(11,352,292)	
Accrued interest payable		(513,150)	
Deferred charge on refunding		(1,081,810)	
Lease liability		(4,821,893)	
Claims payable for workers' compensation		(7,092,957)	
Retrospective insurance rating plan		(1,404,457)	
Other postemployment benefits		(41,254,939)	
Pollution remediation liability		(174,814)	
Termination benefits		(86,502)	(248,893,181)
Net position of governmental activities		\$	529,215,798

See notes to basic financial statements.

Des Moines Independent Community School District

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds Year Ended June 30, 2022

	General	Capital Projects	Debt Service	Management	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 105,721,485	\$ -	\$ -	\$ 20,660,671	\$ 17,452,762	\$ 143,834,918
Other local sources	29,708,659	-	-	61,696	2,251,192	32,021,547
Sales tax, for capital projects	-	38,218,634	-	-	-	38,218,634
Investment earnings (loss)	(685,727)	116,028	-	-	388,447	(181,252)
Intermediate sources	814,975	-	-	-	-	814,975
State foundation aid	205,760,431	-	-	-	-	205,760,431
Other state sources	60,515,934	-	-	-	-	60,515,934
Federal sources	57,514,559	-	-	-	23	57,514,582
Student activities	23,182	-	-	-	1,766,554	1,789,736
Total revenues	459,373,498	38,334,662	-	20,722,367	21,858,978	540,289,505
Expenditures:						
Current:						
Instruction	270,826,701	-	-	664,987	1,936,039	273,427,727
Student services	38,119,417	-	-	70,026	-	38,189,443
Instructional support services	29,008,456	-	-	-	3,951	29,012,407
General administration	7,066,625	-	-	1,488,090	-	8,554,715
Building administration	29,839,271	101,502	-	9,706	17,736	29,968,215
Business and central administration	16,225,197	-	-	2,485	3,229,509	19,457,191
Plant operation and maintenance	37,266,279	-	-	2,988,065	554,881	40,809,225
Student transportation	10,779,042	-	-	854,711	2,232,990	13,866,743
Noninstructional	2,954,994	-	-	312,102	170,309	3,437,405
AEA support	15,405,608	-	-	-	-	15,405,608
Miscellaneous	-	-	-	-	-	-
Capital outlay	8,353,695	16,396,118	-	-	5,617,294	30,367,107
Debt service:						
Bond issuance costs	-	215,513	-	-	-	215,513
Principal retirement	-	-	20,088,927	-	-	20,088,927
Interest	-	-	6,450,140	-	-	6,450,140
Total expenditures	465,845,285	16,713,133	26,539,067	6,390,172	13,762,709	529,250,366
Excess (deficiency) of revenues over expenditures	(6,471,787)	21,621,529	(26,539,067)	14,332,195	8,096,269	11,039,139
Other financing sources (uses):						
Proceeds from sale of capital assets	28,252	-	-	-	3,978,316	4,006,568
Issuance of refunding bonds	-	66,335,000	-	-	-	66,335,000
Premium on bonds	-	9,591,519	-	-	-	9,591,519
Transfers in	3,689,038	-	102,249,067	-	-	105,938,105
Transfers out	(1,664,731)	(102,152,536)	-	-	(2,613,451)	(106,430,718)
Payment to escrow for refunded bonds	-	-	(75,710,000)	-	-	(75,710,000)
Total other financing sources (uses)	2,052,559	(26,226,017)	26,539,067	-	1,364,865	3,730,474
Net change in fund balances	(4,419,228)	(4,604,488)	-	14,332,195	9,461,134	14,769,613
Fund balances, beginning of year	184,265,129	75,392,663	-	19,606,427	9,381,069	288,645,288
Fund balances, end of year	<u>\$ 179,845,901</u>	<u>\$ 70,788,175</u>	<u>\$ -</u>	<u>\$ 33,938,622</u>	<u>\$ 18,842,203</u>	<u>\$ 303,414,901</u>

See notes to basic financial statements.

Des Moines Independent Community School District

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2022

Net change in fund balances—total governmental funds	\$	14,769,613
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period and other transactions involving capital assets:

Capital outlay	\$	25,413,362	
Depreciation and amortization expense		(19,400,117)	
Proceeds from sale of capital assets		(4,006,568)	
Loss on sale of capital assets		(2,979,412)	
		<u>(2,979,412)</u>	(972,735)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, which represents the change in deferred inflows of resources—unavailable revenue.

4,325,344

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

Principle payments on leases	4,048,927	
Repayment of bond principal	16,040,000	
Issuance of refunding revenue bonds	(66,335,000)	
Payments to escrow agent	75,710,000	
Amortization of bond premiums	(6,174,969)	
Deferred amount on refunding amortization	<u>(1,848,326)</u>	21,440,632

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

Increase in compensated absences	190,612	
Decrease in retrospective insurance rating plan	(104,607)	
Decrease in accrued interest expense	(24,449)	
Increase in claims payable for workers' compensation	(1,312,806)	
Pollution remediation liability	(124,796)	
Pension expense	29,554,721	
OPEB expense	4,267,463	
Decrease in termination benefits	<u>117,312</u>	32,563,450

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

336,833

Change in net position of governmental activities

\$ 72,463,137

See notes to basic financial statements.

Des Moines Independent Community School District

Statement of Net Position Proprietary Funds June 30, 2022

	Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,111,982	\$ 26,334,906
Other receivables, net	1,218,413	1,606
Due from other governments	712,814	365,458
Due from other funds	-	255,199
Inventories	836,575	125,125
Total current assets	4,879,784	27,082,294
Noncurrent assets:		
Capital assets:		
Nondepreciable	9,499	-
Depreciable, net	1,462,751	22,965
Lease right of use assets, net	-	1,164,652
Total noncurrent assets	1,472,250	1,187,617
Total assets	6,352,034	28,269,911
Deferred Outflow of Resources , pension related amounts	1,676,730	-
Liabilities		
Current liabilities:		
Accounts payable	248,001	134,628
Claims payable	-	5,238,196
Accrued payroll	128,058	400,519
Due to other governments	-	529,310
Lease liability	-	490,653
Advance from other funds	-	246,569
Unearned revenue	908,661	46,944
Compensated absences	299,860	16,031
Due to other funds	-	9,375,615
Other	-	62,441
Total current liabilities	1,584,580	16,540,906
Noncurrent liabilities:		
Lease liability, net of current position	-	672,175
Compensated absences	107,836	5,364
Net pension liability	1,286,803	-
Total noncurrent liabilities	1,394,639	677,539
Total liabilities	2,979,219	17,218,445
Deferred Inflow of Resources , pension related amounts	7,247,140	-
Net Position (Deficit)		
Investment in capital assets	1,472,250	22,965
Unrestricted	(3,669,845)	11,028,501
Total net position (deficit)	\$ (2,197,595)	\$ 11,051,466

See notes to basic financial statements.

Des Moines Independent Community School District

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2022**

	Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
Operating revenues:		
Student activities	\$ 12,620	\$ -
Charges for services:		
Employee benefits	-	71,490,628
Sale of food	416,188	-
Child care	2,875,880	-
Miscellaneous	-	1,694,989
Total operating revenues	3,304,688	73,185,617
Operating expenses:		
Instruction	25,080	-
Student services	19,525,769	-
Depreciation and amortization	301,535	485,478
Community services	3,041,732	-
Claims and related costs	-	70,947,288
Miscellaneous	-	1,368,975
Total operating expenses	22,894,116	72,801,741
Operating income (loss)	(19,589,428)	383,876
Nonoperating revenues and expenses:		
Other local sources	76,393	-
State sources	168,389	-
Federal sources	23,178,596	-
Nonoperating expenses, right to use leased equipment—interest	-	(47,043)
Total nonoperating revenues and expenses	23,423,378	(47,043)
Income before transfers	3,833,950	336,833
Transfers in	1,664,731	-
Transfers out	(1,172,118)	-
Total other financing sources	492,613	-
Change in net position	4,326,563	336,833
Total net position (deficit), beginning of year	(6,524,158)	10,714,633
Total net position (deficit), end of year	\$ (2,197,595)	\$ 11,051,466

See notes to basic financial statements.

Des Moines Independent Community School District

Statement of Cash Flows Proprietary Funds Year Ended June 30, 2022

	Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
Cash flows from operating activities:		
Cash received from user charges	\$ 3,259,076	\$ 73,232,561
Cash payments to employees for services	(12,449,126)	(496,133)
Cash payments to suppliers for goods and services	(9,352,065)	(71,040,992)
Net cash provided by (used in) operating activities	(18,542,115)	1,695,436
Cash flows from noncapital financing activities:		
Payments from other funds	(1,606,512)	-
Payments to other funds	(307,859)	5,606
Grants and donations received	22,058,390	-
Transfers in	(1,172,118)	-
Transfers out	1,540,199	-
Net cash provided by noncapital financing activities	20,512,100	5,606
Cash flows from capital and related financing activities		
Lease agreements - principal	-	(474,701)
Lease agreements - Interest	-	(47,043)
Acquisition of capital assets	(71,435)	(7,985)
Net cash used in capital and related financing activities	(71,435)	(529,729)
Net increase in cash and cash equivalents	1,898,550	1,171,313
Cash and cash equivalents, beginning of year	213,432	25,163,593
Cash and cash equivalents, end of year	\$ 2,111,982	\$ 26,334,906
Reconciliation of operating loss to net cash used in operating activities:		
Operating income (loss)	\$ (19,589,428)	\$ 383,876
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	301,535	485,478
Commodities used	1,155,566	-
Changes in assets and liabilities:		
Receivables	(194,720)	274,262
Inventories	-	8,527
Prepaid items	(56,316)	-
Accounts payable and due to other governments	199,743	401,201
Claims payable	-	(145,938)
Unearned revenue	149,108	46,944
Accrued liabilities and compensated absences	(46,526)	241,086
Net pension liability	(7,082,585)	-
Deferred outflows of resources	593,061	-
Deferred inflows of resources	6,028,447	-
Net cash provided by (used in) operating activities	\$ (18,542,115)	\$ 1,695,436
Noncash items, noncapital financing activities, commodities received from the U.S. Department of Agriculture	\$ 1,155,566	\$ -

See notes to basic financial statements.

Des Moines Independent Community School District

**Statement of Fiduciary Net Position
June 30, 2022**

	Pension Trust	Private Purpose Trust	Custodial Fund
Assets			
Cash and cash equivalents	\$ -	\$ 2,305,561	\$ 124,128
Investments:			
Money market mutual funds and certificates of deposit	3,748,040	-	-
U.S. government and agency securities	4,338,520	-	-
Corporate equities	48,213,456	-	-
Mortgage-backed securities	13,611,301	-	-
Corporate obligations	79,908,562	-	-
Preferred stock	1,983,985	-	-
Municipal bonds	33,886,155	-	-
Other fixed income	7,656,605	-	-
Interest receivable	1,718,301	-	-
Total assets	195,064,925	2,305,561	124,128
Liabilities			
Accounts payable	-	562	12,237
Net Position Restricted			
Employees' pension benefits	195,064,925	-	-
Scholarships	-	2,304,999	-
Faculty and staff	-	-	111,891
Total net position restricted	\$ 195,064,925	\$ 2,304,999	\$ 111,891

See notes to basic financial statements.

Des Moines Independent Community School District

Statement of Changes in Fiduciary Net Position Year Ended June 30, 2022

	Pension Trust	Private Purpose Trust	Custodial Fund
Additions:			
Contributions:			
Employer	\$ 940,505	\$ -	\$ -
Employee	762,777	-	-
Private sources	-	88,300	-
Total contributions	1,703,282	88,300	-
Investment earnings:			
Net increase (decrease) in fair value of investments	(29,641,820)	-	-
Interest	5,967,237	6,282	-
Dividends	1,790,622	-	-
Total investment earnings	(21,883,961)	6,282	-
Less investment expense	120,708	-	-
Net investment earnings	(22,004,669)	6,282	-
Collections for other organizations	-	-	89,349
Total additions	(20,301,387)	94,582	89,349
Deductions:			
Benefit payments	25,148,956	-	-
Scholarship awarded	-	140,263	-
Administrative costs and other costs	131,304	897	-
Distributions to other organizations	-	-	92,909
Total deductions	25,280,260	141,160	92,909
Change in net position	(45,581,647)	(46,578)	(3,560)
Net position, beginning of year	240,646,572	2,351,577	115,451
Net position, end of year	<u><u>\$ 195,064,925</u></u>	<u><u>\$ 2,304,999</u></u>	<u><u>\$ 111,891</u></u>

See notes to basic financial statements.

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

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

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

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

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

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

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

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

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

Significant accounting policies:

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

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

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

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

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

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

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

Capital Projects Fund: The Capital Projects Fund accounts for all revenues and expenditures generated through the collection of local option sales tax and expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets not covered by the physical plant and equipment levy (PPEL) and public education and recreation levy (PERL) funds. The cash restricted in this fund is for the purpose of future capital outlay expenditures.

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

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

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

Debt Service Fund: Accounts for and reports financial resources that are restricted, committed or assigned to expenditure for principal and interest on long-term debt. Management elected to classify the debt service fund as a major fund due to bond refunding in the current year for public interest purposes.

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

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

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

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

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

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

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

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

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

The following enterprise funds of the District are considered nonmajor:

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

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

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

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

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

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

Farm to Market Ag Store Fund: This fund accounts for transactions from the student operated ag store as part of their instruction or extracurricular program.

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

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

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

Print Shop Fund: This fund accounts for transactions for print shop and copying services. It also accounts for transactions for materials for arts and crafts and services such as laminating and other related activities.

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

The District has the following fiduciary fund types:

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

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

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

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

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

The Government-wide financial statements and the proprietary, the fiduciary funds and the custodial funds financial statements are reported using the “economic resources measurement focus” and are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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

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

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

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

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

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

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

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

Current year property tax receivable represents unpaid taxes related to the April 2021 levy certification. Property taxes become due and collectible in September and March of the following fiscal year with a 1.5% per month penalty for delinquent payments. This tax levy is based on January 1, 2020 assessed property valuations and is revenue for fiscal year ended June 30, 2022.

The succeeding year property tax receivable represents taxes certified by the Board of Education in April 2021. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. The tax asking represents a lien which is effective on the first day of that calendar year. Although the succeeding year property tax receivable has been recorded, the related revenue is a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year ended June 30, 2022, the year for which it is levied.

Due from other governments and other receivables: Due from other governments and other receivables represents amounts due from the State, other school districts, and other various grants, reimbursements and shared revenues. All receivables are shown net of an allowance for uncollectibles, if applicable. The District's nonmajor enterprise funds and business-type activities have reported an allowance of \$842,002 as of June 30, 2022 related to other receivables.

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

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

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

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

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

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

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

Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more (\$500 or more for the School Nutrition Fund) and an estimated useful life of more than one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value at the date of donation.

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

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

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

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

Leases: The District is the lessee for a noncancellable lease of equipment. The District has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes leases when the initial measurement of the lease liability, based on terms of the lease, is \$100,000 or more.

At the commencement of the lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option price that the District is reasonably certain to exercise.

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

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

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital assets and lease liabilities are reported with current and noncurrent liabilities on the statement of net position.

Deferred outflows of resources: Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of items not yet charged to pension expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments, and contributions from the District after the measurement date but before the end of the District's reporting period.

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

The District's government-wide and proprietary fund statements of net position also includes pension related amounts and other postemployment benefit (OPEB) related amounts as a deferred inflow of resources and a deferred charge on refunding that will be recognized in interest expense over the shorter of the maturity of the related refunded or refunding bond issuance. The pension related amounts consist of the unamortized portion of the net difference between projected and actual earnings on pension plan investments, the unamortized portion of the net difference between expected and actual plan experience and changes in proportion. The OPEB related amounts consist of the impact of changes in assumptions and other inputs.

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

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

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

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

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

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

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

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

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

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

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

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

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

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

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

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

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

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

Net position: Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in the Government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net investment in capital assets excludes unspent debt proceeds. Unspent debt proceeds (which includes proceeds reserved for debt retirement) for the Capital Projects Fund was \$20,341,043. Net position is reported as restricted in the Government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Net position restricted through enabling legislation as of June 30, 2022 consists of \$33,938,622 for management levy, \$12,636,989 for PPEL, and \$2,101,654 for PERL.

Donor restricted net position includes \$2,666,919 for net position in the District Supported Trust Fund which is to be used mainly for the Smouse School.

Net position restricted for other purposes consists of \$10,722,174 restricted for categorical funding, various grants and sponsored programs and student activity balances.

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

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

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" or "advances to/from other funds" in the fund financial statements.

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

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

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

Note 2. Legal Compliance

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

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

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

The Child Care Fund, School Nutrition Fund, and Print Shop Fund have deficit balances as of June 30, 2022, of \$1,318,581, \$1,075,148, and \$154,482, respectively. The District will analyze the fund's activity and take the necessary steps to reduce the negative net position. The primary cause of the deficit balance is due to accounting for the Child Care and School Nutrition Funds' share of the District's proportionate share of deferred outflows of resources, deferred inflows of resources, and net pension liability related to IPERS. The primary cause of the Print Shop deficit is due to rising supply costs and implementation of GASB Statement No. 87.

Note 3. Deposits and Investments

As of June 30, 2022, the District's cash, cash equivalents and investments (including fiduciary fund assets) were as follows:

Cash and investments	\$ 111,040,358
Restricted cash and investments	3,610,568
Investments, including pension trust funds	408,697,024
	<u>\$ 523,347,950</u>

In addition, the District has cash held with agent of \$20,341,043, which will be used for future debt service payments as of June 30, 2022.

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 3. Deposits and Investments (Continued)

Investments:

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

The above description of authorized investments does not apply to investments donated to the District. In addition, the DMTRS Pension Trust Funds investments are governed by the underlying plan documents and not the District's investment policy. The DMTRS investment policy authorizes investment in cash, fixed income securities rated AAA to BBB, investment grade preferred stock, large-, mid-, and small-cap domestic equity securities, international stocks, and domestic real estate. The investment policy also establishes allocation and exposure limitations for each class of investments authorized.

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

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

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

It is the District's policy to require that time deposits in excess of FDIC insurable limits be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. Chapter 12c of the Code of Iowa requires all District funds be deposited into an approved depository and be either insured or collateralized. As of June 30, 2022, the District's deposits with financial institutions were entirely covered by federal depository insurance or insured by the state through pooled collateral, state sinking funds and by the state's ability to assess for lost funds.

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 3. Deposits and Investments (Continued)

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2022:

Des Moines Independent Community School District (without DMTRS)

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
Corporate equities	\$ 1,769,603	N/A	N/A	N/A	N/A
Money market mutual funds	45,664,767	N/A	N/A	N/A	N/A
Fixed income securities (commercial paper)	24,766,811	\$ 24,766,811	\$ -	\$ -	\$ -
U.S. Government securities	143,149,219	143,149,219	-	-	-
	<u>\$ 215,350,400</u>	<u>\$ 167,916,030</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Des Moines Teachers' Retirement System (DMTRS)

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
Money market mutual funds	\$ 3,748,040	N/A	N/A	N/A	N/A
U.S. Government and agency securities	4,338,520	\$ -	\$ 1,052,970	\$ 1,901,115	\$ 1,384,435
Corporate equities	48,213,456	N/A	N/A	N/A	N/A
Mortgage-backed securities	13,611,301	433,000	1,954,746	399,597	10,823,958
Corporate obligations	79,908,562	3,501,980	17,120,947	20,626,315	38,659,320
Preferred stock	1,983,985	N/A	N/A	N/A	N/A
Municipal bonds	33,886,155	1,016,140	7,697,334	6,032,496	19,140,186
Other fixed income	7,656,605	-	3,074,168	2,415,069	2,167,368
	<u>\$ 193,346,624</u>	<u>\$ 4,951,120</u>	<u>\$ 30,900,165</u>	<u>\$ 31,374,592</u>	<u>\$ 72,175,267</u>

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment policy does not formally address credit risk. The credit ratings for the District's investments are included in the table below. Investments issued or explicitly guaranteed by the U.S. government are not subject to credit risk in accordance with GASB Statement No. 40, *Deposits and Investment Risk Disclosures*.

Fair value measurements: The District uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. Level 2 inputs are observable inputs other than quoted prices included within Level 1. The observable inputs, either directly or indirectly, include prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data from third-party pricing agencies for substantially the full term of the assets or liabilities. Level 3 inputs are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The District uses the following valuation methods for recurring fair value measurement:

- Quotes market prices
- Matrix pricing techniques
- Market approach that considers benchmark quote prices

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 3. Deposits and Investments (Continued)

The following table provides the distribution of the District's investment by fair value hierarchy level and the credit rating as of June 30, 2022.

Des Moines Independent Community School District (without DMTRS)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value	S&P Rating
Corporate equities	\$ 1,769,603	\$ -	\$ -	\$ 1,769,603	Not Rated
Money market mutual funds	45,664,767	-	-	45,664,767	Not Rated
Commercial paper	-	24,766,811	-	24,766,811	A+
U.S. Government securities	-	143,149,219	-	143,149,219	AA+
	<u>\$ 47,434,370</u>	<u>\$ 167,916,030</u>	<u>\$ -</u>	<u>\$ 215,350,400</u>	

Des Moines Teachers' Retirement System (DMTRS)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value	S&P Rating
Money market mutual funds	\$ -	\$ 3,748,040	\$ -	\$ 3,748,040	Not Rated
Certificates of deposit	-	-	-	-	Not Rated
U.S. Government and agency securities	-	4,338,520	-	4,338,520	AA+
Corporate equities	48,213,456	-	-	48,213,456	Not Rated
Mortgage-backed securities	-	13,565,586	-	13,565,586	Not Rated
Mortgage-backed securities	-	45,715	-	45,715	AAA
Corporate obligations	-	650,979	-	650,979	Not Rated
Corporate obligations	-	49,112,195	-	49,112,195	A - AAA
Corporate obligations	-	30,145,389	-	30,145,389	BB - BBB
Preferred stock	-	1,983,985	-	1,983,985	A - AAA
Municipal bonds	-	33,886,155	-	33,886,155	A - AAA
Other fixed income	-	7,656,605	-	7,656,605	A - AA
	<u>\$ 48,213,456</u>	<u>\$ 145,133,169</u>	<u>\$ -</u>	<u>\$ 193,346,625</u>	

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

Money Market Mutual Funds: Mutual funds are reported at fair value based on quoted market prices obtained from exchanges and also reported at fair value based on evaluation using market sources and integrating relative credit information, observed market movements, and sector news into the evaluated pricing applications and models.

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

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 3. Deposits and Investments (Continued)

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

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

Mortgage-backed securities: Mortgage-backed securities are reported at fair value via model using various inputs such as but not limited to daily cash flow, snapshots of the To Be Announced market and the US Treasury market, floating rate Indices such as London Inter-bank Offered Rate (LIBOR), Constant maturity, and Prime as a benchmark yield, spread over index, periodic and life caps, next coupon adjustment date, and convertibility of the bond.

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

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

The District has no assets reported at fair value on a nonrecurring basis and no other investments meeting the fair value disclosure requirements of GASB Statement No. 72, *Fair Value Measurement and Application*.

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

More than 5% of the District's investments, excluding DMTRS investments, are in U.S. Treasuries, commercial paper, and money market accounts. These investments are approximately 66.5%, 11.5% and 21.2%, respectively, of the District's total investments. The investments in U.S. Government Securities, Corporate Equities and Money market mutual funds, are not subject to concentration of credit risk due to either being guaranteed by the U.S. government, considered a pooled investment, were donated to the District, or none of the securities underlying the total investment type is more than 5% in any one issuer.

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

As of June 30, 2022, none of the District's investments were insured, but they were all registered in the District's name and held by the counterparty or the counterparty's trust department.

Beginning January 1, 2022, LIBOR was replaced by Secured Overnight Financing Rate (SOFR).

Des Moines Independent Community School District

Notes to Basic Financial Statements
Year Ended June 30, 2022

Note 4. Interfund Receivables/Payables and Transfers

Due to and from other funds as of June 30, 2022 are as follows:

	Due To Other Funds	Due From Other Funds
General fund	\$ -	\$ 9,366,985
Internal service fund, print shop	-	8,630
Internal service fund, self insurance	9,375,615	-
	<u>\$ 9,375,615</u>	<u>\$ 9,375,615</u>

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

The \$9,375,615 due to other funds in the internal service funds is attributable to pending payroll funds which have not yet cleared as of year-end.

The due to and due from other funds balances are expected to be collected in the subsequent year.

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

The following is a schedule of transfers as included in the basic financial statements of the District as of the year ended June 30, 2022:

	Transfers In	Transfers Out
Major funds:		
General fund	\$ 3,689,038	\$ 1,664,731
Capital projects fund	-	102,152,536
Debt service	102,249,067	-
Nonmajor governmental funds	-	2,613,451
Nonmajor enterprise funds	1,664,731	1,172,118
	<u>\$ 107,602,836</u>	<u>\$ 107,602,836</u>

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

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 5. Capital Assets

A summary of capital asset activity for the year ended June 30, 2022 is as follows:

Governmental Activities	Beginning Balance, as restated	Additions and Transfers In	Deletions and Transfers Out	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,963,615	\$ -	\$ -	\$ 4,963,615
Construction-in-progress	13,147,599	21,259,523	24,488,160	9,918,962
Total capital assets, not being depreciated	18,111,214	21,259,523	24,488,160	14,882,577
Capital assets, being depreciated:				
Land improvements	9,868,310	-	125,333	9,742,977
Buildings and improvements	743,188,214	24,488,160	8,497,767	759,178,607
Vehicles, furniture and equipment	31,152,395	4,161,824	77,345	35,236,874
Lease assets, equipment	11,474,145	-	-	11,474,145
Total capital assets, being depreciated	795,683,064	28,649,984	8,700,445	815,632,603
Less accumulated depreciation for:				
Land improvements	(8,676,415)	(179,936)	(125,034)	(8,731,317)
Buildings and improvements	(202,630,865)	(13,789,224)	(1,527,029)	(214,893,060)
Vehicles, furniture and equipment	(20,518,287)	(2,206,147)	(62,402)	(22,662,032)
Lease assets, equipment	-	(3,710,288)	-	(3,710,288)
Total accumulated depreciation	(231,825,567)	(19,885,595)	(1,714,465)	(249,996,697)
Total capital assets, being depreciated, net	563,857,497	8,764,389	6,985,980	565,635,906
Governmental activities capital assets, net	\$ 581,968,711	\$ 30,023,912	\$ 31,474,140	\$ 580,518,483
Business-Type Activities	Beginning Balance	Additions and Transfers In	Deletions and Transfers Out	Ending Balance
Capital assets, not being depreciated,				
Land	\$ 9,499	\$ -	\$ -	\$ 9,499
Capital assets, being depreciated:				
Vehicles, furniture and equipment	6,668,011	71,435	-	6,739,446
Less accumulated depreciation	(4,975,160)	(301,535)	-	(5,276,695)
Total capital assets, being depreciated, net	1,692,851	(230,100)	-	1,462,751
Business-type activities capital assets, net	\$ 1,702,350	\$ (230,100)	\$ -	\$ 1,472,250

Depreciation and amortization expense for the year ended June 30, 2022 was charged to the District's functions as follows:

Governmental activities:	
Instruction	\$ 16,719,777
Noninstructional	354,386
Business and central administration	1,451,381
Plant operation and maintenance	259,647
Student transportation	1,100,404
Total	<u>\$ 19,885,595</u>
Business-type activities:	
School nutrition	\$ 300,427
Automotive	1,108
	<u>\$ 301,535</u>

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 6. Long-Term Liabilities and Bonds Payable

The following is a summary of changes in bonds payable and other long-term liabilities for the year ended June 30, 2022:

	Beginning Balance, as Restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Sales tax revenue bonds	\$ 158,015,000	\$ 66,335,000	\$ 91,750,000	\$ 132,600,000	\$ 16,445,000
Bond premiums	5,177,323	9,649,660	3,474,691	11,352,292	-
Retrospective insurance rating plan	1,299,850	294,604	189,997	1,404,457	-
Termination benefits	9,273,394	-	8,434,714	838,680	752,178
Compensated absences	5,487,654	3,533,450	3,631,903	5,389,201	3,764,313
Other postemployment benefits	41,933,409	5,712,332	6,390,802	41,254,939	-
Lease liability	10,508,349	-	4,523,628	5,984,721	3,486,010
Net pension liability	216,974,929	-	173,329,584	43,645,345	-
Pollution remediation	50,018	124,796	-	174,814	-
Long-term liabilities	<u>\$ 448,719,926</u>	<u>\$ 85,649,842</u>	<u>\$ 291,725,319</u>	<u>\$ 242,644,449</u>	<u>\$ 24,447,501</u>
Business-type activities:					
Compensated absences	\$ 487,796	\$ 227,859	\$ 307,959	\$ 407,696	\$ 299,860
Net pension liability	8,369,388	-	7,082,585	1,286,803	-
Long-term liabilities	<u>\$ 8,857,184</u>	<u>\$ 227,859</u>	<u>\$ 7,390,544</u>	<u>\$ 1,694,499</u>	<u>\$ 299,860</u>

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

The District has pledged future statewide penny school infrastructure, services and use tax revenues to repay the following bonds:

Bond Issued, Month and Year	Issued Amount	Interest Rate
2014 SAVE Revenue Bonds, May 2014	61,940,000	3.0%-5.0%
2018 SAVE Revenue Bonds, April 2018	56,235,000	3.0%-5.0%
2021 SAVE Revenue Bonds, November 2021	66,335,000	2.0%-5.0%

The bonds were issued for the purpose of financing costs of school infrastructure improvement projects. The bonds are payable solely from the proceeds of the statewide penny school infrastructure, services and use tax revenue received by the District and are payable through 2029. The bonds are not a general obligation of the District; however, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds were expected to require less than 50% of the statewide penny school infrastructure, services and use tax revenues. For the current year, principal and interest paid was \$22,197,799 and total statewide penny school infrastructure revenue recognized was \$38,218,634.

On November 15, 2021, the District issued School Infrastructure Sales, Service and Use Tax Revenue Refunding Bonds, Series 2022 totaling \$66,335,000 with an interest rate of 0.84 percent. The bonds were issued to advance refund the School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2012, 2013, and 2016. The District paid \$75,710,000 of existing debt service reserve fund resources into escrow as a result of the issuance. As a result of the refunding, the District reduced its debt service requirements by \$6,878,698 for a net present value savings of \$6,648,329 after considering the payment of existing resources from the debt service reserve fund.

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

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

Annual debt service requirements to maturity as of June 30, 2022 for the outstanding sales tax revenue bonds are summarized as follows:

	Governmental Activities		
	Principal	Interest	Total
Year ending June 30:			
2023	\$ 16,445,000	\$ 5,646,575	\$ 22,091,575
2024	17,275,000	4,824,325	22,099,325
2025	18,055,000	4,046,775	22,101,775
2026	18,865,000	3,233,625	22,098,625
2027	19,730,000	2,372,100	22,102,100
2028—2029	42,230,000	2,158,650	44,388,650
	<u>\$ 132,600,000</u>	<u>\$ 22,282,050</u>	<u>\$ 154,882,050</u>

As of June 30, 2022, the District did not exceed its legal debt margin, computed as follows:

Lease agreements: The District has various equipment leases. These agreements have varying terms, including inception dates from April 2018 through October 2020, monthly payments of \$8,044 to \$103,108, and have terms of from 48 months to 60 months. During the year ended June 30, 2022, principal and interest paid were approximately \$4,523,000 and \$339,000, respectively.

Principal and interest requirements for the leases are as follows:

	Principal	Interest
2023	\$ 3,486,010	\$ 189,368
2024	2,155,472	73,937
2025	319,239	5,293
2026	24,000	133
	<u>\$ 5,984,721</u>	<u>\$ 268,731</u>

Total assessed valuation	<u>\$ 14,410,442,093</u>
Debt limit of 5% of total assessed valuation	<u>\$ 720,522,105</u>
Amount of debt applicable to debt limit, total bonded debt	<u>132,600,000</u>
Lease obligations	<u>5,984,721</u>
Total indebtedness	<u>138,584,721</u>
Excess of debt limit over bonded debt issued, legal debt margin	<u>\$ 581,937,384</u>

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

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

Special termination benefits: Prior to the year ended June 30, 2018, the District offered a special termination benefit to certified teachers and administrators. To be eligible to participate in this Plan, an employee must (1) have attained age 55; (2) have at least 10 consecutive contract years of employment with the District; (3) have worked a minimum of 100 days during the contract year in which he or she elects to participate in this Plan; (4) have not received an official notice of lay off or termination; (5) not be subject to termination pursuant to Iowa Code Section 279.15 or Section 279.27, whether such termination occurs before or after the acceptance of his or her application and (6) otherwise meet the requirements of this Plan. The special termination benefit allows an eligible employee to (1) if at the time of retirement has health insurance, to use the value of their accumulated sick leave benefit and annual special leave to pay for health insurance until they reach the age of 65 and opt for Medicare benefits, with any remaining funds at that time paid out in a single lump sum payment, or (2) if at the time of retirement has no health insurance, or already reached the age of 65, to pay out the value of their accumulated sick leave benefit and annual special leave over five equal annual payments into a tax sheltered annuity of their choice.

Beginning during the year ended June 30, 2018, the District offered a special termination benefit to all employees. To be eligible to participate in this Plan, an employee must (1) have attained age 60 and (2) have at least 10 or more years of continuous service as a permanent employee of the District. The special termination benefit allows an eligible employee to receive \$50,000 paid to a tax-sheltered annuity over 1 to 2 years. The amount is prorated based upon the eligible employee's full-time equivalency as of the fiscal year-end date in which the employee elected to participate in the Plan. Eligible employees will also have the option to purchase and participate in the District's group health insurance plan until age 65.

During the year ended June 30, 2021, the District offered a special termination benefit to eligible teachers and administrators. The incentive criteria was based upon enrollment in IPERS or DMTRS.

For DMTRS participants to be eligible to participate in this Plan, an employee must (1) have attained age 55 and (2) have at least 10 or more years of continuous service with the District. The special termination benefit allows an eligible employee to receive \$50,000 plus \$2,500 for each year of consecutive service with the district, paid to a tax-sheltered annuity over 1 to 2 years. The amount is prorated based upon the eligible employee's full-time equivalency as of the fiscal year-end date in which the employee elected to participate in the Plan. Eligible employees will also have the option to purchase and participate in the District's group health insurance plan until age 65.

For IPERS participants to be eligible to participate in this Plan, an employee must (1) have attained age 60 and (2) have at least 10 or more years of continuous service with the District. The special termination benefit allows an eligible employee to receive \$50,000 paid to a tax-sheltered annuity over 1 to 2 years. The amount is prorated based upon the eligible employee's full-time equivalency as of the fiscal year-end date in which the employee elected to participate in the Plan. Eligible employees will also have the option to purchase and participate in the District's group health insurance plan until age 65.

The special termination benefits are generally liquidated by the Management Fund. As of June 30, 2022, the District has \$752,178 accrued in the Management Fund relating to employees over age 65 as they are considered due and expected to be liquidated with expendable available financial resources. The current year amount paid by the District was \$8,434,714 which consisted of 111 participants in the plan.

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 7. Commitments and Contingencies

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

As of June 30, 2022, the District was involved in construction projects with an estimated cost to complete the construction projects of approximately \$9,298,000.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries and their political subdivision.

It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the District. The extent to which COVID-19 may affect the District's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information, which may emerge concerning the severity of COVID-19 and actions taken to contain COVID-19 or its impact, among others.

Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.

Note 8. Risk Management

The District has chosen to establish a risk financing fund for risks associated with the self-insurance plan for medical, prescription, dental and vision benefits. The risk financing fund is accounted for as an internal service fund where assets are set aside for claim settlements. The total charge allocated to each of the funds is based on each employees selected plan premiums. Premiums are calculating using trends in actual claims experience. Losses on medical claims are limited through the purchase of stop-loss insurance to \$150,000 per accident or disease, and 120% of actuarially projected claims for the District in total.

Liabilities include an estimated amount for claims that have been incurred but not reported (IBNR) which represent estimates of the eventual loss on claims arising prior to year-end. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	Years Ended June 30	
	2022	2021
Unpaid claims, beginning of year	\$ 5,384,135	\$ 5,390,729
Current year claims and changes in estimates	64,856,556	63,759,461
Claim payments	(65,002,495)	(63,766,055)
Unpaid claims, end of year	<u>\$ 5,238,196</u>	<u>\$ 5,384,135</u>

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 8. Risk Management (Continued)

As of June 30, 2022, the unpaid claims payable of \$5,238,196 is net of \$601,612 of reimbursement receivable that the District expects to receive as it has exceeded its individual stop-loss amount. A total of \$601,612 reinsurance revenue to be received is netted against claims expense.

The District self-insures its workers' compensation exposures. As of June 30, 2022, the amount of liabilities recorded for estimated claims payable for workers' compensation was \$7,524,109 of which \$431,152 was recorded in the Risk Management Internal Service Fund in accounts payable, a major governmental fund, as that portion of the liability has matured, and an additional \$7,092,957 was recorded in the government-wide statements. Liabilities are reported in the financial statements in claims payable. Losses on workers' compensation claims are limited through the purchase of stop-loss insurance to \$1,000,000 per occurrence.

Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	Years Ended June 30	
	2022	2021
Unpaid claims, beginning of year	\$ 5,780,151	\$ 6,389,460
Current year claims and changes in estimates	2,326,836	1,986,871
Claim payments	(582,878)	(2,596,180)
Unpaid claims, end of year	<u>\$ 7,524,109</u>	<u>\$ 5,780,151</u>

The District's general liability and automobile liability policies are written under a retrospective rating plan where final premium costs are within a specified minimum and maximum premium. For the policy year ended June 30, 2022, various liability claims remain unsettled; therefore, the District has accrued a liability for the maximum potential additional premium that could be payable under the retrospective rating plan of \$1,404,457. The liability is recorded in the Government-wide financial statements.

The District continues to carry commercial insurance for other risks of loss. The District has a \$500,000 deductible on property insurance. Settled claims from these risks have not exceeded the planned coverage during any of the past three years.

Note 9. Retirement Systems

Iowa Public Employees' Retirement System:

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

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

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 9. Retirement Systems (Continued)

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

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

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

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

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

In fiscal year 2022, pursuant to the required rate, Regular members contributed 6.29% of pay and the District contributed 9.44% for a total rate of 15.73%.

The District's contributions to IPERS for the year ended June 30, 2022 were \$23,910,225.

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 9. Retirement Systems (Continued)

Net pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2022, the District reported a liability of \$4,284,675 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, the District's collective proportion was 3.056310%, which was a decrease of 0.000541% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$15,546,380 and reported deferred outflows of resources and deferred inflows of resources related to the IPERS pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,260,041	\$ 3,273,273
Changes of assumptions	2,802,544	-
Net difference between projected and actual earnings on pension plan investments	-	155,240,797
Changes in proportion and differences between District contributions and proportionate share of contributions	905,814	7,750,664
Total deferred amounts to be recognized in pension expense in future periods	6,968,399	166,264,734
District contributions subsequent to the measurement date	23,910,225	-
Total deferred amounts related to pensions	<u>\$ 30,878,624</u>	<u>\$ 166,264,734</u>

The \$23,910,225 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. The deferred inflows relates to the difference between expected and actual investment earnings and is being amortized over a closed 5-year period as of the beginning of each measurement period. Other deferred outflows of resources and deferred inflows of resources are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of each measurement period, which was 5.00 years for the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows (Inflows) of Resources
Years ending June 30:	
2023	\$ (39,319,429)
2024	(40,014,453)
2025	(36,946,998)
2026	(43,046,822)
2027	31,367
	<u>\$ (159,296,335)</u>

There were no non-employer contributing entities to IPERS.

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 9. Retirement Systems (Continued)

Actuarial assumptions: The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25% to 16.25%, average, including inflation; rates vary by membership group
Long-term rate of return	7.00%, net of investment expense, including inflation

Mortality rates were based on the RP-2014 Generational Mortality Table, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Projection Scale MP-2017.

The demographic actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the four-year period ended June 28, 2019.

At the Investment Board's direction, the experience study of IPERS economic assumptions, including the long-term rate of return, was accelerated a year resulting in a full review of the economic assumptions in early 2018. The findings of the experience study on economic assumptions, along with the resulting recommendations, were included in a report dated March 24, 2017.

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
Core-plus fixed income	26.0%	0.29%
Domestic equity	22.0	4.43%
International equity	17.5	6.01%
Private equity	13.0	9.51%
Public credit	4.0	2.08%
Private credit	3.0	2.87%
Private real assets	7.5	4.63%
Global smart beta equity	6.0	5.10%
Cash	1.0	-0.25%
	<u>100.0%</u>	

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 9. Retirement Systems (Continued)

Discount rate: The discount rate used to measure the total pension liability was 7.00%. 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 (asset) calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability (asset) as of June 30, 2022	\$ 151,648,729	\$ 4,284,675	\$ (119,215,767)

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.

Des Moines Teachers' Retirement System:

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

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

Effective June 1, 2021, the plan was amended to only allow employees who were employed prior to July 1, 2020 to participate in the plan.

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

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 9. Retirement Systems (Continued)

Employees of the District who are teachers as defined under the Plan are eligible to participate in the Plan. Each teacher may choose to participate in either the Plan or in the IPERS. The election is made within 30 days of hire. If no election is made, the default is to participate in IPERS. The membership data as of the most recent actuarial valuation date was:

Active members	144
Retirees and beneficiaries currently receiving benefits	828
Inactive members entitled to but not yet receiving benefits	138
	<u>1,110</u>

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

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

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

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

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

Asset Class	Asset Allocation	Long-Term Expected Rate of Return
Certificates of deposit	0.0%	2.8%
Money market mutual funds	0.5	2.4
U.S. Government securities	2.0	3.2
Corporate equities	26.0	6.5
Mortgage-backed securities	8.5	3.3
Corporate obligations	46.0	4.2
Preferred stock	1.0	4.6
Municipal bonds	16.0	3.9
	<u>100.0%</u>	

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 9. Retirement Systems (Continued)

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

Rate of return: For the year ended June 30, 2022, the annual weighted rate of return on pension plan investments, net of pension plan investment expense was (9.6%). The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net pension liability: The total pension liability was determined using an actuarial valuation date of June 30, 2021 using generally accepted actuarial principles and methods.

A schedule of the District's changes in its net pension asset for DMTRS for the year ended June 30, 2022 is as follows:

Total pension liability	
Service cost	\$ 1,703,282
Interest	10,241,022
Differences between expected and actual experience	9,060,737
Changes of assumptions	555,206
Benefit payments, including refunds of member contributions	(25,148,956)
Net change in total pension liability	(3,588,709)
Total pension liability—beginning	239,301,107
Total pension liability—ending (a)	<u>\$ 235,712,398</u>
Plan fiduciary net position	
Contributions—employer	\$ 940,505
Contributions—members	762,777
Net investment income	(22,041,950)
Benefit payments, including refunds of member contributions	(25,148,956)
Administrative expense	(94,023)
Net change in plan fiduciary net position	(45,581,647)
Plan fiduciary net position—beginning	240,646,572
Plan fiduciary net position—ending (b)	<u>\$ 195,064,925</u>
Net pension liability—ending (a) - (b)	<u>\$ 40,647,473</u>
Plan fiduciary net position as a percentage of the total pension liability	82.8%

Actuarial assumptions: The total pension liability in the June 30, 2022 actuarial valuation was determined using a 4.50% investment rate of return with mortality rates based on the RP-2014 Mortality Table for Males or Females, as appropriate, with adjustments for MP-2018 projections. The actuarial assumptions used in the June 30, 2022 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 9. Retirement Systems (Continued)

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

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

	1% Decrease (3.50%)	Discount Rate (4.50%)	1% Increase (5.50%)
District's net pension liability as of June 30, 2022	\$ 66,436,995	\$ 40,647,473	\$ 18,922,628

Pension expense, deferred outflows of resources and deferred inflows of resources related to pensions: For the year ended June 30, 2022, the District recognized pension expense of \$14,008,341. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to the DMTRS pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,825,933	\$ 4,715,394
Changes of assumptions	12,977,727	2,853,237
Net difference between projected and actual earnings on pension plan investments	15,694,168	-
Total deferred amounts related to pensions	<u>\$ 43,497,828</u>	<u>\$ 7,568,631</u>

Deferred outflows of resources and deferred inflows of resources related to the differences between expected and actual experience and changes of assumptions are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period, which was 7 years as of June 30, 2022. The deferred inflows of resources related to the difference between expected and actual investment earnings is being amortized over a closed 5-year period as of the beginning of each measurement period.

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 9. Retirement Systems (Continued)

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

	Deferred Outflows (Inflows) of Resources
Years ending June 30:	
2023	\$ 6,930,691
2024	9,339,028
2025	9,643,367
2026	9,363,102
2027	653,009
	<u>\$ 35,929,197</u>

Aggregate pension related amounts for all plans are as follows:

	IPERS	DMTRS	Total
Net pension liability	\$ 4,284,675	\$ 40,647,473	\$ 44,932,148
Deferred outflows of resources, pension related amounts	30,878,624	43,497,828	74,376,452
Deferred inflows of resources, pension related amounts	166,264,734	7,568,631	173,833,365
Pension expense	15,546,380	14,008,341	29,554,721

Deferred inflows and outflows of resources related to both pension plans will be recognized in pension expense as follows:

	Deferred Outflows (Inflows) of Resources
Years ended June 30:	
2023	\$ (32,388,738)
2024	(30,675,425)
2025	(27,303,631)
2026	(33,683,720)
2027	684,376
	<u>(123,367,138)</u>
Deferred outflows of resources, pension related amounts—District contributions to IPERS subsequent to the measurement date	23,910,225
	<u>\$ (99,456,913)</u>

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 10. Other Postemployment Benefits

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

Funding policy: The current funding policy of the District is to pay health claims as they occur through internal allocated funds. For employees who retired on or before June 30, 2002, the District provides a 100% subsidy to the full cost of coverage for both retiree and dependent coverage. For employees who retire on or after June 30, 2002, the District provides no subsidy.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2022, the District contributed \$1,057,142. Retiree and active members receiving benefits contributed through their required monthly contributions of the following:

Rate Tier	Fiscal Year 2022 Alliance Select	Fiscal Year 2022 Blue Access
Employee	\$ 734.24	\$ 719.72
Employee + One	1,400.34	1,372.64
Family	2,232.06	2,187.92

Employees covered by benefit terms: At June 30, 2022, the following employees were covered by the benefit terms:

Current retirees, beneficiaries and dependents	131
Current active members, fully eligible for benefits	809
Current active members, not yet fully eligible for benefits	2,326
	<u>3,266</u>

Total OPEB Liability: The District's total OPEB liability of \$41,254,939 was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

The total OPEB liability in the June 30, 2022 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%
Salary increases	2.00%
Discount rate	3.54%
Healthcare cost trend rates	4.5% for medical and prescription benefits and 4.0% for administrative fees, decreasing 0.50% per year to an ultimate rate of 4.00% for 2022 and later years

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 10. Other Postemployment Benefits (Continued)

The discount rate was based on the Bond Buyer 20-Bond GO Index.

Mortality rates were based on the RP-2014 generational table scaled using MP-20 and applied on a gender-specific basis. It is assumed that 50% of future retirees cover a spouse at retirement. This is based on the current retiree spouse election percentages. All current and future retirees are assumed to be eligible for Medicare at age 65. The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 70% of all employees and their dependents who are eligible for early retiree benefits will participate in the retiree medical plan.

Based on current retiree plan elections, future retirees are assumed to elect plan coverage at the following rates:

Alliance Select—47%
Blue Access—53%

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance as of June 30, 2021	<u>\$ 41,933,409</u>
Changes for the year:	
Service cost	4,716,119
Interest	996,213
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(5,333,660)
Contributions and payments made	<u>(1,057,142)</u>
Net changes	<u>(678,470)</u>
Balance as of June 30, 2022	<u><u>\$ 41,254,939</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022 a change in the mortality improvement scale, a lowered participation rate and reduction of health care cost trend rates by 0.50% as the rates decrease towards the ultimate rates as assumed.

Changes in benefit terms included increases in deductibles, office visit copays and various other changes.

Differences between expected and actual experience is due to a decrease in active and retired populations and updates to the 24 most recent month claims and premiums.

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 10. Other Postemployment Benefits (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the approximate total OPEB liability of the District calculated using a discount rate of 3.54%, as well as what the District's approximate total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability as of June 30, 2022	\$ 45,093,000	\$ 41,254,939	\$ 37,747,000

Sensitivity of the total OPEB liability to changes in the health care cost trend rates: The following presents the approximate total OPEB liability of the District calculated using health care cost trend rates of 4.50% decreasing to 4.00%, as well as what the District's approximate total OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower (3.50% decreasing to 3.00%) or 1-percentage-point higher (5.50% decreasing to 5.00%) than the current health care cost trend rates:

	1% Decrease (3.50% decreasing to 3.00%)	Healthcare Cost Trend Rates (4.50% decreasing to 4.00%)	1% Increase (5.50% decreasing to 5.00%)
Total OPEB liability as of June 30, 2022	\$ 35,818,000	\$ 41,254,939	\$ 47,848,000

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended June 30, 2022, the District recognized OPEB expense of \$4,267,463. At June 30, 2022, the District reported deferred inflows of resources related to OPEB from changes in assumptions or other inputs in the amount of \$12,939,496, deferred outflows related to changes in assumptions or other inputs differences between expected and actual experience of \$3,464,631, and deferred inflows differences between expected and actual experience of \$25,409,208.

Amounts reported as the deferred inflows of resources related to OPEB will be recognized in OPEB expense over the average future service to retirement of plan participants as follows:

	Deferred Inflows of Resources
Years ending June 30:	
2023	\$ 3,983,652
2024	3,983,652
2025	3,983,652
2026	3,983,652
2027	3,983,652
Thereafter	19,904,816
	<u>\$ 39,823,076</u>

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 11. Tax Abatements

GASB Statement No. 77, *Tax Abatement Disclosures* 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 otherwise 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, 2022 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated	Amount of Tax Diverted
City of Des Moines, Iowa	Urban renewal and economic development projects	\$ 21,088,046	\$ 7,239,826
City of Pleasant Hill, Iowa	Urban renewal and economic development projects	3,166	115
City of Norwalk, Iowa	Urban renewal and economic development projects	1,517,700	-
		<u>\$ 22,608,912</u>	<u>\$ 7,239,941</u>

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, 2022, the District received \$2,967,969 of State Foundation Aid Replacement from the State of Iowa to replace \$5.40/per \$1,000 of assessed valuation lost due to tax increment financing tax abatements paid by the above listed municipalities.

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 12. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The details for the District's fund balance as of June 30, 2022 are as follows:

Fund Balances:	General	Capital Projects	Management	Nonmajor Governmental	Total
Nonspendable:					
Inventories	\$ 1,846,110	\$ -	\$ -	\$ -	\$ 1,846,110
Prepays	101,415	15,680	-	408,866	525,961
Total nonspendable	1,947,525	15,680	-	408,866	2,372,071
Restricted:					
Student activities	-	-	-	1,027,775	1,027,775
Management levy purposes	-	-	33,938,622	-	33,938,622
Physical plant and equipment	-	-	-	12,636,989	12,636,989
Public education and recreation	-	-	-	2,101,654	2,101,654
District Supported Trust	-	-	-	2,666,919	2,666,919
Capital projects	-	70,772,495	-	-	70,772,495
Categorical funding	8,127,592	-	-	-	8,127,592
Shared programs	964,038	-	-	-	964,038
Grants	602,769	-	-	-	602,769
Total restricted	9,694,399	70,772,495	33,938,622	18,433,337	132,838,853
Committed:					
Common core projects	5,000,000	-	-	-	5,000,000
Technology	6,500,000	-	-	-	6,500,000
Total committed	11,500,000	-	-	-	11,500,000
Assigned:					
Technology	555,448	-	-	-	555,448
Parent pay reserve	1,775,594	-	-	-	1,775,594
Total assigned	2,331,042	-	-	-	2,331,042
Unassigned	154,372,935	-	-	-	154,372,935
Total fund balances	\$ 179,845,901	\$ 70,788,175	\$ 33,938,622	\$ 18,842,203	\$ 303,414,901

Nonspendable:

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

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

Restricted: The following list of funds are restricted per Department of Education policy or explicitly stated in Iowa code. Please refer to Note 1 for a description of each funds restricted purpose:

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

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 12. Fund Balances (Continued)

Categorical funding: These are funds that Des Moines Public Schools has received from State and Federal sources. These dollars have to be spent in accordance with the guidelines defined by each of these categories. These programs include, but are not limited to:

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

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

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

Committed:

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

Technology: These funds have been set aside for curriculum technology as the District moves toward the Common Core Strategies and continue to move the District into the future state of learning in the 21st Century.

Assigned:

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

Parent pay reserve: The District has several pre-school programs serving more than 1,500 students, including multiple funding sources. In most cases, half of the school day is covered through the state-funded Universal Preschool Program. The remaining portion of the day is often covered by fees charged to parents (referred to as parent pay revenue). As a result, the District assigned the remaining funds in the parent pay account to be utilized for future pre-school needs.

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

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

The GASB has issued a statement which was implemented by the District in the current year. The statement adopted in the current year is as follows:

- GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the District beginning with its fiscal year ending June 30, 2022, and was adopted accordingly. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the County must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements), and leases with related parties. As a result of the adoption, the District recorded a right to use lease asset of \$11,474,145 and a lease liability of \$10,508,349 as of July 1, 2021. See Note 14 for the change to net position.

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

- GASB Statement No. 92, *Omnibus 2020*, issued in January 2020, will be effective for the District fiscal years beginning after June 15, 2021. The objective of Statement No. 92 is 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 issues related to leases, postemployment benefits (pensions and other postemployment benefits), fiduciary activities, asset retirement obligations and fair value measurement and application.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* will improve financial reporting by addressing issues related to public-private and public-public partnerships and provides guidance for accounting and reporting for availability payment arrangements. This statement will be effective for the District with its year ending June 30, 2023.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued May 2020, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—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 disclosure regarding a SBITA. This statement will be effective for the District with its year ending June 30, 2023.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, issued June 2020, will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. This statement will also enhance the relevance, consistency and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. Another objective of this statement is to 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. This statement will be effective for the District with its year ending June 30, 2022.

Des Moines Independent Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

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

- GASB Statement No. 99, *Omnibus 2022*, addresses a variety of topics and practice issues that have been identified during implementation and application of certain GASB Statements. The new statement clarifies issues related to derivative instruments, leases, PPP and APA arrangements, SBITAs and various other topics. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The Corporation is evaluating the impact that adoption of this Statement will have on its financial position, results of operations and cash flows.
- GASB Statement No. 100, *Accounting Changes and Error Corrections- Amendment of GASB Statement No. 62*, this Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this statement are effective for financial statements for reporting periods beginning after June 15, 2023. The Corporation is evaluating the impact that adoption of this Statement will have on its financial position, results of operations and cash flows.
- GASB Statement No. 101, *Compensated Absences*, this Statement clarifies the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this statement are effective for financial statements for reporting periods beginning after December 15, 2023. The Corporation is evaluating the impact that adoption of this Statement will have on its financial position, results of operations and cash flows.

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

Note 14. Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 87, Leases, was implemented as of July 1, 2021. The new requirements require the reporting of certain lease-related items, which were previously not reported. The result of these changes had the following effect on beginning net position of the governmental activities.

	Net Position Governmental Activities
June 30, 2021, as previously reported	\$ 455,786,865
Changes to implement GASBS No. 87	965,796
July 1, 2021, as restated	<u><u>\$ 456,752,661</u></u>

Des Moines Independent Community School District

Required Supplementary Information

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

	June 30, 2022	June 30, 2021
Total OPEB Liability:		
Service cost	\$ 4,716,119	\$ 5,863,578
Interest	996,213	1,187,174
Changes in benefit terms	-	-
Difference between expected and actual experience	-	(16,561,012)
Changes of assumptions and other inputs	(5,333,660)	4,066,409
Contributions and payments made	(1,057,142)	(954,848)
Net change in total OPEB liability	(678,470)	(6,398,699)
Total OPEB liability, beginning	41,933,409	48,332,108
Total OPEB liability, ending	\$ 41,254,939	\$ 41,933,409
Covered - employee payroll	\$ 272,686,768	\$ 268,756,689
Total OPEB liability as a percentage of covered payroll	15.13%	15.60%

Notes to schedule:

Changes of assumptions. Changes of assumptions and other inputs reflect the changes in the discount rate each period. The following are discount rates used in each period.

2017	3.58%
2018	3.87
2019	3.50
2020	2.21
2021	2.16
2022	3.54

The following are health care cost trend rates used in each period.

2017—7.00% for medical and prescription benefits and 4.50% for administrative fees, decreasing 0.50 per year to an ultimate rate of 4.50% for 2022 and later years.

2018—6.50% for medical and prescription benefits and 4.00% for administrative fees, decreasing 0.50 per year to an ultimate rate of 4.00% for 2022 and later years.

2019—6.00% for medical and prescription benefits and 4.50% for administrative fees, decreasing 0.50 per year to an ultimate rate of 4.00% for 2022 and later years.

2020—5.50% for medical and prescription benefits and 4.00% for administrative fees, decreasing 0.50 per year to an ultimate rate of 4.00% for 2022 and later years.

2021—5.00% for medical and prescription benefits and 4.00% for administrative fees, decreasing 0.50 per year to an ultimate rate of 4.00% for 2022 and later years.

2022—4.50% for medical and prescription benefits and 4.00% for administrative fees, decreasing 0.50 per year to an ultimate rate of 4.00% for 2022 and later years.

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

Note: GASB Statement No. 75 requires the presentation of 10 years of information. However, until a full 10-year trend is compiled, the District will present information for those years which information is available.

	June 30, 2020		June 30, 2019		June 30, 2018		June 30, 2017
\$	5,809,199	\$	5,612,753	\$	6,736,438	\$	6,485,451
	1,757,982		2,877,808		2,702,819		2,415,343
	-		(4,273,106)		-		-
	-		(16,056,500)		-		-
	(2,729,718)		(10,863,757)		(1,604,544)		(4,247,673)
	(1,848,426)		(1,406,697)		(2,971,963)		(2,091,035)
	2,989,037		(24,109,499)		4,862,750		2,562,086
	45,343,071		69,452,570		64,589,820		62,027,734
\$	48,332,108	\$	45,343,071	\$	69,452,570	\$	64,589,820
\$	265,906,251	\$	265,893,659	\$	270,536,351	\$	262,230,859
	18.18%		17.05%		25.67%		24.63%

Des Moines Independent Community School District

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

	June 30, 2022	June 30, 2021
Measurement date	6/30/2021	6/30/2020
District's proportion of the net pension liability	3.056310%	3.110417%
District's proportionate share of the net pension liability	\$ 4,284,675	\$ 216,974,929
District's covered payroll	\$ 248,176,597	\$ 244,576,229
District's proportionate share of the net pension liability as a percentage of its covered payroll	1.73%	88.71%
Plan fiduciary net position as a percentage of the total pension liability	100.81%	82.90%

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

See note to required supplementary information.

June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
3.176775%	3.267692%	3.171386%	3.180910%	3.109113%	2.990126%
\$ 185,191,878	\$ 206,722,536	\$ 211,254,423	\$ 200,184,731	\$ 153,605,231	\$ 121,012,958
\$ 243,397,763	\$ 245,660,552	\$ 236,726,377	\$ 228,344,150	\$ 213,014,784	\$ 199,662,244
76.09%	84.15%	89.24%	87.67%	72.11%	60.61%
85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

Des Moines Independent Community School District

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

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2022	\$ 23,910,225	\$ 23,910,225	\$ -	\$ 253,286,282	9.44%
2021	23,440,204	23,440,204	-	248,176,597	9.44
2020	23,087,996	23,087,996	-	244,576,229	9.44
2019	22,976,746	22,976,746	-	243,397,763	9.44
2018	21,937,488	21,937,488	-	245,660,552	8.93
2017	21,139,663	21,139,663	-	236,726,377	8.93
2016	20,391,133	20,391,133	-	228,344,150	8.93
2015	19,022,220	19,022,220	-	213,014,784	8.93
2014	17,947,600	17,947,600	-	199,662,244	8.99
2013	16,364,515	16,364,515	-	N/A	N/A

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

Des Moines Independent Community School District

Note to Required Supplementary Information Iowa Public Employees' Retirement System Year Ended June 30, 2022

The information presented in the required supplementary schedule was determined as part of the June 30, 2021 and 2020 actuarial valuations.

Changes in actuarial assumptions and methods:

June 30, 2021 Valuation:

- None

June 30, 2020 Valuation:

- None

June 30, 2019 Valuation:

- None

June 30, 2018 Valuation:

- Mortality assumption was changed to the family of RP-2014 Mortality Tables for all groups, with mortality improvements modeled using Scale MP-2017.
- Retirement rates for Regular members were lowered to better reflect actual experience. For the Sheriffs and Deputies, the retirement assumption was modified to reflect lower retirement rates at the younger ages. For the Protection Occupation group, the retirement rates were modified both higher and lower across the age ranges.
- Disability rates were lowered for all groups to better reflect the actual experience.
- Termination rates for Regular members were adjusted to better reflect actual experience. Separate termination assumptions were adopted for the two Special Service groups and the assumptions were changed to be service-based rather than age-based.
- The probability of a vested member electing to receive a deferred benefit was adjusted for Regular members to better reflect actual experience.
- The merit component of the salary increase assumptions was adjusted to better reflect actual salary increases.

June 30, 2017 Valuation:

- The inflation assumption decreased from 3.00% to 2.60% per year.
- The assumed rate of interest on member accounts was decreased from 3.75% to 3.50% per year.
- The long-term rate of return assumption decreased from 7.50% to 7.00% per year.
- The wage growth and payroll growth assumption decreased from 4.00% to 3.25% per year.
- Salary increase assumption decreased by 0.75%.

June 30, 2016 Valuation:

- None

June 30, 2015 Valuation:

- None

Des Moines Independent Community School District

Note to Required Supplementary Information Iowa Public Employees' Retirement System Year Ended June 30, 2022

June 30, 2014 Valuation:

- The inflation assumption decreased from 3.25% to 3.00% per year.
- The assumed rate of interest on member accounts was decreased from 4.00% to 3.75% per year.
- Male mortality rates for Regular members were adjusted:
 - State males were changed to the RP-2000 Healthy Annuitant Table using generational mortality projections with no age adjustment.
 - School males were changed to the RP-2000 Healthy Annuitant Table using generational mortality projections with a 1-year age set back and rates decreased by 5% below age 75.
 - Other males were changed to the RP-2000 Healthy Annuitant Table using generational mortality projections with no age adjustment.
- Retirement rates were reduced for Sheriffs and Deputies between the ages of 55 and 64.
- Beginning June 30, 2014, the Amortization Method amortizes the June 30, 2014 UAL as a level percentage of payroll over a closed 30-year period. Each year thereafter, changes in the UAL will result in the establishment of new amortization bases. The future bases arising from plan experience will be amortized over a closed 20-year period beginning on the date the base is established. The amortization period for changes in the UAL due to plan amendments and assumption changes will be determined by the Investment Board at the time they occur.

Des Moines Independent Community School District

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

	2022	2021	2020	2019
Total Pension Liability				
Interest	\$ 10,241,022	\$ 10,941,085	\$ 10,491,563	\$ 9,850,960
Service cost	1,703,282	2,420,781	2,506,661	2,662,665
Benefit payments	(25,148,956)	(18,676,083)	(18,641,113)	(19,246,304)
Difference between expected and actual experience	9,060,737	(3,945,498)	(3,155,225)	16,672,458
Changes in assumptions	555,206	(2,702,051)	18,847,928	4,071,232
Unadjusted difference to statement of net position	-	-	-	-
Net change in total pension liability	(3,588,709)	(11,961,766)	10,049,814	14,011,011
Total pension liability—beginning of year	239,301,107	251,262,873	241,213,064	227,202,054
Total pension liability—end of year	<u>\$ 235,712,398</u>	<u>\$ 239,301,107</u>	<u>\$ 251,262,878</u>	<u>\$ 241,213,065</u>
Plan Net Position				
Contributions—employer	\$ 940,505	\$ 1,336,348	\$ 1,383,617	\$ 1,561,342
Contributions—members	762,777	1,084,433	1,123,044	1,101,323
Investment income, net of investment expenses	(22,041,950)	23,573,457	12,010,385	17,530,073
Benefit payments	(25,148,956)	(18,676,083)	(18,641,113)	(19,246,305)
Administrative expenses	(94,023)	(131,181)	(93,792)	(103,014)
Net change in plan net position	(45,581,647)	7,186,974	(4,217,859)	843,419
Total plan net position—beginning of year	240,646,572	233,459,598	237,677,457	236,834,038
Total plan net position—end of year	<u>\$ 195,064,925</u>	<u>\$ 240,646,572</u>	<u>\$ 233,459,598</u>	<u>\$ 237,677,457</u>
Net pension liability (asset)	<u>\$ 40,647,473</u>	<u>\$ (1,345,465)</u>	<u>\$ 17,783,280</u>	<u>\$ 3,535,608</u>

See note to required supplementary information.

2018	2017	2016	2015	2014	2013
\$ 10,600,709	\$ 11,061,733	\$ 13,296,891	\$ 11,540,872	\$ 10,694,208	\$ 11,114,714
3,093,833	3,170,939	3,406,928	3,540,132	3,486,593	3,378,539
(16,736,075)	(16,737,133)	(16,089,811)	(15,741,167)	(15,527,208)	(14,784,760)
454,936	(659,353)	4,733,074	-	(2,173,638)	548,767
(205,296)	(6,051,814)	-	-	12,834,761	-
-	-	-	(2,395,304)	-	-
(2,791,893)	(9,215,628)	5,347,082	(3,055,467)	9,314,716	257,260
229,993,947	239,209,575	233,862,493	236,917,960	227,603,244	227,345,984
\$ 227,202,054	\$ 229,993,947	\$ 239,209,575	\$ 233,862,493	\$ 236,917,960	\$ 227,603,244
\$ 1,707,565	\$ 1,809,156	\$ 1,880,180	\$ 1,940,452	\$ 1,766,655	\$ 1,707,967
1,386,268	1,383,568	1,526,748	1,599,680	1,719,938	1,670,572
5,467,803	8,976,669	15,786,080	9,342,942	20,652,265	5,954,025
(16,736,075)	(16,737,133)	(16,089,811)	(15,741,167)	(15,527,208)	(14,784,760)
(89,897)	(86,307)	(92,792)	(197,373)	(201,969)	(307,487)
(8,264,336)	(4,654,047)	3,010,405	(3,055,466)	8,409,681	(5,759,683)
245,098,374	249,752,421	246,742,016	249,797,482	241,387,802	247,147,485
\$ 236,834,038	\$ 245,098,374	\$ 249,752,421	\$ 246,742,016	\$ 249,797,483	\$ 241,387,802
\$ (9,631,984)	\$ (15,104,427)	\$ (10,542,846)	\$ (12,879,523)	\$ (12,879,523)	\$ (13,784,558)

Des Moines Independent Community School District

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

	2022	2021	2020	2019
Total pension liability—end of year	\$ 235,712,398	\$ 239,301,107	\$ 251,262,878	\$ 241,213,065
Plan net position—end of year	195,064,925	240,646,572	233,479,598	237,677,458
Net pension liability (asset)	\$ 40,647,473	\$ (1,345,465)	\$ 17,783,280	\$ 3,535,607
Plan net position as a percentage of the total pension liability (asset)	82.8%	100.6%	92.9%	98.5%
Covered payroll	\$ 11,548,370	\$ 12,193,164	\$ 17,693,180	\$ 18,197,426
Net pension liability (asset) as a percentage of covered payroll	342.3%	(11.0)%	100.5%	19.4%

See note to required supplementary information.

2018	2017	2016	2015	2014	2013
\$ 227,202,054	\$ 229,993,947	\$ 239,209,575	\$ 233,862,493	\$ 236,917,960	\$ 227,603,244
236,834,038	245,098,374	249,752,421	246,742,016	249,797,483	241,387,802
\$ (9,631,984)	\$ (15,104,427)	\$ (10,542,846)	\$ (12,879,523)	\$ (12,879,523)	\$ (13,784,558)
104.2%	106.6%	104.4%	105.5%	105.4%	106.1%
\$ 20,381,987	\$ 19,420,566	\$ 19,971,785	\$ 25,125,460	\$ 26,211,873	\$ 27,639,623
(47.3)%	(77.8)%	(52.8)%	(51.2)%	(49.1)%	(49.9)%

Des Moines Independent Community School District

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

Plan year ended June 30:

2013	2.5
2014	8.8
2015	3.8
2016	6.6
2017	3.7
2018	2.3
2019	7.7
2020	5.2
2021	10.5
2022	(9.6)

See note to required supplementary information.

Des Moines Independent Community School District

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

Plan Year Ended June 30,	Annual Required Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a Percent of Covered Payroll
2013	\$ 1,707,967	\$ 1,707,967	\$ -	\$ 27,639,623	6.2%
2014	1,766,655	1,766,655	-	26,211,873	6.7
2015	1,940,452	1,940,452	-	25,125,460	7.7
2016	1,880,180	1,880,180	-	19,971,785	9.4
2017	1,750,905	1,750,905	-	19,420,566	9.0
2018	1,707,565	1,707,565	-	20,381,987	8.4
2019	1,561,342	1,561,342	-	18,197,426	8.6
2020	1,383,617	1,383,617	-	17,693,180	7.8
2021	1,336,348	1,336,348	-	12,193,164	11.0
2022	940,505	940,505	-	11,548,370	8.1

See note to required supplementary information.

Des Moines Independent Community School District

Note to Required Supplementary Information Des Moines Teachers' Retirement System Year Ended June 30, 2022

The information presented in the required supplementary schedule was determined as part of the June 30, 2022 actuarial valuation.

Changes in actuarial assumptions and methods:

June 30, 2022 Valuation:

- None

June 30, 2021 Valuation:

- The mortality improvement scale was changed to MP-2020

June 30, 2020 Valuation:

- The mortality tables used changed to Pub-2010 Mortality Tables for Teachers with projection using scale MP-2019

June 30, 2019 Valuation:

- The mortality improvement scale was changed to MP-2019

June 30, 2018 Valuation:

- None

June 30, 2017 Valuation:

- The discount rate was changed from 4.75% to 4.5%
- The mortality improvement scale was changed to MP-2017

June 30, 2016 Valuation:

- The mortality improvement scale was changed to MP-2016

June 30, 2015 Valuation:

- The discount rate was changed from 3.5-4.5% to 4.75%
- The mortality improvement scale was changed to MP-2015

June 30, 2014 Valuation:

- The mortality improvement scale was changed to MP-2014

Des Moines Independent Community School District

Required Supplementary Information

Budgetary Comparison Schedule

All Governmental Funds, Enterprise Funds and Private Purpose Trust Funds

Year Ended June 30, 2022

	Actual		
	Governmental Fund Types	Enterprise Funds	Total
Revenues:			
Local sources	\$ 177,464,949	\$ 3,381,081	\$ 180,846,030
Intermediate sources	814,975	-	814,975
State sources	304,494,999	168,389	304,663,388
Federal sources	57,514,582	23,178,596	80,693,178
Total revenues	540,289,505	26,728,066	567,017,571
Expenditures/Expenses:			
Instruction	273,427,727	25,080	273,452,807
Support services	179,857,939	19,525,769	199,383,708
Noninstructional	3,437,405	-	3,437,405
Other	72,527,295	3,343,267	75,870,562
Total expenditures/expenses	529,250,366	22,894,116	552,144,482
Excess (deficiency) of revenues over expenditures/expenses	11,039,139	3,833,950	14,873,089
Other financing sources (uses):			
Proceeds from sale of capital assets	4,006,568	-	4,006,568
Issuance of refunding bonds	66,335,000	-	66,335,000
Premium on bonds	9,591,519	-	9,591,519
Transfers in	105,938,105	-	105,938,105
Transfers out	(106,430,718)	1,664,731	(104,765,987)
Payment to escrow for refunded bonds	(75,710,000)	(1,172,118)	(76,882,118)
Net change in fund balances/net position	\$ 14,769,613	\$ 4,326,563	\$ 19,096,176

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

See note to required supplementary information.

Budget				
Original		Final	Final Budget to Actual Variance	
\$	169,845,216	\$ 169,845,216	\$	11,000,814
	622,000	622,000		192,975
	308,394,627	308,394,627		(3,731,239)
	60,876,046	60,876,046		19,817,132
	539,737,889	539,737,889		27,279,682
	283,553,293	289,553,293		(16,100,486)
	168,392,566	193,392,566		5,991,142
	25,471,638	27,471,638		(24,034,233)
	76,759,532	152,759,532		(76,888,970)
	554,177,029	663,177,029		(111,032,547)
	(14,439,140)	(123,439,140)		138,312,229
	-	-		4,006,568
	-	-		66,335,000
	-	-		9,591,519
	-	-		105,938,105
	24,093,997	24,093,997		(128,859,984)
	(24,093,997)	(24,093,997)		(52,788,121)
\$	(14,439,140)	\$ (123,439,140)	\$	142,535,316

Des Moines Independent Community School District

Note to Required Supplementary Information Budgetary Comparison Schedule Year Ended June 30, 2022

Note 1. Basis of Presentation

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

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

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

The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the functional area for budgeted governmental, enterprise, and private purpose trust funds in total, rather than by individual fund type. Formal and legal budgetary control is based on four major classes of expenditures known as functional areas. These four functional areas are instruction, support services, noninstructional programs and other expenditures. During the year ended June 30, 2022, the District was below budget in instructional programs, noninstructional programs and other expenditures. Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. Authorized expenditures cannot exceed the lesser of the certified budget plus any allowable amendments, or the authorized budget, which is the sum of the District's cost for that year plus the actual miscellaneous income received for that year plus the actual unspent balance from the preceding year. Appropriations as adopted and amended lapse at the end of the fiscal year.

During the year, one budget amendment increased allowable budgeted expenditures by \$109,000,000.

The District is required by the Code of Iowa to budget for its share of media, educational services and special education support provided through the local area education agency. The District's actual amount for this purpose totaled \$15,405,608 for the year ended June 30, 2022.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

Capital Projects Funds

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

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

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

Des Moines Independent Community School District

**Combining Balance Sheet
All Nonmajor Governmental Funds
June 30, 2022**

	Special Revenue	
	Student Activity	District Supported Trust
Assets		
Cash and investments	\$ 1,158,633	\$ 1,061,673
Restricted investments	-	1,769,603
Property taxes receivable—current year	-	-
Property taxes receivable—succeeding year	-	-
Other receivables	731	-
Prepaid items	-	-
Total assets	\$ 1,159,364	\$ 2,831,276
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities:		
Accounts payable	\$ 130,404	\$ 156,808
Accrued payroll	-	-
Other current liabilities	-	7,549
Due to other governments	1,185	-
Total liabilities	131,589	164,357
Deferred inflows of resources, succeeding year, property taxes	-	-
Total deferred inflows of resources	-	-
Fund balances:		
Nonspendable	-	-
Restricted	1,027,775	2,666,919
Total fund balances	1,027,775	2,666,919
Total liabilities, deferred inflows of resources and fund balances	\$ 1,159,364	\$ 2,831,276

Capital Projects		
Physical Plant and Equipment Levy	Public Education and Recreation Levy	Total Nonmajor Governmental Funds
\$ 13,930,960	\$ 2,190,066	\$ 18,341,332
-	-	1,769,603
81,905	7,754	89,659
16,760,096	1,190,112	17,950,208
100,000	5	100,736
408,866	-	408,866
<u>\$ 31,281,827</u>	<u>\$ 3,387,937</u>	<u>\$ 38,660,404</u>

\$ 1,393,789	\$ 94,324	\$ 1,775,325
-	1,847	1,847
82,087	-	89,636
-	-	1,185
<u>1,475,876</u>	<u>96,171</u>	<u>1,867,993</u>

16,760,096	1,190,112	17,950,208
<u>16,760,096</u>	<u>1,190,112</u>	<u>17,950,208</u>

408,866	-	408,866
12,636,989	2,101,654	18,433,337
<u>13,045,855</u>	<u>2,101,654</u>	<u>18,842,203</u>

<u>\$ 31,281,827</u>	<u>\$ 3,387,937</u>	<u>\$ 38,660,404</u>
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Des Moines Independent Community School District

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Nonmajor Governmental Funds
Year Ended June 30, 2022**

	Special Revenue	
	Student Activity	District Supported Trust
Revenues:		
Property taxes	\$ -	\$ -
Other local sources	17,325	64,963
Federal sources	-	-
Investment earnings	1,085	368,241
Student activities	1,766,554	-
Total revenues	1,784,964	433,204
Expenditures:		
Current:		
Instruction	1,732,525	47,109
Instructional support services	-	3,951
Building administration	-	-
Business and central administration	-	-
Plant operation and maintenance	-	2,500
Student transportation	-	198,714
Noninstructional	-	-
Miscellaneous	-	-
Capital outlay	-	-
Total expenditures	1,732,525	252,274
Excess (deficiency) of revenues over expenditures	52,439	180,930
Other financing sources (uses), transfers out	-	-
Proceeds from sale of capital asset	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	52,439	180,930
Fund balances, beginning of year	975,336	2,485,989
Fund balances, end of year	\$ 1,027,775	\$ 2,666,919

Capital Projects		
Physical Plant and Equipment Levy	Public Education and Recreation Levy	Total Nonmajor Governmental Funds
\$ 16,270,407	\$ 1,182,355	\$ 17,452,762
2,143,167	25,737	2,251,192
23	-	23
19,121	-	388,447
-	-	1,766,554
18,432,718	1,208,092	21,858,978
92,968	63,437	1,936,039
-	-	3,951
-	17,736	17,736
3,158,728	70,781	3,229,509
552,381	-	554,881
2,034,276	-	2,232,990
-	170,309	170,309
-	-	-
4,948,373	668,921	5,617,294
10,786,726	991,184	13,762,709
7,645,992	216,908	8,096,269
(2,613,451)	-	(2,613,451)
3,978,316	-	3,978,316
1,364,865	-	1,364,865
9,010,857	216,908	9,461,134
4,034,998	1,884,746	9,381,069
\$ 13,045,855	\$ 2,101,654	\$ 18,842,203

NONMAJOR ENTERPRISE FUNDS

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

School Nutrition Fund

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

Child Care Fund

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

Home Construction Fund

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

Automotive Fund

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

Farm to Market Ag Store Fund

This fund accounts for transactions from the student operated ag store as part of their instruction or extracurricular program.

Des Moines Independent Community School District

Combining Statement of Net Position All Nonmajor Enterprise Funds June 30, 2022

	School Nutrition	Child Care	Home Construction
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,331,966	\$ 595,588	\$ 116,148
Other receivables, net	32,454	1,185,959	-
Due from other governments	712,814	-	-
Inventories	836,575	-	-
Total current assets	2,913,809	1,781,547	116,148
Noncurrent assets:			
Capital assets:			
Nondepreciable	-	-	9,499
Depreciable, net	1,457,690	-	-
Total noncurrent assets	1,457,690	-	9,499
Total assets	4,371,499	1,781,547	125,647
Deferred Outflow of Resources			
Pension related amounts	1,186,658	490,072	-
Liabilities			
Current liabilities:			
Accounts payable	210,732	34,415	-
Accrued payroll	67,766	60,292	-
Unearned revenue	137,256	771,405	-
Compensated absences	222,931	76,929	-
Total current liabilities	638,685	943,041	-
Noncurrent liabilities:			
Compensated absences	107,238	598	-
Net pension liability	533,585	753,218	-
Total noncurrent liabilities	640,823	753,816	-
Total liabilities	1,279,508	1,696,857	-
Deferred Inflow of Resources			
Pension related amounts	5,353,797	1,893,343	-
Net Position (Deficit)			
Investment in capital assets	1,457,690	-	9,499
Unrestricted (deficit)	(2,532,838)	(1,318,581)	116,148
Total net position (deficit)	\$ (1,075,148)	\$ (1,318,581)	\$ 125,647

Automotive		Farm to Market Ag Store		Total
\$	66,308	\$	1,972	\$ 2,111,982
	-		-	1,218,413
	-		-	712,814
	-		-	836,575
	66,308		1,972	4,879,784
	-		-	9,499
	5,061		-	1,462,751
	5,061		-	1,472,250
	71,369		1,972	6,352,034
	-		-	1,676,730
	2,618		236	248,001
	-		-	128,058
	-		-	908,661
	-		-	299,860
	2,618		236	1,584,580
	-		-	107,836
	-		-	1,286,803
	-		-	1,394,639
	2,618		236	2,979,219
	-		-	7,247,140
	5,061		-	1,472,250
	63,690		1,736	(3,669,845)
\$	68,751	\$	1,736	\$ (2,197,595)

Des Moines Independent Community School District

Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit) All Nonmajor Enterprise Funds Year Ended June 30, 2022

	School Nutrition	Child Care	Home Construction
Operating revenues:			
Student activities	\$ -	\$ -	\$ -
Charges for services:			
Sale of food	416,188	-	-
Child care	-	2,875,880	-
Total operating revenues	416,188	2,875,880	-
Operating expenses:			
Instruction	-	25,080	-
Student services	19,484,241	-	-
Depreciation	300,427	-	-
Community services	-	3,041,732	-
Total operating expenses	19,784,668	3,066,812	-
Operating income (loss)	(19,368,480)	(190,932)	-
Nonoperating revenues:			
Other local sources	76,393	-	-
State sources	126,189	42,200	-
Federal sources	22,131,914	1,046,682	-
Total nonoperating revenues	22,334,496	1,088,882	-
Transfers in	124,532	1,540,199	-
Transfers out	(1,172,118)	-	-
Total other financing sources (uses)	(1,047,586)	1,540,199	-
Change in net position	1,918,430	2,438,149	-
Total net position (deficit), beginning of year	(2,993,578)	(3,756,730)	125,647
Total net position (deficit), end of year	\$ (1,075,148)	\$ (1,318,581)	\$ 125,647

Automotive		Farm to Market Ag Store		Total
\$	8,121	\$	4,499	\$ 12,620
	-		-	416,188
	-		-	2,875,880
	8,121		4,499	3,304,688
	-		-	25,080
	12,717		28,811	19,525,769
	1,108		-	301,535
	-		-	3,041,732
	13,825		28,811	22,894,116
	(5,704)		(24,312)	(19,589,428)
	-		-	76,393
	-		-	168,389
	-		-	23,178,596
	-		-	23,423,378
	-		-	1,664,731
	-		-	(1,172,118)
	-		-	492,613
	(5,704)		(24,312)	4,326,563
	74,455		26,048	(6,524,158)
\$	68,751	\$	1,736	\$ (2,197,595)

Des Moines Independent Community School District

Combining Statement of Cash Flows All Nonmajor Enterprise Funds Year Ended June 30, 2022

	School Nutrition	Child Care	Home Construction
Cash flows from operating activities:			
Cash received from user charges	\$ 475,971	\$ 2,770,485	\$ -
Cash payments to employees for services	(9,557,928)	(2,891,198)	-
Cash payments to suppliers for goods and services	(9,005,614)	(306,268)	-
Net cash used in operating activities	(18,087,571)	(426,981)	-
Cash flows from noncapital financing activities:			
Payments from other funds	-	(1,606,512)	-
Payments to other funds	(307,859)		-
Grants and donations received	20,969,508	1,088,882	-
Transfers in	(1,172,118)		-
Transfers out	-	1,540,199	-
Net cash provided by noncapital financing activities	19,489,531	1,022,569	-
Cash flows from capital and related financing activities,			
Acquisition of capital assets	(71,435)	-	-
Net cash provided by noncapital financing activities	(71,435)	-	-
Net increase (decrease) in cash and cash equivalents	1,330,525	595,588	-
Cash and cash equivalents, beginning of year	1,441	-	116,148
Cash and cash equivalents, end of year	\$ 1,331,966	\$ 595,588	\$ 116,148
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (19,368,480)	\$ (190,932)	\$ -
Adjustments to reconcile operating (loss) to net cash used in operating activities:			
Depreciation	300,427	-	-
Commodities used	1,155,566	-	-
Changes in assets and liabilities:			
Receivables	72,363	(267,083)	-
Prepaid items	(56,316)	-	-
Inventories	-	-	-
Accounts payable and due to other governments	193,723	4,675	-
Unearned revenue	(12,580)	161,688	-
Accrued liabilities and compensated absences	28,759	(75,285)	-
Net pension liability	(5,487,408)	(1,595,177)	-
Deferred outflows of resources	492,493	100,568	-
Deferred inflows of resources	4,593,882	1,434,565	-
Net cash used in operating activities	\$ (18,087,571)	\$ (426,981)	\$ -
Noncash items:			
Noncapital financing activities, commodities received from U.S. Department of Agriculture	\$ 1,155,566	\$ -	\$ -

Automotive		Farm to Market Ag Store		Total
\$	8,121	\$	4,499	\$ 3,259,076
	-		-	(12,449,126)
	(10,179)		(30,004)	(9,352,065)
	(2,058)		(25,505)	(18,542,115)
	-		-	(1,606,512)
	-		-	(307,859)
	-		-	22,058,390
	-		-	(1,172,118)
	-		-	1,540,199
	-		-	20,512,100
	-		-	(71,435)
	-		-	(71,435)
	(2,058)		(25,505)	1,898,550
	68,366		27,477	213,432
\$	66,308	\$	1,972	\$ 2,111,982
\$	(5,704)	\$	(24,312)	\$ (19,589,428)
	1,108		-	301,535
	-		-	1,155,566
	-		-	(194,720)
	-		-	(56,316)
	-		-	-
	2,538		(1,193)	199,743
	-		-	149,108
	-		-	(46,526)
	-		-	(7,082,585)
	-		-	593,061
	-		-	6,028,447
\$	(2,058)	\$	(25,505)	\$ (18,542,115)
\$	-	\$	-	\$ 1,155,566

INTERNAL SERVICE FUNDS

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

Self-Insurance Fund

This fund accounts for transactions for self-insured health insurances including medical, dental, prescription and vision received by District employees in which the District is responsible for paying all claims and administrative costs attributable to the insurances listed in Note 1.

Risk Management Fund

This fund accounts for transactions for certain insurances including life and disability received by District employees in which the District is responsible for paying all premiums as specified attributable to the insurances listed in Note 1.

Print Shop Fund

This fund accounts for transactions for print shop and copying services.

Des Moines Independent Community School District

Combining Statement of Net Position All Internal Service Funds June 30, 2022

	Self-Insurance	Risk Management	Print Shop	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 25,858,161	\$ 476,745	\$ -	\$ 26,334,906
Other receivables	1,584	-	22	1,606
Due from other governments	365,458	-	-	365,458
Due other funds	246,569	-	8,630	255,199
Inventories	-	-	125,125	125,125
Total current assets	26,471,772	476,745	133,777	27,082,294
Noncurrent assets:				
Depreciable capital assets, net	-	-	22,965	22,965
Right-to-use leased equipment, net	-	-	1,164,652	1,164,652
Total noncurrent assets	-	-	1,187,617	1,187,617
Total assets	26,471,772	476,745	1,321,394	28,269,911
Liabilities				
Current liabilities:				
Accounts payable	-	102,645	31,983	134,628
Claims payable	5,238,196	-	-	5,238,196
Accrued payroll	230,861	156,632	13,026	400,519
Due to other governments	529,310	-	-	529,310
Lease liability	-	-	490,653	490,653
Advance from other funds	-	-	246,569	246,569
Compensated absences	-	-	16,031	16,031
Due to other funds	9,375,615	-	-	9,375,615
Unearned revenue	46,944	-	-	46,944
Other	62,366	-	75	62,441
Total current liabilities	15,483,292	259,277	798,337	16,540,906
Noncurrent liabilities:				
Lease liability, net of current position	-	-	672,175	672,175
Compensated absences	-	-	5,364	5,364
Total noncurrent liabilities	-	-	677,539	677,539
Total liabilities	15,483,292	259,277	1,475,876	17,218,445
Net Position				
Investment in capital assets	-	-	22,965	22,965
Unrestricted (deficit)	10,988,480	217,468	(177,447)	11,028,501
Total net position (deficit)	\$ 10,988,480	\$ 217,468	\$ (154,482)	\$ 11,051,466

Des Moines Independent Community School District

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

All Internal Service Funds

Year Ended June 30, 2022

	Self-Insurance	Risk Management	Print Shop	Total
Operating revenues:				
Charges for services:				
Employee benefits	\$ 70,547,660	\$ 942,968	\$ -	\$ 71,490,628
Miscellaneous	-	-	1,694,989	1,694,989
Total operating revenues	70,547,660	942,968	1,694,989	73,185,617
Operating expenses:				
Claims and related costs	70,012,854	934,434	-	70,947,288
Depreciation and amortization	-	-	485,478	485,478
Miscellaneous	664	-	1,368,311	1,368,975
Total operating expenses	70,013,518	934,434	1,853,789	72,801,741
Operating income (loss)	534,142	8,534	(158,800)	383,876
Nonoperating expenses:				
Interest	-	-	(47,043)	(47,043)
Change in net position	534,142	8,534	(205,843)	336,833
Total net position, beginning of year	10,454,338	208,934	51,361	10,714,633
Total net position, end of year	\$ 10,988,480	\$ 217,468	\$ (154,482)	\$ 11,051,466

Des Moines Independent Community School District

Combining Statement of Cash Flows All Internal Service Funds Year Ended June 30, 2022

	Self-Insurance	Risk Management	Print Shop	Total
Cash flows from operating activities:				
Cash received from user charges	\$ 70,594,604	\$ 942,968	\$ 1,694,989	\$ 73,232,561
Cash payments to employees for services	-	-	(496,133)	(496,133)
Cash payments to suppliers for goods and services	(69,533,758)	(829,477)	(677,757)	(71,040,992)
Net cash provided by (used in) operating activities	1,060,846	113,491	521,099	1,695,436
Cash flows from noncapital financing activities:				
Payments from other funds	-	-	-	-
Payments to other funds	5,606	-	-	5,606
Net cash provided by noncapital financing activities	5,606	-	-	5,606
Cash flows from capital and related financing activities:				
Lease agreements - principal	-	-	(474,701)	(474,701)
Lease agreements - Interest	-	-	(47,043)	(47,043)
Acquisition of capital assets	-	-	(7,985)	(7,985)
Net cash provided by capital and related financing activities	-	-	(529,729)	(529,729)
Net increase (decrease) in cash and cash equivalents	1,066,452	113,491	(8,630)	1,171,313
Cash and cash equivalents, beginning of year	24,791,709	363,254	8,630	25,163,593
Cash and cash equivalents, end of year	<u>\$ 25,858,161</u>	<u>\$ 476,745</u>	<u>\$ -</u>	<u>\$ 26,334,906</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 534,142	\$ 8,534	\$ (158,800)	\$ 383,876
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	-	-	485,478	485,478
Changes in assets and liabilities:				
Other receivables and due from other governments	279,387	-	(5,125)	274,262
Inventories	-	-	8,527	8,527
Accounts payable and due to other governments	115,450	102,645	183,106	401,201
Claims payable	(145,938)	-	-	(145,938)
Unearned revenue	46,944	-	-	46,944
Accrued liabilities	230,861	2,312	7,913	241,086
Net cash provided by (used in) operating activities	\$ 1,060,846	\$ 113,491	\$ 521,099	\$ 1,695,436

Des Moines Independent Community School District

Statistical Section Contents

The statistical section of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures, and required supplementary information say about the District's overall financial health.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	102 - 117
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax).	118 - 124
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.	125 - 130
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	131 - 132
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	133 - 155

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

Des Moines Independent Community School District

Net Position By Component Current and Previous Nine Fiscal Years (Accrual Basis Of Accounting) (Unaudited)

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities:				
Net investment in capital assets	\$ 373,455,547	\$ 385,508,379	\$ 403,601,966	\$ 409,270,357
Restricted	28,273,606	27,692,220	28,487,506	36,241,306
Unrestricted	50,099,198	55,256,442	(73,620,226)	(77,773,524)
Total governmental activities net position	\$ 451,828,351	\$ 468,457,041	\$ 358,469,246	\$ 367,738,139
Business-type activities:				
Investment in capital assets	\$ 2,002,716	\$ 2,035,725	\$ 2,233,660	\$ 2,411,601
Restricted	-	-	-	-
Unrestricted	321,461	1,614,094	(3,097,678)	(1,905,390)
Total business-type activities net position	\$ 2,324,177	\$ 3,649,819	\$ (864,018)	\$ 506,211
Primary government:				
Net investment in capital assets	\$ 375,458,263	\$ 387,544,104	\$ 405,835,626	\$ 411,681,958
Restricted	28,273,606	27,692,220	28,487,506	36,241,306
Unrestricted	50,420,659	56,870,536	(76,717,904)	(79,678,914)
Total primary government net position	\$ 454,152,528	\$ 472,106,860	\$ 357,605,228	\$ 368,244,350

Source: Comprehensive Annual Financial Report

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

Note: The District adopted GASB Statement Nos. 75 in fiscal year 2017. Although beginning net position on the basic financial statements was restated, this schedule has not been adjusted for years prior to 2017.

Fiscal Year											
2017		2018		2019		2020		2021		2022	
\$	424,605,987	\$	441,037,719	\$	459,486,214	\$	424,580,383	\$	431,069,588	\$	454,935,481
	38,432,829		34,985,107		28,677,324		77,701,519		100,034,357		112,513,490
	(122,405,143)		(143,143,029)		(135,755,065)		(121,062,299)		(75,317,080)		(38,233,173)
<hr/>											
\$	340,633,673	\$	332,879,797	\$	352,408,473	\$	381,219,603	\$	455,786,865	\$	529,215,798
<hr/>											
\$	2,522,174	\$	2,370,341	\$	2,445,207	\$	2,183,983	\$	1,702,350	\$	1,472,250
	-		-		-		-		-		-
	(1,532,493)		(2,119,809)		(2,804,738)		(4,752,782)		(8,226,508)		(3,669,845)
<hr/>											
\$	989,681	\$	250,532	\$	(359,531)	\$	(2,568,799)	\$	(6,524,158)	\$	(2,197,595)
<hr/>											
\$	427,128,161	\$	443,408,060	\$	461,931,421	\$	426,764,366	\$	432,771,938	\$	456,407,731
	38,432,829		34,985,107		28,677,324		77,701,519		100,034,357		112,513,490
	(123,937,636)		(145,262,838)		(138,559,803)		(125,815,081)		(83,543,588)		(41,903,018)
<hr/>											
\$	341,623,354	\$	333,130,329	\$	352,048,942	\$	378,650,804	\$	449,262,707	\$	527,018,203
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Des Moines Independent Community School District

Expenses, Program Revenues and Net (Expense) Revenue Current and Previous Nine Fiscal Years (accrual basis of accounting) (Unaudited)

	Fiscal Year			
	2013	2014	2015	2016
Expenses:				
Governmental activities:				
Instructional	\$ 258,926,988	\$ 269,507,255	\$ 275,533,672	\$ 285,545,061
Student services	20,673,660	21,897,132	23,458,269	23,906,378
Instructional support services	12,021,171	13,454,781	15,425,505	23,602,238
General administration	5,186,473	6,199,577	7,383,479	8,571,037
Building administration	18,779,363	19,406,283	21,862,042	23,089,264
Business and central administration	9,892,503	14,198,791	17,476,884	17,624,834
Plant operation and maintenance	34,339,085	39,242,957	39,177,136	39,189,530
Student transportation	11,151,818	13,022,397	12,735,357	12,982,765
Noninstructional	2,904,231	2,171,793	3,991,896	7,497,669
AEA support	12,235,407	13,086,762	13,829,063	13,974,996
Interest and issuance costs on long-term debt	7,368,345	6,216,637	7,291,619	6,758,235
Total governmental activities expenses	393,479,044	418,404,365	438,164,922	462,742,007
Business-type activities:				
School nutrition	15,869,943	16,888,843	18,413,290	19,257,934
Child care	3,589,842	3,804,322	3,455,013	3,911,144
Other	32,246	47,399	29,958	32,125
Total business-type activities expenses	19,492,031	20,740,564	21,898,261	23,201,203
Total primary government expenses	\$ 412,971,075	\$ 439,144,929	\$ 460,063,183	\$ 485,943,210
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	\$ 9,694,289	\$ 9,796,930	\$ 8,118,482	\$ 10,242,839
Support services	13,396,056	14,256,785	14,997,758	14,870,394
Operating grants and contributions	76,875,344	73,477,654	81,089,328	89,892,845
Capital grants and contributions	-	13,668	84,894	101,867
Total governmental activities program revenues	99,965,689	97,545,037	104,290,462	115,107,945

(Continued)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 299,588,285	\$ 314,831,138	\$ 305,170,678	\$ 304,894,704	\$ 303,488,319	\$ 251,459,003
25,416,663	29,403,392	31,051,113	29,597,270	41,542,610	37,694,571
26,269,291	26,859,782	26,819,051	22,014,167	25,444,494	28,781,319
8,078,756	10,643,955	8,113,785	9,937,242	8,825,277	8,235,575
24,415,186	23,840,018	22,469,805	26,198,838	28,064,669	29,735,063
18,899,917	17,079,473	19,943,140	18,523,911	28,889,181	22,072,137
38,016,319	41,362,030	43,506,348	44,204,184	42,911,867	51,145,290
14,155,962	15,199,931	14,242,627	14,517,845	11,519,467	14,153,956
3,414,227	4,982,212	936,462	2,567,160	2,064,361	4,122,574
14,162,548	14,751,903	14,914,998	15,108,730	15,424,026	15,405,608
5,564,932	5,676,396	6,350,435	5,837,889	4,616,535	8,247,093
477,982,086	504,630,230	493,518,442	493,401,940	512,790,806	471,052,189
20,596,296	20,594,344	20,098,310	20,630,266	17,560,332	19,784,668
4,829,288	5,843,523	5,589,519	4,774,139	3,132,635	3,066,812
25,452	39,050	47,036	36,608	206,529	42,636
25,451,036	26,476,917	25,734,865	25,441,013	20,899,496	22,894,116
\$ 503,433,122	\$ 531,107,147	\$ 519,253,307	\$ 518,842,953	\$ 533,690,302	\$ 493,946,305
\$ 10,662,079	\$ 10,680,233	\$ 20,189,225	\$ 20,176,931	\$ 17,999,849	\$ 20,492,892
15,240,574	15,631,811	15,713,866	15,424,425	15,572,754	15,766,752
93,119,480	95,083,902	86,167,139	90,407,871	146,867,423	115,933,911
-	-	-	-	-	-
119,022,133	121,395,946	122,070,230	126,009,227	180,440,026	152,193,555

Des Moines Independent Community School District

Expenses, Program Revenues and Net (Expense) Revenue (Continued)
Current and Previous Nine Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2013	2014	2015	2016
Business-type activities:				
Charges for services:				
School nutrition	\$ 2,743,057	\$ 2,753,299	\$ 2,131,101	\$ 1,926,629
Child care	3,465,978	3,799,779	3,904,107	4,369,310
Other	62,249	53,245	30,043	32,029
Operating grants and contributions	13,801,050	14,772,639	17,127,503	18,243,464
Capital grants and contributions	-	9,365	-	-
Total business-type program revenues	20,072,334	21,388,327	23,192,754	24,571,432
Total primary government program revenues	\$ 120,038,023	\$ 118,933,364	\$ 127,483,216	\$ 139,679,377
Net (expense) revenue:				
Governmental activities	\$ (293,513,355)	\$ (320,859,328)	\$ (333,874,460)	\$ (347,634,062)
Business-type activities	580,303	647,763	1,294,493	1,370,229
Total primary government net expense	\$ (292,933,052)	\$ (320,211,565)	\$ (332,579,967)	\$ (346,263,833)

Source: Comprehensive Annual Financial Report

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

Note: The District adopted GASB Statement Nos. 75 in fiscal year 2017. Although beginning net position on the basic financial statements was restated, this schedule has not been adjusted for years prior to 2017.

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 1,810,790	\$ 1,809,975	\$ 1,514,195	\$ 915,037	\$ 255,769	\$ 492,581
4,858,437	5,699,860	5,386,885	3,204,779	1,499,313	2,875,880
43,523	37,593	38,904	22,092	41,181	12,620
19,222,218	19,333,214	19,297,198	19,461,524	16,287,095	23,346,985
-	-	-	-	-	-
25,934,968	26,880,642	26,237,182	23,603,432	18,083,358	26,728,066
\$ 144,957,101	\$ 148,276,588	\$ 148,307,412	\$ 149,612,659	\$ 198,523,384	\$ 178,921,621
\$ (358,959,953)	\$ (383,234,284)	\$ (371,448,212)	\$ (367,392,713)	\$ (332,350,780)	\$ (318,858,634)
483,932	403,725	502,317	(1,837,581)	(2,816,138)	3,833,950
\$ (358,476,021)	\$ (382,830,559)	\$ (370,945,895)	\$ (369,230,294)	\$ (335,166,918)	\$ (315,024,684)

Des Moines Independent Community School District

General Revenues and Total Change in Net Position Current and Previous Nine Fiscal Years (accrual basis of accounting) (Unaudited)

	Fiscal Year			
	2013	2014	2015	2016
Net (expense) revenue:				
Governmental activities	\$ (293,513,355)	\$ (320,859,328)	\$ (333,874,460)	\$ (347,634,062)
Business-type activities	580,303	647,763	1,294,493	1,370,229
Total primary government net expense	(292,933,052)	(320,211,565)	(332,579,967)	(346,263,833)
General revenues and other changes in net position:				
Governmental activities:				
Property taxes:				
Levied for general purposes	100,387,919	103,598,448	101,357,950	110,669,219
Levied for management	9,939,725	10,136,078	12,704,254	8,500,956
Levied for property, plant, and equipment	6,830,405	6,956,453	6,917,190	7,203,640
Levied for playground	863,021	880,069	892,877	921,927
Sales tax, for capital projects	27,431,076	27,898,170	30,840,252	30,991,151
State foundation aid	174,578,921	186,285,458	193,830,409	195,304,005
Investment earnings	377,933	533,415	296,406	1,517,487
Other local sources, including gain on sale of capital assets	1,439,852	1,877,806	1,394,310	1,794,570
Transfers	-	(677,879)	33,252	-
Total governmental activities	321,848,852	337,488,018	348,266,900	356,902,955
Business-type activities:				
Other local sources, including gain on sale of capital assets	-	-	-	-
Transfers	-	677,879	(33,252)	-
Total business-type activities	-	677,879	(33,252)	-
Total primary government	321,848,852	338,165,897	348,233,648	356,902,955
Change in net position:				
Governmental activities	28,335,497	16,628,690	14,392,440	9,268,893
Business-type activities	580,303	1,325,642	1,261,241	1,370,229
Total primary government	\$ 28,915,800	\$ 17,954,332	\$ 15,653,681	\$ 10,639,122

Source: Comprehensive Annual Financial Report

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ (358,959,953)	\$ (383,234,284)	\$ (371,448,212)	\$ (367,392,713)	\$ (332,350,780)	\$ (318,858,634)
483,932	403,725	502,317	(1,837,581)	(2,816,138)	3,833,950
(358,476,021)	(382,830,559)	(370,945,895)	(369,230,294)	(335,166,918)	(315,024,684)
115,462,200	117,223,840	124,085,031	125,443,707	125,822,333	105,721,486
8,832,673	9,330,713	12,333,977	14,210,347	28,198,098	20,660,671
7,463,306	7,641,516	8,250,108	8,404,254	9,320,286	16,270,408
953,982	972,429	1,040,696	1,065,792	1,174,812	1,182,355
31,115,408	30,737,734	31,911,353	32,997,111	31,561,628	38,218,634
199,399,080	204,551,888	203,948,433	206,654,943	207,395,814	205,760,431
1,163,645	2,471,733	6,185,178	4,313,176	(252,637)	(181,252)
2,260,799	1,407,681	2,109,732	2,535,516	2,558,487	4,181,651
462	1,142,874	1,112,380	578,997	1,139,221	(492,613)
366,651,555	375,480,408	390,976,888	396,203,843	406,918,042	391,321,771
-	-	-	207,310	-	-
(462)	(1,142,874)	(1,112,380)	(578,997)	(1,139,221)	492,613
(462)	(1,142,874)	(1,112,380)	(371,687)	(1,139,221)	492,613
366,651,093	374,337,534	389,864,508	395,832,156	405,778,821	391,814,384
7,691,602	(7,753,876)	19,528,676	28,811,130	74,567,262	72,463,137
483,470	(739,149)	(610,063)	(2,209,268)	(3,955,359)	4,326,563
\$ 8,175,072	\$ (8,493,025)	\$ 18,918,613	\$ 26,601,862	\$ 70,611,903	\$ 76,789,700

Des Moines Independent Community School District

Fund Balances, Governmental Funds Current and Previous Nine Fiscal Years (modified accrual basis of accounting) (Unaudited)

	Fiscal Year			
	2013	2014	2015	2016
General Fund:				
Nondisposable	\$ 427,883	\$ 1,133,969	\$ 1,722,676	\$ 2,022,946
Restricted	9,777,870	8,471,647	12,395,621	19,449,024
Committed	6,632,403	11,500,000	11,500,000	11,500,000
Assigned	8,000,000	8,000,000	4,717,021	2,270,271
Unassigned	49,196,424	47,321,858	43,870,654	45,777,595
Total General Fund	\$ 74,034,580	\$ 76,427,474	\$ 74,205,972	\$ 81,019,836
All other governmental funds:				
Nondisposable	\$ 39,965	\$ 16,465	\$ 114,706	\$ 13,350
Restricted	97,382,007	152,135,180	125,919,770	94,019,857
Total all other governmental funds	\$ 97,421,972	\$ 152,151,645	\$ 126,034,476	\$ 94,033,207

Source: Comprehensive Annual Financial Report

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 2,678,098	\$ 2,545,106	\$ 3,968,453	\$ 2,187,264	\$ 1,817,518	\$ 1,947,525	
20,113,274	16,977,566	15,816,459	17,588,320	16,614,372	9,694,399	
11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	
2,747,894	2,722,083	2,887,205	2,374,122	2,374,122	2,331,042	
45,264,493	50,372,420	62,613,523	91,410,321	151,959,117	154,372,935	
\$ 82,303,759	\$ 84,117,175	\$ 96,785,640	\$ 125,060,027	\$ 184,265,129	\$ 179,845,901	
\$ 97,759	\$ 95,216	\$ 84,370	\$ 1,185,434	\$ 1,013,572	\$ 424,546	
78,834,902	131,096,251	117,205,931	105,355,583	103,366,587	123,144,454	
\$ 78,932,661	\$ 131,191,467	\$ 117,290,301	\$ 106,541,017	\$ 104,380,159	\$ 123,569,000	

Des Moines Independent Community School District

Governmental Funds Revenues

Current and Previous Nine Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2013	2014	2015	2016
Federal sources, federal grants and other outside sources	\$ 37,849,720	\$ 30,009,399	\$ 33,148,580	\$ 31,271,845
State sources, state foundation aid and other sources	241,334,568	256,973,716	270,150,009	283,148,964
Intermediate sources	540,171	708,970	767,417	807,026
Local sources, local and other sources	141,367,663	147,356,203	148,062,066	155,787,365
Total revenues	\$ 421,092,122	\$ 435,048,288	\$ 452,128,072	\$ 471,015,200

Source: Comprehensive Annual Financial Report

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 33,821,414	\$ 37,575,065	\$ 35,854,833	\$ 38,615,413	\$ 90,859,853	\$ 57,514,582
288,229,705	293,820,917	297,456,647	299,868,060	302,480,397	304,494,999
906,897	816,427	839,737	749,892	771,045	814,975
161,068,816	163,398,729	177,432,673	181,775,366	188,218,138	177,464,949
<u>\$ 484,026,832</u>	<u>\$ 495,611,138</u>	<u>\$ 511,583,890</u>	<u>\$ 521,008,731</u>	<u>\$ 582,329,433</u>	<u>\$ 540,289,505</u>

Des Moines Independent Community School District

Governmental Funds Expenditures and Debt Service Ratio

Current and Previous Nine Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2013	2014	2015	2016
Instruction	\$ 248,569,469	\$ 258,355,855	\$ 268,167,131	\$ 269,163,315
Student services	20,677,284	21,660,306	23,058,840	23,649,011
Instructional support services	12,220,238	13,537,582	14,992,771	23,319,060
General administration	5,086,112	6,217,049	7,287,867	8,604,467
Building administration	19,269,977	19,518,195	21,595,487	22,990,624
Business and central administration	9,440,413	12,741,906	16,491,865	16,864,453
Plant operation & maintenance	33,601,546	38,768,237	38,400,905	37,564,110
Student transportation	10,403,066	12,304,303	11,976,509	12,589,191
Non-instructional	1,741,450	1,842,754	2,197,270	2,840,290
AEA support	12,235,407	13,086,762	13,829,063	13,974,996
Capital outlay	51,387,286	40,938,222	41,088,513	40,928,413
Capital outlay not capitalized	3,528,631	897,825	2,874,161	5,308,585
Debt service:				
Principal retirement	5,810,000	6,595,000	9,845,000	10,355,000
Interest	6,348,244	6,036,366	8,781,480	8,143,820
Payment to escrow agent	-	-	-	-
Bond issuance costs	-	817,127	-	-
Total expenditures	\$ 440,319,123	\$ 453,317,489	\$ 480,586,862	\$ 496,295,335
Debt service as a percentage of noncapital expenditures	3.23%	3.17%	4.43%	4.23%

Source: Comprehensive Annual Financial Report

Note: Debt service as a percentage of noncapital expenditures is calculated by dividing total debt service expenditures (principal and interest) by total noncapital expenditures (the difference between total expenditures and capitalized capital outlay expenditures).

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 277,942,567	\$ 283,694,521	\$ 284,763,964	\$ 273,859,957	\$ 276,213,680	\$ 273,427,727	
25,386,339	29,100,096	31,555,455	29,448,320	40,955,896	38,189,443	
25,988,683	26,717,537	26,977,947	21,990,298	25,291,710	29,012,407	
8,031,356	9,096,670	9,548,868	9,917,278	8,776,417	8,554,715	
24,004,917	23,469,984	22,842,478	25,922,890	27,821,772	29,968,215	
17,653,942	15,894,969	18,222,763	16,423,845	26,759,102	19,457,191	
36,891,726	40,785,171	42,996,180	42,413,921	40,809,304	40,809,225	
13,630,046	14,355,654	13,407,432	12,893,527	10,371,400	13,866,743	
2,530,080	2,692,121	2,524,745	2,014,478	1,354,339	3,437,405	
14,162,548	14,751,903	14,914,998	15,108,730	15,424,026	15,405,608	
27,804,984	25,096,331	23,495,644	27,414,818	23,342,271	25,667,337	
(546,245)	(741,152)	829,066	3,769,044	7,274,070	4,699,770	
12,495,000	12,655,000	15,405,000	16,015,000	16,655,000	20,088,927	
5,878,708	5,594,571	7,690,026	6,980,050	6,341,380	6,450,140	
5,507,264	-	-	-	-	-	
502,725	469,512	-	-	-	215,513	
\$ 497,864,640	\$ 503,632,888	\$ 515,174,566	\$ 504,172,156	\$ 527,390,367	\$ 529,250,366	
5.36%	3.81%	4.70%	4.82%	4.56%	5.27%	

Des Moines Independent Community School District

Other Financing Sources and Uses and Net Change in Fund Balances

Governmental Funds

Current and Previous Nine Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2013	2014	2015	2016
Excess of revenues over (under) expenditures	\$ (19,227,001)	\$ (18,269,201)	\$ (28,458,790)	\$ (25,280,135)
Other financing sources (uses):				
Issuance of debt	-	70,720,000	-	-
Issuance of refunding debt	-	-	-	-
Payments to escrow agent	-	-	-	-
Proceeds from sale of capital assets	107,648	214,140	86,867	92,730
Premiums	-	5,135,507	-	-
Transfers in	12,333,049	12,631,366	18,659,732	18,498,820
Transfers out	(12,333,049)	(13,309,245)	(18,626,480)	(18,498,820)
Total other financing sources (uses)	107,648	75,391,768	120,119	92,730
Net change in fund balances	\$ (19,119,353)	\$ 57,122,567	\$ (28,338,671)	\$ (25,187,405)

Source: Comprehensive Annual Financial Report

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ (13,837,808)	\$ (8,021,750)	\$ (3,590,676)	\$ 16,836,575	\$ 54,939,066	\$ 11,039,139
-	56,235,000	-	-	-	-
53,655,000	-	-	-	-	66,335,000
(53,655,000)	-	-	-	-	(75,710,000)
94,586	239,930	1,245,595	109,531	965,957	4,006,568
-	4,476,168	-	-	-	9,591,519
23,910,864	19,412,445	24,216,939	24,268,720	24,185,601	105,938,105
(23,984,265)	(18,269,571)	(23,104,559)	(23,689,723)	(23,046,380)	(106,430,718)
21,185	62,093,972	2,357,975	688,528	2,105,178	3,730,474
\$ (13,816,623)	\$ 54,072,222	\$ (1,232,701)	\$ 17,525,103	\$ 57,044,244	\$ 14,769,613

Des Moines Independent Community School District

**Taxable Value and Actual Value of Taxable Property
Current and Previous Nine Fiscal Years
(Unaudited)**

Levy Year	Collection Year	Real Property		Personal Property	
		Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value
2011	2012-13	\$ 6,845,833,397	\$ 10,453,353,698	\$ -	\$ -
2012	2013-14	7,030,673,370	10,507,339,484	-	-
2013	2014-15	6,905,500,764	10,363,626,769	-	-
2014	2015-16	6,894,664,897	10,431,160,954	-	-
2015	2016-17	7,215,082,273	10,924,647,220	-	-
2016	2017-18	7,407,396,041	11,060,020,747	-	-
2017	2018-19	8,057,537,240	12,192,415,869	-	-
2018	2019-20	8,341,227,272	12,437,382,676	-	-
2019	2020-21	9,056,877,909	13,816,511,624	-	-
2022	2021-22	9,256,198,087	13,944,486,108	-	-

(Continued)

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

Railroad and Utilities		Gas & Electric		Total		Total Direct Rate
Without Gas & Electric						
Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	
\$ 55,092,528	\$ 55,092,528	\$ 232,662,908	\$ 345,375,275	\$ 7,133,588,833	\$ 10,853,821,501	18.34845
57,982,509	57,982,509	231,076,580	357,993,296	7,319,732,459	10,923,315,289	18.14592
52,397,622	53,251,989	233,578,596	303,652,622	7,191,476,982	10,720,531,380	17.99477
46,373,454	48,073,610	234,441,061	351,197,379	7,175,479,412	10,830,431,943	18.42809
44,423,941	46,304,465	227,640,443	376,010,748	7,487,146,657	11,346,962,433	18.50586
44,330,131	46,401,518	209,778,221	382,451,027	7,661,504,393	11,488,873,292	18.56349
44,562,378	46,559,797	205,819,434	380,207,922	8,307,919,052	12,619,183,588	18.60074
46,499,711	48,656,364	201,590,684	393,759,064	8,589,317,667	12,879,798,104	18.60686
46,205,378	48,586,731	192,761,064	414,850,274	9,295,844,351	14,279,948,629	18.61192
41,761,132	44,556,164	180,704,431	421,399,821	9,478,663,650	14,410,442,093	16.05937

Des Moines Independent Community School District

Direct and Overlapping Property Tax Rates Current and Previous Nine Fiscal Years

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

(Unaudited)

Levy Year	Collection Year	District Direct Rates							
		General Fund	Management Fund	PPEL Fund	PERL Fund	Schoolhouse	Debt Service	Total	
2011	2012-13	\$ 15.69861	\$ 1.55484	\$ 0.96000	\$ 0.13500	\$ -	\$ -	\$ 18.34845	
2012	2013-14	15.14156	1.90936	0.96000	0.13500	-	-	18.14592	
2013	2014-15	14.99041	1.90936	0.96000	0.13500	-	-	17.99477	
2014	2015-16	16.08309	1.25000	0.96000	0.13500	-	-	18.42809	
2015	2016-17	16.16086	1.25000	0.96000	0.13500	-	-	18.50586	
2016	2017-18	16.16849	1.30000	0.96000	0.13500	-	-	18.56349	
2017	2018-19	15.90574	1.60000	0.96000	0.13500	-	-	18.60074	
2018	2019-20	15.71186	1.80000	0.96000	0.13500	-	-	18.60686	
2019	2020-21	14.27664	3.24028	0.96000	0.13500	-	-	18.61192	
2022	2021-22	11.89536	2.35901	1.67000	0.13500	-	-	16.05937	

(Continued)

Overlapping Rates											
Polk County	County Hospital	City of Des Moines	City of Norwalk	City of Pleasant Hill	City of Urbandale	City of Windsor Hts	City of WDM	Bloomfield Township	Ag Extension	Assessor	
\$ 6.80992	\$ 2.97819	\$ 16.91982	\$ 15.69000	\$ 11.65000	\$ 9.62000	\$ 13.31499	\$ 12.05000	\$ 0.87750	\$ 0.03866	\$ 0.24382	
6.94381	2.99567	16.92001	15.69000	11.64997	9.57000	13.89892	12.05000	0.87733	0.03945	0.27822	
7.16880	3.11769	16.92000	15.68944	11.65000	9.72000	15.34886	12.05000	0.87731	0.04061	0.27750	
7.30880	3.21296	16.92000	15.69376	11.65000	9.82000	15.07588	12.00000	0.87750	0.04102	0.27920	
7.30880	2.77545	16.92000	15.69499	11.65000	9.92000	15.66110	12.00000	0.87750	0.03985	0.27220	
7.30880	2.77545	17.04000	15.42340	11.65000	10.02000	16.96522	12.00000	0.87744	0.03939	0.27177	
7.30880	2.77513	17.24000	15.40640	11.65000	10.02000	16.58088	11.79000	0.87721	0.03690	0.25471	
7.30880	2.77513	16.64000	15.40604	11.50000	10.52000	16.52430	10.99000	0.87739	0.03689	0.25455	
7.30880	2.67405	16.61156	15.20141	11.50000	10.16000	14.47611	10.99000	0.87727	0.03502	0.24836	
7.13382	2.57740	16.61000	15.14192	11.50000	10.11000	14.47612	10.95000	0.87744	0.03486	0.19192	

Des Moines Independent Community School District

Direct and Overlapping Property Tax Rates (Continued)
Current and Previous Nine Fiscal Years
(rate per \$1,000 of assessed value)
(Unaudited)

Levy Year	Collection Year	Overlapping Rates											
		State	Area XI College	Urbandale-WH SS Dist	Downtown SSMID	Sherman Hills Lighting #1	Sherman Hills Lighting #2	Sherman Hill SSMID	Highland Park SSMID	Ingersoll Grand SSMID	Beaverdale SSMID	SW9th SSMID	Roosevelt SSMID
2011	2012-13	\$ 0.00330	\$ 0.58466	\$ 0.47069	\$ 1.00000	\$ 1.50011	\$ 1.50002		\$ 1.75001	\$ 1.75001	\$ -	\$ -	\$ -
2012	2013-14	0.00330	0.69120	0.47163	1.15002	1.50021	1.50001		1.75002	2.25000	-	-	-
2013	2014-15	0.00330	0.67574	0.44216	1.15000	1.50019	1.50024		1.75002	2.25000	1.74994	-	-
2014	2015-16	0.00330	0.67574	0.29126	1.30000	1.50012	1.50002		1.75010	2.25000	1.75007	-	-
2015	2016-17	0.00330	0.72334	0.30810	1.30000	1.50001	1.50001		1.75001	2.25000	1.74996	-	-
2016	2017-18	0.00310	0.67458	0.38597	1.30000	1.50003	1.50000		1.75014	2.25000	1.75008	2.25000	1.75010
2017	2018-19	0.00290	0.69468	0.40186	1.30000	-	-	1.50000	1.75011	2.25000	1.75006	2.25000	1.75003
2018	2019-20	0.00280	0.65249	0.42000	1.30000	-	-	1.50001	1.75006	2.25000	1.75002	2.25001	1.75003
2019	2020-21	0.00270	0.63533	0.39000	1.30000	-	-	1.50001	1.74998	2.25000	1.74998	2.25000	1.75008
2022	2021-22	0.00260	0.67789	0.38720	1.30000	-	-	1.50001	1.75000	2.25001	1.74993	2.25001	1.75003

Source: Polk County Auditor, Iowa Department of Management

Des Moines Independent Community School District

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

Taxpayer	2022			2013		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Principal Life Insurance Company	\$ 162,607,320	1	1.72%			
Nationwide Mutual Insurance Company	156,614,490	2	1.65%	172,946,600	2	2.44%
Principal Mutual Life Insurance Company	133,787,394	3	1.41%			
Wellmark Inc	119,748,600	4	1.26%	126,790,000	4	1.78%
Wells Fargo Properties Inc	109,629,900	5	1.16%			
Employers Mutual Casualty Company	89,311,500	6	0.94%	54,607,770	6	0.77%
Linden Street Investments LLC	71,550,000	7	0.75%			
Polk County	38,087,739	8	0.40%			
Federal Home Loan Bank of Des Moines	34,452,000	9	0.36%			
Meredith Operations Corp	31,397,827	10	0.33%			
Principal Financial Group, Inc.				200,090,200	1	2.80%
Mercy Medical Plaza				156,563,000	3	2.19%
Wells Fargo Financial Inc.				96,811,700	5	1.78%
Iowa Methodist Medical CNT & Plaza				48,360,000	7	0.68%
Meredith Corporation				30,990,900	8	0.43%
LB Properties XLLC				28,950,000	9	0.41%
Lexington TNI Des Moines LP				26,857,000	10	0.38%
	947,186,770		9.99%	942,967,170		13.66%

Source: Polk County Auditor

Des Moines Independent Community School District

Property Tax Levies and Collections Current and Previous Nine 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
2013	\$	118,233,562	\$ 116,612,288	98.63%	\$ 1,364,597	\$ 117,976,885	99.78%
2014		122,372,255	120,135,631	98.17%	1,397,537	121,533,168	99.31%
2015		118,679,473	117,530,023	99.03%	1,305,381	118,835,404	100.13%
2016		121,390,508	120,894,205	99.59%	1,122,654	122,016,859	100.52%
2017		127,369,855	126,191,778	99.08%	1,296,903	127,488,681	100.09%
2018		130,095,935	130,225,910	100.10%	-	130,225,910	100.10%
2019		140,189,825	140,534,664	100.25%	-	140,534,664	100.25%
2020		145,831,772	143,900,910	98.68%	-	143,900,910	98.68%
2021		156,895,694	159,129,812	101.42%	-	159,129,812	101.42%
2022		139,389,057	137,649,917	98.75%	-	137,649,917	98.75%
	\$	1,320,447,936				\$ 1,319,292,209	99.91%

Source: Iowa Department of Management and District Records

* Amount collected includes taxes collected for delinquent payments from previous fiscal years. Additionally, due to timing of collections, there are instances where the property tax is collected before the official due date.

Des Moines Independent Community School District

Demographic and Economic Statistics

Last Ten Calendar Years

(Unaudited)

Calendar Year	Des Moines Population*	Iowa Per Capita Personal Income**	Personal Income for Des Moines***	Des Moines Unemployment Rate****
2012	206,688	45,356	\$ 9,374,540,928	6.1%
2013	207,510	46,753	9,701,715,030	5.8%
2014	209,220	47,612	9,961,382,640	5.0%
2015	210,330	46,232	10,263,473,010	4.4%
2016	215,472	46,437	10,647,548,880	4.1%
2017	217,521	47,490	10,764,026,685	3.8%
2018	216,853	50,243	11,341,411,900	3.2%
2019	214,877	50,533	10,858,379,441	2.7%
2020	212,312	53,469	11,352,110,328	5.5%
2021	212,031	57,054	12,097,216,674	4.2%

* Source: US Census, City and Town Population Totals: 2010-2020, Des, Moines, IA, Vintage 2020 population totals.

NOTE: Census 2020 city populations are scheduled to be released May 2022

** Source: Iowa Data, Quarterly Personal Income for State of Iowa, Average of quarters

*** Estimated using the population of Des Moines and the Per Capita Income for Iowa

**** Source: U.S. Bureau of Labor Statistics, 12 month average

Des Moines Independent Community School District

Ratios of General Bonded Debt Outstanding Current and Previous Nine Fiscal Years (Unaudited)

Fiscal Year	Population	Assessed Value Property	Legal Debt Limit (5%)	General Bonded Debt Outstanding				Total	Debt to Assessed Value	Per Capita
				General Obligation Bonds	General Obligation Capital Loan Notes	Qualified Zone Academy Bonds				
2013	206,688	\$ 10,853,821,501	\$ 542,691,075	\$ -	\$ -	\$ -		\$ -	0.00%	-
2014	207,510	10,923,315,289	546,165,764	-	-	-		-	0.00%	-
2015	209,220	10,720,531,380	536,026,569	-	-	-		-	0.00%	-
2016	210,330	10,830,431,943	541,521,597	-	-	-		-	0.00%	-
2017	215,472	11,346,962,433	567,348,122	-	-	-		-	0.00%	-
2018	217,521	11,488,873,292	574,443,665	-	-	-		-	0.00%	-
2019	216,853	12,796,130,290	639,806,515	-	-	-		-	0.00%	-
2020	214,237	12,879,798,104	643,989,905	-	-	-		-	0.00%	-
2021	212,312	14,279,948,629	713,997,431	-	-	-		-	0.00%	-
2022	212,031	14,410,442,093	720,522,105	-	-	-		-	0.00%	-

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

Des Moines Independent Community School District

Outstanding Debt by Type
Current and Previous Nine Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities						Total Primary Government	Percentage of Personal Income*	Per Capita**
	General Obligation Bonds	General Obligation Capital Loan Notes	Qualified Zone Academy Bonds	SAVE Revenue Bonds	Unamortized Premium / Discount	Lease Obligations***			
2013	\$ -	\$ -	\$ -	\$ 131,860,000	\$ 7,827,835	\$ -	\$ 139,687,835	1.49%	\$ 637.97
2014	-	-	-	195,985,000	12,109,155	-	208,094,155	2.14%	\$ 944.46
2015	-	-	-	186,140,000	10,644,178	-	196,784,178	1.98%	\$ 940.56
2016	-	-	-	175,785,000	9,296,539	-	185,081,539	1.86%	\$ 884.63
2017	-	-	-	162,510,000	5,690,611	-	168,200,611	1.58%	\$ 780.61
2018	-	-	-	206,090,000	9,313,683	-	215,403,683	2.00%	\$ 990.27
2019	-	-	-	190,685,000	9,514,448	-	200,199,448	1.77%	\$ 923.20
2020	-	-	-	174,670,000	6,426,358	-	181,096,358	1.67%	\$ 842.79
2021	-	-	-	158,015,000	5,177,323	10,508,349	173,700,672	1.53%	\$ 818.14
2022	-	-	-	132,600,000	11,353,292	5,984,721	149,938,013	1.38%	\$ 707.15

Source: District Records

* Calculated as Total Primary Government debt divided by Personal Income for Des Moines (per Demographic and Economic Statistics)

** Calculated as Total Primary Government debt divided by Des Moines Population (per Demographic and Economic Statistics)

***Implementation of GASB Statement No. 87 as of 7/1/2021, 6/30/2021 financials were not restated

Des Moines Independent Community School District

Legal Debt Margin Information

Current and Previous Nine Fiscal Years

(Unaudited)

	2013	2014	2015	2016
Debt limit	\$ 546,165,764	\$ 546,165,764	\$ 536,026,569	\$ 541,521,597
Total net debt applicable to limit	131,860,000	195,985,000	186,140,000	175,785,000
Legal debt margin	\$ 414,305,764	\$ 350,180,764	\$ 349,886,569	\$ 391,563,122
Total net debt applicable to the limit as a percentage of debt limit	24.14%	35.88%	34.73%	30.98%

(Continued)

Source: Polk County Auditor and District Records

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value \$ 14,410,442,093

Debt limit (5% of assessed value) \$ 720,522,105

Debt applicable to limit 138,584,721

Legal debt margin \$ 581,937,384

	2017		2018		2019		2020		2021		2022
\$	567,348,122	\$	630,959,179	\$	643,989,905	\$	643,989,905	\$	713,997,431	\$	720,522,105
	162,510,000		206,090,000		190,685,000		174,670,000		168,523,349		138,584,721
\$	404,838,122	\$	424,869,179	\$	453,304,905	\$	469,319,905	\$	545,474,082	\$	581,937,384
	28.64%		32.66%		29.61%		27.12%		22.13%		19.23%

Des Moines Independent Community School District

Pledged-Revenue Coverage Current and Previous Nine Fiscal Years (Unaudited)

Fiscal Year	Local Option Sales and Services Tax				Debt Service		Coverage
	Revenue	Reconciliation Payment	Total*		Principal	Interest	
2013	\$ 26,056,081	\$ 1,368,580	\$ 27,424,661	\$	5,810,000	\$ 6,348,244	2.26
2014	26,506,077	1,407,751	27,913,828		6,595,000	6,036,366	2.21
2015	29,337,080	1,598,872	30,935,952		9,845,000	8,781,480	1.66
2016	29,329,789	1,218,216	30,548,005		10,355,000	8,143,820	1.65
2017	29,968,822	649,276	30,618,098		12,495,000	5,878,708	1.67
2018	30,057,621	1,984,666	32,042,286		12,655,000	5,594,571	1.76
2019	31,911,353	988,068	32,899,420		15,405,000	7,690,026	1.42
2020	32,997,111	997,965	33,995,076		16,015,000	6,980,050	1.48
2021	31,561,628	4,683,625	36,245,252		16,655,000	6,341,380	1.58
2022	33,535,010	5,315,317	38,850,327		16,445,000	5,646,575	1.76

Source: Iowa Department of Revenue; District Records

Note: The Secure an Advanced Vision for Education (SAVE) tax was implemented in the District on July 1, 2010. The State estimated the District's annual SAVE tax revenue by multiplying the District's certified enrollment by the statewide average tax revenue per student. The statewide average is calculated by dividing the total estimated SAVE tax revenue by the statewide enrollment.

*Table updated in FY 2022 to show the additional Reconciliation Payment, which is received after June 30. The Reconciliation Payment is a final true-up payment of actual sales tax collected during the fiscal year.

Des Moines Independent Community School District

Largest Public and Private Employers in Greater Des Moines Region Current Year and Nine Years Ago (Unaudited)

Employer	2022			2013****		
	Employees *	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Wells Fargo	13,500	1	3.69%	13,500	1	4.24%
Hy-Vee Inc.	6,800	2	1.86%	2,100	9	0.66%
Principal Financial Group, Inc.	6,500	3	1.78%	6,131	3	1.92%
MercyOne (Mercy Medical Center)	5,843	4	1.60%	7,100	2	2.23%
UnityPoint Health	5,580	5	1.53%	5,505	4	1.73%
Des Moines Independent CSD**	4,913	6	1.34%	4,967	6	1.56%
Amazon	3,500	7	0.96%			
Nationwide Insurance (Nationwide/Allied)	3,300	8	0.90%	5,000	5	1.57%
John Deere	3,280	9	0.90%	3,100	7	0.97%
Corteva Agriscience (Dupont Pioneer)	2,500	10	0.68%	2,849	8	0.89%
Kum & Go				1,820	10	0.57%
Total employment ***	365,366			318,672		

* Source: Major Employers in the Greater Des Moines Region, Greater Des Moines Partnership, July 2022

** Source: District records October 2022

*** Source: Bureau of Labor Statistics, US Dept. of Labor, June 2022 and June 2013; District Records

**** Source: District ACFR FY 2013

Des Moines Independent Community School District

Direct and Overlapping Governmental Activities Debt

As of June 30, 2022

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Overlapping:			
City of Des Moines	\$ 534,105,545	96.4%	\$ 514,878,000
City of Pleasant Hill	21,120,000	24.1%	5,090,000
City of Urbandale	83,471,000	10.0%	8,347,000
City of Windsor Heights	18,746,315	0.9%	169,000
City of West Des Moines	206,308,065	0.1%	206,000
Des Moines Area Community College	103,700,000	30.1%	31,214,000
Polk County	253,521,000	35.3%	89,493,000
Warren County	38,010,169	5.4%	2,053,000
Subtotal, overlapping debt	<u>1,258,982,094</u>		<u>651,450,000</u>
Direct, Des Moines Independent Community School District:			
Sales tax revenue bonds and lease obligations	<u>149,938,013</u>	100.0%	<u>149,938,013</u>
Subtotal direct debt	<u>149,938,013</u>		<u>149,938,013</u>
Total direct and overlapping debt	<u>\$ 1,408,920,107</u>		<u>\$ 801,388,013</u>

Source: State Treasurer of Iowa, Outstanding Obligation Report; District records.

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

Des Moines Independent Community School District

Full-Time Equivalent District Employees By Type Current and Previous Nine Fiscal Years (Unaudited)

	Full-Time Equivalent Employees as of June 30			
	2013	2014	2015	2016
Administrators				
Central Office	35.0	36.0	37.0	39.0
Elementary Schools	37.0	37.0	37.0	38.0
Middle Schools	21.0	21.0	20.0	20.0
High Schools	22.0	22.0	24.0	24.0
Special Schools	8.0	8.0	5.0	5.0
Total Administrators	123.0	124.0	123.0	126.0
Certified Staff				
Academic Support	25.0	26.0	32.0	36.5
Behavior Coach	7.5	9.5	19.7	26.8
Non-classroom (other)	14.9	14.8	11.8	6.3
Classroom teachers	1,499.5	1,555.0	1,563.7	1,578.3
Counselors	58.3	58.4	63.0	67.4
Dean of Students	16.2	14.5	4.6	3.6
ELL	86.8	88.8	91.0	106.5
Gifted and Talented	11.0	11.0	15.0	18.0
Head Start	14.5	13.5	14.0	14.0
Home Instruction	7.0	6.0	6.0	5.0
Instructional Coach	-	-	49.5	109.9
International Baccalaureate Coordinator	7.0	8.0	8.0	6.5
Library/Media specialists	3.0	2.0	2.0	2.0
Mentor Teachers	-	10.5	14.5	17.5
Nurses	57.6	57.7	58.4	60.2
Preschool	38.5	38.5	34.0	34.0
Special Ed teachers	508.8	509.3	499.4	494.0
Special Ed consultants	30.0	31.0	34.0	33.0
Special Ed Support	128.2	126.4	121.6	125.9
Title I	171.4	187.8	159.4	178.0
Float	2.0	4.0	1.0	6.0
Total Certified Staff	2,687.2	2,772.7	2,802.6	2,929.4
Associates				
Central Office	9.8	11.8	24.8	26.8
Elementary Schools	211.0	222.0	195.0	189.8
Middle Schools	62.0	61.0	58.8	61.0
High Schools	44.6	46.0	57.0	54.0
Special Schools	191.9	180.2	182.6	183.8
Total associates	519.3	521.0	518.2	515.4

(Continued)

Full-Time Equivalent Employees as of June 30						Percentage Change
2017	2018	2019	2020	2021	2022	2013 - 2022
36.0	41.0	42.0	41.0	40.0	40.0	14.3%
38.0	38.0	38.0	38.0	38.0	38.0	2.7%
20.0	20.0	19.0	10.0	10.0	10.0	-52.4%
23.0	23.0	20.0	13.0	14.0	14.0	-36.4%
5.0	5.0	4.0	5.0	3.0	3.0	-62.5%
122.0	127.0	123.0	104.0	105.0	105.0	-14.6%
31.6	29.1	22.6	14.1	14.1	16.1	-35.6%
26.0	35.0	36.4	35.9	35.9	45.7	509.3%
12.0	10.7	13.3	3.5	12.7	12.5	-16.1%
1,562.1	1,556.3	1,532.4	1,532.4	1,505.2	1,492.5	-0.5%
80.5	82.0	82.0	85.0	96.0	95.5	63.8%
3.3	1.0	1.0	-	-	-	-100.0%
111.0	119.0	117.4	118.4	117.9	118.4	36.4%
18.0	21.0	21.0	21.0	23.0	23.0	109.1%
14.0	14.0	13.0	14.0	13.0	13.0	-10.3%
5.0	5.0	11.0	8.0	9.0	9.0	28.6%
92.6	95.1	111.6	100.6	112.3	106.6	*
5.0	4.0	1.3	-	-	-	-100.0%
2.0	1.0	1.0	1.0	1.0	1.0	-66.7%
-	-	-	-	-	-	*
60.0	59.5	59.9	61.0	61.0	61.0	5.9%
34.0	34.0	34.0	35.0	35.0	35.0	-9.1%
483.5	483.0	488.0	487.0	479.0	473.0	-7.0%
32.0	32.0	29.0	30.0	30.0	30.0	0.0%
130.8	136.3	135.3	132.4	137.5	121.5	-5.2%
183.8	183.3	169.1	150.8	168.4	169.8	-0.9%
8.0	7.2	1.0	3.0	21.0	5.0	150.0%
2,895.2	2,908.5	2,880.3	2,833.1	2,872.0	2,828.6	5.3%
17.0	12.8	50.0	46.0	51.5	49.0	400.0%
188.0	195.0	214.0	239.0	244.0	241.0	14.2%
59.5	58.3	57.0	57.5	60.0	58.0	-6.5%
52.0	46.0	62.0	61.0	66.5	64.0	43.5%
193.8	197.8	152.0	156.0	158.5	158.0	-17.7%
510.3	509.9	535.0	559.5	580.7	570.0	9.8%

Des Moines Independent Community School District

Full-Time Equivalent District Employees By Type (Continued) Current and Previous Nine Fiscal Years (Unaudited)

	Full-Time Equivalent Employees as of June 30				
	2013	2014	2015	2016	2017
Specialist, Clerical, and Paraprofessionals					
Central Office	181.7	206.5	231.0	243.8	237.2
Elementary Schools	119.4	124.4	103.9	106.0	107.0
Middle Schools	63.9	65.6	65.0	62.4	60.4
High Schools	122.9	124.1	135.1	131.6	118.6
Special Schools	20.9	21.5	17.0	20.0	23.0
Total specialists, clerical, and paraprofessionals	508.8	542.1	552.0	563.8	546.2
Food Service, Operations, Transportation and Child Care					
Central Office	373.0	344.9	336.4	342.0	310.2
Elementary Schools	216.4	221.1	245.6	247.5	285.6
Middle Schools	97.0	99.5	101.3	103.6	104.6
High Schools	119.1	124.9	114.1	118.5	117.5
Special Schools	11.2	13.3	13.1	16.0	18.4
Total food svc, oper, transportation, and child care	816.7	803.7	810.5	827.5	836.3
Total	4,655.0	4,763.5	4,806.3	4,962.1	4,910.0

(Continued)

Source: District records

* No employees in this category for comparison in 2013

Full-Time Equivalent Employees as of June 30					Percentage Change
2018	2019	2020	2021	2022	2013 - 2022
266.4	255.2	256.9	257.3	253.3	39.4%
111.0	117.0	111.0	112.9	113.9	-4.6%
58.0	65.0	71.5	72.9	74.9	17.2%
103.8	101.0	113.5	118.4	131.4	6.9%
20.0	15.0	16.0	19.9	20.9	0.0%
559.2	553.2	568.9	581.6	594.4	16.8%
334.5	293.8	294.7	295.3	293.3	-21.4%
288.5	292.3	283.9	285.0	285.0	31.7%
103.1	106.6	105.3	106.3	106.3	9.6%
113.1	117.5	112.2	113.3	110.3	-7.4%
16.3	18.6	19.3	20.4	20.4	82.1%
855.5	818.0	841.6	820.4	815.3	-0.2%
4,960.0	4,909.5	4,907.1	4,959.7	4,913.3	5.5%

Des Moines Independent Community School District

Operating Statistics
Current and Previous Nine Fiscal Years
(Unaudited)

Fiscal Year	Enrollment	Operating Expenses	Cost Per Pupil	Percentage Change	Business-Type Expenses	Cost Per Pupil	Percentage Change
2013	32,062.1	386,110,699	\$ 12,043	0.01	\$ 19,492,031	\$ 608	0.07
2014	32,413.2	412,187,728	12,717	0.06	20,740,564	640	0.12
2015	32,396.1	430,873,303	13,300	0.11	21,898,261	676	0.19
2016	32,581.9	455,983,772	13,375	0.09	23,201,203	712	0.30
2017	32,979.2	472,417,154	13,633	0.12	25,451,036	772	0.39
2018	33,057.4	498,953,834	15,094	0.24	26,476,917	801	0.44
2019	32,788.8	487,168,007	15,477	0.26	25,734,865	785	0.44
2020	32,606.7	487,564,051	14,953	0.23	25,441,013	780	0.41
2021	31,621.5	508,174,271	16,303	0.34	20,899,496	661	0.19
2022	31,023.8	462,805,096	14,918	0.24	22,894,116	738	0.21

Fiscal Year	Certified Staff	Percentage of Students Receiving Free or Reduced-Priced Meals
2013	2,687.2	68
2014	2,772.7	69
2015	2,802.6	69
2016	2,929.4	73
2017	2,895.2	67
2018	2,908.5	74
2019	2,880.3	76
2020	2,833.1	77
2021	2,872.0	76
2022	2,828.6	76

Source: District Records

Note: Operating expenses represent governmental activity expenses, less interest on long-term debt
Note: Revised in 2022 to better match District schedules. Teaching Staff was changed to Certified Staff.

Des Moines Independent Community School District

School Building Information Current and Previous Nine Fiscal Years (Unaudited)

School	Fiscal Year			
	2013	2014	2015	2016
Elementary:				
Name (Year)	Brubaker	Brubaker	Brubaker	Brubaker
Square feet	78,224	78,224	78,224	78,224
Capacity	792	816	816	816
Enrollment	672	642	704	697
Name (Year)	Capital View	Capital View	Capital View	Capital View
Square feet	75,740	75,740	75,740	75,740
Capacity	720	720	720	720
Enrollment	539	534	551	568
Name (Year)	Carver	Carver	Carver	Carver
Square feet	91,500	91,500	91,500	91,500
Capacity	720	720	720	720
Enrollment	611	626	577	555
Name (Year)	Cattell	Cattell	Cattell	Cattell
Square feet	47,821	47,821	47,821	47,821
Capacity	408	408	408	408
Enrollment	408	411	397	388
Name (Year)	Cowles	Cowles	Cowles	Cowles
Square feet	42,800	42,800	42,800	42,800
Capacity	432	456	517	517
Enrollment	348	361	364	374
Name (Year)	Downtown	Downtown	Downtown	Downtown
Square feet	38,125	38,125	38,125	38,125
Capacity	312	312	312	312
Enrollment	274	263	267	268
Name (Year)	Edmunds	Edmunds	Edmunds	Edmunds
Square feet	76,385	76,385	76,385	76,385
Capacity	576	576	576	576
Enrollment	287	409	435	346
Name (Year)	Findley	Findley	Findley	Findley
Square feet	43,548	43,548	43,548	43,548
Capacity	384	384	384	384
Enrollment	314	320	342	344
Name (Year)	Garton	Garton	Garton	Garton
Square feet	65,648	65,648	65,648	65,648
Capacity	720	720	720	720
Enrollment	564	595	624	612
Name (Year)	Greenwood	Greenwood	Greenwood	Greenwood
Square feet	61,744	61,744	61,744	61,744
Capacity	456	456	456	456
Enrollment	446	414	384	325

(Continued)

Fiscal Year					
2017	2018	2019	2020	2021	2022
Brubaker	Brubaker	Brubaker	Brubaker	Brubaker	Brubaker
78,224	78,224	78,224	78,224	78,224	78,224
816	816	816	960	960	960
727	709	665	673	643	652
Capital View	Capital View	Capital View	Capital View	Capital View	Capital View
75,740	75,740	75,740	75,740	75,740	75,740
720	720	720	913	912	912
556	551	539	523	498	510
Carver	Carver	Carver	Carver	Carver	Carver
81,885	81,885	81,885	81,885	91,500	91,500
720	720	720	720	720	720
573	549	484	461	462	437
Cattell	Cattell	Cattell	Cattell	Cattell	Cattell
48,188	55,125	55,125	55,125	55,125	55,125
408	408	408	504	504	504
392	410	397	402	393	367
Cowles	Cowles	Cowles	Cowles	Cowles	Cowles
45,130	45,130	53,060	53,060	53,060	53,060
432	432	432	431	431	431
375	363	362	379	358	342
Downtown	Downtown	Downtown	Downtown	Downtown	Downtown
38,125	38,125	38,125	38,125	38,125	38,125
312	312	312	168	168	168
268	271	265	264	241	240
Edmunds	Edmunds	Edmunds	Edmunds	Edmunds	Edmunds
76,385	76,385	76,385	76,385	76,385	76,385
576	576	576	696	696	696
329	312	316	314	297	260
Findley	Findley	Findley	Findley	Findley	Findley
43,628	43,628	43,628	43,628	43,628	43,628
384	384	384	384	384	384
338	343	333	324	306	311
Garton	Garton	Garton	Garton	Garton	Garton
65,648	65,648	65,648	65,648	65,648	65,648
720	720	720	720	720	720
649	650	558	502	497	474
Greenwood	Greenwood	Greenwood	Greenwood	Greenwood	Greenwood
62,227	62,227	62,227	62,227	62,227	62,227
456	456	456	528	528	528
299	283	256	249	212	220

Des Moines Independent Community School District

School Building Information (Continued) Current and Previous Nine Fiscal Years (Unaudited)

School	Fiscal Year			
	2013	2014	2015	2016
Elementary:				
Name (Year)	Hanawalt	Hanawalt	Hanawalt	Hanawalt
Square feet	43,246	43,246	43,246	43,246
Capacity	408	408	408	408
Enrollment	352	376	373	362
Name (Year)	Hillis	Hillis	Hillis	Hillis
Square feet	57,720	57,720	57,720	57,720
Capacity	600	600	600	600
Enrollment	483	507	534	447
Name (Year)	Howe	Howe	Howe	Howe
Square feet	38,505	38,505	38,505	38,505
Capacity	312	312	312	312
Enrollment	297	282	298	312
Name (Year)	Hubbell	Hubbell	Hubbell	Hubbell
Square feet	53,327	53,327	53,327	53,327
Capacity	456	456	456	456
Enrollment	455	447	428	423
Name (Year)	Jackson	Jackson	Jackson	Jackson
Square feet	45,585	45,585	45,585	45,585
Capacity	456	456	456	456
Enrollment	413	418	435	429
Name (Year)	Jefferson	Jefferson	Jefferson	Jefferson
Square feet	45,830	45,830	45,830	45,830
Capacity	408	408	456	456
Enrollment	434	430	425	439
Name (Year)	King	King	King	King
Square feet	54,171	54,171	54,171	54,171
Capacity	408	408	456	456
Enrollment	335	362	376	358
Name (Year)	Lovejoy	Lovejoy	Lovejoy	Lovejoy
Square feet	39,154	39,154	39,154	39,154
Capacity	456	456	456	456
Enrollment	332	349	380	389
Name (Year)	Madison	Madison	Madison	Madison
Square feet	42,049	42,049	42,049	42,049
Capacity	408	408	408	408
Enrollment	409	377	346	317
Name (Year)	McKinley	McKinley	McKinley	McKinley
Square feet	49,994	49,994	49,994	49,994
Capacity	360	360	360	360
Enrollment	319	331	343	293

(Continued)

Fiscal Year					
2017	2018	2019	2020	2021	2022
Hanawalt	Hanawalt	Hanawalt	Hanawalt	Hanawalt	Hanawalt
43,246	43,246	44,708	44,708	44,708	44,708
408	408	408	480	480	480
358	343	359	343	340	354
Hillis	Hillis	Hillis	Hillis	Hillis	Hillis
57,720	57,720	57,720	57,720	57,720	57,720
600	600	600	576	576	576
381	370	364	318	313	292
Howe	Howe	Howe	Howe	Howe	Howe
34,320	33,220	33,220	42,891	42,891	42,891
312	312	312	336	336	336
310	307	286	279	270	305
Hubbell	Hubbell	Hubbell	Hubbell	Hubbell	Hubbell
53,327	49,440	50,505	50,505	50,505	50,505
456	456	480	480	480	480
415	433	414	444	420	415
Jackson	Jackson	Jackson	Jackson	Jackson	Jackson
45,585	45,585	57,969	57,969	57,969	57,969
456	456	552	552	552	552
467	427	444	413	387	386
Jefferson	Jefferson	Jefferson	Jefferson	Jefferson	Jefferson
45,830	45,830	45,830	45,830	55,730	55,730
456	456	456	456	456	456
408	392	393	389	371	338
King	King	King	King	King	King
54,171	54,171	54,171	54,171	54,171	54,171
456	456	456	504	504	504
336	329	300	295	265	264
Lovejoy	Lovejoy	Lovejoy	Lovejoy	Lovejoy	Lovejoy
39,154	39,154	39,154	50,534	50,534	50,534
456	456	456	480	480	480
383	394	391	392	378	403
Madison	Madison	Madison	Madison	Madison	Madison
42,049	42,049	49,558	49,558	49,558	49,558
408	408	408	456	456	456
267	279	264	282	255	239
McKinley	McKinley	McKinley	McKinley	McKinley	McKinley
49,994	49,994	49,994	49,994	49,994	49,994
360	360	360	432	432	432
264	267	266	272	264	269

Des Moines Independent Community School District

School Building Information (Continued) Current and Previous Nine Fiscal Years (Unaudited)

School	Fiscal Year			
	2013	2014	2015	2016
Elementary:				
Name (Year)	Monroe	Monroe	Monroe	Monroe
Square feet	73,997	73,997	73,997	73,997
Capacity	576	576	600	600
Enrollment	533	553	536	535
Name (Year)				Moore
Square feet				51,848
Capacity				432
Enrollment				188
Name (Year)	Morris	Morris	Morris	Morris
Square feet	70,656	70,656	70,656	70,656
Capacity	744	744	744	744
Enrollment	617	612	595	579
Name (Year)	Moulton	Moulton	Moulton	Moulton
Square feet	121,650	121,650	121,650	121,650
Capacity	744	744	744	744
Enrollment	428	474	457	471
Name (Year)	Oak Park	Oak Park	Oak Park	Oak Park
Square feet	59,497	59,497	59,497	59,497
Capacity	408	408	408	408
Enrollment	399	396	406	424
Name (Year)	Park Avenue	Park Avenue	Park Avenue	Park Avenue
Square feet	64,925	64,925	64,925	64,925
Capacity	552	552	600	600
Enrollment	472	472	424	451
Name (Year)	Perkins	Perkins	Perkins	Perkins
Square feet	56,540	56,540	65,064	65,064
Capacity	432	432	528	528
Enrollment	438	441	464	482
Name (Year)	Phillips	Phillips	Phillips	Phillips
Square feet	41,936	41,936	41,936	41,936
Capacity	336	336	336	336
Enrollment	404	407	387	373
Name (Year)	Pleasant Hill	Pleasant Hill	Pleasant Hill	Pleasant Hill
Square feet	41,270	41,270	41,270	41,270
Capacity	312	312	408	408
Enrollment	312	309	309	315
Name (Year)	River Woods	River Woods	River Woods	River Woods
Square feet	59,950	58,126	64,773	64,773
Capacity	504	504	600	600
Enrollment	509	540	545	541

(Continued)

Fiscal Year					
2017	2018	2019	2020	2021	2022
Monroe	Monroe	Monroe	Monroe	Monroe	Monroe
73,997	73,997	73,997	73,997	73,997	73,997
600	600	600	600	600	600
547	513	472	464	445	433
Moore	Moore	Moore	Moore	Moore	Moore
51,848	51,848	51,848	51,848	51,848	51,848
432	432	432	408	408	408
260	297	325	339	334	308
Morris	Morris	Morris	Morris	Morris	Morris
70,656	70,656	70,656	71,114	71,114	71,114
744	744	744	744	744	744
601	600	567	527	472	448
Moulton	Moulton	Moulton	Moulton	Moulton	Moulton
121,650	121,650	121,650	121,650	121,650	121,650
744	744	744	768	768	768
469	488	531	536	481	441
Oak Park	Oak Park	Oak Park	Oak Park	Oak Park	Oak Park
59,497	59,497	59,497	59,497	59,497	59,497
408	408	408	336	336	336
418	369	376	339	325	309
Park Avenue	Park Avenue	Park Avenue	Park Avenue	Park Avenue	Park Avenue
64,925	64,925	64,925	64,925	64,925	64,925
600	600	600	552	552	552
430	431	410	418	382	390
Perkins	Perkins	Perkins	Perkins	Perkins	Perkins
65,064	65,064	65,064	65,064	65,064	65,064
528	528	528	456	456	456
457	451	461	446	395	386
Phillips	Phillips	Phillips	Phillips	Phillips	Phillips
41,936	46,207	46,207	46,207	46,207	46,207
336	336	336	552	552	552
359	339	329	325	293	263
Pleasant Hill	Pleasant Hill	Pleasant Hill	Pleasant Hill	Pleasant Hill	Pleasant Hill
41,270	41,270	41,270	41,270	47,870	47,870
408	408	408	288	288	288
255	269	261	233	205	215
River Woods	River Woods	River Woods	River Woods	River Woods	River Woods
64,773	64,773	64,773	64,773	64,773	64,773
600	600	600	672	672	672
594	570	544	527	498	518

Des Moines Independent Community School District

School Building Information (Continued) Current and Previous Nine Fiscal Years (Unaudited)

School	Fiscal Year			
	2013	2014	2015	2016
Elementary:				
Name (Year)	Samuelson	Samuelson	Samuelson	Samuelson
Square feet	58,678	58,678	58,678	58,678
Capacity	528	528	528	528
Enrollment	526	515	527	470
Name (Year)	South Union	South Union	South Union	South Union
Square feet	68,508	68,508	68,508	68,508
Capacity	696	696	696	696
Enrollment	578	562	520	504
Name (Year)	Stowe	Stowe	Stowe	Stowe
Square feet	56,967	56,967	56,967	56,967
Capacity	408	408	408	408
Enrollment	362	363	365	374
Name (Year)	Studebaker	Studebaker	Studebaker	Studebaker
Square feet	45,400	45,400	45,400	45,400
Capacity	504	504	504	504
Enrollment	416	479	451	454
Name (Year)	Walnut Street	Walnut Street	Walnut Street	Walnut Street
Square feet	58,212	58,212	58,212	97,020
Capacity	384	414	414	630
Enrollment	312	278	283	292
Name (Year)	Willard	Willard	Willard	Willard
Square feet	59,301	59,301	59,301	59,301
Capacity	600	600	600	600
Enrollment	426	437	429	410
Name (Year)	Windsor	Windsor	Windsor	Windsor
Square feet	60,475	60,475	60,475	60,475
Capacity	408	408	408	408
Enrollment	425	394	360	338
Name (Year)	Wright	Wright	Wright	Wright
Square feet	30,300	30,300	30,300	30,300
Capacity	312	288	288	288
Enrollment	271	258	289	284

(Continued)

Fiscal Year					
2017	2018	2019	2020	2021	2022
Samuelson	Samuelson	Samuelson	Samuelson	Samuelson	Samuelson
58,678	58,678	58,678	58,678	58,678	58,678
528	528	528	528	528	528
452	449	467	461	433	418
South Union	South Union	South Union	South Union	South Union	South Union
68,508	68,508	68,508	68,508	68,508	68,508
696	696	696	696	696	696
513	494	488	500	439	445
Stowe	Stowe	Stowe	Stowe	Stowe	Stowe
56,967	56,967	56,967	56,967	56,967	56,967
408	408	408	456	456	456
399	367	371	359	298	307
Studebaker	Studebaker	Studebaker	Studebaker	Studebaker	Studebaker
45,400	45,400	45,400	64,455	64,455	64,455
504	504	504	600	600	600
500	495	492	556	522	522
Walnut Street	Walnut Street	Walnut Street	Walnut Street	Walnut Street	Walnut Street
97,020	97,020	97,020	97,020	97,020	97,020
630	630	630	816	816	816
291	269	297	297	245	268
Willard	Willard	Willard	Willard	Willard	Willard
59,301	59,301	59,301	59,301	59,301	59,301
600	600	600	624	624	624
355	362	348	324	294	262
Windsor	Windsor	Windsor	Windsor	Windsor	Windsor
60,475	60,475	60,475	60,475	60,475	60,475
408	408	408	432	432	432
358	375	345	307	284	285
Wright	Wright	Wright	Wright	Wright	Wright
30,300	39,139	39,139	39,139	39,139	39,139
288	288	288	312	312	312
265	280	270	284	256	261

Des Moines Independent Community School District

School Building Information (Continued) Current and Previous Nine Fiscal Years (Unaudited)

School	Fiscal Year			
	2013	2014	2015	2016
Middle:				
Name (Year)	Brody	Brody	Brody	Brody
Square feet	90,500	98,082	98,082	98,082
Capacity	871	871	871	871
Enrollment	702	744	736	749
Name (Year)	Callanan	Callanan	Callanan	Callanan
Square feet	116,037	116,037	116,037	116,037
Capacity	828	828	828	828
Enrollment	626	620	572	561
Name (Year)	Goodrell	Goodrell	Goodrell	Goodrell
Square feet	110,495	110,495	110,495	110,495
Capacity	871	871	893	893
Enrollment	591	619	633	632
Name (Year)	Harding	Harding	Harding	Harding
Square feet	125,339	125,339	125,339	125,339
Capacity	828	850	850	850
Enrollment	619	700	767	773
Name (Year)	Hiatt	Hiatt	Hiatt	Hiatt
Square feet	103,060	109,879	109,879	109,879
Capacity	850	850	850	850
Enrollment	634	626	551	589
Name (Year)	Hoyt	Hoyt	Hoyt	Hoyt
Square feet	99,874	100,691	100,691	100,691
Capacity	850	893	893	893
Enrollment	518	488	488	510
Name (Year)	McCombs	McCombs	McCombs	McCombs
Square feet	78,978	88,258	88,258	88,258
Capacity	807	807	829	829
Enrollment	664	657	662	691
Name (Year)	Meredith	Meredith	Meredith	Meredith
Square feet	107,316	107,316	107,316	107,316
Capacity	891	891	891	891
Enrollment	666	715	713	737
Name (Year)	Merrill	Merrill	Merrill	Merrill
Square feet	89,500	94,162	94,162	94,162
Capacity	658	658	701	701
Enrollment	658	705	718	730
Name (Year)	Weeks	Weeks	Weeks	Weeks
Square feet	112,390	112,390	112,390	112,390
Capacity	1,041	1,041	1,063	1,063
Enrollment	689	633	670	717

(Continued)

Fiscal Year					
2017	2018	2019	2020	2021	2022
Brody	Brody	Brody	Brody	Brody	Brody
99,182	99,182	99,182	99,182	99,182	99,182
871	871	871	904	904	904
745	770	770	729	686	603
Callanan	Callanan	Callanan	Callanan	Callanan	Callanan
116,037	116,037	116,037	116,037	116,037	116,037
828	828	828	857	857	857
592	603	615	609	598	531
Goodrell	Goodrell	Goodrell	Goodrell	Goodrell	Goodrell
110,495	110,495	110,495	110,495	110,495	110,495
893	893	893	928	928	928
628	571	558	552	564	512
Harding	Harding	Harding	Harding	Harding	Harding
125,339	125,339	125,339	125,339	125,339	125,339
850	850	850	952	952	952
743	788	781	815	810	677
Hiatt	Hiatt	Hiatt	Hiatt	Hiatt	Hiatt
109,879	109,879	109,879	109,879	109,879	109,879
850	850	850	928	928	928
592	656	649	615	607	558
Hoyt	Hoyt	Hoyt	Hoyt	Hoyt	Hoyt
100,691	100,691	100,691	100,691	100,691	100,691
893	893	893	1,023	1,023	1,023
522	598	648	685	618	508
McCombs	McCombs	McCombs	McCombs	McCombs	McCombs
88,258	88,258	96,703	99,673	99,673	99,673
829	829	914	952	952	952
722	733	732	744	747	684
Meredith	Meredith	Meredith	Meredith	Meredith	Meredith
107,316	107,316	107,316	107,316	107,316	107,316
891	891	891	857	857	857
734	805	829	806	739	675
Merrill	Merrill	Merrill	Merrill	Merrill	Merrill
94,162	94,162	94,162	94,162	94,162	94,162
701	701	701	881	881	881
741	743	760	782	750	669
Weeks	Weeks	Weeks	Weeks	Weeks	Weeks
112,390	112,390	112,390	112,390	112,390	112,390
1,063	1,063	1,063	1,142	1,142	1,142
742	766	774	772	743	685

Des Moines Independent Community School District

School Building Information (Continued) Current and Previous Nine Fiscal Years (Unaudited)

School	Fiscal Year			
	2013	2014	2015	2016
High:				
Name (Year)	East	East	East	East
Square feet	344,376	344,376	344,376	344,376
Capacity	2,337	2,337	2,337	2,337
Enrollment	2,288	2,291	2,286	2,303
Name (Year)	Hoover	Hoover	Hoover	Hoover
Square feet	183,400	191,700	191,700	191,700
Capacity	1,105	1,105	1,105	1,105
Enrollment	1,028	966	1,016	1,070
Name (Year)	Lincoln	Lincoln	Lincoln	Lincoln
Square feet	312,628	312,628	312,628	312,628
Capacity	1,848	1,848	1,848	1,848
Enrollment	2,144	2,185	2,166	2,245
Name (Year)	Kurtz (Lincoln 9th Grade)	Kurtz (Lincoln 9th Grade)	Kurtz (Lincoln 9th Grade)	Kurtz (Lincoln 9th Grade)
Square feet	106,498	106,264	106,264	106,264
Capacity	637	637	637	637
Enrollment	*	*	*	*
Name (Year)	North	North	North	North
Square feet	220,960	249,639	249,639	249,639
Capacity	1,253	1,253	1,253	1,253
Enrollment	1,182	1,251	1,196	1,253
Name (Year)	Roosevelt	Roosevelt	Roosevelt	Roosevelt
Square feet	239,117	239,117	240,317	240,317
Capacity	1,785	1,785	1,785	1,785
Enrollment	1,658	1,708	1,819	1,790

(Continued)

Fiscal Year					
2017	2018	2019	2020	2021	2022
East	East	East	East	East	East
344,376	344,376	344,376	344,376	344,376	344,376
2,337	2,337	2,337	2,570	2,570	2,570
2,329	2,236	2,197	2,095	2,201	2,076
Hoover	Hoover	Hoover	Hoover	Hoover	Hoover
191,700	191,700	191,700	191,700	191,700	191,700
1,105	1,105	1,105	1,428	1,428	1,428
1,062	1,106	1,068	1,024	1,059	956
Lincoln	Lincoln	Lincoln	Lincoln	Lincoln	Lincoln
312,628	312,628	312,628	312,628	312,628	312,628
1,848	1,848	1,848	2,047	2,047	2,047
2,355	2,350	2,404	2,379	2,423	2,359
Kurtz (Lincoln 9th Grade)	Kurtz (Lincoln 9th Grade)	Kurtz (Lincoln 9th Grade)	Kurtz	Kurtz	Kurtz
106,498	106,498	106,498	%	%	%
637	637	637	%	%	%
*	*	*	%	%	%
North	North	North	North	North	North
249,639	249,639	249,639	249,639	249,639	249,639
1,253	1,253	1,253	1,333	1,333	1,333
1,274	1,319	1,452	1,393	1,495	1,427
Roosevelt	Roosevelt	Roosevelt	Roosevelt	Roosevelt	Roosevelt
240,317	306,722	306,722	306,722	306,722	306,722
1,785	1,785	1,785	1,714	1,714	1,714
1,925	1,943	2,008	2,116	2,085	2,060

Des Moines Independent Community School District

School Building Information (Continued) Current and Previous Nine Fiscal Years (Unaudited)

School	Fiscal Year			
	2013	2014	2015	2016
Special Schools:				
Name (Year)	Central Campus	Central Campus	Central Campus	Central Campus
Square feet	456,660	456,660	456,660	456,660
Capacity	1,328	1,328	1,848	1,848
Enrollment	\$	\$	\$	\$
Name (Year)	Central Academy	Central Academy	Central Academy	Central Academy
Square feet	86,426	86,426	86,426	86,426
Capacity	658	658	658	658
Enrollment	\$	\$	\$	\$
Name (Year)	Virtual Campus	Virtual Campus	Virtual Campus	Virtual Campus
Square feet	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-
Name (Year)	Scavo #	Scavo #	Scavo #	Scavo #
Square feet	45,334	45,334	see Central Campus	see Central Campus
Capacity	504	504	see Central Campus	see Central Campus
Enrollment	304	265	359	459
Name (Year)	Smouse ♦	Smouse ♦	Smouse ♦	Smouse ♦
Square feet	53,809	53,809	53,809	53,809
Capacity	384	384	384	384
Enrollment	128	110	93	83
Name (Year)	Van Meter ♦	Van Meter ♦	Van Meter ♦	Van Meter ♦
Square feet	56,460	56,460	56,460	56,460
Capacity	403	403	553	553
Enrollment	170	163	156	158

(Continued)

Fiscal Year					
2017	2018	2019	2020	2021	2022
Central Campus	Central Campus	Central Campus	Central Campus	Central Campus	Central Campus
456,660	456,660	456,660	456,660	456,660	456,660
1,848	1,848	1,848	2,213	2,213	2,213
\$	\$	\$	\$	\$	\$
Central Academy	Central Academy	Central Academy	Central Academy	Central Academy	Central Academy
86,426	86,426	86,426	86,426	86,426	86,426
658	658	658	738	738	738
\$	\$	\$	\$	\$	\$
Virtual Campus	Virtual Campus	Virtual Campus	Virtual Campus	Virtual Campus	Virtual Campus
-	-	-	-	¥	¥
-	-	-	-	¥	¥
-	-	-	-	258	934
Scavo #	Scavo #	Scavo #	Scavo #	Scavo	Scavo
see Central Campus	see Central Campus	see Central Campus	see Central Campus	%	%
see Central Campus	see Central Campus	see Central Campus	see Central Campus	%	%
390	459	316	282	%	%
Smouse ♦	Smouse ♦	Smouse	Smouse	Smouse	Smouse
53,809	53,809	%	%	%	%
384	384	%	%	%	%
71	72	%	%	%	%
Van Meter ♦	Van Meter ♦	Van Meter ♦	Van Meter ♦	Van Meter ♦	Van Meter ♦
58,636	58,636	58,636	58,636	58,636	58,636
553	553	553	553	553	553
138	126	158	141	141	116

Des Moines Independent Community School District

School Building Information (Continued) Current and Previous Nine Fiscal Years (Unaudited)

School	Fiscal Year				
	2013	2014	2015	2016	2017
Other:					
Name (Year)	Casady	Jesse Taylor @ Cassidy	Jesse Taylor @ Cassidy	Jesse Taylor @ Cassidy	Jesse Taylor @ Cassidy
Square feet	43,709	45,297	45,297	45,297	45,297
Name (Year)	McKee	McKee	McKee	McKee	McKee
Square feet	43,400	43,400	43,400	43,400	43,400
Name (Year)	Mitchell	Mitchell	Mitchell	Mitchell	Mitchell
Square feet	31,682	31,682	31,682	31,682	31,682
Name (Year)	Woodlawn Education Ctr	Woodlawn Education Ctr	Woodlawn Education Ctr	Woodlawn Education Ctr	Woodlawn Education Ctr
Square feet	46,548	46,548	46,548	46,548	46,548
Other (Education Facilities):					
Name (Year)	Central Campus Ag Lab	Central Campus Ag Lab	Central Campus Ag Lab	Central Campus Ag Lab	Central Campus Ag Lab
Square feet	12,500	12,500	12,500	12,500	19,292
Name (Year)					
Square feet					
Name (Year)					Central Campus Aviation
Square feet					24,900
Name (Year)	Mann	Mann	Mann	Mann	Mann
Square feet	32,490	32,490	32,490	32,490	30,866
Other:					
Name (Year)	1915 Prospect	1915 Prospect	1915 Prospect	1915 Prospect	1915 Prospect
Square feet	52,573	52,573	52,573	52,573	52,573
Name (Year)			2323 Grand	2323 Grand	2323 Grand
Square feet			53,200	49,734	49,734
Name (Year)				2100 Fleur	2100 Fleur
Square feet				36,673	36,673
Name (Year)	Central Nutrition Center	Central Nutrition Center	Central Nutrition Center	Central Nutrition Center	Central Nutrition Center
Square feet	56,186	56,186	56,186	56,186	56,186
Name (Year)					
Square feet					
Name (Year)	Operations Center-Dean	Operations Center-Dean	Operations Center-Dean	Operations Center-Dean	Operations Center-Dean
Square feet	97,404	97,404	97,404	97,404	97,404
Name (Year)					
Square feet					
Name (Year)	Walker Street	Walker Street	Walker Street	Walker Street	Walker Street
Square feet	33,481	33,481	33,481	33,481	32,300
Name (Year)	Walnut St (Admin)	Walnut St (Admin)	Walnut St ‡	Walnut St ‡	Walnut St ‡
Square feet	58,212	58,212	19,404	19,404	19,404
Name (Year)	Welcome Center	Welcome Center	Welcome Center	Welcome Center	Welcome Center
Square feet	6,200	6,200	6,200	6,200	6,200

Source: District records.

Note: Revised in 2014 to better match District schedules. Closed buildings moved to "other" and "special" schools category was broken out.

* Building was used to house the Lincoln 9th graders. The enrollment was rolled into the Lincoln High School total.

% Building no longer used for enrolled students.

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

¥ Virtual Campus is a stand alone, 100% online school

Scavo was housed in the Moore building until 2014 and moved back to Central Campus 2015-2020/

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

⌘ Building demolished and replaced with the Horticulture Building

£ Building sold

‡ Building no longer used for Admin space; the 6th floor is used for community partnerships/

§ Building no longer used for Welcome Center; used as Annex for Central Nutrition.

Fiscal Year				
2018	2019	2020	2021	2022
Jesse Taylor @ Cassidy	Jesse Taylor @ Cassidy	Jesse Taylor @ Cassidy	Jesse Taylor @ Cassidy	Jesse Taylor @ Cassidy
45,297	45,297	45,297	45,297	45,297
McKee	McKee	McKee	McKee	McKee
43,400	43,400	43,400	43,400	43,400
Mitchell	Mitchell	Mitchell	Mitchell	Mitchell
31,682	31,682	31,682	31,682	31,682
Woodlawn Education Ctr	Woodlawn Education Ctr	Woodlawn Education Ctr	Woodlawn Education Ctr	Woodlawn Education Ctr
46,548	46,548	46,548	46,548	46,548
Central Campus Ag Lab	Central Campus Ag Lab	Central Campus Ag Lab	Central Campus Ag Lab	Central Campus Ag Lab
15,342	15,342			
		Central Campus Horticultu	Central Campus Horticultu	Central Campus Horticultu
		10,373	10,373	10,373
Central Campus Aviation	Central Campus Aviation	Central Campus Aviation	Central Campus Aviation	Central Campus Aviation
24,900	24,900	31,250	31,250	31,250
Mann	Mann	Mann	Mann	Mann
30,866	30,866	30,866	30,866	30,866
1915 Prospect	1915 Prospect	1915 Prospect	1915 Prospect	1915 Prospect
52,573	52,573	52,573	52,573	52,573
2323 Grand	2323 Grand	2323 Grand	2323 Grand	2323 Grand
49,734	49,734	49,734	49,734	49,734
2100 Fleur	2100 Fleur	2100 Fleur	2100 Fleur	2100 Fleur
36,673	36,673	36,673	36,673	36,673
Central Nutrition Center	Central Nutrition Center	Central Nutrition Center	Central Nutrition Center	Central Nutrition Center
56,186	56,186	56,186	56,186	56,186
		Kurtz Opportunity Center	Kurtz Opportunity Center	Kurtz Opportunity Center
		106,498	106,498	106,498
Operations Center-Dean	Operations Center-Dean	Operations Center-Dean	Operations Center-Dean	Operations Center-Dean
97,404	97,404	97,404	97,404	97,404
	Smouse	Smouse	Smouse	Smouse
	53,809	53,809	53,809	53,809
Walker Street	Walker Street	Walker Street	Walker Street	Walker Street
32,300	32,300	32,300	32,300	32,300
Walnut St	Walnut St	Walnut St	Walnut St	Walnut St
19,404	19,404	19,404	19,404	19,404
Welcome Center	Welcome Center	CNC Annex	CNC Annex	CNC Annex
6,200	6,200	6,200	6,200	6,200

Des Moines Independent Community School District

Capital Asset Information

Current and Previous Nine Fiscal Years

(Unaudited)

Schools:	Fiscal Year			
	2013	2014	2015	2016
Elementary:				
Buildings	44	37	37	38
Square feet	2,338,302	2,117,554	2,132,725	2,223,381
Capacity	19,968	18,294	18,811	19,459
Enrollment	15,848	15,944	15,930	15,731
Middle:				
Buildings	12	10	10	10
Square feet	1,196,213	1,062,649	1,062,649	1,062,649
Capacity	9,535	8,560	8,669	8,669
Enrollment	6,537	6,507	6,510	6,689
High:				
Buildings	8	6	6	6
Square feet	1,888,901	1,443,724	1,444,924	1,445,158
Capacity	10,818	8,965	8,965	8,965
Enrollment	8,604	8,401	8,483	8,661
Special Schools:				
Buildings		5	4	4
Square feet		698,689	653,355	653,355
Capacity		3,277	3,443	3,443
Enrollment		538	608	700
Other:				
Buildings	12	12	13	14
Square feet	514,385	515,973	530,365	563,572
Total District Sq Ft (less modulars)	5,771,181	5,838,589	5,824,018	5,928,711
Transportation:				
Garages	1	1	1	1
Buses	132	136	130	135
Athletics:				
Football fields	5	4	4	4
Running tracks	6	5	5	5
Baseball/softball	10	10	10	10
Swimming pools	8	8	8	7
Playgrounds	44	41	39	42

Source: District records.

Note: Revised in 2014 to better match District schedules. Closed buildings moved to "other" and "special" schools category was broken out.

Fiscal Year					
2017	2018	2019	2020	2021	2022
38	38	38	38	38	38
2,212,841	2,227,901	2,258,251	2,298,815	2,324,930	2,324,930
19,374	19,374	19,494	20,521	20,615	20,615
15,618	15,400	15,010	14,760	13,771	13,557
10	10	10	10	10	10
1,063,749	1,063,749	1,072,194	1,075,164	1,075,164	1,075,164
8,669	8,669	8,754	9,424	9,424	9,424
6,761	7,033	7,116	7,109	6,862	6,102
6	6	6	5	5	5
1,445,158	1,511,563	1,511,563	1,405,065	1,405,065	1,405,065
8,965	8,965	8,965	9,092	9,092	9,092
8,945	8,954	9,129	9,007	9,263	8,878
4	4	3	3	3	3
655,531	655,531	601,722	601,722	601,722	601,722
3,443	3,443	3,059	3,504	3,504	3,504
599	657	474	423	399	1,050
15	15	16	17	17	15
592,459	588,509	642,318	750,197	750,197	659,224
5,950,334	6,027,849	6,066,644	6,111,559	6,157,078	6,066,105
1	1	1	1	1	1
137	137	136	120	126	143
4	4	4	4	4	4
5	5	5	5	5	5
10	10	10	10	10	10
7	7	6	6	6	6
42	42	43	43	43	42

Des Moines Independent Community School District

Schedule of Expenditures of Federal Awards Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures	Passed Through To Subrecipients
U.S. Department of Agriculture:				
(Passed through Iowa Department of Education):				
Child Nutrition Cluster:				
School Breakfast Program	10.553	42-6004525	\$ 4,962,485	\$ -
National School Lunch Program	10.555	42-6004525	14,847,460	-
NSLP - USDA Commodities (Non-Cash)	10.555	42-6004525	1,155,566	-
Summer Food Service Program for Children	10.559	42-6004525	373,366	-
School Food Service P-EBT Local Admin	10.649	42-6004525	5,814	-
Subtotal Child Nutrition Cluster			21,344,691	-
NSLP—Fruit and Vegetable Program	10.582	42-6004525	753,661	-
School Lunch Equipment Grant Stabilization	10.579	42-6004525	33,562	-
(Passed through Iowa Department of Public Health):				
State Administrative Matching Grants for Iowa Nutrition Network Basics	10.561	42-6004523	182,756	-
(Passed through Iowa Department of Agriculture and Land Stewardship)				
	10.170	42-6004522	90	-
Total U.S. Department of Agriculture			22,314,760	-
U.S. Department of Education:				
(Direct):				
Full Service Community Schools	84.215J	42-6001433	472,332	-
(Passed through Iowa Department of Education):				
Title 1:				
Title 1 Education, Consolidation and Improvement Act	84.010A	42-6004525	12,205,909	-
Title 1 Program for Neglected & Delinquent Children	84.010A	42-6004525	74,494	-
Title 1 Program for Neglected & Delinquent Children Carryover	84.010A	42-6004525	43,516	-
Title 1 School Improvement funds	84.010A	42-6004525	434,291	-
Vocational Education Basic Grants to States	84.048	42-6004525	453,301	-
Title II	84.367	42-6004525	1,534,719	-
Education for the Homeless	84.196	42-6004525	39,023	-
Title III ELL/LEP	84.365	42-6004525	432,408	-
Title IV Student Support and Academic Enrichment	84.424	42-6004525	986,370	-
21st Century	84.287	42-6004525	1,159,351	-
Subtotal			17,363,382	-
U.S. Department of Education (continued):				
COVID-19 - CARES Act Education Stabilization GEERF Funds	84.425C	42-6004525	21,012	-
COVID-19 - CARES Act Education Stabilization ESSER I Funds	84.425D	42-6004525	136,332	-
COVID-19 - ARP School Emergency Relief funds ESSER III Funds 20%	84.425U	42-6004525	6,227,984	-
COVID-19 - ARP School Emergency Relief funds ESSER III Funds	84.425U	42-6004525	20,451,354	-
COVID-19 - ARP School Emergency Relief funds ESSER III Funds SWVPP	84.425U	42-6004525	860,013	-
COVID-19 - CRRSA ESSER II Teacher Retention	84.425D	42-6004525	2,329,546	-
COVID-19 - Education Stabilization Fund - eLearning Central	84.425B	42-6004525	215,000	-
COVID-19 - ARP Homeless Children & Youth	84.425W	42-6004525	27,286	-
Total U.S. Department of Education, Passed Through Through State of Iowa Department of Education			47,631,909	-

Des Moines Independent Community School District

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures	Passed Through To Subrecipients
Passed through Heartland Area Education Agency 11: Individuals with Disabilities Education Act	84.027	42-1028173	1,780,947	-
Part B Sect 611, Handicapped Preschool Program Vocational Assessment COVID-19 - IDEA Part LEA Program - ARP fund	84.027X	42-1028173	274,755	-
Total US Department of Education, Passed through Heartland Area Education Agency 11			2,055,702	-
Passed through Iowa Department of administrative Services (IWD) Apprenticeship USA Grants	17.285	42-1590141	7,000	-
Passed through Iowa College Student Aid Commission: Gaining Early Awareness and Readiness (GEAR UP)	21.027	4200891451	84,020	-
Passed through Iowa State University Development and Dissemination	84.305H	42-6004224	22,176	-
Total U.S. Department of Education			50,273,139	-
US Department of Health and Human Services: Passed through State of Iowa Department of Education School Wellness	93.945	42-1028173	1,849	-
Total US Department of Health & Human Services, Passed through State of Iowa Department of Education			1,849	-
Passed through State of Iowa Vocational Rehabilitation Project Search	84.126	42-6004525	102,107	55,601
Passed through City of Des Moines COPS grant	16.71	42-6004514	17,041	-
Passed through Drake University: Head Start	93.600	42-0680460	2,485,784	-
Total U.S. Department of Health and Human Services			2,606,781	55,601
US Department of Health and Human Services: Passed through State of Iowa Dept of Human Service Rejuvenated Grant for Preschool Wrap around funds COVID-19 - ARP Child Care Stabilization Grant	93.575 93.575	42.6004525 42.6004525	1,053,090 5,591	- -
			1,058,681	-
US Department of Homeland Security's Federal Emergency Management Agency Pass through Iowa Homeland Security COVID-19 - Public Health Emergency for COVID-19 Public Assistance for Derecho losses	97.036 97.036	11-0000583 11-0000583	7,875 23,145	- -
			31,020	-
U.S. Department of Defense National Security Agency - Startalk	12.900	N/A	23,844	-
US Department of Federal Communication Commission Emergency Connectivity Funds	32.009	N/A	6,371,973	-
US Department of Housing and Urban Development Passed through City of Des Moines:	14.228	42-6004514	221,951	-
Total expenditures of federal awards			\$ 82,781,153	\$ 55,601

See notes to schedule of expenditures of federal awards.

Des Moines Independent Community School District

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2022

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Des Moines Independent Community School District under programs of the federal government for the year ended June 30, 2022. 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 Des Moines Independent Community School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Des Moines Independent Community School District (the District).

Note 2. Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. 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.

Note 3. Indirect Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. The District instead uses a negotiated rate published by the State of Iowa.

Note 4. Noncash Assistance

The schedule includes federal awards in the form of noncash assistance (commodities) received during the year in the amount of \$1,155,566 related to USDA Commodities grants provided by the U.S. Department of Agriculture and passed through the Iowa Department of Education.

Des Moines Independent Community School District

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2022**

Findings		Status	Corrective Action Plan or Other Explanation
Findings Related to Financial Statements:			
None			
Findings Related to Federal Awards:			
None			
Other Findings Related to Required Statutory Reporting			
IV-G-21	Various certified enrollment variances identified by the State.	Uncorrected	See similar finding and corrective action plan at IV-G-21.
IV-M-21	The Child Care, School Nutrition, and Print Shop Funds had deficit balance as of June 30, 2022.	Uncorrected	See similar finding and corrective action plan at IV-M-21.

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

Independent Auditor's Report

Board of Education
Des Moines Independent Community School District

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Des Moines Independent Community School District (the District), as of and for the year ended June 30, 2022, 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 29, 2022. Our report includes an emphasis of matter paragraph due to the implementation of GASB 87, *Leases*. Our opinions are not modified with respect to this matter.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 the District's internal control.

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

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

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory or other legal matters about the District's operations for the year ended June 30, 2022, are based exclusively on knowledge obtained from procedures during our audit of the basic financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory

District's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

RSM VS LLP

Des Moines, Iowa
November 29, 2022

**Report on Compliance For Each Major Federal Program
and Report on Internal Control Over Compliance
Required by the Uniform Guidance**

RSM US LLP

Independent Auditor's Report

Board of Education
Des Moines Independent Community School District

Opinion on Each Major Federal Program

We have audited Des Moines Independent Community School District's (the District) compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

In our opinion, The District's complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the District as of and for the year ended June 30, 2022, and have issued our report thereon dated November 29, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Des Moines, Iowa
November 29, 2022

Des Moines Independent Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2022

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ Yes ☒ No

Significant deficiencies identified?

☐ Yes ☒ None Reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal control over major programs:

• Material weakness(es) identified?

☐ Yes ☒ No

• Significant deficiencies identified?

☐ Yes ☒ None Reported

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

• Any audit findings disclosed that are required to be reported in accordance with
2 CFR 200.516(a)?

☐ Yes ☒ No

Identification of Major Programs

Federal Assistance Listing Number	Name of Federal Program or Cluster
32.009	Emergency Connectivity
84.425C, 84.425D, 84.425U	COVID-19 Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs: \$2,483,435

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

(Continued)

Des Moines Independent Community School District

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2022

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

A. Internal Control

No matters reported.

B. Compliance Findings

No matters reported.

II. Findings and Questioned Costs for Federal Awards

A. Internal Control

No matters reported.

B. Compliance Findings

No matters reported.

III. Other Findings Related to Required Statutory Requirements

IV-A-22—Certified Budget and General Fund Spending Authority—The District's certified budget was not in excess of spending authority. District expenditures did not exceed the certified budget.

IV-B-22—Questionable Expenditures—No expenditures that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

IV-C-22—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-22—Business Transactions—No business transactions between the District and District officials or employees were noted.

IV-E-22—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-22—Board Minutes—Board minutes were properly published, signed off on and each member's vote was properly recorded.

IV-G-22—Certified Enrollment—No material variances in the basic enrollment data certified to the Iowa Department of Education was noted. However, the following item was noted.

Finding: There were various certified enrollment variances identified by the State and the District that resulted in an increase of 2.0 students from October 1, 2021 certified enrollment numbers reported by the District.

Des Moines Independent Community School District

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2022

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

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

IV-H-22—Supplementary Weighting—No significant variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

IV-I-22—Deposits and Investments—The District's policy for deposits and investments is in compliance with the Code of Iowa.

IV-J-22—Certified Annual Report—The Certified Annual Report was certified timely to the Iowa Department of Education.

IV-K-22—Categorical Funding—No instances of categorical funding being used to supplant rather than supplement other funds were noted.

IV-L-22—Statewide Sales, Services and Use Tax—No instances of non-compliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2022, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$	75,392,663	
Local option sales tax			38,218,634	
Earnings on investments			116,028	
			<u>38,334,662</u>	
Expenditures/transfers out:				
School infrastructure:				
Buildings	\$	16,396,118		
Administration		101,502		
Debt service:				
Bond issuance costs		215,513		
Issuance of bonds		(66,335,000)		
Premium on bonds		(9,591,519)		
Transfers for debt service for school infrastructure:				
Revenue debt		102,152,536	42,939,150	
Ending balance			<u>\$</u>	<u>70,788,175</u>

For the year ended June 30, 2022, the District did not reduce any levies as a result of the monies received under Chapter 423E or 423F of the Code of Iowa.

Des Moines Independent Community School District

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2022

IV-M-22—Deficit Balances—The Child Care Fund, School Nutrition Fund, and the Print Shop Fund had deficit balances as of June 30, 2022 of \$1,318,581, \$1,075,148 and \$154,482, respectively.

Finding: As of June 30, 2022, the Child Care Fund, School Nutrition Fund, and the Print Shop Fund had reported a deficit balance.

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

Response and Corrective Action Plan: The primary cause of the deficit balance is due to accounting for the Child Care and School Nutrition Funds' share of the District's proportionate share of deferred outflows of resources, deferred inflows of resources, and net pension liability related to IPERS. The primary cause of the Print Shop deficit is due to rising supply costs and implementation of GASB Statement No. 87. The District continues to analyze the fund's activities and have taken steps to reduce the deficit fund balance.

IV-N-22—Revenue Bonds—The District has established the reserve account required by all revenue bond resolutions as of June 30, 2022. The required monthly transfers from the revenue account to the sinking account were made by the District.

IV-O-22—Student Activity Fund—No instances of noncompliance with the use of student activity funds provisions of Chapter 298A.8 of the Code of Iowa and Iowa Administrative Rule 281-12.6(1) were noted.

IV-P-22—Early Childhood Iowa Area Board—The District is not the fiscal agent for the Early Childhood Iowa Area Board.

IV-Q-22—Receipts/Revenue—The District has limited school fees charged to categories identified in the Department of Education declaratory order #62.