12-013
Attachment

DES MOINES PUBLIC SCHOOLS

State Wide Penny Sales Tax Bonds, Series 2012
Offering Statement

Date: March 13. 2012
Contact: Thomas Harper

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without notice. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction.

New Issue **Rating: Application Made**

Assuming compliance with certain covenants, in the opinion of Ahlers & Cooney, P.C., Bond Counsel, under present law and assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), 1) interest on the Bonds will be excluded from gross income for federal income tax purposes, 2) interest on such Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986 and 3) such interest will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes). See "TAX EXEMPTION AND RELATED CONSIDERATIONS" herein for a more detailed discussion.

DES MOINES INDEPENDENT COMMUNITY SCHOOL DISTRICT
POLK AND WARREN COUNTIES, IOWA

$71,900,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2012

BIDS RECEIVED: Tuesday, April 3, 2012, 10:00 o'clock A.M., Central Time
AWARD: Tuesday, April 3, 2012, 6:00 o'clock P.M., Central Time

Dated: Date of Delivery (May 8, 2012) **Minimum Bid:** $71,181,000
Principal Due: June 1, 2013-2029 **Good Faith Deposit:** Required of Purchaser Only

The $71,900,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2012 (the "Bonds") of the Des Moines Independent Community School District, Iowa (the "District") are being issued pursuant to Chapters 423E and 423F (the "Act") of the Code of Iowa, special elections of the registered voters of the District on September 8, 2009, pursuant to the Act, and a resolution to be adopted by the District. The Bonds are being issued for the purpose of providing funds for school infrastructure projects (see "REVENUE PURPOSE STATEMENT" herein). **The Bonds are not general obligations of the District, but are special limited revenue obligations of the District. The Bonds are payable solely from the proceeds of the Bonds and tax revenues received by the District under the Act, each of which are pledged to the repayment of principal and interest of the Bonds.**

The Bonds will be issued as fully registered Bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry-form only, in the principal amount of $5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. Principal of the Bonds, payable annually on each June 1, beginning June 1, 2013 and interest on the Bonds, payable initially on December 1, 2012 and thereafter on each June 1 and December 1, will be paid to DTC by the District's Registrar/Paying Agent, Bankers Trust Company, Des Moines, Iowa (the "Registrar"). DTC will in turn remit such principal and interest to its participants for subsequent disbursements to the beneficial owners of the Bonds as described herein. Interest and principal shall be paid to the registered holder of a note as shown on the records of ownership maintained by the Registrar as of the fifteenth day of the month preceding such interest payment date (the "Record Date").

The Bonds will mature June 1 in the years and amounts as follows:

Year	Amount	Year	Amount
2013	$3,125,000	2022	$4,280,000
2014	3,330,000	2023	4,435,000
2015	3,430,000	2024	4,595,000
2016	3,530,000	2025	4,770,000
2017	3,650,000	2026	4,955,000
2018	3,755,000	2027	5,145,000
2019	3,870,000	2028	5,350,000
2020	3,990,000	2029	5,565,000
2021	4,125,000		

REDEMPTION: Bonds due after June 1, 2020 will be subject to call on said date or on any date thereafter upon terms of par plus accrued interest to date of call.

The Bonds are offered, subject to prior sale, withdrawal or modification, when, as, and if issued subject to the legal opinion of Ahlers & Cooney, P.C., Bond Counsel, of Des Moines, Iowa, to be furnished upon delivery of the Bonds. It is expected that the Bonds will be available for delivery on or about May 8, 2012. This Preliminary Official Statement will be further supplemented by offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date, and underwriter, together with any other information required by law, and shall constitute a "Final Official Statement" of the Bonds with respect to the Bonds, as defined in Rule 15c2-12.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Municipal obligations (issued in an aggregate amount over $1,000,000) are subject to General Rules and Regulations, Securities Exchange Act of 1934, Rule 15c2-12 Municipal Securities Disclosure.

Preliminary Official Statement: This Preliminary Official Statement was prepared for the District for dissemination to prospective bidders. Its primary purpose is to disclose information regarding the Bonds to prospective bidders in the interest of receiving competitive bids in accordance with the TERMS OF OFFERING contained herein. Unless an addendum is received prior to the sale, this document shall be deemed the "Near Final Official Statement".

Review Period: This Preliminary Official Statement has been distributed to District staff as well as to prospective bidders for an objective review of its disclosure. Comments or omissions or inaccuracies must be submitted to Public Financial Management, Inc. (the "Financial Advisor") at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will <u>not</u> be considered a qualification of a bid received. If there are any changes, corrections or additions to the Preliminary Official Statement, prospective bidders will be informed by an addendum at least one business day prior to the sale.

Final Official Statement: Upon award of sale of the Bonds, the legislative body will authorize the preparation of a Final Official Statement that includes the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date and other information required by law and the identity of the syndicate manager (the "Syndicate Manager") and syndicate members. Copies of the Final Official Statement will be delivered to the Syndicate Manager within seven business days following the bid acceptance.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations, other than those contained in the Preliminary Official Statement. This Preliminary Official Statement does not constitute any offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information, estimates and expressions of opinion herein are subject to change without notice and neither the delivery of this Preliminary Official Statement nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Preliminary Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

This Preliminary Official Statement and any addenda thereto were prepared relying on information of the District and other sources, which are believed to be reliable.

Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein.

Compensation of Financial Advisor and Ahlers & Cooney, P.C., payable entirely by the District, is contingent upon the sale of the issue.

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Des Moines Independent Community School District
Polk and Warren Counties, Iowa

Board of Directors

Name	Position
Teree Caldwell-Johnson	*President*
Richard Murphy	*Vice President*
Connie Boesen	*Board Member*
Cindy Elsbernd	*Board Member*
Bill Howard	*Board Member*
Pat Sweeney	*Board Member*
Joe Jongewaard	*Board Member*

School Officials

Dr. Nancy Sebring	*Superintendent*
Thomas Harper	*Chief Financial Officer/Secretary/Board Treasurer*
Bill Good	*Chief Operations Officer*

District Attorney

Patricia Lantz
Des Moines, Iowa

Bond Counsel

Ahlers & Cooney, P.C.
Des Moines, Iowa

Financial Advisor

Public Financial Management, Inc.
Des Moines, Iowa

TERMS OF OFFERING

DES MOINES INDEPENDENT COMMUNITY SCHOOL DISTRICT

Bids for the purchase of $71,900,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2012 (the "Bonds") will be received on Tuesday, April 3, 2012 until 10:00 o'clock A.M. Central Time after which time they will be tabulated. Questions regarding the sale of the Bonds should be directed to the District's Financial Advisor at 515-243-2600. The District's Board of Directors will consider award of the Bonds at 6:00 o'clock P.M. Central Time, on the same day. This section sets forth the description of certain of the terms of the Bonds as well as the Terms of Offering with which all bidders and bid proposals are required to comply, as follows:

DETAILS OF THE BONDS

SCHOOL INFRASTRUCTURE SALES, SERVICES AND USE TAX REVENUE BONDS, SERIES 2012 (the "Bonds"), in the principal amount of $71,900,000, to be dated May 8, 2012 in the denomination of $5,000 or multiples thereof, will mature on June 1 as follows:

Year	Amount	Year	Amount
2013	$3,125,000	2022	$4,280,000
2014	3,330,000	2023	4,435,000
2015	3,430,000	2024	4,595,000
2016	3,530,000	2025	4,770,000
2017	3,650,000	2026	4,955,000
2018	3,755,000	2027	5,145,000
2019	3,870,000	2028	5,350,000
2020	3,990,000	2029	5,565,000
2021	4,125,000		

OPTIONAL REDEMPTION

Bonds due after June 1, 2020 will be subject to call prior to maturity in whole, or from time to time in part, in any order of maturity and within a maturity by lot on said date or on any date thereafter at the option of the District, upon terms of par plus accrued interest to date of call. Notice of such call shall be given at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Bonds to be redeemed at the address shown on the registration books.

INTEREST

Interest on the Bonds will be payable on December 1, 2012 and semiannually on the 1st day of June and December thereafter. Interest and principal shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the Registrar as of the fifteenth day of the month preceding such interest payment date (the "Record Date"). Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board.

LIEN

The obligation of the Bonds will constitute a lien on the tax revenues received by the District under the Act.

ADDITIONAL BONDS TEST

The District will issue no other bonds or obligations of any kind or nature payable from or enjoying a lien or claim on the Tax revenues having priority over the Bonds or additional school infrastructure sales and services tax revenue bonds issued on a parity with the Bonds (the “Additional Bonds or Parity Bonds”).

Additional Bonds may be issued on a parity and equality of rank with the Bonds with respect to the lien and claim of such Additional Bonds to the Tax revenues and the money on deposit in the funds adopted by this resolution for the Bonds, for the following purposes and under the following conditions, but not otherwise:

(a) For the purpose of refunding any of the Bonds or Parity Bonds outstanding so long as the refunding is an economic refunding (as defined in the resolution for the Bonds) without complying with subsection (b) below;

(b) For the purpose of refunding any Bonds or Parity Bonds outstanding, or for other lawful purposes, if all of the following conditions shall have been met:

   (i) before any such Additional Bonds ranking on a parity are issued, there will have been procured and filed with the Secretary of the Board of Directors, a statement of independent auditor or independent financial advisor, reciting the opinion based upon necessary investigations that the Tax revenues for the preceding fiscal year (with adjustments as hereinafter provided) were equal to at least 1.25 times the maximum amount that will be required in any fiscal year for the payment of both principal of and interest on all Bonds or Parity Bonds then outstanding which are payable from the Tax revenues and the Additional Bonds then proposed to be issued.

   For the purpose of determining the Tax revenues for the preceding fiscal year as aforesaid, the amount of the revenues for such year may be adjusted by the independent auditor or independent financial advisor, so as to reflect any changes in the amount of such revenues which would have resulted had the Tax or any revision of the rate of the Tax been in effect during all of such preceding fiscal year. For this purpose, the independent auditor or independent financial advisor may treat any current projections of the Tax of the State of Iowa as if such projections had been in effect for the preceding fiscal year.

   (ii) the Additional Bonds must be payable as to principal and as to interest on the same month and day as the Bonds herein authorized.

   (iii) for the purposes of this section, principal and interest falling due on the first day of a fiscal year shall be deemed a requirement of the immediately preceding fiscal year.

   (iv) the Reserve Fund for the Bonds and Additional Bonds must be fully funded as of the date of the issue of the Additional Bonds.

GOOD FAITH DEPOSIT

A good faith deposit (the “Deposit”) in the amount of $719,000 is required from the lowest bidder only. The lowest bidder is required to submit such Deposit payable to the order of the District in the form of either (i) a cashier's check provided to the District or its Financial Advisor prior to the opening of bids or (ii) a wire transfer as instructed by the District’s Financial Advisor not later than 12:00 P.M. Central Time on the day of sale of the Bonds. If not so received, the bid of the lowest bidder may be rejected and the District may direct the second lowest bidder to submit a Deposit and thereafter may award the sale of the Bonds to the same. No interest on a Deposit will accrue to the successful bidder (the “Purchaser”). The Deposit will be applied to the purchase price of the Bonds. In the event a Purchaser fails to honor its accepted bid proposal, the Deposit will be retained by the District.

FORM OF BIDS AND AWARD

All bids shall be unconditional for the Bonds for a price not less than $71,181,000, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth under the RATES OF INTEREST section. Bids must be submitted on or in substantial compliance with the OFFICIAL BID FORM provided by the District. The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a true interest cost (the "TIC") basis assuming compliance with the GOOD FAITH DEPOSIT section. The TIC shall be determined by the present value method, i.e., by ascertaining the semiannual rate, compounded semiannually, necessary to discount to present value as of the dated date of the Bonds, the amount payable on each interest payment date and on each stated maturity date or earlier mandatory redemption, so that the aggregate of such amounts will equal the aggregate purchase price offered therefore. The TIC shall be stated in terms of an annual percentage rate and shall be that rate of interest, which is twice the semiannual rate so ascertained (also known as the Canadian Method). The TIC shall be as determined by the Financial Advisor based on the TERMS OF OFFERING and all amendments, and on the bids as submitted. The Financial Advisor's computation of the TIC of each bid shall be controlling. In the event of tie bids for the lowest TIC, the Bonds will be awarded by lot.

The District will reserve the right to: (i) waive non-substantive informalities of any bid or of matters relating to the receipt of bids and award of the Bonds, (ii) reject all bids without cause and (iii) reject any bid which the District determines to have failed to comply with the terms herein.

RATES OF INTEREST

The rates of interest specified in the bidder's proposal must conform to the following limitations:

1. Each annual maturity must bear a single rate of interest from the dated date of the Bonds to the date of maturity.
2. Rates of interest bid must be in multiples of one-eighth or one-twentieth of one percent.
3. Each rate of interest specified for any annual maturity shall not be less than a rate of interest specified for any earlier maturity. Rates must be level or in ascending order.

RECEIPT OF BIDS

Forms of Bids: Bids must be submitted on or in substantial compliance with the TERMS OF OFFERING and OFFICIAL BID FORM provided by the District or through PARITY® competitive bidding system (the "Internet Bid System"). The District shall not be responsible for malfunction or mistake made by any person, or as a result of the use of an electronic bid or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

No bid will be accepted after the time specified in the OFFICIAL BID FORM. The time as maintained by the Internet Bid System shall constitute the official time with respect to all bids submitted. A bid may be withdrawn before the bid deadline using the same method used to submit the bid. If more than one bid is received from a bidder, the last bid received shall be considered.

Sealed Bidding: Sealed bids may be submitted and will be received at the office of the District's Financial Advisor, Public Financial Management, Inc., 801 Grand Avenue, Suite 3300, Des Moines, Iowa, 50309.

Electronic Internet Bidding: Electronic Internet bids will be received at the office of the District's Financial Advisor, Public Financial Management, Inc. Electronic internet bids must be submitted through the Internet Bid System. Information about the Internet Bid System may be obtained by calling (212) 404-8102.

Each bidder shall be solely responsible for making necessary arrangements to access the Internet Bid System for purposes of submitting its internet bid in a timely manner and in compliance with the requirements of the TERMS OF OFFERING and OFFICIAL BID FORM. The District is permitting bidders to use the services of the Internet Bid System solely as a communication mechanism to conduct the Internet bidding and the Internet Bid System is not an agent of the District. Provisions of the TERMS OF OFFERING and OFFICIAL BID FORM shall control in the event of conflict with information provided by the Internet Bid System.

Electronic Facsimile Bidding: Electronic facsimile bids will be received at the office of the the District's Financial Advisor, Public Financial Management, Inc. (facsimile number: (515) 243-6994). Electronic facsimile bids will be sealed and treated as sealed bids.

Electronic Facsimile bids received after the deadline will be rejected. Bidders electing to submit bids via facsimile transmission bear full responsibility for the transmission of such bid. Neither the District nor its agents shall be responsible for malfunction or mistake made by any person, or as a result of the use of the facsimile facilities or any other means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received. Neither the District nor its agents will assume liability for the inability of the bidder to reach the above named facsimile numbers prior to the time of sale specified above. Time of receipt shall be the time recorded by the facsimile operator receiving the bids.

BOOK-ENTRY-ONLY ISSUANCE

The Bonds will be issued by means of a book-entry-only system with no physical distribution of bond certificates made to the public. The Bonds will be issued in fully registered form and one bond certificate, representing the aggregate principal amount of the Bonds maturing in each year will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of $5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the Registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The Purchaser, as a condition of delivery of the Bonds, will be required to deposit the bond certificates with DTC.

MUNICIPAL BOND INSURANCE AT PURCHASER'S OPTION

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefore at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the Purchaser, except that, if the District has requested and received a rating on the Bonds from a rating agency, the District will pay that initial rating fee. Any other rating agency fees shall be the responsibility of the Purchaser. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery on the Bonds. The District reserves the right in its sole discretion to accept or deny changes to the financing documents requested by the insurer selected by the Purchaser.

DELIVERY

The Bonds will be delivered to the Purchaser via Fast Automated Securities Transfer ("FAST") delivery with the Registrar holding the Bonds on behalf of DTC, against full payment in immediately available cash or federal funds. The Bonds are expected to be delivered within forty-five days after the sale. Should delivery be delayed beyond sixty days from the date of sale for any reason except failure of performance by the Purchaser, the Purchaser may withdraw their bid and thereafter their interest in and liability for the Bonds will cease. When the Bonds are ready for delivery, the District will give the Purchaser five working days notice of the delivery date and the District will expect payment in full on that date, otherwise reserving the right at its option to determine that the Purchaser failed to comply with the offer of purchase.

INFORMATION FROM PURCHASER

The Purchaser will be required to certify to the District immediately after the opening of bids: (i) the initial public offering price of each maturity of the Bonds (not including sales to bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Bonds (not less than 10% of each maturity) were sold to the public; or (ii) if less than 10% of any maturity has been sold, the price for that maturity determined as of the time of the sale based upon the reasonably expected initial offering price to the public; and (iii) that the initial public offering price does not exceed their fair market value of the Bonds on the sale date. The Purchaser will also be required to provide a certificate, in a form satisfactory to Bond Counsel and the District, at closing confirming the information required by this paragraph.

OFFICIAL STATEMENT

The District has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Bonds. The Preliminary Official Statement when further supplemented with maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the District, shall constitute a Final Official Statement of the District with respect to the Bonds, as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). By awarding the Bonds to any underwriter or underwriting syndicate submitting an OFFICIAL BID FORM therefore, the District agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded, up to 40 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The District shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to the Participating Underwriter. Any underwriter executing and delivering an OFFICIAL BID FORM with respect to the Bonds agrees thereby that if its bid is accepted by the District, (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

CONTINUING DISCLOSURE

In order to assist bidders in complying with paragraph (b)(5) of the Rule, the District will undertake, pursuant to the resolution for the Bonds and Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. The FORM OF CONTINUING DISCLOSURE CERTIFICATE is set forth in APPENDIX C of this Preliminary Official Statement. The Continuing Disclosure Certificate will be delivered at closing by the District, and any failure on the part of the District to deliver the same shall relieve the Purchaser of its obligation to purchase the Bonds. The District has complied in all material respects with its previous undertakings entered into under the Rule.

CUSIP NUMBERS

It is anticipated that the Committee on Uniform Security Identification Procedures ("CUSIP") numbers will be printed on the Bonds and the Purchaser must agree in the bid proposal to pay the cost thereof. In no event will the District, Bond Counsel or Financial Advisor be responsible for the review or express any opinion that the CUSIP numbers are correct. Incorrect CUSIP numbers on said Bonds shall not be cause for the Purchaser to refuse to accept delivery of said Bonds.

BY ORDER OF THE BOARD OF DIRECTORS
Mr. Thomas Harper, Chief Financial Officer
Des Moines Independent Community School District
901 Walnut Street
Des Moines, Iowa 50309

SCHEDULE OF BOND YEARS

$71,900,000
DES MOINES INDEPENDENT COMMUNITY SCHOOL DISTRICT
School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2012

Bonds Dated: May 8, 2012
Interest Due: December 1, 2012 and each June 1 and December 1 to maturity
Principal Due: June 1, 2013-2029

Year	Principal	Bond Years	Cumulative Bond Years
2013	$3,125,000	3,324.65	3,324.65
2014	3,330,000	6,872.75	10,197.40
2015	3,430,000	10,509.14	20,706.54
2016	3,530,000	14,345.53	35,052.07
2017	3,650,000	18,483.19	53,535.26
2018	3,755,000	22,769.90	76,305.17
2019	3,870,000	27,337.25	103,642.42
2020	3,990,000	32,174.92	135,817.33
2021	4,125,000	37,388.54	173,205.88
2022	4,280,000	43,073.44	216,279.32
2023	4,435,000	49,068.35	265,347.67
2024	4,595,000	55,433.57	320,781.24
2025	4,770,000	62,314.75	383,095.99
2026	4,955,000	69,686.57	452,782.56
2027	5,145,000	77,503.71	530,286.26
2028	5,350,000	85,941.81	616,228.07
2029	5,565,000	94,960.54	711,188.61

Average Maturity (dated date): 9.891 Years

OFFICIAL STATEMENT

DES MOINES INDEPENDENT COMMUNITY SCHOOL DISTRICT
POLK AND WARREN COUNTIES, IOWA

$71,900,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2012

INTRODUCTION

This Preliminary Official Statement contains information relating to the Des Moines Independent Community School District located within Polk and Warren Counties, Iowa (the "District") and its issuance of $71,900,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2012 (the “Bonds”). This Preliminary Official Statement has been executed on behalf of the District and its Board of Directors and may be distributed in connection with the sale of the Bonds.

Inquiries may be made to Public Financial Management, Inc., 801 Grand Avenue, Suite 3300, Des Moines, Iowa 50309, or by telephoning (515) 243-2600. Information can also be obtained from Mr. Thomas Harper, Chief Financial Officer, Des Moines Independent Community School District, 901 Walnut Street, Des Moines, Iowa 50309, telephone: (515) 242-7745.

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to Chapters 423E and 423F (the “Act”) of the Code of Iowa, an election duly held in accordance with the Act on September 8, 2009, and a resolution to be adopted by the District. Under the authority of approving referendums held in Polk and Warren Counties (the “Counties”) on November 23, 1999 and January 13, 2004 and pursuant to the Act, a local sales and services tax for school infrastructure at the rate of 1% was approved and was imposed and collected on the gross receipts (with certain exceptions) arising from certain sales made and services provided within the Counties. The referendum authorized the local sales and services tax, effective July 1, 2000 in Polk County and July 1, 2004 in Warren County, to be imposed for a period of 10 years through June 30, 2010 and June 30, 2014, respectively. Under the Act, all prior 423E school infrastructure local option sales and services taxes were repealed on July 1, 2008 in favor of the new statewide $0.01 school infrastructure sales, services and use tax pursuant to the Act (see “THE ACT” herein for a more detailed discussion). Bond proceeds will be used for the purpose of providing funds for school infrastructure projects (see “REVENUE PURPOSE STATEMENT” herein for a more detailed discussion).

The estimated Sources and Uses of the Bonds are as follows:

Sources of Funds	
Par Amount of Bonds	$71,900,000.00
Existing Debt Service Reserve Fund	6,008,000.00
Cash on Hand	5,630,500.00
Total Uses	$83,538,500.00

Uses of Funds	
Deposit to Construction Account	$71,000,000.00
Deposit to Reserve Account	11,643,166.50
Underwriter’s Discount	719,000.00
Costs of Issuance and Contingency	176,333.50
Total Uses	$83,538,500.00

THE ACT

<u>Authorization</u>: Prior to adoption by the Iowa Legislature of Iowa Code Chapter 423F (the "Act"), voters of Polk and Warren Counties, on November 23, 1999 and January 13, 2004 respectively, authorized a school infrastructure local option sales and services tax, pursuant to Iowa Code Chapter 423E to be used for school infrastructure purposes. Under the Act, all prior Iowa Code Chapter 423E school infrastructure local option sales and services taxes were repealed on July 1, 2008, in favor of a new statewide $0.01 school infrastructure sales, services and use tax (the "Tax") imposed through December 31, 2029.

<u>Issuance of Bonds</u>: Under provisions of the Act and under Iowa Code Chapter 423E, school corporations are authorized to issue sales tax revenue bonds payable from the collection of such tax for certain purposes, and for certain periods of time, as set forth in the Act. A school district receiving revenues from the Tax may issue bonds in anticipation of the collection of one or more designated portions of the Tax, and may pledge irrevocably an amount of the revenues derived from the designated portions for each of the years the bonds remain outstanding to the payment of such bonds. Bonds may be issued only for one or more of the purposes set forth on the ballot proposition concerning the imposition of the Tax. The Act provides that the Revenue Purpose Statement shall not be amended, repealed to reduce the amount of revenue pledged to the payment of principal and interest if obligations are outstanding which are payable from the Tax receipts, unless funds sufficient to pay the principal of, interest and premium, if any, on the outstanding obligations at or prior to maturity have been properly set aside and pledged for that purpose.

<u>Imposition and Collection</u>: The Tax is imposed on the same basis as the State of Iowa's (the "State") other sales and services taxes and may not be imposed on the sale of property or on any service not taxed by the State, except that a local sales and services tax may not be imposed upon the gross receipts from (a) the sale of motor fuel or special fuel as defined by in Iowa Code Chapter 422A, (b) the rental of rooms, apartments or sleeping quarters taxed under Iowa Code Chapter 422A (hotel/motel tax) during the period the hotel/motel tax is imposed, (c) the sale of equipment by the Iowa Department of Transportation, or (d) the sale of a lottery ticket or share in lottery game conducted pursuant to Iowa Code Chapter 99E. The Tax shall not be imposed on the gross receipts from the sale or use of natural gas service, electricity, or electric service in a city or county where the gross receipt, from the sale of natural gas or electric energy are subject to a franchise fee or user fee during the period such a fee is imposed. See "Future Legislative Revisions of the Act".

The Tax must be collected by all persons required to collect State gross receipt taxes within the State. For purposes of determining the amount of the local sales and services tax due, the amount of the sale is deemed not to include the amount of the State gross receipts tax. No new tax permit, other than the State tax permit required under Iowa Code Section 422.53, may be required by local authorities.

<u>Administration and Distribution of The Tax</u>: The Iowa Department of Revenue (the "Department") administers the Tax in conjunction with the administration of the State gross receipts tax laws. The Tax is collected by the retailers in the State and remitted at the end of each calendar month to the Director of the Department (the "Director"). The Director distributes the Tax to the school corporations on the last day of the next month. The Act requires the Director, on or before August 15 of each fiscal year, to send to each participating school district an estimate of the Tax anticipated to be received for the next fiscal year beginning each July 1.

The Director is required to distribute 95% of the annual estimate to the participating school corporations in monthly installments over the fiscal year. The Director is allowed to retain 5% of the estimate until the end of the fiscal year at which time the Director completes an audit of the actual receipts and the actual distribution of the Tax. The Director then reconciles the difference between the actual receipts and the estimated distributions, and distributes the remaining balance to each participating school corporation on or around November 1 for the previous fiscal year ending June 30 (the "Reconciliation Payment"). It is possible that the Reconciliation Payment is a negative number if actual receipts were less than expected by an amount greater than 5%.

The Tax is remitted to each participating school corporation in the State based on actual enrollment for the fiscal year in question. The actual enrollment for a fiscal year is determined by a count of those students registered to attend the school corporation as of the first Friday of the previous October (as amended from time to time by the Iowa Legislature). Each participating school corporation receives an equal amount of revenue from the Tax, per student, subject to certain grandfather clauses as described in the following section.

The Grandfather Period

Prior to the adoption of the Act, all 99 Iowa Counties had in place the school infrastructure local option sales and services tax authorized under Iowa Code Chapter 423E (the "Prior Tax') for a period of time not exceeding ten years from the start date of the Prior Tax. Several counties had, prior to the adoption of the Act, authorized an extension of the Prior Tax for an additional period of time. Effective July 1, 2008, all Prior Taxes were repealed and replaced by the Tax. The distribution and allocation of the Tax, however, may follow the rules of the Prior Tax as outlined below.

For those counties that voted on the Prior Tax before April 1, 2003, collections of the Prior Tax were based on the actual collections in the county in question, and the distribution of revenues to the school corporation was based on the individual school corporations total student enrollment divided by the total student enrollment in the county in question. Revenues received varied significantly from county to county based on actual taxable retail sales in said county.

Under the Prior Tax, for those counties that voted the tax after April 1, 2003, the distribution of revenues to each school district in each county was based on the actual collections of the Prior Tax in the county in question, and the distribution of revenues to the school corporation was based on the individual school corporations total student enrollment divided by the total student enrollment in the county in question, up to a maximum of $575 per pupil per fiscal year. Collections of the Prior Tax in excess of $575 per pupil were retained by the Iowa Department of Revenue (the "Department") and remitted as supplemental payments to school corporations located in counties whose collections under the Prior Tax were below $575 per pupil.

Under the provisions of the Prior Tax, if any county voted to extend the Prior Tax, then the receipts that would flow to the school corporations located in that county during the extended period of time would be limited to $575 per pupil per fiscal year as if the Prior Tax had been voted on or after April 1, 2003.

Effective July 1, 2008, the Prior Tax was repealed and replaced by the Tax pursuant to the Act. The Act provides that school corporations are entitled to retain the entire amount collected locally until such time as the Prior Tax would have expired for the first time if the Act had not repealed such Prior Tax. The Act further provides that those counties that have either (a) voted after April 1, 2003; or (b) extended the Prior Tax, are entitled to retain the entire amount collected, on a per pupil basis, up to the actual statewide average per pupil.

The District voted to approve the Prior Tax on November 23, 1999 in Polk County, effective beginning July 1, 2000 through June 30, 2010. On January 13, 2004, voters in Warren County approved the Prior Tax, effective July 1, 2004 through June 30, 2014. The revenues collected from Polk County have been and currently are based on the entire amount collected through June 30, 2010. Beginning July 1, 2010 and thereafter, Polk County revenues collected will be based on the statewide average. The revenues collected from Warren County have been and will continue to be based on the statewide average.

The Act currently authorizes the Tax through December 31, 2029.

Certain of Iowa's counties have a prior period of time remaining on the Prior Tax without any extensions, and thus are entitled to retain all of the collections locally generated until such time as their Prior Tax would have otherwise expired or hit its first renewal period. The key counties and their expiration date of their Prior Tax are presented below:

County	Major Cities within the County	Original Expiration Date of the Prior Tax
Johnson	Coralville, Iowa City	6/30/2012
Linn	Cedar Rapids, Iowa City	6/30/2012
Pottawattamie	Council Bluffs	6/30/2012
Cerro Gordo	Mason City, Clear Lake	6/30/2013
Dallas	Adel, Clive, Waukee, West Des Moines	6/30/2013
Dubuque	Dubuque	6/30/2013

Once the grandfather period has expired, all taxes collected under the Tax will be remitted to each school corporation based on their actual enrollment as a percentage of the total enrollment in the State.

The Minimum Tax Distribution

Pursuant to the Act, each school corporation receives a minimum distribution of the Tax. The minimum amount to be received by a school corporation shall be the lesser of the factor of amount the Tax collected in the county in which the tax is levied multiplied by the school corporation's portion of the total enrollment in the county in question, or the statewide average collection per pupil.

PAYMENT OF AND SECURITY FOR THE BONDS

This section is a summary of security provisions. A detailed statement of security provisions is contained in the resolution for the Bonds, which is available upon request from the District's Financial Advisor, Public Financial Management, Inc.

Source of Payment: THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE DISTRICT. Payments of principal and interest on the Bonds are secured solely by a first lien pledge on the future Tax revenues received by the District under the Act, the Reserve Fund and certain other amounts held under the resolution for the Bonds. The Bonds are not general obligations of the District, the counties or any political subdivision within the counties or the State, and the District's full faith and credit and taxing powers are not pledged to the payment thereof and the District is not obligated to levy any ad valorem taxes nor to expend any general fund or other moneys of the District to pay the Bonds, except the Tax revenues specifically pledged under the resolution for the Bonds.

Collection of the Tax: The Tax shall mean the District's portion of the one percent (1%) sales, services and use tax imposed by the State of Iowa for school infrastructure purposes which must be deposited into the State Secure an Advanced Vision for Education Fund and distributed to the District pursuant to section 423E.4 Code of Iowa, 2007 as amended. The Director remits the tax to the District on the last day of the next month.

The Reserve Fund: The District covenants to maintain a reserve fund (the "Reserve Fund") in an amount equal to the lesser of (a) 10% of the stated principal amount of the Bonds and parity bonds, (b) 125% of the average principal and interest coming due on the Bonds and parity bonds, or (c) the maximum amount of the principal and interest coming due on the Bonds and parity bonds. After delivery of the Bonds, the District will deposit $5,635,167 [1)] of Bond proceeds in the Reserve Fund to satisfy this requirement.

[1)] The Reserve Fund requirement is estimated at $11,643,167 which represents the estimated maximum amount of the principal and interest coming due on the Bonds and parity bonds. Currently, the District has $6,008,000 in the Reserve Fund.

Prior Lien and Parity Bonds: The District will issue no other bonds or obligations of any kind or nature payable from or enjoying a lien or claim on the Tax revenues having priority over the Bonds or additional school infrastructure sales and services tax revenue bonds issued on a parity with the Bonds (the "Additional Bonds or Parity Bonds").

Additional Bonds may be issued on a parity and equality of rank with the Bonds with respect to the lien and claim of such Additional Bonds to the Tax revenues and the money on deposit in the funds adopted by this resolution for the Bonds, for the following purposes and under the following conditions, but not otherwise:

(a) For the purpose of refunding any Bonds or Parity Bonds outstanding, or for other lawful purposes:

i. before any such Additional Bonds ranking on a parity are issued, there will have been procured and filed with the Secretary of the Board of Directors, a statement of independent auditor, or independent financial advisor, reciting the opinion based upon necessary investigations that the Tax revenues for the preceding fiscal year (with adjustments as hereinafter provided) were equal to at least 1.25 times the maximum amount that will be required in any fiscal year for the payment of both principal of and interest on all Bonds or Parity Bonds then outstanding which are payable from the Tax revenues and the Additional Bonds then proposed to be issued.

ii. For the purpose of determining the Tax revenues for the preceding fiscal year as aforesaid, the amount of the revenues for such year may be adjusted by the independent auditor or independent financial advisor, so as to reflect any changes in the amount of such revenues which would have resulted had the Tax or any revision of the rate of the Tax been in effect during all of such preceding fiscal year. For this purpose, the independent auditor or financial advisor may treat any current projections of the Tax of the State of Iowa as if such projections had been in effect for the preceding fiscal year.

(b) the Additional Bonds must be payable as to principal and as to interest on the same month and day as the Bonds herein authorized.

(c) for the purposes of this section, principal and interest falling due on the first day of a fiscal year shall be deemed a requirement of the immediately preceding fiscal year.

(d) the Reserve Fund for the Bonds and Additional Bonds must be fully funded as of the date of the issue of the Additional Bonds.

Obligations issued to refund the Bonds or Parity Bonds (the "Refunding Obligations") shall not be subject to the above restrictions, provided that the Refunding Obligations will not cause an increase in the annual debt service requirements in any year during the life of the Bonds or Parity Bonds then outstanding which are not being refunded. If a Refunding Obligation is to be issued that causes an increase in annual debt service requirements in any year during the life of the Bonds or Parity Bonds then outstanding which are not being refunded, then the Refunding Obligations must be considered Additional Bonds and must meet the tests outlined above in the "PAYMENT OF AND SECURITY FOR THE BONDS-Prior Lien and Parity Bonds" subsections (a) through (d).

Subordinate Obligations: The District reserves the right to issue subordinate obligations. The District is not required to meet the tests outlined above in the "PAYMENT OF AND SECURITY FOR THE BONDS-Prior Lien and Parity Bonds" subsections (a) through (d) before issuing the proposed subordinate obligations.

BOOK-ENTRY-ONLY SYSTEM

The information contained in the following paragraphs of this subsection "BOOK-ENTRY-ONLY ISSUANCE" has been extracted from a schedule prepared by Depository Trust Company ("DTC") entitled "SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING DTC AND BOOK-ENTRY-ONLY ISSUANCE." The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co., nor any other DTC nominee, will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the Record Date identified in a listing attached to the Omnibus Proxy.

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, is the responsibility of the District or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Tender/Remarketing Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the District or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

CERTAIN BONDHOLDERS' RISKS

Purchase of the Bonds entails risks which should be considered prior to any purchase of the Bonds. This section discusses some of these risks, but it is not intended to be a comprehensive listing of all risks associated with purchasing and owning the Bonds.

Limited Obligations: The Bonds are special limited revenue obligations of the District. The Bonds are payable solely from (a) the Reserve Fund (as defined herein), and (b) the Tax revenues received by the District under the Act, each of which are pledged to the repayment of the Bonds. The Bonds are not general obligations of the District, the State, the county or any other political subdivision of the State, and the District's general credit and taxing powers are not pledged to the payment of the principal thereof or interest thereon. The District is not obligated to levy any ad valorem taxes nor to expend any money of the District to pay the Bonds, except the Tax revenues pledged under the resolution for the Bonds.

Estimated Collections: There is a limited history of collections of the Tax under the Act. Estimated Tax revenues that may be received by the District in the future is based substantially on estimates provided to the District by the Department, which estimates have not been independently reviewed by any third parties. Failure to receive Tax revenues in the amount estimated would reduce the estimated debt service coverage ratios described herein. If such estimates vary significantly from actual tax collections in the future, that variance could prevent the District from making timely payments of principal of and interest on the Bonds.

While the estimated Tax collections set forth herein are based upon information and assumptions that the District believes to be reasonable, potential Purchasers of the Bonds should recognize that such estimates are subject to changes resulting from a wide variety of economic and other conditions. Therefore, no assurance can be given that the Tax revenues will be received in the annual or aggregate amount estimated. There may be material differences between the estimated collections and actual payments of Tax revenues to the District.

Economic Conditions: The Tax is being collected on the same basis as the State retail sales and services tax, subject to certain exceptions. The Tax may not be levied on the sale of property or on any service not taxed by the State. A wide variety of economic and other conditions could cause fluctuations affecting the volume of taxable sales and services within the State which would then affect the District's receipt of the Tax revenues. The following factors, among others, may affect the economic climate of the State and the volume of taxable sales and services originated in the State (and therefore the amount of Tax revenues collected by the State and distributed to the District), to an extent which cannot be determined at this time:

1. Employee strikes or other adverse labor actions affecting significant employers in the State;
2. Increased unemployment within the State;
3. Population decrease or other unfavorable demographic changes in the State;
4. Decrease in the number of resident students in the District;
5. Competition from sales and services providers located outside of the State;
6. The loss of local retail establishment or any decrease in the amount of sales generated in the State;
7. Natural disaster or catastrophes affecting significant portions of the State;
8. Delays in the collection of the Tax;
9. Competition from Internet based sales and services providers that are currently exempt from the Tax; and
10. Other unforeseen competitive or economic factors or acts of God.

<u>Future Legislative Revisions of the Act</u>: Iowa Code Chapter 423E was originally enacted during the 1998 session of the Iowa General Assembly to set forth conditions under which bonds payable from a local sales and services tax may be issued. Iowa Code Chapter 423E was amended by the General Assembly in 2003 and again in 2008, thereby enacting Iowa Code Chapter 423F, previously defined as the "Act". In addition, the Act could be changed with legislative approval, and the subsequent change could increase or decrease the Tax revenues to be collected under the Act.

Potential Purchasers of the Bonds should recognize that the Act may be amended further while these Bonds are outstanding, and such legislation could materially revise the current provisions of the Act relating to the collection, payment, application, receipt or distribution of the Tax revenues to the District, subject to constitutional restraints on impairment of contracts. Any such legislative amendments could adversely affect the District's ability to make timely payments of principal of and interest on the Bonds. Bond Counsel expressed no opinion regarding any pending or proposed state legislation related to the Act.

The General Assembly periodically considers the creation of additional exemptions and there can be no assurance that additional sales tax exemptions will not be enacted in the future. Any such additional exemptions could materially reduce the amount of sales tax allocated to the District and adversely affect the District's ability to make timely payments of principal and interest on the Bonds.

<u>Local Actions Affecting Tax Collections</u>: Cities are authorized to impose a franchise fee or user fee on the sale of natural gas or electric energy, subject to compliance with certain statutory procedural requirements. Consent of the District is not required. Imposition of a franchise fee or user fee by a city has the effect of exempting the sale or use of natural gas or electrical energy from the state sales and services tax and the local sales and services tax. There can be no assurance that a city will not impose a franchise fee or user fee on the sales of natural gas or electric energy during the term of the Tax, and if such a fee is imposed the additional exemption could have materially adverse impact on the District's collections of the Tax and its ability to make timely payments of principal and interest on the Bonds.

<u>Lack of Secondary Market for the Bonds</u>: Although the Purchaser intends, but is not obligated, to make a market for the Bonds, there can be no assurance that there will be a secondary market for the Bonds, and the absence of a secondary market for the Bonds, or the effect of any of the above factors, could prevent investors from reselling their Bonds should they need or wish to do so. The Bonds should therefore be considered long-term investments in which the funds are committed to maturity.

FUTURE FINANCING

The District has no future borrowing plans within the next 90 days.

LITIGATION

The District is not aware of any threatened or pending litigation affecting the validity of the Bonds or the District's ability to meet its financial obligations.

DEBT PAYMENT HISTORY

The District knows of no instance in which it has defaulted in the payment of principal and interest on its debt.

LEGALITY

The Bonds are subject to approval as to certain matters by Ahlers & Cooney, P.C. of Des Moines, Iowa as Bond Counsel. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has not examined, nor attempted to examine or verify, any of the financial or statistical statements or data contained in this Preliminary Official Statement, and will express no opinion with respect thereto. The FORM OF LEGAL OPINION, is set out in APPENDIX A to this Preliminary Official Statement, will be delivered at closing.

The legal opinion to be delivered concurrently with the delivery of the Bonds expresses the professional judgment of the attorneys rendering the opinion as to legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

There is no bond trustee or similar person to monitor or enforce the provisions of the resolution for the Bonds. The owners of the Bonds should, therefore, be prepared to enforce such provisions themselves if the need to do so arises. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the District and certain other public officials to perform the terms of the resolution for the Bonds) may have to be enforced from year to year.

In addition, the enforceability of the rights and remedies of owners of the Bonds may be subject to limitation as set forth in Bond Counsel's opinion. The opinion will state, in part, that the obligations of the District with respect to the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, to the exercise of judicial discretion in appropriate cases and to the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

TAX EXEMPTION AND RELATED CONSIDERATIONS

Federal tax law contains a number of requirements and restrictions that apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of Bonds proceeds and facilities financed with Bond proceeds, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the District's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, that (a) interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes; (b) and interest on such Bonds is not an item of tax preference for purpose of the federal alternative tax imposed on individuals and corporations under Internal Revenue Code of 1986; and (c) interest on the Bonds is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes).

The interest on the Bonds is not exempt from present Iowa income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

Not Qualified Tax-Exempt Obligations

The District will **NOT** designate the Bonds as qualified tax-exempt obligations under Section 265(b)(3) of the Code; therefore the Bonds will **NOT** be bank qualified.

Tax Accounting Treatment of Discount and Premium on Certain Bonds

The initial public offering price of certain Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of Discount Bonds (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bonds. A portion of such original issue discount allocable to the holding period of such Discount Bonds by the initial purchaser will, upon the disposition of such Discount Bonds (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under "TAX EXEMPTION AND RELATED CONSIDERATIONS" section. Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of the Discount Bonds, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bonds and generally will be allocated to an original purchaser in a different amount from the amount of the payment denominated as interest actually received by the original purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with "subchapter C" earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of the Discount Bonds by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bonds in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bonds were held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Bonds (the "Premium Bonds") may be greater than the amount of such Bonds at maturity. An amount equal to the difference between the initial public offering price of the Premium Bonds (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes a premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of the Premium Bonds in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of the Premium Bonds. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity.

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

CHANGES IN FEDERAL AND STATE TAX LAW

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. One such proposal is the American Jobs Act of 2011 (S.1549) (the "Jobs Bill") which was introduced in the Senate on September 13, 2011 at the request of the President. If enacted in its current form, the Jobs Bill could adversely impact the marketability and market value of the Bonds and prevent certain bondholders (depending on the financial and tax circumstances of the particular bondholder) from realizing the full benefit of the tax exemption of interest on the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

RATING

The District has requested a rating on the Bonds from Standard & Poor's ("S&P"). Currently, S&P rates the District's underlying School Infrastructure Sales, Services and Use Tax Revenue debt as 'A+'. Such rating reflects only the view of the rating agency and any explanation of the significance of such rating may only be obtained from the rating agency. There is no assurance that such ratings will continue for any period of time or that they will not be revised or withdrawn. Any revision or withdrawal of the rating may have an effect on the market price of the Bonds.

FINANCIAL ADVISOR

The District has retained Public Financial Management, Inc., Des Moines, Iowa (the "Financial Advisor") in connection with the preparation of the District's issuance of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken, an independent verification of the accuracy, completeness, or fairness of the information contained in the Preliminary Official Statement. Public Financial Management Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

CONTINUING DISCLOSURE

In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the District will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the resolution authorizing the issuance of the Bonds and the Continuing Disclosure Certificate, to provide annual reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the "Disclosure Covenants"). The District is the only "obligated person" in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. The information to be provided on an annual basis, the material events as to which notice is to be given, and a summary of the other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in the FORM OF CONTINUING DISCLOSURE CERTIFICATE as APPENDIX C to this Preliminary Official Statement. The District has complied in all material respects with its previous undertakings entered into under the Rule.

Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Bonds or the resolution for the Bonds. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the District to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

CERTIFICATION

The District has authorized the distribution of this Preliminary Official Statement for use in connection with the initial sale of the Bonds. I have reviewed the information contained within the Preliminary Official Statement prepared on behalf of the Des Moines Independent Community School District by Public Financial Management, Inc., Des Moines, Iowa, and, to the best of our knowledge, information and belief, said Preliminary Official Statement does not contain any material misstatements of fact nor omission of any material fact regarding the issuance of $71,900,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2012.

DES MOINES INDEPENDENT COMMUNITY SCHOOL DISTRICT,
DES MOINES, IOWA
/s/ Mr. Thomas Harper, Chief Financial Officer

SCHOOL INFRASTRUCTURE SALES, SERVICES AND USE TAX

INTRODUCTION

The District has been collecting the school infrastructure local option sales and services tax, pursuant to Code of Iowa Chapter 423E, (the "Prior Tax") since July 1, 2000. Under the Act, the Prior Tax was repealed on July 1, 2008 in favor of a new statewide $0.01 school infrastructure sales, services and use tax (the "Tax"). The Tax will be collected and distributed to each school district through December 31, 2029 based on a statutory formula which takes into account annual enrollment.

REVENUE PURPOSE STATEMENT

As part of the transition to the Tax, a revenue purpose statement (the "Revenue Purpose Statement"), indicating how this funding will be used by the District, is required to be approved by voters. At a September 8, 2009 election, voters approved the following Revenue Purpose Statement to allow the District to expend Tax revenues as follows:

- To provide monies that may be used to build and furnish addition(s) to school buildings in the District; to remove, repair, expand, and improve the school buildings in the District; to purchase and improve grounds; for demolition work; to furnish and equip District facilities; i.e.:
    - Safety and security (e.g. student drop-offs/pickups and security equipment)
    - Replacement of obsolete, inefficient, or worn-out equipment or systems
    - Money-saving strategies (e.g., improvements that will reduce energy costs)
    - Improvements to buildings that have not received major improvements
    - Technology infrastructure upgrades (e.g. high-speed Internet wiring and equipment)
    - Installation of HVAC (heating, ventilation, and air conditioning)
    - Infrastructure improvements based on educational program changes (e.g., preschool expansion)
- To provide funds that may be used for emergency repairs to respond to natural disasters, such as fire, wind damage, flood; unanticipated mechanical, plumbing, structural, roof, electrical system failures; environmental remediation; or to respond to changes in demographics that require construction of additions or improvements to school building or new school buildings
- To provide funds that may also be used for the purchase, lease or lease-purchase of buildings or equipment (including transportation, technology and recreation equipment) as authorized by law, to implement energy conservation measures, sharing or rental of facilities, procuring or acquisition of school libraries or opening roads to schoolhouses or buildings
- To provide funds that may be used to build and furnish a new school building (or buildings)
- To provide funds that may be used for purposes as now or hereafter permitted by law and designated by the District
- To provide monies that may be used for the payments of principal and interest or retirement of general obligation bonds issued for school infrastructure purposes, energy improvement loans, loan agreements authorized by Iowa Code Section 297.36, sales tax revenue bonds issued under Iowa Code Section 432E.5
- To provide funds for property tax relief

CURRENT STATEWIDE RECEIPTS OF THE TAX AND AVERAGE REVENUE PER STUDENT

Fiscal Year	Statewide Receipts	Statewide Enrollment [2]	Statewide Average Revenue Per Student	Statewide Dollars Per Student [3]
2007-08	$366,028,059	482,584	$758	$575
2008-09	369,269,900	480,609	768	763
2009-10	367,097,169	477,019	770	757
2010-11	379,477,145	474,227	800	672
2011-12	399,510,690 [1]	473,493	844	669

[1] Fiscal Year 2011-12 information is preliminary; subject to change.
[2] Prior October count.
[3] The Statewide Dollars Per Student is the amount per student actually funded via supplemental payments for school districts that fall below the statewide average. The Statewide Dollars Per Student does not change once it is calculated. Some counties receive the full Prior Tax collected by their permit holders and may receive more or less than the state average noted above.

Source: Iowa Department of Revenue.

ACTUAL PRIOR TAX AND PROJECTED TAX REVENUE

The following table presents the actual Prior Tax receipts received by the District from the fiscal years ending June 30, 2007 through 2011 and the projected Tax receipts for the fiscal year ending June 30, 2012.

Fiscal Year	Prior Tax and Tax Receipts [1]	Estimated Tax Receipts
2006-07	$28,220,269	
2007-08	30,301,047	
2008-09	30,821,593	
2009-10	24,841,106	
2010-11	28,174,783 [2]	
2011-12		$25,931,010 [3]

[1] Prior Tax and Tax Receipts are actual payments received during the fiscal year as reflected in the District's accounting system, including the November reconciliation payments for the prior fiscal year.
[2] Includes the November 2010 reconciliation payment, which is the final payment for the Prior Tax, in addition to the Tax receipts payments received for FY2010-11.
[3] Estimated Tax Receipts are based on estimates received from Iowa Department of Revenue and include the November, 2011 reconciliation payment of $1,243,896 and excludes the Warren County supplemental payment in the estimated amount of $95,767.

PROJECTED DEBT SERVICE COVERAGE

Presented below is a projection of the debt service coverage on the Bonds and parity bonds.

Fiscal Year	Prior Tax and Tax Revenue	Max Annual Debt Service	Debt Service Coverage
2009-10	$24,841,106 [1]	$5,973,500	4.16x
2010-11	28,174,783 [1]	5,973,500	4.72x
2011-12	25,931,010 [2]	11,643,167 [3]	2.23x

[1] Actual Prior Tax and Tax payments received, as reported by the District.
[2] Fiscal Year 2011-12 Tax Receipts is based on estimates received from Iowa Department of Revenue and includes the November, 2011 reconciliation payment of $1,243,896 and exclude the Warren County supplemental payment in the estimated amount of $95,767.
[3] Includes maximum annual debt service on the Bonds and outstanding Parity Bonds. Estimated; subject to change based on rates received.

Source: Iowa Department of Revenue and the District's Comprehensive Annual Financial Report.

DISTRICT ENROLLMENT

Enrollment numbers are part of the formula to determine how much the District will receive from the Tax. Listed below are historic certified enrollment figures, open enrollment figures, and projected enrollment figures for the District.

Total Certified Enrollment

Count Date	Fiscal Year	Enrollment
October 2007	2008-09	31,128.8
October 2008	2009-10	30,783.0
October 2009	2010-11	30,954.0
October 2010	2011-12	30,975.0
October 2011	2012-13	31,546.0

Open Enrollment

Students in Iowa are allowed to choose to enroll into and out of the District. Listed below are the recent open enrollment numbers.

Fiscal Year	Enrolled In	Enrolled Out	Net
2007-08	634	1,053	(419)
2008-09	607	1,107	(500)
2009-10	597	1,123	(526)
2010-11	587	1,242	(655)
2011-12	574	1,401	(827)

Projected Enrollment

Count Date	Fiscal Year	Enrollment
October 2012	2013-14	31,390 [1)]
October 2013	2014-15	31,701
October 2014	2015-16	32,004
October 2015	2016-17	32,314

1) Net of students enrolled out.

Source: Des Moines Independent Community School District. These are based on the projections from the Department of Education's website.

SCHOOL INFRASTRUCTURE SALES, SERVICES AND USE TAX REVENUE DEBT (Includes the Bonds)

The following revenue bond issue is payable solely from the Tax:

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 04/03/12
3/10	$70,000,000	Improvements	6/29	$68,360,000
5/12	71,900,000	Improvements	6/29	71,900,000
				$140,260,000

Annual Fiscal Year Sales Tax Debt Payments (Includes the Bonds)

	Current Outstanding Debt		The Bonds		Total Outstanding Debt	
Fiscal Year	Principal	Principal & Interest	Principal	Principal & Interest*	Principal	Principal & Interest*
2011-12	$2,590,000	$4,299,000			$2,590,000	$4,299,000
2012-13	2,685,000	5,973,500	$3,125,000	$5,645,164	5,810,000	11,618,664
2013-14	2,780,000	5,934,250	3,330,000	5,647,573	6,110,000	11,581,823
2014-15	2,885,000	5,900,250	3,430,000	5,687,633	6,315,000	11,587,883
2015-16	2,985,000	5,856,000	3,530,000	5,720,062	6,515,000	11,576,062
2016-17	3,110,000	5,831,750	3,650,000	5,766,285	6,760,000	11,598,035
2017-18	3,250,000	5,816,250	3,755,000	5,786,240	7,005,000	11,602,490
2018-19	3,400,000	5,803,750	3,870,000	5,803,235	7,270,000	11,606,985
2019-20	3,560,000	5,793,750	3,990,000	5,815,262	7,550,000	11,609,012
2020-21	3,720,000	5,775,750	4,125,000	5,826,971	7,845,000	11,602,721
2021-22	3,900,000	5,769,750	4,280,000	5,845,846	8,180,000	11,615,596
2022-23	4,095,000	5,769,750	4,435,000	5,850,618	8,530,000	11,620,368
2023-24	4,300,000	5,770,000	4,595,000	5,848,297	8,895,000	11,618,297
2024-25	4,520,000	5,775,000	4,770,000	5,848,687	9,290,000	11,623,687
2025-26	4,755,000	5,784,000	4,955,000	5,846,226	9,710,000	11,630,226
2026-27	5,000,000	5,791,250	5,145,000	5,835,548	10,145,000	11,626,798
2027-28	5,270,000	5,811,250	5,350,000	5,826,002	10,620,000	11,637,252
2028-29	5,555,000	5,832,750	5,565,000	5,810,417	11,120,000	11,643,167
Total	$68,360,000		$71,900,000		$140,260,000	

* Estimated; subject to change based on rates received.

PROPERTY VALUES

IOWA PROPERTY VALUATIONS

In compliance with Section 441.21 of the Code of Iowa, the State Director of Revenue annually directs the county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The Polk County and Warren County Auditors have provided preliminary Actual Values for 2010. The reduced values, determined after the application of rollback percentages, are the Taxable Values subject to tax levy. For assessment year 2010, the taxable value rollback rate was 48.5299% of actual value for residential property; 69.0152% of actual value for agricultural property, and 100% of actual value for railroad, commercial, industrial and utility property.

The Legislature's intent has been to limit the growth of statewide taxable valuations for the specific classes of property to 4% annually. Political subdivisions whose taxable values are thus reduced or are unusually low in growth are allowed to appeal the valuations to the State Appeal Board, in order to continue to fund present services.

1/1/2010 VALUATIONS (Taxes payable July 1, 2011 through June 30, 2012)

	100% Actual Value	Taxable Value (With Rollback)
Residential	$7,528,080,380	$3,633,931,036
Agricultural Land	4,169,810	2,877,806
Agricultural Buildings	391,720	270,344
Commercial	2,463,121,250	2,463,121,250
Industrial	185,440,430	185,440,430
Railroad	13,775,303	13,775,303
Utilities w/o Gas & Electric	38,982,629	38,982,629
Gross valuation	$10,233,961,522	$6,338,398,798
Less military exemption	(16,593,102)	(16,593,102)
Net valuation	$10,217,368,420	$6,321,805,696
TIF Increment (used to compute Debt service levies and Constitutional debt limit)	$640,395,320	$637,913,680
Taxed separately Gas & Electric Utilities	$337,445,312	$235,362,890

2010 GROSS TAXABLE VALUATION BY CLASS OF PROPERTY [1)]

	Taxable Valuation	Percent Total
Residential	$3,633,931,036	55.28%
Ag Land & Ag Buildings	3,148,150	0.05%
Commercial	2,463,121,250	37.47%
Industrial, Railroad & Utility	238,198,362	3.62%
Gas & Electric Utilities	235,362,890	3.58%
Total Gross Taxable Valuation	$6,573,761,688	100.00%

[1)] Excludes Taxable TIF Increment, Ag. Land and Ag. Buildings.

TREND OF VALUATIONS

Assessment Year	Payable Fiscal Year	100% Actual Valuation	Taxable Valuation (With Rollback)	Taxable TIF Increment
2007	2008-09	$10,666,793,362	$5,912,945,290	$684,385,990
2008	2009-10	10,863,071,522	6,062,925,901	744,888,900
2009	2010-11	11,112,691,515	6,383,416,237	656,551,890
2010	2011-12	11,195,209,052	6,557,168,586	637,913,680
2011 [1)]	2012-13	10,853,821,501	6,405,707,333	727,881,500

[1)] The District's 1/1/2011 valuations are now available from the State of Iowa and will become effective July 1, 2012.

The 100% Actual Valuations, before rollback, and after reduction of military exemption, includes Ag. Land, Ag. Buildings, TIF Increment and Gas and Electric Utility valuation. The Taxable Valuations, with the rollback and after the reduction of military exemption, include Gas & Electric Utilities and exclude Ag. Land, Ag. Buildings and Taxable TIF Increment. Iowa school districts certify operating levies against Taxable Valuation excluding Taxable TIF Increment. Debt Service and the Physical Plant and Equipment Levy (the "PPEL") are certified against Taxable Valuation including the Taxable TIF Increment.

LARGER TAXPAYERS

Taxpayer[1)]	Type of Property/Business	1/1/2010 Taxable Valuation
Principal	Commercial	$226,054,080
Nationwide Mutual	Commercial	188,831,810
Wells Fargo	Residential/Commercial	106,929,510
Employers Mutual	Commercial/Industrial	61,304,570
Mercy	Commercial	41,648,510
Meredith Corp	Commercial	34,808,750
Ruan Center Corp	Commercial	34,490,000
Wellmark Inc	Commercial	31,987,910
Merle Hay Mall	Commercial	30,735,200
Hubbell Realty Co	Residential/Commercial	29,731,370

[1)] This list represents some of the top taxpayers in the District, not necessarily the top 10 taxpayers.

Source: Polk County Auditor's Office

DISTRICT INDEBTEDNESS

DEBT LIMIT

Article XI, Section 3 of the State of Iowa Constitution limits the amount of debt outstanding at any time of any county, municipality or other political subdivision to no more than 5% of the actual value of all taxable property within the corporate limits, as taken from the last certified state and county tax list. The debt limit for the District, based on its most recent certified (2010) valuation, is as follows:

2010 Actual Valuation of Property	$11,211,802,154
Less: Military Exemption	(16,593,102)
Net Valuation for Debt Limit Purposes	$11,195,209,052
Legal Debt Limit of 5%	0.05
Legal Debt Limit	$559,760,453
Less: General Obligation Debt Subject to Limit	($0) [1]
Net Debt Limit	$559,760,453

1) It has not been determined whether or not the District's School Infrastructure Sales, Services and Use Tax Bonds do or do not count against the constitutional debt limit. If the Bonds were subject to the Legal Debt Limit, the debt subject to the limit would increase to $146,440,000, leaving a Net Debt Limit of $413,320,453.

DIRECT DEBT

General Obligation Debt

As of April 3, 2012, the District has no general obligation debt outstanding. At this time, the District has no plans for issuing general obligation debt anytime in the future.

INDIRECT GENERAL OBLIGATION DEBT

Taxing District	1/1/2010 Taxable Valuation [1]	Portion of Taxable Valuation Within the District	Percent In District	G.O. Debt Outstanding [2]	District's Proportionate Share
Polk County	$20,332,274,066	$7,134,612,534	35.09%	$267,931,000	$94,016,988
Warren County	1,707,232,293	60,459,732 [3]	3.54%	190,835	6,756
City of Des Moines	7,201,595,764	6,890,418,170 [3]	95.68%	325,555,000 [3]	311,491,024
City of Pleasant Hill	462,297,470	117,030,499	25.31%	13,335,000	3,375,089
City of Windsor Heights	239,021,867	118,619,030	49.63%	12,820,000	6,362,566
City of Norwalk	308,765,797	1,900	0.00%	19,345,000 [4]	0
City of Urbandale	2,491,094,394	16,300,971	0.65%	48,320,000	314,080
City of West Des Moines	4,205,957,596	1,353,609	0.03%	106,350,000 [5]	31,905
Des Moines Area Community College	36,478,169,487	7,195,071,362	19.72%	85,745,000	16,908,914
City share of total overlapping debt					$432,507,322

1) Taxable Valuation is less military exemption and includes Ag. Land & Buildings, Taxable TIF Increment and all Utilities.
2) Includes general obligation bonds, PPEL notes, certificates of participation and new jobs training certificates.
3) Includes city-exempt Phase In Ag valuations in the amount of $10,904 for the City of Des Moines within Warren County.
4) Includes the City of Norwalk's issuance of $1,095,000 General Obligation Emergency Equipment Bonds, Series 2012A and $2,835,000 General Obligation Refunding Bonds, Series 2012B schedule to price on March 15, 2012.
4) Includes the City of West Des Moines's issuance of $2,800,000 General Obligation Refunding Bonds, Series 2012A and $12,675,000 General Obligation Refunding Bonds, Series 2012B schedule to price on March 19, 2012.

DEBT RATIOS

	G.O. Debt	Debt/Actual Market Value ($11,195,209,052) [1]	Debt/205,684 [2] Population
Total General Obligation Debt	$0	0.00%	$0.00
District's share of overlapping debt	$432,507,322	3.86%	$2,102.78

[1] Based on the District's 1/1/2010 Actual Valuation including Ag. Land & Buildings, Taxable TIF Increment and all Utilities.
[2] Source: Iowa Department of Education's *Iowa Educational Directory* for the 2011-2012 School Year.

TAX RATES

	FY 2007-08 $/$1,000	FY 2008-09 $/$1,000	FY 2009-10 $/$1,000	FY 2010-11 $/$1,000	FY 2011-12 $/$1,000
Polk County [1]	10.16218	10.12532	9.97134	10.05423	10.01509
Warren County [2]	7.23323	6.89026	6.56329	6.36577	6.16492
City of Des Moines	16.59028	16.57606	16.57614	16.57614	16.58000
City of Pleasant Hill	11.48209	11.48208	11.65000	11.65006	11.65000
City of Urbandale	9.22000	9.22000	9.22000	9.32000	9.52000
City of West Des Moines	12.04999	12.05000	12.05000	12.05000	12.05000
City of Windsor Heights	12.40322	14.79484	13.76398	13.31499	13.31486
City of Norwalk	14.98315	14.36542	14.60000	14.60000	16.34634
Des Moines Ind. CSD	17.93709	17.78888	17.64277	17.64347	18.34848
Des Moines Area Comm. College	0.60276	0.56386	0.56778	0.56008	0.59018
Des Moines Regional Transit Authority	0.59997	0.60079	0.46232	0.44430	0.44400
State of Iowa	0.00350	0.00350	0.00300	0.00340	0.00320
Polk County Total Tax Rates:					
City of Des Moines Resident	45.89578	45.65841	45.22335	45.28162	45.98095
City of Pleasant Hill Resident	40.78759	40.56443	40.29721	40.35554	41.05095
City of Urbandale Resident	38.52550	38.30235	37.86721	38.02548	38.92095
City of West Des Moines Resident	41.35549	41.13235	40.69721	40.75548	41.45095
City of Windsor Heights Resident	41.70872	43.87719	42.41119	42.02047	42.71581
Warren County Total Tax Rates:					
City of Norwalk Resident	41.35970	40.21271	39.83916	39.61702	41.89712

[1] Polk County tax rate includes the following tax rates: Polk County-wide, Polk County Assessor, Polk County Ag. Extension and the Broadlawns Medical Center.
[2] Warren County tax rate includes the following tax rates: Warren County-wide, Warren County Assessor and the Warren County Ag. Extension.

LEVIES AND TAX COLLECTIONS

Fiscal Year	Levy	Collected During Collection Year	Percent Collected During Collection Year
2007-08	$102,116,094	$101,732,331	99.62%
2008-09	105,771,407	105,336,419	99.59%
2009-10	107,600,197	107,023,369	99.46%
2010-11	113,000,051	112,326,473	99.40%
2011-12	120,572,972	--------- In process of collection ---------	

Taxes in Iowa are delinquent each October 1 and April 1 and a late payment penalty of 1% per month of delinquency is enforced as of those dates. If delinquent taxes are not paid, the property may be offered at the regular tax sale on the third Monday of June following the delinquency date. Purchasers at the tax sale must pay an amount equal to the taxes, special assessments, interest and penalties due on the property and funds so received are applied to taxes. A property owner may redeem from the regular tax sale but, failing redemption within three years, the tax sale Purchaser is entitled to a deed which in general conveys the title free and clear of all liens except future tax installments. The table above includes levies and tax collections for both Warren and Polk County.

FUNDS ON HAND (CASH AND INVESTMENTS AS OF DECEMBER 31, 2011)

General Fund	$55,238,884
Management	7,258,289
Food & Nutrition	0
Physical Plant & Equipment	7,820,285
Capital Projects	41,648,129
Debt Service	0
Agency	126,577
Child Care	0
Internal Services	11,495,752
Student Activity	2,361,227
Public Education Recreation	356,789
Total:	$126,305,932

INVESTMENT OF PUBLIC FUNDS

The District invests its funds pursuant to Chapter 12B of the Code of Iowa. Presented below are the District's investing activities as of December 31, 2011.

Type of Investment	Amount Invested
Local Bank Money Market	$30,725,692
Local Bank Time CD's	10,000,000
Repurchase Agreements	0
ISJIT Money Market	0
Publicly Traded Securities	2565
ISJIT Time CD's	0
U.S. Government Securities	1,954,785
Fixed Income Securities	70,020,970
Total	$112,704,012

THE DISTRICT

SCHOOL DISTRICT

The Des Moines Independent Community School District (the "District") serves more than 200,000 people who live in Polk and Warren Counties and comprises an area of nearly 86 square miles. The District includes portions of Polk and Warren Counties and all or portions of the Cities of Des Moines, Urbandale, West Des Moines, Windsor Heights, and Pleasant Hill. The District has the largest student enrollment in the State of Iowa. The District has 38 elementary schools, 10 middle schools, 8 high schools and 2 special school and programs including an alternative school, a career and technical institute and central academy as well as other special schools and programs. The District also has other facilities such as maintenance/warehouse facility, a print shop, a central nutrition center, a bus garage, a wellness center and various athletic fields and complexes.

For Fiscal Year 2011-12, the District employed 2,691 Full Time Equivalent ("FTE") Teachers and 1,951 other full-time employees. The District provides educational services for 29,359 students enrolled in kindergarten through high school general education programs, and 1,778 students in special schools and programs for a total student population served in FY 2010-11 of 31,137.

DISTRICT TAX RATES

The District levies property taxes to support different funds. The General Fund accounts for all sources used to finance District operations and maintenance, except for those required to be accounted for in another fund. The Management 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. The Physical Plant and Equipment Levy (the "PPEL") 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. The Public Education and Recreation Levy (the "PERL") 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. The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs but not the Bonds. Below is a table of the District's current and historic property tax rates.

Fiscal Year	General Fund	Management Fund	PPEL Fund	PERL Fund	Debt Service	Total Rate
2007-08	$15.28725	$1.55484	$0.96000	$0.13500	$0.00000	$17.93709
2008-09	15.13904	1.55484	0.96000	0.13500	0.00000	17.78888
2009-10	14.99293	1.55484	0.96000	0.13500	0.00000	17.64277
2010-11	14.99363	1.55484	0.96000	0.13500	0.00000	17.64347
2011-12	15.69864	1.55484	0.96000	0.13500	0.00000	18.34848

DISTRICT REVENUE MIX

The school foundation formula in Iowa has two sources of revenue: State of Iowa general fund appropriations or state aid, and locally raised property taxes. The District has a mix of property tax revenue and state foundation aid revenues in the General Fund as follows:

Fiscal Year	Property Tax Revenues	State Aid Revenues
2007-08	$86,343,532	$186,880,163
2008-09	89,272,177	192,371,686
2009-10	90,708,731	167,889,885
2010-11	95,287,091	193,225,333
2011-12	103,048,629 [1)]	203,110,823 [1)]

[1)] Estimated, per the District.

ALLOWABLE GROWTH

Allowable growth (the "Allowable Growth") is the rate by which State cost per pupil and district cost per pupil will increase from one budget year to the next. The growth rate is set two budget years in advance and is subject to reduction resulting from statewide budget cuts.

Fiscal Year	Allowable Growth Rate
2008-09	4.0% [1]
2009-10	4.0% [2]
2010-11	2.0%
2011-12	0.0%
2012-13	2.0%

[1] Fiscal Year 2008-09 was affected by a 1.5% across-the-board budget cut from the Governor of Iowa.
[2] Fiscal Year 2009-10 was affected by a 10% across-the-board budget cut from the Governor of Iowa.

DISTRICT'S PER PUPIL COST

Presented below is the District's General Per Pupil Cost for the period indicated. The District's Per Pupil Cost is what the District is authorized to spend, given the previous year's cost per pupil and the applicable state Allowable Growth amount. The State Average Per Pupil Cost is also listed.

Fiscal Year	District's Per Pupil Cost [1]	State Average Per Pupil Cost
2007-08	$5,401	$5,333
2008-09	5,614	5,546
2009-10	5,836	5,768
2010-11	5,951	5,883 [2]
2011-12	5,951	5,883 [2]

[1] Represents the District's spending authority.
[2] Estimated.

SCHOOL BUILDINGS

The District owns and operates the buildings presented in the following table during Fiscal Year 2011-12.

	Number of Buildings	Grades Served	Range of Construction Dates
Elementary & Early Education	38	K-5; one K-8	1895-2007
Middle Schools	10	6-8	1925-1973
Senior High Schools	8	9-12	1912-1967
Special Schools and Programs	2	Various	1916-1973

The District also has other facilities such as maintenance/warehouse facility, a print shop, a central nutrition center, a bus garage, a wellness center and various athletic fields and complexes.

STAFF

Presented below is a list of the District's 4,641.5 FTE employees for Fiscal Year 2011-12.

Employment Classification	Number of FTEs FY 2011-12
Administrators	117.0
Specialists	147.0
Teachers	2,690.7
Associates	507.8
Clerical	161.3
Paraprofessionals	187.0
Food Service	273.5
Food Service Manager	13.0
Operations	265.0
Transportation	142.5
Crafts	44.0
Child Care	88.0
Noon Hour Associates	4.7
Total	4,641.5

UNION CONTRACTS

The District recognizes the Des Moines Education Association (the "DMEA") as the exclusive bargaining representative on wages, hours, and conditions of employment for all certified employees engaged in teaching, as well as associates and clerical staff. The current contracts expire on June 30, 2012. Negotiations for the next fiscal year are currently in progress. The Association of Federal, State, Counties and Municipal Employees (the "AFSME") has exclusive bargaining representation for District operations, food service and child care staff, with a contact expiring June 30, 2015, with wage increases negotiated yearly. Also, based on job classification, the District works with the Bricklayers and Allied Craftworkers, Carpenters, Electrical, Laborers, International Painters and Allied Trades, Plumbers and Steamfitters, and Sheet Metal Workers unions.

PENSIONS

The District is a participating employer in the Iowa Public Employee Retirement Systems ("IPERS") which is a cost sharing multiple-employer public employee retirement system designed as a supplement to Social Security and is administered by the State of Iowa. The pension plan provides retirement and death benefits, which are established by State statute. The District's responsibility for IPERS is limited to payment of contributions. The District's contribution to IPERS for the years ending June 30, 2011, 2010 and 2009 were $12,599,247, $12,066,415 and $11,531,747 respectively. Given an unfunded actuarial liability and unrecognized actuarial investment loss to IPERS, additional contributions may be necessary in the future.

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

OTHER POST EMPLOYMENT BENEFITS

The District sponsors a single-employer health care plan (the "Plan") that provides three self-funded medical plans including prescription drug benefits to all active and retired employees and their eligible dependents. Retiree coverage begins for employees who have attained age 55 prior to the beginning of the subsequent contract year and have at least 10 consecutive contract years of employment and continues until the retiree is Medicare eligible at age 65. The Plan does not issue a stand-along financial report. The required contribution is based on projects pay-as-you-go financing. For Fiscal Year 2011, the District contributed $3,551,000.

The District's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost of each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The District's annual OPEB cost for 2011 is $6,123,750, the percentage of annual OPEB cost contributed to the plan is 57.33% and the net OPEB obligation for 2011 is $7,009,000.

GENERAL INFORMATION

LARGER EMPLOYERS

A representative list of larger employers in the Des Moines Metropolitan Area is as follows:

Employer	Type of Business	Approximate Number of Employees
Wells Fargo	Financial Services	12,900 [1)]
State of Iowa	State Government	8,800 [2)]
Mercy Hospital Medical Center	Healthcare (Hospitals and Clinics)	6,900
Principal Financial Group	Insurance	6,547
Iowa Health Systems	Healthcare	5,005
Des Moines Public Schools	Education	4,642
Nationwide/Allied Insurance	Insurance	4,396
Pioneer Hi-Bred International Inc.	Seed Manufacturing	3,166
John Deere Companies 3)	Farm Equipment & Consumer Financial Services	3,100 [3)]
Hy-Vee Food Stores	Retail Food Stores	2,200
City of Des Moines	Local Government	2,080
Kum & Go	Convenience Store Chain	1,820
Marsh	Insurance	1,800
United Parcel Service (UPS)	Package Shipping	1,600
Wellmark Inc.	Insurance Provider	1,580
Firestone Agricultural Tire	Tire Manufacturing	1,500
HP Enterprise Services	Global Technology Services	1,500
Aviva USA	Financial Services	1,300
YMCA of Greater Des Moines	Non-profit Youth Development & Fitness Centers	1,300
CenturyLink 4)	Telecommunications	1,166
Polk County	County Government	1,120
CDS Global	Magazine & Direct Marketing Services	1,100
EMC Insurance Companies	Insurance	1,100
FBL Financial Services, Inc.	Financial Services	1,057
Casey's General Store, Inc.	Retail General Store	1,050
Broadlawns Medical Center	Medical Center	1,010
Meredith Corporation	Publishing	1,000
Prairie Meadows	Entertainment Facility	973
MidAmerican Energy Company	Utility	953
Dahl's Foods	Retail Food Stores	900
Drake University	Higher Education	900

1) Includes both Wells Fargo Banks and Wells Fargo Financial.
2) Total is for the Greater Des Moines metropolitan statistical area which includes Dallas, Guthrie, Madison, Polk and Warren counties.
3) Includes both John Deere Des Moines Works and John Deere Credit Company.
4) Formerly Qwest.

Source: OneSource Information Service; Des Moines Business Record 2012 Book of Lists; Greater Des Moines Partnership; news clippings; Marshall County and Jasper County economic development groups; and company-provided information as of January 12, 2012 The list is updated frequently as changes are identified and is not to be construed as a complete profile.

U.S. CENSUS DATA

Populations for school districts are not calculated by the U.S. Census Bureau. The population of the Counties and the largest city within which the District is located best illustrates school district population trends. The population trends for the City of Des Moines and for Polk County and Warren County are as follows:

Year	City of Des Moines	Polk County	Warren County
1990 U.S. Census	193,187	327,140	36,033
2000 U.S. Census	198,682	374,601	40,671
2010 U.S. Census	203,433	430,640	46,225

Source: United States Census Bureau website.

UNEMPLOYMENT RATES

Annual Averages	City of Des Moines	Polk County	Warren County	State of Iowa
2007	3.9%	3.5%	3.3%	3.8%
2008	5.0%	4.2%	3.9%	4.4%
2009	6.4%	5.4%	5.2%	5.6%
2010	7.2%	6.1%	6.0%	6.1%
2011	7.1%	6.1%	5.6%	6.0%

Source: Iowa Workforce Development website.

RETAIL SALES AND BUYING INCOME

"Effective buying power" ("EBI") is a wealth indicator defined as personal income less personal tax and non tax payments, which is considered to be a bulk measurement of market potential. EBI information, including the Retail Sales, Total EBI and Median Household EBI, as well as the Effective Buying Income Groups for the City of Des Moines, Warren County, Polk County and the State of Iowa for 2011 are as listed below.

	Total EBI	Median Household EBI	Total Retail Sales	Retail Sales Per Household
City of Des Moines	$3,496,025,000	$42,730	$2,527,017,994	$30,887
Polk County	9,897,782,500	43,748	7,142,477,879	40,257
Warren County	950,687,500	48,554	381,947,029	22,169
State of Iowa	57,975,146,250	38,156	44,620,315,828	36,634

	Effective Buying Income Groups		
	<$15,000-$34,999	$35,000-$74,999	$75,000 and Over
City of Des Moines	50.9%	38.4%	10.7%
Polk County	39.1%	40.9%	20.0%
Warren County	32.9%	46.5%	20.6%
State of Iowa	45.9%	39.7%	14.4%

Source: The Claritas, Inc. 2011 report

FINANCIAL SERVICES

Residents of the Des Moines metropolitan area are serviced by numerous regional banking institutions. Collective total deposits for banks located within Polk County as of June 30, 2011 exceeding $7.2 billion. Total deposits as of June 30, 2011 for a sampling of banks headquartered within Des Moines are listed as follows:

Bank	Deposits
Principal Bank	$2,193,300,000
Bankers Trust Company, N.A.	1,857,452,000
Iowa State Bank	262,176,000

Source: Federal Deposit Insurance Corporation (FDIC) web site.

FINANCIAL STATEMENTS

The District's COMPREHENSIVE ANNUAL FINANCIAL REPORT for the fiscal year ended June 30, 2011 is reproduced as APPENDIX B. The District's certified public accountant has not consented to distribution of the audited financial statements and has not undertaken added review of their presentation. Further information regarding financial performance and copies of the District's prior Comprehensive Annual Financial Reports may be obtained from the District's Financial Advisor, Public Financial Management, Inc.

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APPENDIX A

FORM OF LEGAL OPINION

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APPENDIX B

JUNE 30, 2011 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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OFFICIAL BID FORM

To: The Board of Directors of the Des Moines Independent Community School District	Sale Date: April 3, 2012 10:00 AM, CT

RE: $71,900,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2012

For all or none of the above Bonds, in accordance with the Terms of Offering, we will pay you $_____________________________ (not less than $71,181,000) plus accrued interest to date of delivery for fully registered bonds bearing interest rates and maturing in the stated years as follows:

_________% due 2013	___________% due 2022
_________% due 2014	___________% due 2023
_________% due 2015	___________% due 2024
_________% due 2016	___________% due 2025
_________% due 2017	___________% due 2026
_________% due 2018	___________% due 2027
_________% due 2019	___________% due 2028
_________% due 2020	___________% due 2029
_________% due 2021	

In making this offer we accept all of the terms and conditions of the Terms of Offering published in the Preliminary Official Statement dated March 13, 2012. In the event of failure to deliver these Bonds in accordance with the Terms of Offering as printed in the Preliminary Official Statement and made a part hereof, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: $____________________________

TRUE INTEREST COST: ____________________________% (Based on dated date of May 8, 2012)

Account Manager: _______________________________ By: ____

Account Members:

____

The foregoing offer is hereby accepted by and on behalf of the Board of Directors of the Des Moines Independent Community School District, Des Moines, Iowa this 3rd day of April, 2012.

Attest: ____By: _____________________________________

Title: ____Title: ___________________________________