

**City of Waukee, Iowa**

**INDEPENDENT AUDITOR'S REPORTS  
BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
SCHEDULE OF FINDINGS**

**June 30, 2004**

## CONTENTS

	<u>Page</u>
<b>OFFICIALS</b>	3
<b>INDEPENDENT AUDITOR'S REPORT</b>	4-5
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	6-11
<b>BASIC FINANCIAL STATEMENTS</b>	12
Government-wide financial statements	
Statement of net assets	13
Statement of activities	14
Governmental fund financial statements	
Balance sheet	15
Reconciliation of the balance sheet—governmental funds to the statement of net assets	16
Statement of revenues, expenditures and changes in fund balances (deficit)	17
Reconciliation of the statement of revenues, expenditures and changes in fund balances (deficit)—governmental funds to the statement of activities	18
Proprietary Fund Financial Statements	
Statement of net assets	19
Statement of revenues, expenses and changes in fund net assets	20
Reconciliation of the statement of revenues, expenses and changes in fund net assets—proprietary funds to the statement of net assets	21
Statement of cash flows	22-23
Notes to financial statements	24-40
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	41
Budgetary comparison schedule of revenues, expenditures/expenses and changes in fund balances—budget and actual—governmental funds and proprietary funds	42-43
Notes to required supplementary information—budgetary reporting	44
<b>OTHER SUPPLEMENTARY INFORMATION</b>	45
Nonmajor Governmental Funds	
Combining balance sheet	46-47
Combining schedule of revenues, expenditures and changes in fund balances (deficit)	48-49
Nonmajor Proprietary Funds	
Combining statement of net assets	50
Combining statement of revenues, expenses and changes in fund net assets	51
Schedule of Revenues by Source and Expenditures by Function—All Governmental Funds	52
<b>REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	53-54
<b>SCHEDULE OF FINDINGS</b>	55-60
<b>STATISTICAL SECTION (UNAUDITED)</b>	61-63

**City of Waukee, Iowa  
OFFICIALS**

	<u><b>Term expires</b></u>
<b>MAYOR AND MEMBERS OF CITY COUNCIL (Before January 2004)</b>	
Tony Oberman, Mayor	January 2004
Nick Gruber, Council Member	January 2006
Bill Peard, Council Member	January 2006
Mike Watts, Council Member	January 2004
Donald Bailey, Jr., Council Member	January 2006
Darlene Stanton, Council Member	January 2004
<b>CITY ADMINISTRATOR</b>	
Mark Arentsen	Indefinite
<b>DEPUTY CITY CLERK</b>	
Catherine Paardekooper	Indefinite
<b>CITY TREASURER</b>	
Linda Burkhart	Indefinite
<b>CITY ATTORNEY</b>	
Paul Huscher	January, 2004
<b>MAYOR AND MEMBERS OF CITY COUNCIL (After January 2004)</b>	
Tony Oberman, Mayor	January 2006
Donald Bailey, Jr., Council Member	January 2006
Nick Gruber, Council Member	January 2006
Bill Peard, Council Member	January 2006
Jeff Mertz, Council Member	January 2008
Darlene Stanton, Council Member	January 2008
<b>CITY ADMINISTRATOR</b>	
Mark Arentsen	Indefinite
<b>DEPUTY CITY CLERK</b>	
Catherine Paardekooper	Indefinite
<b>CITY TREASURER</b>	
Linda Burkhart	Indefinite
<b>CITY ATTORNEY</b>	
Paul Huscher	January, 2005

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the City Council  
Waukee, Iowa

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Waukee, Iowa, as of and for the year ended June 30, 2004, which collectively comprise the City's basic financial statements listed in the contents page of this report. These financial statements are the responsibility of the City of Waukee's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, Chapter 11 of the Code of Iowa and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Waukee as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 15 to the financial statements, for the year ended June 30, 2004, the City of Waukee adopted Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*; Statement No. 38, *Certain Financial Statement Note Disclosures*; Statement No. 41, *Budgetary Comparison Schedule - Perspective Differences*; and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2004 on our consideration of the City of Waukeee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 6 through 11 and 44 through 46 are not required parts of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Waukeee's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2003 (none of which are presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The other data in this report, designated as the "statistical section" on the contents page, has not been audited by us and, accordingly, we express no opinion on it.

  
**DENMAN & COMPANY, LLP**

West Des Moines, Iowa  
August 19, 2004

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The City of Waukee provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2004. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

Because the City of Waukee is implementing new reporting standards for this fiscal year with significant changes in content and structure, much of the information is not easily comparable to prior years. However, in future years, comparisons will be more meaningful and will go further in explaining the City's financial position and results of operations.

### 2004 FINANCIAL HIGHLIGHTS

- Revenues of the City's governmental activities increased 4.7%, or approximately \$227,800, from fiscal 2003 to fiscal 2004. Property tax increased approximately \$310,400.
- Program expenses increased 20.6%, or approximately \$1,371,000 in fiscal 2004 from fiscal 2003. Public safety, debt service and capital projects expenses increased approximately \$222,500, \$608,200 and \$483,400, respectively.
- The City has net assets of \$36,022,293 on June 30, 2004. Of this amount, the net assets of the governmental activities was \$22,321,324 and the net assets of the business type activities was \$13,700,969.

### USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the City's financial activities.

Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the City of Waukee as a whole and present an overall view of the City's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the most significant funds.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the City's budget for the year.

Other Supplementary Information provides detailed information about the non-major Governmental Funds, and Schedules of Revenues by Source and Expenditures by Function.

## **REPORTING THE CITY'S FINANCIAL ACTIVITIES**

### *Government-wide Financial Statements*

One of the most important questions asked about the City's finances is, "Is the City as a whole better or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information which helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The Statement of Net Assets presents all of the City's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the City's net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The Statement of Net Assets and the Statement of Activities report two kinds of activities:

- Governmental activities include public safety, public works, health & social services, culture and recreation, community and economic development, general government, debt service and capital projects. Property tax, state and federal grants, and license and permit fees finance most of these activities.
- Business type activities include the water, sewer, and gas utilities, and the City's solid waste department. These activities are financed primarily by user charges.

### *Fund Financial Statements*

The City has two kinds of funds:

(1) Governmental funds account for most of the City's basic services. These focus on how money flows into and out of those funds and the balances at year-end that are available for spending. Governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Tax Increment Financing Revenues, and Employee Benefits Levy, 3) the Debt Service Fund and 4) the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

2) Proprietary funds account for the City's Enterprise Funds. These funds report services for which the City charges customers for the service it provides. Proprietary funds are reported in the same way all activities are reported in the Statement of Net Assets and the Statement of Activities. The major difference between the proprietary funds and the business type activities included in the government-wide statements is the detail and additional information, such as cash flows, provided in the proprietary fund statements. The Enterprise Funds include the Water, Sewer, and Gas Funds, which are considered to be major funds of the City and the Solid Waste Fund, which is considered to be a nonmajor fund of the City. The City is responsible for ensuring the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong.

The financial statements required for proprietary funds include a statement of net assets, a statement of revenues, expenses and changes in fund net assets and a statement of cash flows.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. The analysis that follows focuses on the changes in the net assets for governmental and business type activities.

Net Assets June 30, 2004			
	Governmental Activities	Business Type Activities	Total
Current and other assets	\$ 5,692,108	\$ 4,511,297	\$10,203,405
Capital assets	31,991,595	14,669,981	46,661,576
Total assets	<u>37,683,703</u>	<u>19,181,278</u>	<u>56,864,981</u>
Long-term liabilities	11,736,793	4,530,453	16,267,246
Other liabilities	<u>3,625,586</u>	<u>949,856</u>	<u>4,575,442</u>
Total liabilities	<u>15,362,379</u>	<u>5,480,309</u>	<u>20,842,688</u>
Net assets:			
Invested in capital assets, net of related debt	20,320,109	10,091,137	30,411,246
Restricted	367,827	305,275	673,102
Unrestricted	<u>1,633,388</u>	<u>3,304,557</u>	<u>4,937,945</u>
Total net assets	<u>\$22,321,324</u>	<u>\$13,700,969</u>	<u>\$36,022,293</u>

The largest portion of the City's net assets is the invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets. Restricted net assets represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, legislation or other legal requirements, is approximately \$4,938,000 at the end of this year.

Changes in Net Assets Year ended June 30, 2004			
	Governmental Activities	Business Type Activities	Total
Revenues:			
Program revenues:			
Property Tax Levied	\$ 2,817,732	-	2,817,732
Tax Increment Financing	750,461	-	750,461
Unrestricted Interest	29,522	40,458	69,980
Restricted Interest & Grants	441,452	-	441,452
Charges for Services	816,978	4,925,168	5,742,146
Miscellaneous	186,657	936,859	1,123,516
Sale of Assets	<u>1,413</u>	<u>-</u>	<u>1,413</u>
Total general revenues	<u>\$ 5,044,215</u>	<u>5,902,485</u>	<u>10,946,700</u>
Transfers	<u>77,500</u>	<u>(77,500)</u>	<u>-</u>
Total General Revenues & Transfers	<u>\$ 5,121,715</u>	<u>5,824,985</u>	<u>10,946,700</u>

Program expenses:			
Public safety	1,411,826	-	1,411,826
Public works	837,634	-	837,634
Health & Social Services	13,966	-	13,966
Culture & Recreation	671,315	-	671,315
Community & Economic Development	225,535	-	225,535
General Government	423,739	-	423,739
Debt Service	712,624	-	712,624
Capital Projects	2,030,626	-	2,030,626
Business Activities	-	4,963,309	4,963,309
Total expenses	<u>6,327,265</u>	<u>4,963,309</u>	<u>11,290,574</u>
Increase (decrease) in net assets	(1,205,550)	861,676	(343,874)
Net assets beginning of year (as restated)	<u>23,526,874</u>	<u>6,931,380</u>	<u>30,458,254</u>
Net assets end of year	<u>\$ 22,321,324</u>	<u>7,793,056</u>	<u>30,114,380</u>

The City maintained the \$13.50 property tax levy for FY04, while recognizing a \$176,410 increase in property tax revenue due to actual valuations being increased. Revenues for operating grants, contributions and restricted interest, increased by approximately \$269,100, due to the receipt of numerous Federal Grants.

## INDIVIDUAL MAJOR FUND ANALYSIS

### Governmental Fund Highlights

As the City of Waukee completed the year, its governmental funds reported a combined fund balance of \$2,034,192, which is less than the \$2,095,747 total fund balance at June 30, 2003. The following are the major reasons for the changes in fund balances of the governmental funds from the prior year.

The General Fund showed a modest decline of \$96,594 from the prior year to \$605,525, of which \$76,000 was a planned decrease from Parkland Dedications.

The Tax Increment Financing Revenues Funds account for revenue from the tax authorized by ordinance in the urban renewal district which are used to pay the principal and interest on indebtedness incurred for urban renewal redevelopment projects. These funds ended fiscal 2004 with a \$812,651 balance compared to the prior year ending balance of \$533,095.

The Employee Benefits Tax Levy Fund is used to account for the property tax levied to finance the payment of employee benefits. This fund ended fiscal 2004 with a \$6,767 balance compared to the prior year ending balance of \$9,318. Transfers out to operating funds totaled \$424,550 in fiscal 2004.

The Debt Service Fund ended fiscal 2004 with a \$148,558 balance compared to the prior year ending balance of \$214,123. Bond principal and interest payments increased by \$593,407 in fiscal 2004, with most of the increase coming from calling a bond with higher interest rates, and re-issuing the debt.

The Capital Projects Funds ended fiscal 2004 with a \$558,139 balance compared to the prior year ending balance of \$750,706. The fiscal 2004 balance is a result of project borrowings not being completely expended at the fiscal year end. Those projects will be completed in the following fiscal year.

### **Proprietary Fund Highlights**

The Water Fund, which accounts for the operation and maintenance of the City's water system, ended fiscal 2004 with a \$4,831,468 net asset balance, compared to the prior year ending net asset balance of \$4,234,618.

The Sewer Fund, which accounts for the operation and maintenance of the City's wastewater treatment and sanitary sewer system, ended fiscal 2004 with a \$6,374,901 net asset balance, compared to the prior year ending net asset balance of \$5,999,432.

The Gas Fund, which accounts for the operations and maintenance of the City's gas utility, ended fiscal 2004 with a \$2,339,101 net asset balance, compared to the prior year ending net asset balance of \$2,298,883.

The Solid Waste Fund, which accounts for the operation and maintenance of the City's solid waste collection system, ended fiscal 2004 with a \$(21,543) net asset deficit balance, compared to the prior year ending net asset deficit balance of \$(26,961).

### **BUDGETARY HIGHLIGHTS**

Over the course of the year, the City of Waukee amended its budget once. This amendment was done in May 2004. This amendment was needed to cover unplanned disbursements, including disbursements associated with projects carried over from the prior fiscal year.

Even with this amendment, the City exceeded the budgeted amount in the health and social services, general government, community and economic development, debt service and capital projects functions for the year ended June 30, 2004.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

The City's capital assets include land, buildings and improvements, equipment, streets, sewer systems, lighting systems, traffic signals and other infrastructure. Capital assets for governmental activities totaled \$31,991,595 (net of accumulated depreciation) at June 30, 2004. Capital assets for business type activities totaled \$14,669,981 (net of accumulated depreciation) at June 30, 2004. See Note 1 & 4 to the financial statements for more information about the City's capital assets.

The major capital outlays for governmental activities during the year included the purchase of parkland, and the University Avenue Street Widening project.

For business type activities, major additions included the R22 Sewer project, and the joint West Des Moines Water Tower project.

Construction in progress at June 30, 2004 for governmental activities consists primarily of street projects and water tower project.

## **Long-Term Debt**

At June 30, 2004, the City had \$11,719,017 in total long-term debt outstanding for governmental activities. Total long-term debt outstanding for business type activities was \$4,519,301 at June 30, 2004. During the year ended June 30, 2004, the City issued a total of \$2,795,000 in general obligation bonds to finance the City's construction projects.

The City has not received a general obligation bond rating assigned by national rating agencies. The Constitution of the State of Iowa limits the amount of general obligation debt cities can issue to 5 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is significantly below its constitutional debt limit of \$17,215,279. Other obligations include accrued vacation pay and sick leave. Additional information about the City's long-term debt is presented in Note 5 to the financial statements.

## **ECONOMIC FACTORS BEARING ON THE CITY'S FUTURE**

Several economic factors affected decisions made by the City in setting its fiscal 2005 budget. The City of Waukee will experience a significant increase in General Fund revenues and expenditures from fiscal 2004 to fiscal 2005. The major factors that will play a role in this change are the increase in property tax revenues from increased valuations for fiscal 2005, and increased revenues from licenses and permit fees.

The General Fund is projected to end fiscal 2005 with a fund balance of approximately \$595,162, or to remain constant from fiscal 2004. The tax levy rates per \$1,000 of taxable valuation for fiscal 2005 are provided below:

General levy	\$ 8.10000
Debt Service levy	\$ 3.32039
Employee Benefits levy	\$ 2.08000
Total	\$13.50039

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to present our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and operating activities. If you have any questions or require additional information, please contact the City Administrator/Clerk or the Director of Finance, at Waukee City Hall, 230 Highway 6, Waukee, Iowa.

## **BASIC FINANCIAL STATEMENTS**

**City of Waukee, Iowa**  
**STATEMENT OF NET ASSETS**  
**June 30, 2004**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and pooled investments	\$ 2,152,642	\$ 2,722,654	\$ 4,875,296
Receivables			
Property tax			
Delinquent	14,340	-	14,340
Succeeding year	3,037,833	-	3,037,833
Special assessments	155,072	155,448	310,520
Customer accounts and unbilled usage	-	423,113	423,113
Other	216,481	-	216,481
Due from other governments	70,484	-	70,484
Due from other funds	(56,156)	56,156	-
Inventories	-	68,294	68,294
Prepaid insurance	52,697	-	52,697
Restricted assets - cash and pooled investments	48,715	1,035,509	1,084,224
Capital assets (net of accumulated depreciation)	31,991,595	14,669,981	46,661,576
Bond/note issuance costs	-	50,123	50,123
Total assets	<u>37,683,703</u>	<u>19,181,278</u>	<u>56,864,981</u>
<b>LIABILITIES</b>			
Accounts payable	352,094	705,640	1,057,734
Accrued interest payable	41,763	13,924	55,687
Salaries and benefits payable	34,262	2,981	37,243
Customer deposits payable	-	17,950	17,950
Developer deposits payable	-	193,665	193,665
Lease deposit payable	4,562	-	4,562
Deferred revenue	3,192,905	15,696	3,208,601
Long-term liabilities			
Portion due or payable within one year			
Compensated absences	17,776	11,152	28,928
Capital leases payable	29,346	-	29,346
General obligation bonds/notes	800,000	40,000	840,000
Revenue notes payable	-	269,000	269,000
Special assessment notes payable	-	30,000	30,000
Des Moines Water Works bonds payable	-	196,895	196,895
Portion due or payable after one year			
Compensated absences	47,531	-	47,531
Capital leases payable	12,140	-	12,140
General obligation bonds/notes	10,830,000	200,000	11,030,000
Revenue notes payable	-	2,354,641	2,354,641
Special assessment notes payable	-	120,000	120,000
Des Moines Water Works bonds payable	-	1,308,765	1,308,765
Total liabilities	<u>15,362,379</u>	<u>5,480,309</u>	<u>20,842,688</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	20,320,109	10,091,137	30,411,246
Restricted for			
Prepaid insurance	52,697	-	52,697
Advances to other funds	85,000	-	85,000
Debt service	148,558	305,275	453,833
University Avenue project	42,530	-	42,530
Police gifts and memorials	6,334	-	6,334
Warning siren	28,146	-	28,146
Lease deposits	4,562	-	4,562
Unrestricted	<u>1,633,388</u>	<u>3,304,557</u>	<u>4,937,945</u>
Total net assets	<u>\$22,321,324</u>	<u>\$13,700,969</u>	<u>\$36,022,293</u>

See Notes to Financial Statements.

**City of Waukee, Iowa**  
**STATEMENT OF ACTIVITIES**  
Year ended June 30, 2004

	<u>Program Revenues</u>			<u>Net (Expense) and Changes in Net Assets</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants, Contributions and Restricted Interest</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
<b>FUNCTIONS/PROGRAMS</b>						
Primary Government						
Governmental activities						
Public safety	\$ 1,411,826	\$ 63,974	\$ -	\$ (1,347,852)	\$ -	\$ (1,347,852)
Public works	837,634	-	441,452	(396,182)	-	(396,182)
Health and social services	13,966	-	-	(13,966)	-	(13,966)
Culture and recreation	671,315	227,740	-	(443,575)	-	(443,575)
Community and economic development	225,535	-	-	(225,535)	-	(225,535)
General government	423,739	525,264	-	101,525	-	101,525
Debt service	712,624	-	-	(712,624)	-	(712,624)
Capital projects	<u>2,030,626</u>	<u>-</u>	<u>-</u>	<u>(2,030,626)</u>	<u>-</u>	<u>(2,030,626)</u>
Total governmental activities	<u>6,327,265</u>	<u>816,978</u>	<u>441,452</u>	<u>(5,068,835)</u>	<u>-</u>	<u>(5,068,835)</u>
Business type activities						
Water	1,244,657	1,274,939	-	-	30,282	30,282
Sewer	782,309	722,998	-	-	(59,311)	(59,311)
Gas	2,622,491	2,478,242	-	-	(144,249)	(144,249)
Other	<u>501,285</u>	<u>448,989</u>	<u>-</u>	<u>-</u>	<u>(52,296)</u>	<u>(52,296)</u>
Total business type activities	<u>5,150,742</u>	<u>4,925,168</u>	<u>-</u>	<u>-</u>	<u>(225,574)</u>	<u>(225,574)</u>
Total Primary Government	<u>\$11,478,007</u>	<u>\$5,742,146</u>	<u>\$ 441,452</u>	<u>\$ (5,068,835)</u>	<u>\$ (225,574)</u>	<u>\$ (5,294,409)</u>
<b>GENERAL REVENUES</b>						
Property and other city tax levied for						
General purposes				\$ 1,642,386	\$ -	\$ 1,642,386
Debt service				754,625	-	754,625
Employee benefits				420,721	-	420,721
Tax increment financing				750,461	-	750,461
Unrestricted interest on investments				29,522	40,458	69,980
Miscellaneous				186,657	79,722	266,379
Connection fees				-	486,015	486,015
Capacity fees				-	371,122	371,122
Sale of assets				1,413	-	1,413
Capital contributions				-	326,498	326,498
<b>TRANSFERS</b>				<u>77,500</u>	<u>(77,500)</u>	<u>-</u>
Total general revenues and transfers				<u>3,863,285</u>	<u>1,226,315</u>	<u>5,089,600</u>
<b>CHANGE IN NET ASSETS</b>				(1,205,550)	1,000,741	(204,809)
<b>NET ASSETS BEGINNING OF YEAR, as restated</b>				<u>23,526,874</u>	<u>12,700,228</u>	<u>36,227,102</u>
<b>NET ASSETS END OF YEAR</b>				<u>\$22,321,324</u>	<u>\$13,700,969</u>	<u>\$36,022,293</u>

See Notes to Financial Statements.

**City of Waukee, Iowa  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2004**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor Funds</u>	<u>Total</u>
		<u>Hickman West Industrial Park TIF</u>	<u>Urban Renewal Project</u>			
<b>ASSETS</b>						
Cash and pooled investments	\$ 243,843	\$ 598,731	\$ 840,513	\$ 82,749	\$ 330,489	\$2,096,325
Receivables						
Property tax						
Delinquent	9,124	—	—	3,144	2,072	14,340
Succeeding year	1,760,613	—	—	827,125	450,095	3,037,833
Special assessments	—	—	—	—	155,072	155,072
Other	121,387	—	11,825	—	83,269	216,481
Due from other funds	353,440	—	—	—	—	353,440
Due from other governments	—	—	—	—	70,484	70,484
Interfund receivable	—	—	—	62,665	—	62,665
Prepaid insurance	48,442	—	—	—	4,255	52,697
Restricted assets--cash and pooled investments	—	—	48,715	—	—	48,715
Advances to other funds	<u>85,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>85,000</u>
Total assets	<u>\$2,621,849</u>	<u>\$ 598,731</u>	<u>\$ 901,053</u>	<u>\$ 975,683</u>	<u>\$1,095,736</u>	<u>\$6,193,052</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ 181,298	\$ —	\$ 96,969	\$ —	\$ 73,827	\$ 352,094
Lease deposit payable	4,562	—	—	—	—	4,562
Salaries and benefits payable	34,262	—	—	—	—	34,262
Compensated absences	16,768	—	—	—	1,008	17,776
Due to other funds	—	—	—	—	353,440	353,440
Deferred revenue						
Succeeding year property tax	1,760,613	—	—	827,125	605,167	3,192,905
Interfund payable	18,821	—	—	—	—	18,821
Advances from other funds	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>185,000</u>	<u>185,000</u>
Total liabilities	<u>2,016,324</u>	<u>—</u>	<u>96,969</u>	<u>827,125</u>	<u>1,218,442</u>	<u>4,158,860</u>
Fund Balances						
Reserved for debt service	—	—	—	148,558	—	148,558
Unreserved						
Designated for						
Prepaid insurance	48,442	—	—	—	4,255	52,697
Advances to other funds	85,000	—	—	—	—	85,000
University Avenue project	42,530	—	—	—	—	42,530
Police gifts and memorials	6,334	—	—	—	—	6,334
Warning siren	28,146	—	—	—	—	28,146
Lease deposits	4,562	—	—	—	—	4,562
Undesignated						
Reported in						
General fund	390,511	—	—	—	—	390,511
Special revenue funds	—	598,731	—	—	118,984	717,715
Capital projects funds	—	—	804,084	—	(245,945)	558,139
Total fund balances	<u>605,525</u>	<u>598,731</u>	<u>804,084</u>	<u>148,558</u>	<u>(122,706)</u>	<u>2,034,192</u>
Total liabilities and fund balances	<u>\$2,621,849</u>	<u>\$ 598,731</u>	<u>\$ 901,053</u>	<u>\$ 975,683</u>	<u>\$1,095,736</u>	<u>\$6,193,052</u>

See Notes to Financial Statements.

**City of Waukee**  
**RECONCILIATION OF THE BALANCE SHEET—**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS**  
**June 30, 2004**

**Total governmental fund balances** \$2,034,192

***Amounts reported for governmental activities in the  
Statement of Net Assets are different because:***

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. The cost of assets is \$48,057,792 and the accumulated depreciation \$16,066,197. 31,991,595

Long-term liabilities, including bonds payable, compensated absences and accrued interest payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. (11,760,780)

The Internal Service Fund is used by management to charge the costs of future equipment purchases to individual funds. The assets of the Internal Service Fund are allocated between governmental and proprietary activities in the Statement of Net Assets. 56,317

**Net assets of governmental activities** **\$22,321,324**

**City of Waukee, Iowa**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)**  
**GOVERNMENTAL FUNDS**  
**Year ended June 30, 2004**

	<u>General</u>	<u>Special Revenue Hickman West Industrial Park TIF</u>	<u>Capital Projects Urban Renewal Project</u>	<u>Debt Service</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total</u>
<b>REVENUES</b>						
Property tax	\$1,648,827	\$ -	\$ -	\$ 754,625	\$ 420,721	\$2,824,173
Tax increment financing collections	-	276,248	-	-	474,213	750,461
Other city tax	-	-	(16,248)	-	9,807	(6,441)
Licenses and permits	436,377	-	-	-	-	436,377
Use of money and property	91,620	4,549	7,666	2,158	11,069	117,062
Intergovernmental	227,740	-	-	-	441,452	669,192
Charges for service	63,974	-	-	-	-	63,974
Miscellaneous	96,281	-	7,175	-	166,469	269,925
Total revenues	<u>2,564,819</u>	<u>280,797</u>	<u>(1,407)</u>	<u>756,783</u>	<u>1,523,731</u>	<u>5,124,723</u>
<b>EXPENDITURES</b>						
Operating						
Public safety	1,420,802	-	-	-	-	1,420,802
Public works	376,546	-	-	-	461,978	838,524
Health and social services	13,966	-	-	-	-	13,966
Culture and recreation	623,630	-	-	-	42,795	666,425
Community and economic development	217,162	-	-	-	9,502	226,664
General government	404,939	-	-	-	-	404,939
Debt service	-	14,836	-	1,817,788	-	1,832,624
Capital projects	-	-	2,171,607	-	452,240	2,623,847
Total expenditures	<u>3,057,045</u>	<u>14,836</u>	<u>2,171,607</u>	<u>1,817,788</u>	<u>966,515</u>	<u>8,027,791</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(492,226)</u>	<u>265,961</u>	<u>(2,173,014)</u>	<u>(1,061,005)</u>	<u>557,216</u>	<u>(2,903,068)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Bond proceeds	-	465,000	2,317,600	-	-	2,782,600
Sale of capital assets	1,413	-	-	-	-	1,413
Operating transfers in	424,219	-	-	995,440	21,000	1,440,659
Operating transfers out	<u>(30,000)</u>	<u>(542,770)</u>	<u>-</u>	<u>-</u>	<u>(810,389)</u>	<u>(1,383,159)</u>
Total other financing sources (uses)	<u>395,632</u>	<u>(77,770)</u>	<u>2,317,600</u>	<u>995,440</u>	<u>(789,389)</u>	<u>2,841,513</u>
<b>NET CHANGE IN FUND BALANCES</b>	(96,594)	188,191	144,586	(65,565)	(232,173)	(61,555)
<b>FUND BALANCES BEGINNING OF YEAR</b>	<u>702,119</u>	<u>410,540</u>	<u>659,498</u>	<u>214,123</u>	<u>109,467</u>	<u>2,095,747</u>
<b>FUND BALANCES (DEFICIT) END OF YEAR</b>	<u>\$ 605,525</u>	<u>\$ 598,731</u>	<u>\$ 804,084</u>	<u>\$ 148,558</u>	<u>\$ (122,706)</u>	<u>\$2,034,192</u>

See Notes to Financial Statements.

**City of Waukee**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES (DEFICIT)—**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**Year ended June 30, 2004**

**Net change in fund balances (deficit)—Total governmental funds** \$ (61,555)

***Amounts reported for governmental activities in the  
Statement of Activities are different because:***

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:

Expenditures for capital assets	\$1,928,912	
Depreciation expense	<u>(1,412,270)</u>	516,642

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Current year issues exceeded repayments, as follows:

Issued	(2,782,600)	
Repaid	<u>1,120,000</u>	(1,662,600)

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

Compensated absences	(249)	
Interest on long-term debt	(41,763)	
Capital leases	<u>22,628</u>	(19,384)

The Internal Service Fund is used by management to charge the costs of future equipment purchases to individual funds. The change on net assets of the Internal Service Fund is allocated to governmental and proprietary activities.

21,347

**Change in net assets of governmental activities** **\$(1,205,550)**

**City of Waukee, Iowa**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**June 30, 2004**

	<u>Enterprise Funds</u>					<u>Internal</u>
	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>	<u>Nonmajor</u>	<u>Total</u>	<u>Service Fund</u>
				<u>Funds</u>		<u>Equipment</u>
<b>ASSETS</b>						<u>Revolving</u>
<b>Current Assets</b>						
Cash and pooled investments	\$ 860,109	\$ 838,723	\$ 791,865	\$ 66,067	\$ 2,556,764	\$ 214,389
Receivables						
Customer accounts and unbilled usage	159,350	70,690	150,102	42,971	423,113	-
Special assessments	-	155,448	-	-	155,448	-
Interfund receivable	-	-	72,710	-	72,710	-
Inventories	-	-	68,294	-	68,294	-
<b>Restricted assets - cash and pooled investments</b>						
Customer deposits	7,850	-	10,100	-	17,950	-
Developer deposits	-	-	193,665	-	193,665	-
Capacity fees	109,555	-	-	-	109,555	-
Revenue note and interest sinking account	135,193	38,654	-	-	173,847	-
Revenue note reserve account	127,758	145,528	-	-	273,286	-
Des Moines Water Works reserve account	182,857	-	-	-	182,857	-
Cash held by trustee	-	84,349	-	-	84,349	-
Advances to other funds	100,000	-	-	-	100,000	-
Capital assets (net of accumulated depreciation)	5,124,821	8,034,181	1,510,979	-	14,669,981	-
Bond/note issuance costs	<u>25,939</u>	<u>24,184</u>	<u>-</u>	<u>-</u>	<u>50,123</u>	<u>-</u>
<b>Total assets</b>	<b><u>6,833,432</u></b>	<b><u>9,391,757</u></b>	<b><u>2,797,715</u></b>	<b><u>109,038</u></b>	<b><u>19,131,942</u></b>	<b><u>214,389</u></b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Accounts payable	252,101	141,970	246,807	64,762	705,640	-
Compensated absences	2,384	2,929	8,042	778	14,133	-
Deferred revenue	-	15,696	-	-	15,696	-
Special assessment notes payable	-	30,000	-	-	30,000	-
General obligation bonds payable	-	40,000	-	-	40,000	-
Interfund payable	-	-	-	53,889	53,889	-
<b>Current Liabilities Payable from Restricted Assets</b>						
Customer deposits payable	7,850	-	10,100	-	17,950	-
Developer deposits payable	-	-	193,665	-	193,665	-
Revenue notes payable	75,000	194,000	-	-	269,000	-
Des Moines Water Works bonds payable	196,895	-	-	-	196,895	-
Interest payable	5,143	8,781	-	-	13,924	-
<b>Noncurrent Liabilities</b>						
Advances from other funds	11,635	51,030	-	-	62,665	-
Special assessment notes payable	-	120,000	-	-	120,000	-
General obligation bonds payable	-	200,000	-	-	200,000	-
Revenue notes payable (net of amortized discount)	142,191	2,212,450	-	-	2,354,641	-
Des Moines Water Works bonds payable (net of amortized discount)	<u>1,308,765</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,308,765</u>	<u>-</u>
<b>Total liabilities</b>	<b><u>2,001,964</u></b>	<b><u>3,016,856</u></b>	<b><u>458,614</u></b>	<b><u>119,429</u></b>	<b><u>5,596,863</u></b>	<b><u>-</u></b>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	3,342,427	5,237,731	1,510,979	-	10,091,137	-
Restricted for bond retirement	239,525	65,750	-	-	305,275	-
Unrestricted	<u>1,249,516</u>	<u>1,071,420</u>	<u>828,122</u>	<u>(10,391)</u>	<u>3,138,667</u>	<u>214,389</u>
<b>Total net assets</b>	<b><u>\$4,831,468</u></b>	<b><u>\$6,374,901</u></b>	<b><u>\$2,339,101</u></b>	<b><u>\$ (10,391)</u></b>	<b><u>\$13,535,079</u></b>	<b><u>\$ 214,389</u></b>

See Notes to Financial Statements.

**City of Waukee, Iowa**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**Year ended June 30, 2004**

	<u>Proprietary Funds</u>				<u>Total</u>	<u>Internal Service Fund</u>
	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>	<u>Other Nonmajor Proprietary Funds</u>		<u>Equipment Revolving</u>
<b>OPERATING REVENUES</b>						
Charges for service	\$1,274,939	\$ 722,998	\$2,478,242	\$ 448,989	\$4,925,168	\$ -
Miscellaneous	<u>15,000</u>	<u>310</u>	<u>4,740</u>	<u>47,720</u>	<u>67,770</u>	<u>-</u>
Total operating revenues	<u>1,289,939</u>	<u>723,308</u>	<u>2,482,982</u>	<u>496,709</u>	<u>4,992,938</u>	<u>-</u>
<b>OPERATING EXPENSES</b>						
Business type activities						
Cost of sales and services	931,780	384,799	2,534,937	501,285	4,352,801	-
Depreciation and amortization	<u>233,567</u>	<u>269,296</u>	<u>87,554</u>	<u>-</u>	<u>590,417</u>	<u>-</u>
Total operating expenses	<u>1,165,347</u>	<u>654,095</u>	<u>2,622,491</u>	<u>501,285</u>	<u>4,943,218</u>	<u>-</u>
Operating income (loss)	<u>124,592</u>	<u>69,213</u>	<u>(139,509)</u>	<u>(4,576)</u>	<u>49,720</u>	<u>-</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest income	12,791	16,770	5,617	599	35,777	6,029
Rental income	11,952	-	-	-	11,952	-
Connection fees	108,731	203,174	174,110	-	486,015	-
Capacity fees	101,596	269,526	-	-	371,122	-
Interest expense	<u>(79,310)</u>	<u>(128,214)</u>	<u>-</u>	<u>-</u>	<u>(207,524)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>155,760</u>	<u>361,256</u>	<u>179,727</u>	<u>599</u>	<u>697,342</u>	<u>6,029</u>
Income (loss) before contributions and transfers	280,352	430,469	40,218	(3,977)	747,062	6,029
Capital contributions	326,498	-	-	-	326,498	-
Transfers in (out)	<u>(10,000)</u>	<u>(55,000)</u>	<u>-</u>	<u>-</u>	<u>(65,000)</u>	<u>7,500</u>
Change in net assets	596,850	375,469	40,218	(3,977)	1,008,560	13,529
Net assets beginning of year	<u>4,234,618</u>	<u>5,999,432</u>	<u>2,298,883</u>	<u>(6,414)</u>	<u>12,526,519</u>	<u>200,860</u>
Net assets end of year	<u>\$4,831,468</u>	<u>\$6,374,901</u>	<u>\$2,339,101</u>	<u>\$ (10,391)</u>	<u>\$13,535,079</u>	<u>\$ 214,389</u>

See Notes to Financial Statements.

**City of Waukee**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS—PROPRIETARY FUNDS TO**  
**THE STATEMENT OF NET ASSETS**  
**Year ended June 30, 2004**

<b>Total enterprise funds net assets</b>	<b>\$13,535,079</b>
 <i><b>Amounts reported for business type activities in the Statement of Net Assets are different because:</b></i>	
The Internal Service Fund is used by management to charge the costs of future equipment purchases to individual funds. The assets of the Internal Service Fund are allocated between business and governmental type activities in the Statement of Net Assets.	<u>165,890</u>
<b>Net assets of business type activities</b>	<b><u>\$13,700,969</u></b>
<b>Net change in fund balances</b>	<b>\$ 1,008,560</b>
 <i><b>Amounts reported for business type activities in the Statement of Net Assets are different because:</b></i>	
The Internal Service Fund is used by management to charge the costs of future equipment purchases to individual funds. The change in net assets of the Internal Service Fund is allocated between business type and governmental activities.	<u>(7,819)</u>
<b>Change in fund balance of business type activities</b>	<b><u>\$ 1,000,741</u></b>

**City of Waukee, Iowa**  
**STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**Year ended June 30, 2004**

	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>	<u>Other Nonmajor Proprietary</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers and users	\$1,279,532	\$ 731,957	\$2,517,549	\$ 433,126	\$4,962,164
Cash received from other revenues	15,000	310	4,740	52,749	72,799
Cash paid for personal services	(157,203)	(157,544)	(277,314)	-	(592,061)
Cash paid to suppliers	<u>(604,394)</u>	<u>(105,283)</u>	<u>(2,150,700)</u>	<u>(582,483)</u>	<u>(3,442,860)</u>
Net cash provided by (used in) operating activities	<u>532,935</u>	<u>469,440</u>	<u>94,275</u>	<u>(96,608)</u>	<u>1,000,042</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Advances from other funds	<u>11,635</u>	<u>5,015</u>	-	-	<u>16,650</u>
Net cash provided by noncapital financing activities	<u>11,635</u>	<u>5,015</u>	-	-	<u>16,650</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets, net of contributed capital and equipment fund transfers	(559,306)	(236,516)	(595,269)	-	(1,391,091)
Principal paid on revenue notes matured	(75,000)	(189,000)	-	-	(264,000)
Interest paid on notes	(82,470)	(128,788)	-	-	(211,258)
Principal paid on Des Moines Water Works bonds	(193,088)	-	-	-	(193,088)
Principal paid on general obligation bonds	-	(40,000)	-	-	(40,000)
Principal paid on special assessment notes	-	(30,000)	-	-	(30,000)
Special assessments	-	10,701	-	-	10,701
Connection fees	108,731	203,174	174,110	-	486,015
Capacity fees	<u>101,596</u>	<u>269,526</u>	<u>-</u>	<u>-</u>	<u>371,122</u>
Net cash (used in) capital and related financing activities	<u>(699,537)</u>	<u>(140,903)</u>	<u>(421,159)</u>	<u>-</u>	<u>(1,261,599)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	12,791	16,770	5,617	599	35,777
Sale (purchase) of certificates of deposits	(2,963)	(3,376)	-	-	(6,339)
Rental income	<u>11,952</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,952</u>
Net cash provided by investing activities	<u>21,780</u>	<u>13,394</u>	<u>5,617</u>	<u>599</u>	<u>41,390</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>					
	(133,187)	346,946	(321,267)	(96,009)	(203,517)
<b>CASH AND CASH EQUIVALENTS, beginning</b>	<u>1,245,894</u>	<u>530,431</u>	<u>1,316,897</u>	<u>162,076</u>	<u>3,255,298</u>
<b>CASH AND CASH EQUIVALENTS, ending</b>	<u>\$1,112,707</u>	<u>\$ 877,377</u>	<u>\$ 995,630</u>	<u>\$ 66,067</u>	<u>\$3,051,781</u>

See Notes to Financial Statements.

**City of Waukee, Iowa**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year ended June 30, 2004**

	<u>Enterprise Funds</u>				
	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>	<u>Other Nonmajor Proprietary</u>	<u>Total</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>					
<b>TO NET CASH PROVIDED BY (USED IN)</b>					
<b>OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 124,592	\$ 69,213	\$ (139,509)	\$ (4,576)	\$ 49,720
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation expense	225,633	265,861	87,554	-	579,048
Bond amortization costs	7,934	3,435	-	-	11,369
(Increase) decrease in customer accounts receivable and unbilled usage and other accounts receivable	4,593	8,959	39,307	(15,863)	36,996
Decrease in other receivables	1,960	-	-	-	1,960
(Increase) in inventories, at cost	-	-	(24,398)	-	(24,398)
(Increase) decrease in developer deposits payable	-	-	(1,631)	5,029	3,398
Increase (decrease) in accounts payable	167,804	123,694	128,926	(81,198)	339,226
Increase in customer deposits	1,450	-	1,950	-	3,400
Increase (decrease) in compensated absences	<u>(1,031)</u>	<u>(1,722)</u>	<u>2,076</u>	<u>-</u>	<u>(677)</u>
Net cash provided by (used in) operating activities	<u>\$ 532,935</u>	<u>\$ 469,440</u>	<u>\$ 94,275</u>	<u>\$ (96,608)</u>	<u>\$1,000,042</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>					
<b>AT YEAR END TO SPECIFIC ASSETS INCLUDED ON</b>					
<b>THE STATEMENT OF NET ASSETS</b>					
Current assets					
Cash and pooled investments	\$ 860,109	\$ 838,723	\$ 791,865	\$ 66,067	\$2,556,764
Restricted assets--cash and pooled investments					
Customer deposits	7,850	-	10,100	-	17,950
Developer deposits	-	-	193,665	-	193,665
Capacity fees	109,555	-	-	-	109,555
Revenue note and interest sinking account	135,193	38,654	-	-	173,847
Revenue note reserve account	127,758	145,528	-	-	273,286
Des Moines Water Works reserve account	182,857	-	-	-	182,857
Cash held by trustee	<u>-</u>	<u>84,349</u>	<u>-</u>	<u>-</u>	<u>84,349</u>
	<u>1,423,322</u>	<u>1,107,254</u>	<u>995,630</u>	<u>66,067</u>	<u>3,592,273</u>
Less items not meeting the definition of cash equivalent					
Certificates of deposit	(127,758)	(145,528)	-	-	(273,286)
Des Moines Water Works reserve account	(182,857)	-	-	-	(182,857)
Cash held by trustee	<u>-</u>	<u>(84,349)</u>	<u>-</u>	<u>-</u>	<u>(84,349)</u>
Cash and cash equivalents at year end	<u>\$1,112,707</u>	<u>\$ 877,377</u>	<u>\$ 995,630</u>	<u>\$ 66,067</u>	<u>\$3,051,781</u>

See Notes to Financial Statements.

**City of Waukee, Iowa**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Waukee is a political subdivision of the State of Iowa located in Dallas County. It was first incorporated in 1869 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council-Clerk/Administrator form of government with the Mayor and Council Members elected on a non-partisan basis. The City of Waukee provides numerous services to citizens, including general government, public safety, streets, sanitation and health, cultural and park facilities and social services. It also operates the water, sewer, gas and solid waste utilities.

The financial statements of the City of Waukee, Iowa, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

**Reporting Entity**

For financial reporting purposes, the City of Waukee (the primary government) has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the City.

These financial statements present the City of Waukee (the primary government) and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

**Component Unit**

The Waukee Public Library Foundation has been incorporated under the provisions of the Iowa Nonprofit Corporation Act to operate exclusively for charitable, educational and literary purposes for the enhancement and improvement of the Waukee Public Library. In accordance with criteria set by the Governmental Accounting Standards Board, the Foundation meets the definition of a component unit which should be blended. The financial activity of the component unit has been blended as a Special Revenue Fund of the City.

**Jointly Governed Organizations**

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Des Moines Area Metropolitan Planning Board, North Dallas Sanitary Landfill Planning Area Commission, Dallas County Emergency Management Commission, Dallas County Assessor Conference Board, Dallas County E911 Service Board, and Greater Dallas County Development Board.

**Basis of Presentation**

**Government-wide Financial Statements**

The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are supported by property tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for services.

**City of Waukee, Iowa**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basis of Presentation (continued)**

**Government-wide Financial Statements (continued)**

The Statement of Net Assets presents the City's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

*Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

*Restricted net assets* result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net assets* consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

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

**Fund Financial Statements**

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The City reports the following major governmental funds:

**General Fund**

The General Fund is the general operating fund of the City. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs not paid from other funds.

**Special Revenue**

The Hickman West Tax Increment Financing Revenues Fund is used to account for revenues from the tax authorized by ordinance in the urban renewal district and used to pay the principal and interest on the general obligation capital loan notes and other indebtedness incurred for urban renewal redevelopment projects.

**City of Waukee, Iowa**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fund Financial Statements (continued)**

**Capital Projects Fund**

The Urban Renewal Project Fund is used to account for all resources used in the acquisition and construction of capital facilities.

**Debt Service Fund**

The Debt Service Fund is used to account for the payment of interest and principal on the City's general long-term debt.

The City reports the following major proprietary funds:

**Enterprise**

The Water Fund is used to account for the operation and maintenance of the City's water system.

The Sewer Fund is used to account for the operation and maintenance of the City's sewer system.

The Gas Fund is used to account for the operation and maintenance of the City's gas system.

**Measurement Focus and Basis of Accounting**

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

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

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

The proprietary funds of the City apply all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure.

**City of Waukee, Iowa**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Measurement Focus and Basis of Accounting (continued)**

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

The City maintains its financial records on the cash basis. The financial statements of the City are prepared by making memorandum adjusting entries to the cash basis financial records.

**Assets, Liabilities and Fund Equity**

The following accounting policies are followed in preparing the financial statements:

**Cash, Pooled Investments and Cash Equivalents**

The cash balances of most City funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments consist of nonnegotiable certificates of deposit which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid (including restricted assets) are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

**Property Taxes Receivable, Including Tax Increment Financing**

Property tax, including tax increment financing, in Governmental funds are accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the City Council to the County Board of Supervisors. Current year delinquent property taxes receivable represents taxes collected by the County but not remitted to the City at June 30, 2004 and unpaid taxes. The succeeding year property tax receivable represents taxes certified by the City Council to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the City Council is required to certify its budget to the County Auditor by March 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenues recognized in these funds become due and collectible in September and March of the current fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2002 assessed property valuations; is for the tax accrual period July 1, 2003 through June 30, 2004 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in March 2003.

**Special Assessments Receivable**

Special assessments receivable represents the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not less than ten nor more than twenty annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other tax.

**City of Waukee, Iowa**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Customer Accounts and Unbilled Usage**

Accounts receivable are recorded in the Enterprise Funds at the time the service is billed. Unbilled usage for service consumed between periodic scheduled billing dates is estimated and is recognized as revenue in the period in which the service is provided.

**Due from and Due to Other Funds**

During the course of its operations, the City has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2004, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

**Due from Other Governments**

Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

**Inventories**

Inventories are valued at cost using the first-in/first-out method. Inventories in the Enterprise Funds consist of materials and supplies. Inventories are recorded as expenses when consumed rather than when purchased.

**Restricted Assets**

There are bond covenants that require the City to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt and for improvements to the enterprise funds. Other restricted assets include developer and customer deposits restricted for application to unpaid customer accounts and for refund to developers or customers.

**Compensated Absences**

City employees accumulate a limited amount of earned but unused vacation for subsequent use. A liability is recorded when incurred in the government-wide and proprietary fund financial statements. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2004. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

**Capital Assets**

Capital assets, which include property, equipment and vehicles and infrastructure assets (e.g. roads, bridges, curbs, gutters, sidewalks and similar items which are immovable and of value only to the government) are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair not adding to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the City as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Fund Type</u>	<u>Amount</u>
Governmental	\$ 2,500
Proprietary	5,000

**City of Waukee, Iowa**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Capital Assets (continued)**

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

<u>Asset Class</u>	<u>Estimated useful lives (in years)</u>
Buildings	40-50 years
Improvements other than buildings	20-50 years
Vehicles	10-15 years
Equipment	5-30 years
Infrastructure	15-20 years

**Bond/Note Issuance Costs**

Bond/note issuance costs are amortized using the straight-line method over the life of the bonds/notes.

**Deferred Revenue**

Although certain revenues are measurable, they are not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of primarily special assessments receivable and delinquent property tax receivables not collected within sixty days after year end.

Deferred revenue in the Statement of Net Assets consists of succeeding year property tax and tax increment financing receivable that will not be recognized as revenue until the year for which they are levied.

**Long-Term Liabilities**

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business type activities column in the Statement of Net Assets and the proprietary fund Statement of Net Assets.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity**

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

**Budgets and Budgetary Accounting**

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2004, disbursements exceeded the amount budgeted in the health and social services, general government, community and economic development, debt service, and capital projects functions.

**City of Waukee, Iowa**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 CASH AND POOLED INVESTMENTS**

The City's deposits in banks at June 30, 2004 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentality's; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The City's investments are categorized to give an indication of the level of risk assumed by the City at year end. The City's investments are Category 2. Category 2 means that the investment is collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

The investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

The City's investments at June 30, 2004 are as follows:

<u>Type</u>	<u>Category</u>	<u>Fair value</u>
Repurchase agreement	2	<u>\$1,002,245</u>

**NOTE 3 ALLOWANCES FOR COLLECTION LOSSES**

Allowances have been made for estimated collection losses on the following receivable amounts:

	<u>Gross receivables</u>	<u>Allowance for collection losses</u>	<u>Net receivables</u>
Customer accounts and unbilled usage			
Water Fund	\$ 160,200	\$ 850	\$ 159,350
Sewer Fund	71,090	400	70,690
Gas Fund	151,852	1,750	150,102
Nonmajor proprietary funds	<u>42,971</u>	<u>—</u>	<u>42,971</u>
Total	<u>\$ 426,113</u>	<u>\$ 3,000</u>	<u>\$ 423,113</u>
Other			
General	<u>\$ 133,387</u>	<u>\$ 12,000</u>	<u>\$ 121,387</u>

**City of Waukee, Iowa**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2004 was as follows:

	<u>Balance beginning of year (as restated)</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance end of year</u>
<b>Primary Government</b>				
Governmental activities				
Capital assets not being depreciated				
Land	\$ 403,281	\$ 279,947	\$ —	\$ 683,228
Construction in progress	<u>2,128,563</u>	<u>278,683</u>	<u>—</u>	<u>2,407,246</u>
Total capital assets not being depreciated	<u>2,531,844</u>	<u>558,630</u>	<u>—</u>	<u>3,090,474</u>
Capital assets being depreciated				
Buildings	3,729,350	3,357	3,966	3,728,741
Improvements other than buildings	381,598	12,890	1,562	392,926
Equipment	1,974,313	188,605	12,666	2,150,252
Infrastructure, road network	<u>37,511,775</u>	<u>1,183,624</u>	<u>—</u>	<u>38,695,399</u>
Total capital assets being depreciated	<u>43,597,036</u>	<u>1,388,476</u>	<u>18,194</u>	<u>44,967,318</u>
Less accumulated depreciation for				
Buildings	543,161	95,159	—	638,320
Improvements other than buildings	194,084	31,345	—	225,429
Equipment	1,512,026	197,743	—	1,709,769
Infrastructure, road network	<u>12,404,656</u>	<u>1,088,023</u>	<u>—</u>	<u>13,492,679</u>
Total accumulated depreciation	<u>14,653,927</u>	<u>1,412,270</u>	<u>—</u>	<u>16,066,197</u>
Total capital assets being depreciated, net	<u>28,943,109</u>	<u>(23,794)</u>	<u>18,194</u>	<u>28,901,121</u>
Governmental activities capital assets, net	<u>\$31,474,953</u>	<u>\$ 534,836</u>	<u>\$ 18,194</u>	<u>\$31,991,595</u>
<b>Business type activities</b>				
Capital assets not being depreciated				
Land	\$ 48,397	\$ —	\$ —	\$ 48,397
Construction in progress	<u>93,365</u>	<u>326,498</u>	<u>17,992</u>	<u>401,871</u>
Total capital assets not being depreciated	<u>141,762</u>	<u>326,498</u>	<u>17,992</u>	<u>450,268</u>
Capital assets being depreciated				
Buildings	96,961	—	—	96,961
Equipment	854,447	198,307	—	1,052,754
Infrastructure, water and sewer network	<u>17,655,108</u>	<u>1,205,318</u>	<u>—</u>	<u>18,860,426</u>
Total capital assets being depreciated	<u>18,606,516</u>	<u>1,403,625</u>	<u>—</u>	<u>20,010,141</u>
Less accumulated depreciation for				
Buildings	69,235	964	—	70,199
Equipment	488,225	59,846	—	548,071
Infrastructure, water and sewer network	<u>4,653,920</u>	<u>518,238</u>	<u>—</u>	<u>5,172,158</u>
Total accumulated depreciation	<u>5,211,380</u>	<u>579,048</u>	<u>—</u>	<u>5,790,428</u>
Total capital assets being depreciated, net	<u>13,395,136</u>	<u>824,577</u>	<u>—</u>	<u>14,219,713</u>
Business type activities capital assets, net	<u>\$13,536,898</u>	<u>\$1,151,075</u>	<u>\$ 17,992</u>	<u>\$14,669,981</u>

**City of Waukee, Iowa**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 CAPITAL ASSETS (continued)**

Depreciation expense was charged to functions of the primary government as follows:

Governmental activities	
Public safety	\$ 170,848
Public works	1,160,390
Culture and recreation	40,424
Community and economic development	38,151
General government	<u>2,457</u>
Total depreciation expense--governmental activities	<u>\$1,412,270</u>
Business type activities	
Water	\$ 225,633
Sewer	265,860
Gas	<u>87,554</u>
Total depreciation expense--business type activities	<u>\$ 579,047</u>

**NOTE 5 CHANGES IN LONG-TERM LIABILITIES**

A summary of changes in long-term liabilities for the year ended June 30, 2004 is as follows:

	<b>Balance beginning of year (As restated note 15)</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance end of year</b>	<b>Due within one year</b>
<b>Governmental activities</b>					
General obligation bonds/notes	\$ 9,955,000	\$2,795,000	\$1,120,000	\$11,630,000	\$ 800,000
Capital leases	88,394	-	46,908	41,486	29,346
Compensated absences	<u>78,641</u>	<u>-</u>	<u>2,182</u>	<u>76,459</u>	<u>28,928</u>
Totals	<u>\$10,122,035</u>	<u>\$2,795,000</u>	<u>\$1,169,090</u>	<u>\$11,747,945</u>	<u>\$ 858,274</u>
<b>Business type activities</b>					
General obligation bonds/notes	\$ 280,000	\$ -	\$ 40,000	\$ 240,000	\$ 40,000
Special assessment notes	180,000	-	30,000	150,000	30,000
Des Moines Water Works bonds	1,697,746	-	192,086	1,505,660	196,895
Revenue bonds/notes	<u>2,883,638</u>	<u>-</u>	<u>259,997</u>	<u>2,623,641</u>	<u>269,000</u>
Totals	<u>\$ 5,041,384</u>	<u>\$ -</u>	<u>\$ 522,083</u>	<u>\$ 4,519,301</u>	<u>\$ 535,895</u>

**City of Waukee, Iowa**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 CHANGES IN LONG-TERM LIABILITIES (continued)**

Nine issues of unmatured general obligation bonds/notes, totaling \$11,870,000, are outstanding at June 30, 2004. General obligation bonds/notes bear interest at rates ranging from 1.5% to 5.05% and mature in varying annual amounts, ranging from \$40,000 to \$270,000, with the final maturities due in the year ending June 30, 2018.

One issue of unmatured special assessment notes, totaling \$150,000, is outstanding at June 30, 2004. These notes bear interest at rates ranging from 4.8% to 5.05% and mature in annual amounts of \$30,000, with final maturity due in the year ending June 30, 2009.

Details of general obligation bonds/notes payable and special assessment notes at June 30, 2004 are as follows:

<u>Governmental activities</u>	<u>Date of issue</u>	<u>Interest rates</u>	<u>Final due date</u>	<u>Annual payments</u>	<u>Amount of original issue</u>	<u>Outstanding June 30, 2004</u>
General Obligation Bonds and Notes						
Public Safety Building	August 1, 1998	4.50%	June 1, 2014	\$195,000 - 270,000	\$2,990,000	\$2,355,000
Corporate Purpose	March 1, 1999	4.20-4.80	June 1, 2014	150,000 - 245,000	2,370,000	1,950,000
Corporate Purpose	April 15, 2001	4.10-5.05	June 1, 2016	55,000 - 90,000	950,000	845,000
Library Building	August 1, 2001	4.12-4.90	June 1, 2016	115,000 - 190,000	2,000,000	1,785,000
Urban Renewal	August 1, 2001	4.00-4.80	June 1, 2016	100,000 - 200,000	2,000,000	1,845,000
Refunding Notes	May 1, 2002	3.50-4.50	June 1, 2010	35,000 - 95,000	480,000	295,000
Corporate Purpose	July 1, 2003	2.55-3.60	June 1, 2017	50,000 - 135,000	1,240,000	1,240,000
Refunding Notes	January 29, 2004	1.80-4.25	June 1, 2010	65,000 - 85,000	465,000	465,000
Water Tower	February 25, 2004	1.50-4.25	June 1, 2018	65,000 - 100,000	1,090,000	1,090,000
Special Assessment Notes						
Sewer Improvements	March 1, 1999	4.80-5.05	June 1, 2009	30,000	289,000	150,000

A summary of the bond/note principal and interest requirements maturities by type of bond/note is as follows:

<u>Year ending June 30</u>	<u>General Obligation</u>			<u>Special Assessment</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 840,000	\$ 494,194	\$1,334,194	\$ 30,000	\$ 7,380	\$ 37,380
2006	890,000	462,649	1,352,649	30,000	5,940	35,940
2007	950,000	428,720	1,378,720	30,000	4,485	34,485
2008	1,015,000	391,839	1,406,839	30,000	3,015	33,015
2009	1,070,000	351,760	1,421,760	30,000	1,515	31,515
2010-2014	5,415,000	1,089,890	6,504,890	—	—	—
2015-2018	1,690,000	136,092	1,826,092	—	—	—
Totals	<u>\$11,870,000</u>	<u>\$3,355,144</u>	<u>\$15,225,144</u>	<u>\$ 150,000</u>	<u>\$ 22,335</u>	<u>\$ 172,335</u>

Five issues of unmatured revenue notes, totaling \$2,639,000, are outstanding at June 30, 2004. These notes bear interest at rates ranging from 3.92% to 5.65% and mature in varying annual amounts, ranging from \$19,000 to \$85,000, with the final maturities due in the year ending June 30, 2018.

**City of Waukee, Iowa**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 CHANGES IN LONG-TERM LIABILITIES (continued)**

The resolutions providing for the issuance of the revenue notes and bonds include the following provisions:

- (1) The notes/bonds will only be redeemed from the future earnings of the enterprise activity and the note/bond holders hold a lien on the future earnings of the funds.
- (2) Sufficient monthly transfers shall be made to water and sewer note/bond and interest sinking fund for the purpose of making the note/bond principal and interest payments when due.
- (3) Additional monthly transfers shall be made to water and sewer reserve funds until specific minimum balances have been accumulated. These accounts are restricted for the purpose of paying note/bond principal and interest payments due when insufficient money is available in the sinking funds.

During the year ended June 30, 2004, the City was in compliance with the revenue note/bond provisions.

Details of revenue notes and refunding bonds payable at June 30, 2004 are as follows:

<u>Business Type activities</u>	<u>Date of issue</u>	<u>Interest rates</u>	<u>Final due date</u>	<u>Annual payments</u>	<u>Amount of original issue</u>	<u>Outstanding June 30, 2004</u>
Revenue Notes and Bonds						
Water						
Refunding Notes	November 1, 1999	5.10-5.25%	June 1, 2007	\$75,000	\$ 610,000	\$ 225,000
Sewer						
Bonds-Series 1998A	October 8, 1998	4.23	June 1, 2018	19,000 - 33,000	455,748	356,000
Bonds-Series 1998B	October 8, 1998	4.23	June 1, 2018	40,000 - 68,000	945,252	739,000
Bonds Series 1998C	October 8, 1998	3.92	June 1, 2018	50,000 - 83,000	1,178,000	914,000
Refunding Notes	November 1, 1999	5.10-5.65	June 1, 2012	40,000 - 85,000	705,000	405,000

<u>Year ending June 30</u>	<u>(a) Revenue Notes/Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 269,000	\$ 115,423	\$ 384,423
2006	228,000	102,807	330,807
2007	238,000	92,207	330,207
2008	168,000	81,085	249,085
2009	174,000	73,669	247,669
2010-2014	868,000	248,839	1,116,839
2015-2018	<u>694,000</u>	<u>72,389</u>	<u>766,389</u>
Subtotal	2,639,000	786,419	3,425,419
Less unamortized discount	<u>(15,359)</u>	<u>—</u>	<u>(15,359)</u>
Totals	<u>\$2,623,641</u>	<u>\$ 786,419</u>	<u>\$3,410,060</u>

Two issues of unamortized Des Moines Water Works refunding bonds, totaling \$1,514,681, are outstanding at June 30, 2004. These notes bear interest at rates ranging from 3.0% to 4.0% and mature in annual amounts ranging from \$57,543 to \$165,862, with the final maturity due in the year ending June 30, 2013.

**City of Waukee, Iowa**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 CHANGES IN LONG-TERM LIABILITIES (continued)**

A summary of the City of Waukee's share of the principal and interest on the bonds issued by the Des Moines Water Works is as follows:

Year ending June 30	Des Moines Water Works 2001 Water Refunding Bonds			Des Moines Water Works 2001 Water Refunding Bonds			Total
	Principal	Interest	Total	Principal	Interest	Total	
2005	\$ 139,352	\$ 45,191	\$ 184,543	\$ 57,543	\$ 4,864	\$ 62,407	\$ 246,950
2006	142,437	41,349	183,786	60,067	3,055	63,122	246,908
2007	148,715	37,068	185,783	62,029	1,055	63,084	248,867
2008	132,424	32,502	164,926	—	—	—	164,926
2009	142,984	27,546	170,530	—	—	—	170,530
2010-2013	<u>629,130</u>	<u>51,246</u>	<u>680,376</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>680,376</u>
Subtotals	1,335,042	234,902	1,569,944	179,639	8,974	188,613	1,758,557
Less unamortized discount	<u>(9,021)</u>	<u>—</u>	<u>(9,021)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(9,021)</u>
Totals	<u>\$1,326,021</u>	<u>\$ 234,902</u>	<u>\$1,560,923</u>	<u>\$ 179,639</u>	<u>\$ 8,974</u>	<u>\$ 188,613</u>	<u>\$1,749,536</u>

As of June 30, 2004, the general obligation debt issued by the City did not exceed its legal debt margin computed as follows:

Actual valuation	<u>\$344,305,580</u>
Debt limit - 5% of total actual valuation	<u>\$ 17,215,279</u>
Debt applicable to debt limit	
General obligation bonded debt outstanding	\$ 11,870,000
Tax increment financing debt outstanding	689,369
Capital leases outstanding	<u>41,486</u>
Legal debt margin	<u>\$ 12,600,855</u>
Percentage of debt limit	<u>73.20%</u>

**Capital Leases**

In November 1999, the City entered into a lease-purchase agreement to purchase a street sweeper. The lease is for five years, has an effective interest rate of 6.595% and provides for annual payments of \$7,591.

In July 2002, the City entered into a lease-purchase agreement to purchase utility billing software. The lease is for three years, has an effective interest rate of 5.40% and provides for annual payments of \$17,050.

In January 2003, the City entered into a lease-purchase agreement to purchase a copier. The lease is for five years, has an effective interest rate of -0-% and provides for annual payments of \$6,070.

**City of Waukee, Iowa**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 CHANGES IN LONG-TERM LIABILITIES (continued)**

The following is a schedule of future minimum lease payments and the present value of net minimum lease payments under the above agreements:

<u>Year ending June 30</u>	<u>Copier</u>	<u>Street sweeper</u>	<u>Software</u>	<u>Total</u>
2005	\$ 6,070	\$ 7,591	\$ 17,050	\$ 30,711
2006	6,070	-	-	6,070
2007	<u>6,070</u>	<u>-</u>	<u>-</u>	<u>6,070</u>
	18,210	7,591	17,050	42,851
Less amount representing interest	<u>-</u>	<u>(477)</u>	<u>(888)</u>	<u>(1,365)</u>
Present value of net minimum lease payments	<u>\$ 18,210</u>	<u>\$ 7,114</u>	<u>\$ 16,162</u>	<u>\$ 41,486</u>

Payments under the lease agreements for the year ended June 30, 2004 totaled \$46,908.

**NOTE 6 INTERFUND TRANSFERS**

The detail of interfund transfers for the year ended June 30, 2004 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Special Revenue	
	Employee benefits	\$ 403,550
	Equipment revolving	10,000
	Debt Service	
	Special assessments	<u>10,669</u>
		<u>424,219</u>
Road Use Tax	Special Revenue	
	Employee benefits	<u>21,000</u>
Debt Service	Special Revenue	
	Sugar Creek	20,000
	Business Park	186,000
	Industrial Park	542,770
	Waukee Urban Renewal	169,170
	Enterprise	
	Sewer	<u>77,500</u>
		<u>995,440</u>
Enterprise		
Water	Equipment revolving	10,000
Sewer	Equipment revolving	<u>22,500</u>
		<u>32,500</u>
Equipment Revolving	General	<u>30,000</u>
Total		<u>\$1,503,159</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

**City of Waukee, Iowa**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 DUE FROM AND DUE TO OTHER FUNDS**

The detail of interfund receivables and payables at June 30, 2004 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Enterprise—Gas Fund	General Fund	\$ 18,821
Enterprise—Gas Fund	Internal Service	
	Utility Billing	53,889
General	Special Revenue Library Foundation	85,000
Enterprise—Water Fund		
Water	Special Revenue Library Foundation	100,000
General	Capital Projects	
	Ashworth Dr. Paving Project	11,019
	Highway 6 IDOT Project	8,202
	IDOT RISE Grant Project	118,838
	Citywide Sidewalk Project	12,445
	Highway 6 Street Lights	59,421
	2003-2004 GO Projects	<u>143,515</u>
Total		<u>\$ 611,150</u>

These balances result from interfund loans to finance projects. Repayments will be made from future revenues.

**NOTE 8 PENSION AND RETIREMENT BENEFITS**

The City contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 3.70% of their annual covered salary and the City is required to contribute 5.75% of annual covered payroll except for police employees, in which case the percentages are 5.93% and 8.90%, respectively. For the year ended June 30, 2003, the contribution rates for police employees and the City were 6.04% and 9.07%, respectively, and for the year ended June 30, 2002, the contribution rates for police employees and the City were 6.20% and 9.29%, respectively. Contribution requirements are established by state statute. The City's contribution to IPERS for the years ended June 30, 2004, 2003 and 2002 were \$112,067, \$97,673 and \$85,971, respectively, equal to the required contributions for each year.

**City of Waukee, Iowa**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 DEFICIT EQUITY BALANCES**

As of June 30, 2004, funds with deficit balances were as follows:

Special Revenue	
Library Foundation	\$ 120,168
Capital Projects	
Ashworth Dr., Paving Project	11,019
Highway 6 IDOT Project	8,202
2003-2004 GO Projects	150,138
Citywide Sidewalk Project	12,445
Highway 6 Street Light Project	85,301
Enterprise	
Solid waste	21,543

The Library Foundation is currently considering alternatives to eliminate the deficit.

The Capital Projects Fund deficits will be eliminated through transfers from other funds and bond proceeds.

The Enterprise fund deficit will be eliminated through transfers from other funds.

**NOTE 10 RISK MANAGEMENT**

The City of Waukee is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool with whose 490 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The City's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The City's annual contributions to the Pool for the year ended June 30, 2004 were \$85,147.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured in an amount not to exceed \$1,750,000 per claim and \$5,000,000 in aggregate per year. For members requiring specific coverage from \$2,000,000 to \$10,000,000, such excess coverage is also reinsured. All property risks are also reinsured on an individual-member basis.

**City of Waukee, Iowa**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 RISK MANAGEMENT (continued)**

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. As of June 30, 2004, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days' prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its capital contributions. However, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The City also carries commercial insurance purchased from other insurers for coverage associated with, public employee dishonesty, workers' compensation and treasurer's bond. The City assumes liability for any deductibles, and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 11 PRIVATE SCHOOL FACILITY REVENUE BONDS**

The City issued a total of \$9,500,000 of private school facility revenue bonds under the provision of Chapter 419 of the Code of Iowa, dated July 1, 2003. The bonds and related interest are payable solely from the revenues of the private school, and the bond principal and interest do not constitute liabilities of the City.

**NOTE 12 COMMITMENTS**

The City entered into contract commitments with contractors for the completion of several construction projects. The total contract commitments are \$4,822,221, of which \$2,024,465 has been incurred as of June 30, 2004. The unpaid commitment balance is \$2,797,756, which will be funded by current reserves in the capital projects funds and enterprise funds.

The City entered into a land option contract to buy four parcels of land, over the next seven years at a total cost of \$1,400,000. The option is automatically terminated upon failure to purchase one of the pieces of land by the dates specified in the contract. Land purchased during fiscal year June 30, 2004 totaled \$279,947.

**NOTE 13 TAX INCREMENT FINANCING DEBT**

Urban renewal tax increment financing debt was issued for the purpose of defraying a portion of the costs of carrying out an urban renewal project of the City. The debt is payable solely from the income and proceeds of the Urban Renewal Tax Increment Fund and the taxes to be paid into the fund in accordance with Chapter 403.19 of the Code of Iowa. The debt is not a general obligation of the City, however, the debt is subject to the constitutional debt limitation of the City. At June 30, 2004, \$689,369 is outstanding.

**NOTE 14 SUBSEQUENT EVENTS**

In July 2004, the City entered into a contract commitment for the completion of a pavement widening project. The total commitment is \$2,247,403, which will be financed by issuance of general obligation bonds.

**City of Waukee, Iowa**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 15 ACCOUNTING CHANGE AND RESTATEMENTS**

Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*; Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*; Statement No. 38, *Certain Financial Statement Note Disclosures*; and Statement No. 41, *Budgetary Comparison Schedule - Perspective Differences*, were implemented for the year ended June 30, 2004. The statements create new basic financial statements for reporting the City’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements report the City’s governmental and business type activities. Beginning net assets for governmental activities has been restated to include capital assets and the changes in assets and liabilities at July 1, 2003 resulting from the conversion to the accrual basis of accounting, and to include the allocation of the internal service fund.

The effects of the accounting change and other restatements are summarized as follows:

	<b>Total</b>
Governmental activities	
Net assets June 30, 2003, as previously reported	\$ 2,095,747
Internal service fund	34,970
GASB 34 adjustments	
Capital assets, net of accumulated depreciation of \$14,653,927	31,474,953
Long-term liabilities, net of compensated absences of \$31,359	(10,090,676)
Deferral of long-term assets	11,880
Net assets July 1, 2003, as restated	<u>\$23,526,874</u>
Business type activities	
Net assets June 30, 2003, as previously reported	\$12,526,519
Internal Service Fund	173,709
Net assets July 1, 2003, as restated	<u>\$12,700,228</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Waukee, Iowa**  
**BUDGETARY COMPARISON SCHEDULE OF REVENUES,**  
**EXPENDITURES/EXPENSES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -**  
**GOVERNMENTAL FUNDS AND PROPRIETARY FUNDS**  
**Required Supplementary Information**  
**Year ended June 30, 2004**

	<b>Governmental funds actual</b>	<b>Proprietary funds actual</b>	<b>Less funds not required to be budgeted</b>
<b>REVENUES</b>			
Property tax	\$2,824,173	\$ -	\$ -
Tax increment financing collections	750,461	-	-
Other city tax	(6,441)	-	-
Licenses and permits	436,377	-	-
Use of money and property	117,062	904,866	4,872
Intergovernmental	669,192	-	-
Charges for services	63,974	4,925,168	123,862
Miscellaneous	<u>269,925</u>	<u>67,770</u>	<u>100,727</u>
Total revenues	<u>5,124,723</u>	<u>5,897,804</u>	<u>229,461</u>
<b>EXPENDITURES/EXPENSES</b>			
Public safety	1,420,802	-	-
Public works	838,524	-	-
Health and social services	13,966	-	-
Culture and recreation	666,425	-	42,795
Community and economic development	226,664	-	-
General government	404,939	-	-
Debt service	1,832,624	-	-
Capital projects	2,623,847	-	-
Business type activities	-	4,970,196	-
Nonprogram	<u>-</u>	<u>180,546</u>	<u>180,546</u>
Total expenditures/expenses	<u>8,027,791</u>	<u>5,150,742</u>	<u>223,341</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	<u>(2,903,068)</u>	<u>747,062</u>	<u>6,120</u>
<b>OTHER FINANCING SOURCES, NET</b>	<u>2,841,513</u>	<u>(65,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over disbursements and other financing sources (uses)	(61,555)	682,062	6,120
Capital contributions	-	326,498	-
<b>BALANCES, beginning of year</b>	<u>2,095,747</u>	<u>12,526,519</u>	<u>(115,136)</u>
<b>BALANCES, end of year</b>	<u>\$2,034,192</u>	<u>\$13,535,079</u>	<u>\$ (109,016)</u>

See accompanying independent auditor's report.

<u>Total actual</u>	<u>Budgeted amounts</u>		<u>Final to actual variance</u>
	<u>Original</u>	<u>Final</u>	
\$ 2,824,173	\$ 2,763,580	\$ 2,763,580	\$ 60,593
750,461	770,000	770,000	(19,539)
(6,441)	127,523	127,523	(133,964)
436,377	358,175	498,405	(62,028)
1,017,056	204,150	203,234	813,822
669,192	575,068	673,634	(4,442)
4,865,280	4,853,204	5,534,470	(669,190)
236,968	39,275	56,615	180,353
<u>10,793,066</u>	<u>9,690,975</u>	<u>10,627,461</u>	<u>165,605</u>
1,420,802	1,230,194	1,433,558	12,756
838,524	865,352	944,252	105,728
13,966	10,000	13,500	(466)
623,630	643,928	638,078	14,448
226,664	214,295	214,295	(12,369)
404,939	358,778	382,098	(22,841)
1,832,624	1,822,956	1,822,956	(9,668)
2,623,847	2,220,000	2,220,000	(403,847)
4,970,196	5,217,655	6,859,360	1,889,164
—	—	—	—
<u>12,955,192</u>	<u>12,583,158</u>	<u>14,528,097</u>	<u>1,572,905</u>
<u>(2,162,126)</u>	<u>(2,892,183)</u>	<u>(3,900,636)</u>	<u>1,738,510</u>
<u>2,776,513</u>	<u>2,475,000</u>	<u>4,765,000</u>	<u>(1,988,487)</u>
614,387	(417,183)	864,364	(249,977)
326,498	—	—	326,498
<u>14,737,402</u>	<u>7,280,705</u>	<u>7,280,705</u>	<u>7,456,697</u>
<u>\$15,678,287</u>	<u>\$ 6,863,522</u>	<u>\$ 8,145,069</u>	<u>\$7,533,218</u>

**City of Waukee, Iowa**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING**  
**Year ended June 30, 2004**

In accordance with the Code of Iowa, the City Council annually adopts a budget, following required public notice and hearing, for expenditures/expenses based upon nine major classes of disbursements known as functions. These functions are public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business type activities. Although the budget document presents program expenditures/expenses by fund, the legal level of control is at the aggregated function level, not at the fund level. Function expenditures/expenses required to be budgeted include expenditures for the general fund, special revenue funds, debt service funds, capital projects funds and the expenses of the proprietary fund types except for blended component units and internal service funds. Legally adopted budgets may be prepared on a cash basis or on a basis consistent with generally accepted accounting principles. Although the budget document presents function expenses by fund, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment increased budgeted expenses by \$1,944,939. These budget amendments are reflected in the final budgeted amounts.

Amendments to the budget are considered and reviewed throughout the fiscal year. The budget is formally amended by the City Council following the required public notice and hearing. The original budget plus subsequent amendments constitutes the annual appropriated budget. No other appropriations of budget occur. Encumbrances are not recognized and appropriations as adopted and amended lapse at the end of the fiscal year. During the year ended June 30, 2004, the City Council approved one amendment to the budget.

The City of Waukee, Iowa prepares its budget on the modified accrual basis for the governmental fund types and the accrual basis for the proprietary fund types which is consistent with generally accepted accounting principles. During the year ended June 30, 2004, disbursements in the health and social services, community and economic development, general government, debt service, and capital projects functions exceeded the amounts budgeted.

**OTHER SUPPLEMENTARY INFORMATION**

**City of Waukee  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2004**

	<u>Special Revenue Funds</u>					
	<u>Road Use Tax</u>	<u>Employee Benefits</u>	<u>Sugar Creek TIF</u>	<u>Enterprise Business Park TIF</u>	<u>Urban Renewal Area TIF</u>	<u>Library Foundation</u>
<b>ASSETS</b>						
Cash and pooled investments	\$ 25,882	\$ 4,799	\$ 11,235	\$ 7,637	\$ 194,944	\$ 64,832
Receivables						
Property tax						
Delinquent	-	1,968	-	-	104	-
Succeeding year	-	450,095	-	-	-	-
Special assessments	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from other governments	34,915	-	-	-	-	-
Prepaid insurance	<u>4,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 65,052</u>	<u>\$ 456,862</u>	<u>\$ 11,235</u>	<u>\$ 7,637</u>	<u>\$ 195,048</u>	<u>\$ 64,832</u>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 41,324	\$ -	\$ -	\$ -	\$ -	\$ -
Compensated absences	1,008	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deferred revenue						
Succeeding year property tax	-	450,095	-	-	-	-
Advances from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,000</u>
Total liabilities	<u>42,332</u>	<u>450,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,000</u>
<b>FUND EQUITY</b>						
Fund balances						
Restricted for						
Prepaid insurance	4,255	-	-	-	-	-
Unreserved, undesignated	<u>18,465</u>	<u>6,767</u>	<u>11,235</u>	<u>7,637</u>	<u>195,048</u>	<u>(120,168)</u>
Total fund equity	<u>22,720</u>	<u>6,767</u>	<u>11,235</u>	<u>7,637</u>	<u>195,048</u>	<u>(120,168)</u>
Total liabilities and fund equity	<u>\$ 65,052</u>	<u>\$ 456,862</u>	<u>\$ 11,235</u>	<u>\$ 7,637</u>	<u>\$ 195,048</u>	<u>\$ 64,832</u>

See accompanying independent auditor's report.

Capital Projects							Debt service		
Ashworth Dr. Paving Project	Highway 6 IDOT Project	2003-2004 GO Projects	City Wide Sidewalk Project	Library Building	Highway 6 Street Light Project	IDOT RISE Grant Project	Special Assessments	Total	
\$ -	\$ -	\$ -	\$ -	\$ 21,160	\$ -	\$ -	\$ -	\$ 330,489	
-	-	-	-	-	-	-	-	2,072	
-	-	-	-	-	-	-	-	450,095	
-	-	-	-	-	-	-	155,072	155,072	
-	-	-	-	-	-	83,269	-	83,269	
-	-	-	-	-	-	35,569	-	70,484	
-	-	-	-	-	-	-	-	4,255	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,160</u>	<u>\$ -</u>	<u>\$ 118,838</u>	<u>\$ 155,072</u>	<u>\$1,095,736</u>	
\$ -	\$ -	\$ 6,623	\$ -	\$ -	\$ 25,880	\$ -	\$ -	\$ 73,827	
-	-	-	-	-	-	-	-	1,008	
11,019	8,202	143,515	12,445	-	59,421	118,838	-	353,440	
-	-	-	-	-	-	-	155,072	605,167	
-	-	-	-	-	-	-	-	185,000	
<u>11,019</u>	<u>8,202</u>	<u>150,138</u>	<u>12,445</u>	<u>-</u>	<u>85,301</u>	<u>118,838</u>	<u>155,072</u>	<u>1,218,442</u>	
-	-	-	-	-	-	-	-	4,255	
(11,019)	(8,202)	(150,138)	(12,445)	21,160	(85,301)	-	-	(126,961)	
(11,019)	(8,202)	(150,138)	(12,445)	21,160	(85,301)	-	-	(122,706)	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,160</u>	<u>\$ -</u>	<u>\$ 118,838</u>	<u>\$ 155,072</u>	<u>\$1,095,736</u>	

**City of Waukee**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES (DEFICIT)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year ended June 30, 2004**

	<b>Special Revenue Funds</b>					
	<b>Road Use Tax</b>	<b>Employee Benefits</b>	<b>Sugar Creek TIF</b>	<b>Enterprise Business Park TIF</b>	<b>Urban Renewal Area TIF</b>	<b>Library Foundation</b>
<b>REVENUES</b>						
Property tax	\$ -	\$ 420,721	\$ -	\$ -	\$ -	\$ -
Tax increment financing collections	-	-	19,927	183,794	270,492	-
Other city tax	-	-	-	-	-	-
Use of money and property	-	1,278	127	208	1,489	4,273
Intergovernmental	441,452	-	-	-	-	-
Miscellaneous	177	-	-	-	-	54,037
Total revenues	<u>441,629</u>	<u>421,999</u>	<u>20,054</u>	<u>184,002</u>	<u>271,981</u>	<u>58,310</u>
<b>EXPENDITURES</b>						
Operating						
Public works	461,978	-	-	-	-	-
Culture and recreation	-	-	-	-	-	42,795
Community and economic development	-	-	-	-	9,502	-
Capital projects	-	-	-	-	-	-
Total expenditures	<u>461,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,502</u>	<u>42,795</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,349)</u>	<u>421,999</u>	<u>20,054</u>	<u>184,002</u>	<u>262,479</u>	<u>15,515</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	21,000	-	-	-	-	-
Operating transfers (out)	-	(424,550)	(20,000)	(186,000)	(169,170)	-
Total other financing sources (uses)	<u>21,000</u>	<u>(424,550)</u>	<u>(20,000)</u>	<u>(186,000)</u>	<u>(169,170)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	651	(2,551)	54	(1,998)	93,309	15,515
<b>FUND BALANCES (DEFICIT), beginning of year</b>	<u>22,069</u>	<u>9,318</u>	<u>11,181</u>	<u>9,635</u>	<u>101,739</u>	<u>(135,683)</u>
<b>FUND BALANCES (DEFICIT), end of year</b>	<u>\$ 22,720</u>	<u>\$ 6,767</u>	<u>\$ 11,235</u>	<u>\$ 7,637</u>	<u>\$ 195,048</u>	<u>\$ (120,168)</u>

See accompanying independent auditor's report.

Capital Projects							Debt service	
Ashworth Dr. Paving Project	Highway 6 IDOT Project	2003-2004 GO Projects	City Wide Sidewalk Project	Library Building	Highway 6 Street Light Project	IDOT RISE Grant Project	Special Assessments	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 420,721
-	-	-	-	-	-	-	-	474,213
-	-	-	1,702	-	-	-	8,105	9,807
-	-	3	375	360	392	-	2,564	11,069
-	-	-	-	-	-	-	-	441,452
-	-	-	-	28,987	-	83,268	-	166,469
-	-	3	2,077	29,347	392	83,268	10,669	1,523,731
-	-	-	-	-	-	-	-	461,978
-	-	-	-	-	-	-	-	42,795
-	-	-	-	-	-	-	-	9,502
-	-	162,456	14,522	42,478	232,784	-	-	452,240
-	-	162,456	14,522	42,478	232,784	-	-	966,515
-	-	(162,453)	(12,445)	(13,131)	(232,392)	83,268	10,669	557,216
-	-	-	-	-	-	-	-	21,000
-	-	-	-	-	-	-	(10,669)	(810,389)
-	-	-	-	-	-	-	(10,669)	(789,389)
-	-	(162,453)	(12,445)	(13,131)	(232,392)	83,268	-	(232,173)
(11,019)	(8,202)	12,315	-	34,291	147,091	(83,268)	-	109,467
\$ (11,019)	\$ (8,202)	\$ (150,138)	\$ (12,445)	\$ 21,160	\$ (85,301)	\$ -	\$ -	\$ (122,706)

City of Waukee, Iowa  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR PROPRIETARY FUNDS**  
June 30, 2004

	<u>Solid Waste</u>	<u>Utility Billing</u>	<u>Total</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and pooled investments	\$ -	\$ 66,067	\$ 66,067
Receivables			
Customer accounts and unbilled usage	<u>37,555</u>	<u>5,416</u>	<u>42,971</u>
Total assets	<u>37,555</u>	<u>71,483</u>	<u>109,038</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	59,098	5,664	64,762
Compensated absences	-	778	778
Interfund payable	<u>-</u>	<u>53,889</u>	<u>53,889</u>
Total liabilities	<u>59,098</u>	<u>60,331</u>	<u>119,429</u>
<b>NET ASSETS</b>			
Unreserved, undesignated	<u>(21,543)</u>	<u>11,152</u>	<u>(10,391)</u>
Total net assets	<u>\$ (21,543)</u>	<u>\$ 11,152</u>	<u>\$ (10,391)</u>

See accompanying independent auditor's report.

**City of Waukee, Iowa**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND NET ASSETS**  
**NONMAJOR PROPRIETARY FUNDS**  
**Year ended June 30, 2004**

	<b>Solid Waste</b>	<b>Utility Billing</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for service	\$ 325,127	\$ 123,862	\$ 448,989
Miscellaneous	<u>1,030</u>	<u>46,690</u>	<u>47,720</u>
Total operating revenues	<u>326,157</u>	<u>170,552</u>	<u>496,709</u>
<b>OPERATING EXPENSES</b>			
Business type activities			
Cost of sales and services	<u>320,739</u>	<u>180,546</u>	<u>501,285</u>
Total operating expenses	<u>320,739</u>	<u>180,546</u>	<u>501,285</u>
Operating income (loss)	5,418	(9,994)	(4,576)
<b>NONOPERATING REVENUES</b>			
Interest income	<u>—</u>	<u>599</u>	<u>599</u>
<b>CHANGE IN NET ASSETS</b>	5,418	(9,395)	(3,977)
<b>NET ASSETS</b> , beginning of year	<u>(26,961)</u>	<u>20,547</u>	<u>(6,414)</u>
<b>NET ASSETS</b> , end of year	<u>\$ (21,543)</u>	<u>\$ 11,152</u>	<u>\$ (10,391)</u>

See accompanying independent auditor's report.

**City of Waukee, Iowa**  
**SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION -**  
**ALL GOVERNMENTAL FUNDS**  
**For the last four years**

	<b>Modified Accrual Basis</b>			
	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>REVENUES</b>				
Property tax	\$2,824,173	\$2,513,755	\$2,240,591	\$1,898,142
Tax increment financing revenue	750,461	605,187	383,229	236,311
Other city tax	(6,441)	298,840	33,562	21,714
Licenses and permits	436,377	351,665	325,457	232,430
Use of money and property	117,062	121,792	205,396	93,444
Intergovernmental	669,192	596,525	661,050	610,796
Charges for service	63,974	37,376	31,108	23,752
Miscellaneous	<u>269,925</u>	<u>371,821</u>	<u>159,889</u>	<u>125,052</u>
Total	<u>\$5,124,723</u>	<u>\$4,896,961</u>	<u>\$4,040,282</u>	<u>\$3,241,641</u>
<b>EXPENDITURES</b>				
Operating				
Public safety	\$1,420,802	\$1,198,267	\$1,106,972	\$1,117,292
Public works	838,524	788,460	629,896	599,332
Health and social services	13,966	-	-	-
Culture and recreation	666,425	787,104	492,951	305,342
Community and economic development	226,664	218,659	137,382	180,569
General government	404,939	299,382	329,742	301,648
Debt service	1,832,624	1,224,381	1,174,783	658,770
Capital projects	<u>2,623,847</u>	<u>2,140,494</u>	<u>2,102,556</u>	<u>1,095,023</u>
Total	<u>\$8,027,791</u>	<u>\$6,656,747</u>	<u>\$5,974,282</u>	<u>\$4,257,976</u>

See accompanying independent auditor's report.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and  
Members of the City Council  
Waukee, Iowa

We have audited the financial statements of the City of Waukee, Iowa, as of and for the year ended June 30, 2004, and have issued our report thereon dated August 19, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of Waukee's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Waukee's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 04-A to be a material weakness. Prior year reportable conditions have not been resolved.

### **Compliance and Other Matters**

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

Comments involving statutory and other legal matters about the City of Waukee, Iowa's operations for the year ended June 30, 2004 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes. Prior year statutory comments have been resolved, except II-04-B and II-04-J.

This report, a public record by law, is intended solely for the information and use of the City Council, management, employees and citizens of the City of Waukee and other parties to whom the City of Waukee may report. This report is not intended to be and should not be used by anyone other than these specified parties.

  
**DENMAN & COMPANY, LLP**

West Des Moines, Iowa  
August 19, 2004

## **SCHEDULE OF FINDINGS**

**City of Waukee  
SCHEDULE OF FINDINGS  
Year ended June 30, 2004**

**Part I—Findings Related to the Financial Statements**

No matters regarding noncompliance relative to the financial statements were reported.

**REPORTABLE CONDITIONS**

**04-A      FIXED ASSETS**

Fixed assets are not tagged and are not periodically located and compared to the fixed asset listing.

**Recommendation**

Fixed assets should be tagged for proper identification and should be periodically located and compared to the fixed asset listing by a person independent of the custody of those fixed assets.

**Response**

The City will address the issues of tagging fixed assets.

**Conclusion**

Response accepted.

**04-B      CREDIT CARDS**

The City has credit cards for use by various employees while on City business. Supporting documentation for all credit card charges should be provided prior to payment of any billing for complete and accurate accounting of City funds. During our audit, we noted several instances where the supporting documentation was not provided for all charges.

**Recommendation**

The City should enforce their written policy regarding remitting the supporting documentation required to substantiate charges.

**Response**

We will remind department heads of the procedures and guidelines of our written policy regarding this.

**Conclusion**

Response accepted.

**City of Waukee**  
**SCHEDULE OF FINDINGS (continued)**  
**Year ended June 30, 2004**

**Part I—Findings Related to the Financial Statements**

**REPORTABLE CONDITIONS (continued)**

**04-C      PROPER HANDLING OF INVOICES**

Invoices from several departments are not being remitted to allow the City Treasurer to make payments in a timely manner.

**Recommendation**

The City should require all department heads to submit their invoices on a timely basis.

**Response**

The City will address the issue of proper handling of invoices.

**Conclusion**

Response accepted.

**City of Waukee**  
**SCHEDULE OF FINDINGS (continued)**  
**Year ended June 30, 2004**

**Part II—Findings Related to Required Statutory Reporting**

**II-04-A OFFICIAL DEPOSITORIES**

A resolution naming depositories has been approved by the City Council. The maximum deposit amounts stated in the resolution were not exceeded during the year ended June 30, 2004.

**II-04-B CERTIFIED BUDGET**

Expenditures during the year ended June 30, 2004 exceeded the amount budgeted in the health and social services, community and economic development, general government, debt service and capital projects functions. Chapter 384.20 of the Code of Iowa states, in part, that public monies may not be expended or encumbered except under an annual or continuing appropriation.

**Recommendation**

The budget should be amended in accordance with Chapter 384.18 of the Code of Iowa before expenditures are allowed to exceed the budget.

**Response**

We will have the department heads review the budget activity more closely in the future to be sure that amendments are considered prior to exceeding the function budgets.

**Conclusion**

Response accepted.

**II-04-C QUESTIONABLE EXPENDITURES**

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

**City of Waukee**  
**SCHEDULE OF FINDINGS (continued)**  
**Year ended June 30, 2004**

**Part II—Findings Related to Required Statutory Reporting**

**II-04-D TRAVEL EXPENSE**

No expenditures of City money for travel expenses of spouses of City officials and/or employees were noted.

**II-04-E BUSINESS TRANSACTIONS**

We noted no business transactions between the City and City officials or employees in excess of \$1,500.

**II-04-F BOND COVERAGE**

Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.

**II-04-G COUNCIL MINUTES**

No transactions were found that we believe should have been approved in the Council minutes but were not.

**II-04-H DEPOSITS AND INVESTMENTS**

No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy were noted.

**II-04-I REVENUE BONDS/NOTES**

The City was in compliance with all requirements of their water and sewer revenue bond and note provisions.

**City of Waukee**  
**SCHEDULE OF FINDINGS (continued)**  
**Year ended June 30, 2004**

**Part II—Findings Related to Required Statutory Reporting**

**II-04-J FINANCIAL CONDITION**

The following funds had deficit balances at June 30, 2004:

Special Revenue	
Library Foundation	\$120,168
Capital Projects	
Ashworth Dr., Paving Project	11,019
Highway 6 IDOT Project	8,202
2003-2004 GO Projects	150,138
City Wide Sidewalk Project	12,445
Highway 6 Street Light Project	85,301
Enterprise	
Solid waste	21,543

**Recommendation**

The City should investigate alternatives to eliminate these deficit balances in order to return these accounts to a sound financial position.

**Response**

The Library Foundation is currently considering alternatives to eliminate the deficit, the Enterprise Fund and the Capital Projects Fund deficits will be eliminated through transfers from other funds and bond proceeds.

**Conclusion**

Response accepted.

**STATISTICAL SECTION**

**City of Waukee  
PROPERTY VALUATIONS AND TAX LEVIES  
(UNAUDITED)**

	<b>Rollback Taxable Valuations January 1, 2002</b>	
	<u>General</u>	<u>Debt service</u>
Waukee Corporate		
Residential real estate	\$159,073,209	\$159,073,209
Commercial real estate	19,093,090	19,093,090
Industrial property	3,481,790	3,481,790
Railroad	597,181	597,181
Utilities	6,240,433	6,240,433
Military exemption	<u>(498,594)</u>	<u>(498,594)</u>
	<u>187,987,109</u>	<u>187,987,109</u>
Waukee Corporate Urban T.I.F. Districts		
Residential real estate—increment	—	1,777,085
Industrial property—increment	—	1,314,910
Commercial real estate		
Base	8,289,283	8,289,283
Increment	—	25,084,887
Military exemption	<u>(11,112)</u>	<u>(11,112)</u>
	<u>8,278,171</u>	<u>36,455,053</u>
	<u>\$196,265,280</u>	<u>\$224,442,162</u>
		<b>January 1, 2002</b>
Agricultural land		
Land		\$3,616,860
Buildings		<u>204,750</u>
		<u>\$3,821,610</u>
		<b>Collectible in 2003-2004</b>
	<u>Rate</u>	<u>Amount</u>
General	8.10000	\$1,600,563
Debt service	3.32010	740,917
Employee benefits	<u>2.08000</u>	<u>411,009</u>
	<u>13.50010</u>	<u>\$2,752,489</u>
Agricultural land	<u>3.00375</u>	<u>\$ 11,091</u>

See accompanying independent auditor's report.

**City of Waukee**  
**CHARGES FOR SERVICE, TAX LEVIES AND ROLLBACK TAXABLE VALUATIONS**  
**(UNAUDITED)**

	Year ended June 30				
	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Charges for service					
Gas	\$2,478,242	\$2,127,443	\$1,737,387	\$2,498,421	\$1,284,488
Water	1,274,939	1,150,407	1,066,548	882,594	917,360
Sewer	722,998	838,126	566,462	492,116	474,587
Tax levies					
General Fund	8.10000	8.10000	8.09999	8.10000	8.10000
Debt Service	3.32010	3.32019	3.32001	4.06474	4.65732
Employee Benefits	<u>2.08000</u>	<u>2.08013</u>	<u>2.08000</u>	<u>1.33526</u>	<u>1.49233</u>
	13.50010	13.50032	13.50000	13.50000	14.24965
Agricultural land	3.00375	3.00375	3.00339	3.00375	3.00375
Rollback taxable valuations					
Real estate	\$190,017,966	\$173,749,015	\$153,105,456	\$124,841,965	\$108,438,977
Personal	-	378,171	900,408	2,110,969	2,878,984
Railroad	597,181	576,535	536,528	448,438	521,897
Utilities	6,240,433	1,648,472	1,434,897	1,207,928	5,314,066
Urban T.I.F.	28,187,994	22,874,426	14,198,753	10,552,031	9,086,436
Agricultural (includes T.I.F.)	3,821,610	3,517,530	3,388,500	3,156,244	3,110,990
Military exemption (includes T.I.F.)	(498,594)	(490,780)	(424,108)	(424,108)	(414,848)

See accompanying independent auditor's report.