

**CITY OF DES MOINES, IOWA**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2007**

Comprehensive  
Annual Financial Report  
of the  
City of Des Moines, Iowa

For the Fiscal Year Ended June 30, 2007

Prepared by the  
Department of Finance



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# INTRODUCTORY SECTION

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November 16, 2007

The Honorable Mayor  
Members of the City Council  
Citizens of Des Moines, Iowa

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2007.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

McGladrey & Pullen LLP, Certified Public Accountants, has issued an unqualified ("clean") opinion on the City of Des Moines's financial statements for the year ended June 30, 2007. The independent auditor's report is located at the front of the financial section of this report.

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

### **Profile of the Government**

The City of Des Moines, Iowa was incorporated as a town in 1851 and as a city in 1857 under the laws of the State of Iowa, later amended in 1975 under the Home Rule Act. Extending over 80 square miles, it is home to approximately 200,000 people and the central city of a metropolitan area of 456,000. It is a river city, intersected by the Des Moines and Raccoon Rivers.

Des Moines is the capital of Iowa, and operates under the council-manager-ward form of government. The Mayor and two Council Members are elected at-large, while another four Council Members each represent one of the four wards into which the City is divided.

The City of Des Moines provides a full range of services, including police and fire protection, sanitation services, park and recreational programs and facilities; construction and maintenance of infrastructure, including streets, roads, bridges, and a storm water utility; enforcement of building code regulations; traffic control and parking; operation and maintenance of an international airport; housing and other community improvements and social services; economic development and six public libraries. The Des Moines Independent Community School District, the Des Moines Water Works, Des Moines Area Regional Transit, the Wastewater Reclamation Authority and Metro Waste Authority – while providing other services to the citizens of Des Moines—do not meet the established criteria for component entities of the City, and thus, are excluded from this report. The City benefits from strong and diverse neighborhoods and a citizenry deeply involved in its government. The development of 50 recognized neighborhood associations and the participation of more than 300 residents who voluntarily serve on boards and commissions strengthen the basic framework of the City's governmental structure.

The City Council is required by Chapter 384 of the Code of Iowa to adopt an annual budget on or before March 15 of each year. This annual budget serves as the foundation for the City of Des Moines's financial planning and control. The adopted budget provides appropriations (authority to spend) for program operations for the fiscal year that begins on July 1 and ends on June 30 of the following year. Budget amendments (revisions to the adopted budget) must be prepared and adopted in the same manner as the original budget. State law requires that expenditures be controlled at the program level. The budget is also prepared by department, fund and sub activity levels.

### **Local Economy**

Des Moines is the industrial, commercial, financial, trade, transportation, and governmental center of Iowa. The City's insurance industry is the third largest in the world – after London and Hartford – and growing. There are over 200 insurance offices and headquarters located in Des Moines employing more than 20,000 people. Insurance activities are part of a strong local economy that is also based in agriculture, manufacturing, technology, education, health care, and other services. Forbes Magazine ranked Des Moines as the 4<sup>th</sup> "Best Place for Business", Kiplinger's Personal Finance News ranked Des Moines as one of the "Best Cities for Every Stage of Your Life", and an annual poll by Penton's Expansion Management named Des Moines as one of "America's 50 Hottest Cities" in 2007.

While Iowa is an agricultural state, the City's economic diversification insulates it from the farm economy. Further, as many of the state's rural communities experience population decreases, the Des Moines metropolitan area continues to grow, with much of the expansion resulting from the relocation of residents to Des Moines from rural areas. The variety of components contributing to the City's economy creates a stability that is apparent from unemployment figures. The City has historically enjoyed a very low unemployment rate for each of the last five calendar years: 3.4 percent through June 2007, 3.6 percent in 2006, 4.1 percent in 2005, 3.6 percent in 2004, and 3.6 percent in 2003. Additional background data are included in the statistical section of this report. The outlook for the local economy is a continuing low unemployment rate and steady increases in total assessed property valuation, both inside the City and in adjacent communities.

### **Long-term Financial Planning**

The City Council and administration routinely consider the long-term view regarding financial matters. Operating budget decisions are based on the long-term impact of appropriations and funding. The city has a sophisticated and detailed Capital Improvement Plan that considers the impact of the investment in infrastructure, the associated debt burden, and any changes in operating costs.

### **Relevant Financial Policies**

The city regards General Fund unreserved, undesignated fund balance as a critical component of fiscal health and criteria for an above average bond rating. General Fund unreserved, undesignated fund balance is targeted at 10% of expenditures. The June 30, 2007 balance is 8.9% of expenditures, up from 8% as of June 30, 2006. Enterprise funds are monitored regularly and user fees adjusted to maintain required revenue bond coverage and sufficient working capital balances.

### **Major Initiatives**

Several major projects designed to enhance the city's quality of life and add to its tax base are nearing completion. Those projects include the renovation of the North Branch library, the South Branch library, renovation and expansion of the Forest Avenue library and the renovation of Principal Park Stadium. Downtown Riverwalk improvements continue to be unveiled in phases and will continue forward for the next few years. Additional improvements in the early stages of development include the Riverpoint West area and the Agrimergent Technology Park. The downtown housing stock continues to increase with new construction of condominiums and apartments which is beginning to turn the downtown into a "24/7" location. This work as well as the East Village revitalization and the Gateway West development have contributed to

Des Moines being one of the "Top Ten Downtown Turnarounds" as named by the Urban Land Institute Magazine.

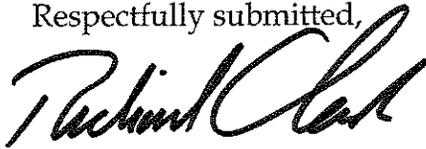
### Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Des Moines for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2006. This was the 30<sup>th</sup> consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government has to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation and publication of the *Comprehensive Annual Financial Report* were the responsibility of a team led by Deputy Finance Director/Controller Sherri M. Saul and Deputy Controller Tim McCarthy. This team consisted of all of their colleagues in the Finance Department, the audit team from McGladrey and Pullen, LLP, and many others in the City's operating departments, particularly the Housing, Aviation, and Community Development Departments. All members of the team have our deep appreciation and respect for their outstanding contributions to this report—both individually and collectively.

Respectfully submitted,



Richard Clark  
City Manager



Allen McKinley  
Finance Director/Treasurer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Des Moines  
Iowa

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



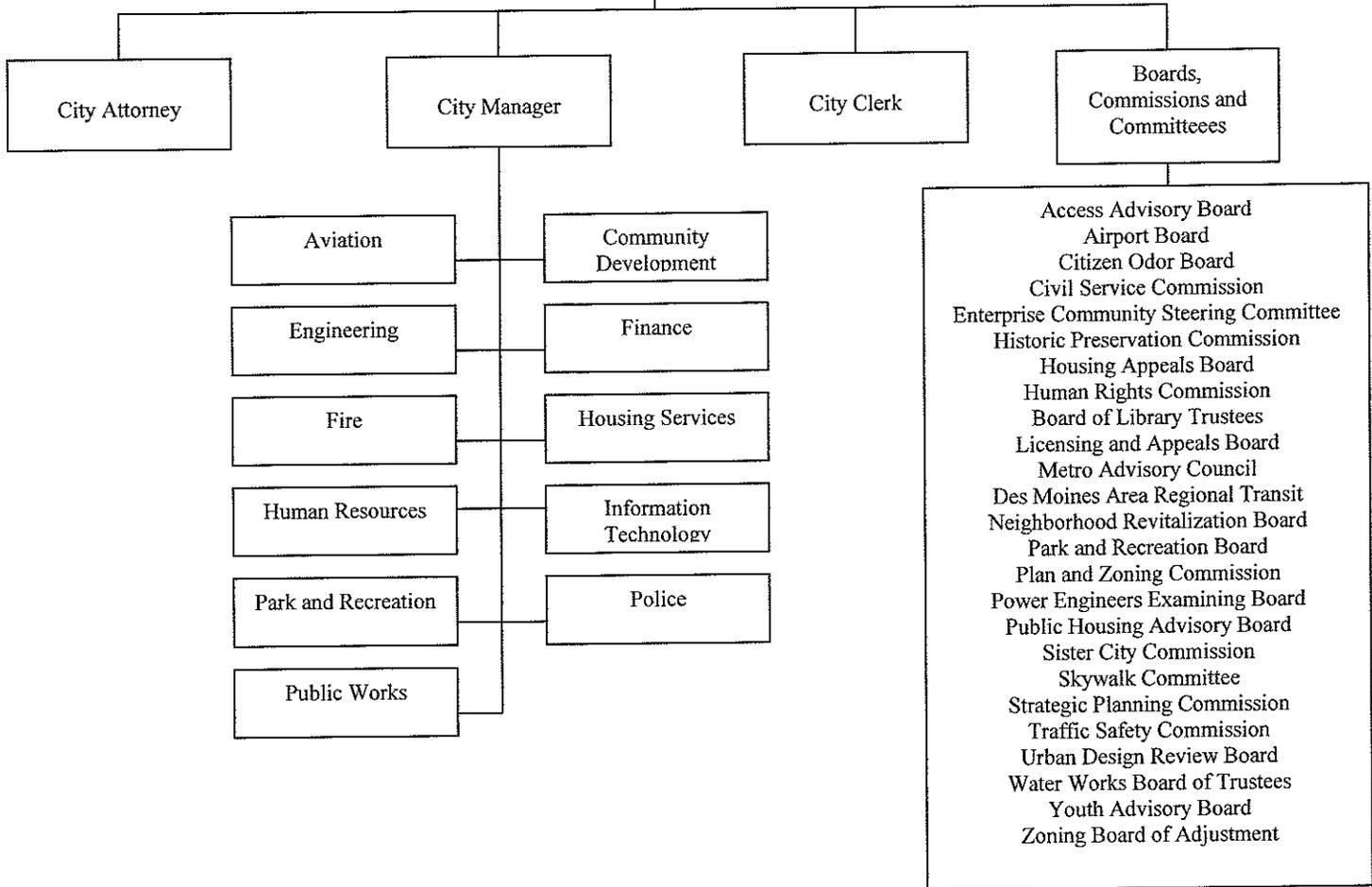
# City of Des Moines, Iowa Table of Organization

**Citizens of Des Moines**

ELECT

**Des Moines City Council**  
 Frank Cownie, Mayor  
 Chris Coleman, At-Large  
 Michael Kiernan, At-Large  
 Thomas Vlassis, Ward I  
 Bob Mahaffey, Ward II  
 Christine Hensley, Ward III  
 Brian Meyer, Ward IV

APPOINTS





**CITY OF DES MOINES, IOWA  
ELECTED AND APPOINTED OFFICIALS  
For the Fiscal Year Ended June 30, 2007**

Elected Officials:

Term Expires

Frank Cownie	Mayor	1/1/2008
Chris Coleman	Council Member, At-Large	1/1/2008
Michael Kiernan	Council Member, At-Large	1/1/2010
Thomas Vlassis	Council Member, Ward I	1/1/2010
Bob Mahaffey	Council Member, Ward II	1/1/2008
Christine Hensley	Council Member, Ward III	1/1/2010
Brian Meyer	Council Member, Ward IV	1/1/2008

Council-Appointed Officials:

Richard Clark	City Manager
Bruce Bergman	City Attorney
Diane Rauh	City Clerk



# FINANCIAL SECTION

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# McGladrey & Pullen

Certified Public Accountants

## Independent Auditor's Report

To the Honorable Mayor and  
Members of the City Council  
City of Des Moines, Iowa  
Des Moines, 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 Des Moines, Iowa, as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Des Moines, Iowa's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Des Moines Public Library Foundation which represents all of the assets and revenues of the discretely presented component unit of the City of Des Moines, Iowa. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Des Moines Public Library Foundation, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Des Moines Public Library Foundation were not audited in accordance with *Government Auditing Standards*. 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Des Moines, Iowa, as of June 30, 2007, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2007 on our consideration of the City of Des Moines, Iowa'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.

The management's discussion and analysis and budgetary comparison information on pages 3 through 17 and 87 through 89 are not a required part of the basic financial statements but are supplementary information required by the 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 required 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 Des Moines, Iowa's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Nonprofit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the 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 accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*McGladrey & Pullen, LLP*

Davenport, Iowa  
November 16, 2007

## Management's Discussion and Analysis

As management of the City of Des Moines, we offer readers of the City of Des Moines' financial statements this narrative overview and analysis of the financial activities of the City of Des Moines for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page VII through X of this report.

### Financial Highlights

- The assets of the City of Des Moines exceeded its liabilities at the close of the most recent fiscal year by \$921,962,887 (*net assets*). Of this amount, \$67,736,953 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors. However, the City's restricted cash at year end included escrowed funds that are earmarked for refunding of \$30.7 million of general obligation bond debt as of June 2007.
- The government's total net assets increased by \$39,808,278.
- At the close of this current fiscal year, the City of Des Moines' governmental funds reported combined ending fund balances of \$132,077,407, an increase of \$28,242,733 in comparison with the prior year. Approximately 72 percent of this total amount, \$95,096,590, is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$11,245,248, or 8.9 percent of total General Fund expenditures.
- The City of Des Moines' total bonded debt increased by \$42,866,466 (9.6 percent) during the current fiscal year. This rather large increase occurred because the bond issue to support the FY07 capital program originally scheduled for June, 2006 did not occur until July, 2006. Thus, Fy07 reflected two bond sales while FY06 reflected no bond sales.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Des Moines' basic financial statements. The City of Des Moines' basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial

statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Des Moines' finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City of Des Moines' assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Des Moines is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City of Des Moines that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Des Moines include public safety, public works, health and social services, culture and recreation, community and economic development, and general government. The business-type activities of the City of Des Moines include the airport, municipal housing agency, parking facilities system, sanitary sewer system, golf courses, solid waste system, and stormwater utility.

The government-wide financial statements include the City of Des Moines itself (known as the *primary government*), as well as the Public Library of Des Moines Foundation, a discretely presented component unit, which raises funds for the benefit of the City's libraries. The Des Moines Independent Community School District, the Des Moines Waterworks, Des Moines Area Regional Transit, the Wastewater Reclamation Authority, and Metro Waste Authority provide services to the citizens of Des Moines but do not meet established criteria as component units of the City, and thus, are not included in this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Des Moines, like other state and local governments, uses fund

accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Des Moines can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City of Des Moines maintains 15 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Tax Increment Fund, Capital Projects Fund, and Benefit Tax Accounts special Revenue Fund, all of which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

**Proprietary funds.** The City of Des Moines maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Des Moines' various functions. The City of Des Moines uses internal service funds to account for the equipment service center, forestry, central services, radio communications, equipment and radio replacement, and group health insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The City of Des Moines maintains seven enterprise funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Airport Fund, Parking Fund, Sewer System Fund, Storm Water Utility Fund, and Municipal Housing Fund as these are considered to be major funds of the City of Des Moines. Data from the other two enterprise funds (Golf Fund and Solid Waste Fund) are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of *combining statements* elsewhere in this report. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Des Moines' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has only one type of fiduciary funds: agency funds. The total assets held in the fiduciary funds at June 30, 2007 were \$94,700,627 of which \$93,738,532 belonged to the Wastewater Reclamation Authority (WRA), an agency fund.

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

**Other information.** The City's budgetary comparison schedule is presented as required supplementary information immediately following the notes to the financial statements. The combining statements referred to earlier in connection with non-major governmental funds, non-major enterprise funds, internal service funds, and agency funds are presented immediately following the required supplementary information.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Des Moines, assets exceeded liabilities by \$921,962,887, at the close of the fiscal year ended June 30, 2007.

By far the largest portion of the City of Des Moines' net assets (85 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Des

Moines uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Des Moines' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Des Moines' Net Assets**

	Governmental Activities 2007	Business-type Activities 2007	Total 2007	Governmental Activities 2006	Business-type Activities 2006	Total 2006
Current and other assets	\$ 286,626,098	\$ 97,672,255	\$ 384,298,353	\$ 254,859,707	\$ 77,108,247	\$ 331,967,954
Capital assets	728,229,670	512,276,912	1,240,506,582	709,556,137	501,378,894	1,210,935,031
Total assets	<u>1,014,855,768</u>	<u>609,949,167</u>	<u>1,624,804,935</u>	<u>964,415,844</u>	<u>578,487,141</u>	<u>1,542,902,985</u>
Noncurrent liabilities	355,015,947	127,874,982	482,890,929	332,445,159	118,060,936	450,506,095
Other liabilities	192,546,834	27,404,285	219,951,119	183,952,784	26,289,497	210,242,281
Total liabilities	<u>547,562,781</u>	<u>155,279,267</u>	<u>702,842,048</u>	<u>516,397,943</u>	<u>144,350,433</u>	<u>660,748,376</u>
Net assets:						
Invested in capital assets, net of related	392,270,393	389,752,986	782,023,379	378,108,106	387,871,130	765,979,236
Restricted	45,163,678	27,038,877	72,202,555	4,981,646	14,663,658	19,645,304
Unrestricted	29,858,916	37,878,037	67,736,953	64,928,149	31,601,920	96,530,069
Total net assets	<u>\$ 467,292,987</u>	<u>\$ 454,669,900</u>	<u>\$ 921,962,887</u>	<u>\$ 448,017,901</u>	<u>\$ 434,136,708</u>	<u>\$ 882,154,609</u>

An additional portion of the City of Des Moines' net assets (7.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$67,736,953) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Des Moines is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City's total net assets increased by \$39,808,278 during the current fiscal year. The governmental-type activities increased by \$19,275,086. This increase was attributable primarily to the operating activities in the capital projects fund. The total business-type activities' net assets increased by \$20,533,192. This increase was attributable primarily

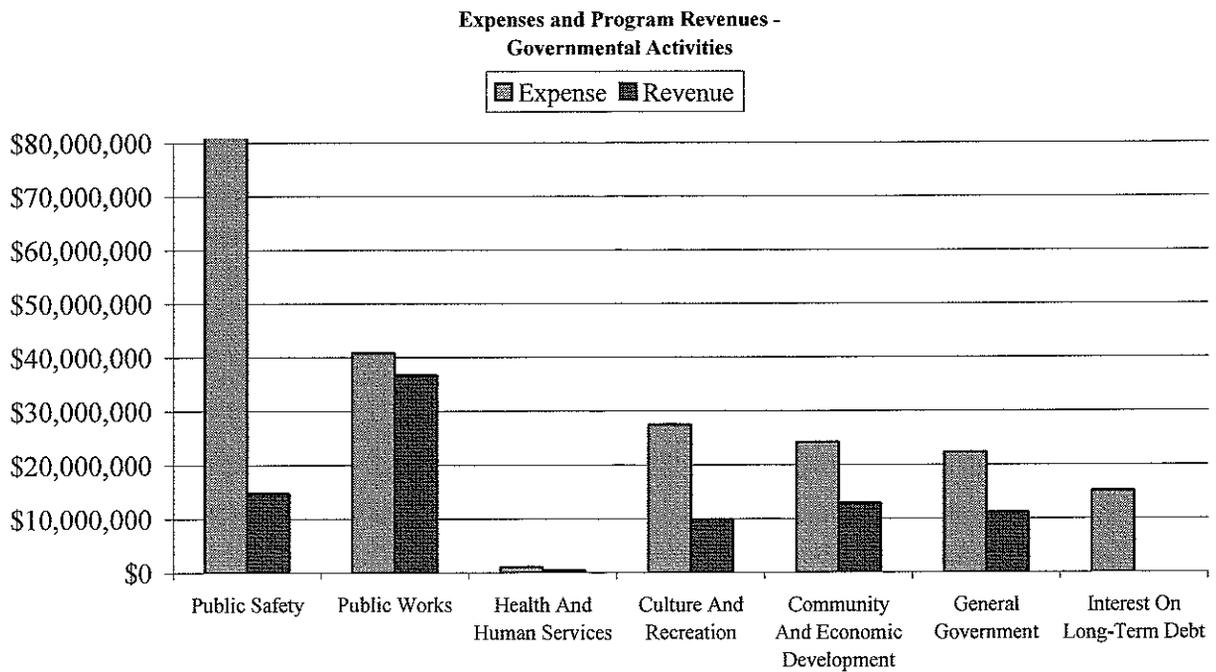
to the operating activities of the airport, the sewer system and the storm water utility funds.

**Governmental activities.** A summary of the City's changes in net assets follows:

	City of Des Moines' Changes in Net Assets					
	Governmental	Business-type	Total	Governmental	Business-type	Total
	Activities	Activities	2007	Activities	Activities	2005
	2007	2007	2007	2006	2006	2005
Revenues:						
Program revenues:						
Charges for services	\$ 33,312,628	\$ 91,644,350	\$ 124,956,978	\$ 37,726,686	\$ 88,670,256	\$ 126,396,942
Operating grants and contributions	35,348,086	16,951,906	52,299,992	42,307,006	16,388,960	58,695,966
Capital grants and contributions	17,390,101	15,815,419	33,205,520	36,511,285	25,217,952	61,729,237
General revenues:						
Property taxes	122,507,095	---	122,507,095	112,978,288	---	112,978,288
Other taxes	14,070,843	---	14,070,843	14,826,329	---	14,826,329
Grants and contributions not restricted to specific programs	---	---	---	---	---	-
Other	15,438,606	5,509,849	20,948,455	11,608,021	3,327,974	14,935,995
<b>Total</b>	<b>238,067,359</b>	<b>129,921,524</b>	<b>367,988,883</b>	<b>255,957,615</b>	<b>133,605,142</b>	<b>389,562,757</b>
Expenses:						
Public safety	86,971,119	---	86,971,119	85,488,230	---	85,488,230
Public works	40,778,570	---	40,778,570	41,698,546	---	41,698,546
Health and social services	1,082,618	---	1,082,618	17,998,463	---	17,998,463
Culture and recreation	27,443,217	---	27,443,217	26,819,161	---	26,819,161
Community and economic development	24,176,152	---	24,176,152	9,810,740	---	9,810,740
General government	22,278,473	---	22,278,473	20,267,299	---	20,267,299
Interest on long-term debt	15,162,124	---	15,162,124	15,599,765	---	15,599,765
Airport	---	30,093,735	30,093,735	---	27,180,459	27,180,459
Parking facilities system	---	11,531,196	11,531,196	---	11,365,271	11,365,271
Sewer system	---	25,574,852	25,574,852	---	27,327,334	27,327,334
Stormwater utility	---	9,137,184	9,137,184	---	9,211,130	9,211,130
Golf	---	2,117,251	2,117,251	---	2,767,320	2,767,320
Solid waste	---	9,915,661	9,915,661	---	10,326,717	10,326,717
Municipal Housing Agency	---	21,918,453	21,918,453	---	20,016,007	20,016,007
<b>Total expenses</b>	<b>217,892,273</b>	<b>110,288,332</b>	<b>328,180,605</b>	<b>217,682,204</b>	<b>108,194,238</b>	<b>325,876,442</b>
Increase/(decrease) in net assets before transfers	20,175,086	19,633,192	39,808,278	38,275,411	25,410,904	63,686,315
Transfers	(900,000)	900,000	---	168,458	(168,458)	---
Increase/(decrease) in net assets	19,275,086	20,533,192	39,808,278	38,443,869	25,242,446	63,686,315
Net assets - beginning as restated	448,017,901	434,136,708	882,154,609	443,565,940	408,894,262	852,460,202
<b>Net assets - ending</b>	<b>\$ 467,292,987</b>	<b>\$ 454,669,900</b>	<b>\$ 921,962,887</b>	<b>\$ 482,009,809</b>	<b>\$ 434,136,708</b>	<b>\$ 916,146,517</b>

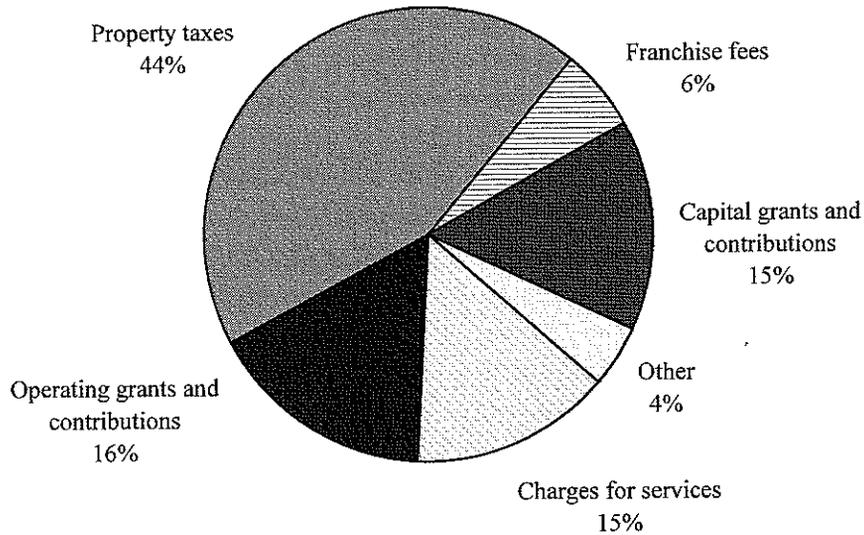
Total governmental activities' revenue for the fiscal year was \$238,068,359 compared to \$255,957,615 in 2006. The largest single revenue source for the City was property taxes of \$122,507,095. Property taxes increased by \$9,528,807 (8.4 percent) from 2006. This increase is the result primarily of an increase in tax increment financing needs.

Certain revenues are generated that are specific to governmental program activities. These totaled \$86,050,815 in 2007 and \$116,544,977 in 2006. The graph below shows a comparison between the expenditures by governmental activity type and the revenues generated that are specific to those activities.



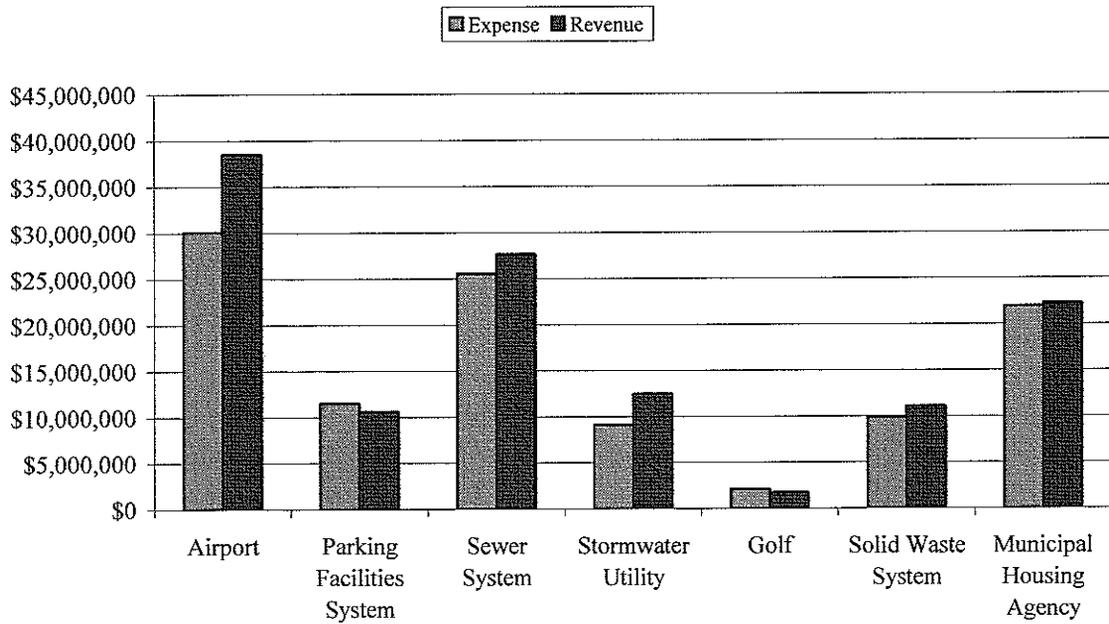
The graph below shows the percentage of the total governmental revenues allocated by each revenue type.

**Revenues by Source -  
Governmental Activities**



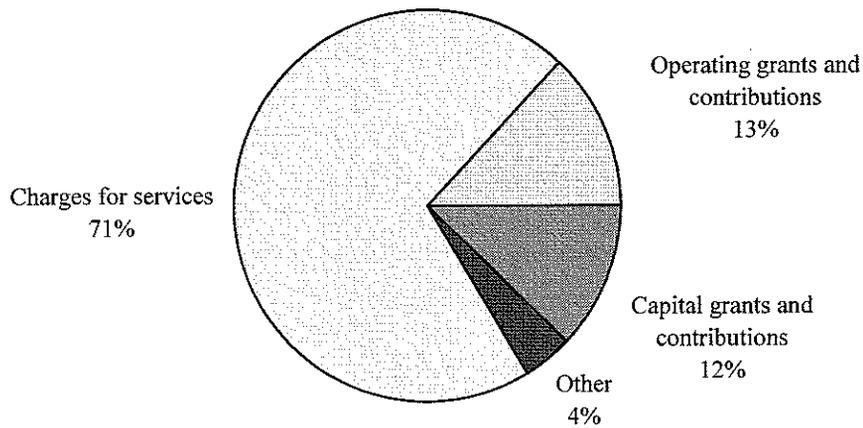
Total business-type activities' revenue for the fiscal year was \$129,921,524 compared to \$133,605,142 in 2006. All but \$5,509,849 and \$3,327,974 of this revenue was generated for specific business-type activity expenses in 2007 and 2006, respectively. The graph on the following page shows a comparison between the business-type activity expenditures and program revenues.

**Expenses and Program Revenue -  
Business-type Activities**



The graph below shows the breakdown of revenues by source for the business-type activities.

**Revenues By Source -  
Business-type Activities**



**Business-type activities.** Business-type activities increased the City of Des Moines' net assets by \$20,533,192, accounting for the increase, in total, in the government's net assets. Key elements of this increase are as follows:

- The sewer system recorded a increase of \$3,724,036 in net assets for the year. This increase was the result of an increase in capital assets and operating income.
- The airport recorded an increase of \$9,662,599 in net assets for the year. This increase was the result of an increase in capital assets, primarily funded by capital grants.
- The storm water utility recorded an increase of \$4,915,285 in net assets for the year. This increase was the result of an increase in capital assets, sale of revenue bonds, and operating income.

### **Financial Analysis of the Government's Funds**

As noted earlier, the City of Des Moines uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the City of Des Moines' governmental funds reported combined ending fund balances of \$132,077,407, an increase of \$28,242,733 in comparison with the prior year. The increase was related to an increase of fund balance in the capital project fund resulting from the sale of general obligation bonds for both the FY07 and FY08 capital improvement program. Approximately 72 percent of this total amount (\$95,096,590) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders of the prior period (\$119,536); 2) to pay debt service (\$16,776,784); and 3) for a variety of other purposes (\$20,084,497).

The General Fund is the chief operating fund of the City of Des Moines. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$11,245,248, while total fund balance was \$15,230,602. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to

total fund expenditures. Unreserved fund balance represents 8.9 percent of total General Fund expenditures, while total fund balance represents 12.0 percent of that same amount.

The fund balance of the City of Des Moines' General Fund increased by \$1,356,462 during the current fiscal year. The increase is primarily the result of salary and benefit savings that occurred in the normal delays between the time an employee leaves employment with the City and a replacement is hired.

The Debt Service Fund has a total fund balance of \$17,237,559. The net decrease in fund balance during the current year in the Debt Service Fund was \$13,194,922. This decrease is primarily a result of funds that were held in escrow at June 30, 2006 and used to refund general obligation bonds in FY07 and FY08.

The Tax Increment Fund (TIF) has a total fund balance of \$901,380. The net increase in fund balance during the current year in the Tax Increment Fund was \$634,032, due to the adoption of higher tax rates than originally estimated.

The Capital Projects Fund has a total fund balance of \$76,952,775. The net increase in fund balance during the current year in the Capital Projects Fund was \$35,263,664. This increase was due to a delay in the issuance of general obligation debt until August, 2006. Typically, bonds are issued in June for the subsequent fiscal year. This did not occur in fiscal year 2006.

The Benefit Tax Accounts Special Revenue Fund has a total fund balance of \$424,791. The net increase in fund balance during the current year in the Benefit Tax Accounts Special Revenue Fund was \$653,301 and results from negotiated health insurance rates mid-fiscal year after tax rates had already been set and property taxes collected.

*Proprietary funds.* The City of Des Moines' proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Airport at the end of the year were \$2,927,870; those for the Storm water Utility were \$11,269,528; those for the Parking Facility System were \$4,092,158; those for the Municipal Housing Agency were \$3,852,800; and those for the Sewer System were \$19,040,843. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Des Moines' business-type activities.

## Budgetary Highlights

In accordance with the Code of Iowa, the City Council annually adopts a budget on the modified accrual basis following required public notice and hearing which includes all funds except fiduciary funds and internal service funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. These ten functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, business-type and non-program. The legal level of control is at the aggregated function level, not at the fund or fund type level. These budget amendments are reflected in the final budgeted amounts.

Differences between the original budget and the final amended budget for the City of Des Moines can be summarized as follows:

- The total original revenue budget of \$357,593,784 was increased to \$369,532,882 (an increase of \$11,939,098).
- The total original expenditure budget of \$450,621,866 was increased to \$467,251,345 (an increase of \$16,629,479).
- The total original budget for net transfers in of \$34,980,902 was increased to \$35,350,285 (an increase of \$369,383).
- The above changes to budgets were primarily related to appropriation carryover funds for capital improvements and debt refinancing.

Revenues fell short of revised budget projections by \$8,649,716. This was attributable to shortfalls in taxes (\$703,056), in miscellaneous revenue (\$21,576,796), and use of money and property revenue (\$6,210,615) which was partially offset by charges for sales and services revenue in excess of budget by \$8,639,784, and intergovernmental revenue in excess of budget by \$10,684,854.

Expenditures were over budget in total by \$14,690,586. This overage was primarily due to expenditures that were more than budget in public safety \$863,893, community and economic development \$1,810,030, general government \$1,180,338, and debt service \$104,409,875. Business-type expenditures, under budget (\$85,149,492), and capital outlay under budget (\$7,458,575), partially offset the overages.

See page 87 for the *Budgetary Comparison Schedule – All Governmental Funds and Enterprise Funds*.

### **Capital Asset and Debt Administration**

**Capital assets.** The City of Des Moines' investment in capital assets for its governmental and business-type activities as of June 30, 2007, amounts to \$1,240,506,582 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the City of Des Moines' investment in capital assets for the current fiscal year was 2.5 percent (a 2.7 percent increase for governmental activities, and a 2.2 percent increase for business-type activities).

Major capital asset events during the current fiscal year included the following:

- Essentially completed the S.W. Eighth Street Viaduct over Martin Luther King, Jr. Parkway Renovation - \$2,248,291, and the University Avenue Bridge over the Des Moines River Project - \$3,046,000.
- Spent Almost \$8,000,000 toward land acquisition for the Runway 13R/31L project.
- Completed \$4,755,000 of asphalted overlay projects funding by gaming monies in addition to almost \$5,500,000 of other work for ongoing rehabilitation of existing city streets.
- Nearly completed \$5,750,000 renovation of Principal Park Stadium, home of the Iowa Cubs.
- Nearly completed the \$7,930,000 Police and Fire Radio system improvement project and the \$3,355,000 Signal system reconstruction in the Central Business District.
- Continued construction of the SE Ridge Trunk Sanitary Sewer - \$2,750,000.

**City of Des Moines' Capital Assets**

(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 56,690	\$ 56,669	\$ 66,055	\$ 63,969	\$ 122,745	\$ 120,638
Buildings	119,513	84,648	176,326	155,717	295,839	240,365
Improvements other than buildings	698,424	641,867	399,646	326,828	1,098,070	968,695
Machinery and equipment	60,077	57,458	35,581	34,762	95,658	92,220
Construction in progress	153,382	204,448	56,540	127,459	209,922	331,907
Accumulated depreciation	(359,856)	(335,534)	(221,871)	(207,357)	(581,727)	(542,891)
<b>Total</b>	<b>\$ 728,230</b>	<b>\$ 709,556</b>	<b>\$ 512,277</b>	<b>\$ 501,378</b>	<b>\$ 1,240,507</b>	<b>\$ 1,210,934</b>

Additional information on the City of Des Moines' capital assets can be found in note 6 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Des Moines had total bonded debt outstanding of \$491,403,885. Of this amount, \$372,635,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Des Moines' debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

**City of Des Moines' Outstanding Debt**

General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
General obligation bonds	\$ 371,821,000	\$ 342,280,000	\$ 814,000	\$ 1,180,000	\$ 372,635,000	\$ 343,460,000
Revenue bonds	-	-	118,768,885	105,077,419	118,768,885	105,077,419
<b>Total</b>	<b>\$ 371,821,000</b>	<b>\$ 342,280,000</b>	<b>\$ 119,582,885</b>	<b>\$ 106,257,419</b>	<b>\$ 491,403,885</b>	<b>\$ 448,537,419</b>

The City of Des Moines' total bonded debt increased by \$42,866,466 (9.6%) during the current fiscal year. The key factors in this increase were a general obligation bond issuance (\$30,675,000) for the City of Des Moines' 2007 capital improvements program and neighborhood and economic development programs, a general obligation bond issuance (\$33,460,000) for the City of Des Moines' 2007 capital improvements program and neighborhood and economic development programs. The Stormwater Utility enterprise issued revenue bonds (\$16,750,000) for capital improvements. As previously discussed, the issuance of two years of capital improvement bonding occurred in FY07 was an anomaly.

The City of Des Moines also issued refunding general obligation bonds in 2007. The proceeds refunded the Series 1999B General Obligation Bonds on June 1, 2007.

During the current fiscal year, proceeds from the 2005E crossover refunding general obligation bonds, were used to pay the entire outstanding balance of the 1999A General Obligation Bonds. Funds remain in escrow from the Series 2005E bonds to refund the 2000D General Obligation Bonds on June 1, 2008. The escrow, the Series 2000D debt, and the Series 2005E debt are included in the city-wide financial statements.

The City of Des Moines maintains an AA+ rating from Standard & Poor's, and Aa2 rating from Moody's Investors Service for general obligation debt. The City purchased insurance to increase the rating on the Series 2006A General Obligation Bonds, Series 2006B General Obligation Bonds, Series 2006C General Obligation Bonds, and Series 2007B General Obligation Bonds in order to receive a rating of AAA by both rating services. The City also purchased insurance on the Series 2006D Stormwater Management Utility Revenue Bonds in order to receive a rating of AAA by both rating services.

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total assessed valuation. The current debt limitation for the City of Des Moines is \$484,288,145, which is significantly in excess of the City of Des Moines' outstanding general obligation debt (\$355,940,000 net of debt to be refunded by escrow proceeds) and other debt subject to the debt limitation (\$1,885,000).

Additional information on the City of Des Moines' long-term debt can be found in Note 10 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

- Property taxes provide 48 percent of General Fund revenues. Over the past five years citywide assessed values have risen an average of 6.7 percent, while property tax limitations imposed by the State of Iowa have held taxable values to an average annual growth of 4.0 percent. The fiscal year 2008 budget reflects property tax revenue growth of 1.6 percent.
- Valuation growth in the downtown area continues to be strong. Over the past five years downtown taxable values haven risen 5.2 percent with the 2008 budget reflecting 3.0 percent growth.

- Personnel costs make up a significant portion of City operating costs. Wage increases identified in contractual bargaining agreements range from 3.0 percent to 3.25 percent for fiscal year 2008.
- The City continues to face the challenge of funding the increasing costs of employee health care and police/fire pension contributions. Health care costs increased 10.5 percent from fiscal year 2005 to fiscal year 2006. However, in fiscal year 2007 the City worked with the various labor groups to actually reduce employee health care costs mid-year which resulted in cost reductions of over 12 percent going forward for fiscal year 2008.
- Stormwater Utility fees will increase 5.0 percent and Sanitary Sewer fees will increase 8.0 percent in fiscal year 2008.

All of these factors were considered in preparing the City of Des Moines' budget for fiscal year 2008.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Des Moines' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Allen McKinley, Finance Director, City of Des Moines, 400 Robert D Ray Dr, Des Moines, IA 50309-1891.



CITY OF DES MOINES, IOWA  
STATEMENT OF NET ASSETS  
June 30, 2007

ASSETS	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
Current assets:				
Unrestricted current assets:				
Cash and pooled cash investments	\$ 117,923,716	\$ 51,459,091	\$ 169,382,807	\$ 2,504,788
Investments	3,134,432	—	3,134,432	4,543
Taxes receivable	126,384,818	—	126,384,818	—
Special assessments receivable	6,033	—	6,033	—
Accounts receivable	4,569,795	3,150,055	7,719,850	—
Contract sale receivable	286,639	—	286,639	—
Loans receivable, net of allowance for doubtful accounts of \$503,577	10,888,010	—	10,888,010	—
Property held for sale	2,000,000	—	2,000,000	—
Accrued interest receivable	659,614	—	659,614	—
Other receivables	—	—	—	982,698
Due from signatory airlines	—	291,486	291,486	—
Internal balances	5,213,218	(5,213,218)	—	—
Due from other governmental units	6,635,864	1,165,192	7,801,056	—
Inventory	371,501	112,337	483,838	—
Prepaid items	394,135	245,209	639,344	351
Deferred charges	—	417,831	417,831	—
Bond discount	—	45,881	45,881	—
Total unrestricted current assets	<u>278,467,775</u>	<u>51,673,864</u>	<u>330,141,639</u>	<u>3,492,380</u>
Restricted assets:				
Cash and pooled cash investments	—	15,085,135	15,085,135	—
Investments	—	19,394,856	19,394,856	—
Accounts receivable	—	599,449	599,449	—
Interest receivable	—	526,094	526,094	—
Total restricted current assets	<u>—</u>	<u>35,605,534</u>	<u>35,605,534</u>	<u>—</u>
Total current assets	<u>278,467,775</u>	<u>87,279,398</u>	<u>365,747,173</u>	<u>3,492,380</u>
Noncurrent assets:				
Unamortized discount	214,731	572,581	787,312	—
Deferred charges	—	905,459	905,459	—
Long-term receivables	5,503,339	—	5,503,339	679,242
Unamortized issuance costs	2,440,253	—	2,440,253	—
Other noncurrent assets	—	16,017	16,017	—
Restricted cash and pooled cash investments	—	8,898,800	8,898,800	—
Capital assets:				
Land	56,690,174	66,055,250	122,745,424	—
Construction in progress	153,381,773	56,540,206	209,921,979	—
Buildings	119,513,429	176,326,233	295,839,662	—
Improvements other than buildings	698,423,708	399,645,652	1,098,069,360	—
Machinery and equipment	60,076,802	35,580,876	95,657,678	24,342
Accumulated depreciation	(359,856,216)	(221,871,305)	(581,727,521)	(21,246)
Total capital assets	<u>728,229,670</u>	<u>512,276,912</u>	<u>1,240,506,582</u>	<u>3,096</u>
Total noncurrent assets	<u>736,387,993</u>	<u>522,669,769</u>	<u>1,259,057,762</u>	<u>682,338</u>
<b>Total assets</b>	<b>\$ 1,014,855,768</b>	<b>\$ 609,949,167</b>	<b>\$ 1,624,804,935</b>	<b>\$ 4,174,718</b>

LIABILITIES	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL	
	ACTIVITIES	ACTIVITIES		
<b>Liabilities:</b>				
<b>Current liabilities:</b>				
Accounts payable	\$ 5,525,360	\$ 1,702,705	\$ 7,228,065	\$ --
Contracts payable	5,589,846	2,482,862	8,072,708	--
Accrued wages payable	4,680,827	887,027	5,567,854	--
Accrued employee benefits	9,156,191	1,133,994	10,290,185	--
Due to signatory airlines	--	465,236	465,236	--
Due to other governmental units	--	1,416,049	1,416,049	--
Good faith, tenant, security deposits	1,488,401	51,827	1,540,228	--
Accrued interest payable	1,485,444	1,167,353	2,652,797	--
Notes payable	2,471,097	10,838,619	13,309,716	--
Revenue bonds payable	115,000	973,300	1,088,300	--
General obligation bonds payable	40,998,000	267,000	41,265,000	--
Unearned revenue	121,036,668	37,706	121,074,374	--
Capital leases payable	--	283,375	283,375	2,291
Other liabilities	--	96,900	96,900	41,368
Unamortized premium	--	8,922	8,922	--
<b>Total</b>	<b>192,546,834</b>	<b>21,812,875</b>	<b>214,359,709</b>	<b>43,659</b>
<b>Current liabilities payable from restricted assets:</b>				
Construction contracts	--	583,423	583,423	--
Revenue bonds payable	--	3,691,000	3,691,000	--
Unamortized premium	--	997,783	997,783	--
Accrued interest payable	--	319,204	319,204	--
<b>Total current liabilities payable from restricted assets</b>	<b>--</b>	<b>5,591,410</b>	<b>5,591,410</b>	<b>--</b>
<b>Total current liabilities</b>	<b>192,546,834</b>	<b>27,404,285</b>	<b>219,951,119</b>	<b>43,659</b>
<b>Noncurrent liabilities:</b>				
Accrued employee benefits	9,369,972	2,106,379	11,476,351	--
Other liabilities, claims and judgments	285,000	49,657	334,657	--
Unamortized premium	5,094,902	22,482	5,117,384	--
Notes payable	7,660,197	1,307,870	8,968,067	--
General obligation bonds payable	330,823,000	547,000	331,370,000	--
Revenue bonds payable	--	114,104,585	114,104,585	--
Section 108 loan payable	1,770,000	--	1,770,000	--
Capital leases payable	--	9,737,009	9,737,009	--
Arbitrage payable	12,876	--	12,876	--
<b>Total noncurrent liabilities</b>	<b>355,015,947</b>	<b>127,874,982</b>	<b>482,890,929</b>	<b>--</b>
<b>Total liabilities</b>	<b>547,562,781</b>	<b>155,279,267</b>	<b>702,842,048</b>	<b>43,659</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	392,270,393	389,752,986	782,023,379	3,096
<b>Restricted:</b>				
Capital projects	24,194,587	4,206,726	28,401,313	--
Public housing program	--	8,898,800	8,898,800	--
Debt retirement	16,776,784	13,933,351	30,710,135	--
Corpus/Permanently restricted	3,290,927	--	3,290,927	798,137
Donor restricted purposes - corpus/Temporarily restricted	--	--	--	2,173,674
Tax Increment	901,380	--	901,380	--
<b>Unrestricted</b>	<b>29,858,916</b>	<b>37,878,037</b>	<b>67,736,953</b>	<b>1,156,152</b>
<b>Total net assets</b>	<b>\$ 467,292,987</b>	<b>\$ 454,669,900</b>	<b>\$ 921,962,887</b>	<b>\$ 4,131,059</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF DES MOINES**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2007**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SALES AND SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<b>Primary government:</b>				
Governmental activities:				
Public safety	\$ 86,971,119	\$ 10,862,428	\$ 3,752,324	\$ 126,235
Public works	40,778,570	7,848,887	17,239,250	11,583,356
Health and social services	1,082,618	--	425,241	--
Culture and recreation	27,443,217	3,890,583	688,511	5,258,907
Community and economic development	24,176,152	384,052	12,879,555	--
General government	22,278,473	10,326,678	363,205	421,603
Interest on long-term debt	15,162,124	--	--	--
<b>Total governmental activities</b>	<b>217,892,273</b>	<b>33,312,628</b>	<b>35,348,086</b>	<b>17,390,101</b>
Business-type activities:				
Airport	30,093,735	28,084,082	--	10,446,717
Parking facilities system	11,531,196	10,546,668	--	75,299
Sewer system	25,574,852	26,877,068	969	799,437
Stormwater utility	9,137,184	11,811,325	2,240	678,240
Golf	2,117,251	1,729,333	1,393	--
Solid waste system	9,915,661	11,056,904	1,540	36,500
Municipal Housing Agency	21,918,453	1,538,970	16,945,764	3,779,226
<b>Total business-type activities</b>	<b>110,288,332</b>	<b>91,644,350</b>	<b>16,951,906</b>	<b>15,815,419</b>
<b>Total primary government</b>	<b>\$ 328,180,605</b>	<b>\$ 124,956,978</b>	<b>\$ 52,299,992</b>	<b>\$ 33,205,520</b>
<b>Component unit, Des Moines Public Library Foundation</b>	<b>\$ 6,450,668</b>	<b>\$ --</b>	<b>\$ 1,827,470</b>	<b>\$ --</b>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Franchise taxes				
Investment earnings				
Miscellaneous				
Transfers - internal activities				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning				
Net assets, ending				

The notes to the financial statements are an integral part of this statement.

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS

PRIMARY GOVERNMENT			
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNIT
(72,230,132)	\$ ---	\$ (72,230,132)	\$ ---
(4,107,077)	---	(4,107,077)	---
(657,377)	---	(657,377)	---
(17,605,216)	---	(17,605,216)	---
(10,912,545)	---	(10,912,545)	---
(11,166,987)	---	(11,166,987)	---
(15,162,124)	---	(15,162,124)	---
<u>(131,841,458)</u>	<u>---</u>	<u>(131,841,458)</u>	<u>---</u>
---	8,437,064	8,437,064	---
---	(909,229)	(909,229)	---
---	2,102,622	2,102,622	---
---	3,354,621	3,354,621	---
---	(386,525)	(386,525)	---
---	1,179,283	1,179,283	---
---	345,507	345,507	---
---	<u>14,123,343</u>	<u>14,123,343</u>	<u>---</u>
\$ (131,841,458)	\$ 14,123,343	\$ (117,718,115)	\$ ---
\$ ---	\$ ---	\$ ---	\$ (4,623,198)
99,727,601	---	99,727,601	---
22,779,494	---	22,779,494	---
14,070,843	---	14,070,843	---
5,953,778	5,509,849	11,463,627	117,058
9,484,828	---	9,484,828	---
(900,000)	900,000	---	---
<u>151,116,544</u>	<u>6,409,849</u>	<u>157,526,393</u>	<u>117,058</u>
19,275,086	20,533,192	39,808,278	(4,506,140)
<u>448,017,901</u>	<u>434,136,708</u>	<u>882,154,609</u>	<u>8,637,199</u>
\$ 467,292,987	\$ 454,669,900	\$ 921,962,887	\$ 4,131,059

**CITY OF DES MOINES, IOWA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2007**

<u>ASSETS</u>	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>TAX INCREMENT</u>
Cash and pooled cash investments	\$ 11,219,430	\$ 16,967,051	\$ 760,118
Investments	---	---	---
Taxes receivable	49,149,266	25,442,624	24,109,944
Special assessments receivable	---	---	---
Accounts receivable	3,799,657	---	---
Contracts sale receivable	---	---	---
Loans receivable, net of allowance for doubtful accounts	---	---	---
Property held for sale	---	---	---
Accrued interest receivable	592,890	---	---
Due from other funds	18,524	---	---
Due from other governmental units	832,871	---	---
Advance to other funds	3,499,154	---	---
Long-term receivables	---	---	---
Inventory	14,602	---	---
Prepaid items	352,062	---	---
<b>Total assets</b>	<b>\$ 69,478,456</b>	<b>\$ 42,409,675</b>	<b>\$ 24,870,062</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 1,369,384	\$ 68,222	\$ ---
Contracts payable	---	---	---
Accrued wages payable	3,620,636	---	---
Accrued employee benefits	250,128	---	---
Due to other funds	8,791	---	---
Good faith, security deposits	1,483,042	---	---
Deferred revenue	47,515,873	25,103,894	23,968,682
<b>Total liabilities</b>	<b>54,247,854</b>	<b>25,172,116</b>	<b>23,968,682</b>
Fund balances:			
Reserved for inventory	14,602	---	---
Reserved for loans receivable	---	---	---
Reserved for property held for sale	---	---	---
Reserved for advances	3,499,154	---	---
Reserved for debt service	---	16,776,784	---
Reserved for encumbrances	119,536	---	---
Reserved for prepaid items	352,062	---	---
Reserved for corpus	---	---	---
Unreserved, reported in:			
General Fund	11,245,248	---	---
Debt Service Fund	---	460,775	---
Special Revenue funds	---	---	901,380
Capital Projects Fund	---	---	---
Permanent Funds	---	---	---
<b>Total fund balances</b>	<b>15,230,602</b>	<b>17,237,559</b>	<b>901,380</b>
<b>Total liabilities and fund balances</b>	<b>\$ 69,478,456</b>	<b>\$ 42,409,675</b>	<b>\$ 24,870,062</b>

The notes to the financial statements are an integral part of this statement.

BENEFIT TAX ACCOUNTS	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 165,837	\$ 78,846,545	\$ 5,764,380	\$ 113,723,361
---	---	3,134,432	3,134,432
15,653,964	---	11,929,162	126,284,960
---	6,033	---	6,033
---	461,791	293,139	4,554,587
---	---	286,639	286,639
---	---	10,888,010	10,888,010
---	---	2,000,000	2,000,000
---	1,702	65,022	659,614
---	3,529,647	102,508	3,650,679
---	3,150,675	2,651,718	6,635,264
---	---	---	3,499,154
---	5,503,339	---	5,503,339
---	---	---	14,602
---	---	39,742	391,804
<u>\$ 15,819,801</u>	<u>\$ 91,499,732</u>	<u>\$ 37,154,752</u>	<u>\$ 281,232,478</u>
\$ ---	\$ 1,932,274	\$ 1,562,848	\$ 4,932,728
---	5,589,846	---	5,589,846
---	149,873	778,833	4,549,342
---	---	79,355	329,483
---	---	3,548,397	3,557,188
---	---	5,359	1,488,401
15,395,010	6,874,964	9,849,660	128,708,083
<u>15,395,010</u>	<u>14,546,957</u>	<u>15,824,452</u>	<u>149,155,071</u>
---	---	---	14,602
---	---	10,888,010	10,888,010
---	---	2,000,000	2,000,000
---	---	---	3,499,154
---	---	---	16,776,784
---	---	---	119,536
---	---	39,742	391,804
---	---	3,290,927	3,290,927
---	---	---	11,245,248
---	---	---	460,775
424,791	---	4,743,467	6,069,638
---	76,952,775	---	76,952,775
---	---	368,154	368,154
<u>424,791</u>	<u>76,952,775</u>	<u>21,330,300</u>	<u>132,077,407</u>
<u>\$ 15,819,801</u>	<u>\$ 91,499,732</u>	<u>\$ 37,154,752</u>	<u>\$ 281,232,478</u>



**CITY OF DES MOINES, IOWA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**June 30, 2007**

---

Total governmental fund balances \$ 132,077,407

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 723,860,387

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 7,695,937

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

Capital assets, net of accumulated depreciation	4,369,283
Other current assets	4,675,251
Other current liabilities	(899,565)
Noncurrent liabilities	(308,489)
	7,836,480

Internal service funds allocated to business-type activities 1,620,573

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

Deferred charges, issuance costs	2,440,253
Unamortized premium cost	(5,094,902)
Unamortized discount	214,731
Accrued employee benefits	(17,737,265)
Accrued interest payable	(1,485,444)
Notes payable	(10,131,294)
Section 108 loans payable	(1,885,000)
General obligation bonds payable	(371,821,000)
Other liabilities, claims and judgments	(285,000)
Arbitrage liability	(12,876)
	(405,797,797)

Net assets of governmental activities \$ 467,292,987

The notes to the financial statements are an integral part of this statement.

**CITY OF DES MOINES, IOWA**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2007**

	GENERAL	DEBT SERVICE	TAX INCREMENT
Revenues:			
Taxes	\$ 49,976,078	\$ 22,779,494	\$ 24,002,604
Franchise fees	14,070,843	---	---
Licenses and permits	3,788,171	---	---
Fines and forfeitures	2,568,984	---	---
Charges for sales and services	13,998,115	---	---
Use of money and property	4,363,171	12,050	---
Miscellaneous	15,784,017	92,596	---
Intergovernmental	1,613,755	---	---
Total revenue	<u>106,163,134</u>	<u>22,884,140</u>	<u>24,002,604</u>
Expenditures:			
Current:			
Public safety	78,905,086	---	---
Public works	8,693,480	---	---
Health and social services	563,710	---	---
Culture and recreation	20,823,114	---	---
Community and economic development	2,563,251	---	---
General government	14,773,254	778,132	---
Capital outlay	454,699	---	---
Debt service:			
Principal retirement	37,347	26,755,012	9,828,990
Interest and fiscal charges	1,047	10,186,403	5,961,890
Total expenditures	<u>126,814,988</u>	<u>37,719,547</u>	<u>15,790,880</u>
Excess (deficiency) of revenues over expenditures	<u>(20,651,854)</u>	<u>(14,835,407)</u>	<u>8,211,724</u>
Other financing sources (uses):			
Transfers in	24,549,875	943,109	---
General obligation bonds issued	---	715,468	---
Other debt issued	---	1,190,555	---
Advance refunded debt issuance	---	4,620,782	---
Advance refunded debt retirement	---	(4,875,000)	---
Transfers out	(2,727,709)	(868,751)	(7,577,692)
Premium on bond issue	---	126,176	---
Discount on bond issue	---	(211,854)	---
Proceeds from capital asset sale	186,150	---	---
Total other financing sources (uses)	<u>22,008,316</u>	<u>1,640,485</u>	<u>(7,577,692)</u>
Net change in fund balances	1,356,462	(13,194,922)	634,032
Fund balances, beginning of year	13,874,140	30,432,481	267,348
Fund balances, end of year	<u>\$ 15,230,602</u>	<u>\$ 17,237,559</u>	<u>\$ 901,380</u>

The notes to the financial statements are an integral part of this statement.

<u>BENEFIT TAX ACCOUNTS</u>	<u>CAPITAL PROJECTS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 16,166,009	\$ ---	\$ 8,687,717	\$ 121,611,902
---	---	---	14,070,843
---	---	92,690	3,880,861
---	---	85,225	2,654,209
---	23,416	1,874,161	15,895,692
---	572,119	1,006,438	5,953,778
---	7,831,984	3,911,292	27,619,889
---	10,125,266	31,020,155	42,759,176
<u>16,166,009</u>	<u>18,552,785</u>	<u>46,677,678</u>	<u>234,446,350</u>
---	33,771	2,973,112	81,911,969
---	25,787	18,005,690	26,724,957
---	---	436,550	1,000,260
---	586,642	806,369	22,216,125
---	7,869,925	13,559,485	23,992,661
---	811,963	2,059,657	18,423,006
---	41,854,439	687,338	42,996,476
---	1,933,940	115,000	38,670,289
---	---	101,991	16,251,331
---	<u>53,116,467</u>	<u>38,745,192</u>	<u>272,187,074</u>
<u>16,166,009</u>	<u>(34,563,682)</u>	<u>7,932,486</u>	<u>(37,740,724)</u>
36,846	8,360,012	3,796,281	37,686,123
---	63,433,750	---	64,149,218
---	1,000,000	---	2,190,555
---	---	---	4,620,782
---	---	---	(4,875,000)
(15,549,554)	(3,278,313)	(8,584,104)	(38,586,123)
---	---	---	126,176
---	---	---	(211,854)
---	311,897	385,533	883,580
<u>(15,512,708)</u>	<u>69,827,346</u>	<u>(4,402,290)</u>	<u>65,983,457</u>
653,301	35,263,664	3,530,196	28,242,733
<u>(228,510)</u>	<u>41,689,111</u>	<u>17,800,104</u>	<u>103,834,674</u>
<u>\$ 424,791</u>	<u>\$ 76,952,775</u>	<u>\$ 21,330,300</u>	<u>\$ 132,077,407</u>



**CITY OF DES MOINES, IOWA**  
**RECONCILIATION OF THE CHANGE IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2007**

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

Net change in fund balances: Total governmental funds \$ 28,242,733

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which depreciation exceeded capital outlays in the current period.

Capital outlay	43,021,619
Depreciation	(23,669,431)
	<u>19,352,188</u>

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and disposals) is to increase/decrease net assets:

Proceeds from the sale of capital assets	(883,580)
Gain from sale of capital assets	766,327
Capital assets contributed by private sources	447,432
	<u>330,179</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 322,469

The issuance of long-term debt (e.g. bonds, loan, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items.

Amortization of premium	756,833
Premium on bond issue	(126,176)
Long-term debt issued	(64,149,218)
Other long-term debt issued	(2,190,555)
Advance refunded debt issuance	(4,620,782)
Advance refunded debt retirement	4,875,000
Repayment of long-term debt principal	38,670,289
Note payable payment through state appropriation	350,477
Interest	(182,837)
Issuance costs	771,719
Amortization of issuance costs	(269,438)
Arbitrage	(3,440)
Bond discount	211,853
Amortization of discount	(291)
	<u>(25,906,566)</u>

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:

Accrued employee benefits	(2,551,264)
Claims and judgments	(41,000)
	<u>(2,592,264)</u>

Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net loss of certain activities of internal service funds is reported with governmental activities. (985,828)

Change in internal service fund allocations to business-type activities 512,175

Change in net assets of governmental activities \$ 19,275,086

The notes to the financial statements are an integral part of this statement.

**CITY OF DES MOINES, IOWA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**June 30, 2007**

ASSETS	BUSINESS-TYPE ACTIVITIES -		
	AIRPORT	PARKING	SEWER SYSTEM
<b>Current assets:</b>			
Unrestricted current assets:			
Cash and pooled cash investments	\$ 10,874,984	\$ 4,746,417	\$ 20,575,023
Taxes receivable	---	---	---
Accounts receivable	2,605,925	2,708	222,920
Due from signatory airlines	291,486	---	---
Due from other funds	---	41,704	---
Due from other governmental units	680,906	---	116,388
Inventory	63,382	---	---
Prepaid items	204,281	---	583
Unamortized bond discount	45,881	---	---
Deferred charges	42,197	---	---
Total unrestricted current assets	<u>14,809,042</u>	<u>4,790,829</u>	<u>20,914,914</u>
Restricted current assets:			
Cash and pooled cash investments	9,156,406	255,266	---
Investments	995,000	2,917,000	1,383,342
Accounts receivable	599,449	---	---
Interest receivable	2,795	62,691	94,672
Total restricted current assets	<u>10,753,650</u>	<u>3,234,957</u>	<u>1,478,014</u>
<b>Total current assets</b>	<u>25,562,692</u>	<u>8,025,786</u>	<u>22,392,928</u>
<b>Noncurrent assets:</b>			
Unamortized discount	572,581	---	---
Deferred charges	506,521	99,169	299,769
Advance to other funds	---	231,499	---
Other noncurrent assets	---	---	---
Restricted cash and pooled cash investments	---	---	---
<b>Capital assets</b>			
Land	47,522,781	14,249,966	1,311,076
Construction in progress	21,159,195	2,467,603	19,484,448
Buildings	79,222,060	61,041,876	573,492
Improvements other than buildings	216,693,188	34,740,554	97,740,052
Machinery and equipment	15,903,111	1,154,244	4,394,656
Accumulated depreciation	<u>(114,609,779)</u>	<u>(38,123,946)</u>	<u>(34,195,420)</u>
Total capital assets, net of accumulated depreciation	<u>265,890,556</u>	<u>75,530,297</u>	<u>89,308,304</u>
<b>Total noncurrent assets</b>	<u>266,969,658</u>	<u>75,860,965</u>	<u>89,608,073</u>
<b>Total assets</b>	<u>\$ 292,532,350</u>	<u>\$ 83,886,751</u>	<u>\$ 112,001,001</u>

ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
STORMWATER UTILITY	MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
\$ 6,909,934	\$ 5,429,299	\$ 2,923,434	\$ 51,459,091	\$ 4,200,355
---	---	---	---	99,858
98,900	25,532	194,070	3,150,055	15,208
---	---	---	291,486	---
---	---	---	41,704	---
---	367,898	---	1,165,192	600
---	48,955	---	112,337	356,899
477	38,744	1,124	245,209	2,331
---	---	---	45,881	---
374,238	---	1,396	417,831	---
<u>7,383,549</u>	<u>5,910,428</u>	<u>3,120,024</u>	<u>56,928,786</u>	<u>4,675,251</u>
5,673,463	---	---	15,085,135	---
14,099,514	---	---	19,394,856	---
---	---	---	599,449	---
365,936	---	---	526,094	---
<u>20,138,913</u>	<u>---</u>	<u>---</u>	<u>35,605,534</u>	<u>---</u>
<u>27,522,462</u>	<u>5,910,428</u>	<u>3,120,024</u>	<u>92,534,320</u>	<u>4,675,251</u>
---	---	---	572,581	---
---	---	---	905,459	---
---	---	---	231,499	---
---	16,017	---	16,017	---
---	8,898,800	---	8,898,800	---
903,408	1,944,522	123,497	66,055,250	---
13,428,960	---	---	56,540,206	---
---	34,509,145	979,660	176,326,233	---
41,516,590	5,483,445	3,471,823	399,645,652	---
1,153,688	1,513,342	11,461,835	35,580,876	32,473,059
<u>(3,527,456)</u>	<u>(22,812,227)</u>	<u>(8,602,477)</u>	<u>(221,871,305)</u>	<u>(28,103,776)</u>
<u>53,475,190</u>	<u>20,638,227</u>	<u>7,434,338</u>	<u>512,276,912</u>	<u>4,369,283</u>
<u>53,475,190</u>	<u>29,553,044</u>	<u>7,434,338</u>	<u>522,901,268</u>	<u>4,369,283</u>
<u>\$ 80,997,652</u>	<u>\$ 35,463,472</u>	<u>\$ 10,554,362</u>	<u>\$ 615,435,588</u>	<u>\$ 9,044,534</u>

(continued)

**CITY OF DES MOINES, IOWA**  
**STATEMENT OF NET ASSETS (CONTINUED)**  
**PROPRIETARY FUNDS**  
**June 30, 2007**

LIABILITIES	BUSINESS-TYPE ACTIVITIES -		
	AIRPORT	PARKING	SEWER SYSTEM
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 745,689	\$ 556,989	\$ 49,559
Contracts payable	—	173,000	966,149
Accrued wages payable	321,843	35,442	98,578
Accrued employee benefits	280,373	38,484	207,337
Due to signatory airlines	465,236	—	—
Due to other funds	—	—	—
Due to other governmental units	—	—	—
Tenant security deposits	—	—	—
Notes payable	8,700,000	1,184,264	—
Accrued interest payable	1,118,655	42,462	—
Revenue bonds payable	950,000	—	—
General obligation bonds payable	233,000	—	—
Deferred revenue	26,802	90	—
Capital leases payable	283,375	—	—
Other liabilities	96,900	—	—
Unamortized premium	6,072	—	—
<b>Total</b>	<b>13,227,945</b>	<b>2,030,731</b>	<b>1,321,623</b>
<b>Current liabilities payable from restricted assets:</b>			
Construction contracts	583,423	—	—
Revenue bonds payable	—	1,540,000	351,000
Accrued interest payable	—	125,487	88,301
Unamortized premium	—	—	997,783
<b>Total current liabilities payable from restricted assets</b>	<b>583,423</b>	<b>1,665,487</b>	<b>1,437,084</b>
<b>Total current liabilities</b>	<b>13,811,368</b>	<b>3,696,218</b>	<b>2,758,707</b>
<b>Noncurrent liabilities:</b>			
Unamortized premium	22,482	—	—
Accrued employee benefits	586,314	81,982	321,930
Advance from other funds	—	—	—
Notes payable	—	—	—
General obligation bonds payable	386,000	—	—
Revenue bonds payable	38,035,000	22,175,000	23,904,585
Other liabilities	—	—	—
Capital leases payable	1,047,161	8,689,848	—
<b>Total noncurrent liabilities</b>	<b>40,076,957</b>	<b>30,946,830</b>	<b>24,226,515</b>
<b>Total liabilities</b>	<b>53,888,325</b>	<b>34,643,048</b>	<b>26,985,222</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	225,545,928	42,234,545	64,054,936
<b>Restricted:</b>			
Capital projects	4,206,726	—	—
Public housing program	—	—	—
Debt retirement	5,963,501	2,917,000	1,920,000
<b>Unrestricted</b>	<b>2,927,870</b>	<b>4,092,158</b>	<b>19,040,843</b>
<b>Total net assets</b>	<b>\$ 238,644,025</b>	<b>\$ 49,243,703</b>	<b>\$ 85,015,779</b>

The notes to the financial statements are an integral part of this statement.

STORMWATER UTILITY	ENTERPRISE FUNDS			TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES
	MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS			INTERNAL SERVICE FUNDS
\$ 45,155	\$ 112,788	\$ 192,525	\$ 1,702,705	\$ 592,632	
1,343,713	---	---	2,482,862	---	
180,405	100,946	149,813	887,027	131,485	
287,523	101,868	218,409	1,133,994	150,926	
---	---	---	465,236	---	
---	93,491	41,704	135,195	---	
---	1,416,049	---	1,416,049	---	
---	51,827	---	51,827	---	
---	---	954,355	10,838,619	---	
---	---	6,236	1,167,353	---	
---	---	23,300	973,300	---	
---	---	34,000	267,000	---	
---	10,814	---	37,706	24,522	
---	---	---	283,375	---	
---	---	---	96,900	---	
---	---	2,850	8,922	---	
<u>1,856,796</u>	<u>1,887,783</u>	<u>1,623,192</u>	<u>21,948,070</u>	<u>899,565</u>	
---	---	---	583,423	---	
1,800,000	---	---	3,691,000	---	
105,416	---	---	319,204	---	
---	---	---	997,783	---	
<u>1,905,416</u>	<u>---</u>	<u>---</u>	<u>5,591,410</u>	<u>---</u>	
<u>3,762,212</u>	<u>1,887,783</u>	<u>1,623,192</u>	<u>27,539,480</u>	<u>899,565</u>	
---	---	---	22,482	---	
514,524	136,355	465,274	2,106,379	308,489	
---	---	3,730,653	3,730,653	---	
---	---	1,307,870	1,307,870	---	
---	---	161,000	547,000	---	
29,990,000	---	---	114,104,585	---	
150	49,507	---	49,657	---	
---	---	---	9,737,009	---	
<u>30,504,674</u>	<u>185,862</u>	<u>5,664,797</u>	<u>131,605,635</u>	<u>308,489</u>	
<u>34,266,886</u>	<u>2,073,645</u>	<u>7,287,989</u>	<u>159,145,115</u>	<u>1,208,054</u>	
32,328,388	20,638,227	4,950,962	389,752,986	4,369,283	
---	---	---	4,206,726	---	
---	8,898,800	---	8,898,800	---	
3,132,850	---	---	13,933,351	---	
11,269,528	3,852,800	(1,684,589)	39,498,610	3,467,197	
<u>\$ 46,730,766</u>	<u>\$ 33,389,827</u>	<u>\$ 3,266,373</u>	<u>\$ 456,290,473</u>	<u>\$ 7,836,480</u>	



**CITY OF DES MOINES, IOWA**  
**RECONCILIATION OF ENTERPRISE FUNDS NET ASSETS**  
**TO THE STATEMENT OF NET ASSETS**  
**June 30, 2007**

---

Total enterprise funds net assets \$ 456,290,473

Amounts reported for enterprise activities in the statement of net assets are different because:

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

(1,620,573)

Net assets of business-type activities

\$ 454,669,900

The notes to the financial statements are an integral part of this statement.

**CITY OF DES MOINES, IOWA**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2007**

	BUSINESS-TYPE ACTIVITIES -		
	AIRPORT	PARKING	SEWER SYSTEM
Operating revenues:			
Charges for sales and services	\$ 24,134,010	\$ 10,546,668	\$ 26,877,068
Operating grants	---	---	---
Miscellaneous	---	---	---
Total operating revenues	<u>24,134,010</u>	<u>10,546,668</u>	<u>26,877,068</u>
Operating expenses:			
Personal services	8,915,222	1,012,962	3,460,373
Contractual services	7,314,742	3,323,559	14,278,417
Commodities	1,716,874	142,466	276,326
Depreciation	9,381,011	2,957,691	2,238,224
Other charges	85,750	2,064,667	4,169,518
Total operating expenses	<u>27,413,599</u>	<u>9,501,345</u>	<u>24,422,858</u>
Operating income (loss)	<u>(3,279,589)</u>	<u>1,045,323</u>	<u>2,454,210</u>
Non-operating revenues (expenses):			
Donations and contributions	---	---	969
Gain/(loss) on disposal of capital assets	76,770	2,000	(3,977)
Investment earnings	1,137,586	431,102	1,342,949
Passenger facility charge revenue	3,950,072	---	---
Interest expense and fiscal charges	<u>(2,592,187)</u>	<u>(2,013,874)</u>	<u>(1,077,567)</u>
Total nonoperating revenues (expenses)	<u>2,572,241</u>	<u>(1,580,772)</u>	<u>262,374</u>
Income (loss) before capital grants and contributions and transfers	<u>(707,348)</u>	<u>(535,449)</u>	<u>2,716,584</u>
Capital grants and contributions	10,369,947	73,299	799,437
Transfers in	---	1,000,000	208,015
Transfers out	---	---	---
Change in net assets	9,662,599	537,850	3,724,036
Total nets assets - beginning	<u>228,981,426</u>	<u>48,705,853</u>	<u>81,291,743</u>
Total net assets - ending	<u>\$238,644,025</u>	<u>\$ 49,243,703</u>	<u>\$ 85,015,779</u>

The notes to the financial statements are an integral part of this statement.

STORMWATER UTILITY	ENTERPRISE FUNDS			GOVERNMENTAL
	MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	ACTIVITIES INTERNAL SERVICE FUNDS
\$ 11,811,325	\$ 1,538,970	\$ 12,786,237	\$ 87,694,278	\$ 32,003,182
—	16,945,764	—	16,945,764	—
—	—	—	—	37,971
<u>11,811,325</u>	<u>18,484,734</u>	<u>12,786,237</u>	<u>104,640,042</u>	<u>32,041,153</u>
4,039,767	3,436,546	4,547,102	25,411,972	4,038,963
1,195,261	16,353,210	4,749,082	47,214,271	22,530,703
237,346	—	425,716	2,798,728	4,836,381
804,077	2,087,743	936,353	18,405,099	1,604,256
1,790,299	—	1,045,489	9,155,723	48,626
<u>8,066,750</u>	<u>21,877,499</u>	<u>11,703,742</u>	<u>102,985,793</u>	<u>33,058,929</u>
<u>3,744,575</u>	<u>(3,392,765)</u>	<u>1,082,495</u>	<u>1,654,249</u>	<u>(1,017,776)</u>
2,240	—	2,933	6,142	20,000
(3,254)	2,719,932	36,500	2,827,971	11,948
1,789,477	651,982	156,753	5,509,849	—
—	—	—	3,950,072	—
(987,978)	—	(111,527)	(6,783,133)	—
<u>800,485</u>	<u>3,371,914</u>	<u>84,659</u>	<u>5,510,901</u>	<u>31,948</u>
4,545,060	(20,851)	1,167,154	7,165,150	(985,828)
678,240	1,059,294	—	12,980,217	—
—	—	—	1,208,015	—
(308,015)	—	—	(308,015)	—
<u>4,915,285</u>	<u>1,038,443</u>	<u>1,167,154</u>	<u>21,045,367</u>	<u>(985,828)</u>
<u>41,815,481</u>	<u>32,351,384</u>	<u>2,099,219</u>	<u>435,245,106</u>	<u>8,822,308</u>
<u>\$ 46,730,766</u>	<u>\$ 33,389,827</u>	<u>\$ 3,266,373</u>	<u>\$ 456,290,473</u>	<u>\$ 7,836,480</u>



**CITY OF DES MOINES, IOWA**  
**RECONCILIATION OF THE CHANGE IN NET ASSETS OF**  
**ENTERPRISE FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2007**

---

Net changes in net assets in enterprise funds \$ 21,045,367

Amounts reported for proprietary activities in the statement of activities are different because:

Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with business-type

(512,175)

Change in net assets of business-type activities

\$ 20,533,192

The notes to the financial statements are an integral part of this statement.

**CITY OF DES MOINES, IOWA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

**June 30, 2007**

	<b>BUSINESS-TYPE ACTIVITIES -</b>		
	<u>AIRPORT</u>	<u>PARKING</u>	<u>SEWER SYSTEM</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 24,097,938	\$ 10,581,650	\$27,469,188
Receipts from interfund services provided	-	-	-
Payments to suppliers	(8,929,171)	(5,431,468)	(18,816,145)
Payments to employees	(8,851,088)	(1,029,807)	(3,402,198)
Payments for interfund services used	-	-	-
Net cash provided (used) by operating activities	<u>6,317,679</u>	<u>4,120,375</u>	<u>5,250,845</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Proceeds from interfund accounts	-	41,704	-
Payments to interfund accounts	-	(1,277)	-
Transfers In	-	1,000,000	208,015
Transfers Out	-	-	-
Donations and contributions	-	-	969
Intergovernmental	-	73,299	207,220
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>1,113,726</u>	<u>416,204</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from intergovernmental and capital grants	10,369,947	-	-
Proceeds from passenger facility charges	3,990,218	-	-
Interest paid on capital debt	(2,660,189)	(1,979,042)	(1,075,385)
Principal paid on short-term debt	(86,900,000)	-	-
Principal paid on long-term debt	(1,509,729)	-	-
Payment of long-term debt	-	(1,080,000)	(339,000)
Proceeds from long-term debt	-	-	283,765
Proceeds from issuance of short-term notes payable	88,300,000	-	-
Proceeds from sale of capital assets	114,565	2,000	-
Acquisition and construction of capital assets	(15,443,157)	(3,321,857)	(6,660,854)
Net cash provided (used) by capital and related financing activities	<u>(3,738,345)</u>	<u>(6,378,899)</u>	<u>(7,791,474)</u>

				GOVERNMENTAL ACTIVITIES
STORMWATER UTILITY	MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
\$ 11,796,916	\$ 18,224,130	\$ 12,707,147	\$ 104,876,969	\$ 1,427,528
-	-	-	-	30,533,830
(3,347,957)	(16,316,074)	(6,303,463)	(59,144,278)	(26,885,459)
(3,919,358)	(3,383,712)	(4,532,181)	(25,118,344)	(3,942,330)
-	-	-	-	(360,965)
<u>4,529,601</u>	<u>(1,475,656)</u>	<u>1,871,503</u>	<u>20,614,347</u>	<u>772,604</u>
-	8,957	418,745	469,406	-
-	-	-	(1,277)	-
-	-	-	1,208,015	-
(308,015)	-	-	(308,015)	-
2,240	-	2,933	6,142	20,000
144,300	-	-	424,819	15,288
<u>(161,475)</u>	<u>8,957</u>	<u>421,678</u>	<u>1,799,090</u>	<u>35,288</u>
-	1,059,294	-	11,429,241	-
-	-	-	3,990,218	-
(936,100)	-	(116,515)	(6,767,231)	-
-	-	-	(86,900,000)	-
-	-	(996,515)	(2,506,244)	-
(1,000,000)	-	-	(2,419,000)	-
16,750,000	-	-	17,033,765	-
-	-	-	88,300,000	-
-	6,800,409	36,500	6,953,474	38,200
<u>(8,327,799)</u>	<u>(1,059,294)</u>	<u>(661,351)</u>	<u>(35,474,312)</u>	<u>(621,674)</u>
<u>6,486,101</u>	<u>6,800,409</u>	<u>(1,737,881)</u>	<u>(6,360,089)</u>	<u>(583,474)</u>

(continued)

**CITY OF DES MOINES, IOWA**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY FUNDS**  
**June 30, 2007**

	<b>BUSINESS-TYPE ACTIVITIES -</b>		
	<u>AIRPORT</u>	<u>PARKING</u>	<u>SEWER SYSTEM</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sales and maturities of investments	\$ 3,150,000	\$ 2,917,000	\$ 1,699,829
Purchase of investments	(988,667)	(2,917,000)	(516,000)
Interest received	1,062,294	466,294	1,276,272
Net cash provided by investing activities	<u>3,223,627</u>	<u>466,294</u>	<u>2,460,101</u>
Net increase (decrease) in cash and cash equivalents	5,802,961	(678,504)	335,676
Cash and cash equivalents, beginning of year	14,228,429	5,680,187	20,239,347
Cash and cash equivalents, end of year	<u>\$ 20,031,390</u>	<u>\$ 5,001,683</u>	<u>\$ 20,575,023</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	<u>\$ (3,279,589)</u>	<u>\$ 1,045,323</u>	<u>\$ 2,454,210</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	9,381,011	2,957,691	2,238,224
Amortization/ Accretion	84,034	12,926	(82,312)
(Increase) decrease in accounts and taxes receivable	(1,169,469)	6,757	708,508
(Increase) decrease in due from other governmental units	-	29,502	(116,388)
(Increase) decrease in inventories	67,093	-	-
(Increase) decrease in prepaid items	-	-	1,448
(Increase) in other noncurrent assets	-	-	-
(Decrease) increase in accounts payable	102,444	84,932	(8,019)
Increase (decrease) in accrued wages payable	-	(2,664)	(19,021)
Increase (decrease) in accrued employee benefits	56,359	(14,182)	74,195
Increase (decrease) in due to other governmental units	(142,302)	-	-
(Decrease) in amounts owed to signatory airlines	1,222,002	-	-
(Decrease) in other liabilities, self-sufficiency participation and tenant security deposits	(18,800)	-	-
Increase (Decrease) in deferred revenue	14,896	90	-
Total adjustments	<u>9,597,268</u>	<u>3,075,052</u>	<u>2,796,635</u>
Net cash provided (used) by operating activities	<u>\$ 6,317,679</u>	<u>\$ 4,120,375</u>	<u>\$ 5,250,845</u>
<b>Schedule of noncash investing activities:</b>			
Increase (decrease) in fair value of investments	82,122	-	2,185
<b>Schedule of noncash capital and related financing activities:</b>			
Gain (loss) on disposal of capital assets	76,770	2,000	(3,977)
Acquisition of capital assets through contracts	(1,871,480)	(2,810)	(1,317,518)
Capital assets contributed	-	-	592,217

				GOVERNMENTAL ACTIVITIES
STORMWATER UTILITY	MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
\$ 5,035,847	\$ -	\$ -	\$ 12,802,676	\$ -
(16,023,171)	-	-	(20,444,838)	-
1,531,632	651,982	156,753	5,145,227	-
(9,455,692)	651,982	156,753	(2,496,935)	-
1,398,535	5,985,692	712,053	13,556,413	224,418
11,184,862	8,342,407	2,211,381	61,886,613	3,975,937
<u>\$ 12,583,397</u>	<u>\$ 14,328,099</u>	<u>\$ 2,923,434</u>	<u>\$ 75,443,026</u>	<u>\$ 4,200,355</u>
\$ 3,744,575	\$ (3,392,765)	\$ 1,082,495	\$ 1,654,249	\$ (1,017,776)
804,077	2,087,743	936,353	18,405,099	1,604,256
(129,896)	-	(523)	(115,771)	-
(25,590)	27,686	(79,088)	(531,196)	(55,658)
11,181	(198,565)	-	(274,270)	-
-	(1,712)	-	65,381	99,054
10,794	23,778	2,836	38,856	31,256
-	450	-	450	-
(5,948)	15,070	(85,491)	102,988	18,381
7,900	5,215	4,297	(4,273)	4,959
112,508	47,619	10,624	287,123	91,677
-	(32,597)	-	(174,899)	-
-	-	-	1,222,002	-
-	(54,401)	-	(73,201)	-
-	(3,177)	-	11,809	(3,545)
<u>785,026</u>	<u>1,917,109</u>	<u>789,008</u>	<u>18,960,098</u>	<u>1,790,380</u>
<u>\$ 4,529,601</u>	<u>\$ (1,475,656)</u>	<u>\$ 1,871,503</u>	<u>\$ 20,614,347</u>	<u>\$ 772,604</u>
(23,651)	-	-	60,656	-
(3,254)	2,719,932	36,500	2,827,971	11,948
19,960	-	-	(3,171,848)	-
533,940	-	-	1,126,157	-

**CITY OF DES MOINES, IOWA**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**June 30, 2007**

---

	<u>AGENCY FUNDS</u>
<b>ASSETS</b>	
Cash and pooled cash investments	\$ 93,716,951
Accounts receivable	983,447
Due from other governments	229
Total assets	<u>\$ 94,700,627</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 94,686,838
Good faith/earnest deposits	13,789
Total liabilities	<u>\$ 94,700,627</u>

The notes to the financial statements are an integral part of this statement.

CITY OF DES MOINES, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

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**1. Summary of Significant Accounting Policies**

The following is a summary of significant accounting policies employed in the preparation of these financial statements.

**A. Reporting Entity**

The City of Des Moines is located in Polk County and was first incorporated as a town in 1851 and as a city in 1857 under the laws of the State of Iowa. The City operates under the council-manager-ward form of government.

In accordance with the Codification of Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, organizations, agencies, boards, commissions, and authorities for which the City is financially accountable. The City has also considered all other potential organizations for which the nature and significance of their relationships 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 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 that organization to provide specific benefits to or impose specific financial burdens on the City.

The discretely presented component unit discussed below is included in the City's reporting entity because of the nature and significance of their relationship with the City and the ongoing financial support. The component unit is discretely presented and reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

The Des Moines Public Library Foundation (Foundation) has a December 31 year-end. The Foundation is a non-profit community foundation founded to provide financial support to the Public Library of Des Moines by fund raising from the private sector, by indirectly supporting library advocacy groups, and by fostering innovative public and private collaboration. Money raised by the Foundation serves to enhance the operating budget of the public library by enhancing its collections, facilities and services, both traditional and technological, beyond what tax dollars provide. The Foundation publishes its own annual financial report, which is available at their office 400 Locust Street, P.O. Box 93243, Suite 350 Des Moines, IA 50393.

## **B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

## **C. Fund Accounting**

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

### **(1) Governmental Fund Types**

Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following comprise the City's major governmental funds:

#### **(a) General Fund**

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Many of the more important activities of the City, including operation of the City's general service

departments; street and highway maintenance; public safety, parks, cemetery, library, and recreation programs, are accounted for in this fund.

The following accounts are included in this fund:

**General** - To account for those resources funding traditional government functions not related to special tax levies detailed below.

**Tort Liability** - To account for the taxes generated for the payment of premium costs on tort liability insurance, property insurance, and any other insurance that may be necessary in the operation of the City. This includes costs of self-insurance programs as well.

**Transit** - To account for the receipt and disbursement of property taxes generated by the levy authorized by Section 384.12(9). The purpose of this levy is to aid the Metropolitan Transit Authority.

**(b) Tax Increment Fund**

The Tax Increment Fund, a special revenue fund, accounts for receipt of property taxes allocated to various tax increment financing districts and used to pay the principal and interest on tax increment debt.

**(c) Debt Service Fund**

The Debt Service Fund is used to account for the funding and payment of interest and principal of general obligation and tax increment debt of the City.

**(d) Capital Projects Fund**

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets, with the exception of those that are financed through proprietary funds.

The following accounts are included in this fund:

**Bridge Projects** - To account for funding and construction of bridge projects.

**Fire Protection Projects** - To account for funding and construction for improvements to the City's fire stations and the acquisition of major firefighting apparatus.

**Library Projects** - To account for funding and construction of major projects in the City's Library System.

**Municipal Buildings Projects** - To account for funding, construction, and improvements to municipal buildings not financed by enterprise operations.

**Park Improvement Projects** - To account for funding and construction for major projects related to improvements to the City's Parks System.

**Special Assessment Projects** - To account for the collection of special assessment revenue utilized in major construction projects including streets, sidewalks, and sewers that provide benefit to particular property owners.

**Street Projects** - To account for funding and construction of street, traffic control, and sidewalk projects.

**Urban Renewal Projects** - To account for funding and construction of urban renewal projects.

**(e) Benefit Tax Accounts Fund**

Benefit Tax Accounts Fund, a special revenue fund, is used to account for the receipt and disbursement of property taxes generated by the trust and agency levy. The purpose of this portion of the levy is to fund employers' share of costs for pensions and retirement systems. This fund is major for public interest purposes.

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

**Special revenue funds** are used to account for revenues derived from specific sources, which are usually required by law or regulation to be accounted for in separate funds.

The following non-major funds are included in this fund type:

Community Development Block Grant (CDBG) - To account for the Community Development Block Grant Program administered by the U.S. Department of Housing and Urban Development.

Community Services - To account for the administration of federal programs designed to provide various services to the City's elderly and low- to moderate-income residents.

Other Employee Benefits - To account for the receipt and disbursement of property taxes generated by the trust and agency levy. The purpose of this portion of the levy is to fund employers' share of costs of employee benefits that are not related to pensions or retirement.

Road Use Tax - To account for state revenues allocated to the City for maintenance and improvement of City streets.

Urban Development Action Grant - To account for the Urban Development Action Grants Program administered by the U.S. Department of Housing and Urban Development.

Other Special Revenue - To account for several minor special revenue activities not material enough to disclose separately.

**Permanent funds** are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs. The following nonmajor funds are included in this fund type:

Cemetery - Accounts for the principal, which remains in trust. Earnings, which are available for cemetery operations, are deposited directly into the general account of the General Fund.

Permanent Cemetery Maintenance - Accounts for the fees collected for cemetery maintenance and related disbursements.

Swartzell Endowment - Accounts for the principal and interest earnings of the trust, established to fund the cost of perennial plantings and public beautification projects.

Weise Bird Habitats - Accounts for the funds bequeathed to the City under the will of Ruth E. Weise, to be used for the planting, cultivation, and preservation of trees and shrubs, and nesting, feeding habitats, and stations for birds in City parks.

## (2) Proprietary Fund Types

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

**Enterprise funds** are used to finance and account for the acquisition, operation, and maintenance of the City's facilities and services which are supported primarily by user charges. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the City has elected to apply all applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements. The following comprise the City's major enterprise funds:

- (a) **Airport Fund** - To account for the operation and maintenance of the City's airport facility, including airport parking.
- (b) **Stormwater Utility Fund** - To account for the operation and maintenance of the City's Stormwater Utility.
- (c) **Parking Facilities System Fund** - To account for the operation and maintenance of the City's on- and off-street public parking facilities, except for those facilities operated by the Des Moines International Airport.

(d) **Sewer System Fund** - To account for the operation and maintenance of the City's Sanitary Sewer System.

(e) **Municipal Housing Agency Fund** - To account for operations of the Federal Section 8 Rent Payment Assistance Program and low-income housing projects.

The other enterprise funds of the City are considered non-major and are as follows:

Golf Courses - To account for the operation and maintenance of the City's three golf courses: Waveland, Grandview, and A.H. Blank.

Solid Waste System - To account for the operation and maintenance of the City's Solid Waste Collection System.

**Internal service funds** are used to finance and account for services and commodities provided by designated departments or agencies to other departments and agencies of the City.

The following funds are included in this fund type:

Central Services - To provide printing, messenger, mail, and telephone services to City departments.

Equipment Replacement - To finance the replacement of automotive equipment, as necessary. The automotive equipment is initially acquired by the various user departments.

Equipment Service Center - To provide maintenance and repair services for City automotive equipment.

Forestry - To provide ground maintenance to other departments.

Group Health Insurance - Accounts for City contributions, employee contributions, and commercial insurance cost of various health benefit plans.

Radio Communications - To provide maintenance and repair services for radio equipment.

Radio Replacement - To finance the replacement of radio equipment, as necessary. The radio equipment is initially acquired by the various user departments.

### (3) Fiduciary Fund Types (Trust and Agency Funds)

Fiduciary fund types are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

#### Agency Funds

Agency funds are custodial in nature (assets equal liabilities), and do not involve the measurement of results of operations. The agency funds function primarily as a clearing mechanism for cash resources which are collected, held as such for a brief period, and then disbursed to authorized recipients.

The following funds are included in this fund type:

Employees' Payroll Withholdings - Accounts for the receipt and disbursement of funds withheld from the pay of City employees that are remitted to third parties.

Other Agency - Accounts for activity incurred in conjunction with several small agency agreements.

Wastewater Reclamation Authority (WRA) - Accounts for the City's agent responsibilities of the WRA, a joint venture of the City and surrounding municipalities.

CEBA Grants - Accounts for the City's agent responsibilities of the CEBA programs Business Revitalization Loans.

#### D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. The agency funds do not have a measurement focus but are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to

compensated absences and claims and judgments, are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure, and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Licenses and permits, fines and forfeitures, charges for sales and services (other than utility), and miscellaneous revenues are generally recorded as revenue when received in cash, because they are generally not measurable until actually received. In the category of use of money and property, property rentals are recorded as revenue when received in cash, but investment earnings are recorded as earned, since they are measurable and available.

Property taxes are recognized as a receivable at the time an enforceable legal claim is established. This is determined to occur when the budget is certified. The current tax receivable represents the 2007 levy certified on March 15, 2007, based on the 2006 assessed valuations. The tax lien date is January 1, 2006. As the levy is intended for use in the 2008 fiscal year, the revenue has been recorded as deferred revenue. Taxes are levied on July 1 and are payable in two installments on September 30 and March 31. Tax payments become delinquent on October 1 and April 1. The County Treasurer bills and collects property taxes for the City. Property taxes are considered available if received within 60 days of year-end.

The City is permitted by the *Code of Iowa* to levy taxes up to \$8.10 per \$1,000 of assessed valuation for General Fund purposes, \$.27 per \$1,000 of assessed valuation for an Emergency Fund to assist in the funding of General Fund activities, and unlimited amounts for the payment of principal and interest on general obligation bonds, judgments awarded against the City, trust and agency accounts for pension and related employee benefit funds, and to pay the premium costs on tort liability insurance. The combined tax rate for the collection year ended June 30, 2007 was \$16.59 per \$1,000 of assessed valuation.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 and

internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service 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.

#### **E. Budgetary and Legal Appropriation and Amendment Policies**

As allowed by GASB Statement No. 41, Budgetary Comparison Schedules – Perspective Differences, the City presents budgetary comparison schedules as required supplementary information based on the program structure of nine functional areas as required by state statute for its legally adopted budget.

#### **F. Encumbrances**

Appropriations in the governmental funds are charged for encumbrances when commitments are made. Fund balances are reserved for outstanding encumbrances, which serve as authorizations for expenditures in the subsequent year.

#### **G. Cash and Pooled Cash Investments**

Except where otherwise required, the City maintains all deposits in a bank account in the name of the City. These deposits are invested on a short-term basis with interest income being recorded in the General Fund, except for interest income allocated to enterprise funds and where specifically required by law to be recorded in other funds.

The balance reported in each fund represents an equity interest in the commingled pool of cash, which is under the management of the City Treasurer.

#### **H. Investments**

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

#### **I. Statement of Cash Flows**

For purposes of the statement of cash flows for proprietary fund types, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

#### **J. Inventories and Prepaid Items**

Inventories are stated at the lower of cost or market and consist of consumable supplies. The cost of these supplies is recorded as an expense at the time they are relieved from inventory for use. Inventories are determined by actual count and priced on the first-in, first-out basis.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

## K. Capital Assets

Capital assets, including land, buildings, improvements, infrastructure, and equipment assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City of Des Moines as assets with an initial, individual cost of more than \$5,000 and an initial useful life of one year or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Buildings, improvements, infrastructure and equipment assets are depreciated using the half-year convention depreciation method (straight-line depreciation with a half-year taken the first year and the last year) over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Infrastructure Systems	50
Infrastructure Improvements	20
Skywalks	40
Bridges	60
Bridge Improvements	30
Flood Control	30
Equipment	3-15
Vehicles	3-5

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

## L. Deferred and Unearned Revenues

Deferred revenues in the governmental funds represent amounts due, which are measurable, but not available. In the statement of net assets, unearned revenues represent the deferral of property tax receivables which are levied for a future period as well as unearned revenue.

## **M. Inter-fund Transactions**

Transactions among City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions, which constitute reimbursements to a fund for expenditures initially made from it, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statements.

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

Noncurrent portions of long-term inter-fund loan receivables are reported as advances within the governmental funds, and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources, and therefore, are not available for appropriation.

## **N. Compensated Absences**

City employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination, death, or retirement. Sick leave is payable when used, or upon death or retirement. If paid upon death or retirement, the total accumulated hours are paid at one-half of the then effective hourly rate for that employee, with a maximum of 750 hours per employee.

For proprietary fund types, these accumulations are recorded as expenses and liabilities of the appropriate fund in the fiscal year earned. For governmental fund types, the amount of accumulated unpaid vacation and sick leave is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations.

## **O. Fund Equity**

Reservations of fund balance represent amounts that are not appropriated or are legally segregated for a specific purpose. Restrictions of net assets are limited to outside third-party restrictions.

## **P. Net assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the

acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt excludes unspent debt proceeds. The portion of the debt related to unspent proceeds is included in the same net asset component as the unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted through enabling legislation consists of \$16,776,784 for debt retirement and \$901,380 for tax increment.

As of June 30, 2007 the following major enterprise funds had unspent bond proceeds:

Parking Fund	\$194,191
Stormwater Utility Fund	\$10,643,198

As of June 30, 2007, the governmental activities had unspent bond proceeds of \$52,758,188. The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

#### **Q. Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **R. Accounts Receivable**

Accounts receivable result primarily from miscellaneous services provided to citizens in the General Fund, Capital Projects Fund, and other nonmajor governmental funds. Accounts receivable in the proprietary funds result from providing services specific to the operations of the fund.

#### **S. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as issuance costs during the current period. The face amount of the debt issued is reported as other financial sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

## 2. Individual Fund Disclosures

The following is a summary of deficit fund balances/net assets of individual funds at June 30, 2007:

FUND TYPE	INDIVIDUAL FUND	DEFICIT FUND BALANCES	DEFICIT NET ASSETS
Governmental	Special revenue, Community Services	610,711	
Governmental	Special revenue, Other Employee Benefits	6,418	
Proprietary	Enterprise, Golf		735,190

The individual fund balance deficits will be eliminated by future intergovernmental revenue.

## 3. Cash and Pooled Cash Investments and Investments

The City maintains a cash and investment pool that is available for use by all funds, where the resources have been pooled in order to maximize investment opportunities. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and pooled cash investments." Investment income is allocated to the various funds based on their respective participation and in accordance with accounting principles generally accepted in the United States of America. In addition, investments are separately held by several of the City's funds. The City has deposits in irrevocable trusts that are to be used solely for the defeasance of debt. Since these irrevocable trusts are sufficient to refund this debt, the deposits and corresponding liabilities are not reflected in the City's financial statements, as explained in the debt extinguishment note.

### A. Authorized Investments

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved pursuant to Chapter 12C, Code of Iowa; 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. However, the City's investment policy additionally limits investments in commercial paper to obligations at the time of purchase rated within the two highest ratings, issued by nationally recognized statistical rating organizations with a maturity less than 270 days, provided that at the time of purchase no more than 10% of the investment portfolio be invested in commercial paper and no more than 5% of the investment portfolio shall be invested in securities of a single issuer. It also limits investments in prime bankers' acceptances to those that mature within 270 days and that are eligible for purchase by a federal reserve bank, provided that at the time of purchase no more than 5% of the investment portfolio shall be invested in the securities of a single issuer.

## B. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the City's investment policy, the City minimizes the market value risk of investments in the portfolio by structuring its investment portfolio so that securities mature to meet cash requirements for operations, thereby avoiding the need to sell securities in the open market prior to maturity.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Security Description	Current Market Value	Investment Maturities (in Years)		
		Less Than 1	1 - 5	6 - 10
Commercial Paper Total	11,734,951	11,734,951	0	0
Federal Farm Credit Total	3,910,434	2,239,875	1,596,496	74,063
FHLB Total	32,377,308	19,121,226	13,256,083	0
FHLB Discount Total	2,447,250	2,447,250	0	0
FHLMC Total	15,856,853	5,980,040	9,876,813	0
FHLMC Discount Total	72,829,930	72,829,930	0	0
FNMA Total	22,841,572	9,236,766	13,404,180	200,626
FNMA Discount Total	42,634,318	42,634,318	0	0
<b>Grand Total</b>	<b>204,632,616</b>	<b>166,224,356</b>	<b>38,133,572</b>	<b>274,689</b>

The above table includes the investments of the WRA.

## C. Credit Risk

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's policy requires money market funds to have a rating of AAAm-g1, AAA-m or AA-m by Standard & Poor's and Aaa, Aa1 or Aa2 if rated by Moody's. Commercial paper must be rated "Prime-1" by Moody's and "A-1" or better by Standard & Poor's at time of purchase.

As of June 30, 2007, the City's investments were rated as follows:

<u>Security Description</u>	<u>Moody's</u>	<u>Standard &amp; Poor's</u>
Commercial Paper	P1	A-1+
Federal Farm Credit	Aaa	AAA
FHLB	Aaa	AAA
FHLB Discount	Aaa	A-1+
FHLMC	Aaa	AAA
FHLMC Discount	Aaa	A-1+
FNMA	Aaa	AAA
FNMA Discount	Aaa	A-1+

#### D. Concentration of Credit Risk

The City's investment policy seeks diversification to reduce overall portfolio risk while attaining benchmark average rates of return to meet all anticipated cash requirements. The policy requires that with the exception of U.S. Treasury securities, no more than 50% of the City's total investment portfolio will be invested in a single security type, and no more than 25% with a single financial institution. The Finance Director/Treasurer will invest in securities with varying maturities. Certificates of deposit will be limited to the amount approved by City Council for each financial institution in accordance with Chapter 12C of the Code of Iowa. Prime bankers' acceptances and commercial paper are limited as explained under authorized investments, above. More than 5% of the City's investments are in the Federal National Mortgage Association, Federal Home Loan Bank, and Federal Home Loan Mortgage Corporation, respectively. The City's investments are in accordance with these policies regarding diversification.

#### E. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Chapter 12C of the Code of Iowa requires all City funds be deposited into an approved depository and be either insured or collateralized. At June 30, 2007, the City's deposits were held in banks within the state of Iowa and covered by the state sinking fund per Section 12C.25 of the Code of Iowa. At June 30, 2007, \$204,632,616 of City investments was uninsured and unregistered securities held by the counterparty's trust department in the City's name.

#### 4. Joint Venture

The City is a participating community in the Des Moines Metropolitan Wastewater Reclamation Authority joint venture. This joint venture provides primary and secondary treatment of the sewer flows of the participating communities. The Amended and Restated Agreement for the Des Moines Metropolitan Wastewater Reclamation Authority (WRA) was effective on July 1, 2004. This agreement amended and restated the previous Integrated Community Area (I.C.A.) Agreement to provide continued operation, improvements and expansion. The WRA Agreement establishes the WRA as a separate legal entity with its own Board. The WRA Agreement creates an independent governance structure, establishes an independent bonding authority for the WRA, and provides a framework for additional communities to participate.

The City retains an ongoing financial responsibility to the WRA since it is obligated in some manner for the debts of the joint venture. Although the debt of the WRA is to be paid solely and only from WRA revenues, the participating communities in the joint venture cannot withdraw from the joint venture while any of bonds issued during the time the entity was a participating community are still outstanding. The WRA Sewer Revenue Bonds Series 2004A, 2004B and 2006A include provisions that place the WRA debt service requirements on the same parity and rank as other debts of the participating communities.

The WRA Sewer Revenue Bonds Series 2004A bonds were issued for the advance refunding of the City's sewer revenue bonds. The WRA Agreement requires the debt service on these bonds to be allocated through the annual flow allocation to the participating communities based on the existing allocations of debt service under the prior I.C.A. agreement. The Series 2004A bonds had a balance of \$16,685,000 as of June 30, 2007. Therefore, the City of Des Moines has a commitment for approximately \$13,338,530 for future principal payment requirements. The WRA Sewer Revenue Bonds Series 2004B bonds were issued for capital expansion. The WRA Agreement requires the debt service on these bonds to be allocated to the participating communities based on the WRA flows of the core communities and expansion communities of each calendar year. As of June 30, 2007, the Series 2004B bonds had a balance of \$65,780,000 and the City of Des Moines' estimated future allocation based on the WRA flows is currently \$22,953,996. The WRA Sewer Revenue Bonds Series 2006A bonds were issued for capital expansion. The WRA Agreement requires the debt service on these bonds to be allocated to the participating communities based on the WRA flows of the core communities and expansion communities of each calendar year. As of June 30, 2007, the Series 2006A bonds had a balance of \$38,050,000 and the City of Des Moines' estimated future allocation based on the WRA flows is currently \$11,311,606. The State Revolving Loans are to be paid by the participating communities based on the existing allocations under the prior I.C.A. agreement. As of June 30, 2007, the WRA had \$11,824,000 in State Revolving Loans of which \$7,629,676 future principal debt service is a commitment to the City of Des Moines.

The WRA Agreement does not provide for the determination of an equity interest for the participating communities. Withdrawing from the joint venture is a forfeit of all reversionary interest and no compensation would be paid.

The WRA issues separate financial statements which may be obtained at 3000 Vandalia Road, Des Moines, Iowa 50317.

Condensed financial information of the joint venture as of June 30, 2007 is as follows:

Statement of Net Assets

Current assets	\$76,541,800
Noncurrent assets	\$319,609,135
Total assets	\$396,150,935

Current liabilities	\$11,001,404
Noncurrent liabilities	\$134,948,770
Total liabilities	\$145,950,174

Net assets:

Invested in capital assets,	
Net of related debt	\$210,065,510
Restricted	\$28,943,267
Unrestricted	\$11,191,984

Statement of Revenues, Expenses and Changes in Net Assets

Operating revenues	\$26,460,421
Operating expenses	\$21,989,695
Operating income	\$4,470,726
Nonoperating, net	\$1,278,966
Capital Contributions	\$0
Change in net assets	\$5,749,692

Statement of Cash Flows

Cash provided by operating activities	\$11,627,469
Cash used in investing activities	\$(9,558,188)
Cash provided by capital and related	
Financing activities	\$4,343,618
Increase in cash and pooled cash investments	\$6,412,899

## 5. Operating Lease Rentals

The City, as lessor, has various operating lease agreements for the use of land and facilities. The following is a schedule by year of minimum future rentals required under operating leases having initial or remaining noncancelable lease terms in excess of one year as of June 30, 2007:

	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS	ENTERPRISE FUNDS		TOTAL
				PARKING FACILITIES SYSTEM	AIRPORT	
Year ending June 30,						
2008	36,575	77,600	8,000	29,372	2,419,547	2,571,094
2009	35,415	77,600	8,000	29,372	2,262,811	2,413,198
2010	22,755	77,600	8,000	19,286	1,826,957	1,954,598
2011	22,755	77,600	8,000	3,600	1,714,930	1,826,885
2012	22,005	77,600	8,000	3,600	2,125,757	2,236,962
2013-2017	84,975	376,000	40,000	—	5,369,144	5,870,119
2018-2022	70,605	237,600	36,000	—	2,791,697	3,135,902
2023-2027	58,500	—	—	—	2,657,204	2,715,704
2028-2032	58,500	—	—	—	1,392,352	1,450,852
2033-2037	58,500	—	—	—	127,501	186,001
2038-2042	58,500	—	—	—	—	58,500
2043-2047	58,500	—	—	—	—	58,500
Total minimum future rentals	<u>\$ 587,585</u>	<u>\$ 1,001,600</u>	<u>\$ 116,000</u>	<u>\$ 85,230</u>	<u>\$ 22,687,900</u>	<u>\$ 24,478,315</u>

The significant leases are for buildings and improvements that are reported in the Airport major enterprise fund.

At June 30, 2007, the net book value of leased property is as follows:

Cost of Leased Land	\$	11,776,223
Cost of Leased Buildings		26,511,322
Accumulated Depreciation of Leased Buildings		<u>(3,515,388)</u>
Net book value of Leased Fixed Assets	\$	<u>34,772,157</u>

## 6. Changes in Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2007:

	ENDING			ENDING
	BALANCE	ADDITIONS	DELETIONS	BALANCE
	6/30/2006			6/30/2007
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets, not being depreciated:				
Land	\$ 56,668,749	\$ 21,425	\$ -	\$ 56,690,174
Construction in Progress	204,448,998	28,072,814	(79,139,439)	\$ 153,381,773
Total capital Assets not being depreciated	261,117,147	28,094,239	(79,139,439)	210,071,947
Capital Assets, being depreciated:				
Buildings	84,648,138	34,865,291	-	119,513,429
Improvements Other than Buildings	641,866,421	56,557,287	-	698,423,708
Machinery and Equipment	57,458,018	3,713,347	(1,094,563)	60,076,802
Total capital assets being depreciated	783,972,577	95,135,925	(1,094,563)	878,013,939
Less accumulated depreciation for:				
Buildings	51,909,949	3,696,165	-	55,606,114
Improvements Other than Buildings	242,792,685	17,338,107	-	260,130,792
Machinery and Equipment	40,830,953	4,239,415	(951,058)	44,119,310
Total accumulated depreciation	335,533,587	25,273,687	(951,058)	359,856,216
Total capital assets, being depreciated, net	448,438,990	69,862,238	(143,505)	518,157,723
Governmental activities capital assets, net	\$ 709,556,137	\$ 97,956,477	\$ (79,282,944)	\$ 728,229,670
<b>BUSINESS TYPE ACTIVITIES</b>				
Capital Assets, not being depreciated:				
Land	\$ 63,969,153	\$ 2,118,097	\$ (32,000)	\$ 66,055,250
Construction in Progress	127,458,729	26,299,302	(97,217,825)	\$ 56,540,206
Total capital Assets not being depreciated	191,427,882	28,417,399	(97,249,825)	122,595,456
Capital Assets, being depreciated:				
Buildings	155,717,266	28,101,829	(7,492,862)	176,326,233
Improvements Other than Buildings	326,828,204	72,865,556	(48,108)	399,645,652
Machinery and Equipment	34,762,338	1,261,662	(443,124)	35,580,876
Total capital assets being depreciated	517,307,808	102,229,047	(7,984,094)	611,552,761
Less accumulated depreciation for:				
Buildings	57,698,727	5,386,739	(3,443,134)	59,642,332
Improvements Other than Buildings	126,858,072	10,766,520	(43,298)	137,581,294
Machinery and Equipment	22,799,998	2,251,840	(404,159)	24,647,679
Total accumulated depreciation	207,356,797	18,405,099	(3,890,591)	221,871,305
Total capital assets, being depreciated, net	309,951,011	83,823,948	(4,093,503)	389,681,456
Governmental activities capital assets, net	\$ 501,378,893	\$ 112,241,347	\$ (101,343,328)	\$ 512,276,912

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

**GOVERNMENTAL ACTIVITIES**

Public Safety	3,313,637
General Government	2,566,581
Public Works	12,915,213
Culture and Recreation	4,741,410
Community and Economic Development	132,590
Internal service assets are charged to the various functions based on their useage of the assets	1,604,256
Total Depreciation Expense - Governmental Activities	<u>\$ 25,273,687</u>

**7. Employee Retirement Systems**

The City contributes to two employee retirement systems, the Iowa Public Employees Retirement System (IPERS) and the Municipal Fire and Police Retirement System of Iowa (MFPRSI). IPERS is administered by the State of Iowa. MFPRSI is governed by a nine-member Board of Trustees. Though separate and apart from state government, the Board is authorized by the state legislature, which also establishes by statute the pension and disability benefits and the System's funding mechanism. All full-time employees must participate in either IPERS or MFPRSI.

**A. Defined Benefit Pension Plan - Iowa Public Employees Retirement System**

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, which includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, IA 50306-9117.

Plan members are required to contribute 3.70 percent of their annual covered salary, and the City is required to contribute 5.75 percent of annual covered payroll. Contribution requirements are established by state statute. The City's contribution to IPERS for the years ended June 30, 2007; 2006; and 2005 were \$3,714,966; \$3,594,986; and \$3,503,408, respectively, equal to the required contributions for each year.

**B. Defined Benefit Pension Plan - Municipal Fire and Police Retirement System of Iowa**

The City contributes to the Municipal Fire and Police Retirement System of Iowa (MFPRSI), which is a cost-sharing, multiple-employer, defined benefit pension plan. MFPRSI provides retirement, disability, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statute, and vest after four years of credited service. MFPRSI issues publicly available financial reports, which include financial statements and required supplementary information for the plan. The reports may be obtained by contacting the MFPRSI, 2836 104th Street, Urbandale, IA 50322.

MFPRSI plan members are required to contribute a percentage of their annual covered salary, and the City is required to contribute at an actuarially determined rate of annual covered payroll. The contribution requirements of plan members and the City are established, and may be amended by state statute.

The contribution rates for plan members and the City in fiscal years 2007, 2006, and 2005 were as follows:

<u>MFPRSI</u>	<u>PLAN MEMBER CONTRIBUTION</u>	<u>CITY CONTRIBUTION</u>
Fiscal Year 2007	9.35 %	27.75 %
Fiscal Year 2006	9.35 %	28.21 %
Fiscal Year 2005	9.35 %	24.92 %

The City's contributions to MFPRSI for the years ending June 30, 2007; 2006; and 2005, were equal to the required contributions for each year as follows:

	<u>2007</u>	<u>2006</u>	<u>2005</u>
MFPRSI	\$11,202,963	\$10,797,457	\$ 8,940,277

#### 8. Postretirement Health and Dental Care Benefits

Retiree health and dental benefits are available to all full-time employees of the City who retire at the normal retirement age. The group health insurance plan provided to full-time City employees allows retirees to continue medical coverage if such election is made within 31 days subsequent to retirement. Retirees are required to reimburse the City for the entire cost of this coverage. At June 30, 2007, 194 retirees are covered under the City's group health plan. Such benefits are accounted for on a cash basis.

#### 9. Deferred Compensation

The City offers its employees a deferred compensation plan created in accordance with *Internal Revenue Code*, Section 457, and also Section 401(a). The Section 457 plan, available to all City employees, and the Section 401(a) plan, available only to the SPM employment group, permits them to defer a portion of their salary until future years. The deferred compensation is available to employees at termination, retirement, death, unforeseeable emergency, loan or via in-services contributions at age 70 ½.

In accordance with federal legislation (the Small Business and Wage Protection Act of 1996), the City has confirmed or established trust arrangements for all of the assets in the plan, to ensure those assets are protected and used exclusively for plan participants and beneficiaries. As a result of these arrangements, the deferred compensation plan is no longer reported in the City's financial statements.

## 10. Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2007:

	BALANCE JULY 1, 2006	ADDITIONS	RETIREMENTS	BALANCE JUNE 30, 2007	DUE WITHIN ONE YEAR	RANGE OF INTEREST RATES
<b>Governmental Activities:</b>						
General Obligation Bonds	\$ 342,280,000	\$ 68,770,000	\$ 39,229,000	\$ 371,821,000	\$ 40,998,000	2.00% to 7.60%
Section 108 Loans payable	2,000,000	—	115,000	1,885,000	115,000	5.20%
Notes Payable	12,492,505	2,190,555	4,551,766	10,131,294	2,471,097	0.0% to 9.69%
Accrued Employee Benefits	15,817,808	15,762,821	13,054,466	18,526,163	9,156,191	NA
Liability for Claims/Judgments	244,000	385,722	344,722	285,000	—	NA
Liability for arbitrage	9,436	12,876	9,436	12,876	—	NA
	<u>\$ 372,843,749</u>	<u>\$ 87,121,974</u>	<u>\$ 57,304,390</u>	<u>\$ 402,661,333</u>	<u>\$ 52,740,288</u>	
<b>Business-type Activities:</b>						
General Obligation Bonds	\$ 1,180,000	\$ —	\$ 366,000	\$ 814,000	\$ 267,000	3.00% to 5.00%
Revenue Bonds	105,077,419	17,033,765	3,342,299	118,768,885	4,664,300	0.00% to 8.15%
Notes Payable	3,203,441	—	941,216	2,262,225	954,355	2.09% to 5.18%
Capital Leases	11,480,377	—	275,729	11,204,648	1,467,639	2.58% to 5.22%
Accrued Employee Benefits	2,945,476	3,797,550	3,502,653	3,240,373	1,133,994	NA
	<u>\$ 123,886,713</u>	<u>\$ 20,831,315</u>	<u>\$ 8,427,897</u>	<u>\$ 136,290,131</u>	<u>\$ 8,487,288</u>	

General obligation bonds represent indebtedness secured by the full faith and credit of the City. Revenue bonds are the obligations of specific enterprise funds and are generally payable solely from the revenues of the respective funds.

Net assets of certain enterprise funds of \$13,933,351 are restricted for debt service and the payment of certain liabilities pursuant to the requirements of the revenue bond ordinances.

Series 2004I Sewer Revenue Capital Loan Note which closed during the fiscal year-ended 2005 has an authorized amount of \$5,965,000. Proceeds are drawn down to reimburse the City after providing proof of qualifying expenditures related to sewer capital projects. At June 30, 2007, the outstanding balance was \$5,380,585, and \$283,765 was drawn down during the fiscal year. It is anticipated that the balance of the proceeds will be drawn down by the end of the next fiscal year. At that time, the debt repayment schedule will reflect annual maturities through the year 2025.

Proceeds from the Series 2006A General Obligation Bonds totaled \$20,295,000 and were allocated to capital improvement projects. Proceeds from Series 2006B General Obligation Bonds totaled \$9,210,000, and were allocated to certain urban renewal projects. Proceeds from the Series 2006C General Obligation Bonds totaled \$1,170,000 and were allocated to certain capital improvement projects.

Proceeds from the Series 2006D Stormwater Management Utility Revenue Bonds totaled \$16,750,000. All of the proceeds were allocated to capital improvement projects for the Stormwater Management Utility of the City.

Proceeds from the Series 2007A General Obligation Refunding Bonds totaled \$4,635,000 and were used to current refund the Series 1999B General Obligation Bonds, dated June 1, 1999.

Proceeds from the Series 2007B General Obligation Bonds totaled \$18,415,000, and were allocated to certain capital improvement projects. Proceeds of the Series 2007C General Obligation Bonds totaled \$15,045,000, and were allocated to certain urban renewal projects.

Outstanding bonds at June 30, 2007 mature as follows:

General Obligation Debt Service		
YEAR	GENERAL OBLIGATION BONDS	
	PRINCIPAL	INTEREST
2008	\$ 16,004,808	\$ 10,204,566
2009	17,508,176	8,485,300
2010	17,934,216	8,744,091
2011	17,418,662	7,974,120
2012	17,238,549	7,220,868
2013-2017	67,522,113	26,035,441
2018-2022	52,756,296	12,352,225
2023-2027	22,211,244	2,432,578
Totals	\$ 228,594,064	\$ 83,449,189

In addition, funds held in escrow will refund Series 2000D General Obligation Bonds in the amount of \$16,695,000 on June 1, 2008. See Note 12.

Tax Increment Debt Service		
YEAR	GENERAL OBLIGATION BONDS	
	PRINCIPAL	INTEREST
2008	\$ 8,298,192	\$ 5,787,724
2009	9,177,824	5,380,178
2010	8,985,784	4,961,248
2011	9,290,338	4,550,811
2012	9,344,451	4,120,720
2013-2017	39,857,887	14,490,203
2018-2022	33,633,704	6,218,669
2023-2027	7,943,756	669,894
Totals	\$ 126,531,936	\$ 46,179,447

**Enterprise Funds**

YEAR	GENERAL OBLIGATION BONDS		REVENUE BONDS/COMMERCIAL PAPER	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2008	\$ 267,000	\$ 3,473	\$ 4,664,300	\$ 6,005,867
2009	269,000	22,955	4,883,000	5,773,911
2010	185,000	11,320	5,130,000	5,524,619
2011	36,000	3,920	6,512,000	5,257,046
2012	17,000	2,480	7,210,000	4,914,875
2013-2017	40,000	2,800	38,154,000	19,180,825
2018-2022	—	—	32,035,000	9,298,579
2023-2027	—	—	14,400,585	3,539,414
2028-2032	—	—	5,780,000	334,636
<b>Totals</b>	<b>\$ 814,000</b>	<b>\$ 46,948</b>	<b>\$ 118,768,885</b>	<b>\$ 59,829,772</b>

In addition, the City has the following short-term debt:

In November 2000, the City established the Airport Commercial Paper Series C-Non-PFC

<b>Commercial Paper Notes</b>	
	Non-PFC-backed Series C
Balance June 30, 2006	\$ 7,300,000
Issuances	88,300,000
Retirements	(86,900,000)
Balance June 30, 2007	\$ 8,700,000

backed. A bank has provided a direct pay Letter of Credit (LOC) supporting the Facility. The LOC has been authorized in an amount not to exceed \$12,000,000. The LOC has certain covenants with which the City must comply. Amounts borrowed are to be used for Airport capital projects. At June 30, 2007, \$8,700,000 had been issued and was outstanding on this Facility. The amount is reported in the Airport Fund, an enterprise fund of the City, as notes payable. Of the amount outstanding at June 30, 2007, \$1,300,000 is due July 6, 2007, and bears interest at a rate that was 3.8 percent at June 30, 2007; \$5,000,000 is due July 6, 2007, and bears interest at a rate that was 3.75 percent at June 30, 2007; \$1,400,000 is due August 14, 2007, and bears interest at a rate that was 3.8 percent at June 30, 2007. Due to the nature of the Commercial Paper Program and the anticipated duration of construction on projects being funded under the program, all commercial paper issuances are anticipated to be refinanced until the construction period concludes. The line of credit was renewed on July 1, 2007. On November 6, 2007, the line of credit was remarketed and reissued with a maturity of January 7, 2008.

Additional obligations of the City include one CDBG Section 108 Loan. The loan was used to lend SNAG, L.L.C., an Iowa limited liability company, funds to construct a grocery store in the vicinity of Seventh and University Avenue. The June 30, 2007 balance for this loan is \$1,885,000. Notes payable in the Governmental Activities total \$10,131,294. Included in this balance are Supplement #B-6 which closed and totaled \$193,431, Supplement #B-7 which closed and totaled \$302,500, and Supplement #B-8 which closed and totaled \$694,624. Each of these new supplements was used to purchase police vehicles and equipment. Also included in the Notes Payable balance is a loan from Polk County for \$1,875,000, of which \$1,000,000 has been issued. The funds from this loan are to be used as an economic development grant to be paid to Nelson Development 14, LLC. Additional loan disbursements from Polk County, in equal amounts of \$437,500, will occur in FY08 and FY09. These disbursements will also be paid out to Nelson Development 14, LLC in the form of an economic development grant. Future principal and interest payments on the Section 108 loans and notes payable accounted for in the Governmental Activities are summarized as follows:

FISCAL YEAR	CDBG SECTION 108 LOANS		NOTES PAYABLE GOVERNMENTAL ACTIVITIES	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2008	\$ 115,000	97,822	\$ 2,471,097	\$ 452,583
2009	115,000	93,245	2,462,939	298,133
2010	115,000	88,306	2,434,205	135,850
2011	115,000	83,073	922,653	7,635
2012	115,000	77,599	743,468	—
2013-2017	575,000	298,475	1,096,932	—
2018-2022	605,000	133,047	—	—
2023-2027	130,000	3,978	—	—
Totals	<u>\$1,885,000</u>	<u>\$ 875,545</u>	<u>\$ 10,131,294</u>	<u>\$ 894,201</u>

The City has a Governmental Lease-Purchase Master Agreement with a lending institution which requires the City enterprise funds that purchase equipment through the lease to collect net revenues of at least 110 percent of the maximum amount of debt service that will become due in any fiscal year.

The notes payable amount in the enterprise funds has financed the purchase of nine recycling trucks, twenty-two refuse trucks, five pickup trucks, and 55,000 refuse carts in the Solid Waste Enterprise Fund. Future principal and interest requirements on these notes payable are summarized as follows:

NOTES PAYABLE  
ENTERPRISE

YEAR	PRINCIPAL	INTEREST
2008	\$ 954,355	\$ 67,004
2009	901,638	40,347
2010	166,496	15,216
2011	169,529	9,150
2012	70,207	2,972
Totals	<u>\$ 2,262,225</u>	<u>\$ 134,689</u>

The City entered into five capital lease agreements used to finance Airport runway and maintenance equipment. Future principal and interest requirements are summarized as follows:

Airport Capital Leases

YEAR	PRINCIPAL	INTEREST
2008	\$ 283,375	\$ 59,853
2009	291,254	46,817
2010	299,405	33,414
2011	201,700	19,630
2012	167,085	10,714
2013-2014	87,717	3,419
Totals	<u>\$ 1,330,536</u>	<u>\$ 173,847</u>

On June 30, 2007, the net book value of the equipment purchased with capital leases is \$1,344,387.

The City has entered into a lease purchase agreement for a new parking garage. The lease payable is reported in the Parking Fund, an enterprise fund of the City. Future principal and interest requirements are summarized as follows:

Parking Capital Lease

YEAR	PRINCIPAL	INTEREST
2008	1,184,264	509,548
2009	1,184,264	450,336
2010	1,501,117	391,122
2011	1,501,117	312,536
2012	1,501,117	234,674
2013-2017	3,002,233	234,674
Totals	<u>\$ 9,874,112</u>	<u>\$ 2,132,890</u>

The payments on the bonds payable that pertain to the City's governmental activities are made by the debt service fund. The payments on the tax increment notes, the RISE loan, the Section 108 CDBG loans, and the notes payable that pertain to the City's governmental activities are made by the Tax Increment and CDBG special revenue funds and the Urban Renewal Projects account of the Capital Projects Fund. The accrued employee benefits, claims and judgments, and arbitrage liabilities attributable to the governmental activities are generally liquidated by the General Fund.

The discretely presented component unit entered into a capital lease in 2003 for copier equipment. The obligation under the capital lease, which includes the buyout of the former copier lease, has been recorded in the accompanying financial statements at the present value of future minimum lease payments discounted at 11.4%. The capitalized cost and accumulated depreciation of this equipment at December 31, 2006 and 2005 was \$8,000 and \$8,000 respectively.

Future minimum payments under the capital lease are as follows:

<u>Year Ending December 31, 2006</u>	
2007	2,106
2008	352
Total Future payments	<u>2,458</u>
Less amount representing interest	<u>167</u>
Present value of future payments	2,291
Less current portion	<u>2,291</u>
Long term portion	<u><u>-</u></u>

## 11. Revenue Bond Resolution Requirements

The revenue bond resolutions contain significant limitations and restrictions on annual debt service requirements, require minimum amounts to be maintained in various restricted accounts to provide for payment of principal and interest, and require minimum revenue bond coverage. In the Sewer System Fund, \$1,920,000 of net assets is restricted for bond reserves. In the Parking Facilities System Fund, \$2,917,000 of net assets is restricted for bond reserves. In the Stormwater Utility Fund, \$3,132,850 of net assets is restricted for bond reserves. In the Airport Fund, \$5,963,501 of net assets is restricted for debt retirement.

## 12. Debt Extinguishment

On December 1, 2005, the City issued \$28,185,000 in General Obligation Refunding Bonds (Series 2005E) with an average interest rate of 4.75 percent to crossover refund \$12,195,000 of General Obligation Refunding Bonds with an average interest rate of 5.21 percent on June 1, 2007 and to crossover refund \$16,695,000 of General Obligation Bonds with an average interest rate of 5.62 percent on June 1, 2008. The crossover refunding was done to reduce aggregate debt service payments by \$2,797,996 over the next 14 years and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$2,006,569.

On April 4, 2007, the City issued \$4,635,000 in General Obligation Refunding Bonds (Series 2007A) with an average interest rate of 5.12 percent to current refund \$4,605,000 of General Obligation Bonds with an average interest rate of 7.10 percent on June 1, 2007. The refunding was done to reduce aggregate debt service payments by \$660,182 over the next 12 years and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$499,187.19.

### 13. Conduit Debt

From time to time, the City has issued industrial revenue bonds on behalf of private sector and nonprofit entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property and revenues of those entities, and are payable solely from the resources of those entities. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2007 there were nine series of industrial revenue bonds outstanding. The aggregate principal amount payable for the three series issued after July 1, 1995 was \$8.8 million. The aggregate principal amount payable for the series issued prior to July 1, 1995 could not be determined; however, their original issue amounts totaled \$53.9 million.

### 14. Interfund Receivables and Payables

The individual fund interfund receivable and payable balances include both Due to/from Other Funds and Advances to/from Other Funds. These balances at June 30, 2007 were:

	INTERFUND RECEIVABLE	INTERFUND PAYABLE
General	\$ 18,524	\$ 8,791
Capital Projects	3,529,647	—
Other Nonmajor Governmental Funds	102,508	3,548,397
Parking, enterprise	41,704	—
Municipal Housing Agency, enterprise	—	93,491
Other Nonmajor Enterprise Funds	—	41,704
Total	<u>\$ 3,692,383</u>	<u>\$ 3,692,383</u>
	ADVANCES RECEIVABLE	ADVANCES PAYABLE
General	\$ 3,499,154	\$ —
Parking, enterprise	231,499	—
Other Nonmajor Enterprise Funds	—	3,730,653
Total	<u>\$ 3,730,653</u>	<u>\$ 3,730,653</u>

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

## 15. Fund Transfer Reconciliation

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

	TRANSFERS IN	TRANSFERS OUT
General	\$ 24,549,875	\$ 2,727,709
Tax Increment, special revenue	-	7,577,692
Benefit tax accounts, special revenue	36,846	15,549,554
Debt Service	943,109	868,751
Capital Projects	8,360,012	3,278,313
Other Nonmajor Governmental Funds	3,796,281	8,584,104
Stormwater	-	308,015
Sanitary Sewer	208,015	-
Parking	1,000,000	-
	<u>\$ 38,894,138</u>	<u>\$ 38,894,138</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## 16. Segment Information Enterprise Funds

The City maintains enterprise funds that provide solid waste services, which do not meet the criteria necessary to establish them as major funds. Because the funds hold revenue debt, it is necessary to provide additional information specific to the funds. Selected financial information for the fiscal year ended June 30, 2007 is as follows:

### CONDENSED STATEMENT OF NET ASSETS

	SOLID WASTE SYSTEM
Assets:	
Current assets	\$ 3,094,249
Capital assets	4,201,997
Total assets	<u>7,296,246</u>
Liabilities:	
Current liabilities	1,438,257
Noncurrent liabilities	1,856,426
Total liabilities	<u>3,294,683</u>
Net assets:	
Invested in capital assets, net of related debt	1,718,621
Unrestricted	2,282,942
Total net assets	<u>\$ 4,001,563</u>

### CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Charges (pledged against bonds)	\$ 11,056,904
Depreciation expense	(776,588)
Other operating expenses	(8,830,922)
Operating income (loss)	<u>1,449,394</u>
Nonoperating revenues (expenses):	
Investment earnings	156,753
Interest expense	(99,958)
Other nonoperating revenues	38,040
Change in net assets	<u>1,544,229</u>
Beginning net assets	2,457,334
Ending net assets	<u>\$ 4,001,563</u>

### CONDENSED STATEMENT OF CASH FLOWS

Net cash provided (used) by:	
Operating activities	\$ 2,170,173
Noncapital financing activities	1,540
Capital and related financing activities	(1,616,413)
Investing activities	156,753
Net increase	<u>712,053</u>
Beginning cash and cash equivalents	2,206,881
Ending cash and cash equivalents	<u>\$ 2,918,934</u>

## **17. Related Party**

The discretely presented component unit, the Des Moines Public Library Foundation, contributed \$6,038,124 as of June 30, 2007, to the City for the construction of the new library.

## **18. Commitments and Contingent Liabilities**

### **A. Grants**

The City has received financial assistance from numerous federal and state agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, liabilities resulting from disallowed claims, if any, will not have a material effect on the City's financial position as of June 30, 2007.

### **B. Litigation**

The City Attorney reported that as of June 30, 2007, various claims and lawsuits were on file against the City, and estimated that the potential settlements against the City not covered by insurance would not materially affect the financial position of the City. The City has authority to levy additional taxes (outside the regular limit) to cover uninsured judgments against the City.

The City of Des Moines, Iowa along with the Des Moines Metropolitan Wastewater Reclamation Authority has been referred to the Iowa Attorney General for enforcement action by the Iowa Environmental Protection Commission and the Iowa Department of Natural Resources. The referral seeks penalties and injunctive relief and indicates that Iowa Code Section 455B.191 authorizes the assessment of civil penalties of up to \$5,000 per day of violation for water quality violations. This referral is in the early stages and the likelihood of an outcome or any potential liability is not estimatable.

The City of Des Moines, Iowa is currently in a class action lawsuit regarding franchise fees charged for gas and electric utilities. The Supreme Court has ruled that the fee is not an illegal tax and may be charged. However, the ruling defined that only an amount reasonably related to the City's administrative expenses in exercising its policing power to regulate the franchises, including incidental costs may be collected. The plaintiffs are seeking reimbursement of any fees collected that exceed the expenses allowed to be charged. The City collects approximately \$13 million of franchise fees for gas and electric utilities each year. Insufficient information exists at this time to predict the financial outcome of this lawsuit.

C. Self-insurance

The City's property, casualty, and workers compensation liabilities are covered by a combination of self-insurance and insurance. Liability coverage for General Fund operations is self-insured for the first \$2 million per occurrence. Certain enterprise fund operations are covered by a \$2,000,000 per occurrence automobile liability policy. The Municipal Housing Agency enterprise fund and the Des Moines International Airport enterprise fund each purchase first dollar liability insurance coverage. Except for the Airport, all General Fund, enterprise fund operations, and the Municipal Housing Agency are also covered by an excess liability policy with limits of \$10 million per occurrence.

Except for the Municipal Housing Agency, the City is self-insured for the first \$450,000 per occurrence for workers compensation coverage, with an excess workers compensation policy that covers claims above the self-insured retention up to Iowa statutory limits. The Municipal Housing Agency purchases first dollar workers compensation coverage.

The City purchases a blanket property insurance policy with a \$100,000 per occurrence deductible. The Municipal Housing Agency also purchases its own blanket property insurance policy with a \$5,000 deductible per occurrence.

Chapter 384, Revision I, Subsection 4 of the *Code of Iowa* provides that a city may establish a Debt Service Fund, and shall certify taxes to be levied for the Debt Service Fund in the amount necessary to pay judgments against the city, except those authorized by state law to be paid from other funds. As a result, the City self-insures the first \$2 million per occurrence of liability on its General Fund operations, and is able to provide this coverage through its taxing process.

The City's tort liability claims and related administration expenses are accounted for in the appropriate fund related to the claim. Claims and related administration expenses related to the General Fund are accounted for in the Tort Liability Fund Account in the General Fund. Health benefit insurance and related administration expenses are accounted for in an internal service fund. The current portion of workers compensation claims is recorded in the same fund as the recipient's payroll was recorded. The City has excess or stop-loss coverage as follows:

	LOSSES IN EXCESS OF	
	PER INCIDENT	PER YEAR
Workers Compensation	\$ 450,000	up to statutory limits
Dental Benefits	—	\$ 1,771,331
Tort Liability	2,000,000	Variable

Other than one worker's compensation claim, there have been no instances where the amount of settlement has exceeded available coverage in the past three years.

Liabilities are reported when it is probable that a loss will occur, and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering recent claim settlement trends, including frequency and amount of payouts and other economic and social factors. The following is a summary of estimated claims liability for the year ended June 30, 2007 (with comparative amounts for 2006):

	WORKERS COMPENSATION	
	2007	2006
Balance at beginning of year	\$ 1,104,097	\$ 1,634,931
Current year claims and changes in estimate	2,341,838	1,035,936
Claim payments	(1,426,649)	(1,566,770)
Balance at end of year	<u>\$ 2,019,286</u>	<u>\$ 1,104,097</u>

	LEGAL SETTLEMENTS	
	2007	2006
Balance at beginning of year	\$ 244,000	\$ 524,000
Current year claims and changes in estimate	385,722	859,001
Claim payments	(344,722)	(1,139,001)
Balance at end of year	<u>\$ 285,000</u>	<u>\$ 244,000</u>

Workers compensation and health insurance claims attributed to governmental funds are recorded in the Governmental Activities in the Accrued Employee Benefits line item. Legal settlements are also included in the Governmental Activities, in the line item entitled "Liability for claims and judgments."

The City has a fully insured medical and prescription program for both retirees and employees with Wellmark. Premium payments totaled \$18,429,349 during fiscal year 2007. The City also contracts with one health maintenance organization (HMO) to provide employee health insurance coverage to police officers and firefighters. Premium payments made to the HMO during fiscal year 2007 were \$927,233. Settled claims have not exceeded coverage in any of the last three fiscal years. Dental insurance remains self-funded and administered by Wellmark.

#### D. Construction Contracts

The City has recognized as a liability only that portion of construction contracts representing construction completed through June 30, 2007. The City has additional commitments for signed construction contracts of approximately \$34.44 million as of June 30, 2007. Of these commitments, approximately \$11.3 million will be funded by general obligation and revenue bonds, \$15.3 million by federal and state grants, \$5.5 million from operating revenues, \$380,000 from Airport passenger facility charges, and \$1.96 million from private contributions.

#### E. Arbitrage

Arbitrage rules apply to tax-exempt debt issued after August 31, 1986. The rules require that earnings from the investment of tax-exempt bond proceeds which exceed the yield on the bonds must be remitted to the federal government every five years.

The City entered into an agreement with an outside consulting firm to assist City personnel in reviewing arbitrage rebate calculations for the above bond issues. Those bond issues that have been reviewed show that no arbitrage rebate is owed, with the exception of the following:

	<u>Rebate Liability</u>	<u>Liability as of</u>
General Obligation Bonds issued June 1998	\$12,876	December 31, 2006

Liabilities have been accrued for these rebates in the governmental activities of the government wide statements. For the bond issues that have not yet been reviewed, management believes that the rebate amounts, if any, will not be material to the financial statements.

**F. Developer Commitments**

In order to encourage development within designated TIF districts, the City Council has approved developer grants to 23 different projects. The grants are to be paid only after certain conditions have been met by each project developer, and are to be paid over many years in the form of a rebate of a predetermined percentage of future property taxes generated by the property. Currently, it is estimated that outstanding commitments totaling about \$102.2 million exist, of which \$8.1 million may be eligible to be paid in the next fiscal year. These items are expensed in the period in which they are paid. No liability is recognized due to the fact that the agreements are conditional and the payments are to be funded by future property taxes receivable on the project and are subject to the City Council's right of non-appropriation each fiscal year.

**19. New Pronouncements**

The City has implemented the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 43, *Financial Reporting For Postemployment Benefit Plans Other Than Pension*. This Statement establishes uniform financial reporting standards for other post-employment benefit plans (OPEB) and supercedes existing guidance. This Statement had no effect on the current year financial statements.

In addition, the GASB has issued the following statements:

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, issued June 2004, will be effective for the City beginning with its year ending June 30, 2008. This Statement establishes standards for measurement, recognition and display of other postemployment benefits expenses and

related liabilities or assets, note disclosures and, if applicable, required supplementary information in the financial reports.

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, issued September 2006, will be effective for the City beginning with its year ending June 30, 2008. This Statement establishes accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues. It also provides disclosure requirements for a government that pledges or commits future cash flows from a specific revenue source. In addition this Statement establishes accounting and financial reporting standards for intra-entity transfers of assets and future revenues.

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, issued November 2006, will be effective for the City beginning with its year ending June 30, 2009. This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities, such as site assessments and cleanups. This standard requires the government to estimate the components of expected pollution remediation outlays and determine whether the outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired.

GASB Statement No. 50, *Pension Disclosures*, an amendment of GASB Statements No. 25 and No. 27, issued May 2007, will be effective for the City beginning with its year ending June 30, 2008. This Statement more closely aligns the financial reporting requirements for pensions with those of other post-employment benefits (OPEB) and, in doing so, enhances information disclosed in the notes to the financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued July 2007, will be effective for the City beginning with its year ending June 30, 2010. This statement provides guidance regarding how to identify, account for, and report intangible assets. This new standard characterizes an intangible asset as an asset that lack physical substance, is non-financial in nature, and has an initial useful life extending beyond a single reporting period.

The City has not determined the effect these Statements may have on the City's financial statements.

## 20. Subsequent Events

On November 15, 2007, the City closed a Section 108 loan in the amount of \$17,500,000, the proceeds of which are to be used to make a loan for the benefit of River Point West LLC, for the purpose of financing the acquisition and clearance of properties in the River Point West area for sale and subsequent redevelopment, and the construction of supporting public infrastructure improvements to serve the developed properties. The loan is not a general obligation of the City but will be secured and payable solely from the tax increment revenues of the Metro Center Urban Renewal Area of the City, subject to non-appropriation in any year.

On May 21, 2007, the City Council approved a cooperative financing agreement between the Airport and a tenant, Elliott Aviation of Des Moines, Inc. ("Elliott"), to issue bonds for the purpose of financing a new facility for Elliott. Under the terms of the agreement (as authorized under Iowa Code Chapter 419), the City is to issue Special Facility Revenue Bonds in the amount of \$6,000,000 and lend the proceeds to Elliott for the construction of the new facility. The Special Facility Bonds were sold to investors on August 2, 2007. Elliott is responsible for all principal and interest payments and other fees associated with the bonds; as the bonds will be repaid solely from Elliott's loan payments and operating revenues, the City does not carry any financial risk.

The Airport received approval in June 2007 to impose passenger facility charges (PFCs) for six different projects, with a total imposition/use amount of \$7,662,500. Subsequent amendments to PFC collection authority include an approval to increase PFC collections by \$640,000—to a total of \$1 million—for the terminal paging system, and a reduction in PFC collection authority of \$500,000 with the deletion of a project. Both amendments were approved in July 2007.

The balance of the Series C facility line of credit was due in full on July 6, 2006, but under the arrangement with the lending institution, the outstanding balance is to be remarketed and reissued as necessary throughout the remaining term of the agreement. During the course of FY07, the line of credit was rolled over a number of times, with an additional borrowing of \$1.4 million on January 22, 2007.

A summary of all rollover activity for the line of credit follows:

Security #	Issue Date	Orig Sale Req #	Issue Type (New) (Renewal)	Amount Issued	Maturity Date	Interest Rate
XJ160	A July 6, 2006	1,2,3,4,5,6,7,8,9	R	2,300,000.00	July 7, 2006	3.380%
XJ137	B July 6, 2006	1,2,3,4,5,6,7,8,9	R	5,000,000.00	August 2, 2006	3.490%
XJ193	A July 7, 2006	1,2,3,4,5,6,7,8,9	R	2,300,000.00	July 10, 2006	3.350%
XJ218	A July 10, 2006	1,2,3,4,5,6,7,8,9	R	2,300,000.00	July 11, 2006	3.230%
XJ231	A July 11, 2006	1,2,3,4,5,6,7,8,9	R	2,300,000.00	July 12, 2006	3.250%
XJ236	A July 12, 2006	1,2,3,4,5,6,7,8,9	R	1,000,000.00	October 10, 2006	3.750%
XJ235	A July 12, 2006	1,2,3,4,5,6,7,8,9	R	1,300,000.00	October 11, 2006	3.750%
XJ349	B August 2, 2006	1,2,3,4,5,6,7,8,9	R	5,000,000.00	August 3, 2006	3.440%
XJ369	B August 3, 2006	1,2,3,4,5,6,7,8,9	R	5,000,000.00	October 23, 2006	3.750%
XF680	A October 10, 2006	1,2,3,4,5,6,7,8,9	R	1,000,000.00	February 12, 2007	3.570%
XF728	A October 11, 2006	1,2,3,4,5,6,7,8,9	R	1,300,000.00	October 12, 2006	3.550%
XF743	A October 12, 2006	1,2,3,4,5,6,7,8,9	R	1,300,000.00	February 12, 2007	3.700%
XF831	B October 23, 2006	1,2,3,4,5,6,7,8,9	R	5,000,000.00	January 22, 2007	3.650%
	B January 22, 2007	1,2,3,4,5,6,7,8,9	R	5,000,000.00	March 6, 2007	3.640%
	C January 22, 2007	10	N	1,400,000.00	January 23, 2007	3.630%
	C January 23, 2007	10	R	1,400,000.00	March 6, 2007	3.640%
	A February 12, 2007	1,2,3,4,5,6,7,8,9	R	1,300,000.00	February 13, 2007	3.650%
XJ686	A February 12, 2007	1,2,3,4,5,6,7,8,9	R	1,000,000.00	June 5, 2007	3.670%
XJ714	A February 13, 2007	1,2,3,4,5,6,7,8,9	R	1,300,000.00	June 5, 2007	3.700%
	B March 6, 2007	1,2,3,4,5,6,7,8,9	R	5,000,000.00	May 21, 2007	3.660%
	C March 6, 2007	10	R	1,400,000.00	May 21, 2007	3.680%
	B May 21, 2007	1,2,3,4,5,6,7,8,9	R	5,000,000.00	May 29, 2007	3.780%
	C May 21, 2007	10	R	1,400,000.00	May 22, 2007	3.870%
	C May 22, 2007	10	R	1,400,000.00	May 29, 2007	3.950%
XK243	B May 29, 2007	1,2,3,4,5,6,7,8,9	R	5,000,000.00	June 7, 2007	3.900%
	C May 29, 2007	10	R	1,400,000.00	May 30, 2007	3.850%
	C May 30, 2007	10	R	1,400,000.00	May 31, 2007	3.870%
	C May 31, 2007	10	R	1,400,000.00	June 1, 2007	3.860%
XK283	C June 1, 2007	10	R	1,400,000.00	June 4, 2007	3.840%
XK353	A June 5, 2007	1,2,3,4,5,6,7,8,9	R	1,300,000.00	June 6, 2007	3.700%
XK329	A June 5, 2007	1,2,3,4,5,6,7,8,9	R	1,000,000.00	August 14, 2007	3.690%
XK306	C June 4, 2007	10	R	1,400,000.00	June 7, 2007	3.800%
XK380	A June 6, 2007	1,2,3,4,5,6,7,8,9	R	1,300,000.00	July 6, 2007	3.800%
XK405	B June 7, 2007	1,2,3,4,5,6,7,8,9	R	5,000,000.00	July 6, 2007	3.750%
XK408	C June 7, 2007	10	R	1,400,000.00	June 8, 2007	3.670%
XK425	C June 8, 2007	10	R	1,400,000.00	June 11, 2007	3.730%
XK448	C June 11, 2007	10	R	1,400,000.00	June 12, 2007	3.720%
XK456	C June 12, 2007	10	R	1,400,000.00	June 13, 2007	3.800%
XK464	C June 13, 2007	10	R	1,400,000.00	August 14, 2007	3.800%
	July 6, 2007	1,2,3,4,5,6,7,8,9	R	6,300,000.00	August 14, 2007	3.700%
	August 14, 2007	1,2,3,4,5,6,7,8,9,10	R	8,700,000.00	November 6, 2007	3.660%
	C November 6, 2007	1,2,3,4,5,6,7,8,9,10	R	8,700,000.00	January 7, 2008	3.440%



## **REQUIRED SUPPLEMENTARY INFORMATION**

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CITY OF DES MOINES, IOWA  
 BUDGETARY COMPARISON SCHEDULE  
 BUDGETARY BASIS -- ALL GOVERNMENTAL FUNDS  
 AND ENTERPRISE FUNDS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 For the Fiscal Year Ended June 30, 2007

	GOVERNMENTAL	ENTERPRISE	NET	BUDGETED	AMOUNTS	FINAL TO
	FUND TYPES	FUND TYPES		ORIGINAL	FINAL	ACTUAL
	BASIS ACTUAL	BASIS ACTUAL				POSITIVE
	AMOUNTS	AMOUNTS				(NEGATIVE)
Revenue:						
Taxes	\$ 121,611,902	\$ —	\$ 121,611,902	\$ 136,574,739	\$ 122,314,958	\$ (703,056)
Franchise fees	14,070,843	—	14,070,843	15,015,000	13,886,000	184,843
Licenses and permits	3,880,861	—	3,880,861	3,764,800	3,599,300	281,561
Fines and forfeitures	2,654,209	—	2,654,209	2,350,500	2,604,500	49,709
Charges for sales and services	15,898,613	91,646,409	107,545,022	86,187,211	98,905,238	8,639,784
Use of money and property	5,826,001	5,817,304	11,643,305	16,135,949	17,853,920	(6,210,615)
Miscellaneous	27,895,882	—	27,895,882	43,893,062	49,472,678	(21,576,796)
Intergovernmental	42,759,176	28,821,966	71,581,142	53,672,523	60,896,288	10,684,854
Total revenue	<u>234,597,487</u>	<u>126,285,679</u>	<u>360,883,166</u>	<u>357,593,784</u>	<u>369,532,882</u>	<u>(8,649,716)</u>
Expenditure:						
Current:						
Public safety	81,849,198	—	81,849,198	80,292,451	80,985,305	(863,893)
Public works	26,699,170	—	26,699,170	27,232,484	27,000,307	301,137
Health and social services	1,000,260	—	1,000,260	11,714,597	1,233,545	233,285
Culture and recreation	21,629,483	—	21,629,483	21,885,632	22,060,544	431,061
Community and economic developmer	19,276,154	—	19,276,154	4,289,443	17,466,124	(1,810,030)
General government	17,611,043	—	17,611,043	16,709,506	16,430,705	(1,180,338)
Business-type	—	84,401,582	84,401,582	169,760,026	169,551,074	85,149,492
Capital outlay	52,324,564	31,550,897	83,875,461	76,679,934	91,334,036	7,458,575
Debt service	46,781,621	98,817,959	145,599,580	42,057,793	41,189,705	(104,409,875)
Total expenditure	<u>267,171,493</u>	<u>214,770,438</u>	<u>481,941,931</u>	<u>450,621,866</u>	<u>467,251,345</u>	<u>(14,690,586)</u>
Excess (deficiency) of revenue over expenditure	<u>(32,574,006)</u>	<u>(88,484,759)</u>	<u>(121,058,765)</u>	<u>(93,028,082)</u>	<u>(97,718,463)</u>	<u>(23,340,302)</u>
Other financing sources (uses):						
Transfers in	37,686,123	1,208,015	38,894,138	34,980,902	35,350,285	3,543,853
Other financing sources	71,201,743	108,098,058	179,299,801	95,357,750	77,713,758	101,586,043
Transfers out	<u>(38,586,123)</u>	<u>(308,015)</u>	<u>(38,894,138)</u>	<u>(34,980,902)</u>	<u>(35,350,285)</u>	<u>(3,543,853)</u>
Total other financing sources (uses)	<u>70,301,743</u>	<u>108,998,058</u>	<u>179,299,801</u>	<u>95,357,750</u>	<u>77,713,758</u>	<u>101,586,043</u>
Net change in fund balances	<u>37,727,737</u>	<u>20,513,299</u>	<u>58,241,036</u>	<u>\$ 2,329,668</u>	<u>\$ (20,004,705)</u>	<u>\$ 78,245,741</u>
Fund balances, beginning of year	<u>80,531,643</u>	<u>34,888,521</u>	<u>115,420,164</u>			
Fund balances, end of year	<u>\$ 118,259,380</u>	<u>\$ 55,401,820</u>	<u>\$ 173,661,200</u>			

The notes to the required supplementary are an integral part of this statement.

**CITY OF DES MOINES, IOWA**  
**BUDGETARY COMPARISON SCHEDULE --**  
**BUDGET TO GAAP RECONCILIATION**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Fiscal Year Ended June 30, 2007**

	GOVERNMENTAL FUND TYPES		
	BUDGET MODIFIED	ACCRUAL	MODIFIED
	ACCRUAL BASIS	ADJUSTMENTS	ACCRUAL BASIS
Revenues	\$ 234,597,487	\$ (151,137)	\$ 234,446,350
Expenditures	267,171,493	5,015,581	272,187,074
Net	(32,574,006)	(5,166,718)	(37,740,724)
Other financing sources (uses):	70,301,743	(27,915)	65,983,457
Beginning fund balances	80,531,643	23,303,031	103,834,674
Ending fund balances	<u>\$ 118,259,380</u>	<u>\$ 13,818,027</u>	<u>\$ 132,077,407</u>

	ENTERPRISE FUND TYPES		
	BUDGET MODIFIED	ACCRUAL	
	ACCRUAL BASIS	ADJUSTMENTS	ACCRUAL BASIS
Revenues	\$ 126,285,679	\$ (7,141,092)	\$ 129,914,293
Expenditures	214,770,438	(41,419,137)	\$ 109,768,926
Net	(88,484,759)	108,630,126	20,145,367
Transfers	108,998,058	(108,098,058)	900,000
Beginning fund balances	34,888,521	400,356,585	435,245,106
Ending fund balances	<u>\$ 55,401,820</u>	<u>\$ 400,888,653</u>	<u>\$ 456,290,473</u>

See notes to required supplementary information.

**CITY OF DES MOINES, IOWA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION --**  
**BUDGETARY REPORTING**  
**June 30, 2007**

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In accordance with the Code of Iowa, the City Council annually adopts a budget on a modified accrual basis following required public notice and hearing by function which includes all funds except fiduciary funds and internal service funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. These ten functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, business-type and non-program. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, budget amendments increased budgeted disbursements by \$16,629,479. These budget amendments are reflected in the final budgeted amounts.

During the year ended June 30, 2007, disbursements exceeded the amounts budgeted in the public safety function, the community and economic development function, the general government function, and the debt services function.



**COMBINING STATEMENTS, INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

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**CITY OF DES MOINES, IOWA**  
**COMBINING BALANCE SHEET SCHEDULE**  
**ALL GENERAL FUND ACCOUNTS**  
**June 30, 2007**

	<u>GENERAL</u>	<u>TRANSIT</u>	<u>TORT LIABILITY</u>	<u>TOTALS</u>
<b>ASSETS</b>				
Cash and pooled cash investments	\$11,121,538	\$ ---	\$ 97,892	\$ 11,219,430
Taxes receivable	47,355,894		1,793,372	49,149,266
Accounts receivable	3,799,598	---	59	3,799,657
Accrued interest receivable	592,890	---	---	592,890
Due from other funds	18,524	---	---	18,524
Due from other governmental units	832,871	---	---	832,871
Advance to other funds	3,499,154	---	---	3,499,154
Inventory	14,602	---	---	14,602
Prepaid items	350,362	---	1,700	352,062
<b>Total assets</b>	<u>\$67,585,433</u>	<u>\$ ---</u>	<u>\$ 1,893,023</u>	<u>\$ 69,478,456</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 1,366,811	\$ ---	\$ 2,573	\$ 1,369,384
Accrued wages payable	3,585,041	---	35,595	3,620,636
Accrued employee benefits	250,128	---	---	250,128
Due to other funds	8,791	---	---	8,791
Good faith, security deposits	1,483,042	---	---	1,483,042
Deferred revenue	45,747,097	---	1,768,776	47,515,873
<b>Total liabilities</b>	<u>52,440,910</u>	<u>---</u>	<u>1,806,944</u>	<u>54,247,854</u>
Fund balance:				
Reserved for inventory	14,602	---	---	14,602
Reserved for advances	3,499,154	---	---	3,499,154
Reserved for encumbrances	119,536	---	---	119,536
Reserved for prepaid items	350,362	---	1,700	352,062
Unreserved	11,160,869	---	84,379	11,245,248
<b>Total fund balance</b>	<u>15,144,523</u>	<u>---</u>	<u>86,079</u>	<u>15,230,602</u>
<b>Total liabilities and fund balance</b>	<u>\$67,585,433</u>	<u>\$ ---</u>	<u>\$ 1,893,023</u>	<u>\$ 69,478,456</u>

**CITY OF DES MOINES, IOWA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE (DEFICIT)**  
**ALL GENERAL FUND ACCOUNTS**  
**For the Fiscal Year Ended June 30, 2007**

	GENERAL	TRANSIT	TORT LIABILITY	TOTALS
<b>Revenues:</b>				
Taxes	\$ 48,441,403	\$ ---	\$1,534,675	\$49,976,078
Franchise fees	14,070,843	---	---	14,070,843
Licenses and permits	3,788,171	---	---	3,788,171
Fines and forfeitures	2,568,984	---	---	2,568,984
Charges for sales and services	13,998,115	---	---	13,998,115
Use of money and property	4,363,171	---	---	4,363,171
Miscellaneous revenue	15,781,717	---	2,300	15,784,017
Intergovernmental	1,613,755	---	---	1,613,755
<b>Total revenues</b>	<b>104,626,159</b>	<b>---</b>	<b>1,536,975</b>	<b>106,163,134</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	78,752,523	---	152,563	78,905,086
Public works	8,693,480	---	---	8,693,480
Health and social services	563,710	---	---	563,710
Culture and recreation	20,823,114	---	---	20,823,114
Community and economic development	2,563,251	---	---	2,563,251
General governmental	13,471,957	---	1,301,297	14,773,254
Capital outlay	454,699	---	---	454,699
<b>Debt service:</b>				
Principal retirement	37,347	---	---	37,347
Interest and fiscal charges	1,047	---	---	1,047
<b>Total expenditures</b>	<b>125,361,128</b>	<b>---</b>	<b>1,453,860</b>	<b>126,814,988</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(20,734,969)</b>	<b>---</b>	<b>83,115</b>	<b>(20,651,854)</b>
<b>Other financing sources (uses):</b>				
Transfers in	24,520,350	29,525	---	24,549,875
Transfers out	(2,590,604)	---	(137,105)	(2,727,709)
Proceeds from capital asset sale	186,150	---	---	186,150
<b>Total other financing sources (uses)</b>	<b>22,115,896</b>	<b>29,525</b>	<b>(137,105)</b>	<b>22,008,316</b>
<b>Net changes in fund balance</b>	<b>1,380,927</b>	<b>29,525</b>	<b>(53,990)</b>	<b>1,356,462</b>
<b>Fund balance (deficit), beginning of year</b>	<b>13,763,596</b>	<b>(29,525)</b>	<b>140,069</b>	<b>13,874,140</b>
<b>Fund balance, end of year</b>	<b>\$ 15,144,523</b>	<b>\$ ---</b>	<b>\$ 86,079</b>	<b>\$15,230,602</b>

**CITY OF DES MOINES, IOWA**  
**COMBINING BALANCE SHEET SCHEDULE**  
**ALL CAPITAL PROJECTS ACCOUNTS**  
**June 30, 2007**

	BRIDGE PROJECTS	MUNICIPAL BUILDINGS PROJECTS	STREET PROJECTS	PARK IMPROVEMENT PROJECTS
<b>ASSETS</b>				
Cash and pooled cash investments	\$ 2,448,381	\$ 9,175,899	\$30,830,335	\$ 11,958,652
Accounts receivable	38,351	17,000	228,395	---
Special assessments receivable	---	---	---	---
Accrued interest receivable	---	---	---	---
Due from other funds	---	---	3,529,647	---
Due from other governmental units	30,000	84,576	2,236,811	511,584
Long-term receivables	---	---	---	---
<b>Total assets</b>	<b>\$ 2,516,732</b>	<b>\$ 9,277,475</b>	<b>\$36,825,188</b>	<b>\$ 12,470,236</b>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 6,787	\$ 196,160	\$ 42,468	\$ 47,661
Contracts payable	103,259	---	3,322,561	1,531,868
Accrued wages payable	1,539	1,261	102,373	37,542
Deferred revenue	30,000	---	835,441	506,184
<b>Total liabilities</b>	<b>141,585</b>	<b>197,421</b>	<b>4,302,843</b>	<b>2,123,255</b>
Fund balance:				
Unreserved	2,375,147	9,080,054	32,522,345	10,346,981
<b>Total fund balance</b>	<b>2,375,147</b>	<b>9,080,054</b>	<b>32,522,345</b>	<b>10,346,981</b>
<b>Total liabilities and fund balance</b>	<b>\$ 2,516,732</b>	<b>\$ 9,277,475</b>	<b>\$36,825,188</b>	<b>\$ 12,470,236</b>

<u>FIRE PROTECTION PROJECTS</u>	<u>LIBRARY PROJECTS</u>	<u>SPECIAL ASSESSMENT PROJECTS</u>	<u>URBAN RENEWAL PROJECTS</u>	<u>TOTALS</u>
\$ 4,957,839	\$1,352,789	\$ 1,980,829	\$ 16,141,821	\$ 78,846,545
---	178,045	---	---	461,791
---	---	6,033	---	6,033
---	---	1,702	---	1,702
---	---	---	---	3,529,647
---	87,539	---	200,165	3,150,675
---	---	5,503,339	---	5,503,339
<u>\$ 4,957,839</u>	<u>\$1,618,373</u>	<u>\$ 7,491,903</u>	<u>\$ 16,341,986</u>	<u>\$ 91,499,732</u>
\$ ---	\$ 113,054	\$ ---	\$ 1,526,144	\$ 1,932,274
39,419	207,790	---	384,949	5,589,846
41	---	---	7,117	149,873
---	---	5,503,339	---	6,874,964
<u>39,460</u>	<u>320,844</u>	<u>5,503,339</u>	<u>1,918,210</u>	<u>14,546,957</u>
<u>4,918,379</u>	<u>1,297,529</u>	<u>1,988,564</u>	<u>14,423,776</u>	<u>76,952,775</u>
<u>4,918,379</u>	<u>1,297,529</u>	<u>1,988,564</u>	<u>14,423,776</u>	<u>76,952,775</u>
<u>\$ 4,957,839</u>	<u>\$1,618,373</u>	<u>\$ 7,491,903</u>	<u>\$ 16,341,986</u>	<u>\$ 91,499,732</u>

**CITY OF DES MOINES, IOWA  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE (DEFICIT)  
ALL CAPITAL PROJECTS ACCOUNTS  
For the Fiscal Year Ended June 30, 2007**

	MUNICIPAL			PARK
	BRIDGE	BUILDINGS	STREET	IMPROVEMENT
	PROJECTS	PROJECTS	PROJECTS	PROJECTS
Revenues:				
Charges for sales and services	\$ ---	\$ 23,100	\$ 136	\$ 180
Use of money and property	23,083	15,983	127,202	101,338
Miscellaneous	50,725	17,798	5,091,587	284,479
Intergovernmental	1,191,214	530,838	5,366,342	2,777,424
Total revenue	<u>1,265,022</u>	<u>587,719</u>	<u>10,585,267</u>	<u>3,163,421</u>
Expenditures:				
Current:				
Public safety	---	---	---	---
Public works	5,929	---	19,858	---
Culture and recreation	---	---	---	(57,271)
Community and economic development	---	---	---	---
General government	---	811,963	---	---
Capital outlay	3,095,417	3,275,033	19,944,196	10,826,900
Principal retirement	---	---	1,933,940	---
Total expenditures	<u>3,101,346</u>	<u>4,086,996</u>	<u>21,897,994</u>	<u>10,769,629</u>
Excess (deficiency) of revenues over expenditures	<u>(1,836,324)</u>	<u>(3,499,277)</u>	<u>(11,312,727)</u>	<u>(7,606,208)</u>
Other financing sources (uses):				
General obligation bonds issued	3,015,000	7,140,000	29,742,500	11,470,000
Other debt issued	---	---	---	---
Transfers in	---	1,428,751	814,599	501,000
Transfers out	---	---	(150,000)	(50,000)
Proceeds from capital asset sale	---	---	299,058	---
Total other financing sources (uses)	<u>3,015,000</u>	<u>8,568,751</u>	<u>30,706,157</u>	<u>11,921,000</u>
Net changes in fund balance	1,178,676	5,069,474	19,393,430	4,314,792
Fund balance (deficit), beginning of year	<u>1,196,471</u>	<u>4,010,580</u>	<u>13,128,915</u>	<u>6,032,189</u>
Fund balance, end of year	<u>\$2,375,147</u>	<u>\$ 9,080,054</u>	<u>\$32,522,345</u>	<u>\$ 10,346,981</u>

FIRE PROTECTION PROJECTS	LIBRARY PROJECTS	SPECIAL ASSESSMENT PROJECTS	URBAN RENEWAL PROJECTS	TOTALS
\$ ---	\$ ---	\$ ---	\$ ---	\$ 23,416
3,510	43,825	12,575	244,603	572,119
29,000	2,194,953	125,917	37,525	7,831,984
---	---	---	259,448	10,125,266
<u>32,510</u>	<u>2,238,778</u>	<u>138,492</u>	<u>541,576</u>	<u>18,552,785</u>
33,771	---	---	---	33,771
---	---	---	---	25,787
---	643,913	---	---	586,642
---	---	---	7,869,925	7,869,925
---	---	---	---	811,963
1,468,315	1,817,638	---	1,426,940	41,854,439
---	---	---	---	1,933,940
<u>1,502,086</u>	<u>2,461,551</u>	<u>---</u>	<u>9,296,865</u>	<u>53,116,467</u>
<u>(1,469,576)</u>	<u>(222,773)</u>	<u>138,492</u>	<u>(8,755,289)</u>	<u>(34,563,682)</u>
3,985,000	2,041,250	---	6,040,000	63,433,750
---	---	---	1,000,000	1,000,000
---	---	---	5,615,662	8,360,012
---	---	(139,599)	(2,938,714)	(3,278,313)
---	---	---	12,839	311,897
<u>3,985,000</u>	<u>2,041,250</u>	<u>(139,599)</u>	<u>9,729,787</u>	<u>69,827,346</u>
2,515,424	1,818,477	(1,107)	974,498	35,263,664
<u>2,402,955</u>	<u>(520,948)</u>	<u>1,989,671</u>	<u>13,449,278</u>	<u>41,689,111</u>
<u>\$ 4,918,379</u>	<u>\$ 1,297,529</u>	<u>\$ 1,988,564</u>	<u>\$ 14,423,776</u>	<u>\$ 76,952,775</u>

**CITY OF DES MOINES, IOWA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2007**

	SPECIAL REVENUE			
	CDBG	COMMUNITY SERVICES	OTHER	
			EMPLOYEE BENEFITS	ROAD USE TAX
<b>ASSETS</b>				
Cash and pooled cash investments	\$ --	\$ --	\$ 226,787	\$ --
Investments	--	--	--	--
Taxes receivable	--	--	8,020,892	2,815,036
Accounts receivable	1,191	15,077	--	113,641
Contract sales receivable	--	--	--	--
Loans receivable, net of allowance for doubtful accounts	976,577	--	--	--
Property held for sale	2,000,000	--	--	--
Prepaid items	4	145	20,000	163
Due from other funds	--	--	--	--
Due from other governmental units	657,220	1,712,534	--	2,196
Accrued interest receivable	2,951	--	--	--
<b>Total assets</b>	<b>\$ 3,637,943</b>	<b>\$ 1,727,756</b>	<b>\$ 8,267,679</b>	<b>\$ 2,931,036</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>				
Liabilities:				
Accounts payable	\$ 191,619	\$ 655,917	\$ --	\$ 493,407
Accrued wages payable	80,261	20,352	376,169	295,133
Accrued employee benefits	--	--	--	79,355
Good faith, security deposits	--	--	--	--
Due to other funds	151,631	1,244,588	--	2,063,141
Deferred revenue	167,097	417,610	7,897,928	--
<b>Total liabilities</b>	<b>590,608</b>	<b>2,338,467</b>	<b>8,274,097</b>	<b>2,931,036</b>
Fund balances (deficits):				
Reserved for prepaid items	4	145	20,000	163
Reserved for corpus	--	--	--	--
Reserved for loans receivable	976,577	--	--	--
Reserved for property held for sale	2,000,000	--	--	--
Unreserved:				
Undesignated balances (deficits)	70,754	(610,856)	(26,418)	(163)
<b>Total fund balances (deficits)</b>	<b>3,047,335</b>	<b>(610,711)</b>	<b>(6,418)</b>	<b>--</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 3,637,943</b>	<b>\$ 1,727,756</b>	<b>\$ 8,267,679</b>	<b>\$ 2,931,036</b>

SPECIAL REVENUE		PERMANENT					
URBAN DEVELOPMENT ACTION GRANT	OTHER SPECIAL REVENUE	PERMANENT CEMETERY CEMETERY	PERMANENT CEMETERY MAINTENANCE	SWARTZELL ENDOWMENT	WEISE BIRD HABITATS	TOTALS	
\$ 1	\$ 5,021,603	\$ --	\$ 453,158	\$ 60,181	\$ 2,650	\$ 5,764,380	
--	--	--	2,778,289	356,143	--	3,134,432	
--	1,093,234	--	--	--	--	11,929,162	
--	158,607	--	4,623	--	--	293,139	
--	286,639	--	--	--	--	286,639	
3,002,286	6,909,147	--	--	--	--	10,888,010	
--	--	--	--	--	--	2,000,000	
--	19,430	--	--	--	--	39,742	
--	102,508	--	--	--	--	102,508	
--	279,768	--	--	--	--	2,651,718	
4,221	53,813	--	--	4,037	--	65,022	
<u>\$ 3,006,508</u>	<u>\$ 13,924,749</u>	<u>\$ --</u>	<u>\$ 3,236,070</u>	<u>\$ 420,361</u>	<u>\$ 2,650</u>	<u>\$ 37,154,752</u>	
\$ --	\$ 221,905	\$ --	\$ --	\$ --	\$ --	\$ 1,562,848	
--	6,918	--	--	--	--	778,833	
--	--	--	--	--	--	79,355	
--	5,359	--	--	--	--	5,359	
3,750	85,287	--	--	--	--	3,548,397	
--	1,367,025	--	--	--	--	9,849,660	
<u>3,750</u>	<u>1,686,494</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>15,824,452</u>	
--	19,430	--	--	--	--	39,742	
--	--	--	2,940,518	347,759	2,650	3,290,927	
3,002,286	6,909,147	--	--	--	--	10,888,010	
--	--	--	--	--	--	2,000,000	
472	5,309,678	--	295,552	72,602	--	5,111,621	
<u>3,002,758</u>	<u>12,238,255</u>	<u>--</u>	<u>3,236,070</u>	<u>420,361</u>	<u>2,650</u>	<u>21,330,300</u>	
<u>\$ 3,006,508</u>	<u>\$ 13,924,749</u>	<u>\$ --</u>	<u>\$ 3,236,070</u>	<u>\$ 420,361</u>	<u>\$ 2,650</u>	<u>\$ 37,154,752</u>	

**CITY OF DES MOINES, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (DEFICITS)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2007**

	SPECIAL REVENUE				
		COMMUNITY	OTHER	ROAD USE	URBAN
	CDBG	SERVICES	EMPLOYEE BENEFITS	TAX	DEVELOPMENT ACTION GRANT
Revenues:					
Taxes	\$ ---	\$ ---	\$ 7,663,450	\$ ---	\$ ---
Licenses and permits	---	---	---	\$ 92,690	---
Fines and forfeitures	85,225	---	---	---	---
Charges for sales and services	16,647	5,061	---	1,611,438	---
Use of money and property	16,344	---	---	1,195	95,146
Miscellaneous	301,019	1,531,032	44,710	328,169	---
Intergovernmental	4,498,537	7,107,815	---	16,815,760	---
<b>Total revenues</b>	<b>4,917,772</b>	<b>8,643,908</b>	<b>7,708,160</b>	<b>18,849,252</b>	<b>95,146</b>
Expenditures:					
Current:					
Public safety	(817)	---	---	---	---
Public works	---	---	---	18,005,690	---
Health and social services	---	---	---	---	---
Culture and recreation	---	---	---	---	---
Community and economic development	4,496,919	8,353,353	---	---	---
General government	---	---	1,629,837	---	---
Capital outlay	383,893	12,000	---	28,754	---
Debt service:					
Principal retirement	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---
<b>Total expenditures</b>	<b>4,879,995</b>	<b>8,365,353</b>	<b>1,629,837</b>	<b>18,034,444</b>	<b>---</b>
Excess (deficiency) of revenues over expenditures	37,777	278,555	6,078,323	814,808	95,146
Other financing sources (uses):					
Transfers in	9,507	---	1,085,000	150,000	---
Transfers out	---	(9,903)	(6,692,710)	(964,827)	(360,458)
Proceeds from capital asset sale	800	---	---	---	---
<b>Total other financing sources (uses)</b>	<b>10,307</b>	<b>(9,903)</b>	<b>(5,607,710)</b>	<b>(814,827)</b>	<b>(360,458)</b>
<b>Net changes in fund balances</b>	<b>48,084</b>	<b>268,652</b>	<b>470,613</b>	<b>(19)</b>	<b>(265,312)</b>
Fund balances (deficits), beginning of year	2,999,251	(879,363)	(477,031)	19	3,268,070
<b>Fund balances (deficits), end of year</b>	<b>\$ 3,047,335</b>	<b>\$ (610,711)</b>	<b>\$ (6,418)</b>	<b>\$ ---</b>	<b>\$ 3,002,758</b>

PERMANENT

OTHER SPECIAL REVENUE	PERMANENT				TOTALS
	CEMETERY	CEMETERY MAINTENANCE	SWARTZELL ENDOWMENT	WEISE BIRD HABITATS	
\$ 1,024,267	\$ --	\$ --	\$ --	\$ --	\$ 8,687,717
--	--	--	--	--	92,690
--	--	--	--	--	85,225
98,014	--	143,001	--	--	1,874,161
843,487	158	30,254	19,854	--	1,006,438
1,705,362	--	--	1,000	--	3,911,292
2,598,043	--	--	--	--	31,020,155
<u>6,269,173</u>	<u>158</u>	<u>173,255</u>	<u>20,854</u>	<u>--</u>	<u>46,677,678</u>
2,973,929	--	--	--	--	2,973,112
--	--	--	--	--	18,005,690
422,823	--	--	13,727	--	436,550
806,369	--	--	--	--	806,369
709,213	--	--	--	--	13,559,485
429,820	--	--	--	--	2,059,657
262,691	--	--	--	--	687,338
115,000	--	--	--	--	115,000
101,991	--	--	--	--	101,991
<u>5,821,836</u>	<u>--</u>	<u>--</u>	<u>13,727</u>	<u>--</u>	<u>38,745,192</u>
447,337	158	173,255	7,127	--	7,932,486
2,526,874	--	24,900	--	--	3,796,281
(531,306)	(24,900)	--	--	--	(8,584,104)
384,733	--	--	--	--	385,533
<u>2,380,301</u>	<u>(24,900)</u>	<u>24,900</u>	<u>--</u>	<u>--</u>	<u>(4,402,290)</u>
2,827,638	(24,742)	198,155	7,127	--	3,530,196
9,410,617	24,742	3,037,915	413,234	2,650	17,800,104
<u>\$ 12,238,255</u>	<u>\$ --</u>	<u>\$ 3,236,070</u>	<u>\$ 420,361</u>	<u>\$ 2,650</u>	<u>\$ 21,330,300</u>

**CITY OF DES MOINES, IOWA**  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**June 30, 2007**

<b>ASSETS</b>	<b>GOLF COURSES</b>	<b>SOLID WASTE SYSTEM</b>	<b>TOTALS</b>
<b>Current assets:</b>			
Unrestricted current assets:			
Cash and pooled cash investments	\$ 4,500	\$ 2,918,934	\$ 2,923,434
Accounts receivable	20,151	173,919	194,070
Prepaid items	1,124	---	1,124
Deferred charges	---	1,396	1,396
<b>Total current assets</b>	<b>25,775</b>	<b>3,094,249</b>	<b>3,120,024</b>
<b>Noncurrent assets, capital assets:</b>			
Land	123,497	---	123,497
Buildings	342,159	637,501	979,660
Improvements other than buildings	3,210,234	261,589	3,471,823
Machinery and equipment	1,617,832	9,844,003	11,461,835
Accumulated depreciation	(2,061,381)	(6,541,096)	(8,602,477)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>3,232,341</b>	<b>4,201,997</b>	<b>7,434,338</b>
<b>Total assets</b>	<b>\$ 3,258,116</b>	<b>\$ 7,296,246</b>	<b>\$ 10,554,362</b>
<b>LIABILITIES</b>			
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	\$ 92,324	\$ 100,201	\$ 192,525
Accrued wages payable	14,425	135,388	149,813
Accrued employee benefits	36,482	181,927	218,409
Due to other funds	41,704	---	41,704
Notes payable	---	954,355	954,355
Accrued interest payable	---	6,235	6,235
Revenue bonds payable	---	23,301	23,301
General obligation bonds payable	---	34,000	34,000
Unamortized premium	---	2,850	2,850
<b>Total current liabilities</b>	<b>184,935</b>	<b>1,438,257</b>	<b>1,623,192</b>
Noncurrent liabilities:			
Accrued employee benefits	77,718	387,556	465,274
Advance from other funds	3,730,653	---	3,730,653
Notes payable	---	1,307,870	1,307,870
General obligation bonds payable	---	161,000	161,000
<b>Total noncurrent liabilities</b>	<b>3,808,371</b>	<b>1,856,426</b>	<b>5,664,797</b>
<b>Total liabilities</b>	<b>3,993,306</b>	<b>3,294,683</b>	<b>7,287,989</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	3,232,341	1,718,621	4,950,962
Unrestricted	(3,967,531)	2,282,942	(1,684,589)
<b>Total net assets</b>	<b>\$ (735,190)</b>	<b>\$ 4,001,563</b>	<b>\$ 3,266,373</b>

**CITY OF DES MOINES, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the Fiscal Year Ended June 30, 2007**

	GOLF COURSES	SOLID WASTE SYSTEM	TOTALS
Operating revenues:			
Charges for sales and services	\$ 1,729,333	\$ 11,056,904	\$ 12,786,237
Total operating revenues	<u>1,729,333</u>	<u>11,056,904</u>	<u>12,786,237</u>
Operating expenses:			
Personal services	394,134	4,152,968	4,547,102
Contractual services	861,565	3,887,517	4,749,082
Commodities	303,654	122,062	425,716
Depreciation	159,765	776,588	936,353
Other charges	377,114	668,375	1,045,489
Total operating expenses	<u>2,096,232</u>	<u>9,607,510</u>	<u>11,703,742</u>
Operating income (loss)	<u>(366,899)</u>	<u>1,449,394</u>	<u>1,082,495</u>
Non-operating revenues (expenses):			
Donations and contributions	1,393	1,540	2,933
Gain on disposal of capital assets	---	36,500	36,500
Investment earnings	---	156,753	156,753
Interest expense and fiscal charges	(11,569)	(99,958)	(111,527)
Total nonoperating revenues (expenses)	<u>(10,176)</u>	<u>94,835</u>	<u>84,659</u>
Change in net assets	<u>(377,075)</u>	<u>1,544,229</u>	<u>1,167,154</u>
Total net assets - beginning	<u>(358,115)</u>	<u>2,457,334</u>	<u>2,099,219</u>
Total net assets - ending	<u>\$ (735,190)</u>	<u>\$ 4,001,563</u>	<u>\$ 3,266,373</u>

**CITY OF DES MOINES, IOWA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the Fiscal Year Ended June 30, 2007**

	GOLF COURSES	SOLID WASTE SYSTEM	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 1,710,144	\$ 10,997,003	\$ 12,707,147
Payments to suppliers	(1,632,060)	(4,671,403)	(6,303,463)
Payments to employees	(376,754)	(4,155,427)	(4,532,181)
Net cash provided (used) by operating activities	<u>(298,670)</u>	<u>2,170,173</u>	<u>1,871,503</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Proceeds from interfund accounts	418,745	-	418,745
Donations and Contributions	1,393	1,540	2,933
Net cash provided (used) by noncapital and related financing activities	<u>420,138</u>	<u>1,540</u>	<u>421,678</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Interest paid on capital debt	(11,569)	(104,947)	(116,516)
Principal paid on long-term debt	-	(996,514)	(996,514)
Proceeds from sale of capital assets	-	36,500	36,500
Acquisition and construction of capital assets	(109,899)	(551,452)	(661,351)
Net cash (used) by capital and related financing activities	<u>(121,468)</u>	<u>(1,616,413)</u>	<u>(1,737,881)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends received	---	156,753	156,753
Net cash provided by investing activities	<u>---</u>	<u>156,753</u>	<u>156,753</u>
Net increase in cash and cash equivalents	---	712,053	712,053

	<u>GOLF COURSES</u>	<u>SOLID WASTE SYSTEM</u>	<u>TOTALS</u>
Cash and cash equivalents, beginning of year	\$ 4,500	\$ 2,206,881	\$ 2,211,381
Cash and cash equivalents, end of year	<u>\$ 4,500</u>	<u>\$ 2,918,934</u>	<u>\$ 2,923,434</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	<u>\$ (366,899)</u>	<u>\$ 1,449,394</u>	<u>\$ 1,082,495</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	159,765	776,588	936,353
Accretion and amortization	-	(523)	(523)
(Increase) decrease in accounts receivable	(19,189)	(59,899)	(79,088)
(Increase) decrease in prepaid items	(314)	3,150	2,836
Increase (decrease) in accounts payable	(89,413)	3,922	(85,491)
Increase (decrease) in accrued wages payable	1,240	3,057	4,297
Increase (decrease) in accrued employee benefits	16,140	(5,516)	10,624
Total adjustments	<u>68,229</u>	<u>720,779</u>	<u>789,008</u>
Net cash provided (used) by operating activities	<u>\$ (298,670)</u>	<u>\$ 2,170,173</u>	<u>\$ 1,871,503</u>
<b>Schedule of noncash capital and related financing activities:</b>			
Gain on disposal of capital assets	\$ -	\$ 36,500	\$ 36,500

**CITY OF DES MOINES, IOWA**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2007**

	EQUIPMENT		CENTRAL	RADIO
	SERVICE	FORESTRY	SERVICES	COMMUNI-
	CENTER			CATIONS
<b>ASSETS</b>				
Current assets:				
Cash and pooled cash investments	\$ 670,527	\$ 144,813	\$ 145,731	\$ 71,361
Taxes receivable	99,858	---	---	---
Accounts receivable	---	---	---	---
Due from other governmental units	---	600	---	---
Prepaid items	2,316	15	---	---
Inventory	284,242	---	72,657	---
Total current assets	<u>1,056,943</u>	<u>145,428</u>	<u>218,388</u>	<u>71,361</u>
Noncurrent assets, capital assets:				
Machinery and equipment	55,681	16,312	1,114,041	30,770
Accumulated depreciation	<u>(30,940)</u>	<u>(16,312)</u>	<u>(774,521)</u>	<u>(26,530)</u>
Total capital assets, net of accumulated depreciation	<u>24,741</u>	<u>---</u>	<u>339,520</u>	<u>4,240</u>
<b>Total assets</b>	<b>\$ 1,081,684</b>	<b>\$ 145,428</b>	<b>\$ 557,908</b>	<b>\$ 75,601</b>
<b>LIABILITIES</b>				
Liabilities:				
Current liabilities:				
Accounts payable	\$ 375,265	\$ 2,604	\$ 45,021	\$ 6,098
Accrued wages payable	81,046	24,257	10,080	16,102
Accrued employee benefits	70,854	37,002	26,004	17,066
Deferred revenue	---	---	---	---
Total current liabilities	<u>527,165</u>	<u>63,863</u>	<u>81,105</u>	<u>39,266</u>
Noncurrent liabilities:				
Accrued employee benefits	<u>144,824</u>	<u>75,632</u>	<u>53,151</u>	<u>34,882</u>
Total noncurrent liabilities	<u>144,824</u>	<u>75,632</u>	<u>53,151</u>	<u>34,882</u>
<b>Total liabilities</b>	<b>671,989</b>	<b>139,495</b>	<b>134,256</b>	<b>74,148</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	24,741	---	339,520	4,240
Unrestricted	<u>384,954</u>	<u>5,933</u>	<u>84,132</u>	<u>(2,787)</u>
<b>Total net assets</b>	<b>\$ 409,695</b>	<b>\$ 5,933</b>	<b>\$ 423,652</b>	<b>\$ 1,453</b>

<u>EQUIPMENT</u> <u>REPLACEMENT</u>	<u>RADIO</u> <u>REPLACEMENT</u>	<u>GROUP HEALTH</u> <u>INSURANCE</u>	<u>TOTALS</u>
\$ 2,483,676	\$ 460,309	\$ 223,938	\$ 4,200,355
---	---	---	99,858
---	---	15,208	15,208
---	---	---	600
---	---	---	2,331
---	---	---	356,899
<u>2,483,676</u>	<u>460,309</u>	<u>239,146</u>	<u>4,675,251</u>
28,782,557	2,473,698	---	32,473,059
(24,809,555)	(2,445,918)	---	(28,103,776)
<u>3,973,002</u>	<u>27,780</u>	<u>---</u>	<u>4,369,283</u>
\$ 6,456,678	\$ 488,089	\$ 239,146	\$ 9,044,534
\$ 43,550	\$ ---	\$ 120,094	\$ 592,632
---	---	---	131,485
---	---	---	150,926
---	---	24,522	24,522
<u>43,550</u>	<u>---</u>	<u>144,616</u>	<u>899,565</u>
---	---	---	308,489
---	---	---	308,489
<u>43,550</u>	<u>---</u>	<u>144,616</u>	<u>1,208,054</u>
3,973,002	27,780	---	4,369,283
<u>2,440,126</u>	<u>460,309</u>	<u>94,530</u>	<u>3,467,197</u>
\$ 6,413,128	\$ 488,089	\$ 94,530	\$ 7,836,480

**CITY OF DES MOINES, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 2007**

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUN- ICATIONS
Operating revenues:				
Charges for sales and services	\$ 7,475,738	#####	\$1,097,485	\$ 548,504
Miscellaneous	8,005	---	---	---
Total operating revenue	<u>7,483,743</u>	<u>1,046,463</u>	<u>1,097,485</u>	<u>548,504</u>
Operating expenses:				
Personal services	2,442,251	837,111	313,349	446,252
Contractual services	808,714	167,786	683,128	61,750
Commodities	4,587,793	49,306	99,223	44,080
Depreciation	6,259	---	55,702	1,357
Other charges	2,876	45,734	16	---
Total operating expenses	<u>7,847,893</u>	<u>1,099,937</u>	<u>1,151,418</u>	<u>553,439</u>
Operating (loss)	<u>(364,150)</u>	<u>(53,474)</u>	<u>(53,933)</u>	<u>(4,935)</u>
Non-operating revenues (expenses):				
Donations and contributions	---	20,000	---	---
Gain on disposal of capital assets	---	---	---	---
Total nonoperating revenues	<u>---</u>	<u>20,000</u>	<u>---</u>	<u>---</u>
Change in net assets	<u>(364,150)</u>	<u>(33,474)</u>	<u>(53,933)</u>	<u>(4,935)</u>
Total net assets (deficit) - beginning	<u>773,845</u>	<u>39,407</u>	<u>477,585</u>	<u>6,388</u>
Total net assets - ending	<u>\$ 409,695</u>	<u>\$ 5,933</u>	<u>\$ 423,652</u>	<u>\$ 1,453</u>

<u>EQUIPMENT</u> <u>REPLACEMENT</u>	<u>RADIO</u> <u>REPLACEMENT</u>	<u>GROUP HEALTH</u> <u>INSURANCE</u>	<u>TOTALS</u>
\$ 1,035,787	---	\$ 20,799,205	\$32,003,182
29,966	---	---	37,971
<u>1,065,753</u>	<u>---</u>	<u>20,799,205</u>	<u>32,041,153</u>
---	---	---	4,038,963
5,118	---	20,804,207	22,530,703
26,885	29,094	---	4,836,381
1,512,132	28,806	---	1,604,256
---	---	---	48,626
<u>1,544,135</u>	<u>57,900</u>	<u>20,804,207</u>	<u>33,058,929</u>
<u>(478,382)</u>	<u>(57,900)</u>	<u>(5,002)</u>	<u>(1,017,776)</u>
---	---	---	20,000
11,948	---	---	11,948
<u>11,948</u>	<u>---</u>	<u>---</u>	<u>31,948</u>
<u>(466,434)</u>	<u>(57,900)</u>	<u>(5,002)</u>	<u>(985,828)</u>
<u>6,879,562</u>	<u>545,989</u>	<u>99,532</u>	<u>8,822,308</u>
<u>\$ 6,413,128</u>	<u>\$ 488,089</u>	<u>\$ 94,530</u>	<u>\$ 7,836,480</u>

**CITY OF DES MOINES, IOWA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 2007**

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUNI- CATIONS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ (38,397)	\$ (13,471)	\$ (7,132)	\$ -
Receipts from interfund services provided	7,469,810	1,059,936	1,104,616	548,503
Payments to suppliers	(5,038,873)	(120,624)	(694,098)	(94,933)
Payments to employees	(2,374,695)	(826,803)	(302,467)	(438,365)
Payments for interfund services used	(186,613)	(153,078)	(11,228)	(9,803)
Net cash provided (used) by operating activities	<u>(168,768)</u>	<u>(54,040)</u>	<u>89,691</u>	<u>5,402</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Donations and Contributions	-	20,000	-	-
Proceeds from interfund accounts	-	-	-	-
Payments to interfund accounts	-	-	-	-
Intergovernmental	-	15,288	-	-
Net cash provided (used) by noncapital and related financing activities	<u>-</u>	<u>35,288</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(168,768)	(18,752)	89,691	5,402

<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ 3,714	\$ -	\$ 1,482,814	\$ 1,427,528
1,035,787	-	19,315,178	30,533,830
(103,264)	(36,828)	(20,796,839)	(26,885,459)
-	-		(3,942,330)
-	-	(243)	(360,965)
<u>936,237</u>	<u>(36,828)</u>	<u>910</u>	<u>772,604</u>
-	-	-	20,000
-	-	-	-
-	-	-	-
-	-	-	15,288
<u>-</u>	<u>-</u>	<u>-</u>	<u>35,288</u>
(621,674)	-	-	(621,674)
38,200	-	-	38,200
<u>(583,474)</u>	<u>-</u>	<u>-</u>	<u>(583,474)</u>
352,763	(36,828)	910	224,418

(continued)

**CITY OF DES MOINES, IOWA**  
**COMBINING STATEMENT OF CASH FLOWS (CONTINUED)**  
**ALL INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 2007**

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUNI- CATIONS
Cash and cash equivalents, beginning of year	\$ 839,295	\$ 163,565	\$ 56,040	\$ 65,959
Cash and cash equivalents, end of year	<u>\$ 670,527</u>	<u>\$ 144,813</u>	<u>\$ 145,731</u>	<u>\$ 71,361</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating (loss)	<u>(364,150)</u>	<u>(53,474)</u>	<u>(53,933)</u>	<u>(4,935)</u>
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:				
Depreciation expense	6,259	-	55,702	1,357
(Increase) in accounts and taxes receivable	(52,331)	-	-	-
Decrease in inventories	75,788	-	23,266	-
(Increase) Decrease in prepaid items	(308)	180	29,269	-
Increase (decrease) in accounts payable	98,418	(11,057)	24,505	1,093
Increase (decrease) in accrued wages payable	5,211	(2,106)	443	1,411
Increase in accrued employee benefits	62,345	12,417	10,439	6,476
(Decrease) in deferred revenue	-	-	-	-
Total adjustments	<u>195,382</u>	<u>(566)</u>	<u>143,624</u>	<u>10,337</u>
Net cash provided (used) by operating activities	<u>\$ (168,768)</u>	<u>\$ (54,040)</u>	<u>\$ 89,691</u>	<u>\$ 5,402</u>
Schedule of noncash capital and related financing activities:				
Gain on sale of capital asset	---	---	---	---

<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ 2,130,913	\$ 497,137	\$ 223,028	\$ 3,975,937
\$ 2,483,676	\$ 460,309	\$ 223,938	\$ 4,200,355
(478,382)	(57,900)	(5,002)	(1,017,776)
1,512,132	28,806	-	1,604,256
-	-	(3,327)	(55,658)
-	-	-	99,054
-	-	2,115	31,256
(97,513)	(7,734)	10,669	18,381
-	-	-	4,959
-	-	-	91,677
-	-	(3,545)	(3,545)
1,414,619	21,072	5,912	1,790,380
\$ 936,237	\$ (36,828)	\$ 910	\$ 772,604
11,948	---	---	11,948



**CITY OF DES MOINES, IOWA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Fiscal Year Ended June 30, 2007**

	BALANCE JULY 1, 2006	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2007
<b>WRA</b>				
<b>ASSETS</b>				
Cash and pooled cash investments	\$ 72,448,169	\$ 141,792,368	\$ 121,415,644	\$ 92,824,893
Accounts receivable	361,941	31,713,463	31,161,765	913,639
<b>Total assets</b>	<b>\$ 72,810,110</b>	<b>\$ 173,505,831</b>	<b>\$ 152,577,409</b>	<b>\$ 93,738,532</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 72,810,110	\$ 119,258,850	\$ 98,330,428	\$ 93,738,532
<b>Total liabilities</b>	<b>\$ 72,810,110</b>	<b>\$ 119,258,850</b>	<b>\$ 98,330,428</b>	<b>\$ 93,738,532</b>
<b>Employees' Payroll Withholding</b>				
<b>ASSETS</b>				
Cash and pooled cash investments	\$ 787,536	\$ 133,641,485	\$ 133,536,963	\$ 892,058
Accounts receivable	366	133,641,119	133,641,485	---
Due from other governments	---	229	---	229
<b>Total assets</b>	<b>\$ 787,902</b>	<b>\$ 267,282,833</b>	<b>\$ 267,178,448</b>	<b>\$ 892,287</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 775,579	\$ 133,538,199	\$ 133,435,280	\$ 878,498
Good faith/earnest deposits	12,323	1,466	---	13,789
<b>Total liabilities</b>	<b>\$ 787,902</b>	<b>\$ 133,539,665</b>	<b>\$ 133,435,280</b>	<b>\$ 892,287</b>
<b>CEBA Grants</b>				
<b>ASSETS</b>				
Cash and pooled cash investments	\$ ---	\$ 664,001	\$ 664,001	\$ ---
<b>Total assets</b>	<b>\$ ---</b>	<b>\$ 664,001</b>	<b>\$ 664,001</b>	<b>\$ ---</b>
<b>LIABILITIES</b>				
Accounts payable	\$ ---	\$ 664,001	\$ 664,001	\$ ---
<b>Total liabilities</b>	<b>\$ ---</b>	<b>\$ 664,001</b>	<b>\$ 664,001</b>	<b>\$ ---</b>
<b>Other Agency</b>				
<b>ASSETS</b>				
Accounts receivable	\$ 79,609	\$ 144,200	\$ 154,001	\$ 69,808
<b>Total assets</b>	<b>\$ 79,609</b>	<b>\$ 144,200</b>	<b>\$ 154,001</b>	<b>\$ 69,808</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 79,609	\$ 162,960	\$ 172,761	\$ 69,808
<b>Total liabilities</b>	<b>\$ 79,609</b>	<b>\$ 162,960</b>	<b>\$ 172,761</b>	<b>\$ 69,808</b>
<b>Total All Agency Funds</b>				
<b>ASSETS</b>				
Cash and pooled cash investments	\$ 73,235,705	\$ 276,097,854	\$ 255,616,608	\$ 93,716,951
Accounts receivable	441,916	165,498,782	164,957,251	983,447
Due from other governments	---	229	---	229
<b>Total assets</b>	<b>\$ 73,677,621</b>	<b>\$ 441,596,865</b>	<b>\$ 420,573,859</b>	<b>\$ 94,700,627</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 73,665,298	\$ 253,624,010	\$ 232,602,470	\$ 94,686,838
Good faith/earnest deposits	12,323	1,466	---	13,789
<b>Total liabilities</b>	<b>\$ 73,677,621</b>	<b>\$ 253,625,476</b>	<b>\$ 232,602,470</b>	<b>\$ 94,700,627</b>

**CITY OF DES MOINES, IOWA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION**  
**For the Fiscal Year Ended June 30, 2007**

Function	GOVERNMENTAL FUNDS CAPITAL ASSETS			GOVERNMENTAL FUNDS CAPITAL ASSETS
	JULY 1, 2006	ADDITIONS	DELETIONS	JUNE 30, 2007
Public safety	\$ 58,068,980	\$ 10,220,031	\$ (285,464)	\$ 68,003,547
Human development	--	--	--	--
Home and community environment	--	--	--	--
General government	309,608,156	(49,250,515)	(6,908)	260,350,733
Public works	533,902,753	47,466,873	(203,195)	581,166,431
Health and social services	--	--	--	--
Culture and recreation	107,329,404	34,796,611	--	142,126,015
Community and economic development	3,730,050	236,051	--	3,966,101
<b>Total Governmental Funds Capital Assets</b>	<b>\$ 1,012,639,343</b>	<b>\$ 43,469,051</b>	<b>\$ (495,567)</b>	<b>\$ 1,055,612,827</b>

\* This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CITY OF DES MOINES, IOWA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS\***  
**SCHEDULE OF CAPITAL ASSETS BY SOURCE**  
**June 30, 2007**

	June 30, 2007
	<u>BALANCE</u>
Governmental Funds Capital Assets:	
Land and Land Improvements	\$ 61,891,848
Buildings	119,513,430
Improvements	693,222,035
Machinery and Equipment	27,603,741
Construction in Progress	153,381,773
<b>Total Governmental Funds Capital Assets</b>	<b>\$ 1,055,612,827</b>

	June 30, 2007
	<u>BALANCE</u>
Investment in Governmental Funds Capital Assets:	
Investments in property acquired prior to January 1, 1964	\$ 31,348,037
Investments in property acquired after January 1, 1964 from:	
Capital Improvement Funds:	
General Obligation Bonds	479,028,339
Federal & State Grants	266,841,401
Federal Revenue Sharing	22,041,477
Contributions	18,565,282
Hotel/Motel Tax	55,005
General Fund	93,269,340
Special Revenue Funds	34,285,874
Special Assessments Funds	84,904,141
Contributions from Private Sources and Other Funds	23,506,996
Confiscated Funds	1,766,935
<b>Total Governmental Funds Capital Assets</b>	<b>\$ 1,055,612,827</b>

\* This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CITY OF DES MOINES, IOWA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION**  
**June 30, 2007**

Function	LAND AND LAND IMPROVEMENTS	BUILDINGS AND BLDG IMPROVEMENTS	IMPROVEMENTS OTHER THAN BUILDINGS	MACHINERY AND EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
Public safety	\$ 764,053	\$ 19,746,631	\$ 26,177,245	\$ 21,315,618	\$ --	\$ 68,003,547
Human development	--	--	--	--	--	--
Home and community environment	--	--	--	--	--	--
General government	45,536,908	56,249,694	924,651	4,257,707	153,381,773	260,350,733
Public works	10,867,902	21,364	569,638,924	638,241	--	581,166,431
Health and social services	--	--	--	--	--	--
Culture and recreation	2,898,783	43,486,893	94,422,292	1,318,047	--	142,126,015
Community and economic development	1,824,202	8,848	2,058,923	74,128	--	3,966,101
<b>Total Governmental Funds Capital Assets</b>	<b>\$ 61,891,848</b>	<b>\$ 119,513,430</b>	<b>\$ 693,222,035</b>	<b>\$ 27,603,741</b>	<b>\$ 153,381,773</b>	<b>\$ 1,055,612,827</b>

\* This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.



**CITY OF DES MOINES, IOWA**  
**COMBINED SCHEDULE OF BONDS PAYABLE**  
**June 30, 2007**

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
<b>General Obligation Bonds:</b>				
General Obligation Series 2000D	5.20 5.25 5.30 5.40 5.45 5.55 5.60 5.65 5.70 5.75 5.80 5.80 5.80	JDI	06-00	06-20
Taxable General Obligation Series 2000E	7.40 7.40 7.40 7.50 7.50 7.50 7.60	JDI	06-00	06-14
General Obligation Series 2001A	4.80 4.80 4.80 4.80 4.80 4.80 4.80 4.80 4.80 4.80 4.80 4.80	JDI	06-01	06-20
General Obligation Series 2001B	4.00 4.10 4.20 4.30 4.40 4.60 4.70 4.80 4.85 4.90 4.90 5.00 5.00 5.00	JDI	06-01	06-21
General Obligation Series 2001D	4.20 4.30 4.40 4.50 4.50	JDI	06-01	06-12

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
955,000	08	22,910,000	22,910,000	5,260,000	17,650,000
1,010,000	09				
1,070,000	10				
1,125,000	11				
1,190,000	12				
1,250,000	13				
1,325,000	14				
1,400,000	15				
1,475,000	16				
1,565,000	17				
1,660,000	18				
1,760,000	19				
1,865,000	20				
145,000	08	\$ 2,040,000	\$ 2,040,000	\$ 795,000	\$ 1,245,000
155,000	09				
165,000	10				
175,000	11				
190,000	12				
200,000	13				
215,000	14				
1,435,000	08	25,045,000	25,045,000	2,330,000	22,715,000
1,500,000	09				
1,565,000	10				
1,640,000	11				
1,725,000	12				
1,810,000	13				
1,905,000	14				
2,000,000	15				
2,105,000	16				
2,220,000	17				
2,340,000	18				
2,470,000	19				
165,000	08	4,070,000	4,070,000	835,000	3,235,000
175,000	09				
180,000	10				
190,000	11				
200,000	12				
210,000	13				
220,000	14				
230,000	15				
240,000	16				
255,000	17				
270,000	18				
285,000	19				
300,000	20				
315,000	21				
915,000	08	\$ 9,585,000	\$ 9,585,000	\$ 4,665,000	\$ 4,920,000
945,000	09				
970,000	10				
1,020,000	11				
1,070,000	12				

**CITY OF DES MOINES, IOWA**  
**COMBINED SCHEDULE OF BONDS PAYABLE**  
**June 30, 2007**

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
General Obligation Series 2001E	4.00	JDI	06-01	06-12
	4.10			
	4.20			
	4.30			
	4.40			
Taxable General Obligation Series 2002A	5.50	JDI	06-02	06-12
	5.65			
	5.80			
	5.90			
	5.95			
Taxable General Obligation Hotel/Motel Series 2002B	5.20	JDI	06-02	06-11
	5.50			
	5.63			
	5.75			
	5.85			
General Obligation Series 2002E	4.00	JDI	06-02	06-22
	4.00			
	4.00			
	4.13			
	4.20			
	4.30			
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
5.00				
General Obligation Series 2002F	3.45	JDI	06-02	06-22
	3.65			
	3.80			
	3.90			
	4.00			
	4.10			
	4.20			
	4.30			
	4.40			
	4.50			
	4.60			
	4.65			
	4.70			
	4.75			
4.85				
General Obligation Series 2003A	3.25	JDI	05-03	06-14
	3.50			
	4.00			
	4.00			
	4.00			
	5.00			

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
650,000	08	5,950,000	5,950,000	2,370,000	3,580,000
680,000	09				
700,000	10				
775,000	11				
775,000	12				
325,000	08	3,170,000	3,170,000	1,340,000	1,830,000
340,000	09				
365,000	10				
390,000	11				
410,000	12				
370,000	08	3,290,000	3,290,000	1,255,000	2,035,000
390,000	09				
435,000	10				
425,000	11				
415,000	12				
1,125,000	08	30,920,000	30,920,000	2,115,000	28,805,000
1,435,000	09				
1,495,000	10				
1,560,000	11				
1,635,000	12				
1,710,000	13				
1,790,000	14				
1,880,000	15				
1,970,000	16				
2,075,000	17				
2,180,000	18				
2,295,000	19				
2,420,000	20				
2,545,000	21				
2,690,000	22				
360,000	08	\$ 8,515,000	\$ 8,515,000	\$ 1,085,000	\$ 7,430,000
370,000	09				
385,000	10				
405,000	11				
420,000	12				
440,000	13				
455,000	14				
480,000	15				
505,000	16				
530,000	17				
560,000	18				
585,000	19				
610,000	20				
645,000	21				
680,000	22				
2,005,000	08	20,970,000	20,970,000	6,470,000	14,500,000
2,060,000	09				
2,140,000	10				
2,195,000	11				
2,325,000	12				
2,400,000	13				
1,375,000	14				

**CITY OF DES MOINES, IOWA**  
**COMBINED SCHEDULE OF BONDS PAYABLE**  
**June 30, 2007**

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
General Obligation Series 2003C	2.75 3.00 3.10 3.25 3.25 3.45 3.60 3.70 3.80 3.90 3.95 4.05 4.15 4.20 4.30	JDI	06-03	06-23
General Obligation Series 2003D	2.25 2.50 2.88 3.00 3.00 3.20 3.35 3.50 3.55 3.65 3.75 3.85 4.00 4.00 4.00	JDI	06-03	06-23
General Obligation Series 2003E	2.50 2.60 2.90 3.13 3.25 3.38 3.35	JDI	07-03	06-14
General Obligation Series 2004A	5.00 5.00 5.00 5.00 5.00 5.00	JDI	06-04	06-14
General Obligation Series 2004B	5.00 5.00 5.00 5.00 5.00	JDI	06-04	06-16

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
490,000	08	19,140,000	19,140,000	1,685,000	17,455,000
595,000	09				
820,000	10				
895,000	11				
930,000	12				
975,000	13				
1,015,000	14				
1,065,000	15				
1,115,000	16				
1,170,000	17				
1,225,000	18				
1,290,000	19				
1,355,000	20				
1,425,000	21				
1,505,000	22				
1,585,000	23				
450,000	08	\$ 11,860,000	\$ 11,860,000	\$ 1,700,000	\$ 10,160,000
465,000	09				
485,000	10				
505,000	11				
525,000	12				
550,000	13				
570,000	14				
600,000	15				
630,000	16				
660,000	17				
690,000	18				
725,000	19				
760,000	20				
805,000	21				
845,000	22				
895,000	23				
905,000	08	\$ 9,460,000	\$ 9,460,000	\$ 2,785,000	\$ 6,675,000
935,000	09				
960,000	10				
935,000	11				
960,000	12				
965,000	13				
1,015,000	14				
2,410,000	08	\$ 21,335,000	\$ 21,335,000	\$ 7,755,000	\$ 13,580,000
2,525,000	09				
1,560,000	10				
1,630,000	11				
1,720,000	12				
1,810,000	13				
1,925,000	14				
3,485,000	08	\$ 33,300,000	\$ 33,300,000	\$ 5,845,000	\$ 27,455,000
3,680,000	09				
3,700,000	10				
3,450,000	11				
3,345,000	12				
3,780,000	13				

**CITY OF DES MOINES, IOWA**  
**COMBINED SCHEDULE OF BONDS PAYABLE**  
**June 30, 2007**

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
	5.00			
	5.00			
	5.00			
General Obligation Series 2004C	3.50	JDI	06-04	06-24
	3.50			
	4.00			
	4.00			
	4.00			
	4.00			
	0.10			
	5.00			
	5.00			
	5.25			
	5.25			
	5.25			
	5.25			
	5.38			
	5.38			
	5.50			
	5.50			
General Obligation 2004D Urban Renewal	3.25	JDI	06-04	06-24
	3.50			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.20			
	4.20			
	4.40			
	4.50			
	4.50			
	5.00			
	5.00			
	5.00			
	5.00			
Taxable General Obligation Series 2004E	4.25	JDI	06-04	06-13
	4.60			
	4.90			
	5.15			
	5.30			
	5.40			
General Obligation Series 2005A	4.00	JDI	04-05	06-18
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.13			

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
2,300,000	14				
2,510,000	15				
1,205,000	16				
400,000	08	\$ 13,685,000	\$ 13,685,000	\$ 660,000	\$ 13,025,000
200,000	09				
200,000	10				
635,000	11				
660,000	12				
690,000	13				
725,000	14				
755,000	15				
795,000	16				
830,000	17				
870,000	18				
915,000	19				
965,000	20				
1,010,000	21				
1,065,000	22				
1,125,000	23				
1,185,000	24				
100,000	08	\$ 14,425,000	\$ 14,425,000	\$ 200,000	\$ 14,225,000
100,000	09				
100,000	10				
100,000	11				
100,000	12				
100,000	13				
965,000	14				
1,010,000	15				
1,055,000	16				
1,110,000	17				
1,165,000	18				
1,220,000	19				
1,280,000	20				
1,345,000	21				
1,415,000	22				
1,490,000	23				
1,570,000	24				
555,000	08	\$ 4,830,000	\$ 4,830,000	\$ 1,055,000	\$ 3,775,000
580,000	09				
610,000	10				
640,000	11				
675,000	12				
715,000	13				
3,175,000	08	28,430,000	28,430,000	\$ 7,580,000	20,850,000
3,300,000	09				
3,470,000	10				
2,095,000	11				
1,100,000	12				
1,145,000	13				
1,210,000	14				
1,245,000	15				
1,310,000	16				
1,370,000	17				
1,430,000	18				

**CITY OF DES MOINES, IOWA**  
**COMBINED SCHEDULE OF BONDS PAYABLE**  
**June 30, 2007**

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
General Obligation Bonds Series 2005B	3.50	JDI	06-05	06-25
	4.00			
	4.00			
	4.00			
	4.00			
	4.25			
	4.50			
	4.50			
	4.50			
	4.50			
	4.50			
	4.50			
	5.00			
	5.00			
	5.00			
General Obligation 2005C Urban Renewal	4.00	JDI	06-05	06-23
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.10			
	4.20			
Taxable General Obligation Series 2005D	4.15	JDI	06-05	06-12
	4.25			
	4.38			
	4.50			
	4.50			
General Obligation Series 2005E	4.00	JDI	12-05	06-20
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
	4.50			
	4.50			
	4.50			
	4.50			
General Obligation Series 2006A	4.38	JDI	07-06	06-26
	4.38			
	4.38			
	4.38			
	4.38			
	4.38			

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
785,000	08	27,775,000	27,775,000	\$ 765,000	27,010,000
1,090,000	09				
1,130,000	10				
1,170,000	11				
1,215,000	12				
1,275,000	13				
1,325,000	14				
1,380,000	15				
1,440,000	16				
1,500,000	17				
1,565,000	18				
1,635,000	19				
1,710,000	20				
1,785,000	21				
1,865,000	22				
1,955,000	23				
2,045,000	24				
2,140,000	25				
730,000	13	10,000,000	10,000,000	—	10,000,000
760,000	14				
790,000	15				
825,000	16				
860,000	17				
900,000	18				
940,000	19				
980,000	20				
1,025,000	21				
1,070,000	22				
1,120,000	23				
580,000	08	4,985,000	4,985,000	\$ 1,085,000	3,900,000
775,000	09				
810,000	10				
845,000	11				
890,000	12				
750,000	08	28,185,000	28,185,000	—	28,185,000
1,805,000	09				
1,905,000	10				
1,995,000	11				
2,105,000	12				
2,205,000	13				
2,320,000	14				
2,435,000	15				
2,545,000	16				
2,670,000	17				
2,790,000	18				
2,915,000	19				
1,745,000	20				
705,000	08	20,295,000	20,295,000	—	20,295,000
735,000	09				
765,000	10				
795,000	11				
830,000	12				
865,000	13				

**CITY OF DES MOINES, IOWA  
 COMBINED SCHEDULE OF BONDS PAYABLE  
 June 30, 2007**

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
	4.38			
	4.38			
	4.38			
	4.38			
	4.50			
	4.50			
	4.50			
	4.50			
	4.50			
	4.63			
	4.63			
	4.63			
General Obligation 2006B Urban Renewal	4.25	JDI	07-06	06-26
	4.25			
	4.25			
	4.25			
	4.25			
	4.25			
	4.25			
	4.25			
	4.25			
	4.25			
	4.38			
	4.38			
	4.50			
	4.50			
	4.50			
	4.63			
Taxable General Obligation Series 2006C	5.65	JDI	07-06	06-09
	5.70			
General Obligation Series 2007A	5.10	JDI	04-07	06-19
	5.10			
	5.10			
	5.10			
	5.10			
	5.10			
	5.10			
	5.15			
	5.15			
	5.15			
	5.15			
General Obligation Series 2007B	4.13	JDI	06-07	06-27
	4.13			
	4.13			
	4.13			
	4.13			
	4.25			
	4.25			
	4.25			
	4.25			
	4.25			

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
905,000	14				
945,000	15				
985,000	16				
1,030,000	17				
1,075,000	18				
1,125,000	19				
1,180,000	20				
1,235,000	21				
1,295,000	22				
1,355,000	23				
1,420,000	24				
1,490,000	25				
1,560,000	26				
100,000	09	9,210,000	9,210,000	—	9,210,000
370,000	10				
385,000	11				
405,000	12				
420,000	13				
440,000	14				
455,000	15				
475,000	16				
500,000	17				
520,000	18				
545,000	19				
570,000	20				
595,000	21				
625,000	22				
655,000	23				
685,000	24				
715,000	25				
750,000	26				
385,000	08	1,170,000	1,170,000	\$ 375,000	795,000
410,000	09				
250,000	08	4,635,000	4,635,000	—	4,635,000
305,000	09				
325,000	10				
340,000	11				
355,000	12				
380,000	13				
395,000	14				
415,000	15				
435,000	16				
455,000	17				
480,000	18				
500,000	19				
525,000	09	18,415,000	18,415,000	—	18,415,000
685,000	10				
710,000	11				
740,000	12				
770,000	13				
800,000	14				
835,000	15				
870,000	16				
910,000	17				
945,000	18				

**CITY OF DES MOINES, IOWA**  
**COMBINED SCHEDULE OF BONDS PAYABLE**  
**June 30, 2007**

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	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
	4.25			
	4.25			
	4.38			
	4.38			
	4.38			
	4.50			
	4.50			
	4.50			
	4.50			
General Obligation 2007C Urban Renewal	4.00	JDI	06-07	06-22
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.13			
	4.13			
	4.13			
	4.25			
	4.25			

Total General Obligation Bonds

<u>ANNUAL SERIAL PAYMENTS</u>		<u>BONDS</u>			
<u>AMOUNT</u>	<u>FISCAL YEAR</u>	<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
985,000	19				
1,030,000	20				
1,075,000	21				
1,120,000	22				
1,170,000	23				
1,225,000	24				
1,280,000	25				
1,340,000	26				
1,400,000	27				
695,000	08	15,045,000	15,045,000	--	15,045,000
780,000	09				
810,000	10				
845,000	11				
880,000	12				
915,000	13				
950,000	14				
990,000	15				
1,035,000	16				
1,075,000	17				
1,125,000	18				
1,170,000	19				
1,220,000	20				
1,275,000	21				
1,280,000	22				
		<u>\$ 432,645,000</u>	<u>\$ 432,645,000</u>	<u>\$ 60,010,000</u>	<u>\$ 372,635,000</u>



ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
236,000	08	\$ 5,965,000	\$ 5,831,885	\$ 451,299	\$ 5,380,586
243,000	09				
250,000	10				
257,000	11				
265,000	12				
273,000	13				
281,000	14				
290,000	15				
298,000	16				
307,000	17				
316,000	18				
326,000	19				
336,000	20				
346,000	21				
356,000	22				
367,000	23				
378,000	24				
255,586	25				
115,000	08	5,160,000	5,160,000	325,000	4,835,000
120,000	09				
120,000	10				
125,000	11				
475,000	12				
490,000	13				
510,000	14				
530,000	15				
550,000	16				
575,000	17				
600,000	18				
625,000	19				
1,115,000	11	14,040,000	14,040,000	--	14,040,000
1,175,000	12				
1,230,000	13				
1,290,000	14				
1,360,000	15				
1,425,000	16				
1,495,000	17				
1,570,000	18				
1,650,000	19				
1,730,000	20				
		<u>\$ 25,165,000</u>	<u>\$ 25,031,885</u>	<u>\$ 776,299</u>	<u>\$ 24,255,586</u>

**CITY OF DES MOINES, IOWA**  
**COMBINED SCHEDULE OF BONDS PAYABLE**  
**June 30, 2007**

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
<i>Stormwater Revenue Bonds:</i>				
Stormwater Management Utility Revenue Bonds, Series 2003B	3.25 3.50 3.75 4.00 4.00 4.00 4.13 4.20 4.30 4.40 4.50	JDI	05-03	06-18
Stormwater Management Utility Revenue Bonds, Series 2004F	3.00 3.25 3.50 3.63 4.00 4.00 4.15 4.25 4.50 4.50 4.63 4.70	JDI	07-04	06-19
Stormwater Management Utility Revenue Bonds, Series 2006D	3.75 3.75 3.75 3.75 3.75 3.75 3.75 4.00 4.00 4.00 4.00 4.00 4.00 4.00	JDI	12-06	06-23
Total Stormwater Revenue Bonds				
<i>Parking Facilities Bonds:</i>				
Parking System Revenue Bonds, Series 2000A	5.38 5.50 5.50 5.50 5.63 5.75 5.75 5.75 5.75	JDI	06-02	06-20

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
545,000	08	\$ 9,440,000	\$ 9,440,000	\$ 1,985,000	\$ 7,455,000
565,000	09				
585,000	10				
610,000	11				
635,000	12				
665,000	13				
700,000	14				
730,000	15				
765,000	16				
805,000	17				
850,000	18				
485,000	08	\$ 8,510,000	\$ 8,510,000	\$ 925,000	\$ 7,585,000
505,000	09				
525,000	10				
550,000	11				
575,000	12				
600,000	13				
635,000	14				
665,000	15				
700,000	16				
740,000	17				
780,000	18				
825,000	19				
770,000	08	\$ 16,750,000	\$ 16,750,000	--	\$ 16,750,000
800,000	09				
835,000	10				
855,000	11				
895,000	12				
920,000	13				
940,000	14				
975,000	15				
1,015,000	16				
1,045,000	17				
1,080,000	18				
1,205,000	19				
1,260,000	20				
1,320,000	21				
1,385,000	22				
1,450,000	23				
		<u>\$ 34,700,000</u>	<u>\$ 34,700,000</u>	<u>\$ 2,910,000</u>	<u>\$ 31,790,000</u>
620,000	08	19,545,000	19,545,000	1,230,000	18,315,000
655,000	09				
690,000	10				
730,000	11				
765,000	12				
1,505,000	13				
1,590,000	14				
1,685,000	15				
1,785,000	16				

**CITY OF DES MOINES, IOWA**  
**COMBINED SCHEDULE OF BONDS PAYABLE**  
**June 30, 2007**

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	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
	5.75			
	6.38			
	6.00			
	6.00			
Parking System Revenue Bonds, Series 2000B	8.15	JDI	06-02	06-12
	8.15			
	8.15			
	8.05			
	8.05			
Total Parking Facilities Bonds				





ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
23,299	08	\$ 232,987	\$ 232,987	\$ 209,688	\$ 23,299
		<u>\$ 232,987</u>	<u>\$ 232,987</u>	<u>\$ 209,688</u>	<u>\$ 23,299</u>
150,000	08	\$ 6,335,000	\$ 6,335,000	\$ 545,000	\$ 5,790,000
160,000	09				
165,000	10				
175,000	11				
180,000	12				
190,000	13				
200,000	14				
210,000	15				
220,000	16				
230,000	17				
245,000	18				
255,000	19				
270,000	20				
285,000	21				
300,000	22				
315,000	23				
330,000	24				
345,000	25				
365,000	26				
380,000	27				
400,000	28				
420,000	29				
565,000	08	23,870,000	23,870,000	\$ 2,030,000	21,840,000
595,000	09				
620,000	10				
650,000	11				
685,000	12				
715,000	13				
755,000	14				
790,000	15				
835,000	16				
875,000	17				
920,000	18				
970,000	19				
1,015,000	20				
1,070,000	21				
1,125,000	22				
1,180,000	23				
1,240,000	24				
1,305,000	25				
1,375,000	26				
1,445,000	27				
1,515,000	28				
1,595,000	29				
235,000	08	\$ 12,465,000	\$ 12,465,000	\$ 1,110,000	\$ 11,355,000
250,000	09				
265,000	10				
285,000	11				
305,000	12				



<u>ANNUAL SERIAL PAYMENTS</u>		<u>BONDS</u>			
<u>AMOUNT</u>	<u>FISCAL YEAR</u>	<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
325,000	13				
350,000	14				
375,000	15				
400,000	16				
425,000	17				
455,000	18				
490,000	19				
520,000	20				
560,000	21				
595,000	22				
640,000	23				
685,000	24				
730,000	25				
780,000	26				
835,000	27				
895,000	28				
955,000	29				
3,450,000	01-04	12,000,000	8,700,000	--	8,700,000
		<u>\$ 54,670,000</u>	<u>\$ 51,370,000</u>	<u>\$ 3,685,000</u>	<u>\$ 47,685,000</u>
		<u>\$ 143,937,987</u>	<u>\$ 140,504,872</u>	<u>\$ 13,035,987</u>	<u>\$ 127,468,885</u>
		<u>\$ 576,582,987</u>	<u>\$ 573,149,872</u>	<u>\$ 73,045,987</u>	<u>\$ 500,103,885</u>

**CITY OF DES MOINES, IOWA**  
**SCHEDULE OF INSURANCE IN FORCE**  
**June 30, 2007**  
**(Unaudited)**

<u>INSURANCE COMPANY</u>	<u>POLICY NUMBER</u>	<u>POLICY PERIOD</u>
PROPERTY INSURANCE Federal Insurance Co. (Chubb Group)	3530-81-60	7-1-06/07
Travelers Property Casualty	342/KTJCMB-3588A07-4-2007	1-1-07/08
National Flood Insurance Program (N.F.I.P.)	Various	7-1-06/07
Travelers Property Casualty Insurance Co.	020 BY 103299672 BCM	7-1-06/07
<hr/>		
LIABILITY INSURANCE Everest National Insurance Co.	71P6000311-061	7-1-06/07
AUTO LIABILITY (Enterprise Funds) St. Paul Travelers	GP09313789	7-1-06/07
WRA PUBLIC OFFICIALS LIABILITY Amercian International Specialty Lines Insurance Company	672-65-18	7-1-06/07
Everest National Insurance Co.	71P000311-061	7-1-06/07
Housing Authority Retention Group Travelers Property Casualty	16-0807-2006-00-000-0 KTJ-810-345D8912-TIL-05	1-1-07/08 1-1-07/7-1-07
AIG Aviation Corporation	AP 185-1764-03	7-1-06/07
Federal Insurance Company	3579-40-89DMO 7352-86-79 7981-85-15	7-1-06/07 7-1-06/07 7-1-06/07
<hr/>		
OCCUPATIONAL MEDICAL INSURANCE Volunteer Firemen's Insurance AIG Life Insurance Company	CFP - 3116 - 0143C-07 SRG-0009103048-A	7-1-06/07 7-1-06/07
Safety National Casualty Corp	SP-9837-IA	7-1-06/07
Commerce & Industry Ins. Co. (AIG)	WC176-17-20	1-1-07/08

DETAILS OF COVERAGE	POLICY LIMITS	ANNUAL PREMIUM
<u>Citywide (incl. WRA )</u>		
City Buildings & Contents	\$ 695,523,671	\$ 414,455
Per Occurrence Replacement Value	250,000,000	
Business Interruption & Extra Expense	9,000,000	Included
Boiler & Machinery	15,000,000	Included
Earthquake	20,000,000	Included
Flood	10,000,000	Included
Terrorism	250,000,000	Included
<u>Municipal Housing Agency (separate)</u>		
Buildings & Contents	\$ 52,982,674	\$ 99,313
<u>Flood (six buildings in Flood Zone "A")</u>		
Buildings in Flood Zone	\$ 500,000	\$ 18,872
<u>Crime (citywide - incl. WRA)</u>		
Public Employee Dishonesty and Computer Fraud	\$ 1,000,000	\$ 5,245
<u>Special Excess Liability (citywide - incl. WRA)</u>		
Citywide General, Automobile, Law Enforcement, Public Officials Liability	\$ 10,000,000 aggregate \$10,000,000/occurrence \$2,000,000/occ. SIR	\$ 202,930
Following enterprise fund activities included:	\$2,000,000/occurrence	\$ 80,032
Curbside Recycling Pickup Program		Included
Sanitary/Storm Sewer		Included
Solid Waste Collection		Included
Wastewater Reclamation Facility		Included
Airport (Off-premise vehicle useage only)		Included
Municipal Housing Agency		Included
<u>Wastewater Reclamation Authority (only)</u>		
Professional Liability (Primary)	\$2,000,000/occ & agg.	\$ 23,989
Professional Liability (Excess)	\$10,000,000/occ & agg	\$ 3,970
<u>Municipal Housing Agency (separate)</u>		
General Liability	\$ 2,000,000	\$ 43,580
Automobile Liability (primary)	300,000	3,089
<u>Des Moines International Airport Liability</u>		
Airport Liability	\$ 200,000,000	\$ 133,531
<u>Blank Park Zoo (City &amp; Zoo Foundation)</u>		
General Liability	\$ 2,000,000	\$ 50,424
Automobile Liability (Primary)	\$ 1,000,000	\$ 3,414
Automobile Liability (Excess)	1,000,000	8,630
<u>HazMat Team/Fire Dept. Mutual Aid</u>		
Primary Occupational Medical	\$ 50,000	\$ 8,386
Excess Occupational Medical	400,000	6,450
<u>Citywide (Incl. WRA)</u>		
Excess Workers Compensation	Statutory	\$ 139,556
<u>Municipal Housing Agency (separate)</u>		
Workers Compensation	Statutory	\$ 50,560



# STATISTICAL SECTION

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# STATISTICAL SECTION

This part of the City of Des Moines' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	152
<i>These schedules contain trend information to help the reader understand how the City of Des Moines' financial performance and well-being have changed over time.</i>	
Revenue Capacity	171
<i>These schedules contain information to help the reader assess the City of Des Moines' most significant local revenue source, the property tax.</i>	
Debt Capacity	180
<i>These schedules present information to help the reader assess the affordability of the City of Des Moines' current levels of outstanding debt and the City of Des Moines' ability to issue additional debt in the future.</i>	
Demographic and Economic Information	189
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City of Des Moines' financial activities take place.</i>	
Operating Information	194
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City of Des Moines' financial report relates to the services the City of Des Moines provides and the activities in performs.</i>	

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

**CITY OF DES MOINES, IOWA**  
**NET ASSETS BY COMPONENT**  
**LAST SIX FISCAL YEARS**  
*(Accrual basis of accounting)*

(Unaudited)

	2007	2006
<b>Governmental activities:</b>		
Invested in capital assets, net of related debt	\$ 392,270,393	\$ 378,108,106
Restricted:		
Capital projects	24,194,587	-
Debt retirement	16,776,784	1,323,588
Endowments/permanently restricted	3,290,927	3,315,718
Donor restricted purposes/temporarily restricted	-	74,992
Tax increment	901,380	267,348
Unrestricted	29,858,916	64,928,149
<b>Total governmental activities net assets</b>	<b>\$ 467,292,987</b>	<b>\$ 448,017,901</b>
<b>Business-type activities:</b>		
Invested in capital assets, net of related debt	\$ 389,752,986	\$ 387,871,130
Restricted:		
Capital projects	4,206,726	2,638,618
Public housing program	8,898,800	4,018,535
Debt retirement	13,933,351	8,006,505
Contingency	-	-
Park & Ride operations and improvements	-	-
Bond proceeds	-	-
Unrestricted	37,878,037	31,601,920
<b>Total business-type activities net assets</b>	<b>\$ 454,669,900</b>	<b>\$ 434,136,708</b>
<b>Primary government:</b>		
Invested in capital assets, net of related debt	\$ 782,023,379	\$ 765,979,236
Restricted:		
Capital projects	28,401,313	2,638,618
Public housing program	8,898,800	4,018,535
Debt retirement	30,710,135	9,330,093
Endowments/permanently restricted	3,290,927	3,315,718
Donor restricted purposes/temporarily restricted	-	74,992
Tax increment	901,380	267,348
Contingency	-	-
Park & Ride operations and improvements	-	-
Bond proceeds	-	-
Unrestricted	67,736,953	96,530,069
<b>Total primary government net assets</b>	<b>\$ 921,962,887</b>	<b>\$ 882,154,609</b>

Table 1

	2005	2004	2003	2002
\$	341,478,239	\$ 283,051,413	\$ 302,984,333	\$ 314,400,407
	-	-	-	-
	3,183,118	35,085,535	-	5,851,885
	3,315,718	3,198,213	3,149,371	-
	74,992	70,943	88,658	-
	-	-	-	-
	95,513,873	85,874,449	77,442,165	24,006,861
\$	443,565,940	\$ 407,280,553	\$ 383,664,527	\$ 344,259,153
\$	366,495,501	\$ 304,593,891	\$ 264,082,710	\$ 253,557,940
	2,611,377	12,977,017	-	-
	1,173,665	-	-	-
	9,969,544	15,330,012	41,318,918	18,840,768
	-	-	-	1,895,378
	-	-	-	8,808,976
	-	-	8,451,084	-
	28,644,175	199,624,746	197,990,899	205,904,127
\$	408,894,262	\$ 532,525,666	\$ 511,843,611	\$ 489,007,189
\$	707,973,740	\$ 587,645,304	\$ 567,067,043	\$ 567,958,347
	2,611,377	12,977,017	-	-
	1,173,665	-	-	-
	13,152,662	50,415,547	41,318,918	24,692,653
	3,315,718	3,198,213	3,149,371	-
	74,992	70,943	88,658	-
	-	-	-	-
	-	-	-	1,895,378
	-	-	-	8,808,976
	-	-	8,451,084	-
	124,158,048	285,499,195	275,433,064	229,910,988
\$	852,460,202	\$ 939,806,219	\$ 895,508,138	\$ 833,266,342

**CITY OF DES MOINES, IOWA**  
**CHANGES IN NET ASSETS**  
**LAST SIX FISCAL YEARS**  
*(Accrual basis of accounting)*  
**(Unaudited)**

	2007	2006
Expenses:		
Governmental activities:		
Public safety	\$ 86,971,119	\$ 85,488,230
Public works	40,778,570	41,698,546
Health and social services	1,082,618	17,998,463
Culture and recreation	27,443,217	26,819,161
Community and economic development	24,176,152	9,810,740
General Government	22,278,473	20,267,299
Community protection	-	-
Human development	-	-
Home and community environment	-	-
Policy and administration	-	-
Interest on long-term debt	15,162,124	15,599,765
<b>Total governmental activities expenses</b>	<b>217,892,273</b>	<b>217,682,204</b>
Business-type activities:		
Airport	30,093,735	27,180,459
Parking facilities system	11,531,196	11,365,271
Sewer system	25,574,852	27,327,334
Stormwater utility	9,137,184	9,211,130
Golf	2,117,251	2,767,320
Solid waste system	9,915,661	10,326,717
Municipal Housing Agency	21,918,453	20,016,007
<b>Total business-type activities expenses</b>	<b>110,288,332</b>	<b>108,194,238</b>
<b>Total primary government expenses</b>	<b>328,180,605</b>	<b>325,876,442</b>
Program revenue:		
Governmental activities:		
Charges for services:		
Public safety	10,862,428	8,806,757
Public works	7,848,887	7,712,217
Health and social services	-	588,692
Culture and recreation	3,890,583	3,765,233
Community and economic development	384,052	4,630,036
General Government	10,326,678	12,223,751
Community protection	-	-
Human development	-	-
Home and community environment	-	-
Policy and administration	-	-

Table 2

2005	2004	2003	2002
\$ 76,007,247	\$ 77,898,044	\$ 65,492,621	\$ -
39,815,992	30,089,959	34,906,839	-
15,543,088	15,291,731	13,654,217	-
24,773,016	27,995,911	26,847,266	-
3,268,445	2,841,744	4,470,109	-
22,096,917	28,103,460	16,261,895	-
-	-	-	65,925,102
-	-	-	24,904,578
-	-	-	95,400,260
-	-	-	26,086,574
17,000,955	14,867,034	15,224,713	14,555,637
198,505,660	197,087,883	176,857,660	226,872,151
25,928,471	24,488,333	26,603,579	21,262,068
10,591,438	11,524,834	9,830,030	8,795,254
28,457,627	34,337,998	26,682,896	25,773,056
7,301,443	7,005,266	7,686,838	5,334,813
2,512,672	2,664,606	2,170,441	2,316,974
10,155,156	9,985,786	10,242,392	9,963,603
19,609,363	19,379,135	18,117,624	16,543,775
104,556,170	109,385,958	101,333,800	89,989,543
303,061,830	306,473,841	278,191,460	316,861,694
12,276,259	4,434,416	4,157,879	-
7,764,645	7,516,436	6,788,436	-
71,219	848	17,167	-
3,795,487	3,736,797	3,779,278	-
165,179	160,887	133,789	-
8,325,418	1,151,837	4,611,371	-
-	-	-	7,029,056
-	-	-	5,235,115
-	-	-	8,335,113
-	-	-	14,689,435

**CITY OF DES MOINES, IOWA**  
**CHANGES IN NET ASSETS**  
**LAST SIX FISCAL YEARS**  
*(Accrual basis of accounting)*  
**(Unaudited)**

	2007	2006
Operating grants and contributions:		
Public safety	3,752,324	6,347,328
Public works	17,239,250	17,141,123
Health and social services	425,241	16,684,540
Culture and recreation	688,511	329,223
Community and economic development	12,879,555	1,209,854
General Government	363,205	594,938
Community protection	-	-
Human development	-	-
Home and community environment	-	-
Policy and administration	-	-
Capital grants and contributions		
Public safety	126,235	454,356
Public works	11,583,356	21,913,153
Health and social services	-	269,995
Culture and recreation	5,258,907	12,852,652
Community and economic development	-	(8,243)
General Government	421,603	1,029,372
<b>Total governmental activities program revenue</b>	<b>86,050,815</b>	<b>116,544,977</b>
Business-type activities:		
Charges for services:		
Airport	28,084,082	28,124,274
Parking facilities system	10,546,668	9,699,607
Sewer system	26,877,068	25,329,811
Stormwater utility	11,811,325	11,281,225
Golf	1,729,333	2,093,168
Solid waste system	11,056,904	10,950,607
Municipal Housing Agency	1,538,970	1,191,564
Operating grants and contributions:		
Airport	-	-
Parking facilities system	-	-
Sewer system	969	-
Stormwater utility	2,240	21,443
Golf	1,393	-
Solid waste system	1,540	-
Municipal Housing Agency	16,945,764	16,367,517

Table 2 (Continued)

2005	2004	2003	2002
1,483,907	1,685,679	851,704	-
19,123,902	1,594,797	18,628,512	-
14,968,291	12,317,678	13,693,079	-
218,470	801,235	371,767	-
520,233	178,804	800,428	-
296,895	561,979	4,125,786	-
-	-	-	595,527
-	-	-	177,353
-	-	-	13,699,234
-	-	-	5,606,005
400,004	1,968,535	-	-
20,409,238	26,668,120	1,348,895	-
-	-	-	-
8,368,656	622,758	8,634,256	-
1,763,492	232,042	-	-
19,962	4,510	-	-
99,971,257	63,637,358	67,942,347	20,078,119
26,116,503	26,722,224	25,462,547	22,741,020
9,029,823	8,328,278	9,482,242	9,694,807
27,725,289	26,817,685	24,484,257	23,418,412
10,160,148	9,536,919	8,888,690	7,635,449
1,979,032	2,179,135	1,993,007	2,041,734
10,596,888	10,468,137	8,724,207	8,554,802
1,322,175	1,538,323	1,758,442	1,917,583
-	-	-	761,939
600	-	-	-
299,949	37,983	473,762	-
6,079	31,077	14,600	330,135
-	-	-	6,868
4,500	-	-	-
15,001,366	15,686,776	13,651,926	13,009,825

**CITY OF DES MOINES, IOWA**  
**CHANGES IN NET ASSETS**  
**LAST SIX FISCAL YEARS**  
*(Accrual basis of accounting)*  
**(Unaudited)**

	2007	2006
Capital grants and contributions:		
Airport	10,446,717	12,342,156
Parking facilities system	75,299	36,452
Sewer system	799,437	5,995,750
Stormwater utility	678,240	3,658,856
Golf	-	-
Solid waste system	36,500	-
Municipal Housing Agency	3,779,226	3,184,738
<b>Total business-type activities program revenues</b>	<b>124,411,675</b>	<b>130,277,168</b>
<b>Total primary government program revenues</b>	<b>210,462,490</b>	<b>246,822,145</b>
Net (expense) revenue:		
Governmental activities	(131,841,458)	(101,137,227)
Business-type activities	14,123,343	22,082,930
<b>Total primary government net expense</b>	<b>(117,718,115)</b>	<b>(79,054,297)</b>

Table 2 (Continued)

2005	2004	2003	2002
10,889,646	17,314,903	16,173,044	15,520,159
604,649	-	-	-
2,554,997	8,819,865	9,399,668	10,900,087
2,500,849	222,686	415,841	-
-	35,535	-	-
150,210	137,000	925	-
1,690,722	1,513,883	1,781,575	2,295,219
120,633,425	129,390,409	122,704,733	118,828,039
220,604,682	193,027,767	190,647,080	138,906,158
(98,534,403)	(133,450,525)	(108,915,313)	(206,794,032)
16,077,255	20,004,451	21,370,933	28,838,496
(82,457,148)	(113,446,074)	(87,544,380)	(177,955,536)

**CITY OF DES MOINES, IOWA**  
**CHANGES IN NET ASSETS**  
**LAST SIX FISCAL YEARS**  
*(Accrual basis of accounting)*  
**(Unaudited)**

	2007	2006
General revenues and other changes in net assets:		
Governmental activities:		
Taxes:		
Property taxes, levied for general purposes	99,727,601	92,491,207
Property taxes, levied for debt service	22,779,494	20,487,081
Franchise taxes	14,070,843	14,826,329
Other taxes	-	-
Grants and contributions not restricted to specific programs	-	-
Investment earnings	5,953,778	4,313,515
Gain (Loss) on sale of capital asset	-	-
Miscellaneous	9,484,828	7,294,506
Transfers--internal activities	(900,000)	168,458
Special item, cumulative adjustment for depreciation application	-	-
<b>Total governmental activities</b>	<b>151,116,544</b>	<b>139,581,096</b>
Business-type activities:		
Investment earnings	5,509,849	3,327,974
Gain (Loss) on sale of capital asset	-	-
Miscellaneous	-	-
Special item--contributions to WRA	-	-
Special item, cumulative adjustment for depreciation application	-	-
Transfers--internal activities	900,000	(168,458)
Capital contributions	-	-
<b>Total business-type activities</b>	<b>6,409,849</b>	<b>3,159,516</b>
<b>Total primary government</b>	<b>157,526,393</b>	<b>142,740,612</b>
Changes in net assets:		
Governmental activities	19,275,086	139,581,096
Business-type activities	20,533,192	3,159,516
<b>Total primary government</b>	<b>\$ 39,808,278</b>	<b>\$ 142,740,612</b>

GASB Statement No. 34 Implemented in Fiscal Year 2002

Table 2 (Continued)

2005	2004	2003	2002
95,923,545	88,204,681	84,644,834	78,143,152
20,570,145	19,646,538	18,806,697	18,165,331
8,465,369	4,193,232	4,265,008	3,859,447
-	16,712,002	16,109,869	16,000,467
-	292,799	-	18,951,554
6,709,621	2,746,351	5,009,678	3,177,990
-	47,401	(2,253,223)	(1,700,000)
3,394,030	24,915,770	18,919,145	7,070,423
(242,920)	307,777	109,905	578,003
-	-	2,708,774	-
134,819,790	157,066,551	148,320,687	144,246,367
2,264,666	985,381	1,815,925	2,894,238
-	-	314,841	(61,300)
-	-	-	-
(142,216,245)	-	-	-
-	-	(555,372)	-
242,920	(307,777)	(109,905)	(578,003)
-	-	-	-
(139,708,659)	677,604	1,465,489	2,254,935
(4,888,869)	157,744,155	149,786,176	146,501,302
36,285,387	23,616,026	39,405,374	(27,258,946)
(123,631,404)	20,682,055	22,836,422	31,093,431
\$ (87,346,017)	\$ 44,298,081	\$ 62,241,796	\$ 3,834,485

**CITY OF DES MOINES, IOWA**  
**PROGRAM REVENUES BY FUNCTION/PROGRAM**  
**LAST SIX FISCAL YEARS**  
*(Accrual basis of accounting)*  
**(Unaudited)**

	2007	2006
Governmental activities:		
Charges for services:		
Public safety	\$ 10,862,428	\$ 8,806,757
Public works	7,848,887	7,712,217
Health and social services	-	588,692
Culture and recreation	3,890,583	3,765,233
Community and economic development	384,052	4,630,036
General Government	10,326,678	12,223,751
Community protection	-	-
Human development	-	-
Home and community environment	-	-
Policy and administration	-	-
Operating grants and contributions:		
Public safety	3,752,324	6,347,328
Public works	17,239,250	17,141,123
Health and social services	425,241	16,684,540
Culture and recreation	688,511	329,223
Community and economic development	12,879,555	1,209,854
General Government	363,205	594,938
Community protection	-	-
Human development	-	-
Home and community environment	-	-
Policy and administration	-	-
Capital grants and contributions		
Public safety	126,235	454,356
Public works	11,583,356	21,913,153
Health and social services	-	269,995
Culture and recreation	5,258,907	12,852,652
Community and economic development	-	(8,243)
General Government	421,603	1,029,372
<b>Total governmental activities program revenue</b>	<b>86,050,815</b>	<b>116,544,977</b>

Business-type activities:

Charges for services:		
Airport	28,084,082	28,124,274
Parking facilities system	10,546,668	9,699,607
Sewer system	26,877,068	25,329,811
Stormwater utility	11,811,325	11,281,225
Golf	1,729,333	2,093,168
Solid waste system	11,056,904	10,950,607
Municipal Housing Agency	1,538,970	1,191,564

Table 3

2005	2004	2003	2002
\$ 12,276,259	\$ 4,434,416	\$ 4,157,879	\$ -
7,764,645	7,516,436	6,788,436	-
71,219	848	17,167	-
3,795,487	3,736,797	3,779,278	-
165,179	160,887	133,789	-
8,325,418	1,151,837	4,611,371	-
-	-	-	7,029,056
-	-	-	5,235,115
-	-	-	8,335,113
-	-	-	14,689,435
1,483,907	1,685,679	851,704	-
19,123,902	1,594,797	18,628,512	-
14,968,291	12,317,678	13,693,079	-
218,470	801,235	371,767	-
520,233	178,804	800,428	-
296,895	561,979	4,125,786	-
-	-	-	595,527
-	-	-	177,353
-	-	-	13,699,234
-	-	-	5,606,005
400,004	1,968,535	-	-
20,409,238	26,668,120	1,348,895	-
-	-	-	-
8,368,656	622,758	8,634,256	-
1,763,492	232,042	-	-
19,962	4,510	-	-
99,971,257	63,637,358	67,942,347	55,366,838

26,116,503	26,722,224	25,462,547	22,741,020
9,029,823	8,328,278	9,482,242	9,694,807
27,725,289	26,817,685	24,484,257	23,418,412
10,160,148	9,536,919	8,888,690	7,635,449
1,979,032	2,179,135	1,993,007	2,041,734
10,596,888	10,468,137	8,724,207	8,554,802
1,322,175	1,538,323	1,758,442	1,917,583

**CITY OF DES MOINES, IOWA**  
**PROGRAM REVENUES BY FUNCTION/PROGRAM**  
**LAST SIX FISCAL YEARS**  
*(Accrual basis of accounting)*  
**(Unaudited)**

	2007	2006
Operating grants and contributions:		
Airport	-	-
Parking facilities system	-	-
Sewer system	969	-
Stormwater utility	2,240	21,443
Golf	1,393	-
Solid waste system	1,540	-
Municipal Housing Agency	16,945,764	16,367,517
Capital grants and contributions:		
Airport	10,446,717	12,342,156
Parking facilities system	75,299	36,452
Sewer system	799,437	5,995,750
Stormwater utility	678,240	3,658,856
Golf	-	-
Solid waste system	36,500	-
Municipal Housing Agency	3,779,226	3,184,738
<b>Total business-type activities program revenues</b>	<b>124,411,675</b>	<b>130,277,168</b>
<b>Total primary government program revenues</b>	<b>\$ 210,462,490</b>	<b>\$ 246,822,145</b>

Table 3 (Continued)

2005	2004	2003	2002
-	-	-	761,939
600	-	-	-
299,949	37,983	473,762	-
6,079	31,077	14,600	330,135
-	-	-	6,868
4,500	-	-	-
15,001,366	15,686,776	13,651,926	13,009,825
10,889,646	17,314,903	16,173,044	15,520,159
604,649	-	-	-
2,554,997	8,819,865	9,399,668	10,900,087
2,500,849	222,686	415,841	-
-	35,535	-	-
150,210	137,000	925	-
1,690,722	1,513,883	1,781,575	2,295,219
120,633,425	129,390,409	122,704,733	118,828,039
\$ 220,604,682	\$ 193,027,767	\$ 190,647,080	\$ 174,194,877

**CITY OF DES MOINES, IOWA**  
**FUND BALANCES (DEFICIT), GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(Modified accrual basis of accounting)*  
**(Unaudited)**

	2007	2006	2005
General Fund:			
Reserved:			
Reserved for inventory	\$ 14,602	\$ 41,730	\$ 25,554
Reserved for advances	3,499,154	3,039,982	2,571,712
Reserved for encumbrances	119,536	264,788	69,747
Reserved for prepaid items	352,062	368,360	267,290
Unreserved	11,245,248	10,159,280	9,268,838
<b>Total General Fund</b>	<b>\$ 15,230,602</b>	<b>\$ 13,874,140</b>	<b>\$ 12,203,141</b>
All Other Governmental Funds:			
Reserved:			
Reserved for debt service	\$ 16,776,784	\$ 29,108,893	\$ 14,747,035
Reserved for loans receivable	10,888,010	10,349,317	9,326,893
Reserved for property held for sale	2,000,000	-	-
Reserved for advances	-	-	-
Reserved for inventory	-	-	-
Reserved for prepaid items	39,742	63,511	38,538
Reserved for endowments	3,290,927	3,315,718	3,315,718
Reserved for donor restricted purposes	-	74,992	74,992
Reserved for employees' retirement systems	-	-	-
Unreserved, reported in:			
Debt service funds	460,775	1,310,088	3,183,118
Special revenue funds	6,069,638	3,963,355	2,853,037
Capital projects funds	76,952,775	41,686,829	66,334,154
Trust and agency	-	-	-
Permanent funds	368,154	87,831	-
<b>Total all other government funds</b>	<b>\$ 116,846,805</b>	<b>\$ 89,960,534</b>	<b>\$ 99,873,485</b>

Table 4

	2004	2003	2002	2001	2000	1999	1998
\$	18,449	\$ 15,367	\$ 18,760	\$ 21,379	\$ 29,146	\$ 12,951	\$ 19,570
	2,231,615	1,671,586	1,700,361	1,827,503	1,372,811	910,169	985,270
	185,178	142,358	212,332	105,028	88,968	263,736	96,977
	228,400	9,489	-	8,548	51,636	39,531	-
	8,398,022	8,645,238	10,146,042	11,022,261	9,735,716	11,653,541	11,997,063
\$	11,061,664	\$ 10,484,038	\$ 12,077,495	\$ 12,984,719	\$ 11,278,277	\$ 12,879,928	\$ 13,098,880
\$	35,085,535	\$ -	\$ 5,851,885	\$ 6,995,636	\$ 520,000	\$ 520,000	\$ 520,000
	9,372,411	10,422,249	8,448,158	7,442,936	1,471,694	1,602,310	1,806,322
	-	-	-	-	-	-	-
	-	-	65,032	-	-	-	-
	-	-	-	-	54,240	63,101	45,245
	2,911	17,405	-	-	47,308	214,813	130,701
	3,198,213	3,149,371	3,016,420	2,894,819	2,714,447	2,675,008	2,608,399
	70,943	88,658	128,522	288,134	264,056	230,353	23,079
	-	-	-	-	608	(5,882)	1,205,421
	2,018,969	872,776	3,863,028	831,194	534,511	563,433	1,115,243
	5,013,078	4,758,963	3,152,319	(1,625,188)	2,132,654	4,256,846	1,389,302
	67,009,803	60,044,472	60,315,372	55,262,875	52,209,131	45,084,324	40,816,148
	-	-	-	-	-	-	(1,777,031)
	-	-	-	-	-	-	-
\$	121,771,863	\$ 79,353,894	\$ 84,840,736	\$ 72,090,406	\$ 59,948,649	\$ 55,204,306	\$ 47,882,829

**CITY OF DES MOINES, IOWA**  
**CHANGES IN FUND BALANCES, (DEFICITS) GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(Modified accrual basis of accounting)*  
**(Unaudited)**

	2007	2006	2005	2004
<b>Revenues:</b>				
Taxes	\$ 121,611,902	\$ 112,978,288	\$ 116,493,690	\$ 107,851,219
Franchise fees	14,070,843	14,826,329	8,465,369	4,193,232
Licenses and permits	3,880,861	3,719,456	3,598,952	2,959,063
Fines and Forfeitures	2,654,209	2,610,187	2,359,832	2,692,081
Charges for sales and services	15,895,692	16,217,987	15,485,843	17,060,010
Use of money and property	5,953,778	4,313,515	3,809,621	2,746,351
Miscellaneous	27,619,889	35,036,126	29,971,941	16,227,061
Intergovernmental	42,759,176	59,469,733	48,944,156	58,578,519
<b>Total revenue</b>	<b>234,446,350</b>	<b>249,171,621</b>	<b>229,129,404</b>	<b>212,307,536</b>
<b>Expenditures:</b>				
Public safety	81,911,969	80,859,282	71,721,854	66,035,861
Public works	26,724,957	28,914,351	27,421,998	26,384,762
Health and social services	1,000,260	17,959,003	15,484,198	13,519,817
Culture and recreation	22,216,125	22,256,463	20,734,462	25,774,437
Community and economic development	23,992,661	9,665,102	3,103,362	2,731,542
General Government	18,423,006	18,232,138	18,839,200	18,593,807
Community protection	-	-	-	-
Human development	-	-	-	-
Home and community environment	-	-	-	-
Policy and administration	-	-	-	-
Leisure-time opportunities	-	-	-	-
Physical environment	-	-	-	-
Social and economic well-being	-	-	-	-
Transportation	-	-	-	-
General administration and support	-	-	-	-
Capital outlay - Capitalized	42,996,476	58,149,989	81,078,701	53,862,014
Debt service:				
Principal retirement	38,670,289	37,143,823	66,242,304	48,822,094
Interest and fiscal charges	16,251,331	16,156,548	17,713,332	15,106,044
<b>Total expenditures</b>	<b>272,187,074</b>	<b>289,336,699</b>	<b>322,339,411</b>	<b>270,830,378</b>
Excess (deficiency) of revenue over expenditures	(37,740,724)	(40,165,078)	(93,210,007)	(58,522,842)
<b>Other financing sources (uses):</b>				
Transfers in	37,686,123	32,198,540	42,922,267	58,132,549
General obligation bonds issued	64,149,218	28,185,000	70,891,133	96,515,000
Proceeds from refunding bonds	-	-	-	-
Other debt issued	2,190,555	692,978	-	51,500
Advance refunded debt issuance	4,620,782	-	-	-
Advance refunded debt retirement	(4,875,000)	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issue	126,176	1,245,531	1,659,207	3,433,760
Discount on bond issue	(211,854)	-	-	-
Proceeds from capital asset sale	883,580	1,631,159	145,686	1,188,698
Residual equity transfer out	-	-	-	-
Transfers out	(38,586,123)	(32,030,082)	(43,165,187)	(57,803,070)
<b>Total other financing sources (uses)</b>	<b>65,983,457</b>	<b>31,923,126</b>	<b>72,453,106</b>	<b>101,518,437</b>
<b>Net changes in fund balance</b>	<b>\$ 28,242,733</b>	<b>\$ (8,241,952)</b>	<b>\$ (20,756,901)</b>	<b>\$ 42,995,595</b>
Debt service as a percentage of noncapital expenditures	31.5%	23.1%	34.7%	29.5%

Table 5

	2003	2002	2001	2000	1999	1998
\$	103,451,531	\$ 96,308,483	\$ 91,989,399	\$ 86,912,893	\$ 85,433,385	\$ 80,397,560
	4,265,008	3,859,447	4,611,721	3,853,193	3,860,372	3,868,577
	2,402,804	2,092,244	1,846,060	1,496,488	1,629,509	1,598,024
	1,268,577	1,180,136	1,188,396	859,806	711,269	439,898
	15,411,630	13,628,396	12,731,107	13,444,186	13,882,064	11,724,119
	5,009,678	6,050,483	6,364,208	5,425,365	4,828,573	-
	21,822,046	19,666,749	30,054,358	13,966,733	9,689,497	10,630,149
	59,533,449	53,110,848	51,708,994	54,343,335	49,565,659	48,736,146
	213,164,723	195,896,786	200,494,243	180,301,999	169,600,328	157,394,473
	63,375,988	-	-	-	-	-
	27,365,791	-	-	-	-	-
	14,940,902	-	-	-	-	-
	22,626,820	-	-	-	-	-
	4,281,313	-	-	-	-	-
	15,906,352	-	-	-	-	-
	-	61,998,245	60,243,173	57,693,583	53,919,127	53,311,300
	-	21,423,480	17,691,990	16,687,128	15,351,705	-
	-	85,691,979	47,395,665	50,648,114	47,376,276	-
	-	17,456,312	15,542,915	14,564,550	15,174,843	-
	-	-	-	-	-	13,132,775
	-	-	-	-	-	5,158,032
	-	-	-	-	-	23,959,714
	-	-	-	-	-	17,672,289
	-	-	-	-	-	8,773,927
	-	-	-	-	-	21,913,630
	65,508,880	11,696,951	73,759,463	38,528,086	31,287,095	-
	35,561,702	20,942,573	21,192,766	12,983,779	13,401,571	10,981,054
	15,278,053	14,449,207	13,772,832	11,797,688	11,131,084	10,675,142
	264,845,801	233,658,747	249,598,804	202,902,928	187,641,701	165,577,863
	(51,681,078)	(37,761,961)	(49,104,561)	(22,600,929)	(18,041,373)	(8,183,390)
	53,829,198	53,027,484	48,136,837	51,098,557	46,811,723	41,744,960
	53,118,070	48,789,930	48,854,030	24,950,000	23,400,000	18,891,200
	-	-	-	-	-	-
	-	-	20,135,000	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	(11,682,240)	-	(9,494,713)	-	-	-
	407,973	-	-	-	-	-
	(4,062)	-	-	-	-	-
	96,133	-	-	-	-	-
	-	-	-	-	-	-
	(51,164,293)	(52,449,481)	(50,559,248)	(50,350,865)	(46,074,691)	(43,123,613)
	44,600,779	49,367,933	57,071,906	25,697,692	24,137,032	17,512,547
\$	(7,080,299)	\$ 11,605,972	\$ 7,967,345	\$ 3,096,763	\$ 6,095,659	\$ 9,329,157

25.1%

15.9%

-



Table 6

**CITY OF DES MOINES, IOWA**  
**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(Modified accrual basis of accounting)*  
**(Unaudited)**

FISCAL YEAR	GENERAL PROPERTY TAXES	MONIES AND CREDITS TAX	MOBILE HOME TAX	STATE REPLACEMENT MONIES AND CREDITS TAX	HOTEL/MOTEL TAX	SPECIAL UTILITY EXCISE TAX	TOTAL TAXES
2006-07	113,947,563	16,340	123,113	---	3,848,692	3,676,194	121,611,902
2005-06	105,522,405	19,199	126,168	---	3,659,431	3,651,085	112,978,288
2004-05	109,191,193	20,337	131,800	---	3,247,730	3,907,277	116,498,337
2003-04	100,257,983	15,778	139,534	---	3,409,509	4,028,415	107,851,219
2002-03	96,095,883	18,893	138,866	248,465	3,164,588	3,784,836	103,451,531
2001-02	89,117,647	16,463	143,005	251,856	2,971,955	3,807,557	96,308,483
2000-01	84,709,144	16,823	144,053	273,293	3,145,771	3,700,315	91,989,399
1999-00	83,210,169	15,583	143,425	264,422	3,279,294	---	86,912,893
1998-99	81,386,439	14,098	151,432	273,756	3,607,660	---	85,433,385
1997-98	77,031,596	13,913	137,246	274,081	2,940,724	---	80,397,560
Change 1998-2007	147.923%	117.444%	89.702%		130.876%		151.263%

Source: City records.

**CITY OF DES MOINES, IOWA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
*(Accrual basis of accounting)*  
**(Unaudited)**

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Valuation Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Railway Property
2006	\$ 6,262,344,300	\$ 2,926,850,350	\$ 183,555,680	\$ 2,747,265	\$ 8,530,839
2005	6,176,602,000	2,858,531,890	185,469,950	2,738,740	7,757,764
2004	5,514,536,820	2,695,476,615	176,594,260	2,816,090	7,808,752
2003	5,471,665,090	2,699,787,130	178,947,040	2,849,830	7,642,805
2002	4,816,194,627	2,496,300,463	155,148,350	3,719,600	5,857,122
2001	4,754,479,480	2,428,682,190	154,234,620	3,607,900	7,861,225
2000	4,208,757,250	2,206,104,670	153,397,290	4,396,190	7,674,607
1999	4,166,967,850	2,163,294,242	150,436,430	4,783,100	7,570,683
1998	3,834,084,620	2,012,935,370	148,033,670	4,511,580	8,156,470
1997	3,798,740,620	1,976,927,930	140,871,530	4,673,670	-

**Source:**  
State of Iowa Department of Revenue and Finance

Table 7

Machinery/ Equipment Property	Utilities Property	Total Taxable Assessed Value	Total Direct Tax Rate	Percent Growth	Actual Taxable Value	Value as a Percentage of Actual Value
\$ -	\$ 320,020,548	\$ 9,704,048,982	\$ 16.45083	1.72%	\$ 6,210,510,617	64%
-	308,830,443	9,539,930,787	16.52000	9.83%	6,120,705,460	64%
-	289,170,524	8,686,403,061	17.05539	0.57%	5,776,063,229	66%
-	275,926,144	8,636,818,039	17.04806	11.21%	5,781,046,642	67%
-	288,804,423	7,766,024,585	17.04857	1.54%	5,404,736,985	70%
16,516,886	282,650,685	7,648,032,986	17.04857	10.86%	5,274,461,003	69%
36,996,960	281,673,568	6,899,000,535	16.57304	0.98%	5,036,479,029	73%
58,714,269	280,133,063	6,831,899,637	16.81579	6.98%	4,898,231,670	72%
77,197,698	301,011,014	6,385,930,422	16.93966	0.77%	4,536,357,333	71%
97,486,677	318,411,110	6,337,111,537	16.24935	6.59%	4,548,228,203	72%

**CITY OF DES MOINES, IOWA**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Tax Year Levied	City Direct Rates							Overlapping Rates		
	General Fund	Transit Fund	Insurance Fund	Emergency Fund	Employee Benefits Fund	Debt Service Fund	Total Direct	Polk County	Broadlawns County Hospital	Ag Extension District
2006-2007	8.10000	0.00000	0.27892	0.00000	4.33096	3.74095	16.45083	6.34845	3.49157	0.03771
2005-2006	8.10000	0.46951	0.36352	0.00000	4.03248	3.55449	16.52000	6.34845	3.20245	0.03791
2004-2005	8.10000	0.46940	0.33829	0.00000	4.59394	3.55376	17.05539	6.35281	3.25699	0.03735
2003-2004	8.10000	0.50354	0.33977	0.00000	4.49172	3.61303	17.04806	6.34845	3.05863	0.03803
2002-2003	8.10000	0.58500	0.37168	0.00000	4.43015	3.56174	17.04857	6.34845	2.99339	0.03670
2001-2002	8.10000	0.58500	0.29680	0.00000	4.43107	3.63570	17.04857	6.34845	2.91153	0.03572
2000-2001	8.10000	0.58485	0.25335	0.00000	4.23216	3.40268	16.57304	6.34845	2.55571	0.03501
1999-2000	8.10000	0.58289	0.24874	0.00000	4.42843	3.45573	16.81579	6.38493	2.55357	0.03430
1998-1999	8.10000	0.58289	0.40037	0.27000	4.07428	3.51212	16.93966	6.43205	2.49033	0.03371
1997-1998	8.10000	0.58289	0.55276	0.26991	3.57335	3.17044	16.24935	6.43205	2.39021	0.03257

Source: Polk County Auditor and Polk County Treasurer

Overlapping rates are those of state, local, and county governments that apply to property owners within the City of Des Moines. Not all overlapping rates apply to all City property owners, although Polk County, Broadlawns Hospital, Ag Extension District, County Assessor, State of Iowa, and Area XI Community College rates apply to all property owners. The school district rates apply to owners depending upon the location of property within the city limits.

Table 8

Polk County Assessor	State of Iowa	Area XI Community College	Regional Transit	Overlapping Rates					
				Des Moines Community School District	Carlisle Community School District	SE Polk Community School District	Saydel Community School District	Johnston Community Schools District	WDM Community School District
0.29738	0.00400	0.68688	0.59998	18.01713	17.21211	20.98804	13.38621	17.34623	13.70060
0.35437	0.00400	0.68408	0.00000	18.01394	18.36826	17.98848	13.12949	17.34748	13.50341
0.31745	0.00400	0.59856	0.00000	18.02657	18.36820	17.28014	14.67175	17.21053	13.50200
0.31715	0.00400	0.58184	0.00000	17.36358	18.88304	17.36978	14.79933	16.72967	13.50422
0.34363	0.00400	0.54584	0.00000	17.10442	17.96477	15.41627	14.85788	15.65446	13.50200
0.34318	0.00500	0.54454	0.00000	17.14047	16.32776	15.12681	14.78305	15.09829	13.48681
0.31454	0.00500	0.54506	0.00000	16.94943	17.05605	15.31041	16.76388	14.83631	13.49887
0.30594	0.00500	0.52451	0.00000	16.96196	16.84501	16.54398	16.57378	14.99390	13.50526
0.33081	0.00500	0.50551	0.00000	17.70740	18.32471	16.40861	15.75223	14.67049	13.66525
0.32527	0.00500	0.47230	0.00000	17.05320	19.03478	18.00821	15.67099	14.81809	13.58058



**CITY OF DES MOINES, IOWA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST FIVE FISCAL YEARS**  
**(Unaudited)**

**Table 9**

Fiscal Year Ended June 30	Tax Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2007	2006	\$ 118,629,762	\$ 115,357,229	97.24%	\$ -	\$ 115,357,229	97.24%
2006	2005	109,692,331	106,282,565	96.89%	2,410,046	108,692,611	99.09%
2005	2004	114,202,810	111,914,789	98.00%	3,015,499	114,930,288	100.64%
2004	2003	105,337,109	104,534,389	99.24%	1,318,572	105,852,961	100.49%
2003	2002	100,909,694	99,823,762	98.92%	483,115	100,306,877	99.40%

**Source:**

The above information presents the information for each period for which it is levied.  
A tax levy provides taxes remitted in the following year.



**CITY OF DES MOINES, IOWA  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR  
 (Unaudited)**

**Table 10**

Taxpayer	2007		Percentage of Total City Taxable Assessed Value
	Taxable Assessed Value	Rank	
Principal Mutual Life, Principal Life Insurance	\$215,034,690	1	3.724%
Wells Fargo Companies	77,411,450	2	1.341%
Nationwide Mutual Insurance Company	72,808,350	3	1.261%
Ruan Center Corporation	41,523,000	4	0.719%
Iowa Methodist Medical Center Companies	40,383,990	5	0.699%
Employers Mutual Casualty Company	38,355,950	6	0.664%
Meridith Companies	41,524,000	7	0.719%
Hubbell Realty Company	38,355,950	8	0.664%
400 Locust, LLC	27,874,000	9	0.483%
Tomorrow 30 DM L.P.	26,484,000	10	0.459%
Lexington TNI Des Moines LP	26,000,000	11	0.450%
Mercy Medical Plaza, LTD (Lessee)	25,113,500	12	0.435%
Graham Group INC	21,558,000	13	0.373%
City Center Dev LTD Parthership	20,586,500	14	0.357%
Commissioner of Insurance	20,237,000	15	0.350%
Total of top taxpayers' taxable valuation	<u>733,250,380</u>		<u>12.70%</u>
Total Taxable valuation for fiscal year 2007	<u>\$5,773,997,164</u>		

Source: Polk County. Records not available for  
 City of Des Moines 10 years ago.

**CITY OF DES MOINES, IOWA**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year	Governmental Activities			Percentage of Actual Property Value	Debt Per Capita(1)
	General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt		
2007	\$ 371,821,000	\$ 17,237,559	\$ 354,583,441	3.66%	\$ 1,785
2006	342,280,000	30,432,481	311,847,519	3.27%	1,570
2005	349,226,000	17,931,361	331,294,639	3.81%	1,667
2004	344,026,808	37,104,504	306,922,304	3.56%	1,545
2003	295,198,170	872,776	294,325,394	3.79%	1,481
2002	289,047,450	9,714,913	279,332,537	3.77%	1,406
2001	255,146,283	6,703,311	248,442,972	3.61%	1,250
2000	228,167,434	534,511	227,632,923	3.31%	1,178
1999	215,676,723	563,433	215,113,290	3.38%	1,113
1998	203,729,033	1,635,243	202,093,790	3.20%	1,055

(1) Per capita numbers for 1997, 1998, 1999 and 2000 are based upon 1990 census data, the remaining years are based upon 2000 census data

**Note:** Details regarding the City's outstanding debt may be found in the notes to the basic financial statements. As a Home Rule entity, under the State of Illinois Constitution, the City has no statutory debt limit.

Table 11

Business-Type Activities			Total Primary Government	Percentage of Per Capita Income(1)	Per Capita(1)
Loan Payable	General Obligation Bonds	Revenue Bonds			
\$ 2,262,225	\$ 814,000	\$ 118,768,885	\$ 493,666,110	12.63%	\$ 2,485
3,203,442	1,180,000	105,077,418	451,740,860	11.56%	2,274
3,669,791	1,574,000	106,110,292	460,580,083	11.78%	2,318
4,308,936	1,966,000	141,463,196	491,764,940	12.58%	2,475
4,897,756	2,338,500	160,493,495	462,927,921	11.84%	2,330
1,091,882	2,808,900	160,076,794	453,025,026	11.59%	2,280
1,288,796	3,259,300	150,757,094	410,451,473	10.50%	2,066
495,184	3,681,400	176,945,392	409,289,410	15.69%	2,119
1,118,914	4,372,800	152,181,050	373,349,487	14.31%	1,933
1,634,636	5,310,800	158,748,101	369,422,570	14.16%	1,912



## CITY OF DES MOINES, IOWA

Table 12

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

(Unaudited)

NAME OF GOVERNMENTAL UNIT	NET GENERAL	PERCENTAGE	CITY OF
	OBLIGATION	APPLICABLE	DES MOINES
	DEBT	TO THIS	SHARE OF
	OUTSTANDING *	GOVERNMENTAL	DEBT
		UNIT	
City of Des Moines	\$ 372,635,000	100.00 %	\$ 372,635,000
Polk County	248,219,534	38.63	95,887,206
School Districts:			
Carlisle	12,100,000	7.78	941,380
Des Moines	---	95.42	---
Johnston	51,370,000	10.89	5,594,193
Saydel	4,025,000	3.72	149,730
Southeast Polk	52,820,000	1.51	797,582
West Des Moines	3,435,000	0.36	12,366
Urbandale Sanitary Sewer District	5,730,000	0.13	7,449
Urbandale-Windsor Heights Sanitary			
Sewer District	---	5.42	---
Area XI Community College	69,505,000	21.87	15,200,744
Total overlapping	447,204,534		118,590,649
Total direct and overlapping	\$ 819,839,534		\$ 491,225,649

\* Excludes revenue-supported debt, tax and aid anticipation certificates and school energy loans.



Table 13

2003	2002	2001	2000	1999	1998
\$ 387,795,444	\$ 370,126,626	\$ 344,407,642	\$ 344,213,613	\$ 318,214,369	\$ 315,919,440
299,886,670	293,176,280	259,556,283	236,740,161	225,789,828	215,395,138
\$ 87,908,774	\$ 76,950,346	\$ 84,851,359	\$ 107,473,452	\$ 92,424,541	\$ 100,524,302
77.33%	79.21%	75.36%	68.78%	70.96%	68.18%

**CITY OF DES MOINES, IOWA**  
**PLEDGED-REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**  
*(Dollars in thousands)*  
**(Unaudited)**

Fiscal Year	Operating Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2007	\$ 26,776,600	\$ 13,096,158	\$ 13,680,442	\$ 4,129,342	\$ 3,622,779	1.76
2006	25,157,528	14,793,686	10,363,842	4,000,305	3,259,999	1.43
2005	22,983,744	12,474,475	10,509,269	4,927,000	1,276,183	1.69
2004	26,311,824	12,067,837	14,243,987	6,902,000	3,085,414	1.43
2003	27,947,332	9,876,222	18,071,110	6,715,000	2,821,371	1.89
2002	27,449,397	7,670,800	19,778,597	6,256,000	3,399,155	2.05
2001	27,648,014	9,184,460	18,463,554	5,961,000	3,712,752	1.91
2000	22,844,594	9,956,061	12,888,533	5,687,000	4,007,583	1.33
1999	23,596,405	9,877,016	13,719,389	5,418,000	4,285,441	1.41
1998	31,228,302	14,991,726	16,236,576	4,568,000	4,674,537	1.76

Table 14

Parking Bonds					
Operating Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
			Principal	Interest	
\$ 9,761,566	\$ 3,772,858	\$ 5,988,708	\$1,540,000	\$1,514,742	1.96
9,117,986	3,718,880	5,399,106	1,080,000	1,597,402	2.02
8,183,736	6,417,119	1,766,617	1,005,000	1,667,599	0.66
8,373,440	3,625,476	4,747,964	935,000	1,745,068	1.77
10,247,718	5,359,166	4,888,552	810,000	1,872,232	1.82
10,918,133	4,287,489	6,630,644	755,000	1,928,784	2.47
10,415,870	3,939,435	6,476,435	-	1,928,784	3.36
8,942,217	5,225,580	3,716,637	1,065,000	1,518,458	1.44
6,897,177	3,028,480	3,868,697	990,000	1,590,222	1.50
6,551,445	2,560,212	3,991,233	925,000	1,659,786	1.54



**CITY OF DES MOINES, IOWA  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS  
 (Unaudited)**

Table 15

Fiscal Year Ended June 30,	Population(1)	Median Family Income(1)	Per Capita Income (State of Iowa)	Median Age(1)	School Enrollment	Unemployment Rate(2)
2007	198,682	\$56,674	\$19,674	34.6	31,549	3.4%
2006	198,682	56,674	19,674	34.6	31,598	3.6%
2005	198,682	56,674	19,674	34.6	31,851	4.1%
2004	198,682	56,674	19,674	34.6	32,150	3.6%
2003	198,682	56,674	19,674	34.6	30,533	3.6%
2002	198,682	56,674	19,674	34.6	32,439	2.7%
2001	198,682	56,674	19,674	34.6	31,922	2.2%
2000	198,682	56,674	19,674	34.6	31,052	2.1%
1999	193,187	37,304	31,659	32.3	32,064	2.1%
1998	193,187	37,304	31,659	32.3	31,872	1.9%

**Sources:**

1. FY2007 through Fy 2000 from the 2000 US Census. FY1999 through Fy 1998 from the 1990 US Census.
2. FY2007 and FY 2006 information from Iowa Workforce Development. Other years from Metropolitan Statistical Area (Polk, Dallas and Warren Counties).
3. Des Moines Public Schools information from the Iowa Department of Education website.

**Note:** The demographic statistic is being added to the report.



**CITY OF DES MOINES, IOWA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR  
(Unaudited)**

Table 16

Employer	2006		Percentage of Total City Employment
	Number of Employees	Rank	
Principal Life Insurance Company	-	1	
Des Moines Public Schools	-	2	
Iowa Health Systems	-	3	
National Advantage Mortgage	-	4	
Mercy Medical Center	-	5	
US Postal Service	-	6	
City of Des Moines	-	7	
BFS LLC North America Tire	-	8	
Wellmark Blue Cross and Blue	-	9	
United Parcel Service (UPS)	-	10	
Total of Largest 10 Employees in City	<u>33,693</u>		22.43%
Total Employment--City of Des Moines	<u><u>150,233</u></u>		100.00%

Source: Iowa Workforce Development. This is the only source that gathers employee information for the City of Des Moines without combining it with the rest of Polk County. Information for 2006 is the latest information available. The information for previous years is not available, nor is the information available broken out by individual employer. Each employer above employs over 1000 employees.

**CITY OF DES MOINES  
 FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTIONS  
 LAST FIVE FISCAL YEARS  
 (Unaudited)**

FUNCTIONS/PROGRAMS	2007	2006	2005	2004	2003
<b>GOVERNMENTAL FUND TYPES</b>					
Public safety					
Police Department	466.0	461.0	461.0	454.0	475.0
Fire Department	310.0	310.0	298.0	286.0	287.0
Community Development--Inspections	36.0	36.0	35.2	41.5	59.0
<b>Total public safety</b>	<b>812.0</b>	<b>807.0</b>	<b>794.2</b>	<b>781.5</b>	<b>821.0</b>
Public works					
Engineering	94.0	92.0	92.0	92.0	99.0
Public Works Department-- streets	90.0	93.0	91.0	88.0	89.0
Public Works Department--other	27.0	24.0	27.0	26.0	26.0
<b>Total public works</b>	<b>211.0</b>	<b>209.0</b>	<b>210.0</b>	<b>206.0</b>	<b>214.0</b>
Health and social services					
Community Development Grants	35.3	35.1	37.3	32.0	34.0
Human Rights	3.0	3.0	3.0	3.0	7.0
<b>Total health and social services</b>	<b>38.3</b>	<b>38.1</b>	<b>40.3</b>	<b>35.0</b>	<b>41.0</b>
Culture and recreation					
Parks Department	128.0	129.4	146.0	140.0	162.0
Public Libraries	75.0	75.0	62.0	59.0	68.0
<b>Total culture and recreation</b>	<b>203.0</b>	<b>204.4</b>	<b>208.0</b>	<b>199.0</b>	<b>230.0</b>
Community and economic development					
City Manager--Economic Development	5.0	5.0	5.0	5.0	5.0
<b>Total Community and economic development</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>

Source: City records. FY2007 budgeted positions, other years, actuals.

Table 17

	2007	2006	2005	2004	2003
General government					
City Clerk	6.0	6.0	6.0	6.0	8.0
City Manager	11.0	11.0	10.0	8.5	11.0
Community Development	10.8	10.8	10.5	9.5	15.0
Finance Department	21.0	23.0	22.0	23.5	28.0
Human Resources	11.0	11.0	11.0	11.0	14.0
Information Technology	25.0	21.0	21.0	21.0	23.0
Legal	22.0	22.0	21.0	21.0	24.0
Mayor and Council	8.0	8.0	8.0	8.0	8.0
Parks Department	11.0	11.5	16.0	17.0	17.0
<b>Total general government</b>	<b>125.8</b>	<b>124.3</b>	<b>125.5</b>	<b>125.5</b>	<b>148.0</b>
<b>Total governmental fund types</b>	<b>1395.1</b>	<b>1387.7</b>	<b>1383.0</b>	<b>1352.0</b>	<b>1459.0</b>
PROPRIETARY FUNDS					
Airport	117.4	119.0	118.0	119.0	124.0
Parking facilities system	15.0	15.0	15.0	15.0	14.0
Sewer system	50.0	49.3	78.1	77.0	76.0
Stormwater utility	59.7	60.4	30.8	27.0	26.0
Golf	5.0	8.0	9.0	9.0	7.0
Solid waste system	57.0	58.0	63.0	71.0	84.0
Municipal Housing Agency	61.0	66.0	67.0	64.0	68.0
Internal service funds	61.0	62.0	61.0	61.0	65.0
<b>Total governmental fund types</b>	<b>426.1</b>	<b>437.7</b>	<b>441.9</b>	<b>443.0</b>	<b>464.0</b>
<b>Total City employment</b>	<b>1821.2</b>	<b>1825.3</b>	<b>1824.9</b>	<b>1795.0</b>	<b>1923.0</b>

**CITY OF DES MOINES, IOWA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**FOUR YEARS**  
**(Unaudited)**

	2005	2004
Public safety:		
Police Department--calls for service	256,122	234,556
Criminal Investigation Division--person offenses reported	1,050	515
Criminal Investigation Division--property offenses reported	14,174	11,223
Fire Department--total incidents	16,802	16,107
Fire suppression--total fires	999	1,011
Emergency medical services--medic calls	12,412	11,715
Emergency medical services--transports	9,966	9,210
Permit and Development Center--number of permits issued	14,878	13,138
Permit and Development Center--number of inspections	23,746	26,400
Permit and Development Center--number of plan reviews	5,107	3,573
Public works:		
Engineering Department--cost of awarded contracts	\$79,066,963	\$62,542,252
Public Works Department--snow and ice control-lane miles	2,065	2,065
Health and social services:		
Low-income energy assistance (number of households)	6,520	6,531
Furnace repair/replacements (number of households)	288	180
Energy reconnect project (number of households)	230	202
Weatherization (number of households)	133	124
NCS applications taken	54	73
Senior Living Program applications taken (households)	438	743
Culture and recreation:		
Library usage--annual visits	967,364	896,190
Aquatic center attendance	112,042	107,962
Annals (plants) distributed to organizations	210,000	150,000
Community center attendance	215,216	191,166
Cemeteries--burials	719	737
Community and economic development:		
Assessed valuation increase in assisted projects	\$70,656,237	\$55,900,000
General government:		
Animal licenses issued (cat and dog)	20,813	18,359
Legal Department--written legal opinions	1,484	1,583
Tort litigation--traffic court trials	252	231
Enterprise funds:		
Airport--number of enplaned passengers	995,715	952,967
Number of sanitary sewer feet cleaned per year	1,613,315	1,968,880
Number of storm sewer feet cleaned per year	305,337	350,338
Solid waste collected annually (lbs) per year	9,403,537	15,152,400
Rounds of golf	112,042	97,030

Source: City records. Latest year of data available is fiscal 2005. Four years of data is available.

Table 18

2003	2002
239,845	240,453
752	660
12,495	10,311
16,648	Not available
1,170	1,096
11,986	12,186
8,987	8,679
13,210	Not available
28,700	Not available
3,792	Not available
\$53,203,879	\$65,248,203
2,065	2,065
6,356	6,280
90	95
136	75
124	140
22	Not available
544	Not available
994,815	957,347
127,716	141,341
122,000	137,000
Not available	Not available
728	744
\$12,917,730	\$18,013,480
14,933	17,663
1,277	1,394
170	176
899,974	808,086
1,613,315	1,663,078
305,337	325,964
15,100,533	13,825,185
102,708	103,000

**CITY OF DES MOINES, IOWA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

	2007	2006	2005	2004
<b>Function/Program</b>				
<b>Public Safety:</b>				
Police:				
Number of Stations	1	1	1	1
Fire:				
Number of Stations	10	10	10	10
Stations with EMS transport capability	7	7	7	7
<b>Public Works:</b>				
Streets paved lane miles	1,897	1,897	1,895	1,856
Streets unpaved lane miles	76	76	76	93
Sanitary sewer miles	861	861	857	851
Storm sewer miles	458	458	453	442
Number of street lights	23,376	23,376	23,376	23,376
Area--number of city square miles	82	82	81	80
<b>Culture and Recreation:</b>				
Parks-number of park areas	72	72	70	69
Total park acres	3,223	3,213	3,210	3,208
Number of boulevards	6	6	6	6
Number of playgrounds	58	58	58	57
Number of golf courses	3	3	3	3
Number of soccer fields	12	12	12	12
Number of swimming pools	5	5	5	5
Number of tennis courts	59	59	59	59
Number of softball diamonds	13	13	14	14
Number of baseball diamonds	5	5	5	5
Number of community centers	5	5	5	5
Miles of bike trails	29	29	29	16
<b>Cemeteries:</b>				
Number of facilities	5	5	5	5
Number of acres	460	460	460	460
<b>Library:</b>				
Number of Facilities	6	6	6	6
Number of Volumes	548,272	526,735	562,702	580,240

Source: City Records

Note: Some information is not available for some of the years.

Table 19

2003	2002	2001	2000	1999	1998
1	1	1	1	1	1
10	10	10	10	10	9
7	7	7	7	7	NOT AVAILABLE
1,848	1,834	1,780	1,770	724	724
93	93	93	118	98	98
847	842	845	835	835	813
437	434	437	434	434	434
23,376	24,300	24,300	23,900	23,055	23,055
80	79	77	77	77	77
65	65	65	65	65	65
3,208	3,208	3,208	3,208	3,480	3,480
6	5	5	5	5	5
55	55	55	55	55	55
3	3	3	3	3	3
12	12	12	12	12	12
5	5	6	6	6	6
57	56	56	56	61	61
9	8	8	8	8	8
5	4	4	4	3	3
5	4	4	5	5	5
16	16	16	16	17	17
5	5	5	5	5	5
448	448	271	271	308	308
6	6	6	6	6	6
596,556	623,175	628,433	511,495	535,670	586,611



# **SINGLE AUDIT SECTION**

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**CITY OF DES MOINES, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2007**

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/06 - 6/30/07)
<b>U.S. Department of Health and Human Services</b>		
<b>Community Services Block Grant:</b>		
(Passed through the Iowa Department of Human Rights)		
Program Year: 2007		
Contract Number: CSBG-07-07-CJ		
October 1, 2006 - September 30, 2007	93.569	142,853
Program Year: 2006		
Contract Number: CSBG-06-07-CJ		
October 1, 2005 - September 30, 2006	93.569	\$ 330,910
<b>Low-income Home Energy Assistance Block Grant:</b>		
(Passed through the Iowa Department of Human Rights)		
Program Year: 2007		
Contract Number: 2207-07J		
October 1, 2006 - September 30, 2007	93.568	2,345,753
Program Year: 2006		
Contract Number: 2206-07J		
October 1, 2005 - September 30, 2006	93.568	82,536
<b>Home Energy Assistance Program Weatherization:</b>		
(Passed through the Iowa Department of Human Rights)		
Program Year: 2005		
Contract Number: HEAP-05-07-J		
April 1, 2004 - March 31, 2005	93.568	3,353
(Passed through Polk County)		
Program Year: 2006		
Contract Number: HEAP-06-07-J		
April 1, 2006 - March 31, 2007	93.568	7,724
		<u>\$ 2,913,130</u>
<b>U.S. Department of Housing and Urban Development</b>		
Community Development Block Grant Program Entitlement:		
Entitlement Years: 2000 - 2003	14.218	\$ 4,529,972
Fair Housing Assistance Program		
Cooperative Agreement	14.401	66,928
Agrimergent Technology Park		
B-03-SP-IA-0197	14.246	258,457
<b>Supportive Housing Program:</b>		
Lighthouse Host Home #IA26B302002		
March 1, 2004 - February 28, 2007	14.235	199,376
House of Mercy #IA26B502003		
May 1, 2006 - April 30, 2007	14.235	289,733
YMCA Transitional Housing Program #IA26B502006		
September 1, 2006 - August 31, 2007	14.235	67,109
West Des Moines Human Services #IA26B202002		
August 1, 2003 - July 31, 2006	14.235	2,119
Primary Health Care Enhancement #IA26B502004		
July 1, 2006 - June 30, 2007	14.235	256,109
Primary Health Care Street Outreach #IA26B302005		
July 1, 2006 - June 30, 2007	14.235	84,997
West Des Moines Human Services #IA26B502007		
August 1, 2006 - July 31, 2007	14.235	86,357

**CITY OF DES MOINES, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2007**

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/06 - 6/30/07)
<b>U.S. Department of Housing and Urban Development</b>		
(continued)		
Primary Health Care - Homeless Helpline IA26B502008 April 1, 2006 - Marcy 30, 2007	14.235	72,700
Buchanan Transitional Living Center #IA26B302003 December 1, 2004 - November 30, 2007	14.235	98,993
HMIS #IA26B302006 July 1, 2004 - June 30, 2006	14.235	27,737
YMCA Transitional Housing Program #IA26B402002 September 1, 2005 - August 31, 2006	14.235	14,009
House of Mercy - Capitol Park #IA26B402004 August 1, 2005 - February 28, 2007	14.235	132,611
Primary Health Care Street Outreach #IA26B602008 July 1, 2007 - June 30, 2008	14.235	274
West Des Moines Human Services #IA26B602010 August 1, 2007 - July 31, 2008	14.235	1,961
Primary Health Care Enhancement #IA26B602009 July 1, 2007 - June 30, 2008	14.235	246
Buchanan Transitional Living Center #IA26B602007 December 1, 2007 - November 30, 2008	14.235	1,452
Lighthouse Host Home #IA26B602006 March 1, 2007 - February 28, 2008	14.235	95,327
House of Mercy #IA26B602003 May 1, 2007 - April 30, 2008	14.235	52,967
YMCA Transitional Housing Program #IA26B602005 September 1, 2006 - August 31, 2007	14.235	1,692
House of Mercy - Capitol Park #IA26B602004 March 1, 2007 - February 28, 2008	14.235	76,408
HMIS #IA26B502009 July 1, 2006 - June 30, 2007	14.235	83,603
Shelter Plus Care - Anawim Housing #IA26C302001 May 3, 2004 - May 2, 2009	14.238	137,384
Shelter Plus Care - Anawim Housing #IA26C602011 May 9, 2007 - May 8, 2008	14.238	121,684
Shelter Plus Care - Anawim Housing #IA26C502010 May 9, 2006 - May 8, 2007	14.238	587,854
<b>Emergency Shelter Grant Program:</b>		
Program Year: 2006		
Contract Number: S-06-MC-19-0001 January 1, 2006 - December 31, 2006	14.231	64,399
Program Year: 2007		
Contract Number: S-07-MC-19-0001 January 1, 2007 - December 31, 2007	14.231	108,882
<b>Home Investment in Affordable Housing:</b>		
Program Year: 2005		
Contract Number: M-05-MC-19-0201 March 31, 2005 - March 31, 2010	14.239	209,509
Program Year: 2006		
Contract Number: M-06-MC-19-0201 March 31, 2006 - March 31, 2011	14.239	1,022,662
Program Year: 2007		
Contract Number: M-07-MC-19-0201 March 31, 2007 - March 31, 2012	14.239	74,739

**CITY OF DES MOINES, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2007**

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/06 - 6/30/07)
<b>U.S. Department of Housing and Urban Development</b>		
(continued)		
(Passed through the State of Iowa)		
Agreement #'s: 04HM123-721 & 04HM130-731	14.239	733,667
<b>Total U.S. Department of Housing and Urban Development</b>		<b>\$ 9,561,916</b>
<b>U.S. Department of Energy</b>		
(Passed through the Iowa Department of Human Rights)		
<b>Weatherization Assistance for Low-income Persons:</b>		
Contract Number: DOE-05-07J		
April 1, 2005 - March 31, 2006	81.042	\$ 3,563
Contract Number: MEC-05-07J		
January 1, 2005 - December 31, 2006	81.042	1,287
(Passed through Polk County)		
Contract Number: DOE-06-07J		
April 1, 2006 - March 31, 2007	81.042	11,719
Contract Number: MEC-04-07J		
January 1, 2006 - December 31, 2006	81.042	5,739
<b>Total U.S. Department of Energy</b>		<b>\$ 22,307</b>
<b>U.S. Department of Justice</b>		
<b>Public Safety and Community Policing Grants:</b>		
Weed and Seed		
Contract #2006-W0069-IA-WS		
January 1, 2007 - December 31, 2007	16.710	52,581
Local Law Enforcement Block Grant	16.592	13,627
Edward Byrne Memorial Justice Assistance Grant		
Grant #2005DJBX0566	16.738	113,337
Edward Byrne Memorial Justice Assistance Grant		
Grant #2006DJBX0531		88,668
Cops Law Enforcement Technology		
Grant #2004CKWX0075	16.710	97,843
Cops In Schools		
Grant #2003SHWX0131	16.710	218,410
Edward Byrne Memorial State & Local Law		
Enforcement Assistance #2003DDBX1132	16.580	399,167
<b>Community Prosecution and Project Safe Neighborhoods</b>		
Grant #03-SD07	16.609	3,183
Grant #03S-DS07	16.609	11,933
Anti-Gang Initiative #06PSNAG-SD07	16.609	28,743
<b>Total U.S. Department of Justice</b>		<b>1,027,491</b>
<b>U.S. Department of Transportation</b>		
(Passed through the Iowa Department of Public Safety)		
Governor's Traffic Safety Program		
Contract Number: PAP 07-04		
October 1, 2006 - September 30, 2007	20.600	83,775
OWI Enforcement - Governor's Traffic Safety Program		
Contract Number: PAP 07-163		
October 1, 2006 - September 30, 2007	20.600	29,151
Governor's Traffic Safety Program		
Contract Number: PAP 06-02		
October 1, 2005 - September 30, 2006	20.600	977

**CITY OF DES MOINES, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2007**

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/06 - 6/30/07)
<b>U.S. Department of Transportation</b>		
(continued)		
OVI Enforcement - Governor's Traffic Safety Program Contract Number: PAP 06-163 October 1, 2005 - September 30, 2006	20.600	36,867
<b>Highway Research, Planning, and Construction:</b>		
(Passed through the Iowa Department of Transportation)		
SE 14th St Army Post Rd Traffic Signal Interconnect STP-A-1945(694)--86-77	20.205	382,080
Central Business District Traffic STP-A-1945(23)--86-77	20.205	33,147
Hickman Road Resurfacing STP-U-1945(725)--70-77	20.205	336,503
Fleur Drive Traffic Signal Interconnect STP-A-1945(701)--86-77	20.205	398,000
Park Avenue Widening 42nd to 56th STP-U-1945(675)--70-77	20.205	153,543
Center Street Pedestrian Bridge EDP-1945(709)--7Y-77	20.205	480,253
Hickman Road Resurfacing STP-U-1945(726)--70-77	20.205	226,010
Martin Luther King Jr Parkway/19th St Resurfacing STP-U-1945(710)--70-77	20.205	306,272
Martin Luther King Jr Parkway/19th St Resurfacing STP-U-1945(711)--70-77	20.205	201,173
SW 8th St Viaduct over Martin Luther King Jr Pkwy BHM-1945(687)--8K-77	20.205	887,756
Fleur Drive Resurfacing - Railroad Viaduct to MLK STP-U-1945(696)--70-77	20.205	233,279
University Av Bridge over Des Moines River Arch Rehab BHM-1945(695)--8K-77	20.205	191,214
SE Connector: SW 2nd/SE 6th NHSX-U-1945(203)--8S-77	20.205	746,923
SE Connector: Environmental Impact NHSX-U-1945(202)-8S-77	20.205	775,697
SE Connector: SE 6th/14th NHSX-U-1945(201)--8S-77	20.205	35,340
SE Connector - Elm & Water Pavement Reovals & Levee NHSX-U-1945(401)--8S-77	20.205	214,391
SE Connector SW 2nd to SE 6th Design Consultant Svcs NHSX-U-1945(251)--8S-77	20.205	67,233
Union Railway Bridge STP-ES-1945(692)--81-77	20.205	85,795
Downtown Way Finding Signage STP-A-1945(703)--86-77	20.205	74,670
Martin Luther King, Jr. Parkway, Ingersoll Ave to Center Street Contract Number: NHSX-2787(610)--8S-77	20.205	24,000
Martin Luther King Jr Parkway, Ingersoll to Raccoon Supp #21 Contract Number: STP-U-2787(200)--70-77	20.205	39,575
Martin Luther King Jr Parkway, Ingersoll to Center Misc Contract Number: NHSX-U-2787(209)--8S-77	20.205	7,359
Martin Luther King Jr Parkway, Ingersoll to Center Misc Contract Number: STP-E-2787(207)--8V-77	20.205	1,000

**CITY OF DES MOINES, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2007**

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/06 - 6/30/07)
<b>U.S. Department of Transportation</b>		
(continued)		
Martin Luther King Jr Parkway, Ingersoll to Center Misc Contract Number: CS-TSF-1945(645)--8S-77	20.205	2,500
Martin Luther King Jr Parkway, SW 2nd to SW 7th St STP-E-2787(305)--8V-77	20.205	2,900
Martin Luther King Jr Parkway, Acquisition Center to I235 HDP-2787(204)--71-77	20.205	5,000
Martin Luther King Jr Parkway, Raccoon River to Ingersol and Grand Av Bridge NHSX-U-2787(210)--8S-77	20.205	1,000
Martin Luther King Jr Parkway, SW 2nd to SW 7th St NHSX-U-2787(304)--8S-77	20.205	12,500
Martin Luther King Jr Parkway Paving STP-E-2787(307)--8V-77	20.205	2,000
2002 ITS Grant Project Number: 25000ITS884	20.205	118,392
Bill Riley Trail HMA Overlay Project Number: NRT-NT06(3)--9G-77	20.219	100,000
Walnut Creek Trail Phase IB Project Number: NRT-NT00(1)-9G-77	20.219	93,535
Walnut Creek Trail Phase II, III, IV Project Number: STP-ES-1945(665)--8I-77	20.219	153,891
Walnut Creek Trail Phase 1A Project Number: STP-ES-1945(667)--8V-77	20.219	66,799
<b>Airport Improvement Program:</b>		
Runway 13/31 Rehabilitation Phase 1 AIP Number: 3-19-0027-38	20.106	74,225
Runway 13/31 Rehabilitation Phase 2 AIP Number: 3-19-0027-39	20.106	399,652
Runway 13R-31L Land Phase 2 AIP Number: 3-19-0027-41	20.106	595,682
Runway 13R-31L Land Phase 3 AIP Number: 3-19-0027-44	20.106	369,430
FAR Part 150 Noise Exposure Map Update AIP Number: 3-19-0027-43	20.106	127,729
2006 Master Plan Update and Runway 13R-31L Benefit Cost Analysis AIP Number: 3-19-0027-44	20.106	5,604,982
Runway 5/23 Expansion--Land Acquisition, Grading, Relocation, Wetland Mitigation AIP Number(s): 3-19-0027-31/36	20.106	1,897,960
South Cargo Apron AIP Number(s): 3-19-0030/34	20.106	577,616
Airport Security Improvements AIP Number(s): 3-19-0033/35	20.106	161,017
<b>Transportation Security Administration</b>		
Memorandum of Agreement fulfilling Security Directive SD1542-02-01 Law Enforcement Personnel	SD1542-02-01	269,023
<b>Total Department of Transportation</b>		<b>16,687,816</b>
<b>U.S. Environmental Protection Agency</b>		
Cooperative Agreement for Federal Brownfields Coordinator Contract Number: BP-98709901-0 October 1, 2001 - September 30, 2003	66.815	\$ 11,754

**CITY OF DES MOINES, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2007**

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/06 - 6/30/07)
<b>U.S. Environmental Protection Agency</b>		
(continued)		
Brownfields Clean-Up Revolving Loan Fund Contract Number: BF-98734301 October 1, 2003 - November 30, 2008	66.818	\$ 671,564
Sanitary Sewer Lining Project XP-98728601	66.202	\$ 207,220
Storm Sewer Lining Project XP-98764101	66.202	\$ 144,300
Petroleum Assessment Contract Number: BF-98766401 October 1, 2005 - December 30, 2007	66.818	\$ 991
State Revolving Fund Loan Program: (Passed through the Iowa Department of Natural Resources) Contract Number: CS192250-01	66.458	\$ 283,765
<b>Total U.S. Environmental Protection Agency</b>		<b>\$ 1,319,595</b>
<b>U.S. Department of Homeland Security</b>		
(Passed through Polk County Emergency Management)		
Homeland Security Grant Program 2004-GE-T4-46	97.004	131,235
(Passed through IA Dept of Homeland Security)		
Law Enforcement Terrorism Protection Program FY2004-LETPP-LEIN5-05	97.074	11,297
Law Enforcement Terrorism Protection Program FY2005-LETPP-LEIN5-05	97.074	268,789
Homeland Security Grant Program Agreement #0001-EOD-2005	97.067	414,645
Homeland Security Grant Program Agreement #0001-SWAT-2005	97.067	156,744
<b>U.S. Federal Emergency Management Agency</b>		
Metro Medical Response System Agreement #: 233-01-0054	97.071	7,584
Agreement #: 2005-GE-T5-0056	97.071	3,991
Federal Disaster Declaration #1688 FIPS 153-21000-00	97.036	44,509
<b>Total U.S. Department of Homeland Security</b>		<b>1,038,795</b>
<b>Other</b>		
<b>Office of National Drug Control Policy</b>		
High Intensity Drug Traffic Area Contract Number: I5PMWP556 February 1, 2005 - July 31, 2006	58.I5PMWP556Z	9,368
High Intensity Drug Traffic Area Contract Number: I6PMWP556 February 1, 2006 - July 31, 2007	58.I6PMWP556Z	65,977
High Intensity Drug Traffic Area Contract Number: I7PMWP556 February 1, 2007 - July 31, 2008	58.I7PMWP556Z	31,009
<b>Total Other</b>		<b>106,355</b>
<b>Total All Federal Grants</b>		<b>32,677,405</b>

City of Des Moines, Iowa

Notes to the Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2007

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Des Moines, Iowa for the year ended June 30, 2007. The accompanying schedule of expenditures of federal awards does not include any awards pertaining to the Municipal Housing Agency, an enterprise fund of the City, which is reported under separate cover. All other federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies expended during the year is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**Note 2. Significant Accounting Policies**

Revenue from federal awards is recognized when the City has done everything necessary to establish its right to revenue and revenue is available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred and approved for reimbursement.

**Note 3. Subrecipients**

Of the federal expenditures presented in the schedule, the City of Des Moines, Iowa provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grant	14.218	\$ 682,180
Home Investment in Affordable Housing	14.239	195,593
Supportive Housing Program	14.235	1,592,850
Shelter Plus Care	14.238	846,922
Emergency Shelter Grant Program	14.231	154,694
Weed and Seed	16.710	18,961
Homeland Security Grant Program	97.067	450,104
Law Enforcement Terrorism Protection Program	97.074	54,658

**Note 4. Noncash Assistance**

Included in amounts reported on the Schedule of Expenditures of Federal Awards, the Homeland Security Grant Programs (CFDA 97.004 and 97.067) of the City of Des Moines, Iowa received noncash assistance in the form of Homeland Security equipment for the police and fire departments. The equipment received during the year had a fair value of \$636,602 for the year ended June 30, 2007. This equipment received was included in the determination of federal awards expended for the year ended June 30, 2007.

City of Des Moines, Iowa

Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2007

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Comment Number	Comment	Status	Corrective Action or Other Explanation
<b>Significant Deficiencies in Internal Controls:</b>			
06-II-A	Inadequate system over timely and fully identifying agreements for debt and capital asset adjustments.	Corrected.	
06-II-B	Inadequate segregation of duties over Information Technology.	Corrected.	
<b>Significant Deficiencies in Administering Federal Awards:</b>			
06-III-A	Inadequate system over Davis-Bacon Act requirements.	Corrected.	
06-III-B	Allocation system for the employee benefit time paid between federal and nonfederal programs was not used in the current year.	Corrected.	
06-III-C	Inadequate system over subrecipient monitoring.	Corrected.	
<b>Statutory Reporting:</b>			
06-IV-A	Expenditures exceeded budget in public safety and debt service functions.	Not corrected.	See current year finding at 07-IV-A.

# McGladrey & Pullen

Certified Public Accountants

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

To the Honorable Mayor and  
Members of the City Council  
City of Des Moines, Iowa  
Des Moines, Iowa

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Des Moines, Iowa as of and for the year ended June 30, 2007, which collectively comprise the City of Des Moines, Iowa's basic financial statements and have issued our report thereon dated November 16, 2007. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Des Moines Public Library Foundation, the discretely presented component unit, as described in our report on the City of Des Moines, Iowa's financial statements. The financial statements of the Des Moines Public Library Foundation were not audited in accordance with *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of Des Moines, Iowa's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Des Moines, Iowa's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Des Moines, Iowa's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Des Moines, 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*.

We noted certain immaterial instances of noncompliance that are described in Part IV of the accompanying schedule of findings and questioned costs.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2007 are based exclusively on knowledge obtained from procedures performed during our audit of the basic 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.

This report is intended solely for the information and use of the Mayor and Members of the City Council, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*McGladrey & Pullen, LLP*

Davenport, Iowa  
November 16, 2007

# McGladrey & Pullen

Certified Public Accountants

## **Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133**

To the Honorable Mayor and  
Members of the City Council  
City of Des Moines, Iowa  
Des Moines, Iowa

### **Scope of this Report**

The City of Des Moines, Iowa's basic financial statements include the financial statements of the Des Moines Public Library Foundation which was audited by other auditors. The financial statements of the Des Moines Public Library Foundation were not audited in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States or the OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Accordingly, our audit, described below, does not extend to the discretely presented component unit.

The City of Des Moines, Iowa's basic financial statements include the operations of the Municipal Housing Agency, which expended \$18,000,418 in federal awards, which is not included in the City's schedule during the year ended June 30, 2007. Our audit, described below, did not include the operations of the Municipal Housing Agency because it is reported in a separately issued financial and compliance report of the Municipal Housing Agency.

### **Compliance**

We have audited the compliance of City of Des Moines, Iowa with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The City of Des Moines, Iowa's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of City of Des Moines, Iowa's management. Our responsibility is to express an opinion on the City of Des Moines, Iowa's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Des Moines, Iowa's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Des Moines, Iowa's compliance with those requirements.

In our opinion, the City of Des Moines, Iowa complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

### **Internal Control Over Compliance**

The management of the City of Des Moines, Iowa is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Des Moines, Iowa's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Des Moines, Iowa's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by any entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Mayor and Members of the City Council, management, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*McGladrey & Pullen, LLP*

Davenport, Iowa  
November 16, 2007

City of Des Moines, Iowa

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2007

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I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Reportable condition(s) identified that are not considered to be material weaknesses?  Yes  None Reported
- Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Reportable condition(s) identified that are not considered to be material weaknesses?  Yes  None Reported

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

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?  Yes  No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.218	Community Development Block Grant Entitlement
20.205	Highway Research, Planning and Construction
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs: \$980,322

Auditee qualified as low-risk auditee?  Yes  No

(Continued)

Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2007

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II. Findings Related to the Basic Financial Statements

A. Significant Deficiencies in Internal Control

None

B. Compliance

None

III. Findings and Questioned Costs for Federal Awards

None

IV. Other Findings Related to Required Statutory Reporting

07-IV-A

Certified Budget: Expenditures for the year ended June 30, 2007 exceeded the budgeted amount in the public safety, community and economic development, general government and debt service functions. Chapter 384.20 of the Code of Iowa states in part that public monies may not be expended or encumbered except under an accrual or continuing appropriation.

Recommendation: The budget should have been amended in accordance with Chapter 384.18 of the Code of Iowa before expenditures were allowed to exceed budget.

Response and Corrective Action Plan: The City will look for ways to prevent exceeding the budgetary function.

Conclusion: Response accepted.

07-IV-B

Questionable Expenditures: We noted no expenditures for parties, banquets or other entertainment for employees that we believe may constitute an unlawful expenditure from public funds as this is defined in the Attorney General's opinion dated April 25, 1979.

07-IV-C

Travel Expense: No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

07-IV-D

Business Transactions: The City represents there are no business transactions between the City and City officials or employees in accordance with Chapter 362.5(10) of the Code of Iowa and none were noted in performing the audit.

(Continued)

City of Des Moines, Iowa

Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2007

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07-IV-E

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 ensure the coverage is adequate for current operations.

07-IV-F

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

07-IV-G

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.

07-IV-H

Revenue Bonds: The City has established the sinking and reserve accounts required by the revenue bonds.

City of Des Moines, Iowa

Corrective Action Plan  
Year Ended June 30, 2007

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Comment Number	Comment	Corrective Action Plan	Contact Person	Anticipated Date of Completion
<b>Statutory Reporting:</b>				
07-IV-A	Expenditures exceeded budget in public safety, community and economic development, general government and debt service functions.	See corrective action plan at 07-IV-A.	Allen McKinley, Finance Director	June 30, 2008