

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2009  
CITY OF ANKENY, IOWA



*city of*  
**Ankeny**

*bringing it all together*

# **City of Ankeny, Iowa**

Comprehensive Annual Financial Report

For the Year Ended June 30, 2009

Prepared By:

Office of Finance and Budget

## **Introductory Section**

**CITY OF ANKENY, IOWA**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2009**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Table of Contents	1
Letter of Transmittal	3
Certificate of Achievement	8
City Organizational Chart	9
List of Principal Officials	10

**FINANCIAL SECTION**

Independent Auditor's Report	11
Management's Discussion and Analysis	13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	26
Statement of Activities	27
Fund Financial Statements:	
Balance Sheet - Governmental Funds	28
Reconciliation of the Balance Sheet to the Statement of Net Assets	29
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) - Governmental Funds	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) to the Statement of Activities	31
Statement of Net Assets - Proprietary Funds	32
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds	33
Statement of Cash Flows - Proprietary Funds	34
Statement of Assets and Liabilities - Agency Funds	35
Notes to Financial Statements	36
Required Supplementary Information:	
Budgetary Comparison Schedule (Cash Basis) - All Governmental and Proprietary Funds	70
Explanation of Differences Between Budgetary Basis and GAAP Basis Revenues and Expenditures for the Governmental Funds	71
Explanation of Differences Between Budgetary Basis and GAAP Basis Revenues and Expenses for the Proprietary Funds	72
Notes to the Required Supplementary Information	73
Schedule of Funding Progress	75
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) - Nonmajor Governmental Funds	79
Combining Statement of Net Assets - Internal Service Funds	82
Combining Statement of Revenues, Expenses, and Changes in Net Assets - Internal Service Funds	83
Combining Statement of Cash Flows - Internal Service Funds	84
Combining Statement of Assets and Liabilities - Agency Funds	86
Combining Statement of Changes in Assets and Liabilities - Agency Funds	87
Statement of Cash Flows - Discretely Presented Component Unit	88

Capital Assets Used in the Operation of Governmental Funds:	
Comparative Schedules By Source	89
Comparative Schedules By Function and Activity	90
Schedule of Changes By Function and Activity	92

**STATISTICAL SECTION (UNAUDITED)**

Contents	93
Financial Trends:	
Net Assets by Component	94
Changes in Net Assets	96
Fund Balances of Governmental Funds	98
Changes in Fund Balance	100
Revenue Capacity:	
Actual Valuation to Taxable Valuation of Property	102
Property Tax Rates – All Direct and Overlapping Governments	104
Principal Taxpayers	106
Property Tax Levies and Collections	107
Debt Capacity:	
Ratios of Outstanding Debt by Type	108
Ratio of General Obligation Bonded Debt to Actual Property Valuation and General Obligation Bonded Debt Per Capita	109
Computation of Direct and Overlapping Bonded Debt – General Obligation Bonded Debt	110
Computation of Legal Debt Margin	111
Revenue Bond Coverage	113
Demographic and Economic Trends:	
Historical Economic Data	115
Principal Employers	117
Operating Information:	
Number of Permanent City Employees by Function	118
Operating Indicators by Function	119
Capital Asset Statistics by Function	120
Insurance Schedule	121

**COMPLIANCE SECTION**

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	123
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410 West First Street  
Ankeny, Iowa 50023  
515-965-6400  
515-965-6416 fax

January 28, 2010

Honorable Mayor,  
Members of the City Council and  
Citizens of Ankeny, Iowa

We are pleased to submit the Comprehensive Annual Financial Report of the City of Ankeny, Iowa, for the fiscal year ending June 30, 2009, in accordance with the provisions of Section 384.22 of the Code of Iowa and accounting principles generally accepted in the United States of America (GAAP).

This report consists of management's representations concerning the finances of the City of Ankeny. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of the internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, the financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Denman & Company, LLP, a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's

Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

## **Profile of the Government**

The City of Ankeny, Iowa, was incorporated on February 28, 1903. The City was the idea and plan of John Fletcher Ankeny who acquired the land and laid out the plan for the City in 1875. In 1910, the U.S. census indicated the population to be 445 persons. The City experienced tremendous growth from 1960 to 1980 and then again from 1990 to the present. The 2005 U.S. special census report indicated the population to be 36,161. Ankeny's population is projected to exceed 43,000 by the year 2010. The City is empowered to levy a property tax on real property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

Ankeny is governed by a Mayor-Council, with City Manager, form of government. The City Council consists of the Mayor and five council members who are elected at large. The Council sets the policies for the City, adopts ordinances and resolutions, approves the annual budget and approves all expenditures. The City Manager is responsible for carrying out the policies and ordinances of the City Council as well as overseeing the day to day operations of the City. The Mayor and City Council members are elected to four year staggered terms.

The City provides a wide range of public services, including police, fire and emergency medical service, library, animal control, parks and recreation, street maintenance, code enforcement, water and sanitary and storm sewer. Additionally, the organization is supported by several administrative operations, including city clerk, city manager, community development, finance and budget, human resources, management information systems and public relations. The financial reporting entity (the City) includes all the funds of the primary government (i.e. the City of Ankeny as legally defined). The City is not a component unit of another government, but does report the financial activities of three component units: Ankeny Arts Council, Ankeny Sports Complex Foundation and Keep Ankeny Beautiful. Component units are legally separate entities for which the primary government is financially accountable. The Ankeny Arts Council is the only discretely presented component unit and was created for the purpose of the promotion of performing and fine arts within the City.

The annual budget serves as the foundation for the City's financial planning and control. The department directors submit budgets to the City Manager for their individual departments requesting appropriations to fund program, service and capital needs. Following several months of review and revision, the City Manager submits a proposed budget to the City Council. The budget contains estimates of revenues and expenditures for the coming year, as well as re-estimates of revenues and expenditures for the current year. The six-month preparation

process culminates in March when the City Council, following a public hearing, adopts the annual budget and certifies it to the State of Iowa by March 15. The current budget is amended at the same time. Budget appropriations are prepared by department (e.g. police), fund and program (e.g. public safety). Department directors may make transfers of appropriations within a department with the City Manager's approval. Transfers of appropriations between departments, however, require the approval of City Council. Budget to actual comparisons are provided in this report and are presented as part of the required supplementary information on pages 70-74.

## **Local Economy**

In large measure the City of Ankeny has seen minimal negative impacts due to the turbulence in the national economy. Ankeny continues to maintain a stable economic environment and is experiencing some economic and geographic expansion. Numerous business parks and industrial centers are under development with new employers and businesses being added each year. Major taxpayers include Casey's General Stores corporate headquarters, Tone's Spices, SYSCO Corporation, John Deere Des Moines Works, and Perishable Distributors of Iowa.

The City has historically enjoyed a low unemployment rate for each of the last four calendar years: 3.9 percent in 2008, 3.7 percent in 2007, 3.3 percent in 2006 and 4.2 percent in 2005. Additional economic data is included in the statistical section of this report. The outlook for the local economy is a slightly increased unemployment rate and continued increases in total assessed property valuation, both inside the City and in adjacent communities.

The level of residential construction slowed from 581 permits in calendar year 2007 to 372 permits in calendar year 2008 reflecting a decrease in building permits for a second year, reflecting the national trend. Permit activity has shown signs of recovery in calendar year 2009 partially due to the stimulus dollars allocated to first time homebuyers. Ankeny has seen considerable residential and population growth over the past five years with the population growing over 30% since the 2000 census, retail and commercial development has followed suit. The City's shopping opportunities continue to expand as well as medical and professional opportunities. Ankeny is the home to several shopping centers with several others currently under development. Notable retailers include Wal-Mart Supercenter, Super Target, Menard's, Home Depot, Best Buy, Sportsman's Warehouse, and Kohl's Department Store.

## **Relevant Financial Policies and Long Term Financial Planning**

For budgetary and planning purposes, management strives to maintain an unreserved, undesignated general fund balance equal to twenty percent of total general fund expenditures. These funds are necessary to meet cash flow needs during the initial months of the new fiscal year as property tax revenue, the primary

source of funding for general operations, is collected semi-annually with the respective county treasurers remitting the vast majority of those taxes to the City in the months of October and April.

Annually, during the budget process, the City evaluates the property tax rate for comparison to other cities of similar size and to determine that there will be sufficient revenue to provide the services deemed necessary by the City Council. Fees and charges for services are also evaluated annually to ensure they keep pace with the cost of providing those specific services. The City strives to maintain or increase its diversified revenue sources to provide for greater financial stability.

The preparation of the City's annual operating budget and the five year capital improvements program are governed by the council's budget policy statement, Vision 2022 and Goals 2012. As a result of these policies, the annual operating budget has been prepared on a two year basis.

The long term improvement of the City's infrastructure is outlined in the five-year capital improvement program (CIP). The approved 2009-13 capital improvements program anticipates the expenditure of \$162,565,545. The first year of the five-year CIP, which the City incorporates into the annual budget, is \$37,848,845 for FY 2010. The capital budget includes revenues from a number of funding sources. General obligation and revenue bond proceeds finance many public works and utility projects. Tax increment financing supports a number of economic development capital projects in the areas targeted for significant commercial activity. Grants from local, state and federal sources are also part of the plan to finance capital projects. And, capital project fund cash balances provide revenue to smaller projects and planning activities.

### **Major Initiatives**

The City is currently involved in planning for development in numerous areas of the community. Of these areas throughout the City, two significant areas of development are currently underway. One development, entitled Prairie Trail, is approximately 1,100 acres that was formerly owned by Iowa State University as a research farm and is encircled by the City entirely. This land is now owned by a local developer and is being developed for both commercial and residential development. The second area, entitled Corporate Woods, was recently annexed into the City and surrounds a newly constructed interchange with Interstate 35. Utilities and arterial roadways have been extended into these areas and development is commencing. Both of these areas offer wide stretches of land, arterial or highway access and full utilities, which are expected to be areas of development for many years to come.

The City is also working with the Des Moines Water Works and the Wastewater Reclamation Authority to utilize intergovernmental cooperation in order to ensure adequate water and sewer services in the future. Engineering studies are also

being completed for the addition of another interchange at Interstate 35 and NE 36<sup>th</sup> Street and the renovation and expansion of the First Street interchange.

### **Awards and Acknowledgements**

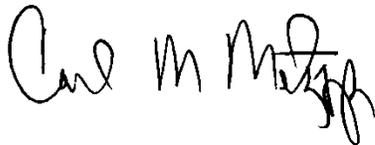
The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Ankeny for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. This was the seventh consecutive year that the government has received this prestigious award. In order to be awarded the Certificate of Achievement, the City was required to publish an easily readable and efficiently organized CAFR. This report satisfied both the GAAP 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.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated March 15, 2009. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide and a communications device.

The preparation of this report could not have been possible without the dedication and hard work of the members of the Office of Finance and Budget. We would like to express our appreciation to all members of this department for their assistance and contribution for this endeavor. Also appreciated is the continued interest and support of the Mayor and members of the City Council in planning and conducting the financial operations of the City in a prudent and responsible manner.

Respectfully submitted,



Carl Metzger  
City Manager



Jennifer Sease  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Ankeny  
Iowa

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

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.



A stylized handwritten signature in black ink, appearing to be "J.R. Emer".

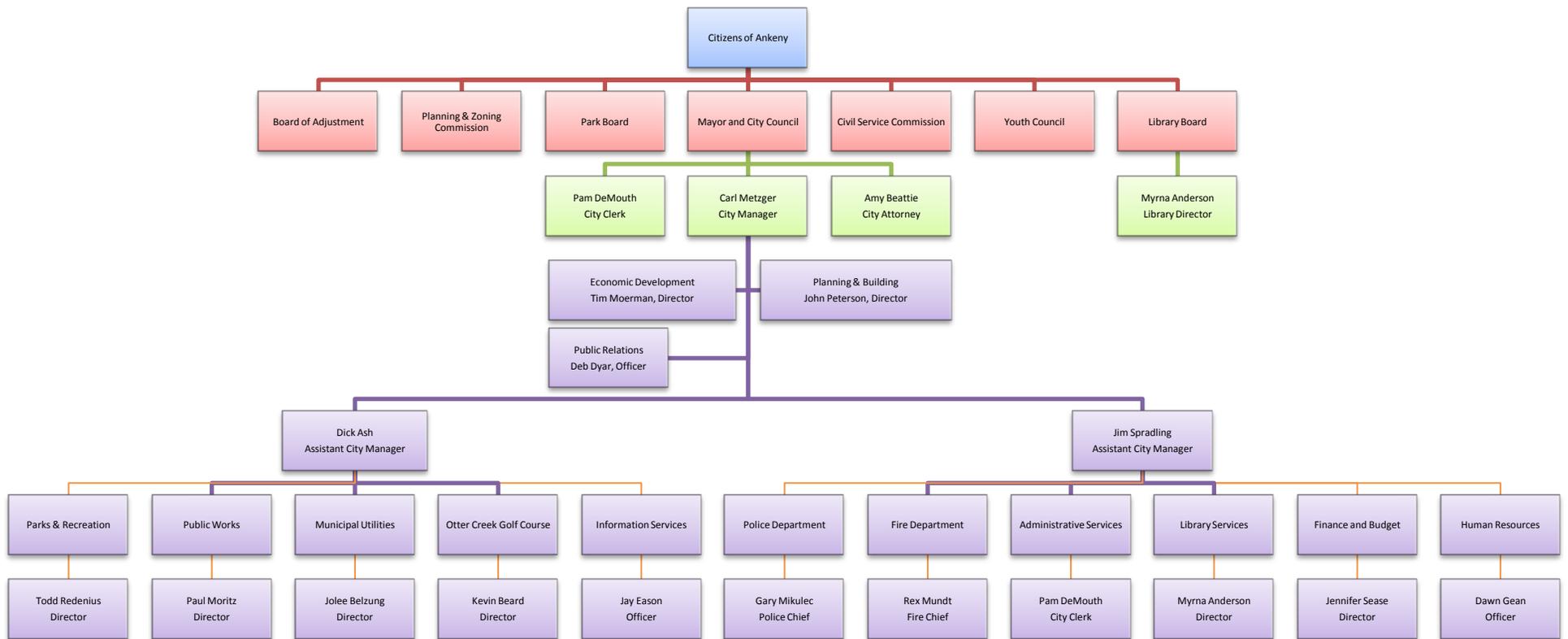
President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

# CITY OF ANKENY, IOWA

## FY 2009 FUNCTIONAL/MANAGEMENT ORGANIZATION CHART



# CITY OF ANKENY, IOWA

## List of Principal Officials June 30, 2009

### ELECTED OFFICIALS

Mayor  
Council Member  
Council Member  
Council Member  
Council Member  
Council Member

Steve Van Oort  
Craig Block  
Dave Kissinger  
Gary Lorenz  
Tom Strait  
Gary Welch

### APPOINTED OFFICIALS

City Manager  
Assistant City Manager  
Assistant City Manager  
City Clerk  
Economic Development Director  
Finance Director  
Fire Chief  
Library Director  
Municipal Utilities Director  
Parks and Recreation Director  
Planning and Building Director  
Police Chief  
Public Works Director

Carl Metzger  
Dick Ash  
James Spradling  
Pam DeMouth  
Tim Moerman  
Jennifer Sease  
Rex Mundt  
Myrna Anderson  
Jolee Belzung  
Todd Redenius  
John Peterson  
Gary Mikulec  
Paul Moritz

## **Financial Section**

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements 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 Ankeny, Iowa, as of and for the year ended June 30, 2009, 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's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ankeny, Iowa as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, 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 January 25, 2010 on our consideration of the City's internal control over financial reporting and 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 on pages 13 through 25 and schedule of funding progress for the retiree health plan and budgetary comparison information on pages 70 through 75 are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. 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. 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 Ankeny, Iowa's basic financial statements. The combining 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. 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.

*Denman & Company, LLP*  
DENMAN & COMPANY, LLP

West Des Moines, Iowa  
January 25, 2010

## **Management's Discussion and Analysis**

Our discussion and analysis of the City's financial performance for the fiscal year ended June 30, 2009, is intended to give the readers an overview of and additional insight into the financial activities of the City over the past year. This will be done most effectively by reading this discussion in conjunction with the letter of transmittal and the financial statements.

### **Financial highlights**

- The assets of the City exceeded its liabilities at the close of the year by \$166,941,619 (net assets). Of this amount, \$26,460,363 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$1,816,915 and \$7,910,270 during the fiscal years ended June 30, 2009 and 2008, respectively.
- The general fund's unreserved ending fund balance was \$4,993,929 and \$4,715,926 or 30.24% and 29.59% of total general fund expenditures in fiscal years 2009 and 2008, respectively.
- The City's total debt increased by \$18,818,000 or 14.62% during the fiscal year ended June 30, 2009.

### **Overview of the financial statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

### **Government-wide financial statements**

The government-wide financial statements are designed to be corporate-like in that the governmental and business-type activities are consolidated into statements intended to present the operations of the City as a whole.

The *Statement of Net Assets* presents the City's financial position, in its entirety, as of June 30 excluding fiduciary funds that are not expendable for City programs. All of the City's assets and liabilities are presented with the difference between the two reported as net assets. In order to consolidate and present the City's activities as a whole, it is necessary to convert the governmental fund statements from a measurement focus of financial resources to a measurement focus of economic resources. Essentially, this adds long-term assets and liabilities to the fund financial statements.

The *Statement of Activities* presents information showing how the City's net assets changed during the fiscal year. It focuses on the gross and net cost of various programs. This is intended to simplify the user's analysis of the cost of providing various governmental services and their funding sources.

The governmental activities reflect the City's basic services such as police, fire, parks and recreation, library, engineering, public works and general administration. Primary funding sources include road use taxes, property taxes, service charges and intergovernmental grants and funds. The business-type activities are intended to be self-funding through user fees and charges.

The government-wide financial statements include not only the City of Ankeny itself, but also a legally separate government agency known as the Ankeny Arts Council. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements are on pages 26-27 of this report.

### **Fund financial statements**

Traditional users of the City's financial statements will find the fund financial statements more familiar. The most noticeable change is the shift away from fund types and towards major funds. The City's funds are divided into two major categories: governmental funds and proprietary funds. Information is also presented for the City's agency funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities (the government-wide level). However, unlike the government-wide level, governmental funds focus on short-term inflows and outflows of financial resources rather than flow of economic (all) resources. This information is useful in evaluating short-term financing requirements. A more detailed list of differences between the governmental funds and the governmental activities can be found in the reconciliations provided in the fund financial statements.

The City has six major funds: general fund, debt service fund, road use tax fund, tax increment financing fund, capital projects fund and civic fund. The City also has fifteen non-major governmental funds. These funds are combined and reported in a single column in the governmental fund financial statements, but are reported individually in the supplementary information of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds. They are the enterprise funds and internal service funds. These funds are called proprietary because the funds are run in a business-like manner. Enterprise funds primarily serve external customers and are self-funding through user

charges. The enterprise funds present the same functions and use the same measurement focus as the business-type activities on the government-wide level, but in more detail.

The City maintains five enterprise funds: solid waste fund, water fund, sewer fund, storm water fund and Otter Creek Golf Course fund. They are all presented as major funds in the fund statements.

The internal service funds primarily serve City functions or other governmental entities. They are considered governmental in nature and are not operated to make a profit. For these reasons the internal service funds are consolidated into the governmental activities at the government-wide level.

The City maintains five internal service funds: central garage fund, risk management fund, equipment reserve fund, economic development revolving fund and health insurance fund. They are combined into a single, aggregated column in the proprietary fund financial statements.

***Agency funds.*** Agency funds are used to account for resources that are being held by the City in a fiduciary capacity for the benefit of parties outside the City. Agency funds are not reflected in the government-wide financial statements, because the resources of those funds are not available to support the City's own programs. The accounting for these funds is much like that used for proprietary funds.

The basic fund financial statements can be found on pages 28-35 of this report.

### **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. The notes to the financial statements are found on pages 36-69 of this report.

### **Required supplementary information**

The City of Ankeny adopts an annual appropriated budget prepared on a cash basis. A budgetary comparison statement has been provided on page 70 to demonstrate compliance with the legal budget. A reconciliation between the revenues and expenditures, prepared on the modified accrual basis, versus the budget, prepared on the cash basis, is also included.

### **Other information**

In addition to the financial statements and the accompanying notes, this report also presents certain other supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds

are presented immediately following the required supplementary information section. Combining fund statements can be found on pages 77 through 87 of this report. Statistical information related to the City's financial position can be found on pages 93 through 122.

### Government-wide financial analysis

Over time net assets may serve as a useful indicator of a government's financial position. In the case of City of Ankeny, assets exceeded liabilities by \$166,941,619 at the close of the most recent fiscal year.

The largest portion of the City's net assets (80.13%) is invested in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to the citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

### Net Assets (000's)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current assets	\$ 65,624	\$ 81,471	\$ 24,850	\$ 16,207	\$ 90,474	\$ 97,678
Noncurrent assets:						
Restricted cash and cash equivalents	89	88	2,656	1,597	2,745	1,685
Capital assets	157,527	136,393	101,006	89,039	258,533	225,432
Total assets	223,240	217,952	128,512	106,843	351,752	324,795
Current liabilities	45,473	67,762	3,923	2,736	49,396	70,498
Noncurrent liabilities	105,644	73,470	29,771	15,702	135,415	89,172
Total liabilities	151,117	141,232	33,694	18,438	184,811	159,670
Invested in capital assets, net of related debt	51,005	59,458	82,763	77,349	133,768	136,807
Restricted	4,099	9,091	2,614	1,554	6,713	10,645
Unrestricted	17,020	8,171	9,441	9,502	26,461	17,673
Total net assets	\$ 72,124	\$ 76,720	\$ 94,818	\$ 88,405	\$ 166,942	\$ 165,125

A portion of the City's net assets (4.02%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$26,460,363) may be used to meet the government's ongoing obligations.

At the end of the current fiscal year, the City 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 situation held true for the prior fiscal year.

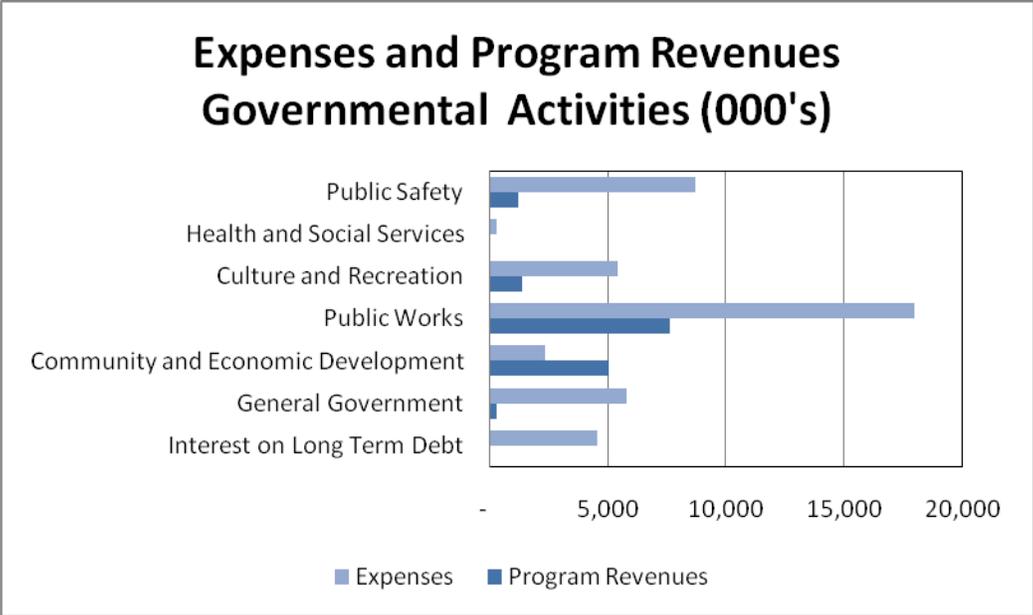
The net assets of the City increased by \$1,816,915 during the current fiscal year, which is a combination of a \$4,596,161 decrease in governmental activities net assets and an increase of \$6,413,076 in business-type activities net assets.

The following tables summarize the City's operating activities for the fiscal year 2009.

### Changes in Net Assets (000's)

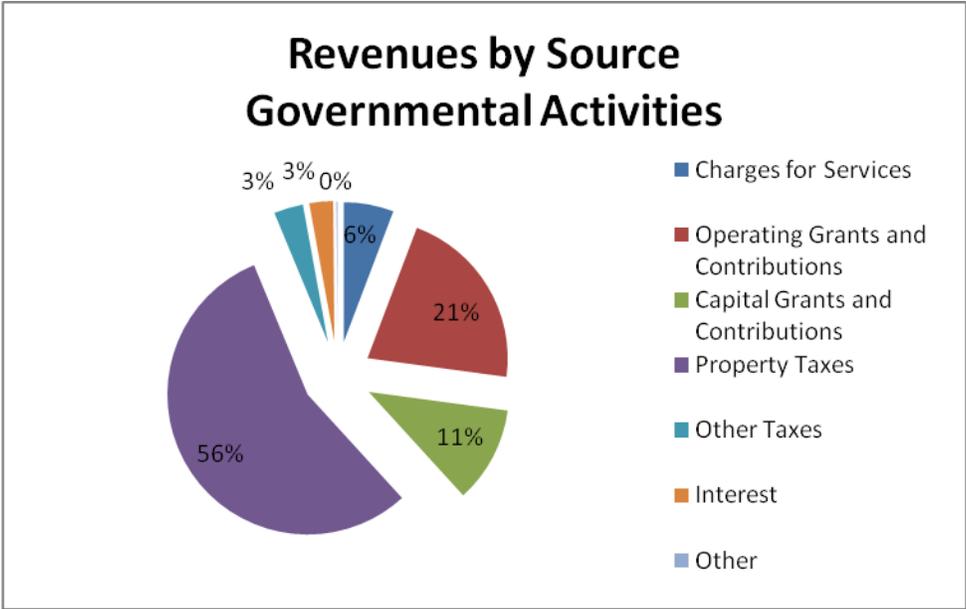
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 2,346	\$ 3,273	\$ 13,204	\$ 12,341	\$ 15,550	\$ 15,614
Operating grants and contributions	8,701	3,844	-	-	8,701	3,844
Capital grants and contributions	4,525	5,865	6,227	7,258	10,752	13,123
General revenues:						
Property taxes	22,609	20,434	-	-	22,609	20,434
Nonproperty taxes	1,372	1,244	-	-	1,372	1,244
Interest	1,115	2,226	73	190	1,188	2,416
Other	58	188	181	52	239	240
Total revenues	<u>40,726</u>	<u>37,074</u>	<u>19,685</u>	<u>19,841</u>	<u>60,411</u>	<u>56,915</u>
Expenses:						
Public safety	8,709	8,766	-	-	8,709	8,766
Health and social services	278	236	-	-	278	236
Culture and recreation	5,403	5,144	-	-	5,403	5,144
Public works	17,965	14,066	-	-	17,965	14,066
Community & economic development	2,341	2,152	-	-	2,341	2,152
General government	5,794	2,531	-	-	5,794	2,531
Interest of long-term debt	4,549	3,634	-	-	4,549	3,634
Solid waste	-	-	573	479	573	479
Water	-	-	5,889	5,728	5,889	5,728
Sewer	-	-	6,002	5,322	6,002	5,322
Storm Water	-	-	246	100	246	100
Otter Creek golf course	-	-	845	846	845	846
Total expenses	<u>45,039</u>	<u>36,529</u>	<u>13,555</u>	<u>12,475</u>	<u>58,594</u>	<u>49,004</u>
Excess (deficiency) before transfers	<u>(4,313)</u>	<u>545</u>	<u>6,130</u>	<u>7,366</u>	<u>1,817</u>	<u>7,911</u>
Transfers	<u>(283)</u>	<u>2,074</u>	<u>283</u>	<u>(2,074)</u>	<u>-</u>	<u>-</u>
Changes in net assets	<u>(4,596)</u>	<u>2,619</u>	<u>6,413</u>	<u>5,292</u>	<u>1,817</u>	<u>7,911</u>
Net assets, beginning, as restated	<u>76,720</u>	<u>74,101</u>	<u>88,405</u>	<u>83,113</u>	<u>165,125</u>	<u>157,214</u>
Net assets, ending	<u>\$ 72,124</u>	<u>\$ 76,720</u>	<u>\$ 94,818</u>	<u>\$ 88,405</u>	<u>\$ 166,942</u>	<u>\$ 165,125</u>

**Governmental activities.** Governmental activities decreased the City's net assets by \$4,596,161. The decrease is due to the large issuance of long-term debt related to the public safety referendum projects. The change in net assets due to program activities is represented as follows:

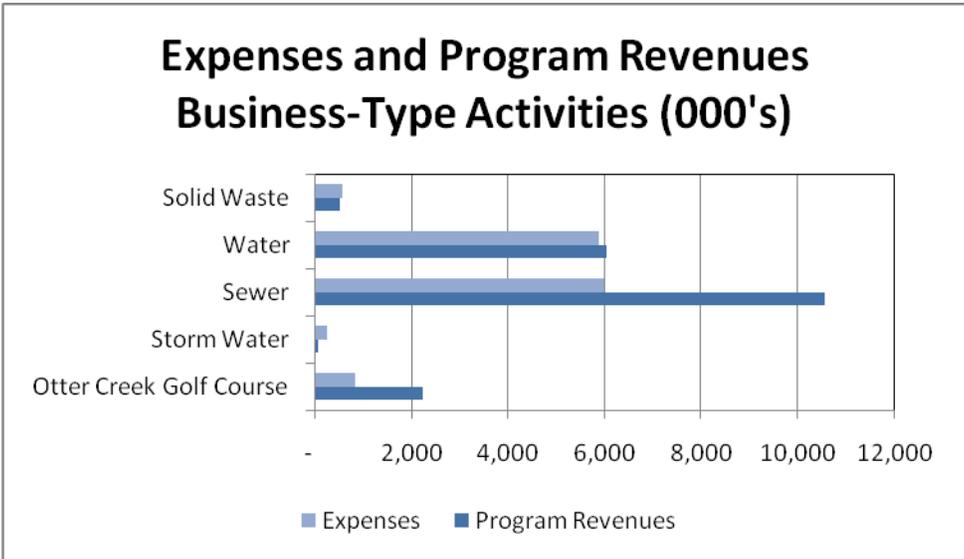


Expenses are higher than revenues for all of these programs due to the fact that many of the governmental activities are supported by general governmental revenues including property and non-property taxes and interest income.

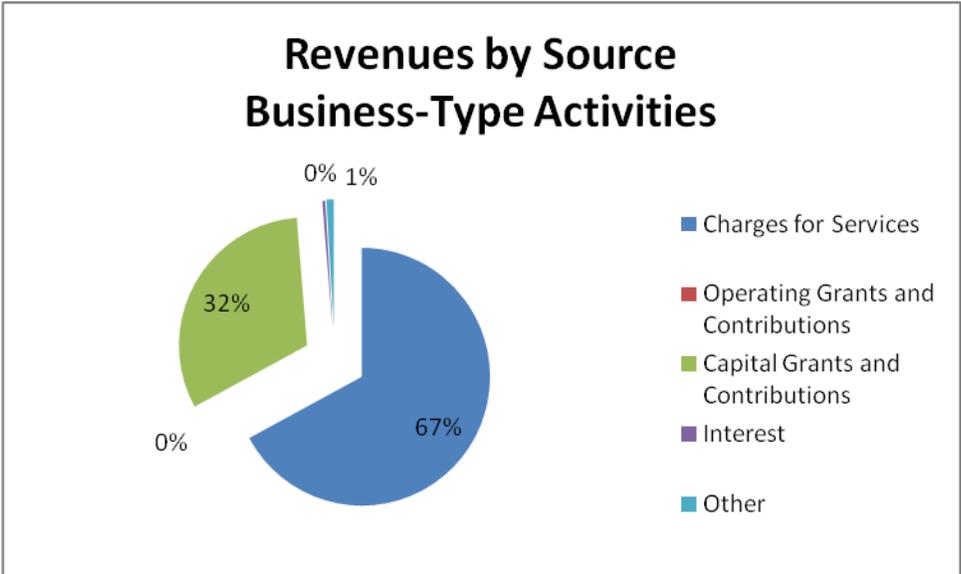
Revenues for the governmental activities are derived as follows:



**Business-type activities.** Business-type activities increased the City’s net assets by \$6,413,076. The increase in net assets is due to the capital contributions attributed with utility infrastructure projects and the completion of Otter Creek Golf Course. The change in net assets due to program activities is represented as follows:



The program revenues exceeded the expenses or were near even for each of the business-type activities. This graph reflects the fact that the business-type activities are operated in a business-like manner and are intended to be self-supporting through service charges. This is also reflected in the chart below.



**Financial analysis of government’s funds**

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

**Governmental funds.** The focus of the City’s *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources.

Such information is useful in assessing the City's 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 fiscal year 2009, the City's governmental funds reported combined ending fund balances of \$23,493,073, a decrease of \$21,402,582 from the prior year. Of this total amount, \$21,483,756 constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to pay debt service (\$2,009,317). A small amount of the unreserved fund balance is designated for deferred compensation related to contract provisions with the City Manager (\$82,904).

The general fund is the chief operating fund of the City. At the end of the fiscal year, 100% of the general fund's fund balance (\$4,993,929) was unreserved. The fund balance of the general fund increased from last year by \$278,003 or 5.89%. The change in fund balance is due to several factors including greater than expected miscellaneous revenues and controlled spending within general fund activities, primarily public safety.

The debt service fund has a total fund balance of \$2,009,317, all of which is reserved for the payment of debt service. The decrease in fund balance from the prior year was \$1,024,581 or 33.77%. The debt service fund had begun accumulating funds to be used to maintain the levy rate in order to offset increases in future debt payments. Fiscal year 2009 was the first year the debt service fund relied on reserves to meet debt services requirements. A future debt service levy increase will be needed to maintain the projected capital improvements program.

The road use tax fund, a special revenue fund, has a total fund balance deficit of \$608,373, all of which is unreserved. The fund had an increase in fund balance of \$45,710. The slight increase is the result of budget modifications made to improve the financial stability of the road use tax fund. These modifications include shifting support of street lighting to the general fund and moving street cleaning to the storm water utility.

The tax increment financing fund (TIF), a special revenue fund, has a total fund balance of \$81,847, all of which is unreserved. The fund had an increase in fund balance of \$58,116 after transfers out of \$3,772,173 to the debt service fund for debt retirement. The increase in fund balance is due to additional revenue collections in TIF District #2 and TIF District #5 and that projected TIF rebate payments were less than the TIF reservation. The reduced TIF rebate payments are a direct result of property valuations and the stagnation of development in the urban renewal areas.

The TIF fund is a flow-through for TIF funds received during the year. At year end the fund balance should be zero unless there are revenues received after year end that relate to the current fiscal year, and therefore are accrued under the modified accrual basis of accounting.

The capital projects fund has a fund balance of \$13,395,231, all of which is unreserved. The fund had a decrease in fund balance of \$16,757,494 or 55.58%. This decrease was a direct result of spending bond proceeds that were on hand at the beginning of the fiscal year.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail and without the internal activity removed. Key elements of the proprietary funds are as follows:

The solid waste fund had net assets of \$38,203 at the end of the year, which is an increase of \$25,811. The change in fund balance is related to an increase in accounts receivable over the prior year, which is related to the utility billing conversion from Des Water Works to the City. The City took over its own utility billing at the beginning of fiscal year 2009.

The water fund had unrestricted net assets of \$3,143,910 at the end of the year. Total net assets increased by \$494,345 or 1.81%. The increase was primarily a result of an increase in capital contributions. In addition, water rates increased by 4% during fiscal year 2009.

The sewer fund had unrestricted net assets of \$7,477,326 at the end of the year. Total net assets increased by \$4,561,515 or 7.76%. The increase was primarily due to an increase in capital contributions. The increase in reserves will be necessary as the City's portion of the WRA's capital improvements plan continues to increase along with the anticipated switch from a self-operated treatment plant to the WRA treatment plant in fiscal year 2012. In addition, sewer rates increased by 15% during fiscal year 2009.

The storm water fund had unrestricted net assets of (\$388,605) at the end of the year. Total net assets decreased by \$177,356. The storm water fund was created in fiscal year 2005 and has operated at a deficit since that time. The storm water utility fee was approved by the City Council in May 2009 and collections began with the July 2009 utility billing. It is projected that in fiscal year 2010 the fund will obtain a positive cash balance.

The Otter Creek golf course fund had unrestricted net assets of (\$1,014,728) at the end of the year. Total net assets increased by \$1,430,335 due to an increase of capital contributions related to the redevelopment of the golf course and replacement of the club house, which reopened on June 1, 2009.

## **Budgetary highlights**

As previously mentioned, the City's budget is prepared on a cash basis, which is an accounting basis not consistent with accounting principles generally accepted in the United States of America (GAAP). The budgetary comparison schedule and its reconciliation to GAAP can be found in the required supplementary information on pages 70-74.

Total revenues were under budget by \$5,502,679. The largest contributors to this shortage were intergovernmental revenues, charges for services and miscellaneous revenues which were under budget by \$3,064,055, \$1,006,189 and \$1,186,344, respectively. The decrease in intergovernmental revenues is attributable to the timing of grant revenues and charges for services is directly related to the decline in water and sewer sales due to wet weather conditions throughout the fiscal year. Also, the decrease in miscellaneous contributions was due to the anticipated civic trust contributions related to the Prairie Trail development.

Total expenditures were below budget by \$9,269,823. The primary areas which were below budget were the capital projects funds by \$6,560,686 due to the timing of capital expenditures, and the business-type funds by \$1,134,880 also due to the timing of capital outlays.

Total fund balances finished over budget estimates by \$732,394. The fund balances over budget primarily represent bond funds being held for capital projects at June 30.

During fiscal year 2009, the City amended its budget to reflect changes and events that occurred subsequent to the original filing with the state. Revenues were reduced by \$8,848,916 to reflect an expected decrease in use of money and property and miscellaneous revenues, primarily private contributions. The decrease in use of money and property was due to declining investment income related to the economic downturn. The decrease in private contributions was due to the timing of anticipated civic trust contributions related to the Prairie Trail development.

Expenditures are re-estimated during each fiscal year and re-certified through the amendment process. Total expenditures were revised upward by \$13,148,380 primarily due to the timing of capital projects and the refunding of general obligation bonds in the debt service fund.

## **Capital assets and debt administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities was \$326,567,412 in FY09 and \$287,677,495 for FY08. This amount represents a net increase, including additions and deletions, of

\$38,889,917 and \$35,945,011, respectively. The value of these capital assets, net of depreciation at June 30, 2009 and 2008, is depicted below. The investment in capital assets includes land, buildings, land improvements, machinery and equipment, furniture and fixtures, construction in progress and infrastructure. All required infrastructure has been recorded for the governmental and business-type activities.

**Capital Assets (000's)**

(net of depreciation)

	Governmental		Business-type		Total	
	Activities		Activities			
	2009	2008	2009	2009	2009	2008
Land	\$ 7,270	\$ 5,935	\$ 1,377	\$ 1,216	\$ 8,647	\$ 7,151
Construction in progress	48,072	29,318	15,126	7,523	63,198	36,841
Other improvements	8,327	7,389	233	285	8,560	7,674
Infrastructure	78,145	78,649	82,903	78,614	161,048	157,263
Buildings	10,809	10,827	449	735	11,258	11,562
Machinery and equipment	4,689	4,272	886	666	5,575	4,938
Furniture and fixtures	214	3	32	-	246	3
Total capital assets	<u>\$ 157,526</u>	<u>\$ 136,393</u>	<u>\$ 101,006</u>	<u>\$ 89,039</u>	<u>\$ 258,532</u>	<u>\$ 225,432</u>

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

- Spent over \$7,000,000 towards completion of the police headquarters.
- Spent over \$500,000 towards completion of the fire station headquarters expansion.
- Spent over \$2,200,000 towards completion of fire station #2.
- Spent close to \$1,400,000 on Cascade Falls, the city's second aquatic center.
- Spent over \$5,600,000 towards improvements on various Prairie Trail projects.
- Spent over \$3,200,000 towards completion of the city's second water tower.
- Spent nearly \$2,300,000 towards completion of the clubhouse at Otter Creek Golf Course.

Additional information can be found on the City's capital assets in the notes to the financial statements on pages 48-49 of this report.

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$147,547,000. Of this amount, \$126,695,000 comprises

general obligation bonded debt backed by the full faith and credit of the City. The remainder, \$20,852,000, represents revenue bonds and capital loan notes secured solely by specified revenue sources (i.e., water and sewer revenue).

### Outstanding Debt (000's)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 115,894	\$ 111,637	\$ 10,801	\$ 5,778	\$ 126,695	\$ 117,415
Capital loan notes	-	-	3,252	3,954	3,252	3,954
Revenue bonds	-	-	17,600	7,360	17,600	7,360
Total outstanding debt	\$ 115,894	\$ 111,637	\$ 31,653	\$ 17,092	\$ 147,547	\$ 128,729

The City's total debt increased by \$18,818,000 (14.62%) during the current fiscal year. The City's total debt increased because the size of the general obligation bond issued during fiscal year 2009 exceeded the amount of debt that the City was retiring. Issuances during the fiscal year included \$50,430,000 of general obligation, \$4,400,000 in water revenue bonds and \$6,130,000 in sewer revenue bonds. The additional debt can be attributed to the development of the Prairie Trail area, construction of the police and fire stations and capital improvement projects for water and sewer.

The City maintains an "Aa3" rating for general obligation bonds, an "A2" rating for water revenue bonds, and "MIG1" rating for bond anticipation notes. These ratings were assigned by Moody's Investors Service.

Iowa statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total assessed valuations. The current debt limit for the City is \$162,116,398. The City's current applicable debt, \$126,695,000, is 78.15% of the statutory limit.

Additional information on the City's long-term debt can be found in the notes to the financial statements on pages 51-56 of this report.

### Economic factors and next year's budget

- In calendar year 2008, the City issued 372 single-family residential permits, reflecting a continuing slowdown in the housing market that, while significant, appears to be less severe than many other markets both locally and nationally. A total of 581 single-family permits were issued in 2007, compared to 845 single-family permits in 2006 and the record-setting years of 2005, 2004, and 2003, when 1,311, 1,085 and 1,042 single-family permits were issued respectively.
- Commercial construction in calendar year 2008 declined in terms of the number of permits with 21 permits issued with a taxable valuation of \$42,500,000, which is higher than any other year in the City's history.

Actual commercial permit results for 2007 and 2006 were 26 and 30 issued with values of \$38,900,000 and \$29,700,000 respectively.

- Residential construction since 2000 has increased the City's population to 36,161 residents, based on figures from the City's 2005 special census. The City's 2000 population was 27,117 residents. It is estimated that the 2010 census will increase the population to 43,000 residents.
- The City's assessed property valuation has increased at an average of 10.14% per year over the last five years, including an increase of 8.52% for fiscal year 2010.

The City of Ankeny has seen minimal negative impacts due to the turbulence in the national economy. The tax base of the community continues to grow, allowing the city to keep pace with the increasing cost of providing high quality services to a growing number of Ankeny families and businesses. Although the tax base has grown, the fiscal year 2010 budget included an increase of \$0.64690 in the city's overall tax rate. This tax adjustment included an increase of \$0.7189 in the debt service levy to fund debt payments for the fire station headquarters addition, new police station and fire station #2. This increase was approved by 82% of Ankeny voters during the May 2006 public safety bond referendum. To offset a portion of the \$0.7189 in debt service levy, the budget included a reduction in the general fund levy of \$0.062 due to savings realized from the personnel and professional development changes contained in the fiscal year 2010 budget and a reduction of .01 in the trust and agency levy. In combination, the increase in debt service levy and decrease in the general fund equate to a total tax rate increase of \$0.64690.

The fiscal year 2010 budget focuses additional resources for public safety to allow for quicker responses to citizen emergencies in concert with the City Council's public safety goals. The budget allows for the hiring of three new police officers and completes the funding of the six firefighter/paramedics approved in the FY 2009 budget.

### **Requests for information**

This financial report is designed to provide a general overview of the City of Ankeny's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Ankeny, Office of Finance and Budget, 410 West First Street, Ankeny, Iowa 50023. Additional information is also available at the City's web site [www.ankenyiowa.gov](http://www.ankenyiowa.gov).

City of Ankeny, Iowa

Statement of Net Assets  
June 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Ankeny Arts Council
<b>Assets</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 46,908,480	\$ 8,907,434	\$ 55,815,914	\$ 21,392
Investments	-	-	-	-
Monies held by primary government	-	-	-	89,424
<b>Receivables:</b>				
Interest	67,674	29,884	97,557	-
Taxes	25,623,598	-	25,623,598	-
Accounts	1,790,389	1,895,249	3,685,638	-
Special assessments	816,570	-	816,570	-
Intergovernmental	3,621,536	-	3,621,536	-
Prepaid expenses	74,353	-	74,353	493
Inventory	231,789	-	231,789	-
Internal balances	(13,824,089)	13,824,089	(0)	-
Unamortized bond issuance costs	313,694	193,236	506,929	-
<b>Total current assets</b>	<b>65,623,992</b>	<b>24,849,891</b>	<b>90,473,884</b>	<b>111,309</b>
<b>Noncurrent assets:</b>				
Restricted cash and cash equivalents	89,417	2,656,326	2,745,742	-
<b>Capital assets:</b>				
Land	7,270,406	1,377,088	8,647,494	-
Construction-in-progress	48,072,435	15,125,422	63,197,857	-
Depreciable assets, net of accumulated depreciation	102,183,701	84,503,171	186,686,872	13,706
<b>Total capital assets</b>	<b>157,526,542</b>	<b>101,005,681</b>	<b>258,532,223</b>	<b>13,706</b>
<b>Total noncurrent assets</b>	<b>157,615,959</b>	<b>103,662,007</b>	<b>261,277,966</b>	<b>13,706</b>
<b>Total assets</b>	<b>\$ 223,239,951</b>	<b>\$ 128,511,898</b>	<b>\$ 351,751,849</b>	<b>\$ 125,015</b>
<b>Liabilities and Net Assets</b>				
<b>Liabilities:</b>				
<b>Current liabilities:</b>				
Accounts payable	\$ 5,356,307	\$ 1,387,405	\$ 6,743,712	\$ 3,087
Retainage payable	1,548,709	-	1,548,709	-
Accrued wages	267,867	57,784	325,651	502
Claims payable	145,484	-	145,484	-
Customers deposits	89,417	41,817	131,233	-
Unearned revenue	25,770,373	24,491	25,794,864	-
Bond and capital loan note interest payable	372,770	142,918	515,689	-
Bonds and capital loan notes payable, net of unamortized discount	11,496,565	2,037,086	13,533,651	-
Sewer development agreements payable	-	146,034	146,034	-
Early retirement benefit payable	54,317	-	54,317	-
Compensated absences payable	371,073	85,814	456,887	-
<b>Total current liabilities</b>	<b>45,472,882</b>	<b>3,923,350</b>	<b>49,396,232</b>	<b>3,589</b>
<b>Noncurrent liabilities:</b>				
Bonds and capital loan notes payable, net of unamortized discount	105,379,126	29,594,220	134,973,346	-
Sewer development agreements	-	78,266	78,266	-
Early retirement benefit payable	180,429	-	180,429	-
Other postemployment benefits	23,249	5,351	28,600	-
Compensated absences payable	60,607	92,751	153,358	-
<b>Total noncurrent liabilities</b>	<b>105,643,410</b>	<b>29,770,588</b>	<b>135,413,998</b>	<b>-</b>
<b>Total liabilities</b>	<b>151,116,292</b>	<b>33,693,938</b>	<b>184,810,230</b>	<b>3,589</b>
<b>Net Assets:</b>				
Investment in capital assets, net of related debt	51,005,350	82,762,686	133,768,036	-
<b>Restricted for:</b>				
Debt service	2,009,317	2,614,509	4,623,826	-
Community and economic development	1,438,742	-	1,438,742	-
Culture and recreation	518,780	-	518,780	-
Public safety	131,872	-	131,872	-
Unrestricted	17,019,598	9,440,764	26,460,363	121,426
<b>Total net assets</b>	<b>72,123,659</b>	<b>94,817,959</b>	<b>166,941,619</b>	<b>121,426</b>
<b>Total liabilities and net assets</b>	<b>\$ 223,239,951</b>	<b>\$ 128,511,898</b>	<b>\$ 351,751,849</b>	<b>\$ 125,015</b>

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

City of Ankeny, Iowa  
Statement of Activities  
For the Year Ended June 30, 2009

Programs/Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit Ankeny Arts Council
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government		
						Business-Type Activities	Total	
<b>Primary government:</b>								
Governmental activities:								
Public safety	\$ 8,709,303	\$ 887,876	\$ 308,387	\$ -	\$ (7,513,039)	\$ -	\$ (7,513,039)	\$ -
Health and social services	277,745	34,029	-	-	(243,716)	-	(243,716)	-
Culture and recreation	5,402,688	1,073,883	320,143	-	(4,008,663)	-	(4,008,663)	-
Public works	17,964,501	120,274	3,009,669	4,525,314	(10,309,243)	-	(10,309,243)	-
Community and economic development	2,340,606	15,785	5,001,882	-	2,677,061	-	2,677,061	-
General government	5,794,576	214,353	60,855	-	(5,519,368)	-	(5,519,368)	-
Interest on long-term debt	4,549,323	-	-	-	(4,549,323)	-	(4,549,323)	-
<b>Total governmental activities</b>	<b>45,038,742</b>	<b>2,346,201</b>	<b>8,700,935</b>	<b>4,525,314</b>	<b>(29,466,292)</b>	<b>-</b>	<b>(29,466,292)</b>	<b>-</b>
Business-type activities:								
Solid waste	572,728	517,177	-	-	-	(55,551)	(55,551)	-
Water	5,889,478	5,411,574	-	637,607	-	159,703	159,703	-
Sewer	6,001,810	6,986,331	-	3,570,466	-	4,554,987	4,554,987	-
Storm Water	245,983	72,321	-	-	-	(173,662)	(173,662)	-
Otter Creek golf course	845,236	216,960	-	2,018,480	-	1,390,204	1,390,204	-
<b>Total business-type activities</b>	<b>13,555,235</b>	<b>13,204,363</b>	<b>-</b>	<b>6,226,553</b>	<b>-</b>	<b>5,875,681</b>	<b>5,875,681</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 58,593,978</b>	<b>\$ 15,550,564</b>	<b>\$ 8,700,935</b>	<b>\$ 10,751,867</b>	<b>\$ (29,466,292)</b>	<b>\$ 5,875,681</b>	<b>\$ (23,590,611)</b>	<b>\$ -</b>
<b>Component unit:</b>								
Arts council	\$ 99,270	\$ 86,645	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (12,625)
General revenues:								
Taxes:								
Property taxes					22,608,951	-	22,608,951	-
Other taxes					1,371,558	-	1,371,558	-
Interest					1,115,169	72,825	1,187,993	2,300
Other					57,794	181,230	239,023	-
Transfers					(283,341)	283,341	-	-
<b>Total general revenues and transfers</b>					<b>24,870,131</b>	<b>537,395</b>	<b>25,407,526</b>	<b>2,300</b>
Changes in net assets					(4,596,161)	6,413,076	1,816,915	(10,325)
Net asset, beginning, as restated (note 20)					76,719,820	88,404,884	165,124,704	131,751
<b>Net assets, ending</b>					<b>\$ 72,123,659</b>	<b>\$ 94,817,960</b>	<b>\$ 166,941,619</b>	<b>\$ 121,426</b>

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

City of Ankeny, Iowa

Balance Sheet  
Governmental Funds  
June 30, 2009

	General	Debt Service	Road Use Tax	Tax Increment Financing	Capital Projects	Civic	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>								
Cash and cash equivalents	\$ 5,809,183	\$ 2,103,786	\$ 33,367	\$ 432,268	\$ 30,335,263	\$ 1,198,537	\$ 2,425,178	\$ 42,337,582
Investments	-	-	-	-	-	-	-	-
Receivables:								
Interest	50,876	-	-	-	16,696	-	102	67,674
Taxes	13,264,036	6,908,312	-	4,720,542	-	-	730,708	25,623,598
Accounts	354,990	-	-	-	143,834	1,039,377	205,250	1,743,451
Special assessments	-	-	-	-	-	-	816,570	816,570
Intergovernmental	261,008	220	244,796	-	2,970,000	-	32	3,476,056
Due from other funds	239,210	-	12,866	-	-	-	-	252,076
Restricted assets, cash and cash equivalents	89,417	-	-	-	-	-	-	89,417
<b>Total assets</b>	<b>\$ 20,068,720</b>	<b>\$ 9,012,317</b>	<b>\$ 291,029</b>	<b>\$ 5,152,810</b>	<b>\$ 33,465,793</b>	<b>\$ 2,237,914</b>	<b>\$ 4,177,840</b>	<b>\$ 74,406,423</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 331,689	\$ -	\$ 100,437	\$ 4,093	\$ 4,858,981	\$ -	\$ 4,531	\$ 5,299,731
Retainage payable	-	-	-	-	1,548,709	-	-	1,548,709
Accrued wages	223,696	-	21,828	-	1,683	-	16,767	263,974
Due to other funds	339,915	139,911	253,996	-	13,657,952	-	-	14,391,774
Advances from other funds	606,406	-	523,141	-	-	-	-	1,129,547
Customer deposits	89,417	-	-	-	-	-	-	89,417
Deferred revenue	13,483,668	6,863,089	-	5,066,870	3,236	1,039,377	1,733,957	28,190,197
<b>Total liabilities</b>	<b>15,074,790</b>	<b>7,003,000</b>	<b>899,402</b>	<b>5,070,963</b>	<b>20,070,562</b>	<b>1,039,377</b>	<b>1,755,255</b>	<b>50,913,349</b>
<b>Fund balances (deficits):</b>								
Reserved for debt service	-	2,009,317	-	-	-	-	-	2,009,317
Unreserved, designated for:								
Deferred compensation	82,904	-	-	-	-	-	-	82,904
Unreserved, reported in:								
General fund	4,911,025	-	-	-	-	-	-	4,911,025
Special revenue funds	-	-	(608,373)	81,847	-	1,198,537	1,298,138	1,970,149
Capital projects funds	-	-	-	-	13,395,231	-	1,124,447	14,519,678
<b>Total fund balances</b>	<b>4,993,929</b>	<b>2,009,317</b>	<b>(608,373)</b>	<b>81,847</b>	<b>13,395,231</b>	<b>1,198,537</b>	<b>2,422,585</b>	<b>23,493,073</b>
<b>Total liabilities and fund balances</b>	<b>\$ 20,068,720</b>	<b>\$ 9,012,317</b>	<b>\$ 291,029</b>	<b>\$ 5,152,810</b>	<b>\$ 33,465,793</b>	<b>\$ 2,237,914</b>	<b>\$ 4,177,840</b>	<b>\$ 74,406,423</b>

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

**City of Ankeny, Iowa**

**Reconciliation of the Balance Sheet to the  
Statement of Net Assets  
June 30, 2009**

Fund balances--total governmental funds		\$	23,493,073
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.			
Governmental fixed assets:			
Land	\$	7,270,406	
Construction-in-progress		48,072,435	
Depreciable capital assets		140,850,353	
Accumulated depreciation		<u>(38,666,652)</u>	157,526,542
The assets and liabilities of internal service funds are included in the governmental activities in the statement of net assets. Internal service fund net assets:			
Current assets	\$	5,725,807	
Internal balances		1,230,190	
Current liabilities		(519,902)	
Noncurrent liabilities		<u>(181,008)</u>	6,255,087
Internal service funds allocated to business-type activities			(184,657)
Deferred revenue is reported in governmental funds for revenues that have been earned but are not yet available to liquidate current liabilities. All earned revenues are reported as income at government-wide level. The following deferred revenues for unavailable items were reported in the governmental funds:			
Various funds - property tax receivable	\$	41,241	
Special assessments fund - special assessment receivable		809,171	
General fund - accounts receivable		99,792	
Economic development fund - accounts receivable		200,000	
Civic trust fund - accounts receivable		1,039,377	
General fund - intergovernmental receivable		227,007	
Capital projects fund - accounts receivable		<u>3,236</u>	2,419,824
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
General obligation bonds	\$	(115,893,518)	
Unamortized bond issuance costs		313,694	
Unamortized premium on general obligation bonds		(1,177,501)	
Unamortized discount on general obligation bonds		195,329	
Other postemployment benefits		(22,670)	
Bond interest payable		(372,770)	
Compensated absences		<u>(428,774)</u>	<u>(117,386,211)</u>
Net assets of governmental activities		\$	<u><u>72,123,659</u></u>

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

City of Ankeny, Iowa

Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)  
 Governmental Funds  
 For the Year Ended June 30, 2009

	General Fund	Debt Service	Road Use Tax	Tax Increment Financing	Capital Projects	Civic	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:								
Property taxes	\$ 12,175,020	\$ 5,038,408	\$ -	\$ 4,804,424	\$ -	\$ -	\$ 673,009	\$ 22,690,861
Other taxes and assessments	1,240,009	83,486	-	-	-	-	26,021	1,349,516
Licenses and permits	783,144	-	-	-	-	-	-	783,144
Intergovernmental	512,093	-	2,997,029	12,640	3,441,722	-	25,072	6,988,555
Charges for services	1,434,081	-	-	-	-	-	22,219	1,456,300
Use of money and property	692,553	-	-	-	452,584	46,504	22,161	1,213,802
Miscellaneous	467,357	-	-	-	314,191	3,912,505	111,251	4,805,303
<b>Total revenues</b>	<b>17,304,256</b>	<b>5,121,895</b>	<b>2,997,029</b>	<b>4,817,064</b>	<b>4,208,497</b>	<b>3,959,009</b>	<b>879,733</b>	<b>39,287,483</b>
Expenditures:								
Current operating:								
Public safety	8,397,632	-	-	-	-	-	627,332	9,024,964
Health and social services	272,534	-	-	-	-	-	-	272,534
Culture and recreation	3,910,848	-	-	-	-	-	652,152	4,563,000
Public works	582,846	-	2,951,319	-	-	-	-	3,534,165
Community and economic development	1,002,014	-	-	986,775	-	-	362,965	2,351,754
General government	2,349,604	-	-	-	-	3,244,404	-	5,594,008
Debt service:								
Principal	-	9,005,421	-	-	31,500,000	-	-	40,505,421
Interest and other charges	-	3,041,675	-	-	1,453,483	-	-	4,495,158
Capital projects	-	-	-	-	35,808,040	-	-	35,808,040
<b>Total expenditures</b>	<b>16,515,478</b>	<b>12,047,096</b>	<b>2,951,319</b>	<b>986,775</b>	<b>68,761,523</b>	<b>3,244,404</b>	<b>1,642,449</b>	<b>106,149,045</b>
Excess (deficiency) of revenues over expenditures	788,778	(6,925,201)	45,710	3,830,289	(64,553,026)	714,605	(762,716)	(66,861,562)
Other financing sources (uses):								
Issuance of long-term debt	-	2,072,368	-	-	42,574,714	-	-	44,647,082
Premium (discount) on long-term debt	-	56,080	-	-	1,039,159	-	-	1,095,239
Transfers in	576,680	3,772,173	-	-	4,915,000	-	1,163,959	10,427,812
Transfers out	(1,087,455)	-	-	(3,772,173)	(733,341)	(4,896,504)	(221,680)	(10,711,153)
<b>Total other financing sources (uses)</b>	<b>(510,775)</b>	<b>5,900,621</b>	<b>-</b>	<b>(3,772,173)</b>	<b>47,795,532</b>	<b>(4,896,504)</b>	<b>942,279</b>	<b>45,458,980</b>
Net change in fund balances	278,003	(1,024,581)	45,710	58,116	(16,757,494)	(4,181,899)	179,563	(21,402,582)
Fund balances (deficits), beginning, as restated (note 19)	4,715,926	3,033,897	(654,083)	23,731	30,152,725	5,380,436	2,243,022	44,895,654
<b>Fund balances (deficits), ending</b>	<b>\$ 4,993,929</b>	<b>\$ 2,009,317</b>	<b>\$ (608,373)</b>	<b>\$ 81,847</b>	<b>\$ 13,395,231</b>	<b>\$ 1,198,537</b>	<b>\$ 2,422,585</b>	<b>\$ 23,493,072</b>

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

**City of Ankeny, Iowa**

**Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances (Deficits)  
to the Statement of Activities  
For the Year Ended June 30, 2009**

Net change in fund balances--total governmental funds		\$ (21,402,582)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlay	\$ 24,291,575	
Depreciation expense	<u>(4,360,790)</u>	19,930,785
Governmental funds do not report capital assets and therefore do not report gains or losses on the disposal of those assets		(4,100)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		408,874
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Issuance of long-term debt	\$ (44,647,082)	
Principal repayment	40,505,421	
Premium on long-term debt	(1,095,239)	
Bond issuance costs	<u>65,998</u>	(5,170,902)
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. The following expenses did not require current financial resources:		
Other postemployment benefits	\$ (22,670)	
Compensated absences	3,946	
Amortization of bond discounts, issuance costs, premiums, and deferrals	(55,611)	
Adjustment to bond interest payable	<u>1,446</u>	(72,890)
Governmental funds do not report capital assets and therefore do not report the contribution of capital assets.		1,119,771
Internal service funds are used by management to charge costs of certain activities, such as vehicle and property maintenance, to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental activities.		673,307
Change in internal service fund allocation to business-type activities.		<u>(78,426)</u>
Changes in net assets of governmental activities		<u>\$ (4,596,161)</u>

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

City of Ankeny, Iowa

Statement of Net Assets  
Proprietary Funds

	Business Type Activities - Enterprise Funds					Totals	Governmental Activities- Internal Service Funds
	Solid Waste	Water	Sewer	Storm Water	Otter Creek Golf Course		
<b>Assets</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$ 14,134	\$ 2,355,235	\$ 6,538,065	\$ -	\$ -	\$ 8,907,434	\$ 4,570,898
Investments	-	-	-	-	-	-	-
<b>Receivables:</b>							
Interest	-	21,582	8,302	-	-	29,884	-
Accounts	70,782	766,911	987,260	68,470	1,825	1,895,249	46,938
Intergovernmental	-	-	-	-	-	-	145,480
Prepaid expenses	-	-	-	-	-	-	74,353
Inventory	-	-	-	-	-	-	231,789
Due from other funds	-	3,986,814	10,111,049	-	4,650	14,102,513	656,349
Unamortized bond issuance costs	-	100,502	92,733	-	-	193,236	-
Total current assets	<u>84,916</u>	<u>7,231,044</u>	<u>17,737,410</u>	<u>68,470</u>	<u>6,475</u>	<u>25,128,315</u>	<u>5,725,807</u>
<b>Noncurrent assets:</b>							
Restricted cash and cash equivalents	-	1,181,192	1,475,133	-	-	2,656,326	-
Advances to other funds	-	-	-	-	-	-	1,230,190
<b>Capital assets:</b>							
Land	-	39,764	351,382	-	985,942	1,377,088	-
Construction-in-progress	-	6,129,170	5,603,620	-	3,392,632	15,125,422	-
Depreciable assets, net of accumulated depreciation	-	28,068,359	55,824,893	126,615	483,304	84,503,171	70,827
Total capital assets	-	<u>34,237,293</u>	<u>61,779,895</u>	<u>126,615</u>	<u>4,861,878</u>	<u>101,005,681</u>	<u>70,827</u>
Total noncurrent assets	-	<u>35,418,486</u>	<u>63,255,028</u>	<u>126,615</u>	<u>4,861,878</u>	<u>103,662,007</u>	<u>1,301,017</u>
Total assets	<u>\$ 84,916</u>	<u>\$ 42,649,529</u>	<u>\$ 80,992,438</u>	<u>\$ 195,085</u>	<u>\$ 4,868,353</u>	<u>\$ 128,790,322</u>	<u>\$ 7,026,824</u>
<b>Liabilities and Net Assets</b>							
<b>Liabilities:</b>							
<b>Current liabilities:</b>							
Accounts payable	\$ 46,713	\$ 169,538	\$ 52,383	\$ 140,614	\$ 978,158	\$ 1,387,405	\$ 56,576
Accrued wages	-	17,054	18,886	2,052	19,792	57,784	3,893
Due to other funds	-	-	-	328,492	33,946	362,438	256,726
Claims payable	-	-	-	-	-	-	145,484
Customer deposits	-	41,817	-	-	-	41,817	-
Unearned revenue	-	24,491	-	-	-	24,491	-
Bond and capital loan note interest payable	-	52,904	90,015	-	-	142,918	-
Bonds and capital loan notes payable, net of unamortized discount	-	732,058	1,305,029	-	-	2,037,086	-
Sewer development agreements payable	-	-	146,034	-	-	146,034	-
Early retirement benefit payable	-	-	-	-	-	-	54,317
Compensated absences payable	-	46,528	22,349	4,516	12,421	85,814	2,906
Total current liabilities	<u>46,713</u>	<u>1,084,389</u>	<u>1,634,695</u>	<u>475,674</u>	<u>1,044,317</u>	<u>4,285,788</u>	<u>519,902</u>
<b>Noncurrent liabilities:</b>							
Bonds and capital loan notes payable, net of unamortized discount	-	13,684,449	15,909,771	-	-	29,594,220	-
Sewer development agreements	-	-	78,266	-	-	78,266	-
Early retirement benefit payable	-	-	-	-	-	-	180,429
Other postemployment benefits	-	2,242	2,097	289	723	5,351	579
Compensated absences payable	-	35,009	38,029	9,604	10,109	92,751	-
Advances from other funds	-	-	-	74,405	26,238	100,643	-
Total noncurrent liabilities	-	<u>13,721,700</u>	<u>16,028,164</u>	<u>84,298</u>	<u>37,070</u>	<u>29,871,231</u>	<u>181,008</u>
Total liabilities	<u>\$ 46,713</u>	<u>\$ 14,806,089</u>	<u>\$ 17,662,859</u>	<u>\$ 559,972</u>	<u>\$ 1,081,386</u>	<u>\$ 34,157,019</u>	<u>\$ 700,910</u>
<b>Net Assets:</b>							
Investment in capital assets, net of related debt	\$ -	\$ 23,560,154	\$ 54,377,120	\$ 23,718	\$ 4,801,694	\$ 82,762,686	\$ 70,826
<b>Restricted for:</b>							
Debt service	-	1,139,376	1,475,133	-	-	2,614,509	-
Unrestricted	38,203	3,143,910	7,477,326	(388,605)	(1,014,728)	9,256,107	6,255,088
Total net assets	<u>38,203</u>	<u>27,843,440</u>	<u>63,329,580</u>	<u>(364,886)</u>	<u>3,786,966</u>	<u>94,633,303</u>	<u>6,325,914</u>
Total liabilities and net assets	<u>\$ 84,916</u>	<u>\$ 42,649,529</u>	<u>\$ 80,992,438</u>	<u>\$ 195,085</u>	<u>\$ 4,868,353</u>	<u>\$ 128,790,322</u>	<u>\$ 7,026,824</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.						184,657	
Net assets of business-type activities						<u>\$ 94,817,960</u>	

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

City of Ankeny, Iowa

Statement of Revenues, Expenses, and Changes in Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2009

	Business Type Activities - Enterprise Funds					Totals	Governmental Activities- Internal Service Funds
	Solid Waste	Water	Sewer	Storm Water	Otter Creek Golf Course		
Operating revenues:							
Charges for services	\$ 517,177	\$ 5,411,574	\$ 6,986,331	\$ 72,321	\$ 216,960	\$13,204,363	\$ 3,448,376
Other	81,926	51,624	-	-	47,680	181,230	462,395
Total operating revenues	599,103	5,463,198	6,986,331	72,321	264,639	13,385,592	3,910,771
Operating expenses:							
Personal services	32,041	1,040,456	1,019,315	143,604	491,487	2,726,902	523,012
Contractual services	541,251	1,495,016	2,866,736	33,450	171,515	5,107,968	2,444,310
Operating supplies	-	2,056,474	226,959	46,510	143,218	2,473,162	341,841
Depreciation	-	787,970	1,491,717	23,021	46,358	2,349,066	14,097
Total operating expenses	573,292	5,379,916	5,604,727	246,585	852,578	12,657,098	3,323,260
Operating income (loss)	25,811	83,282	1,381,604	(174,264)	(587,939)	728,495	587,511
Nonoperating revenues (expenses):							
Interest earnings	-	45,425	27,401	-	-	72,826	94,490
Interest expense	-	(541,604)	(431,661)	(3,093)	(206)	(976,564)	0
Early retirement benefit expense	-	-	-	-	-	-	(234,746)
Total nonoperating revenues (expenses)	-	(496,179)	(404,261)	(3,093)	(206)	(903,739)	(140,256)
Net income (loss) before contributions and transfers	25,811	(412,898)	977,344	(177,356)	(588,145)	(175,244)	447,255
Capital contributions	-	637,607	3,570,466	-	2,018,480	6,226,553	-
Transfers in	-	469,636	293,705	-	-	763,341	-
Transfers out	-	(200,000)	(280,000)	-	-	(480,000)	-
Change in net assets	25,811	494,345	4,561,515	(177,356)	1,430,335	6,334,650	447,255
Total net assets, beginning	12,392	27,349,095	58,768,065	(187,530)	2,356,631		5,878,659
Total net assets, ending	<u>\$ 38,203</u>	<u>\$ 27,843,440</u>	<u>\$ 63,329,580</u>	<u>\$ (364,886)</u>	<u>\$ 3,786,966</u>		<u>\$ 6,325,914</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.						78,426	
Change in net assets of business-type activities						<u>\$ 6,413,076</u>	

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

**City of Ankeny, Iowa**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2009**

	Business Type Activities - Enterprise Funds					Totals	Governmental Activities- Internal Service Funds
	Solid Waste	Water	Sewer	Storm Water	Otter Creek Golf Course		
Cash flows from operating activities:							
Receipts from customers	\$ 549,541	\$ 5,354,331	\$ 6,639,483	\$ 3,851	\$ 263,484	\$ 12,810,690	\$ 3,723,920
Payments to suppliers	(550,458)	(3,788,806)	(3,112,139)	(71,645)	(311,766)	(7,834,813)	(3,257,703)
Payments to employees	(32,041)	(1,019,527)	(1,014,643)	(129,748)	(476,572)	(2,672,531)	(230,674)
Net cash provided (used) by operating activities	(32,957)	545,998	2,512,702	(197,542)	(524,854)	2,303,346	235,543
Cash flows from noncapital financing activities:							
Payments received on interfund accounts	-	6,354,405	3,211,199	-	-	9,565,604	654,914
Payments made on interfund accounts	-	-	-	(123,789)	479,763	355,974	-
Loans issued to other funds	-	(5,199,804)	(11,293,530)	-	-	(16,493,334)	(470,020)
Loans received from other funds	-	-	-	300,000	-	300,000	-
Transfers from other funds	-	469,636	293,705	-	-	763,341	-
Transfers to other funds	-	(200,000)	(280,000)	-	-	(480,000)	-
Net cash provided (used) by noncapital financing activities	-	1,424,237	(8,068,626)	176,211	479,763	(5,988,415)	184,894
Cash flows from capital and related financing activities:							
Proceeds from long-term debt, net of bond issue costs	-	5,049,804	11,143,530	-	-	16,193,334	-
Purchase of capital assets	-	(6,314,061)	(2,806,177)	-	-	(9,120,238)	(21,313)
Principal paid on sewer development agreements	-	-	(152,332)	-	-	(152,332)	-
Interest paid on sewer development agreements	-	-	(13,080)	-	-	(13,080)	-
Principal paid on long-term debt	-	(648,251)	(988,328)	-	-	(1,636,579)	-
Interest paid on long-term debt	-	(512,483)	(360,774)	-	-	(873,257)	-
Net cash (used) by capital and related financing activities	-	(2,424,991)	6,822,838	-	-	4,397,847	(21,313)
Cash flows from investing activities:							
Proceeds from investment maturity	-	1,500,000	1,500,000	-	-	3,000,000	-
Purchase of investments	-	-	-	-	-	0	300,000
Interest received	-	40,360	30,287	-	-	70,647	100,604
Net cash provided (used) by investing activities	-	1,540,360	1,530,287	-	-	3,070,647	400,604
Net increase (decrease) in cash and cash equivalents	(32,957)	1,085,605	2,797,201	(21,331)	(45,091)	3,783,426	799,728
Balances, beginning of year	47,092	2,450,823	5,215,998	21,331	45,091	7,780,335	3,771,170
Balances, end of year	<u>\$ 14,135</u>	<u>\$ 3,536,428</u>	<u>\$ 8,013,199</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,563,761</u>	<u>\$ 4,570,898</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 25,811	\$ 83,282	\$ 1,381,604	\$ (174,264)	\$ (587,939)	\$ 728,495	\$ 587,511
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	-	787,970	1,491,717	23,021	46,358	2,349,066	14,097
Changes in assets and liabilities:							
Receivables, net	(49,562)	(107,749)	(346,848)	(68,470)	(1,156)	(573,785)	(186,852)
Prepaid expenses	-	-	-	-	-	-	2,940
Inventory	-	-	-	-	-	-	(171,359)
Accounts and other payables	(9,207)	(216,386)	(13,772)	22,171	17,882	(199,311)	(10,143)
Claims payable	-	-	-	-	-	-	(651)
Customer deposits	-	(1,119)	-	-	-	(1,119)	-
Deferred revenue	-	-	-	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ (32,957)</u>	<u>\$ 545,998</u>	<u>\$ 2,512,702</u>	<u>\$ (197,542)</u>	<u>\$ (524,854)</u>	<u>\$ 2,303,346</u>	<u>\$ 235,543</u>
Noncash capital and related financing activities:							
Contribution of capital assets	<u>\$ -</u>	<u>\$ 637,607</u>	<u>\$ 3,570,466</u>	<u>\$ -</u>	<u>\$ 998,670</u>	<u>\$ 5,206,743</u>	<u>\$ -</u>
Noncash investing activities:							
Net change in unrealized gain (loss) on investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

City of Ankeny, Iowa

Statement of Assets and Liabilities  
Agency Funds  
June 30, 2009

Assets:	
Cash and cash equivalents	\$ 94,509
Receivables, interest	<u>114</u>
Total Assets	<u>\$ 94,623</u>
Liabilities:	
Monies held for other agencies	<u>\$ 94,623</u>

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

**CITY OF ANKENY, IOWA**  
Notes to the Financial Statements  
June 30, 2009

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

The City operates under the Mayor-Council-Manager form of government. The City has five council members that are elected at-large and an elected mayor. The mayor presides over the council but is a non-voting member with executive powers. The City retains a city manager to administer the City's business from day-to-day and to implement council policy.

The City of Ankeny has quickly grown to an organization with over 450 employees and offers a wide variety of services including water and sewer services, police and fire protection, library services, street maintenance, a public golf course, parks and recreation facilities and activities, planning and zoning, and general administration.

As required by accounting principles generally accepted in the United States of America, these financial statements are to include the primary government and its component units - organizations for which the primary government is financially accountable or for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City of Ankeny, Iowa, is a municipal corporation governed by the Council, which is elected by the public and has the exclusive responsibility and accountability for the decisions it makes. The City has the statutory authority to adopt its own budget, to levy taxes, and to issue bonded debt without the approval of another government. It has the right to sue and be sued; and has the right to buy, sell, lease, or mortgage property in its own name. Based on these criteria, the City is considered a primary government.

**Component Units**

There are several organizations that meet the conditions to be classified as a component unit of the City. Component units can be reported in two different ways – blended or discretely presented. Blended component units are integrated into the City's financial statements and are presented as funds of the City. Discretely presented component units are presented separately and appear in the financial statements as a separate entity. There are three entities that qualify as component units of the City. They are the Ankeny Sports Complex Foundation, Keep Ankeny Beautiful, and the Ankeny Arts Council.

The Ankeny Sports Complex Foundation (ASCF) was created for the purpose of raising funds to assist in the construction of the Prairie Ridge Youth Sports Complex, which is a facility operated and maintained by the City. All board members are appointed by the Mayor. The ASCF is a blended component unit, because it exclusively provides services and benefits to the City and is presented as a special revenue fund. The Ankeny Sports Complex Foundation has a June 30 year-end.

The Keep Ankeny Beautiful committee was formed in order to implement projects intended to enhance the physical appearance of the City. The committee is funded through contributions from private and public enterprises. All board members are appointed by the Mayor. Keep Ankeny Beautiful is a blended component unit because it almost exclusively provides services and benefits to the City and is presented as a special revenue fund. Keep Ankeny Beautiful has a June 30 year-end.

The Ankeny Arts Council was established for the purpose of the promotion of performing and fine arts within the City. All board members are appointed by the Mayor. The Ankeny Arts Council's fiscal year end is December 31. The Ankeny Arts Council is a discretely presented component unit because the relationship between the City and the Ankeny Arts Council is such that without the Ankeny Arts Council's financial presentation, the City's financial statements would be incomplete. However, the relationship between the City and the Ankeny Arts Council does not meet the criteria for blending their financial data. The financial data presented for the Ankeny Arts Council is from the last fiscal year-end, which was December 31, 2008.

Separate financial statements for the component units can be obtained from the City of Ankeny, Office of Finance and Budget, 410 West First Street, Ankeny, Iowa 50023.

## **B. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The City has the following fund types:

**Governmental funds** are used to account for the City's general government activities. Governmental fund types use the flow of current financial resources

measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means that the amount of the transaction can be determined and “available” means collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year-end.

Property taxes, service charges, special assessments, intergovernmental revenue, and interest revenue are susceptible to accrual. Licenses and permits, fines and forfeitures, and other miscellaneous receipts become measurable and available when cash is received by the City and are recognized as revenue at that time.

Intergovernmental revenues are recognized at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure driven grants, however, are recognized as revenue when the qualifying expenditures have been incurred, all other grant requirements have been met and the amounts are available.

Expenditures are recorded when the related fund liability is incurred, except for certain long-term obligations, including debt service principal and interest, compensated absences and claims and judgments. Expenditures related to such liabilities are only recognized under modified accrual accounting when they mature (when due).

Governmental funds include the following fund types:

The *General Fund* is the City’s primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *Special Revenue Funds* account for revenue sources that are legally restricted to expenditure for specific purposes (not including revenues restricted for general fund activities, debt service expenditures or capital projects) and are not fiduciary.

The *Debt Service Fund* accounts for the servicing of general long-term debt not being financed by proprietary funds.

The *Capital Project Funds* account for acquisition of capital assets or construction of major capital projects not being financed by proprietary or fiduciary funds.

**Proprietary funds** are accounted for using the flow of economic resources measurement focus and the full accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized

at the time the liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues from the City's proprietary funds are charges to customers for sales, rentals and services. Operating expenses for the proprietary funds include cost of personal services, contractual services, operating supplies, self-insurance claims and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Proprietary funds include the following fund types:

The *Enterprise Funds* are used to account for those operations that are financed and operated in a manner similar to private business or where the City Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The City applies all applicable Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, to the enterprise funds unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements.

The *Internal Service Funds* account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

**Fiduciary funds** account for assets held by the City in a trustee or agency capacity for the benefit of others. Fiduciary funds account for assets held by the City under the terms of a trust agreement and which cannot be used to support City activities. The City uses agency funds to report monies being held for the organizations of the Ankeny Arts Council and the Ankeny Foundation. *Agency funds* do not record revenues and expenses, but instead report assets held for others and the related liability.

The financial statements presented by the City are organized in the following manner:

The basic financial statements include the government-wide financial statements (based on the City as a whole) and the fund financial statements. The government-wide statements present consolidated information from both the governmental and business-type activities using the economic resources measurement focus and the accrual basis of accounting. The government-wide statements are the Statement of Net Assets and the Statement of Activities.

The Statement of Activities presents, for each City activity, the extent to which direct expenses are being supported by program revenues or by general revenues. Direct expenses are those that are clearly identifiable with the

specific activity (including depreciation). Program revenues are charges, grants, contributions, or other revenues that are either restricted for use or are directly associated with the particular activity. General revenues include interest, taxes, and other revenues used to support City operations that are not directly associated with a particular activity.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. When one City activity charges another City activity for a direct expense, the direct expense of the activity is not eliminated from that activity's expenses; however, the corresponding revenue and expense of the activity receiving the reimbursement is eliminated. The City does not employ an indirect cost allocation system.

Governmental activities in the government-wide statements include the operations from the governmental funds: general fund, special revenue funds, debt service fund and capital projects funds adjusted from the modified accrual to the full accrual basis of accounting. Governmental activities also include the activities from the internal service funds, because their operations are governmental in nature. Business-type activities in the government-wide statements are comprised of the enterprise funds. Agency funds are not reported in the government-wide statements, because these funds cannot be used to support City activities.

The fund financial statements present the City's activities at the fund level rather than on a city-wide basis. The fund financial statements report the governmental funds using the modified accrual basis of accounting and the proprietary funds using the full accrual basis of accounting. Fund financial statements would also include statements for the fiduciary funds, which are reported on a full accrual basis of accounting. The fund financial statements for both the governmental and the proprietary funds report the major funds individually and the nonmajor funds combined.

GASB Statement No. 34 sets forth the minimum criteria for the determination of major funds. If a fund's assets, liabilities, revenues or expenditures/expenses are at least ten percent of those of its fund type and at least five percent of those of both governmental fund types and enterprise funds, then it must be a major fund. The City also elects to report certain funds as major funds that did not meet the percentage test, but are of a special interest to the City Council and the community.

The City has the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *Debt Service Fund* accounts for the servicing of general long-term debt not being financed by proprietary funds.

The *Road Use Tax Fund*, a special revenue fund, accounts for state road use taxes allocated to the City to be used to maintain and improve the City's street system.

The *Tax Increment Financing Fund*, a special revenue fund, accounts for taxes collected on the incremental increase in the value of property located within the tax increment financing districts and to be used for activities within those districts.

The *Civic Fund*, a special revenue fund, accounts for contributions made by the master developer of Prairie Trail to be used for civic improvements.

The *Capital Projects Fund* accounts for acquisition of capital assets or construction of major capital projects not being financed by proprietary or fiduciary funds.

The City has the following major enterprise funds:

The *Solid Waste Fund* accounts for the collection of recycling fees and the cost of recycling services.

The *Water Fund* accounts for the operation and maintenance of the municipal water infrastructure including towers, pumps, wells and pipes, and accounts for the provision of water to the City.

The *Sewer Fund* accounts for the operations of a municipally owned wastewater treatment plant and its related sewer infrastructure.

The *Storm Water Fund* accounts for the collection of storm water fees and the cost of storm water management and disposal.

The *Otter Creek Golf Course Fund* accounts for the operation of the municipally owned golf course.

The non-major funds are shown combined in the fund financial statements but are presented individually in the supplementary information following the notes to the financial statements.

The internal service funds are shown combined at the far right of the proprietary fund financial statements. The individual internal service funds are presented in the supplementary information. The City has the following internal service funds:

The *Central Garage Fund* accounts for the operations of a central vehicle maintenance garage. All costs incurred for vehicle maintenance operations are charged to departments on a cost reimbursement basis.

The *Risk Management Fund* accounts for the purchase of insurance and related activities. All costs incurred for such activities are charged to funds based upon property value and employee wages and are allocated on a cost reimbursement basis.

The *Equipment Reserve Fund* accounts for a revolving loan fund that provides low interest loans to departments to purchase equipment. The loans are designed on a cost reimbursement basis.

The *Economic Development Revolving Fund* accounts for a revolving loan fund that provides loans to pay for small improvement proposals such as street construction, streetlights, traffic signals and tax incentives to small businesses. The loans will be repaid with tax increment financing revenues.

The *Health Insurance Fund* accounts for insurance claims against the City and the administration of the self-insured plan. All paid claims and administration costs are charged to departments as premiums based on employee coverage. Premiums are designed on a cost reimbursement basis.

The modified accrual basis of accounting as employed by the governmental funds and the full accrual basis of accounting as employed by the proprietary and fiduciary funds have numerous timing and treatment differences. Differences that include the recording of long-term liabilities, the recording of capital asset purchases and disposals and the timing of recognized revenues. Reconciliations are provided for governmental funds to reconcile fund balance to net assets and to reconcile the changes in fund balance to the changes in net assets.

### **C. Assets, Liabilities and Fund Equity**

#### *Cash, Cash Equivalents and Investments*

The City maintains a cash pool in order to maximize interest returns. Accounting records are maintained to show the portion of the pooled account attributable to each participating fund. Fund cash deficits are treated as interfund loans.

The City considers petty cash, bank deposits, certificates of deposit and investments in open-end mutual funds to be cash or cash equivalents. Short-term investments with original maturities of three months or less are also considered cash equivalents.

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 by City Council; Iowa Public Agency Investment Trust (IPAIT); prime eligible bankers acceptances; certain highly rated commercial paper or other short-term corporate debt; perfected repurchase agreements;

certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Investments for the City are reported at their fair value based on market prices as of June 30. The fair value of the position in Securities Exchange Commission (SEC) registered mutual funds and in State of Iowa regulated Iowa Public Agency Investment Trust is the same as the value of the pool shares.

Investment income includes interest income and the net increase (decrease) in the fair value of investments that includes realized and unrealized gains and losses on investments.

#### *Property Taxes Receivable*

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. No property tax levy date is established by the State of Iowa; however, the current tax levy which is due and collectable during the year ending June 30, 2009, was certified on March 15, 2008, by the local taxing authority, Polk County, Iowa, based on January 1, 2007, valuations establishing a lien date of March 15, 2008. Property taxes are due in two installments with the first half becoming delinquent after September 30 and the second half after March 31 of the following year. Property taxes are recognized as revenue at year-end if they are measurable and are available to pay current liabilities.

Property taxes certified on March 15, 2009, for the fiscal year beginning on July 1, 2009, are recognized as a receivable as of June 30, 2009, but are shown as deferred revenue because these taxes are not permitted for use until July 1, 2009.

#### *Inventory and Prepaid Items*

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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.

#### *Interfund Balances*

Transactions between funds that are representative of long-term lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds" to indicate the non-current nature of the interfund loans. All other outstanding balances between funds

are expected to be repaid within one year and reported as “due to/from other funds.”

Advances between funds are offset by a fund balance reserve account in the applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Interfund balances are eliminated at the government-wide level. Those that are between governmental and business-type activities are shown as internal balances and eliminated from the totals column. Those that are between funds that are within the same activity are eliminated altogether.

### *Restricted Assets*

Certain proceeds of the City’s water and sewer fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets. These assets are restricted due to revenue bond covenants requiring that monies be set aside and used solely for the protection and repayment of the revenue bond holders.

The City also has restricted assets relating to customer deposits.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first and then unrestricted resources as they are needed.

### *Capital Assets*

Capital assets used in governmental and business-type activities of the City are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized.

All assets capitalized by the City must have a useful life of two years or more and have a cost that exceeds the following minimum thresholds:

<b><u>Assets</u></b>	<b><u>Threshold</u></b>
Infrastructure	\$ 50,000
Other improvements	25,000
Buildings	25,000
Machinery and equipment	5,000
Furniture and fixtures	5,000
Land	0

Depreciable capital assets are depreciated using the straight-line method of depreciation with half-year convention over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	30-60
Other improvements	10-40
Buildings	30
Machinery and equipment	3-10
Furniture and fixtures	10-20

Capital assets are reported at the fund level for proprietary funds but not for governmental funds.

The City's collection of works of art, library books, and similar assets are not capitalized. These collections are unencumbered, held for 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.

#### *Compensated Absences*

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is payable to employees upon termination or retirement while sick pay is payable only upon termination to employees of the American Federation of State, County and Municipal Employees and Ankeny Police Department Employees Union. A liability has been recorded for all earned but unused vacation benefits, and for those earned but unused sick leave benefits that vest in the governmental and business-type activities at the government-wide level.

Accrued vacation and sick leave benefits are reported as a liability in the proprietary funds using the same basis as the activities at the government-wide level. In governmental funds, however, these accrued benefits are not considered due and are not reported as a fund liability.

Compensated absences attributable to governmental activities are generally liquidated by the general fund and the road use tax fund.

#### *Long-term Obligations*

In the government-wide financial statements the City reports long-term debt of governmental and business-type activities at face value net of the applicable premiums or discounts. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using a method that approximates the effective interest method. Issuance costs are treated as deferred charges and are reported as unamortized bond issuance costs. The

same treatment is applied to proprietary fund types in the fund financial statements.

For governmental funds, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face value of bonds issued is reported as an other financing source as is the applicable premium or discount. Issuance costs are reported as an expenditure. Long-term debt and associated accrued interest are reported in governmental funds at maturity.

#### *Fund Equity*

Reservations of fund balance represent amounts that are not appropriable or are legally separated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

#### *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. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net assets consist of \$1,317,881 restricted by donors, \$354,817 restricted by other governments, \$416,696 restricted through enabling legislation and \$4,623,826 restricted for debt service.

#### *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 these estimates.

## **NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

As of June 30, 2009, the City had investments in debt securities with the following original maturities:

Investment Type	Original Maturity			Totals
	Within 6 Months	6 Months to 1 Year	1 Year to 3 Years	
Open-end mutual funds	\$ 7,442,198	\$ -	\$ -	\$ 7,442,198
IPAIT mutual funds	2,093,618	-	-	2,093,618
Corporate bonds	-	-	104,727	104,727
	<u>\$ 9,535,816</u>	<u>\$ -</u>	<u>\$ 104,727</u>	<u>\$ 9,640,543</u>

The City held certificates of deposit totaling \$14,585,000 at June 30, 2009. Of this total, \$13,585,000 had original maturities of 6 months to 1 year and \$1,000,000 had original maturities of 1 year to 3 years.

*Risk Exposure*

The City manages its exposure to *interest rate risk* through its investment policy by limiting the maturities of investments of operating funds to 397 days and the investment of commercial paper and short-term corporate debt to 270 days. Reserve funds may be invested for greater than 397 days.

The City manages its exposure to *concentration risk* by limiting its purchase of commercial paper and other short-term corporate debt to no more than 10% of its investment portfolio and to no more than 5% in the securities of a single issuer.

The City manages its exposure to *credit risk* by limiting its purchase of commercial paper and other short-term corporate debt to securities rated in the two highest classifications as established by one of the standard rating services approved by the State of Iowa Superintendent of Banking. Ratings are evaluated at time of purchase. The corporate bond of \$104,727 held by the City was rated A2 by Moody's Investors Service.

The City had \$2,093,618 invested in the IPAIT Diversified Fund, which is an SEC registered mutual fund pursuant to Rule 2-a7 as well as Chapter 12B of the Code of Iowa. The City had investments in other open-end mutual funds that totaled \$7,442,198 at year-end that were either rated in the highest category by a credit rating agency or were insured by the U.S. Treasury's Temporary Program for Money Market Funds.

*Custodial credit risk*, in the case of deposits, is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2009, the carrying amount of the City's cash deposits, which include certificates of deposit, totaled \$47,939,206 with bank balances of \$48,875,508. The bank balances are covered entirely by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the

Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

As of December 31, 2008, the carrying amount of the Arts Council's (a discretely presented component unit) cash deposits totaled \$21,392 with bank balances of \$22,742. The bank balances are covered entirely by federal depository insurance.

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2009, is as follows:

	<u>June 30, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2009</u>
<b>Governmental activities:</b>				
Undepreciated:				
Land	\$ 5,935,152	\$ 1,335,254	\$ 0	\$ 7,270,406
Construction in progress	29,317,662	19,313,651	558,879	48,072,435
Total, undepreciated	<u>35,252,814</u>	<u>20,648,905</u>	<u>558,879</u>	<u>55,342,841</u>
Depreciated:				
Other improvements	11,165,107	1,655,396	0	12,820,503
Infrastructure	95,942,412	1,590,858	0	97,533,270
Buildings	16,477,856	540,294	0	17,018,150
Machinery and equipment	11,036,468	1,397,082	400,250	12,033,300
Furniture and fixtures	1,219,949	225,182	0	1,445,131
Total, depreciated	<u>135,841,792</u>	<u>5,408,812</u>	<u>400,250</u>	<u>140,850,354</u>
Accumulated depreciation:				
Other improvements	3,776,312	717,517	0	4,493,829
Infrastructure	17,293,833	2,093,958	0	19,387,791
Buildings	5,650,590	558,565	0	6,209,155
Machinery and equipment	6,763,744	977,075	396,150	7,344,669
Furniture and fixtures	1,217,534	13,675	0	1,231,209
Total accumulated depreciation	<u>34,702,013</u>	<u>4,360,790</u>	<u>396,150</u>	<u>38,666,653</u>
Governmental activities capital assets, net	<u>\$ 136,392,593</u>	<u>\$ 21,696,927</u>	<u>\$ 562,979</u>	<u>\$ 157,526,542</u>

City of Ankeny, Iowa  
Notes to Financial Statements  
June 30, 2009

	Balance June 30, 2008	Increases	Decreases	Balance June 30, 2009
<b>Business-type activities:</b>				
Undepreciated:				
Land	\$ 1,215,894	\$ 161,194	\$ 0	\$ 1,377,088
Construction in progress	7,523,269	9,562,057	1,959,905	15,125,422
Total, undepreciated	<u>8,739,163</u>	<u>9,723,251</u>	<u>1,959,905</u>	<u>16,502,510</u>
Depreciated:				
Other improvements	649,692	0	118,320	531,372
Infrastructure	103,766,724	6,435,368	0	110,202,092
Buildings	1,568,965	14,529	671,568	911,926
Machinery and equipment	1,822,329	383,072	13,240	2,192,161
Furniture and fixtures	36,016	34,156	36,016	34,156
Total, depreciated	<u>107,843,726</u>	<u>6,867,125</u>	<u>839,144</u>	<u>113,871,707</u>
Accumulated depreciation:				
Other improvements	365,150	24,896	91,704	298,342
Infrastructure	25,152,883	2,146,612	0	27,299,494
Buildings	833,488	18,129	389,180	462,437
Machinery and equipment	1,156,116	157,721	7,282	1,306,555
Furniture and fixtures	36,016	1,708	36,016	1,708
Total accumulated depreciation	<u>27,543,653</u>	<u>2,349,066</u>	<u>524,182</u>	<u>29,368,536</u>
Business-type activities capital assets, net	<u>\$ 89,039,236</u>	<u>\$ 14,241,310</u>	<u>\$ 2,274,867</u>	<u>\$ 101,005,681</u>

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

Governmental activities:	
Public safety	\$ 568,294
Health and social services	4,284
Culture and recreation	929,505
Public works	2,641,462
Community and economic development	0
General government	<u>217,245</u>
Total depreciation expense - governmental activities	<u>\$ 4,360,790</u>
Business-type activities:	
Water	\$ 787,970
Sewer	1,491,717
Storm water	23,021
Otter Creek golf course	<u>46,358</u>
Total depreciation expense - business-type activities	<u>\$ 2,349,066</u>

**NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Due To/From Other Funds:	Receivable Fund	Payable Fund	Amount
General Fund		Nonmajor, internal service	\$ 239,210
Special revenue, road use tax		Nonmajor, internal service	12,866
Enterprise, Otter Creek golf course		Nonmajor, internal service	4,650
Water		Debt service	139,911
		Capital projects	3,696,903
		Enterprise, storm water	150,000
Sewer		Capital projects	9,961,049
		Enterprise, storm water	150,000
Nonmajor, internal service		General fund	339,915

City of Ankeny, Iowa  
Notes to Financial Statements  
June 30, 2009

Special revenue, road use tax	253,996
Enterprise, storm water	28,492
Enterprise, Otter Creek golf course	<u>33,946</u>
	<u>\$15,010,938</u>

Advances To/From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor, internal service	General fund	\$ 606,406
	Special revenue, road use tax	523,141
	Enterprise, storm water	74,405
	Enterprise, Otter Creek golf course	<u>26,238</u>
		<u>\$ 1,230,190</u>

Interfund balances result from financing activities for the acquisition of capital equipment and improvements. The internal service fund, equipment reserve fund, loans money to other funds for the acquisition of capital equipment; the resulting loan is reported as an interfund receivable/payable. The capital projects fund accounts for the capital construction and related financing for many water and sewer projects, which are funded through debt financing. The timing differences between the debt issuance and the capital construction create an interfund balance between the capital projects fund and the enterprise fund involved.

Interfund transfers for the year ended June 30, 2009 were as follows:

	Transfers In					Nonmajor	Total
	General	Debt Service	Capital Projects	Water	Sewer		
<b>Transfers Out:</b>							
General	-	-	-	-	-	1,087,455	1,087,455
Tax Increment Financing	-	3,772,173	-	-	-	-	3,772,173
Capital Projects	-	-	25,000	389,636	293,705	25,000	733,341
Civic	-	-	4,850,000	-	-	46,504	4,896,504
Water	200,000	-	-	-	-	-	200,000
Sewer	200,000	-	-	80,000	-	-	280,000
Nonmajor:							
Special Revenue	<u>176,680</u>	-	40,000	-	-	5,000	<u>221,680</u>
	<u>576,680</u>	<u>3,772,173</u>	<u>4,915,000</u>	<u>469,636</u>	<u>293,705</u>	<u>1,163,959</u>	<u>11,191,153</u>

Transfers are used to move resources from the fund that will be providing the resources to the fund in which certain expenditures/expenses are being accounted for. Transfers are generally used to fund the cost of administration, debt service, or capital projects.

**NOTE 6 - DEFERRED REVENUE**

Under both the accrual and the modified accrual methods of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset with a corresponding liability for deferred (unearned)

revenue. The following funds had deferred (unearned) revenue at June 30, 2009:

General	Succeeding year taxes	\$ 13,135,814
Debt Service	Succeeding year taxes	6,853,418
Special Revenue:		
Tax Increment Financing	Succeeding year taxes	4,814,070
	DART lease agreement	252,800
Police/Fire Pension	Succeeding year taxes	714,271
Water	Unearned charges	<u>24,491</u>
		<u>\$25,794,864</u>

Governmental funds also record deferred (unavailable) revenue for revenues that have been earned but are not available to liquidate current liabilities. The following funds had deferred (unavailable) revenues at June 30, 2009:

General	Delinquent taxes	\$ 21,054
	Accounts receivable	325,517
	Intergovernmental receivable	1,283
Debt Service	Delinquent taxes	9,671
Special Revenue:		
Economic Development	Accounts receivable	200,000
Police/Fire Pension	Delinquent taxes	10,515
Civic Trust	Accounts receivable	1,039,377
Capital Projects:		
Capital Projects	Accounts receivable	3,236
Special Assessments	Special assessments	<u>809,171</u>
		<u>\$ 2,419,824</u>

#### NOTE 7 - LONG-TERM DEBT

*General Obligation Bonds.* The City issues general obligation bonds to provide funds for the acquisition and construction of infrastructure, major capital facilities, and other major capital assets. General obligation bonds have been issued for both general government and proprietary activities. These bonds are reported in proprietary funds if they are expected to be repaid from proprietary fund revenues. General obligation bonds as of June 30, 2009 consist of the following individual issues:

City of Ankeny, Iowa  
Notes to Financial Statements  
June 30, 2009

<u>Debt</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Amount Issued</u>	<u>Interest Rate Range Outstanding</u>	<u>Balance June 30, 2009</u>
Various public improvements	05/15/02	06/01/13	3,885,000	4.000 - 4.250	1,755,000
Various public improvements	05/06/02	06/01/13	2,540,000	3.875 - 4.200	1,150,000
Various public improvements	05/01/03	06/01/14	9,000,000	3.150 - 3.700	4,825,000
Various public improvements	05/27/05	06/01/18	14,790,000	3.600 - 4.050	11,725,000
Various public improvements	05/30/06	06/01/17	5,695,000	4.125 - 4.250	4,740,000
Various public improvements	05/30/07	06/01/18	13,040,000	4.000	11,960,000
Various public improvements	05/15/08	06/01/19	11,985,000	3.250 - 4.000	11,985,000
Public safety facilities	05/15/08	06/01/28	22,425,000	3.000 - 4.625	22,425,000
Various public improvements	05/15/08	06/01/10	5,700,000	3.250	5,700,000
Landfill remediation	04/08/09	06/01/28	3,000,000	3.000	3,000,000
Various public improvements	05/15/09	06/01/28	32,010,000	3.000 - 4.375	32,010,000
Refunding	05/15/09	06/01/12	2,220,000	3.000 - 5.000	2,220,000
Various public improvements	05/15/09	06/01/11	13,200,000	3.000	13,200,000
			<u>\$ 139,490,000</u>		<u>\$ 126,695,000</u>

Future debt service requirements for outstanding general obligation bonded indebtedness are as follows:

<u>Year Ending June 30</u>	<u>General Obligation Principal</u>	<u>General Obligation Interest</u>	<u>Total</u>
2010	12,184,000	4,857,215	17,041,215
2011	22,468,000	4,383,856	26,851,856
2012	8,992,000	3,661,127	12,653,127
2013	9,051,000	3,338,841	12,389,841
2014	8,689,000	2,991,008	11,680,008
2015-2019	40,026,000	9,978,174	50,004,174
2020-2024	14,547,000	4,228,935	18,775,935
2025-2028	10,738,000	1,237,290	11,975,290
	<u>\$ 126,695,000</u>	<u>\$ 34,676,446</u>	<u>\$ 161,371,446</u>

Accumulated fund balances in the Debt Service fund are legally restricted for the repayment of debt service. The fund balance at June 30 in the Debt Service fund is \$2,009,317.

*Sewer revenue bonds/capital loan notes.* The City issues capital loan notes to provide for the construction of sewer system infrastructure. These notes are reported in the sewer fund in the enterprise funds. Sewer revenue bonds and capital loan notes as of June 30, 2009 consist of the following issues:

<u>Debt</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Amount Issued</u>	<u>Interest Rate Range Outstanding</u>	<u>Balance June 30, 2009</u>
Various sewer improvements	12/13/91	05/01/12	\$ 925,000	3.00	\$ 198,000
Various sewer improvements	05/02/94	05/01/15	1,785,000	3.00	703,000
Various sewer improvements	04/07/97	05/01/17	4,344,000	3.00	1,744,000
Various sewer improvements	12/15/08	05/01/28	6,130,000	4.000 - 6.375	6,130,000
			<u>\$ 13,184,000</u>		<u>\$ 8,775,000</u>

Future debt service requirements for the outstanding sewer capital loan notes and revenue bonds are as follows:

Year ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	868,000	396,400	1,264,400
2011	886,000	368,360	1,254,360
2012	747,000	339,680	1,086,680
2013	594,000	315,070	909,070
2014	410,000	295,000	705,000
2015-2019	1,600,000	1,263,873	2,863,873
2020-2024	1,800,000	877,905	2,677,905
2025-2028	1,870,000	300,152	2,170,152
	<u>\$ 8,775,000</u>	<u>\$ 4,156,440</u>	<u>\$ 12,931,440</u>

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$13,184,000 in sewer revenue bonds and capital loan notes. Proceeds from the bonds and notes provided financing for various sewer improvement projects. The bonds and notes are payable solely from sewer customer net revenues and are payable through 2028. Annual principal and interest payments on the bonds and notes are expected to require less than 90 percent of net revenues. The total principal and interest remaining to be paid on the bonds and notes is \$12,931,440. Principal and interest paid for the current year and total customer net revenues were \$1,349,102 and \$2,873,321, respectively.

The following provisions are included in the sewer revenue bond and capital loan note agreements:

Cash from the Sewer Fund shall be transferred monthly into the Sewer Sinking Fund to pay the interest on, and to redeem the principal amount of, the bonds at maturity. The monthly transfers must be equal to one-sixth of the interest due on the next payment date plus one-twelfth of the principal maturing on the next retirement date.

Cash from the Sewer Fund shall be transferred into the Sewer Reserve Fund to maintain a balance which is equal to the lesser of 1) the maximum amount of principal and interest coming due on the notes in any succeeding fiscal year, 2) 10% of the stated principal amount of the notes and any parity obligations outstanding, or 3) 125% of the average amount of principal and interest coming due on the notes and any parity obligations in any succeeding fiscal year.

The amount restricted in the Sewer Fund as of June 30, 2009 relating to these provisions is \$1,475,133.

*Sewer development agreements.* The City issues development agreements for the extension of sewer mains into areas where developers are interested in constructing, but the City has not yet made plans for extending sewer mains. The agreements stipulate that the developers construct the new sewer main

and then deed it over to the City. Once the sewer is completed and deeded over, the City will make payments plus interest over a five-year period to reimburse the developer for their construction cost. Connection fees from a developed area are applied to the sewer agreement's principal balance. Sewer development agreements as of June 30, 2009 consist of the following:

<u>Debt</u>	<u>Year Accepted</u>	<u>Final Maturity</u>	<u>Construction Cost</u>	<u>Interest Rate Outstanding</u>	<u>Balance June 30, 2009</u>
Boulder Brook Plat 14	2004	07/01/09	\$ 216,090	3.3800%	\$ 26,827
Boulder Brook Plat 15	2005	07/01/09	173,240	3.3800%	18,721
Ledgestone Plat 1	2005	07/01/10	272,559	3.8854%	39,280
Avondale Trace Plat 1	2005	07/01/10	298,005	3.3800%	45,082
Clover Ridge West	2006	07/01/10	267,845	3.3800%	94,390
			<u>\$ 1,227,739</u>		<u>\$ 224,300</u>

Future debt service requirements for the outstanding sewer development agreements are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	146,034	7,780	153,814
2011	78,266	2,692	80,957
	<u>\$ 224,300</u>	<u>\$ 10,472</u>	<u>\$ 234,771</u>

*Water revenue bonds/capital loan notes.* The City issues water revenue bonds and capital loan notes to provide for the construction of water system infrastructure. This debt is reported in the water fund in the enterprise funds. Water revenue bonds and capital loan notes as of June 30, 2009 consist of the following issues:

<u>Debt</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Amount Issued</u>	<u>Interest Rate Range Outstanding</u>	<u>Balance June 30, 2009</u>
Eastside Rual Water Phase 1	10/22/01	06/01/21	\$ 908,000	3.000	\$ 607,000
Various water improvements	11/21/05	06/01/25	4,025,000	4.000 - 4.625	3,455,000
Various water improvements	12/15/06	06/01/26	3,890,000	3.700 - 4.300	3,615,000
Various water improvements	12/15/08	06/01/28	4,400,000	4.000 - 6.375	4,400,000
			<u>\$ 13,223,000</u>		<u>\$ 12,077,000</u>

Future debt service requirements for the outstanding water capital loan notes and revenue bonds are as follows:

Year ending June 30	Principal	Interest	Total
2010	488,000	538,250	1,026,250
2011	504,000	519,595	1,023,595
2012	530,000	500,325	1,030,325
2013	552,000	480,055	1,032,055
2014	573,000	458,940	1,031,940
2015-2019	3,274,000	1,935,403	5,209,403
2020-2024	3,936,000	1,164,568	5,100,568
2025-2028	2,220,000	265,094	2,485,094
	<u>\$ 12,077,000</u>	<u>\$ 5,862,230</u>	<u>\$ 17,939,230</u>

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$13,223,000 in water revenue bonds and capital loan notes. Proceeds from the bonds and notes provided financing for various water improvement projects. The bonds and notes are payable solely from water customer net revenues and are payable through 2028. Annual principal and interest payments on the bonds and notes are expected to require less than 90 percent of net revenues. The total principal and interest remaining to be paid on the bonds and notes is \$17,939,230. Principal and interest paid for the current year and total customer net revenues were \$1,160,734 and \$871,252, respectively.

The following provisions are included in the water revenue bond and capital loan note agreements:

Cash from the Water Fund shall be transferred monthly into the Water Sinking Fund to pay the interest on, and to redeem the principal amount of, the bonds at maturity. The monthly transfers must be equal to one-sixth of the interest due on the next payment date plus one-twelfth of the principal maturing on the next retirement date.

Cash from the Water Fund shall be transferred into the Water Reserve Fund to maintain a balance which is equal to the lesser of 1) the maximum amount of principal and interest coming due on the notes in any succeeding fiscal year, 2) 10% of the stated principal amount of the notes and any parity obligations outstanding, or 3) 125% of the average amount of principal and interest coming due on the notes and any parity obligations in any succeeding fiscal year.

The amount restricted in the Water Fund as of June 30, 2009 relating to these provisions is \$1,139,376.

*Changes in Long-term Debt.* The following is a summary of the changes in the long-term debt of the City for the year ended June 30, 2009.

City of Ankeny, Iowa  
Notes to Financial Statements  
June 30, 2009

	June 30, 2008	Additions	Retirements	June 30, 2009	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 111,637,094	\$ 44,647,082	\$ 40,390,656	\$ 115,893,520	\$ 11,498,945
Compensated absences	438,742	358,497	365,560	431,679	371,073
Total governmental activities	<u>112,075,836</u>	<u>45,005,579</u>	<u>40,756,216</u>	<u>116,325,199</u>	<u>11,870,018</u>
Business-type activities:					
General obligation bonds	5,777,906	5,782,918	759,344	10,801,480	685,055
Water revenue bonds	7,360,000	4,400,000	290,000	11,470,000	445,000
Sewer revenue bonds	-	6,130,000	-	6,130,000	200,000
Capital loan notes	3,954,000	-	702,000	3,252,000	711,000
Sewer development agreements	270,138	157,202	203,040	224,300	146,034
Compensated absences	138,238	111,633	71,305	178,566	85,814
Total business-type activities	<u>17,500,282</u>	<u>16,581,753</u>	<u>2,025,689</u>	<u>32,056,346</u>	<u>2,272,903</u>
Total long-term debt	<u>\$ 129,576,118</u>	<u>\$ 61,587,332</u>	<u>\$ 42,781,905</u>	<u>\$ 148,381,545</u>	<u>\$ 14,142,921</u>

Bonds and capital loan notes payable are presented on the Statement of Net Assets net of unamortized premiums and discounts as follows:

	Governmental Activities	Business-type Activities
Discounts:		
Current	\$ 17,721	\$ 5,463
Noncurrent	177,608	212,756
Total	<u>\$ 195,329</u>	<u>\$ 218,219</u>
Premiums:		
Current	\$ 15,341	\$ 1,494
Noncurrent	1,162,160	194,549
Total	<u>\$ 1,177,501</u>	<u>\$ 196,043</u>

**NOTE 8 - DEFICIT FUND EQUITY**

The following funds have a deficit fund balance or net assets as of June 30, 2009:

Storm water fund	(\$ 364,886)
Road use tax fund	(\$ 608,373)

The storm water fund deficit will be eliminated by the creation of a storm water utility and associated user fee. The road use tax fund deficit will be eliminated by future revenues and the shift of expenditures to alternate funding sources.

## **NOTE 9 - RETIREMENT SYSTEMS**

### **Iowa Public Employees Retirement System (IPERS)**

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 that are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 4.10% of their annual covered salary and the City is required to contribute 6.35% of annual covered payroll, except covered firefighters who contribute 5.63% and the City contributes 8.45%. Contribution requirements are established by State statute. The City's contribution to IPERS for the years ended June 30, 2009, 2008, and 2007 were \$572,991, \$500,404, and \$432,586, respectively, equal to the required contributions for each year.

### **Municipal Fire and Police Retirement System of Iowa (MFPRSI)**

The City contributes to the Municipal Fire and Police Retirement System of Iowa (MFPRSI) which is a cost-sharing, multiple-employer defined benefit plan administered by a Board of Trustees. MFPRSI provides retirement, disability and death benefits that are established by State statute to plan members and beneficiaries. MFPRSI issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to MFPRSI, 7155 Lake Drive, Suite 201, West Des Moines, Iowa 50266.

Plan members are required to contribute 9.35% of their earnable compensation and the City's contribution rate is 18.75% of earnable compensation. Contribution requirements are established by State statute. The City's contributions to MFPRSI for the years ended June 30, 2009, 2008, and 2007 were \$545,111, \$684,696, and \$683,442, respectively, which met the required minimum contributions for each year.

## **NOTE 10 - DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan through the International City Manager's Association created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, death, or unforeseeable emergency. The plan has been amended to comply with IRC Section 457(g) that allowed for the plan to hold its assets in trust. Under these

new requirements, the City no longer owns the amount deferred by employees and, therefore, the liability and corresponding assets are not reflected in the financial statements.

As a part of the City's contract with the City Manager, the City has decided to accumulate funds in accordance with Internal Revenue Code section 457(f) at a rate of \$19,050 per year plus interest which are to be designated as a retirement benefit for the City Manager until his expected retirement date of June 30, 2012. The City is not liable for any provisions of this contract nor required to reserve or invest funds under this agreement until the expected retirement date. Unreserved General fund balance of \$82,904 has been designated towards the future provisions of the agreement.

#### **NOTE 11 - RISK MANAGEMENT AND INSURANCE**

The City is a member of the Iowa Communities Assurance Pool (ICAP), as allowed by Chapter 670.7 of the Code of Iowa. ICAP is a local government risk-sharing pool whose over 500 members include various government entities throughout the State of Iowa. ICAP was formed in 1986 for the purpose of managing and funding third-party liability claims against its members. ICAP provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials' liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to ICAP fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, ICAP's general and administrative expenses, claims, claims expenses, and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 200 percent of the total members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over ICAP.

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

The City's property and casualty contributions to the risk pool are recorded as disbursements from its operating funds at the time of payment to the risk pool. The City's annual contributions to ICAP for the year ended June 30, 2009 were \$290,952.

ICAP uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. ICAP retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim and \$10,000,000 in aggregate per year. For members requiring specific coverage from \$3,000,000 to \$10,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by ICAP up to \$100,000 per occurrence, each location, with excess coverage reinsured on an individual member basis.

ICAP's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhaust total member's equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. As of June 30, 2009, settled claims have not exceeded the risk pool or reinsurance coverage since ICAP's inception.

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

The City also carries commercial insurance purchased from other insurers for coverage associated with workers compensation. The City assumes the liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The City also assumes all risks related to the injury of police officers and full-time fire fighters in the line of duty. The City's risk management activities are accounted for in the internal service fund, risk management fund, which provides for the purchase of insurance.

#### *Health Insurance*

The City operates a health insurance pool for the benefit of its employees that is self-funded through contributions in the form of employee premiums. The City is liable as to medical and dental claims made by the participants in the plan. The pool is self insured with an annual stop loss limit of \$55,000 per

person and an aggregate stop loss limit of \$1,690,200. Coverage from a private insurance company is maintained for losses in excess of both the individual and the aggregate stop loss amounts. The City maintains \$1,000,000 of aggregate excess claim coverage. The City had no outstanding aggregate or individual stop loss claims as of June 30, 2009. An independent claims administrator performs the handling of all claims and procedures. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims payable includes all known claims and an amount for claims that have been incurred but not reported (IBNR). Changes in the balances of claims payable are as follows:

	<u>2009</u>	<u>2008</u>
Claims payable, beginning of year	\$ 143,017	\$ 198,736
Incurred claims (including IBNR)	1,716,652	1,943,752
Claims payments	<u>(1,714,185)</u>	<u>(1,999,471)</u>
Claims payable, end of year	<u>\$ 145,484</u>	<u>\$ 143,017</u>

The City's health insurance activities are accounted for in the internal service fund, health insurance fund.

#### **NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS**

The City participates in the Polk County Aviation Authority (PCAA) that operates the Ankeny Regional Airport. The City, along with Polk County, Altoona, and Bondurant, form the PCAA. The City appoints two board members of the seven-member board. In addition, the City levies a property tax of \$.14821 per thousand dollars of taxable valuation for the Authority. The City paid \$253,085 to the PCAA in fiscal year 2009.

The City participates in the Metro Waste Authority (MWA). The MWA is responsible for the management of the metro landfill, transfer station, compost center, and recycling center and operates the Curb It! recycling program. The MWA has 17 members, including Ankeny, with each appointing one representative. The City charges residents a monthly fee to help recover the City's cost of the Curb It! recycling program. The City paid fees totaling \$415,140 in fiscal year 2009.

The City is a member of the Des Moines Metro Area Planning Organization (MPO) that is responsible for transportation planning and federal grants allocation within the area. There are 18 member governments that appoint 25 voting representatives. The City appoints two members. The City paid \$21,697 in membership dues for fiscal year 2009.

The City is a full member of the Des Moines Area Regional Transportation Authority (DART). DART has 22 member cities represented by nine board members. In fiscal year 2007, DART no longer charged member cities for annual contributions, but instead levied a property tax through Polk County. In

addition, the City received \$316,000 in fiscal year 2004 from DART for prepayment of a 25-year lease for a Park-and-Ride lot that started on July 1, 2004. The balance remaining on the lease is \$252,800 as of June 30, 2009.

The City is a member of the Des Moines Metropolitan Wastewater Reclamation Authority (WRA), which is a separate entity created by agreement in accordance with Chapter 28E of the Code of Iowa. The purpose of the organization is for the planning, construction, operation, and management of sewer related facilities. The WRA has 14 member governments with a governing board of 19 representatives of which the City appoints 2 representatives. The City paid membership and participation fees during fiscal year 2009 of \$1,944,099.

**NOTE 13 – OPERATING LEASES**

The City leases office space known as the Parks and Recreation Building under a non-cancelable operating lease. The first term of the lease is for ten years. The following is a schedule of the future minimum lease payments required under the operating lease:

<u>Due July 31,</u>	<u>Amount</u>
2010	98,880
2011	<u>57,680</u>
Total remaining payments	<u>\$ 156,560</u>

The City is also responsible for payments to the lessor for casualty insurance and property taxes and is responsible for expenses related to general maintenance, repairs, and utilities.

The City sub-leases office space known as the Public Services Building under a non-cancelable agreement. The term of the sub-lease is for eleven years and two months and terminates in December 2016. The following is a schedule of the future minimum lease payments required under the agreement:

<u>Fiscal Year</u>	<u>Amount</u>
2010	162,204
2011	162,204
2012	174,372
2013	186,540
2014	186,540
2015 - 2017	<u>466,350</u>
Total remaining payments	<u>\$ 1,338,210</u>

The City is also responsible for expenses related to casualty insurance property taxes, maintenance, repairs, and utilities.

The City has a long-term lease agreement with the Des Moines Waterworks (DMWW) for the production and supply of drinking water. Under the terms of the agreement, the City agrees to pay DMWW for the cost of the debt that was issued to build the infrastructure and facilities necessary to make the water available to the City. The remaining reimbursement is scheduled until December 1, 2027 and with payments scheduled as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2010	917,437
2011	914,138
2012	910,238
2013	910,638
2014	905,338
2015 - 2019	4,556,188
2020 - 2024	4,584,372
2025 - 2027	<u>2,768,797</u>
Total remaining payments	<u>\$ 16,467,145</u>

The City has a lease agreement for the use of a facility known as the Public Works Facility that was constructed on land owned by the City. The lease term is for a twenty year period commencing in fiscal year 2005 and ending in fiscal year 2024. The annual lease payments amount to \$322,131 with the cumulative lease payments totaling \$6,442,616. The lease is cancelable if the City fails to appropriate funds for the lease payments; a 30 day notice prior to the end of the last fiscal year in which funds have been appropriated is required. The City is responsible for the maintenance, repairs, and utilities of the facility while the lease is in effect.

The following is a schedule of the expected remaining lease payments under the agreement:

<u>Fiscal Year</u>	<u>Amount</u>
2010	\$ 322,131
2011	322,131
2012	322,131
2013	322,131
2014	322,131
2015 - 2019	1,610,654
2020 - 2024	<u>1,610,654</u>
Total remaining payments	<u>\$ 4,831,961</u>

The City entered into a lease for space known as the Park Maintenance Building under a non-cancelable operating lease. The term of the lease is for two years with the option to renew for an additional two years. The following is a schedule of the future minimum lease payments required under the operating lease:

<u>Fiscal Year</u>	<u>Amount</u>
2010	39,000
2011	<u>6,500</u>
Total remaining payments	<u>\$ 45,500</u>

The City is responsible for maintenance, repairs, and utilities of the facility while the lease is in effect.

The City entered into a lease agreement with National City Commercial Capital Company, LLC for the use of 70 golf carts for a period of 47 months beginning July 1, 2009 and ending on June 1, 2013. The following is a schedule of the future minimum lease payments required under the operating lease:

<u>Fiscal Year</u>	<u>Amount</u>
2010	57,442
2011	57,442
2012	57,442
2013	<u>57,442</u>
Total remaining payments	<u>\$ 229,767</u>

#### **NOTE 14 - CONDUIT DEBT OBLIGATIONS**

The City has previously assisted in issuing industrial revenue bonds for the purposes of constructing privately owned industrial, health care, and airport facilities within the City. The bonds are not direct or contingent liabilities of the City, as the revenue from lease agreements and property purchased with the bond proceeds are pledged for the total payment of principal and interest on the bonds and the bondholders can look only to these sources for repayment.

The following summarizes the outstanding issues in which the City assisted at June 30, 2009:

<u>Company</u>	<u>Type</u>	<u>Issue Year</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Final Maturity</u>
On With Life, Inc.	Health care facility	2005	\$ 3,440,000	\$ 2,830,000	2020

#### **NOTE 15 - COMMITMENTS AND CONTINGENCIES**

The City has outstanding commitments for purchase orders that have been issued to various vendors. For budgetary purposes, these commitments are considered encumbrances. The City's encumbrances at June 30, 2009 totaled \$407,692.

The City has outstanding commitments for construction projects including police station construction, fire station construction, arterial construction, storm water improvements, park and recreation improvements, and other

construction and engineering. The City's commitment to these contracts at June 30, 2009 is \$24,918,250.

The City is a defendant in several claims and lawsuits. In the opinion of the City Attorney and management, the resolution of these matters will not have a material effect on the financial statements of the City with the following exception:

*Ankeny Landfill/Lagoon Site.* This possible claim involves a request for reimbursement of expenses, as well as costs involved in the performance of a removal action at Operable Unit 1, Landfill and Lagoon Complex of the Des Moines Ex Ordnance Site located in Ankeny, Polk County, Iowa, initiated by the United States Environmental Protection Agency. Potentially responsible parties are the City of Ankeny, Deere & Company, and the U.S. Army Corps of Engineers. The United States Environmental Protection Agency has advised the potentially responsible parties that it is looking to these parties for reimbursement of past costs. Ankeny is responsible for a portion of these costs. Neither Ankeny's proportionate share of the past costs nor its share of the costs involved in the performance of the removal action have been determined at this time.

#### **NOTE 16 - OTHER POST EMPLOYMENT BENEFITS**

The City implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* during the fiscal year ended June 30, 2009.

Plan Description - The City operates a single-employer health care plan which provides medical, prescription drug and dental benefits for retirees and their spouses. Employees who have attained age 55 and retire from active employment are eligible for retiree benefits. There are 194 active and 2 retired members in the plan.

The medical and prescription drug coverage is provided through a partially self-insured plan administered by Wellmark BCBS and dental benefits through a fully-insured plan with Delta Dental of Iowa. Retirees under age 65 pay the same premium as active employees, which results in an implicit subsidy and an OPEB liability.

Funding Policy - The contribution requirements of plan members are established and may be amended by the City. The current funding policy of the City is to pay health insurance premiums as they occur. This arrangement does not qualify as other post employment benefits (OPEB) plan assets under Governmental Accounting Standards Board (GASB) Statement No. 45 for current GASB reporting.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2009, the City contributed \$3,200.

Annual OPEB Cost and Net OPEB Obligation – The City’s annual OPEB cost (expense) is calculated based on an annual required contribution (ARC) of the City, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the City’s annual OPEB cost for the year ended June 30, 2009, the amount actually contributed to the plan and changes in the City’s net OPEB obligation:

Annual required contribution	\$ 31,800
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>31,800</u>
Contributions made	<u>3,200</u>
Increase in net OPEB obligation	28,600
Net OPEB obligation – July 1, 2008	-
Net OPEB obligation – June 30, 2009	<u>\$ 28,600</u>

The City’s annual OPEB cost, the percentage of annual OPEB costs contributed to the plan, and the net OPEB obligation for fiscal year 2009 follows. This is the transition year of GASB Statement No. 45.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$31,800	10.06%	\$28,600

Funded Status and Funding Process – As of July 1, 2007, the most recent actuarial valuation date for the period July 1, 2008 through June 30, 2009, the actuarial accrued liability was \$203,600, with no actuarial assets, resulting an unfunded actuarial accrued liability (UAAL) of \$203,600. The covered payroll (annual payroll of active employees covered by the plan) was \$8,068,591 and the ratio of the UAAL to covered payroll was 2.52%. As of June 30, 2009, there were no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the section following the notes to the financial statements, will present multiyear trend information about whether the

actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

As of the July 1, 2007 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 4 percent discount rate, an annual medical cost trend rate of 10 percent reduced by .71 percent annually to an ultimate rate of 5 percent. The annual prescription drug costs included a trend rate of 15 percent reduced by 1.43 percent annually to an ultimate rate of 5 percent and annual related administrative costs at 5 percent annually. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Unlike medical, dental claim costs do not typically vary much by age. The cost of coverage for retirees is deemed to be the same as that for actives in determining retiree contributions; retirees are paying the entire cost for their dental coverage. As such, the City does not have a liability for retiree dental coverage.

#### **NOTE 17 - TERMINATION BENEFITS**

The City offered a one-time voluntary early retirement program to its employees. Eligible employees must be at least age fifty-five and vested in IPERS or MFPRSI. The City will contribute an amount equal to 70% of the employee's base salary at the time of retirement into Vantage Care (ICMA-RC) Retirement Health Savings (RHS) Plan. In addition, the eligible employee may contribute on the date of retirement the value of any unused earned paid time off that would normally be paid at retirement and/or separation from service.

In addition to the RHS benefit described above, the City will contribute an additional lump sum to the employee's 457 plan, if applicable, up to the annual maximum with any remaining balance contributed to the RHS. The amount of benefit is based on when the employee retired during the retirement period. The benefit is as follows: prior to July 1, 2009 - \$10,000; prior to October 1, 2009 - \$5,000; and prior to January 1, 2010 - \$2,500.

Based on the number of program participants the City may elect to make the contribution to the RHS in equal installments over two or three consecutive

years in lieu of a single contribution. At June, 30, 2009, five employees have been approved for early retirement during fiscal year 2010.

#### **NOTE 18 - NEW PRONOUNCEMENTS**

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

Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, issued June 2004, effective June 30, 2009. This Statement establishes standards for the measurement, recognition and display of other post employment benefits expenses and related liability or assets, note disclosures and, if applicable, required supplementary information in the financial reports. As a result, the City has recorded a liability of \$23,249 in the governmental activities and \$5,351 in the business-type activities and added footnote disclosures and required supplementary information pertaining to the plan.

Statement No 48, *Sales and Pledges of Receivables and Future Revenues*, issued September 2006, effective June 30, 2009. The 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 for a specific revenue source. In addition, this Statement establishes accounting and financial reporting standards for intra-entirety transfers of assets and future revenues. This statement modified the disclosures for long-term obligations.

Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, issued November 2006, effective 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. This statement had no effect to the City.

Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, issued November 2007, effective June 30, 2009. This Statement establishes consistent standards for the reporting of land and other real estate held as investments. Endowments were previously required to report their land and other real estate held for investments purposes at historical cost. However, such investments are reported at fair value by similar entities, such as pension plans. The Statement requires endowments to

report land and other real estate investments at fair value. The changes in the fair value are to be reported as investment income. This statement had no effect to the City.

As of June 30, 2009, the GASB had issued the following statements not yet implemented by the City. The Statements, which might impact the City, are as follows:

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. The new standard characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature, and has an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, computer software, water rights, timber rights, patents and trademarks. This standard provides that intangible assets be classified as capital assets (except for those explicitly excluded from the scope of the new standard, such as capital leases). Relevant authoritative guidance for capital assets should be applied to these intangible assets.

Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, will be effective for the City beginning with its year ending June 30, 2010. This Statement will improve how state and local governments report information about derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements.

Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued February 2009, will be effective for the fiscal year ending June 30, 2011. This Statement establishes new standards for fund balance classifications based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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

#### **NOTE 19 - PRIOR PERIOD ADJUSTMENT**

The City recorded a prior period adjustment to the economic development fund, a nonmajor governmental fund. The prior period adjustment corrects deferred revenue that was not recorded in fiscal year 2008 resulting in a decrease in beginning net assets of \$150,000.

**NOTE 20 - SUBSEQUENT EVENTS**

On June 1, 2009, the City Council approved an Ordinance establishing storm water management fees for the storm water fund. The storm water management fees were implemented for the June utility billing with collections to begin in July 2009. The fees will be used to comply with the requirements of the federal storm water permit and storm water maintenance and replacement.

On January 20, 2010, the City issued \$4,544,000 in sewer revenue capital loan notes, of which \$902,000 is a forgivable loan made available through the American Reinvestment and Recovery Act (ARRA). These funds will provide for the construction of sanitary sewer improvements.



## **Required Supplementary Information**

City of Ankeny, Iowa

Required Supplementary Information  
 Budgetary Comparison Schedule (Cash Basis) - All Governmental and Proprietary Funds  
 For the Year Ended June 30, 2009

	Governmental Fund Types Actual	Proprietary Fund Types Actual	Total All Budgeted Funds Actual	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
<b>Revenues:</b>						
Property taxes	\$ 17,827,955	-	\$ 17,827,955	\$ 17,913,121	\$ 17,913,121	\$ (85,166)
Tax increment financing	4,915,049	-	4,915,049	4,804,417	4,804,417	110,632
Other city taxes	1,334,998	-	1,334,998	1,340,377	1,390,377	(55,379)
Licenses and permits	781,752	5,352	787,104	993,200	914,000	(126,896)
Use of money and property	1,284,875	112,083	1,396,958	2,232,400	1,417,663	(20,705)
Intergovernmental revenue	4,024,781	81,926	4,106,707	7,274,233	7,170,762	(3,064,055)
Charges for services	1,423,619	12,625,322	14,048,941	15,243,713	15,055,130	(1,006,189)
Special assessments	6,423	-	6,423	75,000	75,000	(68,577)
Miscellaneous	4,793,621	132,335	4,925,956	13,825,225	6,112,300	(1,186,344)
<b>Total revenues</b>	<b>36,393,073</b>	<b>12,957,018</b>	<b>49,350,091</b>	<b>63,701,686</b>	<b>54,852,770</b>	<b>(5,502,679)</b>
<b>Expenditures/Expenses:</b>						
Public safety	9,104,804	-	9,104,804	10,211,084	9,697,919	593,115
Public works	3,691,949	-	3,691,949	3,970,838	3,842,958	151,009
Health and social services	271,983	-	271,983	297,183	291,234	19,251
Culture and recreation	4,629,846	-	4,629,846	4,605,153	4,901,407	271,561
Community and economic development	5,630,038	-	5,630,038	2,311,471	5,975,914	345,876
General government	2,404,069	-	2,404,069	2,527,215	2,597,414	193,345
Debt service	12,918,756	-	12,918,756	10,872,526	12,918,856	100
Capital projects	72,110,312	-	72,110,312	70,915,010	78,670,998	6,560,686
Business-type	-	12,573,408	12,573,408	13,746,128	13,708,288	1,134,880
<b>Total expenditures/expenses</b>	<b>110,761,757</b>	<b>12,573,408</b>	<b>123,335,165</b>	<b>119,456,608</b>	<b>132,604,988</b>	<b>9,269,823</b>
Excess (deficiency) of revenues over (under) expenditures/expenses	(74,368,684)	383,610	(73,985,074)	(55,754,922)	(77,752,218)	(3,767,144)
Other financing sources, net	59,709,929	(588,118)	59,121,811	58,921,343	62,156,561	3,034,750
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing uses	(14,658,755)	(204,508)	(14,863,263)	3,166,421	(15,595,657)	(732,394)
Beginning fund balance, July 1	57,085,647	10,704,651	67,790,298	62,580,723	67,790,296	2
<b>Ending fund balance, June 30</b>	<b>\$ 42,426,892</b>	<b>\$ 10,500,143</b>	<b>\$ 52,927,035</b>	<b>\$ 65,747,144</b>	<b>\$ 52,194,639</b>	<b>\$ 732,396</b>

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

**City of Ankeny, Iowa**

**Explanation of Differences Between Budgetary  
Basis and GAAP Basis Revenues and Expenditures  
for the Governmental Funds  
For the Year Ended June 30, 2009**

**Revenues and other financing sources:**

Actual amount of "total revenues and other financing sources" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 106,814,155
On a budgetary basis, the City does not record revenues until the cash has been received. This differs from GAAP, which records revenues as they are earned and available.	2,737,505
Investments are recorded at their market value on a GAAP basis while on a budget basis, investments are recorded at their net cost including accrued interest	28,243
The Arts Council is included as a governmental fund on a budget basis but is reported as an agency fund on a GAAP basis.	(2,288)
On a budget basis, separate funds may be created for management purposes, but on a GAAP basis these funds are combined into the general fund.	(19,050)
Prior period adjustment on a non-major fund	150,000
On a budgetary basis, capital projects for water and sewer construction are recorded in the Capital Projects fund. On a GAAP basis, this activity is recorded in the related enterprise fund as assets. Related bond proceeds are recorded as enterprise fund debt and an interfund liability. Fund transfers between the Capital Projects fund and the enterprise funds are eliminated.	(13,379,490)
Transfers from enterprise funds to the Debt Service fund for bond principal and interest payments are reported as transfers on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis.	(871,460)
Total GAAP basis revenues and other financing sources for the governmental funds	<u>\$ 95,457,616</u>

**Expenditures and other financing uses:**

Actual amount of "expenditures and other financing uses" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 121,472,910
On a budgetary basis, the City does not record expenditures until the cash has been paid. This differs from GAAP, which records expenditures as the liability is incurred.	1,881,366
Purchases related to loans from the Equipment Reserve fund are reported in that fund on a budgetary basis. On a GAAP basis, the borrowing fund records a liability and corresponding expenditure for the equipment purchase.	549,463
On a budgetary basis, capital projects for water and sewer construction are recorded in the Capital Projects fund. On a GAAP basis, this activity is recorded in the related enterprise fund as assets. Related bond proceeds are recorded as enterprise fund debt and an interfund liability. Fund transfers between the Capital Projects fund and the enterprise funds are eliminated.	(8,349,846)
On a budget basis, separate funds may be created for management purposes, but on a GAAP basis these funds are combined into the general fund.	(19,050)
Transfers from enterprise funds to the Debt Service fund for bond principal and interest payments are reported as transfers in on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis	(923,931)
Repayments of loans to the Equipment Reserve fund are recorded as an expenditure on a budget basis. No expenditure is recorded for loan repayments on a GAAP basis.	(625,572)
Total GAAP basis expenditures and other financing uses for the governmental funds	<u>\$ 113,985,340</u>

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

**City of Ankeny, Iowa**

**Explanation of Differences Between Budgetary  
Basis and GAAP Basis Revenues and Expenses  
for the Proprietary Funds  
For the Year Ended June 30, 2009**

**Revenues and other financing sources:**

Actual amount of "total revenues and other financing sources" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 13,720,359
On a budgetary basis, the City does not record revenues until the cash has been received. This differs from GAAP, which records revenues as they are earned and available.	498,696
Investments are not reported at market value on a budgetary basis. The change in market value is recorded on a GAAP basis.	1,585
Customer deposits are recorded as revenue on a budgetary basis. On a GAAP basis, these deposits are reported as a liability.	<u>1,119</u>
Total GAAP basis revenues, nonoperating revenues, and transfers in	<u><u>\$ 14,221,759</u></u>

**Expenditures and other financing uses:**

Actual amount of "expenditures and other financing uses" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 13,924,867
On a budgetary basis, the City does not record expenditures until the cash has been paid. This differs from GAAP, which records expenses as the liability is incurred.	(118,658)
Principal payments on indebtedness are recorded as an expenditure on a budgetary basis, but are not expensed on a GAAP basis.	(1,157,414)
Bond issuance costs are expensed and bond discounts are not recorded on a budgetary basis. These costs and discounts are recorded and amortized under GAAP.	19,356
Depreciation and losses on fixed assets are reported on a GAAP basis but are not recorded on a budgetary basis	2,349,066
Purchases of capital assets is reported as an expense on a budget basis but is capitalized and depreciated on a GAAP basis	(229,634)
Transfers from enterprise funds to the Debt Service fund for bond principal and interest payments are reported as transfers in on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis.	(644,578)
Repayments of loans to the Equipment Reserve fund are recorded as an expenditure on a budget basis. No expenditure is recorded for loan repayments on a GAAP basis.	<u>(29,343)</u>
Total GAAP basis expenses, nonoperating expenses, and transfers out	<u><u>\$ 14,113,662</u></u>

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

**CITY OF ANKENY, IOWA**  
Notes to Required Supplementary Information  
June 30, 2009

**I. BUDGETARY INFORMATION**

The City prepares, adopts and submits to the State of Iowa an annual budget on a program basis for all combined funds, except for the internal service funds and the agency funds, as prescribed by Iowa statutes. The State of Iowa requires that annual budgets for the year beginning July 1 be certified to the County Auditor no later than March 15 preceding the beginning of the fiscal year. The adopted budget constitutes the City's appropriation for each program and purpose specified therein until amended.

After the initial budget is adopted, the budget may be amended for specific purposes. Budget amendments are required for budget transfers between funds as well as between programs. Management is not authorized to amend the budget without the approval of City Council. The City filed three budget amendments for the fiscal year ended June 30, 2009. The amendments increased estimated expenditures by \$13,148,380. The City's budget amendments were essentially a complete re-estimate of the original budget. The amendments accounted for many changes in estimates and did not represent just a few specific activities or outlays, however, the increase to expenditures was primarily due to the timing of capital improvement projects.

The City Council also approves a five-year capital improvement program. This capital improvement program is reviewed and revised annually by the City Council. A public hearing is held in regard to proposed capital improvements for the City. The first year of this plan is integrated into the City's accounting and reporting system along with the annual operating budget.

The State of Iowa allows the total cost of a construction project to be budgeted in one annual budget even if the project extends beyond that fiscal year. The remaining appropriation continues until the project is completed as long as (1) the total cost of the project is adopted after a public hearing as required by State code, (2) the cost must be included in an adopted or amended city budget, and (3) if the cost of a project exceeds the continuing appropriation, an additional appropriation must be included in a subsequent budget or amendment.

The legal level of control (the level at which expenditures may not legally exceed appropriations) is the program level for all funds combined rather

than at the individual fund level. The nine programs mandated by the State are: (1) public safety, (2) public works, (3) health and social services, (4) culture and recreation, (5) community and economic development, (6) general government, (7) debt service, (8) capital projects and (9) business type/enterprise. Since the City maintains its budgets at the individual fund level, it is necessary to aggregate the expenditures of the budgeted activities within the individual funds on a program basis and to compare such program totals with the program budgeted totals in order to demonstrate legal compliance with the budget. During the year ended June 30, 2009, expenditures did not exceed budgeted amounts in any of the nine programs. Budgetary compliance is demonstrated in the required supplementary information.

Revenues are credited to the individual fund types while expenditures/expenses are classified according to program areas within the individual funds for budgetary control purposes. Expenditures are compared to budget appropriations according to the nine general program designations.

Unencumbered appropriations, other than amounts appropriated for capital projects, lapse at year-end. Appropriations for unfinished capital projects are carried forward indefinitely.

All general obligation bond payments, including those for which financial reporting purposes are accounted for through the enterprise funds, are budgeted through the debt service fund.

All funds are budgeted on a cash basis method of accounting. Expenditures are recognized when cash is disbursed and revenues are recognized when cash is received. This is an accounting method not in conformance with accounting principles generally accepted in the United States of America. Budgetary basis expenditures and revenues are reconciled to GAAP basis expenditures and revenues in the required supplementary information.

**City of Ankeny, Iowa**

**Required Supplementary Information  
Schedule of Funding Progress  
For the Year Ended June 30, 2009**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded UAAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2009	\$ -	\$ 203,600	\$ 203,600	0.00%	\$ 8,068,591	2.52%

Note: Fiscal year 2009 is the transition year for GASB Statement No. 45.

The information presented in the required supplementary schedule was determined as part of the actuarial valuation as of July 1, 2007. Additional information follows:

1. The cost method used to determine the ARC is the Projected Unit Credit Actuarial Cost method.
2. There are no plan assets.
3. Economic assumptions are as follows: medical cost trend rates of 5-10 percent; prescription drug rates of 5-15 percent, administration rate of 4 percent and discount rate of 4 percent.
4. The amortization method is open period, level dollar.

## **Nonmajor Governmental Funds**

**Fire Gift Fund** - Accounts for donations to be used specifically for the fire department.

**Hotel/Motel Tax Fund** – Accounts for the revenues from hotel/motel taxes and their subsequent disbursement.

**Hawkeye Park Fund** - Accounts for the revenues from players fees at the Hawkeye Park Sports Complex to be used for park improvements.

**Police Gift Fund** - Accounts for donations to be used specifically for the police department.

**Police Seizure Fund** - Accounts for monies obtained through property seizures and forfeitures and is to be used solely for police department activities.

**Economic Development Fund** – Accounts for the activities of the City's economic development department and the contributions and revenues obtained for that purpose.

**Police/Fire Pension Fund** - Accounts for taxes levied to fund the City's required matching contributions to the police and fire retirement system.

**Library Gift Fund** - Accounts for donations to be used specifically for the public library.

**Park Dedication Fund** - Accounts for monetary payments by developers for the construction and development of public parks.

**Sports Complex Foundation Fund** – Is a blended component unit, which accounts for contributions to the Foundation, the activities of the Foundation, and the disbursement of funds from the Foundation.

**Ankeny Garden Club Fund** – Accounts for donations to be used for the creation and maintenance of public gardens.

**Recreation Events Fund** - Accounts for sponsorship monies contributed for exclusive promotion and service rights that are to be used for recreation events and activities.

**Dog Park** – Accounts for donations to be used for the construction of a dog park in a public park.

**Keep Ankeny Beautiful Fund** – Is a blended component unit, which accounts for funds contributed to Keep Ankeny Beautiful and the subsequent disbursement.

**Special Assessments Fund** - Accounts for the collection of assessments levied against properties to pay for improvements that affect those properties.

**City of Ankeny, Iowa**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2009**

	<b>Special Revenue</b>							
	<b>Fire Gift</b>	<b>Hotel/Motel Tax</b>	<b>Hawkeye Park</b>	<b>Police Gift</b>	<b>Police Seizure</b>	<b>Economic Development</b>	<b>Police/Fire Pension</b>	<b>Library Gift</b>
<b>Assets</b>								
Cash and cash equivalents	\$ 4,283	\$ 113,873	\$ 1,236	\$ 1,879	\$125,708	\$ 8,778	\$ 622,795	\$ 289
Receivables:								
Interest	-	-	-	-	-	-	102	-
Taxes	-	-	-	-	-	-	730,708	-
Accounts	-	-	-	-	-	200,000	-	-
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	32	-
<b>Total assets</b>	<b>4,283</b>	<b>113,873</b>	<b>1,236</b>	<b>1,879</b>	<b>125,708</b>	<b>208,778</b>	<b>1,353,637</b>	<b>289</b>
<b>Liabilities and fund balances (deficits)</b>								
<b>Liabilities:</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,333	\$ 3,198	\$ -
Accrued wages	-	1,741	-	-	-	5,214	9,812	-
Due to other funds	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	200,000	724,786	-
<b>Total liabilities</b>	<b>-</b>	<b>1,741</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>206,547</b>	<b>737,796</b>	<b>-</b>
<b>Fund balances (deficits):</b>								
Unreserved, reported in:								
Special revenue funds	4,283	112,132	1,236	1,879	125,708	2,231	615,841	289
Capital projects fund	-	-	-	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>4,283</b>	<b>112,132</b>	<b>1,236</b>	<b>1,879</b>	<b>125,708</b>	<b>2,231</b>	<b>615,841</b>	<b>289</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>4,283</b>	<b>\$ 113,873</b>	<b>\$ 1,236</b>	<b>\$ 1,879</b>	<b>\$125,708</b>	<b>\$ 208,778</b>	<b>\$ 1,353,637</b>	<b>\$ 289</b>

<b>Park Dedication</b>	<b>Sports Complex Foundation</b>	<b>Ankeny Garden Club</b>	<b>Recreation Events</b>	<b>Dog Park</b>	<b>Keep Ankeny Beautiful</b>	<b>Capital Project Special Assessments</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 304,565	\$ 25,288	\$ 430	\$ 13,817	\$ 74,092	\$ 11,097	\$ 1,117,048	\$ 2,425,178
-	-	-	-	-	-	-	102
-	-	-	-	-	-	-	730,708
-	750	-	4,500	-	-	-	205,250
-	-	-	-	-	-	816,570	816,570
-	-	-	-	-	-	-	32
<u>304,565</u>	<u>26,038</u>	<u>430</u>	<u>18,317</u>	<u>74,092</u>	<u>11,097</u>	<u>1,933,618</u>	<u>4,177,840</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,531
-	-	-	-	-	-	-	16,767
-	-	-	-	-	-	-	-
-	-	-	-	-	-	809,171	1,733,957
-	-	-	-	-	-	809,171	1,755,255
304,565	26,038	430	18,317	74,092	11,097	-	1,298,138
-	-	-	-	-	-	1,124,447	1,124,447
<u>304,565</u>	<u>26,038</u>	<u>430</u>	<u>18,317</u>	<u>74,092</u>	<u>11,097</u>	<u>1,124,447</u>	<u>2,422,585</u>
<u>\$ 304,565</u>	<u>\$ 26,038</u>	<u>\$ 430</u>	<u>\$ 18,317</u>	<u>\$ 74,092</u>	<u>\$ 11,097</u>	<u>\$ 1,933,618</u>	<u>\$ 4,177,840</u>

City of Ankeny, Iowa

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2009

	Special Revenue							
	Fire Gift	Hotel/Motel Tax	Hawkeye Park	Police Gift	Police Seizure	Economic Development	Police/Fire Pension	Library Gift
Revenues:								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 673,009	\$ -
Other taxes and assessments	-	-	-	-	-	-	12,199	-
Intergovernmental	-	-	-	-	15,072	-	-	-
Charges for services	-	-	7,050	-	-	-	-	-
Use of money and property	20	-	86	19	1,629	-	17,169	58
Miscellaneous	4,011	15,000	-	700	4,130	5,186	-	347
Total revenues	4,031	15,000	7,136	719	20,831	5,186	702,377	405
Expenditures:								
Current operating:								
Public safety	-	-	-	797	73,009	-	553,526	-
Culture and recreation	-	607,772	15,123	-	-	-	-	7,000
Public works	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	362,865	-	-
Total expenditures	-	607,772	15,123	797	73,009	362,865	553,526	7,000
Excess (deficiency) of revenues over expenditures	4,031	(592,772)	(7,987)	(78)	(52,178)	(357,679)	148,851	(6,595)
Other financing (uses):								
Transfers in	-	757,455	-	-	-	356,504	-	-
Transfers out	-	(173,800)	-	-	-	-	-	-
Total other financing sources (uses)	-	583,655	-	-	-	356,504	-	-
Net change in fund balances	4,031	(9,117)	(7,987)	(78)	(52,178)	(1,175)	148,851	(6,595)
Fund balances (deficits), beginning, as restated (note 20)	252	121,249	9,223	1,957	177,886	3,406	466,990	6,884
Fund balances (deficits), ending	\$ 4,283	\$ 112,132	\$ 1,236	\$ 1,879	\$ 125,708	\$ 2,231	\$ 615,841	\$ 289

						Capital Project	Total Nonmajor Governmental Funds
Park Dedication	Sports Complex Foundation	Ankeny Garden Club	Recreation Events	Dog Park	Keep Ankeny Beautiful	Special Assessments	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 673,009
-	-	-	-	-	-	13,822	26,021
-	10,000	-	-	-	-	-	25,072
-	11,850	-	3,319	-	-	-	22,219
2,779	280	2	-	50	69	-	22,161
5,735	26,850	250	18,000	24,042	7,000	-	111,251
8,514	48,980	252	21,319	24,092	7,069	13,822	879,733
-	-	-	-	-	-	-	627,332
-	10,657	-	11,600	-	-	-	652,152
-	-	-	-	-	-	-	-
-	-	-	-	-	100	-	362,965
-	10,657	-	11,600	-	100	-	1,642,449
8,514	38,323	252	9,719	24,092	6,969	13,822	(762,716)
-	-	-	-	50,000	-	-	1,163,959
-	(45,000)	-	-	-	(2,880)	-	(221,680)
-	(45,000)	-	-	50,000	(2,880)	-	942,279
8,514	(6,677)	252	9,719	74,092	4,089	13,822	179,563
296,051	32,715	178	8,598	-	7,008	1,110,625	2,243,022
<u>\$ 304,565</u>	<u>\$ 26,038</u>	<u>\$ 430</u>	<u>\$ 18,317</u>	<u>\$ 74,092</u>	<u>\$ 11,097</u>	<u>\$ 1,124,447</u>	<u>\$ 2,422,585</u>

## **Internal Service Funds**

*Internal service funds* are used to finance and account for goods or services provided by one department or agency of the City to other departments or agencies of the City and to other government units, on a cost reimbursement basis.

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**Central Garage Fund** - Accounts for the operations of a central vehicle maintenance garage. All costs incurred for vehicle maintenance and operations are charged to departments on a cost reimbursement basis.

**Risk Management Fund** – Accounts for the City's property and liability insurance coverage and other related activities. Departments are charged based on relative impact to the City's cost of coverage.

**Equipment Reserve Fund** - Accounts for the internal financing activities for capital equipment to the other City funds.

**Economic Development Revolving Fund** - Accounts for the internal financing activities for economic development incentives to other City funds.

**Health Insurance Fund** - Accounts for premiums, claims, and administration of the employee health insurance plan. Costs are spread to departments in the form of employee premiums that are paid by each department on a monthly basis.

City of Ankeny, Iowa

Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2009

	Central Garage	Risk Management	Equipment Reserve	Economic Development Revolving	Health Insurance	Total
<b>Assets</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$ 65,261	\$ 183,240	\$ 530,042	\$ 1,010,140	\$ 2,782,215	\$ 4,570,898
Investments	-	-	-	-	-	-
<b>Receivables:</b>						
Interest	-	-	-	-	-	-
Accounts	-	46,938	-	-	-	46,938
Intergovernmental	6,970	138,510	-	-	-	145,480
Prepaid expenses	-	74,353	-	-	-	74,353
Inventory	231,789	-	-	-	-	231,789
Due from other funds	-	-	656,349	-	-	656,349
<b>Total current assets</b>	<b>304,020</b>	<b>443,041</b>	<b>1,186,391</b>	<b>1,010,140</b>	<b>2,782,215</b>	<b>5,725,807</b>
<b>Noncurrent assets:</b>						
Advances to other funds	-	-	1,230,190	-	-	1,230,190
Capital Asset						
Depreciable assets, net of accumulated depreciation	51,644	19,183	-	-	-	70,827
<b>Total capital assets</b>	<b>51,644</b>	<b>19,183</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,827</b>
<b>Total noncurrent assets</b>	<b>51,644</b>	<b>19,183</b>	<b>1,230,190</b>	<b>-</b>	<b>-</b>	<b>1,301,017</b>
<b>Total assets</b>	<b>\$ 355,664</b>	<b>\$ 462,224</b>	<b>\$ 2,416,581</b>	<b>\$ 1,010,140</b>	<b>\$ 2,782,215</b>	<b>\$ 7,026,824</b>
<b>Liabilities and Net Assets</b>						
<b>Liabilities:</b>						
<b>Current liabilities:</b>						
Accounts payable	\$ 38,815	\$ 17,545	\$ -	\$ -	\$ 216	\$ 56,576
Accrued wages	3,893	-	-	-	-	3,893
Claims payable	-	-	-	-	145,484	145,484
Due to other funds	-	-	256,726	-	-	256,726
Early retirement benefit payable	-	-	-	-	54,317	54,317
Compensated absences payable	2,906	-	-	-	-	2,906
<b>Total current liabilities</b>	<b>45,614</b>	<b>17,545</b>	<b>256,726</b>	<b>-</b>	<b>200,017</b>	<b>519,902</b>
<b>Noncurrent liabilities:</b>						
Early retirement benefit payable	-	-	-	-	180,429	180,429
Other post employment benefits	579	-	-	-	-	579
Compensated absences payable	-	-	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>579</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>180,429</b>	<b>181,008</b>
<b>Total liabilities</b>	<b>\$ 46,193</b>	<b>\$ 17,545</b>	<b>\$ 256,726</b>	<b>\$ -</b>	<b>\$ 380,446</b>	<b>\$ 700,910</b>
<b>Net Assets:</b>						
Unrestricted	\$ 309,471	\$ 444,679	\$ 2,159,855	\$ 1,010,140	\$ 2,401,769	\$ 6,325,914
<b>Total net assets</b>	<b>309,471</b>	<b>444,679</b>	<b>2,159,855</b>	<b>1,010,140</b>	<b>2,401,769</b>	<b>6,325,914</b>
<b>Total liabilities and net assets</b>	<b>\$ 355,664</b>	<b>\$ 462,224</b>	<b>\$ 2,416,581</b>	<b>\$ 1,010,140</b>	<b>\$ 2,782,215</b>	<b>\$ 7,026,824</b>

City of Ankeny, Iowa

Combining Statement of Revenues, Expenses, and Changes in Net Assets  
Internal Service Funds  
For the Year Ended June 30, 2009

	Central Garage	Risk Management	Equipment Reserve	Economic Development Revolving	Health Insurance	Total
Operating revenues:						
Charges for services	\$ 775,914	\$ 707,052	\$ -	\$ -	\$ 1,965,410	3,448,376
Other	18,924	436,777	-	-	6,694	462,395
Total operating revenues	794,838	1,143,829	-	-	1,972,104	3,910,771
Operating expenses:						
Personal services	224,124	295,944	-	-	2,944	523,012
Contractual services	14,798	699,612	-	-	1,729,900	2,444,310
Operating supplies	329,305	12,300	-	-	236	341,841
Depreciation	11,966	2,131	-	-	-	14,097
Total operating expenses	580,193	1,009,987	-	-	1,733,080	3,323,260
Operating income (loss)	214,645	133,842	-	-	239,024	587,511
Nonoperating revenues (expenses):						
Interest earnings	-	-	58,905	9,273	26,312	94,490
Early retirement benefit expense	-	-	-	-	(234,746)	(234,746)
Total nonoperating revenues (expenses)	-	-	58,905	9,273	(208,434)	(140,256)
Net income (loss) before transfers	214,645	133,842	58,905	9,273	30,590	447,255
Transfers in	-	-	-	-	-	-
Change in net assets	214,645	133,842	58,905	9,273	30,590	447,255
Total net assets, beginning	94,826	310,837	2,100,950	1,000,867	2,371,179	5,878,659
Total net assets, ending	\$ 309,471	\$ 444,679	2,159,855	1,010,140	2,401,769	6,325,914

City of Ankeny, Iowa

Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2009

	Central Garage	Risk Management	Equipment Reserve	Economic Development Revolving	Health Insurance	Total
Cash flows from operating activities:						
Cash received from customers	\$ 791,949	\$ 959,449	-	-	\$ 1,972,522	\$ 3,723,920
Payments to suppliers	(527,126)	(995,046)	-	-	(1,735,531)	(3,257,703)
Payments to employees	(227,178)	-	-	-	(3,496)	(230,674)
Net cash provided provided (used) by operating activities	37,645	(35,597)	-	-	233,495	235,543
Cash flows from noncapital financing activities:						
Payments received on interfund accounts	-	-	654,914	-	-	654,914
Loans issued to other funds	-	-	(470,020)	-	-	(470,020)
Transfers from other funds	-	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	-	-	184,894	-	-	184,894
Cash flows from capital and related financing activities:						
Purchase of capital assets	-	(21,313)	-	-	-	(21,313)
Cash flows from investing activities:						
Proceeds from investment maturity	-	-	300,000	-	-	300,000
Interest received	-	-	65,019	9,273	26,312	100,604
Net cash provided (used) by investing activities	-	-	365,019	9,273	26,312	400,604
Net increase (decrease) in cash and cash equivalents	37,645	(56,910)	549,913	9,273	259,807	799,728
Cash and cash equivalents, beginning	27,616	240,150	(19,871)	1,000,867	2,522,408	3,771,170
Cash and cash equivalents, ending	\$ 65,261	\$ 183,240	\$ 530,042	\$ 1,010,140	\$ 2,782,215	\$ 4,570,898
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 214,645	\$ 133,842	\$ -	\$ -	\$ 239,024	\$ 587,511
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	11,966	2,131	-	-	-	14,097
Changes in assets and liabilities:						
Receivables, net	(2,890)	(184,380)	-	-	418	(186,852)
Prepaid expenses	-	2,940	-	-	-	2,940
Inventory	(171,359)	-	-	-	-	(171,359)
Accounts and other payables	(11,599)	9,870	-	-	(8,414)	(10,143)
Claims payable	(3,118)	-	-	-	2,467	(651)
Net cash provided (used) by operating activities	\$ 37,645	\$ (35,597)	\$ -	\$ -	\$ 233,495	\$ 235,543
Noncash investing activities:						
Net change in unrealized gain (loss) on investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## **Agency Funds**

*Agency funds* are used to account for assets held by the City in a trustee capacity as an agent for individuals, private organizations and other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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**Arts Council Fund-** Accounts for funds being held on behalf of the Arts Council.

**Ankeny Foundation** - Accounts for funds being held for the Ankeny Foundation, which is a private foundation created to benefit the City and its residents.

City of Ankeny, Iowa

Combining Statement of Assets and Liabilities  
Agency Funds  
June 30, 2009

	<u>Arts Council</u>	<u>Ankeny Foundation</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 89,310	\$ 5,199	\$ 94,509
Receivables, interest	114	-	114
Total assets	<u>\$ 89,424</u>	<u>\$ 5,199</u>	<u>\$ 94,623</u>
Liabilities:			
Monies held for other agencies	<u>\$ 89,424</u>	<u>\$ 5,199</u>	<u>\$ 94,623</u>

City of Ankeny, Iowa

Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
Year Ended June 30, 2009

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
<b><u>Arts Council</u></b>				
Assets:				
Cash and cash equivalents	\$ 87,022	\$ 2,288	\$ 0	\$ 89,310
Receivables, interest	210	114	210	114
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 87,232</u>	<u>\$ 2,402</u>	<u>\$ 210</u>	<u>\$ 89,424</u>
Liabilities:				
Monies held for other agencies	<u>\$ 87,232</u>	<u>\$ 2,402</u>	<u>\$ 210</u>	<u>\$ 89,424</u>
<b><u>Ankeny Foundation</u></b>				
Assets:				
Cash and cash equivalents	<u>\$ 10,620</u>	<u>\$ 84</u>	<u>\$ 5,505</u>	<u>\$ 5,199</u>
Liabilities:				
Monies held for other agencies	<u>\$ 10,620</u>	<u>\$ 84</u>	<u>\$ 5,505</u>	<u>\$ 5,199</u>
<b><u>Total</u></b>				
Assets:				
Cash and cash equivalents	\$ 97,642	\$ 2,372	\$ 5,505	\$ 94,509
Receivables, interest	210	114	210	114
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 97,852</u>	<u>\$ 2,486</u>	<u>\$ 5,715</u>	<u>\$ 94,623</u>
Liabilities:				
Monies held for other agencies	<u>\$ 97,852</u>	<u>\$ 2,486</u>	<u>\$ 5,715</u>	<u>\$ 94,623</u>

**City of Ankeny, Iowa**

**Statement of Cash Flows  
Discretely Presented Component Unit  
For the Year Ended June 30, 2009**

	<b>Ankeny Arts Council</b>
Cash flows from operating activities:	
Cash received from customers	\$ 86,645
Payments to suppliers	(68,347)
Payments to employees	(24,591)
	(6,293)
Net cash used in operating activities	(6,293)
Cash flows from capital and related financing activities:	
Purchase of capital assets	(2,729)
Cash flows from investing activities:	
Interest received	108
	(8,914)
Net increase in cash and cash equivalents	(8,914)
Cash and cash equivalents, beginning	30,306
Cash and cash equivalents, ending	\$ 21,392
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ (12,625)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	4,138
Changes in assets and liabilities:	
Prepaid expenses	(33)
Accounts and other payables	2,227
	(6,293)
Net cash used in operating activities	\$ (6,293)



**Capital Assets Used in the Operation of  
Governmental Funds**

**City of Ankeny, Iowa**

**Capital Assets Used in the Operation of Governmental Funds  
Comparative Schedules By Source  
June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Governmental funds capital assets:		
Land	\$ 7,270,406	\$ 5,935,152
Other improvements	12,820,503	11,165,107
Infrastructure	97,533,270	95,942,412
Buildings	17,018,150	16,477,856
Machinery and equipment	12,033,300	11,036,468
Furniture and fixtures	1,445,131	1,219,949
Construction in progress	<u>48,072,435</u>	<u>29,317,662</u>
 Total governmental funds capital assets	 <u>\$ 196,193,195</u>	 <u>\$ 171,094,606</u>
 Investment in governmental funds capital assets by source:		
General fund	\$ 20,188,280	\$ 19,687,981
Special revenue funds	5,525,417	5,199,853
Capital project funds	99,453,911	76,748,324
Local, state, and federal grants and donations	<u>71,025,587</u>	<u>69,458,448</u>
 Total investment in governmental funds capital assets by source	 <u>\$ 196,193,195</u>	 <u>\$ 171,094,606</u>

**City of Ankeny, Iowa**

**Schedule of General Fixed Assets - By Function and Activity  
June 30, 2009**

	<u>Land</u>	<u>Other Improvements</u>	<u>Infrastructure</u>
Public safety:			
Police	\$ 29,212	\$ 0	\$ 0
Fire and ambulance	669,620	0	0
Code enforcement	<u>0</u>	<u>0</u>	<u>0</u>
Total public safety	<u>698,832</u>	<u>0</u>	<u>0</u>
Health and social services:			
Mosquito control	0	0	0
Public relations	<u>0</u>	<u>0</u>	<u>0</u>
Total health and social services	<u>0</u>	<u>0</u>	<u>0</u>
Culture and recreation:			
Library	14,361	94,657	0
Parks and recreation	<u>4,009,704</u>	<u>10,881,736</u>	<u>122,023</u>
Total culture and recreation	<u>4,024,065</u>	<u>10,976,393</u>	<u>122,023</u>
Public works:			
Public works	<u>2,447,979</u>	<u>1,790,870</u>	<u>97,411,247</u>
Community and economic development:			
Planning and zoning	<u>0</u>	<u>0</u>	<u>0</u>
General government:			
Council and management	<u>99,531</u>	<u>53,241</u>	<u>0</u>
Total general fixed assets	<u><u>\$ 7,270,406</u></u>	<u><u>\$ 12,820,503</u></u>	<u><u>\$ 97,533,270</u></u>

<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Furniture and Fixtures</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 38,795	\$ 2,130,692	\$ 225,182	\$ 15,945,678	\$ 18,369,560
1,833,909	3,232,768	48,316	7,067,023	12,851,636
0	140,514	0	0	140,514
<u>1,872,704</u>	<u>5,503,975</u>	<u>273,498</u>	<u>23,012,701</u>	<u>31,361,710</u>
0	34,130	0	0	34,130
0	18,802	0	0	18,802
0	52,932	0	0	52,932
3,149,085	432,863	619,879	0	4,310,845
5,000,897	1,144,346	45,220	8,567,791	29,771,716
<u>8,149,982</u>	<u>1,577,209</u>	<u>665,099</u>	<u>8,567,791</u>	<u>34,082,561</u>
<u>3,551,665</u>	<u>3,792,981</u>	<u>0</u>	<u>16,370,375</u>	<u>125,365,116</u>
0	25,126	0	0	25,126
3,443,799	1,081,078	506,534	121,567	5,305,750
<u>\$ 17,018,150</u>	<u>\$ 12,033,300</u>	<u>\$ 1,445,131</u>	<u>\$ 48,072,435</u>	<u>\$ 196,193,195</u>

**City of Ankeny, Iowa**

**Capital Assets Used in the Operation of Governmental Funds  
Schedule of Changes By Function and Activity  
Year Ended June 30, 2009**

	<b>Governmental Funds Capital Assets June 30, 2008</b>	<b>Additions</b>	<b>Deductions</b>	<b>Governmental Funds Capital Assets June 30, 2009</b>
Public safety:				
Police	\$ 10,397,887	\$ 8,096,216	\$ 124,543	\$ 18,369,560
Fire and ambulance	10,113,358	2,867,064	128,785	12,851,636
Code enforcement	126,845	46,130	32,461	140,514
<b>Total public safety</b>	<b>20,638,090</b>	<b>11,009,410</b>	<b>285,789</b>	<b>31,361,711</b>
Health & social services:				
Mosquito control	34,130	0	0	34,130
Public relations	18,802	0	0	18,802
<b>Total health &amp; social services</b>	<b>52,932</b>	<b>0</b>	<b>0</b>	<b>52,932</b>
Culture and recreation:				
Library	4,310,845	0	0	4,310,845
Parks and recreation	24,187,289	6,114,438	530,011	29,771,716
<b>Total culture and recreation</b>	<b>28,498,134</b>	<b>6,114,438</b>	<b>530,011</b>	<b>34,082,561</b>
Public works:				
Public works	116,574,575	8,933,870	143,329	125,365,116
Community & economic development:				
Planning & zoning	25,126	0	0	25,126
General government:				
Council and management	5,305,750	0	0	5,305,750
<b>Total general fixed assets</b>	<b>\$ 171,094,606</b>	<b>\$ 26,057,718</b>	<b>\$ 959,129</b>	<b>\$ 196,193,195</b>

## **Statistical Section**

## City of Ankeny, Iowa

### Statistical Section Contents

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

Contents	Page
<b>Financial Trends</b>	94
These schedules contain information to help the reader understand how the City's financial performance and well being have changed over time.	
<b>Revenue Capacity</b>	102
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	108
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	115
These schedules offer demographic and economic indicators to help the reader understand the environment with which the City's financial activities take place.	
<b>Operating Information</b>	118
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

**City of Ankeny, Iowa**

**Net Assets by Component  
Last Seven Fiscal Years (2)  
(accrual basis of accounting)**

	Fiscal Year				
	2009	2008	2007	2006	2005
Governmental activities:					
Invested in capital assets, net of related debt	\$ 51,005,350	\$ 59,457,512	\$ 65,059,807	\$ 60,796,555	\$ 30,124,884
Restricted:					
Debt service	2,009,317	3,033,897	953,844	277,845	76,043
Enabling legislation	416,696	417,300	475,654	443,893	344,685
Restricted by other governments	354,817	201,617	550,532	973,642	1,387,052
Donor restrictions	1,317,881	5,438,401	176,481	659,074	111,512
Unrestricted	17,019,598	8,171,093	6,884,490	7,446,042	4,851,785
Total governmental activities net assets	<u>72,123,659</u>	<u>76,719,820</u>	<u>74,100,808</u>	<u>70,597,051</u>	<u>36,895,961</u>
Business-type activities:					
Invested in capital assets, net of related debt	82,762,686	77,349,435	71,526,488	69,831,317	57,574,412
Restricted:					
Debt service	2,614,509	1,553,787	1,579,500	1,256,848	950,134
Unrestricted	9,440,764	9,501,662	10,007,638	10,393,160	9,134,709
Total business-type activities net assets	<u>94,817,959</u>	<u>88,404,884</u>	<u>83,113,626</u>	<u>81,481,325</u>	<u>67,659,255</u>
Primary government:					
Invested in capital assets, net of related debt	133,768,036	136,806,947	136,586,295	130,627,872	87,699,296
Restricted: (1)					
Debt service	4,623,826	4,587,684	2,533,344	1,534,693	1,026,177
Enabling legislation	416,696	417,300	475,654	443,893	344,685
Restricted by other governments	354,817	201,617	550,532	973,642	1,387,052
Donor restrictions	1,317,881	5,438,401	176,481	659,074	111,512
Unrestricted	26,460,362	17,672,755	16,892,128	17,839,202	13,986,494
Total primary government net assets	<u>\$ 166,941,619</u>	<u>\$ 165,124,704</u>	<u>\$ 157,214,434</u>	<u>\$ 152,078,376</u>	<u>\$ 104,555,216</u>

(1) Restricted net assets for years prior to fiscal year 2007 are restated to include changes relating to GASB Statement No. 46.

(2) GASB Statement No. 34 implemented in fiscal year 2003.

2004	2003
\$ 20,560,194	\$ 13,670,814
101,900	228,683
238,968	209,000
3,239,386	2,129,080
54,897	157,366
387,745	432,989
<u>24,583,090</u>	<u>16,827,932</u>
53,976,846	48,088,234
1,419,884	1,250,378
6,580,474	8,901,177
<u>61,977,204</u>	<u>58,239,789</u>
74,537,040	61,759,048
1,521,784	1,479,061
238,968	209,000
3,239,386	2,129,080
54,897	157,366
6,968,219	9,334,166
<u>\$ 86,560,294</u>	<u>\$ 75,067,721</u>

City of Ankeny, Iowa

**Changes in Net Assets  
Last Seven Fiscal Years (1)  
(accrual basis of accounting)**

	Fiscal Year				
	2009	2008	2007	2006	2005
<b>Expenses</b>					
Governmental activities:					
Public safety	\$ 8,709,303	\$ 8,765,732	\$ 7,740,691	\$ 7,119,401	\$ 6,563,401
Health and social services	277,745	236,134	115,375	59,113	95,944
Culture and recreation	5,402,688	5,144,408	4,760,072	4,569,428	4,039,270
Public works	17,964,501	14,066,397	11,685,977	5,383,612	4,065,180
Community and economic development	2,340,606	2,152,310	2,739,944	2,312,740	1,513,129
General government	5,794,576	2,530,968	2,356,261	2,159,580	2,008,601
Capital projects	-	-	-	-	-
Interest on long-term debt	4,549,323	3,633,724	2,652,376	2,208,212	1,762,124
Total governmental activities expenses	<u>45,038,742</u>	<u>36,529,673</u>	<u>32,050,696</u>	<u>23,812,086</u>	<u>20,047,649</u>
Business-type activities:					
Solid waste	572,728	479,368	446,051	387,949	277,336
Water	5,889,478	5,728,375	5,857,555	4,259,984	3,992,676
Sewer	6,001,810	5,321,560	5,000,540	4,701,184	3,999,585
Storm Water	245,983	100,140	72,075	19,425	3,500
Otter Creek golf course	845,236	845,387	1,061,638	1,082,932	1,108,882
Total business-type activities expenses	<u>13,555,235</u>	<u>12,474,830</u>	<u>12,437,859</u>	<u>10,451,474</u>	<u>9,381,979</u>
Total primary government expenses	<u>58,593,978</u>	<u>49,004,503</u>	<u>44,488,555</u>	<u>34,263,560</u>	<u>29,429,628</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services:					
Public safety	887,876	2,006,097	1,768,328	2,233,436	1,771,657
Culture and recreation	1,073,883	897,808	834,055	805,189	650,012
Other activities	384,441	369,195	2,130,411	605,952	1,228,247
Operating grants and contributions	8,700,935	3,844,341	4,154,440	4,331,282	2,898,819
Capital grants and contributions	4,525,314	5,865,048	4,071,240	11,943,414	8,417,503
Total governmental activities program revenues	<u>15,572,449</u>	<u>12,982,489</u>	<u>12,958,474</u>	<u>19,919,273</u>	<u>14,966,238</u>
Business-type activities:					
Charges for services:					
Water	5,411,574	5,494,332	5,433,073	5,654,906	4,382,184
Sewer	6,986,331	5,926,481	5,641,090	4,795,246	4,221,821
Other activities	806,458	920,086	1,319,077	1,355,074	1,233,294
Operating grants and contributions	-	-	27,930	-	-
Capital grants and contributions	6,226,553	7,257,728	1,577,633	12,453,517	5,155,227
Total business-type activities program revenues	<u>19,430,916</u>	<u>19,598,627</u>	<u>13,998,803</u>	<u>24,258,743</u>	<u>14,992,526</u>
Total primary government program revenues	<u>35,003,365</u>	<u>32,581,116</u>	<u>26,957,277</u>	<u>44,178,016</u>	<u>29,958,764</u>
<b>Net (expense) revenue</b>					
Governmental activities	(29,466,292)	(23,547,184)	(19,092,222)	(3,892,813)	(5,081,411)
Business-type activities	5,875,681	7,123,797	1,560,944	13,807,269	5,610,547
Total primary government net (expense) revenue	<u>(23,590,611)</u>	<u>(16,423,387)</u>	<u>(17,531,278)</u>	<u>9,914,456</u>	<u>529,136</u>
<b>General revenues and other changes in net assets</b>					
Governmental activities:					
Taxes:					
Property taxes	22,608,951	20,434,441	18,753,563	16,493,129	15,240,675
Other taxes	1,371,558	1,244,208	1,232,323	1,144,786	1,082,129
Grants and contributions not restricted to specific programs	-	-	-	-	-
Interest	1,115,169	2,225,590	2,216,659	1,514,889	778,632
Other	57,794	187,500	183,348	83,898	227,433
Transfers	(283,341)	2,074,457	210,086	224,000	65,413
Total governmental activities	<u>24,870,131</u>	<u>26,166,196</u>	<u>22,595,979</u>	<u>19,460,702</u>	<u>17,394,282</u>
Business-type activities:					
Interest	72,825	189,703	196,466	184,429	83,974
Other	181,230	52,215	84,977	54,372	52,943
Transfers	283,341	(2,074,457)	(210,086)	(224,000)	(65,413)
Total business-type activities	<u>537,395</u>	<u>(1,832,539)</u>	<u>71,357</u>	<u>14,801</u>	<u>71,504</u>
Total primary government	<u>25,407,526</u>	<u>24,333,657</u>	<u>22,667,336</u>	<u>19,475,503</u>	<u>17,465,786</u>
<b>Changes in net assets</b>					
Governmental activities	(4,596,161)	2,619,012	3,503,757	15,567,889	12,312,871
Business-type activities	6,413,076	5,291,258	1,632,301	13,822,070	5,682,051
Total primary government changes in net assets	<u>\$ 1,816,915</u>	<u>\$ 7,910,270</u>	<u>\$ 5,136,058</u>	<u>\$ 29,389,959</u>	<u>\$ 17,994,922</u>

(1) GASB Statement No. 34 implemented in fiscal year 2003.

	2004	2003
\$	5,953,448	\$ 5,624,663
	212,221	103,307
	3,614,161	2,784,367
	4,462,967	2,625,544
	1,153,503	1,391,893
	1,934,620	1,725,874
	-	2,015,710
	1,624,607	1,670,819
	<u>18,955,527</u>	<u>17,942,177</u>
	244,886	221,296
	4,011,420	3,219,883
	3,333,904	2,651,113
	-	0
	1,138,654	1,099,752
	<u>8,728,864</u>	<u>7,192,044</u>
	<u>27,684,391</u>	<u>25,134,221</u>
	1,526,943	1,603,092
	512,236	460,069
	1,169,245	418,686
	2,761,838	2,965,910
	5,306,596	5,522,979
	<u>11,276,858</u>	<u>10,970,736</u>
	3,972,892	3,351,534
	3,490,284	3,211,933
	1,202,659	969,258
	-	0
	4,016,586	2,961,507
	<u>12,682,421</u>	<u>10,494,232</u>
	<u>23,959,279</u>	<u>21,464,968</u>
	(7,678,669)	(6,971,441)
	3,953,557	3,302,188
	<u>(3,725,112)</u>	<u>(3,669,253)</u>
	13,189,116	12,598,029
	1,019,780	744,109
	34,664	292,357
	555,465	619,500
	368,050	69,157
	266,752	824,000
	<u>15,433,827</u>	<u>15,147,152</u>
	50,610	87,240
	-	361,073
	(266,752)	(824,000)
	<u>(216,142)</u>	<u>(375,687)</u>
	<u>15,217,685</u>	<u>14,771,465</u>
	7,755,158	8,175,711
	3,737,415	2,926,501
\$	<u>11,492,573</u>	<u>\$ 11,102,212</u>

**City of Ankeny, Iowa**

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

	Fiscal Year				
	2009	2008	2007	2006	2005
General fund:					
Unreserved	\$ 4,993,929	\$ 4,715,926	\$ 4,596,769	\$ 3,760,757	\$ 2,953,483
Reserved	-	-	-	-	-
Total general fund	<u>\$ 4,993,929</u>	<u>\$ 4,715,926</u>	<u>\$ 4,596,769</u>	<u>\$ 3,760,757</u>	<u>\$ 2,953,483</u>
All other governmental funds:					
Reserved	\$ 2,009,317	\$ 3,033,897	\$ 953,844	\$ 277,845	\$ 76,043
Unreserved, reported in:					
Debt service funds	-	-	-	-	-
Special revenue funds	1,970,149	6,032,229	1,607,459	2,659,219	2,520,269
Capital project funds	14,519,678	31,263,350	38,064,035	24,464,550	30,077,141
Total all other governmental funds	<u>\$ 18,499,144</u>	<u>\$ 40,329,476</u>	<u>\$ 40,625,338</u>	<u>\$ 27,401,614</u>	<u>\$ 32,673,453</u>

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2004	2003	2002	2001	2000
\$ 2,356,907	\$ 2,416,299	\$ 2,459,460	\$ 2,935,008	\$ 2,907,826
-	-	-	-	-
<u>\$ 2,356,907</u>	<u>\$ 2,416,299</u>	<u>\$ 2,459,460</u>	<u>\$ 2,935,008</u>	<u>\$ 2,907,826</u>
\$ 101,900	\$ 1,318,683	\$ 1,212,255	\$ 160,531	\$ 206,814
-	-	-	2,212,135	2,119,763
4,269,476	3,498,560	2,715,230	2,070,536	1,870,278
27,144,527	15,596,747	18,535,367	11,213,240	11,987,493
<u>\$ 31,515,903</u>	<u>\$ 20,413,990</u>	<u>\$ 22,462,852</u>	<u>\$ 15,656,442</u>	<u>\$ 16,184,348</u>

City of Ankeny, Iowa

**Changes in Fund Balance  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	Fiscal Year				
	2009	2008	2007	2006	2005
Revenues:					
Property taxes	\$ 22,690,861	\$ 20,114,119	\$ 18,794,111	\$ 16,514,753	\$ 15,165,093
Other taxes and assessments	1,349,516	1,620,228	1,531,956	1,443,778	1,769,012
Licenses and permits	783,144	873,022	1,101,473	1,494,933	1,157,466
Intergovernmental	6,988,555	4,132,078	7,808,298	4,723,686	5,224,090
Charges for services	1,456,300	1,684,319	1,378,617	1,125,569	982,051
Use of money and property	1,213,802	2,402,016	2,299,353	1,593,597	884,232
Miscellaneous	4,805,303	6,264,216	730,474	1,945,994	618,522
<b>Total revenues</b>	<b>39,287,483</b>	<b>37,089,998</b>	<b>33,644,282</b>	<b>28,842,310</b>	<b>25,800,466</b>
Expenditures:					
Current operating:					
Community protection	-	-	-	-	-
Human development	-	-	-	-	-
Home and community environment	-	-	-	-	-
Policy and administration	-	-	-	-	-
Public safety	9,024,964	8,762,449	8,017,872	7,245,549	6,601,587
Health and social services	272,534	241,908	106,535	66,687	88,979
Culture and recreation	4,563,000	4,680,218	4,430,748	3,535,146	3,121,200
Public works	3,534,165	4,469,736	3,770,657	3,354,035	3,170,707
Community and economic development	2,351,754	2,179,236	2,767,813	2,323,059	1,522,821
General government	5,594,008	2,357,372	2,273,884	2,153,257	1,779,191
Debt service:					
Principal	40,505,421	17,340,988	5,580,852	4,977,420	4,772,488
Interest and other charges	4,495,158	4,224,025	1,624,323	1,586,200	1,237,928
Capital projects	35,808,040	34,159,265	32,331,256	25,211,102	28,328,883
<b>Total expenditures</b>	<b>106,149,045</b>	<b>78,415,197</b>	<b>60,903,940</b>	<b>50,452,455</b>	<b>50,623,784</b>
Excess (deficiency) of revenues over expenditures	<u>(66,861,562)</u>	<u>(41,325,199)</u>	<u>(27,259,658)</u>	<u>(21,610,145)</u>	<u>(24,823,318)</u>
Other financing sources (uses):					
Issuance of long-term debt	44,647,082	40,072,037	41,291,341	16,890,189	26,452,303
Issuance of bond anticipation notes	-	-	-	-	-
Premium (discount) on long-term debt	1,095,239	-	17,967	31,391	59,728
Bond issuance costs	-	-	-	-	-
Project note repayments	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Transfers in	10,427,812	8,218,219	5,467,030	5,741,353	5,232,637
Transfers out	(10,711,153)	(7,143,762)	(5,456,944)	(5,517,353)	(5,167,224)
<b>Total other financing sources (uses)</b>	<b>45,458,980</b>	<b>41,146,494</b>	<b>41,319,394</b>	<b>17,145,580</b>	<b>26,577,444</b>
<b>Net change in fund balances</b>	<b><u>\$(21,402,582)</u></b>	<b><u>\$ (178,705)</u></b>	<b><u>\$ 14,059,736</u></b>	<b><u>\$ (4,464,565)</u></b>	<b><u>\$ 1,754,126</u></b>
Debt service as a percentage of noncapital expenditures	<u>54.97%</u>	<u>43.30%</u>	<u>15.26%</u>	<u>20.31%</u>	<u>16.20%</u>

(1) The State of Iowa changed the financial reporting programs, starting in fiscal year 2003, from four program to six programs for the General and Special Revenue Funds and created an additional program for the Debt Service Fund.

(2) The City started issuing a Comprehensive Annual Financial Report using guidelines issued by the Government Finance Officers Association in fiscal year 2002.

2004	2003 (1)	2002 (2)	2001	2000
\$ 13,269,314	\$ 12,531,302	\$ 11,472,633	\$ 11,341,607	\$ 9,910,609
1,140,340	983,094	883,587	-	-
878,768	640,065	523,578	-	-
2,828,942	4,192,528	2,995,346	2,677,054	2,572,849
1,371,140	743,296	689,834	1,095,078	1,006,330
539,640	661,942	949,636	-	-
562,229	854,883	641,050	1,729,753	2,153,793
20,590,373	20,607,110	18,155,664	16,843,492	15,643,581
-	-	5,072,845	4,787,296	4,147,879
-	-	2,668,753	5,854,353	5,028,946
-	-	3,261,511	8,617,844	8,574,147
-	-	1,908,354	2,110,058	2,020,032
5,729,060	5,541,328	-	-	-
103,791	102,907	-	-	-
2,978,587	2,584,357	-	-	-
2,976,702	2,689,826	-	-	-
1,144,920	1,385,355	-	-	-
1,567,450	1,484,543	-	-	-
4,482,064	6,249,082	3,318,400	-	-
1,425,510	1,421,237	1,424,931	-	-
8,843,011	13,001,264	7,308,489	-	-
29,251,095	34,459,899	24,963,283	21,369,551	19,771,004
(8,660,722)	(13,852,789)	(6,807,619)	(4,526,059)	(4,127,423)
23,292,618	11,196,310	10,828,813	2,886,206	5,281,582
-	-	-	-	3,833,460
22,991	(23,544)	-	4,044,935	-
-	-	(89,001)	(20,494)	(31,317)
-	-	-	(2,840,000)	(5,190,000)
(3,747,618)	-	-	-	-
28,500	-	-	-	-
3,203,149	3,116,873	2,299,314	-	267,147
(3,096,397)	(2,528,873)	(2,075,314)	(45,312)	-
19,703,243	11,760,766	10,963,812	4,025,335	4,160,872
\$ 11,042,521	\$ (2,092,023)	\$ 4,156,193	\$ (500,724)	\$ 33,449
27.61%	24.49%	26.87%	27.52%	29.83%

City of Ankeny, Iowa

Actual Valuation and Taxable Valuation of Property (1)  
Last Ten Fiscal Years

Actual Valuation

	As of January 1:				
	2007	2006	2005	2004	2003
Residential	\$ 2,454,017,210	\$ 2,190,161,260	\$ 1,917,419,643	\$ 1,604,885,354	\$ 1,429,751,281
Agricultural	3,710,470	2,582,650	2,085,460	2,215,860	2,365,790
Commercial	532,071,600	472,035,700	435,008,427	373,093,369	353,213,009
Industrial	59,473,590	60,236,410	58,750,920	57,205,307	64,404,580
Personal/Real estate	-	-	-	-	-
Utilities	40,123,838	41,807,652	40,205,954	35,528,211	33,382,236
Gross valuation	3,089,396,708	2,766,823,672	2,453,470,404	2,072,928,101	1,883,116,896
Less: Military exemption	3,260,660	3,153,956	2,946,532	2,753,924	2,598,646
Net valuation	3,086,136,048	2,763,669,716	2,450,523,872	2,070,174,177	1,880,518,250
Incremental value	156,191,910	139,675,000	137,270,000	122,335,000	110,200,000
Actual valuation	\$ 3,242,327,958	\$ 2,903,344,716	\$ 2,587,793,872	\$ 2,192,509,177	\$ 1,990,718,250
Percent change	11.676%	12.194%	18.029%	10.137%	16.438%

Taxable Valuation

	As of January 1:				
	2007	2006	2005	2004	2003
Residential	\$ 1,066,470,820	\$ 985,221,470	\$ 870,781,373	\$ 759,608,294	\$ 685,089,321
Agricultural	3,343,130	2,582,650	2,085,460	2,215,860	2,365,790
Commercial	530,311,700	472,035,700	430,373,567	373,093,369	349,881,059
Industrial	59,473,590	60,236,410	58,750,920	57,205,307	64,404,580
Personal/Real estate	-	-	-	-	-
Utilities	34,238,011	33,262,313	35,229,249	32,955,571	34,094,357
Gross valuation	1,693,837,251	1,553,338,543	1,397,220,569	1,225,078,401	1,135,835,107
Less: Military exemption	3,260,660	3,153,956	2,946,532	2,753,924	2,598,646
Net valuation	1,690,576,591	1,550,184,587	1,394,274,037	1,222,324,477	1,133,236,461
Incremental value	156,191,910	139,675,000	137,270,000	122,335,000	110,200,000
Taxable valuation	\$ 1,846,768,501	\$ 1,689,859,587	\$ 1,531,544,037	\$ 1,344,659,477	\$ 1,243,436,461
Percent change	9.285%	10.337%	13.898%	8.141%	10.857%

Total Direct Tax Rate

City of Ankeny	\$ 10.52956	\$ 10.28956	\$ 10.33956	\$ 10.38956	\$ 10.38956
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(1) Polk County Auditor

2002	2001	2000	1999	1998
\$ 1,194,083,777	\$ 1,096,157,464	\$ 956,289,076	\$ 878,464,603	\$ 770,427,962
1,868,510	2,121,890	2,319,970	2,049,390	2,024,620
312,560,663	295,414,970	261,639,561	244,519,922	217,304,616
65,377,160	70,658,123	62,006,052	66,316,346	60,435,359
-	2,776,335	6,890,585	16,088,816	21,722,201
34,804,554	33,370,578	32,931,927	33,033,352	35,099,578
1,608,694,664	1,500,499,360	1,322,077,171	1,240,472,429	1,107,014,336
2,546,590	2,439,084	2,385,376	2,265,922	2,178,878
1,606,148,074	1,498,060,276	1,319,691,795	1,238,206,507	1,104,835,458
103,538,880	95,265,000	86,952,270	73,744,335	53,915,000
<u>\$ 1,709,686,954</u>	<u>\$ 1,593,325,276</u>	<u>\$ 1,406,644,065</u>	<u>\$ 1,311,950,842</u>	<u>\$ 1,158,750,458</u>
7.303%	13.271%	7.218%	13.221%	5.518%

2002	2001	2000	1999	1998
\$ 606,050,267	\$ 559,204,394	\$ 532,499,666	\$ 475,549,103	\$ 430,240,912
1,868,510	2,121,890	2,319,970	1,974,350	2,024,620
312,560,663	287,019,740	261,639,561	240,814,609	217,304,616
65,377,160	70,658,123	62,006,052	66,316,346	60,435,359
-	2,776,335	6,890,585	16,088,816	21,722,201
34,804,554	33,363,552	32,931,927	33,030,377	35,099,578
1,020,661,154	955,144,034	898,287,761	833,773,601	766,827,286
2,546,590	2,439,084	2,385,376	2,265,922	2,178,878
1,018,114,564	952,704,950	895,902,385	831,507,679	764,648,408
103,538,880	95,265,000	86,952,270	73,744,335	53,915,000
<u>\$ 1,121,653,444</u>	<u>\$ 1,047,969,950</u>	<u>\$ 982,854,655</u>	<u>\$ 905,252,014</u>	<u>\$ 818,563,408</u>
7.031%	6.625%	8.572%	10.590%	7.292%

<u>\$ 9.90126</u>	<u>\$ 9.90126</u>	<u>\$ 9.65126</u>	<u>\$ 9.65126</u>	<u>\$ 9.52084</u>
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**City of Ankeny, Iowa**

**Property Tax Rates - All Direct and Overlapping Governments (1)  
Per \$1,000 Taxable Valuation  
Last Ten Fiscal Years**

	Fiscal Year					
	2009	2008	2007	2006	2005	2004
City of Ankeny	\$ 10.52956	\$ 10.28956	\$ 10.33956	\$ 10.38956	\$ 10.38956	\$ 9.90126
Ankeny Community School District	19.58053	17.90637	16.70575	16.70201	16.90251	17.10241
Polk County	9.79821	9.84869	9.87773	9.58881	9.64715	9.44511
Polk County Assessor	0.32711	0.31349	0.29738	0.35437	0.31745	0.31715
Des Moines Area Community College	0.56386	0.60276	0.68688	0.68408	0.59856	0.58184
Des Moines Area Regional Transit	0.12117	0.10939	0.08789	N/A	N/A	N/A
State of Iowa	0.00350	0.00350	0.00400	0.00400	0.00400	0.00400
Total Consolidated Tax Levy Rate	\$ 40.92394	\$ 39.07376	\$ 37.99919	\$ 37.72283	\$ 37.85923	\$ 37.35177
Saydel Community School District	\$ 13.67722	\$ 13.62992	\$ 13.38621	\$ 13.12949	\$ 14.67175	N/A
Total Consolidated Tax Levy Rate (2)	\$ 35.02063	\$ 34.79731	\$ 34.67965	\$ 34.15031	\$ 35.62847	N/A
North Polk Community School District	\$ 17.77387	\$ 17.46387	N/A	N/A	N/A	N/A
Total Consolidated Tax Levy Rate (3)	\$ 39.11728	\$ 38.63126	N/A	N/A	N/A	N/A

(1) Polk County Auditor

(2) As of fiscal year 2005, the City's taxing jurisdiction also overlaps the Saydel Community School District.

(3) As of fiscal year 2008, the City's taxing jurisdiction also overlaps the North Polk Community School District.

N/A - Not applicable.

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	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
\$	9.90126	\$ 9.65126	\$ 9.65126	\$ 9.52084
	17.24845	17.00682	17.09290	17.09029
	9.37854	9.29570	8.93917	8.97280
	0.34363	0.34318	0.31454	0.30594
	0.54584	0.54454	0.54506	0.52451
	N/A	N/A	N/A	N/A
	0.00400	0.00500	0.00500	0.00500
\$	37.42172	\$ 36.84650	\$ 36.54793	\$ 36.41938

	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A

	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A

**City of Ankeny, Iowa**

**Principal Property Taxpayers (1)  
Current Year and Nine Years Ago**

Taxpayer	Type of Business	Fiscal Year 2009			Fiscal Year 2000		
		January 1, 2007 Taxable Valuation	Rank	Percent of Total Taxable Value	January 1, 1998 Taxable Valuation	Rank	Percent of Total Taxable Value
Tone Brothers, Inc.	Spice manufacturing/distribution	\$ 23,528,000	1	1.27%	\$ 32,046,864	2	3.92%
John Deere Des Moines Works	Farm implements	23,423,250	2	1.27%	39,328,036	1	4.80%
Casey's General Stores	Corporate headquarters/distribution	20,256,040	3	1.10%	14,345,657	4	1.75%
Denny Elwell Family	Real estate development	16,630,800	4	0.90%	8,135,060	8	0.99%
Perishable Distributors of Iowa	Wholesale meat/bakery distributor	16,512,420	5	0.89%	10,447,549	5	1.28%
Signature Properties, LLC	Commercial	16,300,070	6	0.88%			
Wal-Mart	Retail merchandise/grocery	15,566,050	7	0.84%			
Karl Chevrolet	Automobile sales	14,202,710	8	0.77%			
Target Corporation	Retail merchandise/grocery	12,914,200	9	0.70%			
Menards, Inc.	Retail home improvement store	12,400,580	10	0.67%			
MidAmerican Energy	Utility				30,068,358	3	3.67%
Fairco Foods, Inc.	Grocery warehouse				8,155,522	7	1.00%
Sun Communities	Manufactured housing community				8,365,370	6	1.02%
Mill-Pond, Inc.	Retirement community				6,249,000	9	0.76%
Ankeny Housing Association	Real estate development				5,435,820	10	0.66%
		<u>\$ 171,734,120</u>		<u>9.30%</u>	<u>\$ 162,577,236</u>		<u>19.86%</u>

(1) Polk County Assessor

**City of Ankeny, Iowa**

**Property Tax Levies and Collections  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Total Property Tax Levy</u>	<u>Current Property Tax Collections</u>	<u>Percent of Property Taxes Collected</u>	<u>Delinquent Property Tax Collections</u>	<u>Total Property Tax Collections</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>
2000	9,002,193	9,295,673	103.26%	17,631	9,313,304	103.46%
2001	10,399,032	10,682,335	102.72%	82	10,682,417	102.73%
2002	11,435,497	11,471,720	100.32%	913	11,472,633	100.32%
2003	12,619,154	12,528,042	99.28%	142	12,528,184	99.28%
2004	13,554,417	13,540,966	99.90%	2,680	13,543,646	99.92%
2005	15,248,211	15,163,074	99.44%	2,019	15,165,093	99.45%
2006	16,529,809	16,512,978	99.90%	5	16,512,983	99.90%
2007	18,815,615	18,791,243	99.87%	100	18,791,343	99.87%
2008	20,427,095	20,303,603	99.40%	634	20,304,237	99.40%
2009	22,717,538	22,823,558	100.47%	17	22,823,576	100.47%

City of Ankeny, Iowa

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (1)
	General Obligation Bonds	Bond Anticipation Notes	Tax Increment Revenue Notes	General Obligation Bonds	Capital Loan Notes	Revenue Bonds			
2000	27,066,162	6,670,000	1,775,000	1,733,838	6,435,000	3,055,000	46,735,000	N/A	1,723
2001	27,509,254	7,880,000	1,525,000	1,575,746	6,311,000	2,415,000	47,216,000	N/A	1,741
2002	30,759,627	8,895,000	1,250,000	1,605,373	6,975,380	1,865,000	51,350,380	N/A	1,894
2003	35,966,918	-	990,000	1,878,082	6,848,000	1,245,000	46,928,000	N/A	1,731
2004	40,509,472	11,125,000	675,000	1,730,528	6,632,000	615,000	61,287,000	354.20%	2,260
2005	41,219,289	18,230,000	345,000	2,710,711	6,411,000	-	68,916,000	366.11%	2,541
2006	41,852,058	24,505,000	-	2,892,942	5,533,000	3,890,000	78,673,000	398.34%	2,176
2007	46,062,547	43,125,000	-	5,822,453	4,747,000	7,640,000	107,397,000	507.93%	2,970
2008	74,437,094	37,200,000	-	5,777,906	3,954,000	7,360,000	128,729,000	573.22%	3,560
2009	96,993,520	18,900,000	-	10,801,480	3,252,000	17,600,000	147,547,000	636.50%	4,080

(1) See the Schedule of Historical Economic Data for personal income and population data.

N/A - Information not available

**City of Ankeny, Iowa**

**Ratio of Net General Obligation Bonded Debt to Actual Property Valuation  
and Net General Obligation Bonded Debt Per Capita  
Last Ten Fiscal Years**

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Fiscal Year	Actual Property Valuation (1)	General Obligation Bonded Debt (2)	Less Debt Service Fund	Net	Percentage of Actual Property Valuation	Per Capita (3)
2000	1,158,750,458	37,245,000	206,814	37,038,186	3.20%	1,366
2001	1,311,950,842	38,490,000	160,531	38,329,469	2.92%	1,413
2002	1,406,644,065	42,510,000	122,255	42,387,745	3.01%	1,563
2003	1,593,335,556	38,835,000	228,683	38,606,317	2.42%	1,424
2004	1,709,686,954	54,040,000	101,900	53,938,100	3.15%	1,989
2005	1,990,718,250	62,505,000	76,043	62,428,957	3.14%	2,302
2006	2,192,509,177	69,250,000	277,845	68,972,155	3.15%	1,907
2007	2,587,793,872	95,010,000	953,844	94,056,156	3.63%	2,601
2008	2,903,344,716	117,415,000	3,033,897	114,381,103	3.94%	3,163
2009	3,242,327,958	126,695,000	2,009,317	124,685,683	3.85%	3,448

(1) Polk County Auditor

(2) Includes Tax Increment Revenue Capital Loan Notes and Bond Anticipation Notes.

(3) Per capita calculations based on data from U.S. Census Bureau

City of Ankeny, Iowa

Computation of Direct and Overlapping Bonded Debt  
 General Obligation Bonded Debt  
 June 30, 2009

	General Obligation Bonded Debt June 30, 2009	Percent Applicable to City (1)	Direct and Overlapping General Obligation Bonded Debt	Underlying General Obligation Bonded Debt
City of Ankeny	\$ 124,685,683 (2)	100.00%	\$ 124,685,683	\$ -
Polk County	245,378,000	10.48%	25,715,614	219,662,386
Des Moines Area Community College	82,815,000	5.92%	4,902,648	77,912,352
North Polk Community School District	2,825,000	0.06%	1,695	2,823,305
Saydel Community School District	3,525,000	1.09%	38,423	3,486,577
Ankeny Community School District	94,400,000	90.48%	85,413,120	8,986,880
Total direct and overlapping bonded debt	<u>\$ 553,628,683</u>		<u>\$ 240,757,183</u>	<u>\$ 312,871,500</u>

(1) Taxable assessed valuation provided by Polk County Assessors Office used to estimate applicable percentages.

(2) See table - Ratio of Net General Obligation Bonded Debt to Actual Property Valuation and Net Obligation Bonded Debt Per Capita.



**City of Ankeny, Iowa**

**Computation of Legal Debt Margin  
Last Ten Fiscal Years**

	2009	2008	2007	2006	2005
Actual property valuation (1)	\$ 3,242,327,958	\$ 2,903,344,716	\$ 2,587,793,872	\$ 2,192,509,177	\$ 1,990,718,250
Debt limit - 5% of assessed valuation	162,116,398	145,167,236	129,389,694	109,625,459	99,535,913
Amount of debt applicable to limit:					
General obligation bonds	107,795,000	80,215,000	51,885,000	44,745,000	43,930,000
Bond anticipation notes	18,900,000	37,200,000	43,125,000	24,505,000	18,230,000
Total debt applicable to limit	<u>126,695,000</u>	<u>117,415,000</u>	<u>95,010,000</u>	<u>69,250,000</u>	<u>62,160,000</u>
Legal debt margin	<u>\$ 35,421,398</u>	<u>\$ 27,752,236</u>	<u>\$ 34,379,694</u>	<u>\$ 40,375,459</u>	<u>\$ 37,375,913</u>
Percent of debt limit	21.85%	19.12%	26.57%	36.83%	37.55%

(1) Polk County Auditor

2004	2003	2002	2001	2000
\$ 1,709,686,954	\$ 1,593,325,276	\$ 1,406,644,065	\$ 1,311,950,842	\$ 1,158,750,458
85,484,348	79,666,264	70,332,203	65,597,542	57,937,523
42,240,000	37,845,000	32,365,000	29,085,000	28,800,000
11,125,000	-	8,895,000	7,880,000	6,670,000
<u>53,365,000</u>	<u>37,845,000</u>	<u>41,260,000</u>	<u>36,965,000</u>	<u>35,470,000</u>
<u>\$ 32,119,348</u>	<u>\$ 41,821,264</u>	<u>\$ 29,072,203</u>	<u>\$ 28,632,542</u>	<u>\$ 22,467,523</u>
37.57%	52.50%	41.34%	43.65%	38.78%

**City of Ankeny, Iowa**

**Revenue Bond Coverage  
Last Ten Fiscal Years**

Fiscal Year	Sewer Fund				Coverage
	Gross Revenues	Operating Expenses (1)	Net Revenue Available For Debt Service	Maximum Debt Service Requirements (2)	
2000	2,831,168	897,946	1,933,222	1,184,817	1.6317
2001	2,963,233	1,048,085	1,915,148	1,126,910	1.6995
2002	3,016,404	1,204,985	1,811,419	1,113,509	1.6268
2003	3,105,152	1,273,837	1,831,315	1,100,379	1.6643
2004	3,311,739	1,864,093	1,447,646	1,069,094	1.3541
2005	N/A	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A
2009	7,013,732	4,113,010	2,900,722	878,924	3.3003

(1) Total operating expenses exclusive of depreciation.

(2) Includes principal and interest of revenue bonds and capital loan notes.

**Note:**

Water Fund issued revenue bonds with coverage requirements in fiscal years 2006, 2007 and 2009.

Sewer Fund issued revenue bonds with coverage requirements in fiscal year 2009.

N/A - Not applicable.

Water Fund					
Gross Revenues	Operating Expenses (1)	Net Revenue Available For Debt Service	Annual Debt Service Requirements (2)	Coverage	
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
5,771,431	3,470,469	2,300,962	285,843	8.0497	
5,587,391	4,839,031	748,360	436,744	1.7135	
5,662,041	4,581,601	1,080,440	653,994	1.6521	
5,508,623	4,591,946	916,677	759,451	1.2070	

**City of Ankeny, Iowa**

**Historical Economic Data  
Last Ten Years**

Employment				Personal Income (3)			Retail Sales (4)		
Calendar Year	Population (1)	Labor Force (2)	Unemployment Rate (2)	Calendar Year	Personal Income (000's)	Per Capita	Fiscal Year	Number of Businesses	Taxable Sales
1999	21,485	260,000	1.9%	1999	N/A	N/A	1999	2,546	244,161,790
2000	27,117	279,600	2.7%	2000	N/A	N/A	2000	2,571	277,266,781
2001	27,117	285,500	3.3%	2001	N/A	N/A	2001	2,634	296,942,692
2002	27,117	289,400	4.0%	2002	N/A	N/A	2002	2,789	336,282,498
2003	27,117	289,600	4.0%	2003	17,303,000	34,326	2003	2,840	371,959,626
2004	27,117	294,500	4.4%	2004	18,824,000	36,724	2004	2,909	415,484,756
2005	36,161	301,300	4.2%	2005	19,750,000	37,737	2005	3,070	466,908,168
2006	36,161	307,500	3.3%	2006	21,144,000	39,579	2006	3,179	514,316,083
2007	36,161	376,000	3.7%	2007	22,457,000	41,085	2007	3,591	538,000,263
2008	36,161	313,600	3.9%	2008	23,181,000	41,676	2008	3,844	562,967,614

(1) U.S. Census Bureau

(2) Iowa Workforce Development, Des Moines Metropolitan Service Area

(3) U.S. Bureau of Economic Analysis, Des Moines Metropolitan Service Area

(4) Iowa Department of Revenue, fiscal year ending March 31

(5) City of Ankeny Planning and Building Department

N/A - Information not available

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Building Permits (5)				
Calendar Year	Commercial Permits Issued	Dollar Value of Permits Issued	Residential Permits Issued	Dollar Value of Permits Issued
1999	13	9,317,344	494	43,489,161
2000	15	15,391,688	464	38,927,193
2001	21	15,153,000	601	54,065,206
2002	42	16,353,324	738	74,449,704
2003	30	14,829,798	1,042	119,766,928
2004	27	24,623,712	1,085	130,039,464
2005	30	21,570,268	1,311	203,434,307
2006	30	29,709,708	845	136,156,818
2007	26	38,933,191	581	107,924,995
2008	21	42,473,891	372	68,646,221

**City of Ankeny, Iowa**

**Principal Employers (1)  
Current Year and Nine Years Ago**

Employer (2)	Type of Business	Fiscal Year 2009			Fiscal Year 2000		
		Approximate Number of Employees	Rank	Percent of Total City Employment	Approximate Number of Employees	Rank	Percent of Total City Employment
Ankeny Community Schools	Education	1,389	1	5.74%	645	2	4.92%
John Deere Des Moines Works	Farm implements	1,245	2	5.14%	1,200	1	9.16%
Des Moines Area Community College	Education	850	3	3.11%	625	4	4.77%
Casey's General Stores	Corporate headquarters/distribution	752	4	3.51%	350	6	2.67%
Tone Brothers, Inc.	Spice manufacturing/distribution	500	5	2.07%	640	3	4.89%
Perishable Distributors of Iowa	Wholesale meat/bakery distributor	462	6	1.91%	470	5	3.59%
City of Ankeny	Government	393	7	1.62%	128		0.98%
SYSCO Food Services of Iowa	Wholesale distribution	275	8	0.62%			
Mrs. Clarks Foods	Manufacturing and distribution	150	9	1.14%	83		0.63%
Praxair	Industrial gases/welding equipment	130	10	0.54%	130	8	0.99%
Younkers Distribution	Retail distribution				175	7	1.34%
Techniplas	Custom injection mold plastics				104	9	0.79%
On With Life	Head injury rehabilitation facility				91	10	0.69%
Total		<u>6,146</u>		<u>25.40%</u>	<u>4,641</u>		<u>35.43%</u>

(1) City of Ankeny Economic Development Department

(2) Does not include retail employers

City of Ankeny, Iowa

Number of Permanent City Employees by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Public Safety:										
Police:										
Police Administration	3.00	3.00	3.00	3.00	3.00	3.00	2.80	2.80	3.00	3.00
Operations	42.00	39.00	36.00	31.00	29.00	28.00	27.00	25.00	25.00	23.00
Special Services	-	-	-	9.00	8.00	8.00	10.00	10.00	10.00	9.00
Support Services	14.50	14.00	14.00	6.50	8.50	8.30	7.50	11.00	8.50	8.50
Fire:										
Fire Support	3.00	3.00	3.00	2.00	2.00	2.00	2.75	2.25	3.25	3.25
Fire Suppression	1.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	0.00	0.00
Ambulance & Rescue	8.00	7.50	7.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Code Enforcement	8.00	9.00	10.00	9.00	8.00	6.00	6.50	5.50	5.00	5.00
Total Public Safety	79.50	77.50	75.00	65.50	62.50	59.30	60.55	60.55	57.75	54.75
Health and social services:										
Public Relations	3.00	3.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Culture and Recreation:										
Library	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.60
Parks and Recreation:										
Park Administration	2.00	2.00	1.75	2.75	2.00	2.00	2.00	2.00	2.00	2.00
Park Maintenance	7.00	7.00	6.00	5.00	4.00	4.00	4.00	4.00	4.00	3.00
Recreation Programs	4.00	4.00	4.00	3.00	2.00	2.00	2.00	2.00	2.00	1.80
Prairie Ridge Sports Complex	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00	0.00
Total Culture and Recreation	22.00	22.00	20.75	19.75	17.00	17.00	17.00	17.00	15.00	13.40
Public Works:										
Engineering	-	3.00	3.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
Street Cleaning	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Traffic Safety	3.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Roadway Administration	6.25	6.25	5.25	5.25	4.50	3.70	3.70	2.50	2.50	2.50
Roadway Maintenance	11.00	12.00	14.00	14.00	13.00	12.00	12.00	12.00	12.00	11.00
Central Garage	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00
Total Public Works	25.25	29.25	26.25	25.25	23.50	21.70	21.70	21.50	21.50	19.50
Community and Economic Development:										
Development and Promotion	-	-	-	-	1.00	1.00	1.00	3.00	3.00	2.00
Development Engineering	3.00	-	-	-	-	-	-	-	-	-
Planning & Zoning	5.50	5.50	5.50	4.50	4.50	4.50	4.50	4.50	4.50	3.50
Planning and Building Admin	2.00	2.00	2.00	2.00	2.80	2.80	2.00	0.00	0.00	0.00
Economic Development	3.00	3.00	3.00	2.80	0.00	0.00	0.00	0.00	0.00	0.00
Total Community and Economic Development:	13.50	10.50	10.50	9.30	8.30	8.30	7.50	7.50	7.50	5.50
General Government:										
Human Resources	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Policy & Administration	4.00	4.00	5.00	4.00	4.00	4.00	4.00	3.00	5.00	4.00
City Clerk	4.50	4.50	4.00	4.00	3.50	3.00	3.00	3.00	2.50	2.50
Finance	4.00	4.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Information Systems	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	0.00	0.00
Total General Government	18.50	18.25	17.75	15.75	15.25	14.75	14.75	14.75	13.25	12.25
Water										
Water Administration	7.50	7.50	3.50	3.50	3.50	2.50	2.50	2.00	2.00	2.00
Water Maintenance	8.00	8.00	8.00	7.00	7.00	7.00	6.00	6.00	5.00	4.00
Total Water	15.50	15.50	11.50	10.50	10.50	9.50	8.50	8.00	7.00	6.00
Sewer:										
Wastewater Administration	3.50	3.50	3.50	3.50	3.00	2.50	2.50	2.00	2.00	2.00
Wastewater Operations	11.00	11.00	11.00	10.00	10.00	10.00	8.00	8.00	9.00	8.00
Total Sewer	14.50	14.50	14.50	13.50	13.00	12.50	10.50	10.00	11.00	10.00
Storm water:										
Stormwater Administration	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Otter Creek Golf Course:										
Golf Course Maintenance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Golf Course Club House	1.00	1.00	1.50	1.50	1.50	1.50	0.50	0.50	0.00	0.00
Golf Course Banquet Services	1.00	-	-	-	-	-	-	-	-	-
Total Otter Creek Golf Course	5.00	4.00	4.50	4.50	4.50	4.50	3.50	3.50	3.00	3.00
Total	197.75	195.50	182.75	165.05	154.55	147.55	144.00	142.80	136.00	124.40

**City of Ankeny, Iowa**

**Operating Indicators by Function (1)  
Last Eight Years**

Function	2009	2008	2007	2006	2005	2004	2003	2002
Public safety:								
Police:								
Calls for service (3)	35,668	34,127	30,130	31,756	35,219	28,715	21,621	21,132
Yearly miles logged by patrol (3)	332,686	319,438	288,976	310,234	345,187	319,918	284,923	251,628
Fire:								
Fire calls (3)	678	709	743	773	724	600	490	532
Ambulance calls (3)	2,092	1,964	1,875	1,640	1,676	1,498	1,387	1,274
Code Enforcement:								
Residential permits issued (3)	372	581	845	1,311	1,085	1,042	738	601
Commercial permits issued (3)	21	26	30	30	27	30	42	21
Culture and recreation:								
Library:								
Circulation (2)	498,883	447,912	367,723	350,213	320,910	316,217	308,081	300,000
Program attendance (2)	32,630	26,615	21,825	21,840	19,109	11,647	10,742	N/A
Parks and Recreation:								
Aquatic center attendance (3)	72,500	77,238	73,555	85,776	55,421	66,756	78,504	N/A
Public works:								
Street Cleaning:								
Tons of debris cleared (2)	657	443	227	391	649	670	N/A	N/A
Community and economic development:								
Planning and Building:								
Number of plats recorded (3)	19	29	31	35	44	42	29	27
Acres final platted (3)	639	464	719	555	823	582	299	404
General government:								
Human resources:								
Number of applications managed (3)	2084	1,353	1,547	1,308	940	964	1,078	N/A
Water:								
Avg daily water consumption-gallons (2)	3,900,000	3,793,000	3,879,000	4,227,000	3,693,000	4,170,000	3,383,000	3,239,000
Average number of meters (2)	15,641	15,255	14,311	14,140	12,259	11,160	10,241	9,538
Sewer:								
Avg daily sewer treatment-gallons (2)	6,080,000	5,863,000	5,192,000	3,652,000	4,008,000	3,784,000	3,278,000	3,177,000
Otter Creek golf course:								
Number of rounds played (3)(4)	-	29,636	33,591	36,123	38,695	38,081	35,467	38,613

(1) City of Ankeny Performance Measures

(2) Fiscal Year

(3) Calendar Year

(4) Otter Creek Golf Course was closed during calendar year 2008 for reconstruction.

City of Ankeny, Iowa

Capital Asset Statistics by Function (1)  
Last Eight Fiscal Years

Function	2009	2008	2007	2006	2005	2004	2003	2002
Public safety:								
Police:								
Number of police stations	1	1	1	1	1	1	1	1
Fire:								
Number of fire stations	1	1	1	1	1	1	1	1
Health and social services:								
Mosquito control:								
Mosquito sprayers	3	3	3	2	1	1	1	1
Culture and recreation:								
Library:								
Number of branches	1	1	1	1	1	1	1	1
Titles	75,457	89,506	86,273	82,955	78,697	75,411	74,779	70,000
Parks and Recreation:								
Community centers	2	2	2	2	2	2	1	1
Sports complexes	2	2	2	2	2	2	2	2
Park acres developed	503	467	425	415	403	400	N/A	N/A
Public works:								
Miles of streets	211	197	182	175	163	148	136	N/A
General government:								
Data Processing								
Number of personal computers	325	319	312	225	190	170	150	N/A
Water:								
Above ground storage-gallons	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Miles of water main	252	241	230	196	163	160	158	140
Sewer:								
Number of treatment plants	1	1	1	1	1	1	1	1
Number of lift stations	5	5	5	5	5	5	5	4
Miles of sanitary sewer	230	211	201	200	186	170	139	131
Otter Creek golf course:								
Number of municipal golf courses	1	1	1	1	1	1	1	1

(1) City of Ankeny Performance Measures

City of Ankeny, Iowa

Insurance Schedule (1)  
June 30, 2009

Insurance Company	Policy Number	Type of Coverage
Iowa Communities Assurance Pool	LDCP 0100-ICAP	Liability: Legal liability Automotive liability Wrongful acts Law enforcement liability Liquor liability Appeal, bail, property release bonds Claim and defense expenses Pollution cost for automobiles Employee benefit Good samaritan Medical malpractice Post/pre-judgment interest Stop gap Under/uninsured motorist Employee dishonesty Chlorine, pesticides, anti-skid materials Fire department and training Wastewater treatment plant-liability/clean-up expense Sewer back-up  Property: Buildings Personal property Data processing equipment/accounts receivable Newly constructed/acquired buildings Personal property at newly acquired locations Valuable papers and records Earnings protection Ordinance or law Commandeered property Expediting expenses Preservation of property Temporary storage Pollutant cleanup Transit Boiler Earthquake Employee dishonesty Errors or omissions Fine arts
Iowa Municipal Workers Compensation Association	0643	Worker's compensation
Wellmark BCBS of Iowa	038	Employee health insurance

(1) City of Ankeny Administrative Services Department and Human Resources Office

Liability Limits	Deductible	Policy Expiration
		07/15/2009
\$10,000,000	\$0	
\$10,000,000	\$0	
\$10,000,000	\$2,500	
\$10,000,000	\$5,000	
\$1,000,000	\$0	
Unlimited	\$0	
Unlimited	\$0	
\$10,000,000	\$0	
\$1,000,000	\$1,000	
\$10,000,000 each	\$0	
\$10,000,000	\$0	
Unlimited	\$0	
\$10,000,000	\$0	
\$500,000	\$0	
\$100,000/\$500,000	\$0	
\$10,000,000	\$0	
\$500,000	\$0	
\$50,000 each, \$50,000 aggregate	\$0	
\$250,000 each, \$250,000 aggregate	\$0	
\$49,173,670	\$1,000	
\$9,120,720	\$1,000	
\$100,000	\$1,000	
\$2,000,000	\$1,000	
\$1,000,000	\$1,000	
\$100,000	\$1,000	
\$100,000	\$1,000	
\$250,000	\$1,000	
\$250,000	\$1,000	
\$250,000	\$1,000	
\$250,000	\$1,000	
\$250,000	\$1,000	
\$100,000	\$1,000	
\$100,000	\$1,000	
\$1,000,000	\$2,500	
\$20,000,000	10% of loss	
\$50,000	\$500	
\$500,000	\$1,000	
\$19,500	\$1,000	
Statutory	N/A	06/30/2009
\$1,000,000 excess aggregate	\$55,000 per participant \$1,690,200 aggregate	07/31/2009



**Compliance Section**

**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**

Honorable Mayor and  
Members of the City Council  
Ankeny, Iowa

We have audited the financial statements 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 Ankeny, Iowa as of and for the year ended June 30, 2009, which collectively comprise the City of Ankeny, Iowa's basic financial statements and have issued our report thereon dated January 25, 2010. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City'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 City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City'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 City's internal control.

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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2009 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters in Part II of the Schedule of Findings are not intended to constitute legal interpretations of those statutes.

The City's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the City's responses, we did not audit the City's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the City of Ankeny and other parties to whom the City of Ankeny may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

  
DENMAN & COMPANY, LLP

West Des Moines, Iowa  
January 25, 2010

**City of Ankeny, Iowa**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year ended June 30, 2009**

**Summary**

**Status**

Financial Statement Findings

II-A-08	<i>Condition:</i> A position in the Human Resources Department has the authority to enter hours to the payroll system, set up a new employee, change rates within the payroll system, print checks, and distribute them to the department heads and has access to the blank payroll check stock.	Corrected
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Statutory Reporting Findings

III-H-08	<i>Condition:</i> The City had deficit fund balances in the Storm Water Fund and Road Use Tax Fund as of June 30, 2008.	Uncorrected
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**City of Ankeny, Iowa  
SCHEDULE OF FINDINGS  
Year ended June 30, 2009**

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

**Instances of Noncompliance**

No matters were noted.

**Material Weaknesses**

No matters were noted.

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

**09-II-A CERTIFIED BUDGET**

City disbursements during the year ended June 30, 2009 did not exceed the amount budgeted in any functional area.

**09-II-B QUESTIONABLE EXPENDITURES**

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

**09-II-C TRAVEL EXPENSE**

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

**09-II-D BUSINESS TRANSACTIONS**

In accordance with Chapter 362.5(10) of the Code of Iowa, transactions with City employees and City officials do not appear to represent conflicts of interest since total transactions with each individual were less than \$1,500 during fiscal year.

**09-II-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 that coverage is adequate for current operations.

**09-II-F COUNCIL MINUTES** - We noted no transactions requiring Council approval which had not been approved in the Council minutes.

**09-II-G DEPOSITS AND INVESTMENTS**

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

**09-II-H REVENUE NOTES**

The City has complied with the revenue note provisions.

**City of Ankeny, Iowa  
SCHEDULE OF FINDINGS  
Year ended June 30, 2009**

**Part II—Other Findings Related to Required Statutory Reporting (continued)**

**09-II-I PAYMENT OF GENERAL OBLIGATION BONDS**

The City appears to be in compliance with Chapter 384.4 of the Code of Iowa.

**09-II-J ECONOMIC DEVELOPMENT**

We noted no instance of noncompliance with Chapter 15A of the Code of Iowa.

**09-II-K NOTICE OF PUBLIC HEARING FOR PUBLIC IMPROVEMENTS**

We noted no instance of noncompliance with Chapters 384.102 and 362.3 of the Code of Iowa.

**09-II-L SALES TAX**

We noted no instance of noncompliance with Sections 701-26.71 and 701-26.72 of the Iowa Department of Revenue and Finance Administrative Rules and Regulations.

**09-II-M FINANCIAL CONDITION**

**Finding**

Storm Water Fund had a deficit fund balance of \$364,886 as of June 30, 2009.

Road Use Tax Fund had a deficit fund balance of \$608,373 as of June 30, 2009.

**Recommendation**

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

**Response and Corrective Action Plan**

The Storm Water Fund deficit will be eliminated by the creation of a storm water utility and associated user fee. The Road Use Tax Fund deficit will be eliminated by future revenues and the shift of expenditures to alternate funding sources.

**Conclusion**

Response Accepted.

**City of Ankeny, Iowa  
CORRECTIVE ACTION PLAN  
Year ended June 30, 2009**

Other Findings Related to Required Statutory Reporting

<u>Current Number</u>	<u>Comment</u>	<u>Corrective Action Plan</u>	<u>Anticipated Date of Completion</u>	<u>Contact Person</u>
09-II-M	Storm Water Fund and Road Use Tax Fund had deficit balances as of June 30, 2009.	See response and corrective action plan at 09-II-M	June 30, 2010	Jennifer Sease



Ankeny