



**CITY OF DES MOINES, IOWA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2009**

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

For the Fiscal Year Ended June 30, 2009

Prepared by the
Department of Finance



CITY OF **DES MOINES**

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INTRODUCTORY SECTION



CITY OF **DES MOINES**

November 24, 2009

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

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2009.

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

McGladrey & Pullen LLP, Certified Public Accountants, has issued an unqualified ("clean") opinion on the City of Des Moines's financial statements for the year ended June 30, 2009. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the Government

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

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

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

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

Local Economy

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

While Iowa is an agricultural state, the City's economic diversification insulates it from the farm economy. Further, as many of the state's rural communities experience population decreases, the Des Moines metropolitan area continues to grow, with much of the expansion resulting from the relocation of residents to Des Moines from rural areas. The variety of components contributing to the City's economy creates a stability that is apparent from unemployment figures. The City has historically enjoyed a very low unemployment rate for each of the last five calendar years: 6.2 percent June 30, 2009, 3.7 percent June 30, 2008, 3.4 percent in 2007, 3.6 percent in 2006, and 4.1 percent in 2005. Clearly, Des Moines is not unlike most other cities in the United States that is experiencing an marked increase in it's unemployment rate. Nevertheless, Des Moines remains significantly below the national average. Additional background data is included in the statistical section of this report. Des Moines' underlying economic base remains strong and although new residential and commercial construction has slowed and unemployment has increased Des Moines is expected to experience growth in the post-recession era of the global economy.

Long-term Financial Planning

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

Relevant Financial Policies

The city regards General Fund unreserved, undesignated fund balance as a critical component of fiscal health and criteria for an above average bond rating. General Fund unreserved, undesignated fund balance is targeted at 10% of expenditures. The June 30, 2009 balance is 7.1% of expenditures, down from 8.3% as of June 30, 2008. The City Council is currently involved in the FY11 budget process with a focus on making expenditure adjustments that will balance the budget for the next two years which should also result in a growth in the fund balance. Enterprise funds are monitored regularly and user fees adjusted to maintain required revenue bond coverage and sufficient working capital balances.

Major Initiatives

Several major projects designed to enhance the city's quality of life and add to its tax base have been completed. Those projects include the renovation of the North Branch library, the South Branch library, renovation and expansion of the Forest Avenue library, the renovation of Principal Park Stadium, and the \$30+ million Pappajohn Sculpture Garden,. Downtown Riverwalk improvements continue to be unveiled in

phases and will continue forward for the next few years. Additional improvements in the early stages of development include the Riverpoint West area. Wellmark's construction of a new office building and parking garage and the extension of the Martin Luther King East/West Parkway eastward across the Des Moines River is underway. The parkway should open up additional economic development opportunities. The downtown housing stock has softened some from all of the new construction of condominiums and apartments coupled with the economic downturn. Nonetheless, downtown residential living continues to increase which is beginning to turn the downtown into a "24/7" location. This work as well as the East Village revitalization and the Gateway West development have contributed to Des Moines being one of the "Top Ten Downtown Turnarounds" as named by the Urban Land Institute Magazine.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Des Moines for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. This was the 32st consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government has to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Richard Clark
City Manager



Allen McKinley
Finance Director/Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Des Moines
Iowa

For its Comprehensive Annual
Financial Report

for the Fiscal Year Ended
June 30, 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.



President



CITY OF **DES MOINES**

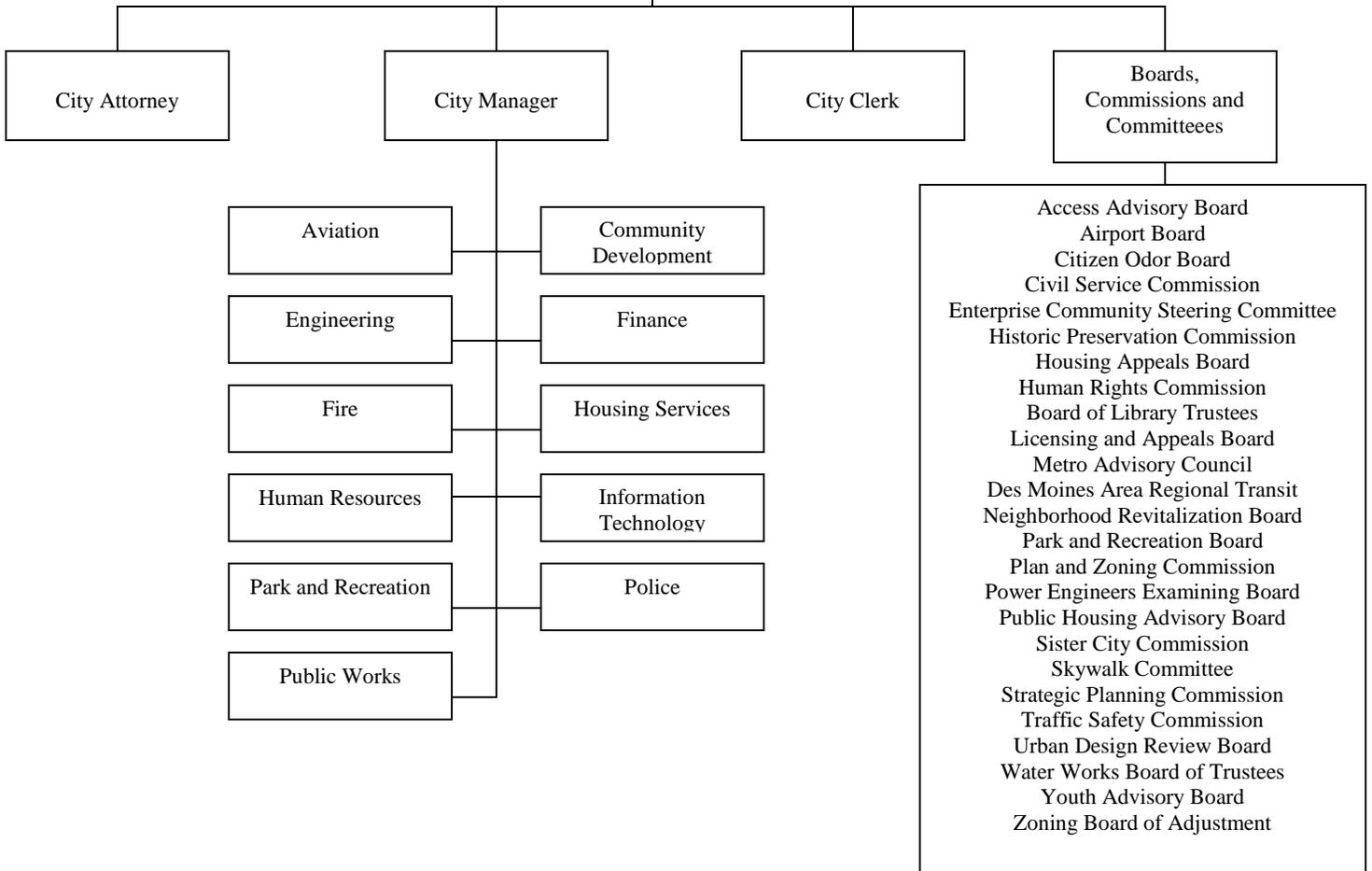
City of Des Moines, Iowa Table of Organization

Citizens of Des Moines

ELECT

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

APPOINTS





CITY OF **DES MOINES**

**CITY OF DES MOINES, IOWA
ELECTED AND APPOINTED OFFICIALS
For the Fiscal Year Ended June 30, 2009**

Elected Officials:

Term Expires

Frank Cownie	Mayor	1/1/2012
Chris Coleman	Council Member, At-Large	1/1/2012
Michael Kiernan	Council Member, At-Large	1/1/2010
Thomas Vlassis	Council Member, Ward I	1/1/2010
Bob Mahaffey	Council Member, Ward II	1/1/2012
Christine Hensley	Council Member, Ward III	1/1/2010
Brian Meyer	Council Member, Ward IV	1/1/2012

Council-Appointed Officials:

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



CITY OF **DES MOINES**

FINANCIAL SECTION



CITY OF **DES MOINES**

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Des Moines, Iowa, as of and for the year ended June 30, 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 of Des Moines, Iowa's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Des Moines Public Library Foundation which represents all of the assets and revenues of the discretely presented component unit of the City of Des Moines, Iowa. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Des Moines Public Library Foundation, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Des Moines Public Library Foundation were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Des Moines, Iowa, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2009 on our consideration of the City of Des Moines, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 18 and 89 through 91 and the schedule of funding progress on page 92 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Des Moines, Iowa's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments and Nonprofit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Davenport, Iowa
November 24, 2009

Management's Discussion and Analysis

As management of the City of Des Moines, we offer readers of the City of Des Moines' financial statements this narrative overview and analysis of the financial activities of the City of Des Moines for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page VII through X of this report.

Financial Highlights

- The assets of the City of Des Moines exceeded its liabilities at the close of the most recent fiscal year by \$995,941,459 (*net assets*). Of this amount, \$49,925,538 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$32,298,314.
- At the close of this current fiscal year, the City of Des Moines' governmental funds reported combined ending fund balances of \$117,189,368, a increase of \$8,455,511 in comparison with the prior year. Approximately 83 percent of this total amount, \$96,891,641, is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$9,379,823, or 7.1 percent of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Des Moines' basic financial statements. The City of Des Moines' basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

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

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Des Moines, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Des Moines can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental

fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

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

The City of Des Moines maintains 14 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Tax Increment Fund, Capital Projects Fund, and Benefit Tax Accounts Special Revenue Fund, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

these non-major enterprise funds is provided in the form of *combining statements* elsewhere in this report. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Des Moines' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has only one type of fiduciary funds: agency funds. The total assets held in the fiduciary funds at June 30, 2008 were \$71,427,834 of which \$73,210,580 belonged to the Wastewater Reclamation Authority (WRA), an agency fund.

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

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Des Moines, assets exceeded liabilities by \$995,941,459, at the close of the fiscal year ended June 30, 2009.

By far the largest portion of the City of Des Moines' net assets (88 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Des Moines uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Des Moines' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Des Moines' Net Assets

	Governmental Activities 2009	Business-type Activities 2009	Total 2009	Governmental Activities 2008	Business-type Activities 2008	Total 2008
Current and other assets	\$ 281,527,760	\$ 88,141,637	\$ 369,669,397	\$ 274,327,855	\$ 100,097,927	\$ 374,425,782
Capital assets	768,064,711	571,617,655	1,339,682,366	742,578,733	563,245,961	1,305,824,694
Total assets	<u>1,049,592,471</u>	<u>659,759,292</u>	<u>1,709,351,763</u>	<u>1,016,906,588</u>	<u>663,343,888</u>	<u>1,680,250,476</u>
Noncurrent liabilities	360,644,229	121,876,116	482,520,345	365,342,431	127,565,121	492,907,552
Other liabilities	194,611,460	36,278,499	267,168,458	186,531,549	37,168,230	223,699,779
Total liabilities	<u>555,255,689</u>	<u>158,154,615</u>	<u>749,688,803</u>	<u>551,873,980</u>	<u>164,733,351</u>	<u>716,607,331</u>
Net assets:						
Invested in capital assets, net of related	440,586,015	438,254,866	878,840,881	426,382,213	426,139,390	852,521,603
Restricted	37,152,070	30,022,970	67,175,040	13,089,083	26,149,744	39,238,827
Unrestricted	16,598,697	33,326,841	49,925,538	25,561,312	46,321,403	71,882,715
Total net assets	<u>\$ 494,336,782</u>	<u>\$ 501,604,677</u>	<u>\$ 995,941,459</u>	<u>\$ 465,032,608</u>	<u>\$ 498,610,537</u>	<u>\$ 963,643,145</u>

An additional portion of the City of Des Moines' net assets (6.7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$49,925,458) may be used to meet the government's ongoing obligations to citizens and creditors.

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

The City's total net assets increased by \$32,298,314 during the current fiscal year. The governmental-type activities increased by \$29,304,174. This increase was attributable primarily to the operating activities of the capital projects fund. The total business-type activities' net assets increased by \$2,994,140. This increase was attributable primarily to the operating activities of the airport.

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

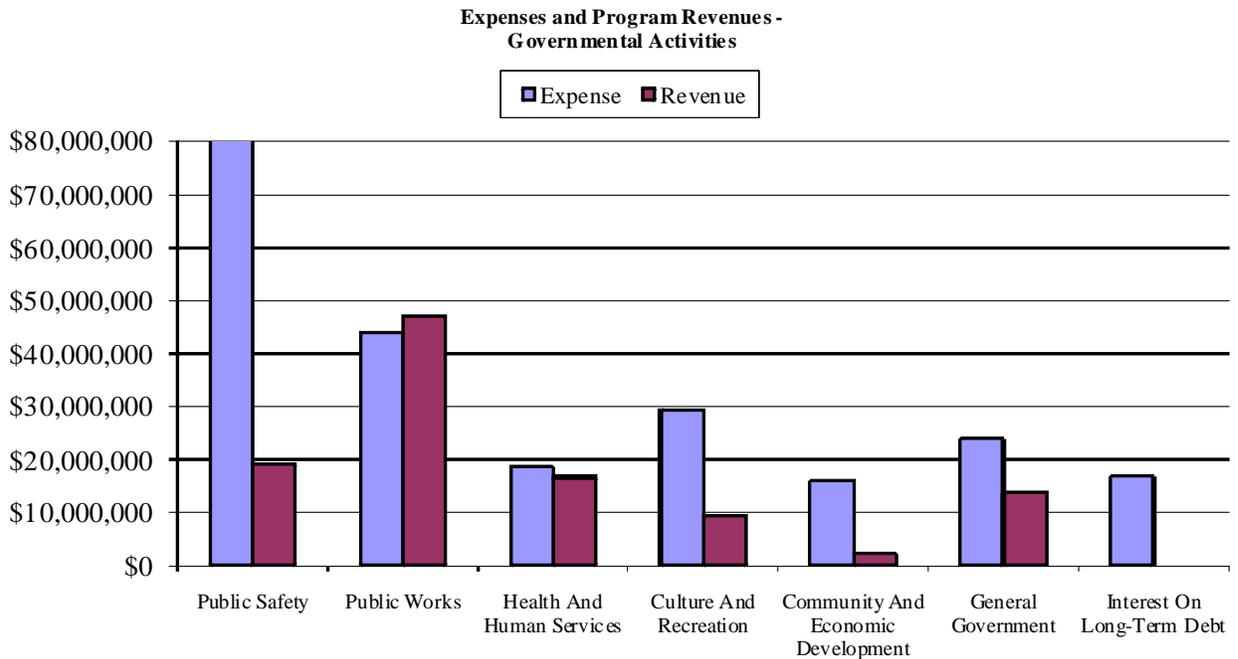
City of Des Moines' Changes in Net Assets

	Governmental Activities 2009	Business-type Activities 2009	Total 2009	Governmental Activities 2008	Business-type Activities 2008	Total 2008
Revenues:						
Program revenues:						
Charges for services	\$ 35,861,661	\$ 99,263,208	\$ 135,124,869	\$ 37,215,184	\$ 97,954,701	\$ 135,169,885
Operating grants and contributions	42,641,755	15,256,576	57,898,331	40,943,723	18,040,420	58,984,143
Capital grants and contributions	30,919,947	10,017,832	40,937,779	14,358,692	34,327,526	48,686,218
General revenues:						
Property taxes	130,719,860	---	130,719,860	124,299,047	---	124,299,047
Other taxes	13,385,310	---	13,385,310	15,032,935	---	15,032,935
Grants and contributions not restricted to specific	---	---	---	---	---	---
Other	10,534,178	2,734,945	13,269,123	12,044,980	5,070,692	17,115,672
Total	264,062,711	127,272,561	391,335,272	243,894,561	155,393,339	399,287,900
Expenses:						
Public safety	92,546,848	---	92,546,848	91,316,811	---	91,316,811
Public works	43,987,100	---	43,987,100	43,983,358	---	43,983,358
Health and social services	18,530,235	---	18,530,235	612,374	---	612,374
Culture and recreation	29,408,262	---	29,408,262	29,941,632	---	29,941,632
Community and economic development	15,946,402	---	15,946,402	34,806,759	---	34,806,759
General government	23,848,042	---	23,848,042	24,651,764	---	24,651,764
Interest on long-term debt	16,783,385	---	16,783,385	16,109,167	---	16,109,167
Airport	---	32,236,235	32,236,235	---	31,729,902	31,729,902
Parking facilities system	---	13,355,475	13,355,475	---	12,574,941	12,574,941
Sewer system	---	26,699,082	26,699,082	---	26,295,060	26,295,060
Stormwater utility	---	10,608,975	10,608,975	---	10,177,919	10,177,919
Golf	---	1,959,299	1,959,299	---	2,147,095	2,147,095
Solid waste	---	11,523,915	11,523,915	---	10,642,771	10,642,771
Municipal Housing Agency	---	21,603,703	21,603,703	---	22,618,089	22,618,089
Total expenses	241,050,274	117,986,684	359,036,958	241,421,865	116,185,777	357,607,642
Increase/(decrease) in net assets before transfers	23,012,437	9,285,877	32,298,314	2,472,696	39,207,562	41,680,258
Transfers	6,291,737	(6,291,737)	---	(4,733,075)	4,733,075	---
Increase/(decrease) in net assets	29,304,174	2,994,140	32,298,314	(2,260,379)	43,940,637	41,680,258
Net assets - beginning	465,032,608	498,610,537	963,643,145	467,292,987	454,669,900	921,962,887
Net assets - ending	\$ 494,336,782	\$ 501,604,677	\$ 995,941,459	\$ 465,032,608	\$ 498,610,537	\$ 963,643,145

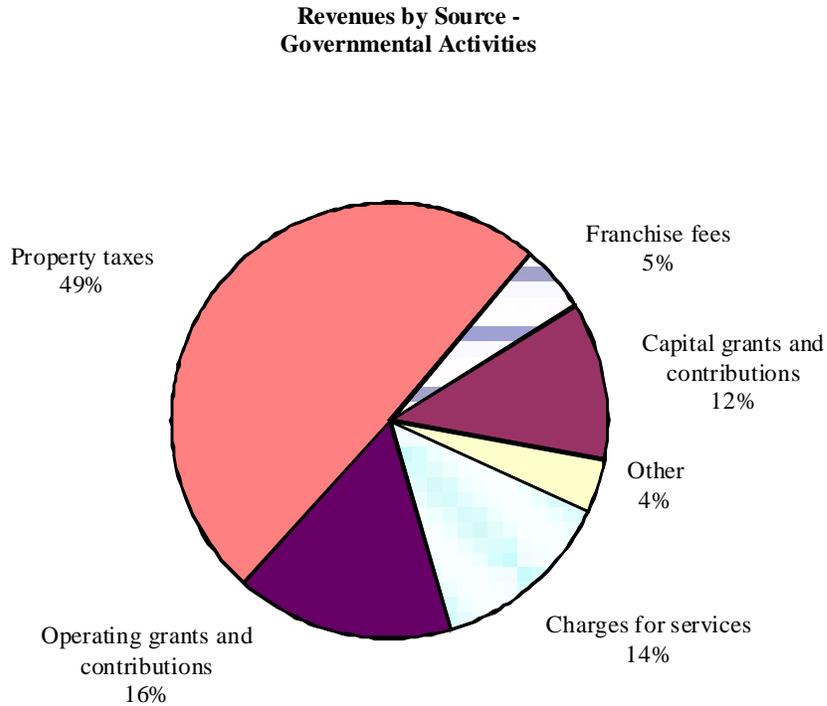
Total governmental activities' revenue for the fiscal year was \$264,062,711 compared to \$243,894,561 in 2008. The largest single revenue source for the City was property taxes of \$130,719,860. Property taxes increased by \$6,420,813 (5.2 percent) from 2008. This

increase is the result primarily of an increase in tax increment financing commitments funded from increased related property values.

Certain revenues are generated that are specific to governmental program activities. These totaled \$109,423,363 in 2009 and \$92,517,599 in 2008. The graph below shows a comparison between the expenditures by governmental activity type and the revenues generated that are specific to those activities.

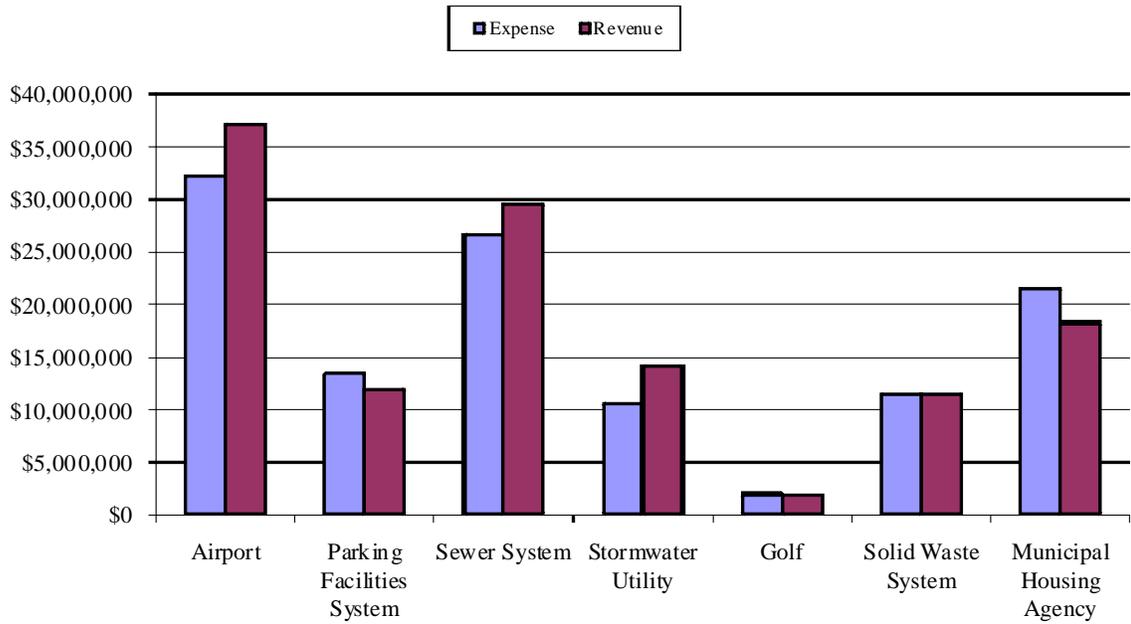


The graph below shows the percentage of the total governmental revenues allocated by each revenue type.

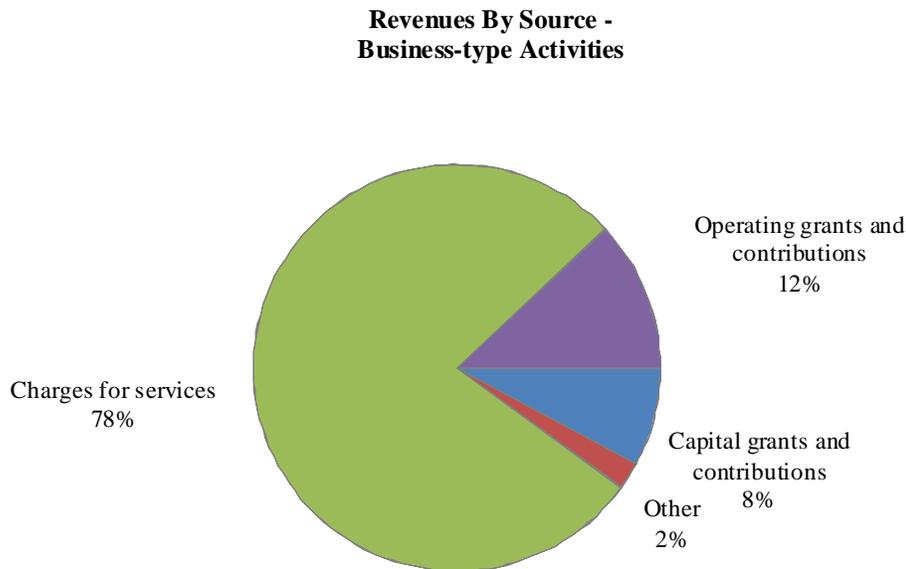


Total business-type activities' revenue for the fiscal year was \$127,272,561 compared to \$155,393,339 in 2008. All but \$2,734,945 and \$5,070,692 of this revenue was generated for specific business-type activity expenses in 2009 and 2008, respectively. The graph on the following page shows a comparison between the business-type activity expenditures and program revenues.

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



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



Business-type activities. Business-type activities increased the City of Des Moines' net assets by \$2,994,140, accounting for the increase, in total, in the government's net assets. Key elements of this increase are as follows:

- The airport recorded an increase of \$5,457,312 in net assets for the year. This increase was the result of an increase in capital assets, primarily funded by capital grants.
- The Municipal Housing Agency recorded a decrease of \$2,110,061 in net assets for the year. This decrease was the result of a decrease in capital assets and operating income.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Des Moines' *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Des Moines' financing

requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Des Moines' governmental funds reported combined ending fund balances of \$117,189,368, an increase of \$8,455,511 in comparison with the prior year. The increase was related to an increase of fund balance in the capital projects fund resulting from delays in completing projects and also an increase of fund balance in the debt service fund. The increase for the fiscal year was partially offset by decreases in fund balance in the general fund, tax increment fund, and benefit tax accounts fund. Approximately 83 percent of this total amount (\$96,891,641) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders of the prior period (\$138,068); 2) for a variety of other purposes (\$20,159,659).

The General Fund is the chief operating fund of the City of Des Moines. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$9,379,823, while total fund balance was \$13,777,082. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 7.1 percent of total General Fund expenditures, while total fund balance represents 10.5 percent of that same amount.

The fund balance of the City of Des Moines' General Fund decreased by \$1,387,406 during the current fiscal year. This decrease was primarily the result of lower interest rates in investment and the decline in natural gas prices on which the City's 5% franchise fee is applied to.

The Debt Service Fund has a total fund balance of \$553,233. The net increase in fund balance during the current year in the Debt Service Fund was \$1,005,788. Approximately half of the increase relates to the planned effort to bring the fund to a zero balance. The \$500,000 of the total fund balance are bond proceeds to be used as matching dollars for grant awards related to the public housing program.

The Tax Increment Fund (TIF) has a total fund balance of \$4,100,018. The net decrease in fund balance during the current year in the Tax Increment Fund was \$2,108,869, due to the timing of planned developer payments that will carry forward from the prior year.

The Capital Projects Fund has a total fund balance of \$82,448,759. The net increase in fund balance during the current year in the Capital Projects Fund was \$11,442,537. This increase was due to the timing and rate of expenditures for capital projects during the construction season that spans primarily from May through October. The unspent fund balance will be expended in projects in the subsequent year.

The Benefit Tax Accounts Special Revenue Fund has a total fund balance of (\$418,504).

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

Unrestricted net assets of the Airport at the end of the year were \$4,778,866; those for the Stormwater Utility were \$8,746,526; those for the Parking Facility System were \$7,010,302; those for the Municipal Housing Agency were \$2,343,385; and those for the Sewer System were \$15,094,601. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Des Moines' business-type activities.

Budgetary Highlights

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

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

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

- The total original revenue budget of \$402,312,427 was increased to \$421,915,911 (an increase of \$19,603,484).

- The total original expenditure budget of \$495,647,809 was increased to \$558,294,158 (an increase of \$62,646,349).
- The total original budget for net transfers in of \$52,419,884 was increased to \$52,451,738 (an increase of \$31,854).
- The above changes to budgets were primarily related to appropriation carryover funds for capital improvements and debt refinancing.

Revenues fell short of revised budget projections by \$31,394,689. This was attributable to shortfalls in charges for sales and services (\$3,120,517), in miscellaneous revenue (\$28,084,972), taxes (\$695,828), franchise fees (\$1,514,690) and use of money and property revenue (\$944,161), which was partially offset by intergovernmental revenue in excess of budget by \$3,399,949.

Expenditures were over budget in total by \$11,022,983. This overage was primarily due to expenditures that were more than budget in health and social service \$695,911 and debt service \$121,805,773. Business-type expenditures, under budget (\$24,319,860), and capital outlay under budget (\$76,417,145), partially offset the overages.

See page 89 for the *Budgetary Comparison Schedule – All Governmental Funds and Enterprise Funds*.

Capital Asset and Debt Administration

Capital assets. The City of Des Moines' investment in capital assets for its governmental and business-type activities as of June 30, 2009, amounts to \$1,339,682,367 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the City of Des Moines' investment in capital assets for the current fiscal year was 2.6 percent (a 3.4 percent increase for governmental activities, and a 1.5 percent increase for business-type activities).

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

Spent over \$8,700,000 towards construction of the SE Connector from 2nd Avenue to SE 6th Street, mainly for the construction of the Des Moines River Bridge.

Made almost \$2,250,000 of improvements at the Pappajohn Sculpture Park, that when done, will contain 24 donated sculptures with a value of over \$40,000,000.

Spent over \$1,200,000 towards the construction of the \$9,550,000 Center Street Pedestrian bridge that will be the focal point of the Principal Riverwalk project.

Completed \$4,340,000 asphalted overlay projects using gaming monies.

Spent \$1,500,000 essentially completing the \$3,400,000 Ingersoll Streetscape Project

Essentially completed the \$1,850,000 Thirteenth Street and Jefferson Overflow Reroute and Intake Removal Sanitary Project.

Spent \$8,509,000 on relining sanitary sewers.

Spent over \$1,070,000 towards the completion of the American Discovery Trail.

City of Des Moines' Capital Assets						
(amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 56,944	\$ 56,749	\$ 82,334	\$ 65,524	\$ 139,278	\$ 122,273
Buildings	139,636	134,611	177,470	175,062	317,106	309,673
Improvements other than buildings	822,197	762,892	439,157	415,192	1,261,354	1,178,084
Machinery and equipment	63,177	62,690	39,857	36,903	103,034	99,593
Construction in progress	99,701	111,252	91,772	110,467	191,473	221,719
Accumulated depreciation	(413,590)	(385,615)	(258,972)	(239,902)	(672,562)	(625,517)
Total	<u>\$ 768,065</u>	<u>\$ 742,579</u>	<u>\$ 571,618</u>	<u>\$ 563,246</u>	<u>\$ 1,339,683</u>	<u>\$ 1,305,825</u>

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

Long-term debt. At the end of the current fiscal year, the City of Des Moines had total bonded debt outstanding of \$468,750,000. Of this amount, \$360,040,000 comprises debt

backed by the full faith and credit of the government. The remainder of the City of Des Moines' debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 359,762,000	\$ 361,203,000	\$ 278,000	\$ 547,000	\$ 360,040,000	\$ 361,750,000
Revenue bonds	-	-	108,710,000	114,233,000	108,710,000	114,233,000
Total	<u>\$ 359,762,000</u>	<u>\$ 361,203,000</u>	<u>\$ 108,988,000</u>	<u>\$ 114,780,000</u>	<u>\$ 468,750,000</u>	<u>\$ 475,983,000</u>

The City of Des Moines' total bonded debt decreased by \$7,233,000 (1.5%) during the current fiscal year. The key factor in this decrease that only refunding revenue debt was issued during the year.

The City issued refunding general obligation bonds in 2009. The proceeds refunded the Series 2000E taxable general obligation bonds on March 16, 2009, and the Series 2001A general obligation bonds, Series 2001B general obligation bonds, Series 2001D general obligation bonds and series 2004A general obligation bonds on June 1, 2009.

The City also issued public parking system revenue refunding capital loan notes in 2009. The proceeds refunded the Series 2000B parking system revenue bonds on June 1, 2009.

The City of Des Moines maintained an AAA rating from Standard & Poor's, and maintained an Aa2 rating from Moody's Investors Service for general obligation debt. The Des Moines Public Parking System was not rated when the new debt was issued.

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total assessed valuation. The current debt limitation for the City of Des Moines is \$535,264,366, which is significantly in excess of the City of Des Moines' outstanding general obligation debt (\$360,040,000) and other debt subject to the debt limitation (\$1,655,000).

Additional information on the City of Des Moines' long-term debt can be found in Note 9 of this report.

Economic Factors and Next Year's Budgets and Rates

- Property taxes provide 51 percent of General Fund revenues. Over the past five years citywide assessed values have risen an average of 4.4 percent, while property tax limitations imposed by the State of Iowa have held taxable values to an average annual growth of 3.2 percent. The fiscal year 2010 budget reflects property tax revenue growth of 3.0 percent.
- Valuation growth in the downtown area continues to be strong. Over the past five years downtown taxable values haven risen 4.4 percent with the 2010 budget reflecting 7.1 percent growth.
- Personnel costs make up a significant portion of City operating costs. Wage increases identified in contractual bargaining agreements are 3.25 percent for fiscal year 2010.
- The City continues to face the challenge of funding the increasing costs of employee health care. Health care costs will increase 11 percent from fiscal year 2009 to fiscal year 2010.
- Stormwater Utility fees will increase 8.0 percent and Sanitary Sewer fees will increase 6.0 percent in fiscal year 2010.

All of these factors were considered in preparing the City of Des Moines' budget for fiscal year 2010.

Requests for Information

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



CITY OF **DES MOINES**

CITY OF DES MOINES, IOWA
STATEMENT OF NET ASSETS
June 30, 2009

ASSETS	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL	
	ACTIVITIES	ACTIVITIES		
Current assets:				
Unrestricted current assets:				
Cash and pooled cash investments	\$ 95,170,456	\$ 53,452,896	\$ 148,623,352	\$ 1,204,624
Investments	3,170,276	---	3,170,276	---
Taxes receivable	139,014,506	---	139,014,506	---
Special assessments receivable	49,685	134,722	184,407	---
Accounts receivable	5,121,782	2,985,715	8,107,497	5,000
Contract sale receivable	286,639	---	286,639	---
Loans receivable, current portion	692,000	---	692,000	---
Property held for sale	2,000,000	---	2,000,000	---
Accrued interest receivable	466,302	---	466,302	---
Other receivables	---	---	---	231,648
Due from signatory airlines	---	516,840	516,840	---
Internal balances	6,757,449	(6,757,449)	---	---
Due from other governmental units	11,073,777	1,636,334	12,710,111	---
Inventory	1,300,698	153,512	1,454,210	---
Prepaid items	2,419,071	287,557	2,706,628	---
Deferred charges	---	322,639	322,639	---
Unamortized bond discount	---	43,537	43,537	---
Total unrestricted current assets	<u>267,522,641</u>	<u>52,776,303</u>	<u>320,298,944</u>	<u>1,441,272</u>
Restricted assets:				
Cash and pooled cash investments	---	12,802,001	12,802,001	---
Investments	---	6,999,944	6,999,944	1,040,648
Accounts receivable	---	518,513	518,513	---
Interest receivable	---	593,070	593,070	---
Total restricted current assets	---	<u>20,913,528</u>	<u>20,913,528</u>	<u>1,040,648</u>
Total current assets	<u>267,522,641</u>	<u>73,689,831</u>	<u>341,212,472</u>	<u>2,481,920</u>
Noncurrent assets:				
Unamortized discount	262,877	484,304	747,181	---
Loans receivable, net of allowance for doubtful accounts of \$909,903	8,953,270	---	8,953,270	---
Deferred charges	---	760,293	760,293	---
Long-term receivables	2,132,970	---	2,132,970	128,960
Unamortized issuance costs	2,656,002	---	2,656,002	---
Other noncurrent assets	---	---	---	---
Restricted cash and pooled cash investments	---	13,207,209	13,207,209	---
Capital assets:				
Land	56,943,784	82,333,932	139,277,716	---
Construction in progress	99,701,020	91,771,953	191,472,973	---
Buildings	139,635,836	177,469,618	317,105,454	---
Improvements other than buildings	822,196,679	439,156,881	1,261,353,560	---
Machinery and equipment	63,177,499	39,857,308	103,034,807	21,707
Accumulated depreciation	(413,590,107)	(258,972,037)	(672,562,144)	(14,557)
Total capital assets	<u>768,064,711</u>	<u>571,617,655</u>	<u>1,339,682,366</u>	<u>7,150</u>
Total noncurrent assets	<u>782,069,830</u>	<u>586,069,461</u>	<u>1,368,139,291</u>	<u>136,110</u>
Total assets	\$ 1,049,592,471	\$ 659,759,292	\$ 1,709,351,763	\$ 2,618,030

LIABILITIES	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL	
	ACTIVITIES	ACTIVITIES		
Liabilities:				
Current liabilities:				
Accounts payable	\$ 5,399,009	\$ 1,929,156	\$ 7,328,165	\$ ---
Contracts payable	5,157,279	1,756,313	6,913,592	---
Accrued wages payable	5,275,445	1,095,730	6,371,175	---
Accrued employee benefits	9,931,989	981,876	10,913,865	---
Due to signatory airlines	---	367,350	367,350	---
Due to other governmental units	---	---	---	---
Good faith, tenant, security deposits	1,636,903	70,381	1,707,284	---
Accrued interest payable	1,585,385	1,121,926	2,707,311	---
Notes payable	2,818,103	19,394,143	22,212,246	---
Revenue bonds payable	---	1,945,000	1,945,000	---
General obligation bonds payable	29,000,000	185,000	29,185,000	---
Section 108 loan payable	115,000	---	115,000	---
Unearned revenue	133,377,837	102,463	133,480,300	---
Capital leases payable	---	1,760,389	1,760,389	1,103
Other liabilities	314,510	244,109	558,619	5,446
Unamortized premium	---	7,336	7,336	---
Total	194,611,460	30,961,172	225,572,632	6,549
Current liabilities payable from restricted assets:				
Construction contracts	---	1,274,321	1,274,321	---
Revenue bonds payable	---	3,005,000	3,005,000	---
Accrued interest payable	---	264,912	264,912	---
Unamortized premium	---	773,094	773,094	---
Total current liabilities payable from restricted assets	---	5,317,327	5,317,327	---
Total current liabilities	194,611,460	36,278,499	230,889,959	6,549
Noncurrent liabilities:				
Accrued employee benefits	9,917,424	2,251,484	12,168,908	---
Other post retirement benefits	1,217,468	287,169	1,504,637	---
Other liabilities, claims and judgments	460,000	82,722	542,722	---
Unamortized premium	3,926,833	10,337	3,937,170	---
Notes payable	4,320,504	9,090,977	13,411,481	---
General obligation bonds payable	330,762,000	93,000	330,855,000	---
Revenue bonds payable	---	103,760,000	103,760,000	---
Section 108 loan payable	10,040,000	---	10,040,000	---
Capital leases payable	---	6,300,427	6,300,427	4,000
Total noncurrent liabilities	360,644,229	121,876,116	482,520,345	4,000
Total liabilities	555,255,689	158,154,615	713,410,304	10,549
NET ASSETS				
Invested in capital assets, net of related debt	440,586,015	438,254,866	878,840,881	7,150
Restricted:				
Capital projects	29,207,892	1,466,998	30,674,890	---
Public housing program	---	15,279,740	15,279,740	---
Debt retirement	553,233	13,276,232	13,829,465	---
Corpus/Permanently restricted	3,290,927	---	3,290,927	1,110,820
Donor restricted purposes - corpus/Temporarily restricted	---	---	---	435,054
Tax Increment	4,100,018	---	4,100,018	---
Unrestricted	16,598,697	33,326,841	49,925,538	1,054,457
Total net assets	\$ 494,336,782	\$ 501,604,677	\$ 995,941,459	\$ 2,607,481

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

CITY OF DES MOINES
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SALES AND SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Primary government:				
Governmental activities:				
Public safety	\$ 92,546,848	\$ 11,550,038	\$ 7,790,821	\$ ---
Public works	43,987,100	8,692,534	14,016,080	24,363,365
Health and social services	18,530,235	31,588	16,690,859	---
Culture and recreation	29,408,262	3,214,343	1,122,090	6,052,582
Community and economic development	15,946,402	63,640	2,044,207	---
General government	23,848,042	12,309,518	977,698	504,000
Interest on long-term debt	16,783,385	---	---	---
Total governmental activities	<u>241,050,274</u>	<u>35,861,661</u>	<u>42,641,755</u>	<u>30,919,947</u>
Business-type activities:				
Airport	32,236,235	29,663,246	---	7,507,754
Parking facilities system	13,355,475	11,948,806	---	1,069
Sewer system	26,699,082	29,380,321	---	246,116
Stormwater utility	10,608,975	13,995,575	---	186,230
Golf	1,959,299	1,841,293	---	---
Solid waste system	11,523,915	11,454,420	22	54,466
Municipal Housing Agency	21,603,703	979,547	15,256,554	2,022,197
Total business-type activities	<u>117,986,684</u>	<u>99,263,208</u>	<u>15,256,576</u>	<u>10,017,832</u>
Total primary government	<u>\$359,036,958</u>	<u>\$ 135,124,869</u>	<u>\$ 57,898,331</u>	<u>\$ 40,937,779</u>
Component unit, Des Moines Public Library Foundation				
	<u>\$ 469,007</u>	<u>\$ ---</u>	<u>\$ 279,866</u>	<u>\$ ---</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Franchise taxes				
Investment earnings				
Miscellaneous, including gain on sale of capital assets of \$1,977,084				
Transfers - internal activities				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning				
Net assets, ending				

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

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS

PRIMARY GOVERNMENT			
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNIT
\$ (73,205,989)	\$ ---	\$ (73,205,989)	\$ ---
3,084,879	---	3,084,879	---
(1,807,788)	---	(1,807,788)	---
(19,019,247)	---	(19,019,247)	---
(13,838,555)	---	(13,838,555)	---
(10,056,826)	---	(10,056,826)	---
(16,783,385)	---	(16,783,385)	---
<u>(131,626,911)</u>	<u>---</u>	<u>(131,626,911)</u>	<u>---</u>
---	4,934,765	4,934,765	---
---	(1,405,600)	(1,405,600)	---
---	2,927,355	2,927,355	---
---	3,572,830	3,572,830	---
---	(118,006)	(118,006)	---
---	(15,007)	(15,007)	---
---	(3,345,405)	(3,345,405)	---
<u>---</u>	<u>6,550,932</u>	<u>6,550,932</u>	<u>---</u>
\$ (131,626,911)	\$ 6,550,932	\$ (125,075,979)	\$ ---
<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (189,141)</u>
103,139,105	---	103,139,105	---
27,580,755	---	27,580,755	---
13,385,310	---	13,385,310	---
3,612,331	1,747,988	5,360,319	(52,342)
6,921,847	986,957	7,908,804	---
<u>6,291,737</u>	<u>(6,291,737)</u>	<u>---</u>	<u>---</u>
<u>160,931,085</u>	<u>(3,556,792)</u>	<u>157,374,293</u>	<u>(52,342)</u>
29,304,174	2,994,140	32,298,314	(241,483)
<u>465,032,608</u>	<u>498,610,537</u>	<u>963,643,145</u>	<u>2,848,964</u>
<u>\$ 494,336,782</u>	<u>\$ 501,604,677</u>	<u>\$ 995,941,459</u>	<u>\$ 2,607,481</u>

CITY OF DES MOINES, IOWA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009

ASSETS	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>TAX INCREMENT</u>
Cash and pooled cash investments	\$ 10,598,637	\$ 121,460	\$ 3,691,897
Investments	---	---	---
Taxes receivable	52,696,611	29,422,189	28,751,302
Special assessments receivable	28,523	---	---
Accounts receivable	3,482,003	---	---
Contracts sale receivable	---	---	---
Loans receivable, net of allowance for doubtful accounts	---	---	---
Property held for sale	---	---	---
Accrued interest receivable	422,005	---	---
Due from other funds	3,871	---	---
Due from other governmental units	730,683	---	---
Advance to other funds	3,882,579	---	---
Long-term receivables	---	---	---
Inventory	6,929	---	---
Prepaid items	369,683	---	---
Total assets	\$ 72,221,524	\$ 29,543,649	\$ 32,443,199
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,596,858	\$ 113,815	\$ ---
Contracts payable	---	---	---
Accrued wages payable	4,324,598	---	---
Accrued employee benefits	19,704	---	---
Due to other funds	118,648	---	---
Good faith, security deposits	1,631,544	---	---
Deferred revenue	50,753,090	28,876,601	28,343,181
Total liabilities	58,444,442	28,990,416	28,343,181
Fund balances:			
Reserved for inventory	6,929	---	---
Reserved for loans receivable	---	---	---
Reserved for property held for sale	---	---	---
Reserved for advances	3,882,579	---	---
Reserved for debt service	---	---	---
Reserved for encumbrances	138,068	---	---
Reserved for prepaid items	369,683	---	---
Reserved for corpus	---	---	---
Unreserved, reported in:			
General Fund	9,379,823	---	---
Debt Service Fund	---	553,233	---
Special Revenue funds	---	---	4,100,018
Capital Projects Fund	---	---	---
Permanent Funds	---	---	---
Total fund balances	13,777,082	553,233	4,100,018
Total liabilities and fund balances	\$ 72,221,524	\$ 29,543,649	\$ 32,443,199

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

BENEFIT TAX ACCOUNTS	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ ---	\$ 74,502,876	\$ 3,961,862	\$ 92,876,732
---	---	3,170,276	3,170,276
12,910,339	---	15,209,919	138,990,360
---	1,790	19,372	49,685
---	585,970	1,051,602	5,119,575
---	---	286,639	286,639
---	---	9,645,270	9,645,270
---	---	2,000,000	2,000,000
---	505	43,792	466,302
---	10,297,851	272,738	10,574,460
---	4,362,118	5,980,976	11,073,777
---	---	---	3,882,579
---	2,132,970	---	2,132,970
---	---	770,080	777,009
---	34,830	159,361	563,874
<u>\$ 12,910,339</u>	<u>\$ 91,918,910</u>	<u>\$ 42,571,887</u>	<u>\$ 281,609,508</u>
\$ ---	\$ 1,179,380	\$ 1,975,452	\$ 4,865,505
---	5,142,825	14,454	5,157,279
---	179,451	597,361	5,101,410
---	---	12,315	32,019
677,096	---	7,907,239	8,702,983
---	---	5,359	1,636,903
12,651,747	2,968,495	15,330,927	138,924,041
<u>13,328,843</u>	<u>9,470,151</u>	<u>25,843,107</u>	<u>164,420,140</u>
---	---	770,080	777,009
---	---	9,645,270	9,645,270
---	---	2,000,000	2,000,000
---	---	---	3,882,579
---	---	---	---
---	---	---	138,068
---	34,830	159,361	563,874
---	---	3,290,927	3,290,927
---	---	---	9,379,823
---	---	---	553,233
(418,504)	---	236,858	3,918,372
---	82,413,929	---	82,413,929
---	---	626,284	626,284
<u>(418,504)</u>	<u>82,448,759</u>	<u>16,728,780</u>	<u>117,189,368</u>
<u>\$ 12,910,339</u>	<u>\$ 91,918,910</u>	<u>\$ 42,571,887</u>	<u>\$ 281,609,508</u>



CITY OF **DES MOINES**

CITY OF DES MOINES, IOWA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2009

Total governmental fund balances \$ 117,189,368

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. 762,783,867

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 5,569,113

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

Capital assets, net of accumulated depreciation	5,280,844
Other current assets	4,698,963
Other current liabilities	(2,490,200)
Noncurrent liabilities	(414,707)
	<u>7,074,900</u>

Internal service funds allocated to business-type activities 2,600,494

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

Deferred charges, issuance costs	2,656,002
Unamortized premium cost	(3,926,833)
Unamortized discount	262,877
Accrued employee benefits	(19,280,931)
Other accrued post retirement benefits	(1,176,573)
Accrued interest payable	(1,585,385)
Notes payable	(7,138,607)
Section 108 loans payable	(10,155,000)
General obligation bonds payable	(359,762,000)
Other liabilities, claims and judgments	(774,510)
	<u>(400,880,960)</u>

Net assets of governmental activities \$ 494,336,782

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

CITY OF DES MOINES, IOWA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2009

	GENERAL	DEBT SERVICE	TAX INCREMENT
Revenues:			
Taxes	\$ 52,997,533	\$ 27,580,755	\$ 25,977,693
Franchise fees	13,385,310	---	---
Licenses and permits	3,149,155	---	---
Fines and forfeitures	2,395,851	---	---
Charges for sales and services	15,331,439	---	---
Use of money and property	2,862,318	840	---
Miscellaneous	15,602,643	93,295	---
Intergovernmental	1,711,246	---	---
Total revenue	<u>107,435,495</u>	<u>27,674,890</u>	<u>25,977,693</u>
Expenditures:			
Current:			
Public safety	81,616,695	---	---
Public works	9,290,415	---	---
Health and social services	601,356	---	---
Culture and recreation	20,582,586	---	---
Community and economic development	2,553,708	---	# 7,553,360
General government	16,814,320	616,709 #	---
Capital outlay	230,011	---	386,176
Debt service:			
Principal retirement	---	63,020,361	1,988,684
Interest and fiscal charges	---	15,954,789	257,552
Total expenditures	<u>131,689,091</u>	<u>79,591,859</u>	<u>10,185,772</u>
Excess (deficiency) of revenues over expenditures	<u>(24,253,596)</u>	<u>(51,916,969)</u>	<u>15,791,921</u>
Other financing sources (uses):			
Transfers in	25,544,698	16,181,140	---
General obligation bonds issued	---	36,115,500	---
Other debt issued	---	---	---
Advance refunded debt issuance	---	---	---
Advance refunded debt retirement	---	---	---
Transfers out	(2,840,563)	---	(17,900,790)
Premium on bond issue	---	626,117	---
Discount on bond issue	---	---	---
Proceeds from damage claims	---	---	---
Proceeds from capital asset sale	162,055	---	---
Total other financing sources (uses)	<u>22,866,190</u>	<u>52,922,757</u>	<u>(17,900,790)</u>
Net change in fund balances	<u>(1,387,406)</u>	<u>1,005,788</u>	<u>(2,108,869)</u>
Fund balances, beginning of year	<u>15,164,488</u>	<u>(452,555)</u>	<u>6,208,887</u>
Fund balances, end of year	<u>\$ 13,777,082</u>	<u>\$ 553,233</u>	<u>\$ 4,100,018</u>

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

BENEFIT TAX ACCOUNTS	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 12,881,297	\$ ---	\$ 11,282,582	\$ 130,719,860
---	---	---	13,385,310
---	---	156,761	3,305,916
---	---	19,983	2,415,834
---	681,320	1,437,858	17,450,617
---	(21,274)	770,447	3,612,331
---	8,903,493	4,642,769	29,242,200
---	23,321,176	39,057,545	64,089,967
<u>12,881,297</u>	<u>32,884,715</u>	<u>57,367,945</u>	<u>264,222,035</u>
---	---	6,150,643	87,767,338
---	574,013	18,411,731	28,276,159
---	---	17,855,726	18,457,082
---	998,772	1,288,064	22,869,422
---	4,474,583	1,171,783	15,753,434
---	1,317,489	2,186,836	20,935,354
---	50,673,938	1,101,451	52,391,576
---	---	115,000	65,124,045
---	---	372,974	16,585,315
<u>---</u>	<u>58,038,795</u>	<u>48,654,208</u>	<u>328,159,725</u>
<u>12,881,297</u>	<u>(25,154,080)</u>	<u>8,713,737</u>	<u>(63,937,690)</u>
---	8,130,763	2,152,130	52,008,731
---	24,939,500	---	61,055,000
---	1,582,164	---	1,582,164
---	---	---	---
---	---	---	---
(13,749,475)	(158,614)	(11,067,552)	(45,716,994)
---	---	---	626,117
---	---	---	---
---	---	500,000	500,000
---	2,102,804	73,324	2,338,183
<u>(13,749,475)</u>	<u>36,596,617</u>	<u>(8,342,098)</u>	<u>72,393,201</u>
(868,178)	11,442,537	371,639	8,455,511
449,674	71,006,222	16,357,141	108,733,857
<u>\$ (418,504)</u>	<u>\$ 82,448,759</u>	<u>\$ 16,728,780</u>	<u>\$ 117,189,368</u>



CITY OF **DES MOINES**

CITY OF DES MOINES, IOWA
RECONCILIATION OF THE CHANGE IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009

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

Net change in fund balances: Total governmental funds \$ 8,455,511

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

Capital outlay	52,391,577
Depreciation	<u>(27,300,205)</u>
	<u>25,091,372</u>

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

Proceeds from the sale of capital assets	(2,338,183)
Gain from sale of capital assets	1,977,084
Capital assets contributed by private sources	<u>677,554</u>
	<u>316,455</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (6,376,682)

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

Amortization of premium	1,059,436
Premium on bond issue	(626,117)
Long-term debt issued	(61,055,000)
Other long-term debt issued	(1,582,164)
Repayment of long-term debt principal	65,124,045
Interest	(240,794)
Issuance costs	608,933
Amortization of issuance costs	(397,838)
Arbitrage	(142,081)
Bond discount	---
Amortization of discount	<u>(26,290)</u>
	<u>2,722,130</u>

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

Accrued employee benefits	(184,040)
Other accrued post retirement benefits	(558,358)
Claims and judgments	<u>(30,000)</u>
	<u>(772,398)</u>

Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net loss of certain activities of internal service funds is reported with governmental activities. (638,888)

Change in internal service fund allocations to business-type activities 506,674

Change in net assets of governmental activities \$ 29,304,174

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

CITY OF DES MOINES, IOWA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2009

ASSETS	BUSINESS-TYPE ACTIVITIES -		
	AIRPORT	PARKING	SEWER SYSTEM
Current assets:			
Unrestricted current assets:			
Cash and pooled cash investments	\$ 15,588,207	\$ 7,262,891	\$ 15,940,181
Taxes receivable	---	---	---
Accounts receivable	2,268,018	2,576	292,239
Special assessments receivable	---	---	32,914
Due from signatory airlines	516,840	---	---
Due from other funds	---	44,683	---
Due from other governmental units	1,269,323	25,602	---
Inventory	103,810	---	---
Prepaid items	207,004	197	7,326
Unamortized bond discount	43,537	---	---
Deferred charges	39,601	---	---
Total unrestricted current assets	<u>20,036,340</u>	<u>7,335,949</u>	<u>16,272,660</u>
Restricted current assets:			
Cash and pooled cash investments	8,493,438	115,771	84,293
Investments	---	1,954,500	1,920,000
Accounts receivable	518,513	---	---
Interest receivable	---	245,078	66,350
Total restricted current assets	<u>9,011,951</u>	<u>2,315,349</u>	<u>2,070,643</u>
Total current assets	<u>29,048,291</u>	<u>9,651,298</u>	<u>18,343,303</u>
Noncurrent assets:			
Unamortized discount	484,304	---	---
Deferred charges	425,429	95,302	239,562
Advance to other funds	---	143,410	---
Restricted cash and pooled cash investments	---	---	---
Capital assets			
Land	64,540,054	14,195,537	1,311,076
Construction in progress	23,631,217	3,169,252	34,513,332
Buildings	83,975,244	61,657,860	573,492
Improvements other than buildings	221,836,873	34,740,555	118,420,931
Machinery and equipment	17,478,932	1,154,244	4,780,546
Accumulated depreciation	<u>(135,964,749)</u>	<u>(45,121,848)</u>	<u>(38,954,699)</u>
Total capital assets, net of accumulated depreciation	<u>275,497,571</u>	<u>69,795,600</u>	<u>120,644,678</u>
Total noncurrent assets	<u>276,407,304</u>	<u>70,034,312</u>	<u>120,884,240</u>
Total assets	\$ 305,455,595	\$ 79,685,610	\$ 139,227,543

ENTERPRISE FUNDS				GOVERNMENTAL
				ACTIVITIES
STORMWATER UTILITY	MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
\$ 8,832,201	\$ 2,934,628	\$ 2,894,788	\$ 53,452,896	\$ 2,293,724
---	---	---	---	24,146
134,785	28,807	259,290	2,985,715	2,207
18,720		83,088	134,722	---
---	---	---	516,840	---
---	---	---	44,683	---
---	341,409	---	1,636,334	---
---	49,702	---	153,512	523,689
15,620	23,577	33,833	287,557	1,855,197
---	---	---	43,537	---
282,410	---	628	322,639	---
<u>9,283,736</u>	<u>3,378,123</u>	<u>3,271,627</u>	<u>59,578,435</u>	<u>4,698,963</u>
2,035,968	2,072,531	---	12,802,001	---
3,125,444	---	---	6,999,944	---
---	---	---	518,513	---
281,642	---	---	593,070	---
<u>5,443,054</u>	<u>2,072,531</u>	<u>---</u>	<u>20,913,528</u>	<u>---</u>
<u>14,726,790</u>	<u>5,450,654</u>	<u>3,271,627</u>	<u>80,491,963</u>	<u>4,698,963</u>
---	---	---	484,304	---
---	---	---	760,293	---
---	---	---	143,410	---
---	13,207,209	---	13,207,209	---
696,208	1,467,560	123,497	82,333,932	---
29,999,093	---	459,059	91,771,953	---
---	30,295,182	967,840	177,469,618	---
54,992,796	5,682,083	3,483,643	439,156,881	---
1,565,883	1,246,881	13,630,822	39,857,308	35,032,610
<u>(5,537,196)</u>	<u>(24,240,235)</u>	<u>(9,153,310)</u>	<u>(258,972,037)</u>	<u>(29,751,766)</u>
<u>81,716,784</u>	<u>14,451,471</u>	<u>9,511,551</u>	<u>571,617,655</u>	<u>5,280,844</u>
<u>81,716,784</u>	<u>27,658,680</u>	<u>9,511,551</u>	<u>586,212,871</u>	<u>5,280,844</u>
<u>\$ 96,443,574</u>	<u>\$ 33,109,334</u>	<u>\$ 12,783,178</u>	<u>\$ 666,704,834</u>	<u>\$ 9,979,807</u>

(continued)

CITY OF DES MOINES, IOWA
STATEMENT OF NET ASSETS (CONTINUED)
PROPRIETARY FUNDS
June 30, 2009

LIABILITIES	BUSINESS-TYPE ACTIVITIES -		
	AIRPORT	PARKING	SEWER SYSTEM
Liabilities:			
Current liabilities:			
Accounts payable	\$ 733,604	\$ 457,446	\$ 75,439
Contracts payable	---	122,187	678,187
Accrued wages payable	359,704	39,161	153,326
Accrued employee benefits	252,890	41,389	153,291
Due to signatory airlines	367,350	---	---
Due to other funds	---	---	---
Tenant security deposits	---	---	---
Notes payable	12,000,000	---	4,179,538
Accrued interest payable	1,044,800	67,268	---
Revenue bonds payable	1,050,000	895,000	---
General obligation bonds payable	150,000	---	---
Unearned revenue	84,549	---	---
Capital leases payable	299,405	1,460,984	---
Other liabilities	97,300	---	---
Unamortized premium	6,072	---	---
Total	16,445,674	3,083,435	5,239,781
Current liabilities payable from restricted assets:			
Construction contracts	1,274,321	---	---
Revenue bonds payable	---	690,000	370,000
Accrued interest payable	---	83,234	86,873
Unamortized premium	---	---	773,094
Total current liabilities payable from restricted assets	1,274,321	773,234	1,229,967
Total current liabilities	17,719,995	3,856,669	6,469,748
Noncurrent liabilities:			
Unamortized premium	10,337	---	---
Accrued employee benefits	602,214	98,920	366,364
Other postemployment benefits	96,955	15,603	54,784
Advance from other funds	---	---	---
Notes payable	---	---	4,179,538
General obligation bonds payable	---	---	---
Revenue bonds payable	35,980,000	18,300,000	23,305,000
Other liabilities	---	---	---
Capital leases payable	456,492	5,843,935	---
Total noncurrent liabilities	37,145,998	24,258,458	27,905,686
Total liabilities	54,865,993	28,115,127	34,375,434
NET ASSETS			
Invested in capital assets, net of related debt	238,073,106	42,605,681	87,837,508
Restricted:			
Capital projects	1,466,998	---	---
Public housing program	---	---	---
Debt retirement	6,270,632	1,954,500	1,920,000
Unrestricted	4,778,866	7,010,302	15,094,601
Total net assets	\$ 250,589,602	\$ 51,570,483	\$ 104,852,109

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

STORMWATER UTILITY	ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
\$ 76,651	\$ 179,153	\$ 406,863	\$ 1,929,156	\$ 533,504
955,939	---	---	1,756,313	---
228,124	139,597	175,818	1,095,730	174,035
261,765	92,605	179,936	981,876	162,651
---	---	---	367,350	---
---	274,376	44,683	319,059	1,597,101
---	70,381	---	70,381	---
2,675,999	---	538,606	19,394,143	---
1,088	---	8,770	1,121,926	---
---	---	---	1,945,000	---
---	---	35,000	185,000	---
---	17,914	---	102,463	22,909
---	---	---	1,760,389	---
146,809	---	---	244,109	---
---	---	1,264	7,336	---
<u>4,346,375</u>	<u>774,026</u>	<u>1,390,940</u>	<u>31,280,231</u>	<u>2,490,200</u>
---	---	---	1,274,321	---
1,945,000	---	---	3,005,000	---
94,805	---	---	264,912	---
---	---	---	773,094	---
<u>2,039,805</u>	<u>---</u>	<u>---</u>	<u>5,317,327</u>	<u>---</u>
<u>6,386,180</u>	<u>774,026</u>	<u>1,390,940</u>	<u>36,597,558</u>	<u>2,490,200</u>
---	---	---	10,337	---
625,617	128,321	430,048	2,251,484	373,812
24,143	49,819	45,865	287,169	40,895
---	---	4,025,989	4,025,989	---
2,787,214	---	2,124,225	9,090,977	---
---	---	93,000	93,000	---
26,175,000	---	---	103,760,000	---
150	82,572	---	82,722	---
---	---	---	6,300,427	---
<u>29,612,124</u>	<u>260,712</u>	<u>6,719,127</u>	<u>125,902,105</u>	<u>414,707</u>
<u>35,998,304</u>	<u>1,034,738</u>	<u>8,110,067</u>	<u>162,499,663</u>	<u>2,904,907</u>
48,567,644	14,451,471	6,719,456	438,254,866	5,280,844
---	---	---	1,466,998	---
---	15,279,740	---	15,279,740	---
3,131,100	---	---	13,276,232	---
8,746,526	2,343,385	(2,046,345)	35,927,335	1,794,056
<u>\$ 60,445,270</u>	<u>\$ 32,074,596</u>	<u>\$ 4,673,111</u>	<u>\$ 504,205,171</u>	<u>\$ 7,074,900</u>



CITY OF **DES MOINES**

CITY OF DES MOINES, IOWA
RECONCILIATION OF ENTERPRISE FUNDS NET ASSETS
TO THE STATEMENT OF NET ASSETS
June 30, 2009

Total enterprise funds net assets \$ 504,205,171

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

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

(2,600,494)

Net assets of business-type activities \$ 501,604,677

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

CITY OF DES MOINES, IOWA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2009

	BUSINESS-TYPE ACTIVITIES -		
	AIRPORT	PARKING	SEWER SYSTEM
Operating revenues:			
Charges for sales and services	\$ 25,200,177	\$ 11,948,806	\$ 29,380,321
Operating grants	---	---	---
Miscellaneous	---	---	---
Total operating revenues	<u>25,200,177</u>	<u>11,948,806</u>	<u>29,380,321</u>
Operating expenses:			
Personal services	9,334,479	1,015,719	3,741,190
Contractual services	7,095,239	4,392,586	14,349,371
Commodities	1,989,876	271,951	372,164
Depreciation	11,286,332	3,509,429	2,488,160
Other charges	94,432	2,298,936	4,608,430
Total operating expenses	<u>29,800,358</u>	<u>11,488,621</u>	<u>25,559,315</u>
Operating income (loss)	<u>(4,600,181)</u>	<u>460,185</u>	<u>3,821,006</u>
Non-operating revenues (expenses):			
Donations and contributions	---	---	---
Gain/(loss) on disposal of capital assets	(198,698)	---	---
Investment earnings	426,627	271,379	371,095
Proceeds from damage claims	---	1,069	---
Passenger/customer facility charge revenue	4,463,069	---	---
Interest expense and fiscal charges	(2,339,957)	(1,849,067)	(1,065,559)
Total nonoperating revenues (expenses)	<u>2,351,041</u>	<u>(1,576,619)</u>	<u>(694,464)</u>
Income (loss) before capital grants and contributions and transfers	<u>(2,249,140)</u>	<u>(1,116,434)</u>	<u>3,126,542</u>
Capital grants and contributions	7,706,452	---	246,116
Transfers in	---	1,200,000	576,800
Transfers out	---	---	(4,287,775)
Change in net assets	5,457,312	83,566	(338,317)
Total nets assets - beginning	<u>245,132,290</u>	<u>51,486,917</u>	<u>105,190,426</u>
Total net assets - ending	<u>\$250,589,602</u>	<u>\$ 51,570,483</u>	<u>\$ 104,852,109</u>

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

STORMWATER UTILITY	ENTERPRISE FUNDS			GOVERNMENTAL
	MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
\$ 13,995,575	\$ 979,547	\$ 13,295,713	\$ 94,800,139	\$ 34,615,542
---	15,256,554	---	15,256,554	---
---	986,957	---	986,957	62,296
<u>13,995,575</u>	<u>17,223,058</u>	<u>13,295,713</u>	<u>111,043,650</u>	<u>34,677,838</u>
4,496,621	4,474,435	4,676,692	27,739,136	4,201,116
1,385,514	15,542,770	5,502,244	48,267,724	24,275,318
282,178	---	1,258,147	4,174,316	5,695,843
1,097,733	1,539,872	1,128,233	21,049,759	1,120,269
2,079,899	---	589,860	9,671,557	65,080
<u>9,341,945</u>	<u>21,557,077</u>	<u>13,155,176</u>	<u>110,902,492</u>	<u>35,357,626</u>
<u>4,653,630</u>	<u>(4,334,019)</u>	<u>140,537</u>	<u>141,158</u>	<u>(679,788)</u>
---	---	22	22	92,108
(197,965)	1,066,792	(88,589)	581,540	(51,208)
414,395	201,761	62,731	1,747,988	---
---	---	143,055	144,124	---
---	---	---	4,463,069	---
<u>(1,201,747)</u>	<u>---</u>	<u>(121,188)</u>	<u>(6,577,518)</u>	<u>---</u>
<u>(985,317)</u>	<u>1,268,553</u>	<u>(3,969)</u>	<u>359,225</u>	<u>40,900</u>
3,668,313	(3,065,466)	136,568	500,383	(638,888)
384,195	955,405	---	9,292,168	---
256,929	---	---	2,033,729	---
<u>(4,027,422)</u>	<u>---</u>	<u>(10,269)</u>	<u>(8,325,466)</u>	<u>---</u>
282,015	(2,110,061)	126,299	3,500,814	(638,888)
<u>60,163,255</u>	<u>34,184,657</u>	<u>4,546,812</u>	<u>500,704,357</u>	<u>7,713,788</u>
<u>\$ 60,445,270</u>	<u>\$ 32,074,596</u>	<u>\$ 4,673,111</u>	<u>\$ 504,205,171</u>	<u>\$ 7,074,900</u>



CITY OF **DES MOINES**

CITY OF DES MOINES, IOWA
RECONCILIATION OF THE CHANGE IN NET ASSETS OF
ENTERPRISE FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009

Net changes in net assets in enterprise funds	\$ 3,500,814
Amounts reported for proprietary activities in the statement of activities are different because:	
Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with business-type activities.	<u>(506,674)</u>
Change in net assets of business-type activities	<u><u>\$ 2,994,140</u></u>

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

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

June 30, 2009

	BUSINESS-TYPE ACTIVITIES -		
	AIRPORT	PARKING	SEWER SYSTEM
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 21,281,934	\$ 11,982,015	\$ 29,293,573
Receipts from interfund services provided	---	---	---
Payments to suppliers	(9,118,946)	(6,876,832)	(19,700,894)
Payments to employees	(9,323,998)	(1,015,719)	(3,721,285)
Payments for interfund services used	---	---	---
Net cash provided (used) by operating activities	<u>2,838,990</u>	<u>4,089,464</u>	<u>5,871,394</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Proceeds from interfund accounts	---	44,683	265,968
Payments to interfund accounts	---	(192)	---
Proceeds from damage claims	---	1,069	---
Transfers In	---	1,200,000	576,800
Transfers Out	---	---	(4,287,775)
Intergovernmental	---	---	---
Donations and contributions	---	---	---
Net cash provided (used) by capital and related financing activities	<u>---</u>	<u>1,245,560</u>	<u>(3,445,007)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from intergovernmental and capital grants	7,706,452	---	---
Proceeds from passenger facility charges	3,450,624	---	---
Proceeds from customer facility charges	1,036,879	---	---
Interest paid on capital debt	(2,372,498)	(1,852,770)	(1,066,466)
Principal paid on short-term debt	(123,500,000)	---	---
Principal paid on long-term debt and leases	(1,532,264)	(6,285,820)	(363,000)
Proceeds from issuance of long-term debt	---	2,845,000	5,000
Proceeds from issuance of short-term notes payable	126,800,000	---	---
Proceeds from sale of capital assets	3,000	---	---
Acquisition and construction of capital assets	(19,913,403)	(102,920)	(4,896,799)
Net cash provided (used) by capital and related financing activities	<u>(8,321,210)</u>	<u>(5,396,510)</u>	<u>(6,321,265)</u>

				GOVERNMENTAL ACTIVITIES
STORMWATER UTILITY	MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
\$ 13,954,665	\$ 17,007,367	\$ 14,023,979	\$ 107,543,533	\$ 495,824
---	---	---	---	34,080,644
(3,682,307)	(15,452,112)	(7,289,558)	(62,120,649)	(29,777,721)
(4,523,129)	(4,437,296)	(4,778,239)	(27,799,666)	(4,192,703)
---	---	---	---	(343,136)
<u>5,749,229</u>	<u>(2,882,041)</u>	<u>1,956,182</u>	<u>17,623,218</u>	<u>262,908</u>
244,686	210,724	121,445	887,506	2,495
---	---	(33,292)	(33,484)	(18,380)
---	---	143,055	144,124	---
256,929	---	---	2,033,729	---
(4,027,422)	---	(10,269)	(8,325,466)	---
---	---	---	---	269
---	---	22	22	92,108
<u>(3,525,807)</u>	<u>210,724</u>	<u>220,961</u>	<u>(5,293,569)</u>	<u>76,492</u>
---	955,405	---	8,661,857	---
---	---	---	3,450,624	---
---	---	---	1,036,879	---
(1,206,175)	---	(116,940)	(6,614,849)	---
---	---	---	(123,500,000)	---
(1,896,400)	---	(1,200,811)	(11,278,295)	---
190,292	---	---	3,040,292	---
---	---	---	126,800,000	---
9,235	2,048,825	285,300	2,346,360	5,900
(4,018,447)	(472,753)	(894,743)	(30,299,065)	(1,255,529)
<u>(6,921,495)</u>	<u>2,531,477</u>	<u>(1,927,194)</u>	<u>(26,356,197)</u>	<u>(1,249,629)</u>

(continued)

CITY OF DES MOINES, IOWA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
June 30, 2009

	BUSINESS-TYPE ACTIVITIES -		
	<u>AIRPORT</u>	<u>PARKING</u>	<u>SEWER SYSTEM</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	\$ 2,900,000	\$ 962,500	\$ 1,404,000
Purchase of investments	---	---	(1,404,000)
Interest received	447,803	240,945	346,061
Net cash provided by investing activities	<u>3,347,803</u>	<u>1,203,445</u>	<u>346,061</u>
Net increase (decrease) in cash and cash equivalents	(2,134,417)	1,141,959	(3,548,817)
Cash and cash equivalents, beginning of year	26,216,062	6,236,703	19,573,291
Cash and cash equivalents, end of year	<u>\$ 24,081,645</u>	<u>\$ 7,378,662</u>	<u>\$ 16,024,474</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	<u>\$ (4,600,181)</u>	<u>\$ 460,185</u>	<u>\$ 3,821,006</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	11,286,332	3,509,429	2,488,160
Amortization/ Accretion	80,160	(8,668)	(82,218)
(Increase) decrease in accounts and taxes receivable	(1,731,973)	4,145	(53,834)
(Increase) decrease in due from other governmental units	---	29,064	---
Increase in special assessments receivable	---	---	(32,914)
(Increase) decrease in inventories	60,711	---	---
(Increase) decrease in prepaid items	---	(198)	(5,561)
(Decrease) increase in accounts and contracts payable	229,882	66,780	(283,150)
Increase (decrease) in accrued wages payable	---	10,070	15,612
Increase (decrease) in accrued employee benefits	(41,961)	18,657	4,293
Increase (decrease) in due to other governmental units	(234,582)	---	---
(Decrease) in amounts owed to signatory airlines	(433,400)	---	---
(Decrease) increase in other liabilities, self-sufficiency participation and tenant security deposits	(37,400)	---	---
Increase (Decrease) in unearned revenue	<u>(1,738,598)</u>	<u>---</u>	<u>---</u>
Total adjustments	<u>7,439,171</u>	<u>3,629,279</u>	<u>2,050,388</u>
Net cash provided (used) by operating activities	<u>\$ 2,838,990</u>	<u>\$ 4,089,464</u>	<u>\$ 5,871,394</u>
Schedule of noncash investing activities:			
Increase (decrease) in fair value of investments	---	---	---
Schedule of noncash capital and related financing activities:			
Gain (loss) on disposal of capital assets	(198,698)	---	---
Payments (proceeds) on contracts payable for acquisition of capital assets	2,572,442	---	---
Acquisition of capital assets through notes payable	---	---	---
Capital assets contributed	---	---	246,116

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

				GOVERNMENTAL ACTIVITIES
STORMWATER UTILITY	MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
\$ 2,371,122	\$ ---	\$ ---	\$ 7,637,622	\$ ---
(888,250)	---	---	(2,292,250)	---
348,575	201,761	62,731	1,647,876	---
<u>1,831,447</u>	<u>201,761</u>	<u>62,731</u>	<u>6,993,248</u>	<u>---</u>
(2,866,626)	61,921	312,680	(7,033,300)	(910,229)
13,734,795	18,152,447	2,582,108	86,495,406	3,203,953
<u>\$ 10,868,169</u>	<u>\$ 18,214,368</u>	<u>\$ 2,894,788</u>	<u>\$ 79,462,106</u>	<u>\$ 2,293,724</u>
<u>\$ 4,653,630</u>	<u>\$ (4,334,019)</u>	<u>\$ 140,537</u>	<u>\$ 141,158</u>	<u>\$ (679,788)</u>
1,097,733	1,539,872	1,128,233	21,049,759	1,120,269
44,733	---	(346)	33,661	---
(31,710)	(20,383)	894,420	(939,335)	21,777
9,520	(253,687)	---	(215,103)	113,588
(18,720)	---	(83,088)	(134,722)	---
---	(10,915)	---	49,796	74,655
(13,202)	16,995	(33,749)	(35,715)	(117,278)
10,685	84,578	11,722	120,497	(282,666)
14,356	29,557	(37,048)	32,547	18,950
(40,864)	7,582	(64,499)	(116,792)	(10,537)
---	---	---	(234,582)	(2,872)
---	---	---	(433,400)	---
23,068	50,846	---	36,514	---
---	7,533	---	(1,731,065)	6,810
<u>1,095,599</u>	<u>1,451,978</u>	<u>1,815,645</u>	<u>17,482,060</u>	<u>942,696</u>
<u>\$ 5,749,229</u>	<u>\$ (2,882,041)</u>	<u>\$ 1,956,182</u>	<u>\$ 17,623,218</u>	<u>\$ 262,908</u>
(28,146)	---	---	(28,146)	---
(197,965)	1,066,792	(88,589)	581,540	(51,208)
(199,128)	---	---	2,373,314	---
---	---	2,630,209	2,630,209	---
384,195	---	---	630,311	---

CITY OF DES MOINES, IOWA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2009

	<u>AGENCY FUNDS</u>
ASSETS	
<u>Cash and pooled cash investments</u>	\$ 72,482,488
Accounts receivable	945,178
Due from other governments	<u>168</u>
Total assets	<u>\$ 73,427,834</u>
LIABILITIES	
<u>Accounts payable</u>	\$ 73,422,937
Good faith/earnest deposits	<u>4,897</u>
Total liabilities	<u>\$ 73,427,834</u>

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

CITY OF DES MOINES, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

In accordance with the Codification of Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, organizations, agencies, boards, commissions, and authorities for which the City is financially accountable. The City has also considered all other potential organizations for which the nature and significance of their relationships with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the City.

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

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

B. Government-wide and Fund Financial Statements

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

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

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

C. Fund Accounting

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

(1) Governmental Fund Types

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

(a) General Fund

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

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

The following accounts are included in this fund:

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

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

(b) Tax Increment Fund

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

(c) Debt Service Fund

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

(d) Capital Projects Fund

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

The following accounts are included in this fund:

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

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

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

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

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

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

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

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

(e) Benefit Tax Accounts Fund

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) Proprietary Fund Types

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

Enterprise funds are used to finance and account for the acquisition, operation, and maintenance of the City's facilities and services which are supported primarily by user charges. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the City has elected to apply all applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements. The City has elected not to follow FASB guidance subsequent to November 30, 1989. The following comprise the City's major enterprise funds:

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

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

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

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

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

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

The following funds are included in this fund type:

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

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

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

Forestry - To provide ground maintenance to other departments.

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

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

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

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

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

Agency Funds

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

The following funds are included in this fund type:

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

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

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

D. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

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

Property taxes are recognized as a receivable at the time an enforceable legal claim is established. This is determined to occur when the budget is certified. The current tax receivable represents the 2009 levy certified on March 15, 2009, based on the 2008 assessed valuations. The tax lien date is January 1, 2008. As the levy is intended for use in the 2010 fiscal year, the revenue has been recorded as deferred revenue. Taxes are levied on July 1 and are payable in two installments on September 30 and March 31. Tax payments become delinquent on October 1 and April 1. The County Treasurer bills and collects property taxes for the City. Property taxes are considered available if received within 60 days of year-end.

The City is permitted by the *Code of Iowa* to levy taxes up to \$8.10 per \$1,000 of assessed valuation for General Fund purposes, \$.27 per \$1,000 of assessed valuation for an Emergency Fund to assist in the funding of General Fund activities, and unlimited amounts for the payment of principal and interest on general obligation bonds, judgments awarded against the City, trust and agency accounts for pension and related employee benefit funds, and to pay the premium costs on tort liability insurance. The combined tax rate for the collection year ended June 30, 2009 was \$16.58 per \$1,000 of assessed valuation.

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

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

E. Budgetary and Legal Appropriation and Amendment Policies

As allowed by GASB Statement No. 41, Budgetary Comparison Schedules - Perspective Differences, the City presents budgetary comparison schedules as required

supplementary information based on the program structure of nine functional areas as required by state statute for its legally adopted budget.

F. Encumbrances

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

G. Cash and Pooled Cash Investments

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

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

H. Investments

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

I. Statement of Cash Flows

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

J. Inventories and Prepaid Items

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

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

K. Capital Assets

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

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

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

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

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

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

L. Deferred and Unearned Revenues

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

M. Inter-fund Transactions

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

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

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

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

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

N. Compensated Absences

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

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

O. Fund Equity

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

P. Net assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt excludes unspent debt proceeds. The portion of the debt related to unspent proceeds is included in the same net asset component as the unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted through enabling legislation consists of \$4,100,018 for tax increment and \$553,233 for debt service.

As of June 30, 2009 the Stormwater Utility fund had unspent bond proceeds of \$434,073.

As of June 30, 2009, the governmental activities had unspent bond proceeds of \$53,240,867. The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Q. Use of Estimates

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

R. Accounts Receivable

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

S. Long-Term Obligations

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

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

2. Individual Fund Disclosures

The following is a summary of deficit fund balances/net assets of individual funds at June 30, 2009:

<u>FUND TYPE</u>	<u>INDIVIDUAL FUND</u>	<u>DEFICIT FUND BALANCES</u>	<u>DEFICIT NET ASSETS</u>
Governmental	Special Revenue, Community Services	679,496	—
Governmental	Special Revenue, Other Employee Benefits	1,532,886	—
Governmental	Special Revenue, Road Use Tax	618,617	—
Governmental	Special Revenue, Benefit Tax Accounts	418,504	—
Proprietary	Enterprise, Golf	—	1,270,218
Proprietary	Internal Service, Radio Communications	—	9,199

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

3. Cash and Pooled Cash Investments and Investments

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

The Foundation has an endowment fund. As of December 31, 2008, the balance of \$1,040,648 is in money market funds, U.S. government agencies, and mutual funds.

A. Authorized Investments

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

B. Interest Rate Risk

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

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

Security Description	Current Market Value	Investment Maturities (in Years)		
		Less Than 1	1 - 5	6 - 10
Commercial Paper Total	7,994,374	7,994,374	0	0
Federal Farm Credit Total	1,003,130	0	1,003,130	0
FHLB Total	32,123,265	23,775,944	8,347,321	0
FHLB Discount Total	3,999,600	3,999,600	0	0
FHLMC Total	18,295,697	0	18,295,697	0
FHLMC Discount Total	6,996,900	6,996,900	0	0
FNMA Total	2,816,872	2,816,872	0	0
FNMA Discount Total	14,998,000	14,998,000	0	0
Grand Total	88,227,838	60,581,690	27,646,148	0

The above table includes the investments of the WRA.

C. Credit Risk

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

As of June 30, 2009, the City's investments were rated as follows:

Security Description	Moody's	Standard & Poor's
Commercial Paper	Prime-1	A-1+
Federal Farm Credit	Aaa	AAA
FHLB	Aaa	AAA
FHLB Discount	Aaa	A-1+
FHLMC	Aaa	AAA
FHLMC Discount	Aaa	A-1+
FNMA	Aaa	AAA
FNMA Discount	Aaa	A-1+

D. Concentration of Credit Risk

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

E. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Chapter 12C of the Code of Iowa requires all City funds be deposited into an approved depository and be either insured or collateralized. At June 30, 2009, the City's deposits were held in banks within the state of Iowa and covered by the state sinking fund per Section 12C.25 of the Code of Iowa. At June 30, 2009, \$88,227,838 of City investments was uninsured and unregistered securities held by the counterparty's trust department in the City's name.

4. Joint Venture

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

The City retains an ongoing financial responsibility to the WRA since it is obligated in some manner for the debts of the joint venture. Although the debt of the WRA is to be paid solely

and only from WRA revenues, the participating communities in the joint venture cannot withdraw from the joint venture while any of bonds issued during the time the entity was a participating community are still outstanding. The WRA Sewer Revenue Bonds Series 2004A, 2004B and 2006A include provisions that place the WRA debt service requirements on the same parity and rank as other debts of the participating communities.

The WRA Sewer Revenue Bonds Series 2004A bonds were issued for the advance refunding of the City's sewer revenue bonds. The WRA Agreement requires the debt service on these bonds to be allocated through the annual flow allocation to the participating communities based on the existing allocations of debt service under the prior I.C.A. agreement. The Series 2004A bonds had a balance of \$9,665,000 as of June 30, 2009. Therefore, the City of Des Moines has a commitment for approximately \$7,816,137 for future principal payment requirements. The WRA Sewer Revenue Bonds Series 2004B bonds were issued for capital expansion. The WRA Agreement requires the debt service on these bonds to be allocated to the participating communities based on the WRA flows of the core communities and expansion communities of each calendar year. As of June 30, 2009, the Series 2004B bonds had a balance of \$63,580,000 and the City of Des Moines' estimated future allocation based on the WRA flows is currently \$20,793,096. The WRA Sewer Revenue Bonds Series 2006A bonds were issued for capital expansion. The WRA Agreement requires the debt service on these bonds to be allocated to the participating communities based on the WRA flows of the core communities and expansion communities of each calendar year. As of June 30, 2009, the Series 2006A bonds had a balance of \$37,325,000 and the City of Des Moines' estimated future allocation based on the WRA flows is currently \$11,050,532. The State Revolving Loans are to be paid by the participating communities based on the existing allocations under the prior I.C.A. agreement. As of June 30, 2009, the WRA had \$42,659,198 in State Revolving Loans of which \$14,354,257 future principal debt service is a commitment to the City of Des Moines. Included in the State Revolving Loans totals is new debt in June, 2009. In 2008, the WRA authorized \$44,000,000 of Sewer Revenue Bonds, of which \$18,552,615 was issued during the fiscal year for a total issued amount of \$32,967,198, of which \$8,067,263 future principal debt service is a commitment to the City of Des Moines. The WRA authorized an additional \$9,200,000 of Sewer Revenue Bonds during FY09. At June 30, none of this debt had been issued.

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

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

Condensed financial information of the joint venture as of June 30, 2009 is as follows:

Statement of Net Assets

Current assets	\$	59,048,761
Noncurrent assets	\$	371,753,007
Total Assets	\$	430,801,768
Current liabilities	\$	15,053,320
Noncurrent liabilities	\$	155,798,961
Total liabilities	\$	170,852,281
Net assets:		
Invested in capital assets,		
Net of related debt	\$	220,881,565
Restricted	\$	29,588,834
Unrestricted	\$	9,479,088

Statement of Revenues, Expenses and Changes in Net Assets

Operating revenues	\$	29,692,039
Operating expenses	\$	25,340,376
Operating income	\$	4,351,663
Nonoperating, net	\$	(652,742)
Capital Contributions	\$	221,900
Change in net assets	\$	3,920,821

Statement of Cash Flows

Cash provided by operating activities	\$	13,951,543
Cash provided by investing activities	\$	16,733,695
Cash used in capital and related		
Financing activities	\$	(32,399,642)
Decrease in cash and pooled cash investments	\$	(1,714,404)

5. Operating Lease Rentals

The City, as lessor, has various operating lease agreements for the use of land and facilities. The following is a schedule by year of minimum future rentals required under operating leases having initial or remaining noncancelable lease terms in excess of one year as of June 30, 2009:

	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS	ENTERPRISE FUNDS		TOTAL
				PARKING FACILITIES SYSTEM	AIRPORT	
Year ending June 30,						
2010	14,487	69,600	8,000	21,406	3,366,399	3,479,892
2011	14,487	69,600	8,000	3,600	2,686,375	2,782,062
2012	13,737	69,600	8,000	3,600	2,535,598	2,630,535
2013	12,787	67,200	8,000	---	2,185,254	2,273,241
2014	12,787	67,200	8,000	---	2,104,334	2,192,321
2015-2019	59,170	336,000	40,000	---	7,444,337	7,879,507
2020-2024	58,500	67,200	28,000	---	2,960,567	3,114,267
2025-2029	58,500	---	---	---	2,657,204	2,715,704
2030-2034	58,500	---	---	---	380,471	438,971
2035-2039	58,500	---	---	---	127,501	186,001
2040-2044	58,500	---	---	---	---	58,500
2045-2049	35,100	---	---	---	---	35,100
Total minimum future rentals	<u>\$ 455,055</u>	<u>\$ 746,400</u>	<u>\$ 108,000</u>	<u>\$ 28,606</u>	<u>\$ 26,448,040</u>	<u>\$ 27,786,101</u>

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

At June 30, 2009, the net book value of leased property is as follows:

Cost of Leased Land	\$	19,210,810
Cost of Leased Buildings		40,480,423
Accumulated Depreciation of Leased Buildings		(6,814,766)
Net book value of Leased Fixed Assets	\$	<u>52,876,467</u>

6. Changes in Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2009:

	ENDING BALANCE			ENDING BALANCE
	6/30/2008	ADDITIONS	DELETIONS	6/30/2009
GOVERNMENTAL ACTIVITIES				
Capital Assets, not being depreciated:				
Land	\$ 56,748,674	\$ 449,113	\$ (254,003)	\$ 56,943,784
Construction in Progress	111,252,067	30,383,327	(41,934,374)	99,701,020
Total capital Assets not being depreciated	168,000,741	30,832,440	(42,188,377)	156,644,804
Capital Assets, being depreciated:				
Buildings	134,611,201	5,024,635	-	139,635,836
Improvements Other than Buildings	762,892,425	59,304,254	-	822,196,679
Machinery and Equipment	62,690,160	1,097,705	(610,366)	63,177,499
Total capital assets being depreciated	960,193,786	65,426,594	(610,366)	1,025,010,014
Less accumulated depreciation for:				
Buildings	60,041,906	4,556,937	-	64,598,843
Improvements Other than Buildings	279,112,904	20,597,589	-	299,710,493
Machinery and Equipment	46,460,984	3,265,948	(446,161)	49,280,771
Total accumulated depreciation	385,615,794	28,420,474	(446,161)	413,590,107
Total capital assets, being depreciated, net	574,577,992	37,006,120	(164,205)	611,419,907
Governmental activities capital assets, net	\$ 742,578,733	\$ 67,838,560	\$ (42,352,582)	\$ 768,064,711
BUSINESS-TYPE ACTIVITIES				
Capital Assets, not being depreciated:				
Land	\$ 65,523,859	\$ 17,017,273	\$ (207,200)	\$ 82,333,932
Construction in Progress	110,466,484	23,882,328	(42,576,859)	91,771,953
Total capital Assets not being depreciated	175,990,343	40,899,601	(42,784,059)	174,105,885
Capital Assets, being depreciated:				
Buildings	175,062,272	4,259,844	(1,852,497)	177,469,619
Improvements Other than Buildings	415,191,745	23,965,136	-	439,156,881
Machinery and Equipment	36,903,364	4,638,552	(1,684,608)	39,857,308
Total capital assets being depreciated	627,157,381	32,863,532	(3,537,105)	656,483,808
Less accumulated depreciation for:				
Buildings	64,985,095	6,086,235	(871,234)	70,200,096
Improvements Other than Buildings	149,431,844	11,872,101	-	161,303,945
Machinery and Equipment	25,484,824	3,091,423	(1,108,251)	27,467,996
Total accumulated depreciation	239,901,763	21,049,759	(1,979,485)	258,972,037
Total capital assets, being depreciated, net	387,255,618	11,813,773	(1,557,620)	397,511,771
Business-Type activities capital assets, net	\$ 563,245,961	\$ 52,713,374	\$ (44,341,679)	\$ 571,617,656

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

GOVERNMENTAL ACTIVITIES

Public Safety	3,453,449
General Government	1,968,690
Public Works	15,384,175
Culture and Recreation	6,348,690
Community and Economic Development	145,201
Internal service assets are charged to the various functions based on their usage of the assets	1,120,269
Total Depreciation Expense - Governmental Activities	<u><u>\$ 28,420,474</u></u>

7. Employee Retirement Systems

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

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

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

Plan members are required to contribute 4.10 percent of their annual covered salary, and the City is required to contribute 6.35 percent of annual covered payroll. Contribution requirements are established by state statute. The City's contribution to IPERS for the years ended June 30, 2009; 2008; and 2007 were \$4,433,062; \$4,087,154; and \$3,714,966, respectively, equal to the required contributions for each year.

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

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

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

The contribution rates for plan members and the City in fiscal years 2009, 2008, and 2007 were as follows:

<u>MFPRSI</u>	<u>PLAN MEMBER CONTRIBUTION</u>	<u>CITY CONTRIBUTION</u>
Fiscal Year 2009	9.35 %	18.75 %
Fiscal Year 2008	9.35 %	25.48 %
Fiscal Year 2007	9.35 %	27.75 %

The City's contributions to MFPRSI for the years ending June 30, 2009; 2008; and 2007, were equal to the required contributions for each year as follows:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
MFPRSI	\$ 8,082,254	\$ 10,556,295	\$ 11,202,963

8. Deferred Compensation

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

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

9. Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2009:

	BALANCE JULY 1, 2008	ADDITIONS	RETIREMENTS	BALANCE JUNE 30, 2009	DUE WITHIN ONE YEAR	RANGE OF INTEREST RATES
Governmental Activities:						
General Obligation Bonds	\$ 361,203,000	\$ 61,055,000	\$ 62,496,000	\$ 359,762,000	\$ 29,000,000	2.00% to 7.60%
Section 108 Loans payable	10,270,000	—	115,000	10,155,000	115,000	5.20%
Notes Payable	8,069,488	1,582,164	2,513,045	7,138,607	2,818,103	0.0% to 9.69%
Accrued Employee Benefits	20,014,030	15,028,292	15,192,909	19,849,413	9,931,989	NA
Liability for Claims/Judgments	430,000	425,093	395,093	460,000	—	NA
Liability for arbitrage	172,429	142,081	—	314,510	314,510	NA
	<u>\$ 400,158,947</u>	<u>\$ 78,232,630</u>	<u>\$ 80,712,047</u>	<u>\$ 397,679,530</u>	<u>\$ 42,179,602</u>	
Business-type Activities						
General Obligation Bonds	\$ 547,000	\$ —	\$ 269,000	\$ 278,000	\$ 185,000	3.00% to 5.00%
Revenue Bonds	114,233,000	2,850,000	8,373,000	108,710,000	4,950,000	0.00% to 8.15%
Notes Payable	14,858,830	2,820,501	1,194,211	16,485,120	7,394,143	0.00% to 5.18%
Capital Leases	9,502,899	—	1,442,083	8,060,816	1,760,389	2.58% to 5.22%
Liability for arbitrage	125,709	21,100	—	146,809	146,809	NA
Accrued Employee Benefits	3,478,616	3,195,350	3,440,606	3,233,360	981,876	NA
	<u>\$ 142,746,054</u>	<u>\$ 8,886,951</u>	<u>\$ 14,718,900</u>	<u>\$ 136,914,105</u>	<u>\$ 15,418,217</u>	

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

Net assets of certain enterprise funds of \$13,276,232 are restricted for debt service and the payment of certain liabilities pursuant to the requirements of the revenue bond ordinances.

Series 2004I Sewer Revenue Capital Loan Note which closed during the fiscal year-ended 2005 has an authorized amount of \$5,965,000. Proceeds are drawn down to reimburse the City after providing proof of qualifying expenditures related to sewer capital projects. At June 30, 2009, the outstanding balance was \$5,035,000, and \$5,000 was drawn down during the fiscal year. The Note has now been completely disbursed.

Proceeds from the Series 2009A General Obligation Refunding Bonds totaled \$1,155,000, and were used to current refund the Series 2000E General Obligation Bonds, dated June 1, 2000.

Proceeds from the Series 2009B General Obligation Refunding Bonds totaled \$2,870,000, and were used to current refund the Series 2001B General Obligation Bonds, dated June 15, 2001.

Proceeds from the Series 2009C General Obligation Refunding bonds totaled \$31,255,000, and were used to current refund the Series 2001A General Obligation Bonds, dated June 15, 2001, the Series 2001D General Obligation Bonds, dated June 15, 2001, and the Series 2004A General Obligation Bonds, dated June 1, 2004.

Proceeds from the Series 2009D Public Parking System Revenue Refunding Capital Loan Notes, totaled \$2,845,000, and were used to current refund the Series 2000B Public Parking System Revenue Bonds, dated June 1, 2000.

Proceeds from the Series 2009E General Obligation Bonds totaled \$19,605,000, and were allocated to certain capital improvement projects. Proceeds of the Series 2009F General Obligation Bonds totaled \$3,055,000, and were allocated to certain urban renewal projects. Proceeds from the Series 2009G General Obligation Bonds totaled \$3,115,000, and were allocated to certain Parks capital projects.

Outstanding bonds at June 30, 2009 mature as follows:

General Obligation Debt Service		
YEAR	GENERAL OBLIGATION BONDS	
	PRINCIPAL	INTEREST
2010	\$ 19,182,571	\$ 10,464,156
2011	19,325,083	9,711,673
2012	19,139,040	8,964,587
2013	17,775,856	8,233,458
2014	16,119,633	7,517,899
2015-2019	71,867,597	27,973,172
2020-2024	54,334,862	13,220,531
2025-2029	23,795,000	2,842,418
Totals	\$ 241,539,642	\$ 88,927,894

Tax Increment Debt Service		
YEAR	GENERAL OBLIGATION BONDS	
	PRINCIPAL	INTEREST
2010	\$ 9,817,429	\$ 757,901
2011	10,188,917	4,323,757
2012	10,193,960	3,951,441
2013	9,954,144	3,577,508
2014	10,105,367	3,220,655
2015-2019	39,487,403	11,158,487
2020-2024	26,965,138	3,471,981
2025-2029	1,510,000	105,600
Totals	\$ 118,222,358	\$ 30,567,330

Revenue Bonds, Sewer Enterprise Fund: The City has issued the following revenue bonds in the Sewer Fund:

Series	June 30, 2009 Balance	Maturity Fiscal Year	Purpose
Sewer Revenue 2004I	\$ 5,035,000	2025	Capital Improvements
Sewer Revenue 2004G	4,600,000	2019	Capital Improvements
Sewer Revenue Refunding, 2004H	14,040,000	2020	Refunding

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay the revenue bonds. The bonds are payable solely from the sewer customer net revenues. Annual principal and interest payments on the bonds are expected to require less than 80% of net revenues. Total principal and interest remaining to be paid on the bonds is \$31,178,426. Principal and interest paid for the current year and total customer net revenues were \$1,429,466 and \$17,445,169, respectively.

Revenue Bonds, Stormwater Management Utility Enterprise Fund: The City has issued the following revenue bonds in the Storm Water Utility Enterprise Fund:

Series	June 30, 2009 Balance	Maturity Fiscal Year	Purpose
Series 2003B	\$ 6,345,000	2018	Capital Improvements
Series 2004F	6,595,000	2019	Capital Improvements
Series 2006D	15,180,000	2023	Capital Improvements

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay the revenue bonds. The bonds are payable solely from the stormwater utility customer net revenues. Annual principal and interest payments on the bonds are expected to require less than 80% of net revenues. Total principal and interest remaining to be paid on the bonds is \$36,222,811. Principal and interest paid for the current year and total customer net revenues were \$3,102,575 and \$7,830,895, respectively.

Revenue Bonds, Parking Enterprise Fund: The City has issued the following revenue bonds in the Parking Enterprise Fund:

Series	June 30, 2009 Balance	Maturity Fiscal Year	Purpose
Series 2000A	\$ 17,040,000	2020	Capital Improvements & Refunding
Series 2000B	2,845,000	2012	Refunding

The City has pledged future parking customer revenues, net of specified operating expenses to repay the revenue bonds. The bonds are payable solely from the parking customer net revenues. Annual principal and interest payments on the bonds are expected to require less than 80% of net revenues. Total principal and interest remaining to be paid on the bonds is \$27,271,279. Principal and interest paid for the current year and total customer net revenues were \$8,138,590 and \$8,685,872, respectively.

Revenue Bonds, Airport Enterprise Fund: On April 1, 1998, the City issued \$42,670,000 of Aviation System Revenue Bonds (Series 1998 A, B, C). The current balance of the bonds is \$37,030,000 which mature in Fiscal Year 2029. The bonds are special obligations payable solely from and secured by a pledge of the net revenues of the Airport, subject to the prior lien on the net revenues of the Airport Revenue Capital Loan Notes. Payment of the principal and interest on the bonds is guaranteed by a municipal bond insurance policy. Annual principal and interest payments on the bonds are expected to require 13% of the Airport net revenues. Total principal and interest remaining to be paid on the bonds is \$61,802,586. Principal and interest paid for the current year and total Airport net revenues were \$3,372,751 and \$19,083,602, respectively.

Enterprise Funds				
YEAR	GENERAL OBLIGATION BONDS		REVENUE BONDS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2010	\$ 185,000	\$ 11,320	\$ 4,950,000	\$ 5,372,764
2011	36,000	3,920	6,307,000	5,134,453
2012	17,000	2,480	6,950,000	4,852,406
2013	20,000	1,800	6,913,000	4,540,841
2014	20,000	1,000	7,251,000	4,211,059
2015-2019	—	—	41,287,000	15,356,278
2020-2024	—	—	21,323,000	6,299,404
2025-2029	—	—	13,729,000	1,997,905
Totals	\$ 278,000	\$ 20,520	\$ 108,710,000	\$ 47,765,110

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

In November 2000, the City established the Airport Commercial Paper Series C-Non-PFC backed. A bank has provided a direct pay Letter of Credit (LOC) supporting the Facility.

Commercial Paper Notes	
	Non-PFC-backed Series C
Balance June 30, 2008	\$ 8,700,000
Issuances	126,800,000
Retirements	(123,500,000)
Balance June 30, 2009	\$ 12,000,000

On November 29, 2000, the City established a Non-PFC-backed commercial paper facility, also supported by a direct-pay letter of credit from the same bank. This letter of credit was authorized in an amount not to exceed \$5,000,000. On October 8, 2003, the City entered into an amendment of this facility and letter of credit, which increased the authorized amount of borrowings to \$12,000,000. The note contains a covenant in which net revenues calculated in accordance with the agreement are not less than 110% of debt service requirements. The

amount outstanding under the Series C facility bears interest 0.4% with a maturity date of July 2, 2009.

While the balance of the Series C facility line of credit was due in full on the maturity date listed above, under the arrangement with the lending institution which extends through June 30, 2011, the outstanding balance will be remarketed and reissued.

The line of credit was remarketed and reissued multiple times during the fiscal year ended June 30, 2009, at rates ranging from 0.40% to 4.00%.

Section 108 Loans Payable: The CDBG Section 108 Loan for \$2,000,000 was used to lend SNAG, L.L.C. an Iowa limited liability company, funds to construct a grocery store in the vicinity of the Seventh and University Avenues. The balance of the loan as of June 30, 2009 is \$1,655,000. The loan is payable through fiscal year 2027. The principal and interest on the loan is payable from an annual CDBG grant award specific to the Section 108 loan. Annual principal and interest on the bonds are expected to require 100% of the grant award. Total principal and interest remaining to be paid on the loan payable is \$2,339,478. Principal and interest paid in the current year and CDBG grant revenues were \$206,252 and \$4,686,150, respectively.

On November 15, 2007, the City closed a \$17,500,000 Section 108 loan to make a loan for the benefit of River Point West LLC, for the purpose of financing the acquisition and clearance of properties in the River Point West area for sale and subsequent redevelopment, and the construction of supporting public infrastructure improvements to serve the developed properties. The balance of the loan as of June 30, 2009 is \$8,500,000 and is payable through fiscal year 2028. The loan is not a general obligation of the City. The principal and interest is initially payable from a federal grant during the development phase. Thereafter, principal and interest is payable solely from the tax increment revenues of the Metro Center Urban Renewal Area of the City. Tax increment revenues are projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest paid in the current year and grant revenues were \$440,245 and \$440,245, respectively.

Notes Payable, Governmental Activities: Notes payable include \$49,926 Supplement #B-6; \$77,955 Supplement #B-7, \$354,633 Supplement #B-8, and \$481,190 Supplement DLL5. These notes are payable through fiscal year 2015. The principal and interest is payable from the debt service levy. Annual principal and interest on the bonds are expected to require 80% of the revenue. Total principal and interest remaining to be paid on the notes payable is \$994,862. Principal and interest paid in the current year and the debt service levy were \$559,001 and \$24,994,324, respectively.

Notes payable also include a \$1,875,000 loan from Polk County. This loan is for an economic development grant to be paid to Nelson Development 14, LLC. The balance of the note payable is \$1,875,000 and is payable through fiscal year 2019. The final loan disbursement from Polk County of \$437,500 occurred in FY09 and was paid to Nelson Development 14, LLC. The principal and interest is payable from tax increment finance levy. Annual principal and interest on the bonds are expected to require 100% of the revenue. Total principal and interest remaining to be paid on the notes payable is \$1,875,000. Principal and

interest paid in the current year and TIF levy were \$0 and \$0, respectively. In addition, notes payable as of June 30, 2009 includes a RISE loan of \$2,139,837 and an Allied loan of \$1,574,908 and a note payable of \$585,158 for a salt storage facility.

Future principal and interest payments on the Section 108 Loans Payable and Notes Payable accounted for in the Governmental Activities are summarized as follows:

FISCAL YEAR	CDBG SECTION 108 LOANS		NOTES PAYABLE GOVERNMENTAL ACTIVITIES	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2010	\$ 115,000	528,055	\$ 2,818,103	\$ 163,370
2011	115,000	522,822	1,108,985	43,979
2012	115,000	517,348	936,467	28,412
2013	115,000	511,690	859,389	20,170
2014	139,000	505,299	394,719	11,603
2015-2019	725,000	2,413,211	1,020,944	2,695
2020-2024	4,538,000	1,744,343	—	—
2025-2029	4,293,000	485,687	—	—
Totals	<u>\$ 10,155,000</u>	<u>\$ 7,228,455</u>	<u>\$ 7,138,607</u>	<u>\$ 270,229</u>

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

The notes payable has financed the purchase of nine recycling trucks, twenty-two refuse trucks, ten pickup trucks, 55,000 refuse carts, and 32,000 toters in the Solid Waste Enterprise Fund. The balance of the notes payable is \$2,662,831 and is payable through fiscal year 2015. The principal and interest is payable from the operating revenues of the Solid Waste Enterprise. Annual principal and interest on the notes payable are expected to require 63% of the revenue. Total principal and interest remaining to be paid on the notes payable is \$2,987,547. Principal and interest paid in the current year and the operating revenues of the Solid Waste Enterprise were \$1,243,406 and \$1,503,577, respectively.

Future principal and interest requirements on these notes payable are summarized as follows:

YEAR	NOTES PAYABLE ENTERPRISE	
	PRINCIPAL	INTEREST
2010	\$ 538,606	\$ 99,923
2011	543,201	79,867
2012	445,465	59,649
2013	376,872	42,586
2014	378,511	28,443
2015	380,176	14,248
Totals	<u>\$ 2,662,831</u>	<u>\$ 324,716</u>

The Stormwater Utility Fund entered into Supplement #DLL2 of the City's Governmental-Lease Purchase Master Agreement during the fiscal year to purchase a street sweeper vehicle. The balance as of June 30, 2009 is \$163,892 and will be paid as follows:

YEAR	NOTES PAYABLE	
	ENTERPRISE	
	PRINCIPAL	INTEREST
2010	\$ 26,338	\$ 4,769
2011	26,722	4,003
2012	27,111	3,225
2013	27,505	2,436
2014	27,905	1,636
2015	28,311	824
Totals	\$ 163,892	\$ 16,893

Notes payable, business-type activities also includes \$13,658,397 payable to the State of Iowa for the City's portion of the I-235 project. Of this amount, \$8,359,076 is recorded in the Sanitary Sewer Fund and \$5,299,321 is recorded in the Stormwater Utility Fund. The State has not provided the City a payment schedule; however, the City has estimated that 50% of the amount due will be paid in fiscal year 2010.

Capital Leases, Airport Enterprise Fund: Under the City's Governmental-Lease Purchase Master Agreement, the Airport enterprise fund entered into five capital lease agreements used to finance airport runway and maintenance equipment.

The balance of the capital leases payable for the Airport fund is \$755,897 and is payable through fiscal year 2013. The principal and interest is payable from the net revenues of the Airport. Annual principal and interest on the capital leases are expected to require 1.5% of the operating revenue. Total principal and interest remaining to be paid on the capital leases is \$823,074. Principal and interest paid in the current year and Airport operating revenue were \$338,081 and \$25,200,177, respectively.

Future principal and interest requirements are summarized as follows:

Airport Capital Leases		
YEAR	PRINCIPAL	INTEREST
2010	\$ 299,405	\$ 33,414
2011	201,700	19,630
2012	167,084	10,715
2013	87,708	3,418
Totals	\$ 755,897	\$ 67,177

On June 30, 2009, the net book value of the equipment purchased with capital leases is \$823,810.

Capital Leases, Parking Enterprise Fund: The City has entered into a lease purchase agreement for a new parking garage and is reported in the Parking Fund, an enterprise fund of the City. The balance of the lease purchase is \$7,304,919 and is payable through fiscal year 2014. The principal and interest is payable from net operating revenues of the Parking Enterprise. Annual principal and interest on the capital lease are expected to require 25% of the revenue. Total principal and interest remaining to be paid on the capital lease is \$8,467,652. Principal and interest paid in the current year and net operating revenues of the Parking Enterprise were \$1,593,461 and \$8,658,872, respectively.

Future principal and interest requirements are summarized as follows:

Parking Capital Lease		
YEAR	PRINCIPAL	INTEREST
2010	1,460,984	387,578
2011	1,460,984	310,062
2012	1,460,984	232,547
2013	1,460,984	155,031
2014	1,460,983	77,515
Totals	\$ 7,304,919	\$ 1,162,733

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

10. Revenue Bond Resolution Requirements

The revenue bond resolutions contain significant limitations and restrictions on annual debt service requirements, require minimum amounts to be maintained in various restricted accounts to provide for payment of principal and interest, and require minimum revenue bond coverage. In the Sewer System Fund, \$1,920,000 of net assets is restricted for bond reserves. In the Parking Facilities System Fund, \$1,954,500 of net assets is restricted for bond reserves. In the Stormwater Utility Fund, \$3,131,100 of net assets is restricted for bond reserves. In the Airport Fund, \$6,270,632 of net assets is restricted for debt retirement.

11. Debt Extinguishment

On March 3, 2009, the Des Moines Public Parking System issued \$2,845,000 in Revenue Refunding Capital loan Notes (Series 2009D) with an average interest rate of 3.75 percent to

current refund \$3,490,000 of Parking System Revenue Bonds with an average interest rate of 8.08 percent on June 1, 2009. The refunding was done to reduce aggregate debt service payments by \$215,928 over the next three years and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$244,021.

On March 16, 2009, the City issued \$1,155,000 in General Obligation Refunding Bonds (Series 2009A) with an average interest rate of 2.03 percent to refund \$1,100,000 of Taxable General Obligation Bonds with an average interest rate of 7.49 percent. The refunding was done to reduce aggregate debt service payments by \$136,045 over the next three years and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$129,344.

On March 18, 2009, the City issued \$2,870,000 in General Obligation Refunding Bonds (Series 2009B) with an average interest rate of 2.73 percent to refund \$2,895,000 of Taxable General Obligation Bonds with an average interest rate of 4.80 percent. The refunding was done to reduce aggregate debt service payments by \$425,447 over the next three years and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$362,459.

On March 18, 2009, the City issued \$31,255,000 in General Obligation Refunding Bonds (Series 2009C) with an average interest rate of 2.28 percent to refund \$19,780,000 of General Obligation Bonds with an average interest rate of 4.80 percent, \$3,060,000 of General Obligation Bonds with an average interest rate of 4.47 percent, and \$8,645,000 of General Obligation Bonds with an average interest rate of 5.00 percent. The refunding was done to reduce aggregate debt service payments by \$3,758,429 over the next three years and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$3,353,198.

12. Conduit Debt

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

As of June 30, 2009 there were nine series of industrial revenue bonds outstanding. The aggregate principal amount payable for the four series issued after July 1, 1995 was \$14.82 million. The aggregate principal amount payable for the series issued prior to July 1, 1995 could not be determined; however, their original issue amounts totaled \$53.9 million.

13. Interfund Receivables and Payables

The individual fund interfund receivable and payable balances include both Due to/from Other Funds and Advances to/from Other Funds. These balances at June 30, 2009 were:

	INTERFUND RECEIVABLE	INTERFUND PAYABLE
General	\$ 3,871	\$ 118,648
Capital Projects	10,297,851	-
Tax Accounts, Special Revenue	-	677,096
Other Nonmajor Governmental Funds	272,738	7,907,239
Internal Service	-	1,597,101
Parking, Enterprise	44,683	-
Municipal Housing Agency, Enterprise	-	274,376
Other Nonmajor Enterprise Funds	-	44,683
Total	\$ 10,619,143	\$ 10,619,143

	ADVANCES RECEIVABLE	ADVANCES PAYABLE
General	\$ 3,882,579	\$ -
Parking, enterprise	143,410	-
Other Nonmajor Enterprise Funds	-	4,025,989
Total	\$ 4,025,989	\$ 4,025,989

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

14. Fund Transfer Reconciliation

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

	TRANSFERS IN	TRANSFERS OUT
General	\$ 25,544,698	\$ 2,840,563
Tax Increment, special revenue	-	17,900,790
Benefit tax accounts, special revenue	-	13,749,475
Debt Service	16,181,140	-
Capital Projects	8,130,763	158,614
Other Nonmajor Governmental Funds	2,152,130	11,067,552
Stormwater	256,929	4,027,422
Sanitary Sewer	576,800	4,287,775
Parking	1,200,000	-
Other Nonmajor Enterprise Funds	-	10,269
	\$ 54,042,460	\$ 54,042,460

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

15. Post Employment Benefits

Plan description: The City sponsors a single-employer health care plan that provides medical, prescription drugs and dental benefits to all active and retired employees and their eligible dependents. Employees who have attained age 55 and retire from active employment are eligible for retiree benefits. Eligible retirees and their dependents receive medical and prescription coverage through a fully-insured plan with Wellmark BCBS and dental benefits through a self-insured plan. These are the same plans that are available for active employees.

Contributions of the full premium are required for both retiree and dependent coverage. The contributions for each insured group is assumed to be the expected, composite per capita cost for the group. This composite is then disaggregated into an age-specific starting cost curve based on the average age of the group and for assumptions for age-based morbidity. The average age of the pre-65 retiree group is 59. Retiree expenses are then offset by monthly contributions.

Funding policy: The City of Des Moines establishes and amends contribution requirements. 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 \$324,993.

Annual OPEB Cost and Net OPEB Obligation: The City's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance to the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year to the City, the amount actuarially contributed to the plan, and changes in the City's annual OPEB obligation.

Annual required contribution	\$ 1,010,009
Interest on net OPEB obligation	35,295
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>1,045,304</u>
Contributions and payments made	<u>324,993</u>
Increase in net OPEB obligation	720,311
Net OPEB obligation - July 1, 2008	784,326
Net OPEB obligation - June 30, 2009	<u><u>\$ 1,504,637</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2008 (the transition year) and 2009 follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2008	\$ 1,010,009	22.3%	\$ 784,326
June 30, 2009	\$ 1,045,304	31.1%	\$ 1,504,637

Funded status and funding progress: As of July 1, 2007, the most recent actuarial valuation date, the plan was 0 percent funded. The City's actuarial accrued liability for benefits was \$8,495,106 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$(8,495,106). The covered payroll (annual payroll of active employees covered by the plan) was \$162,910,052 and the ratio of the UAAL to the covered payroll was 5.2%.

Actuarial estimates 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 assumptions about the future employment, morality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer 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 following the notes to the financial statements, presents multiyear information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial methods and assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included 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 the long-term perspective of the calculations.

In the July 1, 2007 actuarial valuation, project unit credit method was used. The actuarial assumptions included a 4.5 percent discount rate, an annual health care cost trend rate of 10 percent reduced by decrements of .55 percent annually to an ultimate rate of 5 percent for medical and prescription costs, and annual health care cost trend rate of 6.5 percent for dental and related administrative costs. The UAAL is being amortized as a closed level dollar. The amortization of UAAL is done over a period of 30 years.

16. Pollution Remediation

On March 28, 2005, the City Council authorized the acquisition of property located at SW 2nd Street and Dunham Avenue. The property was purchased with adjoining properties with the purpose to re-sell the entire parcel for development.

Iowa State law holds that the owner of polluted property is responsible for remediation. The State does require that the plans to remediate pollution be approved.

A Phase I Environmental Site Assessment (ESA) on the subject site was completed by Missman, Stanley & Associates, P.C. (Missman), retained by TEAM Services in May, 2007. Missman's inspection combined with a subsurface geotechnical investigation completed in March, 2007 revealed the presence of non-native fill material at the subject property. Hydrocarbon odor was noted from a boring completed on the southwestern portion of the property. Missman recommended the subject property be enrolled into the Iowa DNR's Land Recycling Program (LRP) and that the automotive batteries, liquid within 55-gallon drums and other containers, and creosote-treated railroad ties observed onsite be disposed in accordance with environmental regulations. The 2007 Phase I ESA indicated that further characterization and delineation of the subsurface contamination will likely be required by the Iowa DNR prior to commencement of remedial actions.

A Limited Site Investigation (LSI) report was completed by Terracon in July, 2007. Based on the analytical results, soil and groundwater at the site appeared to be affected by a release of chemicals of concern, specifically SVOC's, exceeding the concentrations of the applicable State of Iowa Standards in the Iowa LRP for soil and groundwater for a Protected Ground Water Source. Soil samples obtained for analysis also indicated concentrations of arsenic exceeding the State Standard for the Iowa LRP, but were within the range of naturally occurring levels of arsenic in Iowa.

A Work Plan dated May 23, 2008, was prepared by the City of Des Moines Engineering Department and submitted to the IDNR Contaminated Sites section. The Work Plan was completed to assess contamination discovered at the site during the LSI completed by Terracon on July 17, 2007. The Work Plan was accepted by the IDNR on June 2, 2008.

Barker Lemar conducted a subsurface investigation on July 1 and July 2, 2008. Laboratory analytical results indicated concentrations of naphthalene, benzo(a)anthracene, chrysene, benzo(b)fluoranthene, benzo(k)fluoranthene, benzo(a)pyrene, indeno(1,2,3-cd)pyrene, and dibenz(a,h)anthracene above the Statewide Standards for Soil, Iowa LRP. Samples exceeding the Statewide Standards for Soil, under the Iowa LRP were submitted for laboratory analysis of TCLP of benzo(a)anthracene, chrysene, benzo(b)fluoranthene, benzo(k)fluoranthene, benzo(a)pyrene, indeno(1,2,3-cd)pyrene, and dibenz(a,h)anthracene by EPA Method 8270C. The TCLP laboratory analysis did not indicate concentrations in excess of laboratory detection levels for the twenty-eight samples for the respective chemicals of concern.

As per Iowa Administrative Code (IAC 567 - 109.5(2)d) soils exhibiting total PAH level exceeding 1,600 ppm (mg/kg) as a sum for the following compounds: acenaphthene, acenaphthylene, anthracene, benzo(a)anthracene, benzo(a)pyrene, benzo(b)fluoranthene, benzo(g,h,i)perylene, benzo(k)fluoranthene, chrysene, dibenzo(a,h)anthracene, fluoranthene, fluorene, indeno(1,2,3-cd)pyrene, naphthalene, phenanthrene, and pyrene, are not

authorized for disposal at a landfill as special waste. Total PAH levels for the above chemicals of concern exceeded 1,600 mg/kg in samples collected.

The City's consultant has proposed options for remediation of the environmental hazards to the State. None of the options were accepted by the State as recommended. Currently, the City and its consultant are involved in conversations with the State attempting to obtain an approved remedial action plan for the site. Due to this fact, the cost of remediation of the site in question is not estimatable.

17. Commitments and Contingent Liabilities

A. Grants

The City has received financial assistance from numerous federal and state agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, liabilities resulting from disallowed claims, if any, will not have a material effect on the City's financial position as of June 30, 2009.

B. Litigation

The City Attorney reported that as of June 30, 2009, various claims and lawsuits were on file against the City, and estimated that the potential settlements against the City not covered by insurance would not materially affect the financial position of the City. The City has authority to levy additional taxes (outside the regular limit) to cover uninsured judgments against the City.

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

The City of Des Moines, Iowa is currently in a class action lawsuit regarding franchise fees charged for gas and electric utilities. The Supreme Court has ruled that the fee is not an illegal tax and may be charged. However, the ruling defined that only an amount reasonably related to the City's administrative expenses in exercising its policing power to regulate the franchises, including incidental costs may be collected. In June 2009, the Iowa District Court ruled that portions of the fee were illegal taxes. The Court did not enter a specific dollar amount in the form of a judgment against the City. The plaintiffs are seeking reimbursement of any fees collected that exceed the expenses allowed to be charged. The potential liability may range from \$0 to \$45 million. The City collects approximately \$12 million of franchise fees for gas and electric utilities each year.

Insufficient information exists at this time to predict the financial outcome of this lawsuit.

C. Self-insurance

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

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

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

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

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

	LOSSES IN EXCESS OF	
	PER INCIDENT	PER YEAR
Workers Compensation	\$ 450,000	up to statutory limits
Dental Benefits	—	\$ 1,925,801
Tort Liability	2,000,000	Variable

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

Liabilities are reported when it is probable that a loss will occur, and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering recent claim settlement trends, including frequency and amount of payouts and other economic and social factors. The following is a summary of estimated claims liability for the year ended June 30, 2009 (with comparative amounts for 2008):

	WORKERS COMPENSATION	
	2009	2008
Balance at beginning of year	\$ 2,100,114	\$ 2,019,286
Current year claims and changes in estimate	2,460,558	1,779,848
Claim payments	(2,378,246)	(1,699,020)
Balance at end of year	<u>\$ 2,182,426</u>	<u>\$ 2,100,114</u>

	LEGAL SETTLEMENTS	
	2009	2008
Balance at beginning of year	\$ 430,000	\$ 285,000
Current year claims and changes in estimate	425,093	2,739,941
Claim payments	(395,093)	(2,594,941)
Balance at end of year	<u>\$ 460,000</u>	<u>\$ 430,000</u>

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

The City has a fully insured medical and prescription program for both retirees and employees with Wellmark. Premium payments totaled \$19,310,902 during fiscal year 2009. The City also contracts with one health maintenance organization (HMO) to provide employee health insurance coverage to police officers and firefighters. Premium payments made to the HMO during fiscal year 2009 were \$1,454,574. Settled claims have not exceeded coverage in any of the last three fiscal years. Dental insurance remains self-funded and administered by Wellmark.

D. Construction Contracts

The City has recognized as a liability only that portion of construction contracts representing construction completed through June 30, 2009. The City has additional commitments for signed construction contracts of approximately \$31.82 million as of June 30, 2009. Of these commitments, approximately \$6.37 million will be funded by general obligation and revenue bonds, \$12.48 million by federal and state grants, \$10.51 million from operating revenues, \$470,000 from Airport passenger facility charges, \$671,000 from the County and \$1.32 million from private contributions.

E. Arbitrage

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

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

	<u>Rebate Liability</u>	<u>Liability as of</u>
General Obligation Bonds issued 1998	\$ 5,889	December 31, 2008
General Obligation Bonds issued 2006	73,585	December 31, 2008
General Obligation Bonds issued 2007	235,036	December 31, 2008
Stormwater Revenue Bonds issued 2006	146,809	November 30, 2008

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

F. Developer Commitments

In order to encourage development within designated TIF districts, the City Council has approved developer grants to 25 different projects. The grants are to be paid only after certain conditions have been met by each project developer, and are to be paid over many years in the form of a rebate of a predetermined percentage of future property taxes generated by the property. Currently, it is estimated that outstanding commitments totaling about \$113 million exist, of which \$7.2 million may be eligible to be paid in the next fiscal year. These items are expensed in the period in which they are paid. No liability is recognized due to the fact that the agreements are conditional and the payments are to be funded by future property taxes receivable on the project and are subject to the City Council's right of non-appropriation each fiscal year.

18. New Pronouncements

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

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*: 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 City 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. At this time, the City has not recorded any liability in the governmental activities or in the business-type activities because the cost is not estimatable. A footnote has been added with disclosures pertaining to the nature of the pollution.

GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*: This Statement established 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 investment 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. This Statement had no effect to the City's financial statements.

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

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued July 2007, will be effective for the City beginning with its year ending June 30, 2010. This Statement provides guidance regarding how to identify, account for, and report intangible assets. 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.

GASB 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 in their financial statements. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued March 2009, will be effective for the City beginning with its year ending June 30, 2011. This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had

evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints.

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

19. Subsequent Events

The outstanding balance of the Airport's Commercial Paper Series C was remarketed and reissued as follows:

<u>Issue Date</u>	<u>Amount Issued</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
July 2, 2009	\$ 12,000,000	August 11, 2009	0.40%
August 11, 2009	12,000,000	January 11, 2010	0.70%

On October 30, 2009, the City closed on Supplement C-6 to the Master Lease-Purchase agreement. Supplement C-6 is for \$1,116,017, and purchased seven street sweepers. Repayment of this debt will be the responsibility of the Stormwater Utility Fund.

On November 16, 2009, the City Council accepted a \$15.2 million CDBG Disaster Recovery Infrastructure Award. The funds will be used in conjunction with City funds to complete the Court Avenue - Water Street Sewer Separation project (\$4 million), the Lower Union Sewer Separation project (\$5 million), the 33rd Street Sewer Separation project (\$1.2 million), and the Jackson Basin Pump Station project (\$5 million). Work on each of these projects is expected to begin within the next twelve months.

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF **DES MOINES**

**CITY OF DES MOINES, IOWA
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS -- ALL GOVERNMENTAL FUNDS
AND ENTERPRISE FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2009**

	GOVERNMENTAL	ENTERPRISE	NET	BUDGETED	AMOUNTS	FINAL TO
	FUND TYPES	FUND TYPES		ORIGINAL	FINAL	ACTUAL
	BASIS ACTUAL	BASIS ACTUAL				POSITIVE
	AMOUNTS	AMOUNTS				(NEGATIVE)
Revenue:						
Taxes	\$ 130,719,860	\$ ---	\$ 130,719,860	\$ 131,819,930	\$ 131,415,688	\$ (695,828)
Franchise fees	13,385,310	---	13,385,310	14,180,000	14,900,000	(1,514,690)
Licenses and permits	3,305,916	---	3,305,916	3,702,750	3,471,720	(165,804)
Fines and forfeitures	2,415,834	---	2,415,834	2,761,100	2,684,500	(268,666)
Charges for sales and services	17,450,617	99,263,208	116,713,825	120,436,979	119,834,342	(3,120,517)
Use of money and property	3,673,446	1,895,903	5,569,349	20,832,291	6,513,510	(944,161)
Miscellaneous	29,269,696	502,743	29,772,439	30,064,024	57,857,411	(28,084,972)
Intergovernmental	64,089,967	24,548,722	88,638,689	78,515,353	85,238,740	3,399,949
Total revenue	<u>264,310,646</u>	<u>126,210,576</u>	<u>390,521,222</u>	<u>402,312,427</u>	<u>421,915,911</u>	<u>(31,394,689)</u>
Expenditure:						
Current:						
Public safety	87,767,338	---	87,767,338	83,459,538	89,045,175	1,277,837
Public works	27,702,146	---	27,702,146	28,255,267	28,382,222	680,076
Health and social services	18,512,513	---	18,512,513	701,960	17,816,602	(695,911)
Culture and recreation	21,870,650	---	21,870,650	23,049,301	22,081,909	211,259
Community and economic development	11,161,639	---	11,161,639	25,540,211	18,703,279	7,541,640
General government	19,218,424	---	19,218,424	16,822,421	20,249,308	1,030,884
Business-type		66,561,247	66,561,247	86,737,543	90,881,107	24,319,860
Capital outlay	58,596,769	34,306,206	92,902,975	169,437,072	169,320,120	76,417,145
Debt service	81,709,360	141,910,849	223,620,209	61,644,496	101,814,436	(121,805,773)
Total expenditure	<u>326,538,839</u>	<u>242,778,302</u>	<u>569,317,141</u>	<u>495,647,809</u>	<u>558,294,158</u>	<u>(11,022,983)</u>
Excess (deficiency) of revenue over expenditure	<u>(62,228,193)</u>	<u>(116,567,726)</u>	<u>(178,795,919)</u>	<u>(93,335,382)</u>	<u>(136,378,247)</u>	<u>(42,417,672)</u>
Other financing sources (uses):						
Transfers in	52,008,731	2,033,729	54,042,460	52,419,884	52,451,738	1,590,722
Other financing sources	65,485,178	131,203,967	196,689,145	88,507,001	64,721,337	131,967,808
Transfers out	<u>(45,716,994)</u>	<u>(8,325,466)</u>	<u>(54,042,460)</u>	<u>(52,419,884)</u>	<u>(52,451,738)</u>	<u>(1,590,722)</u>
Total other financing sources (uses)	<u>71,776,915</u>	<u>124,912,230</u>	<u>196,689,145</u>	<u>88,507,001</u>	<u>64,721,337</u>	<u>131,967,808</u>
Net change in fund balances	<u>9,548,722</u>	<u>8,344,504</u>	<u>17,893,226</u>	<u>\$ (4,828,381)</u>	<u>\$ (71,656,910)</u>	<u>\$ 89,550,136</u>
Fund balances, beginning of year	<u>106,502,285</u>	<u>61,893,651</u>	<u>168,395,936</u>			
Fund balances, end of year	<u>\$ 116,051,007</u>	<u>\$ 70,238,155</u>	<u>\$ 186,289,162</u>			

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

CITY OF DES MOINES, IOWA
BUDGETARY COMPARISON SCHEDULE --
BUDGET TO GAAP RECONCILIATION
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2009

	GOVERNMENTAL FUND TYPES		
	BUDGET MODIFIED	ACCRUAL	MODIFIED
	ACCRUAL BASIS	ADJUSTMENTS	ACCRUAL BASIS
Revenues	\$ 264,310,646	\$ (88,611)	\$ 264,222,035
Expenditures	326,538,839	1,620,886	328,159,725
Net	(62,228,193)	(1,709,497)	(63,937,690)
Other financing sources (uses):	71,776,915	(27,915)	72,393,201
Beginning fund balances	106,502,285	2,231,572	108,733,857
Ending fund balances	\$ 116,051,007	\$ 1,138,361	\$ 117,189,368

	ENTERPRISE FUND TYPES		
	BUDGET MODIFIED	ACCRUAL	
	ACCRUAL BASIS	ADJUSTMENTS	ACCRUAL BASIS
Revenues	\$ 257,414,543	\$ (7,141,092)	\$ 127,272,561
Expenditures	242,778,302	(41,419,137)	117,480,010
Net	14,636,241	(4,843,690)	9,792,551
Transfers	(6,291,737)	---	(6,291,737)
Beginning fund balances	61,893,651	438,810,706	500,704,357
Ending fund balances	\$ 70,238,155	\$ 433,967,016	\$ 504,205,171

See notes to required supplementary information.

**CITY OF DES MOINES, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION --
BUDGETARY REPORTING
June 30, 2009**

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

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. These ten functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, business-type and non-program. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, budget amendments increased budgeted disbursements by \$62,646,349. These budget amendments are reflected in the final budgeted amounts.

During the year ended June 30, 2009, disbursements exceeded the amounts budgeted in the health and social services function and the debt service function.

**CITY OF DES MOINES, IOWA
OTHER POSTEMPLOYMENT BENEFIT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2009**

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2009	7/1/2007	\$ ---	\$ 8,495,106	\$ 8,495,106	\$ ---	\$162,910,052	5.2%
2008	7/1/2007	\$ ---	\$ 8,495,106	\$ 8,495,106	\$ ---	\$153,869,524	5.5%

Note: Fiscal year 2008 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: health care cost trend rates of 5.0-10.0 percent; discount rate of 4.5 percent.
4. The amortization method is closed, level dollar.

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



CITY OF **DES MOINES**



CITY OF DES MOINES, IOWA
COMBINING BALANCE SHEET SCHEDULE
ALL GENERAL FUND ACCOUNTS
June 30, 2009

	GENERAL	TORT LIABILITY	TOTALS
ASSETS			
Cash and pooled cash investments	\$ 10,598,637	\$ ---	\$ 10,598,637
Taxes receivable	50,881,246	1,815,365	52,696,611
Special assessments receivable	28,523	---	28,523
Accounts receivable	3,482,003	---	3,482,003
Accrued interest receivable	422,005	---	422,005
Due from other funds	3,871	---	3,871
Due from other governmental units	730,683	---	730,683
Advance to other funds	3,882,579	---	3,882,579
Inventory	6,929	---	6,929
Prepaid items	367,865	1,818	369,683
Total assets	\$ 70,404,341	\$ 1,817,183	\$ 72,221,524
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 1,579,878	\$ 16,980	\$ 1,596,858
Accrued wages payable	4,280,674	43,924	4,324,598
Accrued employee benefits	19,704	---	19,704
Due to other funds	158	118,490	118,648
Good faith, security deposits	1,631,544	---	1,631,544
Deferred revenue	48,974,236	1,778,854	50,753,090
Total liabilities	56,486,194	1,958,248	58,444,442
Fund balance:			
Reserved for inventory	6,929	---	6,929
Reserved for advances	3,882,579	---	3,882,579
Reserved for encumbrances	138,068	---	138,068
Reserved for prepaid items	367,865	1,818	369,683
Unreserved	9,522,706	(142,883)	9,379,823
Total fund balance (deficit)	13,918,147	(141,065)	13,777,082
Total liabilities and fund balance	\$ 70,404,341	\$ 1,817,183	\$ 72,221,524

CITY OF DES MOINES, IOWA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (DEFICIT)
ALL GENERAL FUND ACCOUNTS
For the Fiscal Year Ended June 30, 2009

	GENERAL	TORT LIABILITY	TOTALS
Revenues:			
Taxes	\$ 51,193,137	\$ 1,804,396	\$ 52,997,533
Franchise fees	13,385,310	---	13,385,310
Licenses and permits	3,149,155	---	3,149,155
Fines and forfeitures	2,395,851	---	2,395,851
Charges for sales and services	15,331,439	---	15,331,439
Use of money and property	2,862,318	---	2,862,318
Miscellaneous revenue	15,602,623	20	15,602,643
Intergovernmental	1,711,246	---	1,711,246
Total revenues	<u>105,631,079</u>	<u>1,804,416</u>	<u>107,435,495</u>
Expenditures:			
Current:			
Public safety	81,449,544	167,151	81,616,695
Public works	9,290,415	---	9,290,415
Health and social services	601,356	---	601,356
Culture and recreation	20,582,586	---	20,582,586
Community and economic development	2,553,708	---	2,553,708
General governmental	15,403,364	1,410,956	16,814,320
Capital outlay	230,011	---	230,011
Debt service:			
Principal retirement	---	---	---
Interest and fiscal charges	---	---	---
Total expenditures	<u>130,110,984</u>	<u>1,578,107</u>	<u>131,689,091</u>
Excess (deficiency) of revenues over expenditures	<u>(24,479,905)</u>	<u>226,309</u>	<u>(24,253,596)</u>
Other financing sources (uses):			
Transfers in	25,544,698	---	25,544,698
Transfers out	(2,678,006)	(162,557)	(2,840,563)
Proceeds from capital asset sale	162,055	---	162,055
Total other financing sources (uses)	<u>23,028,747</u>	<u>(162,557)</u>	<u>22,866,190</u>
Net changes in fund balance	(1,451,158)	63,752	(1,387,406)
Fund balance, beginning of year	15,369,305	(204,817)	15,164,488
Fund balance (deficit), end of year	<u><u>\$ 13,918,147</u></u>	<u><u>\$ (141,065)</u></u>	<u><u>\$ 13,777,082</u></u>

CITY OF DES MOINES, IOWA
COMBINING BALANCE SHEET SCHEDULE
ALL CAPITAL PROJECTS ACCOUNTS
June 30, 2009

	BRIDGE PROJECTS	MUNICIPAL BUILDINGS PROJECTS	STREET PROJECTS	PARK IMPROVEMENT PROJECTS
ASSETS				
Cash and pooled cash investments	\$ 5,502,043	\$ 9,388,348	\$ 22,527,147	\$ 14,589,837
Accounts receivable	---	1,700	139,660	443,540
Special assessments receivable	---	---	---	---
Accrued interest receivable	---	---	---	---
Due from other funds	---	---	10,297,851	---
Due from other governmental units	29,500	27,820	2,682,333	1,622,215
Prepaid items	---	27,885	---	116
Long-term receivables	---	---	---	---
Total assets	\$ 5,531,543	\$ 9,445,753	\$ 35,646,991	\$ 16,655,708
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 5,701	\$ 9,872	\$ 65,551	\$ 131,352
Contracts payable	299,099	60,386	2,228,862	2,482,016
Accrued wages payable	7,201	8,005	100,870	56,827
Deferred revenue	20,000	---	484,496	331,029
Total liabilities	332,001	78,263	2,879,779	3,001,224
Fund balance:				
Reserved for prepaid items	---	27,885	---	116
Unreserved	5,199,542	9,339,605	32,767,212	13,654,368
Total fund balance	5,199,542	9,367,490	32,767,212	13,654,484
Total liabilities and fund balance	\$ 5,531,543	\$ 9,445,753	\$ 35,646,991	\$ 16,655,708

<u>FIRE PROTECTION PROJECTS</u>	<u>LIBRARY PROJECTS</u>	<u>SPECIAL ASSESSMENT PROJECTS</u>	<u>URBAN RENEWAL PROJECTS</u>	<u>TOTALS</u>
\$ 9,949,967	\$ 1,593,815	\$ 1,295,300	\$ 9,656,419	\$ 74,502,876
---	---	---	1,070	585,970
---	---	1,790	---	1,790
---	---	505	---	505
---	---	---	---	10,297,851
---	---	---	250	4,362,118
---	6,829	---	---	34,830
---	---	2,132,970	---	2,132,970
<u>\$ 9,949,967</u>	<u>\$ 1,600,644</u>	<u>\$ 3,430,565</u>	<u>\$ 9,657,739</u>	<u>\$ 91,918,910</u>
\$ 925,158	\$ 30,885	\$ ---	\$ 10,861	\$ 1,179,380
39,807	32,655	---	---	5,142,825
800	5,628	---	120	179,451
---	---	2,132,970	---	2,968,495
<u>965,765</u>	<u>69,168</u>	<u>2,132,970</u>	<u>10,981</u>	<u>9,470,151</u>
---	6,829	---	---	34,830
<u>8,984,202</u>	<u>1,524,647</u>	<u>1,297,595</u>	<u>9,646,758</u>	<u>82,413,929</u>
<u>8,984,202</u>	<u>1,531,476</u>	<u>1,297,595</u>	<u>9,646,758</u>	<u>82,448,759</u>
<u>\$ 9,949,967</u>	<u>\$ 1,600,644</u>	<u>\$ 3,430,565</u>	<u>\$ 9,657,739</u>	<u>\$ 91,918,910</u>

**CITY OF DES MOINES, IOWA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
ALL CAPITAL PROJECTS ACCOUNTS
For the Fiscal Year Ended June 30, 2009**

	MUNICIPAL			PARK
	BRIDGE	BUILDINGS	STREET	IMPROVEMENT
	PROJECTS	PROJECTS	PROJECTS	PROJECTS
Revenues:				
Charges for sales and services	\$ ---	\$ 20,400	\$ 591,846	\$ ---
Use of money and property	(93,930)	(4,989)	(89,665)	(22,827)
Miscellaneous	2,140,779	1,249	4,095,210	1,337,294
Intergovernmental	1,699,705	502,751	16,427,671	4,691,049
Total revenue	<u>3,746,554</u>	<u>519,411</u>	<u>21,025,062</u>	<u>6,005,516</u>
Expenditures:				
Current:				
Public safety	---	---	---	---
Public works	---	---	574,013	---
Culture and recreation	---	---	---	315,051
Community and economic development	---	---	---	---
General government	---	491,761	---	---
Capital outlay	2,519,426	2,656,674	30,775,142	11,665,984
Principal retirement	---	---	---	---
Total expenditures	<u>2,519,426</u>	<u>3,148,435</u>	<u>31,349,155</u>	<u>11,981,035</u>
Excess (deficiency) of revenues over expenditures	<u>1,227,128</u>	<u>(2,629,024)</u>	<u>(10,324,093)</u>	<u>(5,975,519)</u>
Other financing sources (uses):				
General obligation bonds issued	1,200,000	2,517,500	9,460,000	7,135,000
Other debt issued	---	585,158	559,506	---
Transfers in	130,964	---	7,243,149	27,650
Transfers out	---	(27,650)	---	(130,964)
Proceeds from capital asset sale	---	---	417,750	1,215
Total other financing sources (uses)	<u>1,330,964</u>	<u>3,075,008</u>	<u>17,680,405</u>	<u>7,032,901</u>
Net changes in fund balance	2,558,092	445,984	7,356,312	1,057,382
Fund balance, beginning of year	<u>2,641,450</u>	<u>8,921,506</u>	<u>25,410,900</u>	<u>12,597,102</u>
Fund balance, end of year	<u>\$ 5,199,542</u>	<u>\$ 9,367,490</u>	<u>\$ 32,767,212</u>	<u>\$ 13,654,484</u>

FIRE PROTECTION PROJECTS	LIBRARY PROJECTS	SPECIAL ASSESSMENT PROJECTS	URBAN RENEWAL PROJECTS	TOTALS
\$ ---	\$ ---	\$ 5,547	\$ 63,527	\$ 681,320
11	(1,256)	3,510	187,872	(21,274)
---	24,238	67,036	1,237,687	8,903,493
---	---	---	---	23,321,176
11	22,982	76,093	1,489,086	32,884,715
---	---	---	---	---
---	---	---	---	574,013
159	683,562	---	---	998,772
---	---	---	4,474,583	4,474,583
---	---	825,728	---	1,317,489
2,286,812	565,091	---	204,809	50,673,938
---	---	---	---	---
2,286,971	1,248,653	825,728	4,679,392	58,038,795
(2,286,960)	(1,225,671)	(749,635)	(3,190,306)	(25,154,080)
1,785,000	675,000	---	2,167,000	24,939,500
---	---	---	437,500	1,582,164
---	729,000	---	---	8,130,763
---	---	---	---	(158,614)
15,000	---	---	1,668,839	2,102,804
1,800,000	1,404,000	---	4,273,339	36,596,617
(486,960)	178,329	(749,635)	1,083,033	11,442,537
9,471,162	1,353,147	2,047,230	8,563,725	71,006,222
\$ 8,984,202	\$ 1,531,476	\$ 1,297,595	\$ 9,646,758	\$ 82,448,759

**CITY OF DES MOINES, IOWA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2009**

	SPECIAL REVENUE			
		COMMUNITY	OTHER	ROAD USE
	CDBG	SERVICES	EMPLOYEE BENEFITS	TAX
ASSETS				
Cash and pooled cash investments	\$ ---	\$ ---	\$ 142,000	\$ ---
Investments	---	---	---	---
Taxes receivable	---	---	11,177,324	2,829,270
Accounts receivable	10,275	120,078	315,127	72,253
Special assessments receivable	17,802	---	---	1,570
Contract sales receivable	---	---	---	---
Loans receivable, net of allowance for doubtful accounts	896,054	---	---	---
Property held for sale	2,000,000	---	---	---
Accrued interest receivable	4,481	---	---	---
Due from other funds	---	---	---	---
Due from other governmental units	2,450,081	964,264	---	359
Inventory	---	---	---	770,080
Pepaid items	2,428	---	79,497	267
Total assets	\$ 5,381,121	\$ 1,084,342	\$ 11,713,948	\$ 3,673,799
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities:				
Accounts payable	\$ 335,204	\$ 413,994	\$ ---	\$ 1,069,910
Contracts payable	1,995	---	---	---
Accrued wages payable	100,957	34,729	63,304	382,876
Accrued employee benefits	---	---	12,315	---
Good faith, security deposits	---	---	---	---
Due to other funds	1,833,054	772,894	2,201,228	2,839,630
Deferred revenue	408,845	542,221	10,969,987	---
Total liabilities	2,680,055	1,763,838	13,246,834	4,292,416
Fund balances (deficits):				
Reserved for prepaid items	2,428	---	79,497	267
Reserved for inventory	---	---	---	770,080
Reserved for corpus	---	---	---	---
Reserved for loans receivable	896,054	---	---	---
Reserved for property held for sale	2,000,000	---	---	---
Unreserved:				
Undesignated balances (deficits)	(197,416)	(679,496)	(1,612,383)	(1,388,964)
Total fund balances (deficits)	2,701,066	(679,496)	(1,532,886)	(618,617)
Total liabilities and fund balances (deficits)	\$ 5,381,121	\$ 1,084,342	\$ 11,713,948	\$ 3,673,799

SPECIAL REVENUE		PERMANENT				TOTALS
URBAN DEVELOPMENT ACTION GRANT	OTHER SPECIAL REVENUE	PERMANENT CEMETERY MAINTENANCE	SWARTZELL ENDOWMENT	WEISE BIRD HABITATS		
\$ 334,209	\$ 2,740,448	\$ 694,240	\$ 48,315	\$ 2,650	\$ 3,961,862	
---	---	2,813,159	357,117	---	3,170,276	
---	1,203,325	---	---	---	15,209,919	
---	531,862	2,007	---	---	1,051,602	
---	---	---	---	---	19,372	
---	286,639	---	---	---	286,639	
2,487,714	6,261,502	---	---	---	9,645,270	
---	---	---	---	---	2,000,000	
3,876	35,435	---	---	---	43,792	
---	272,738	---	---	---	272,738	
---	2,566,272	---	---	---	5,980,976	
---	---	---	---	---	770,080	
---	77,169	---	---	---	159,361	
<u>\$ 2,825,799</u>	<u>\$ 13,975,390</u>	<u>\$ 3,509,406</u>	<u>\$ 405,432</u>	<u>\$ 2,650</u>	<u>\$ 42,571,887</u>	
\$ ---	\$ 156,067	\$ ---	\$ 277	\$ ---	\$ 1,975,452	
---	12,459	---	---	---	14,454	
---	15,495	---	---	---	597,361	
---	---	---	---	---	12,315	
---	5,359	---	---	---	5,359	
---	260,433	---	---	---	7,907,239	
---	3,409,874	---	---	---	15,330,927	
---	3,859,687	---	277	---	25,843,107	
---	77,169	---	---	---	159,361	
---	---	---	---	---	770,080	
---	---	2,940,518	347,759	2,650	3,290,927	
2,487,714	6,261,502	---	---	---	9,645,270	
---	---	---	---	---	2,000,000	
338,085	3,777,032	568,888	57,396	---	863,142	
<u>2,825,799</u>	<u>10,115,703</u>	<u>3,509,406</u>	<u>405,155</u>	<u>2,650</u>	<u>16,728,780</u>	
<u>\$ 2,825,799</u>	<u>\$ 13,975,390</u>	<u>\$ 3,509,406</u>	<u>\$ 405,432</u>	<u>\$ 2,650</u>	<u>\$ 42,571,887</u>	

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2009

	SPECIAL REVENUE				
	CDBG	COMMUNITY SERVICES	OTHER	ROAD USE	URBAN
			EMPLOYEE BENEFITS	TAX	DEVELOPMENT ACTION GRANT
Revenues:					
Taxes	\$ ---	\$ ---	\$ 10,145,206	\$ ---	\$ ---
Licenses and permits	---	---	---	156,761	---
Fines and forfeitures	19,388	---	---	595	---
Charges for sales and services	11,763	250	---	1,258,691	---
Use of money and property	15,519	---	---	288	80,123
Miscellaneous	597,831	728,839	1,386,692	38,487	---
Intergovernmental	4,971,961	11,018,594	---	16,904,560	---
Total revenues	<u>5,616,462</u>	<u>11,747,683</u>	<u>11,531,898</u>	<u>18,359,382</u>	<u>80,123</u>
Expenditures:					
Current:					
Public safety	---	---	---	---	---
Public works	---	---	---	18,411,731	---
Health and social services	5,844,779	11,968,788	---	---	---
Culture and recreation	---	---	---	---	---
Community and economic development	---	---	---	---	---
General government	---	---	1,924,428	---	---
Capital outlay	107,749	---	---	566,268	---
Debt service:					
Principal retirement	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---
Total expenditures	<u>5,952,528</u>	<u>11,968,788</u>	<u>1,924,428</u>	<u>18,977,999</u>	<u>---</u>
Excess (deficiency) of revenues over expenditures	<u>(336,066)</u>	<u>(221,105)</u>	<u>9,607,470</u>	<u>(618,617)</u>	<u>80,123</u>
Other financing sources (uses):					
Transfers in	---	---	1,425,000	---	---
Transfers out	---	---	(10,572,314)	---	---
Proceeds from damage claims	---	---	---	---	---
Proceeds from capital asset sale	---	---	---	---	---
Total other financing sources (uses)	<u>---</u>	<u>---</u>	<u>(9,147,314)</u>	<u>---</u>	<u>---</u>
Net changes in fund balances	(336,066)	(221,105)	460,156	(618,617)	80,123
Fund balances (deficits), beginning of year	3,037,132	(458,391)	(1,993,042)	---	2,745,676
Fund balances (deficits), end of year	<u>\$ 2,701,066</u>	<u>\$ (679,496)</u>	<u>\$ (1,532,886)</u>	<u>\$ (618,617)</u>	<u>\$ 2,825,799</u>

PERMANENT

OTHER SPECIAL REVENUE	PERMANENT			TOTALS
	CEMETERY MAINTENANCE	SWARTZELL ENDOWMENT	WEISE BIRD HABITATS	
\$ 1,137,376	\$ ---	\$ ---	\$ ---	\$ 11,282,582
---	---	---	---	156,761
---	---	---	---	19,983
58,062	109,092	---	---	1,437,858
689,082	(18,552)	3,987	---	770,447
1,890,920	---	---	---	4,642,769
6,162,430	---	---	---	39,057,545
<u>9,937,870</u>	<u>90,540</u>	<u>3,987</u>	<u>---</u>	<u>57,367,945</u>
6,150,643	---	---	---	6,150,643
---	---	---	---	18,411,731
32,732	---	9,427	---	17,855,726
1,288,064	---	---	---	1,288,064
1,171,783	---	---	---	1,171,783
262,408	---	---	---	2,186,836
427,434	---	---	---	1,101,451
115,000	---	---	---	115,000
372,974	---	---	---	372,974
<u>9,821,038</u>	<u>---</u>	<u>9,427</u>	<u>---</u>	<u>48,654,208</u>
116,832	90,540	(5,440)	---	8,713,737
727,130	---	---	---	2,152,130
(495,238)	---	---	---	(11,067,552)
500,000	---	---	---	500,000
73,324	---	---	---	73,324
<u>805,216</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(8,342,098)</u>
922,048	90,540	(5,440)	---	371,639
9,193,655	3,418,866	410,595	2,650	16,357,141
<u>\$ 10,115,703</u>	<u>\$ 3,509,406</u>	<u>\$ 405,155</u>	<u>\$ 2,650</u>	<u>\$ 16,728,780</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
June 30, 2009

ASSETS	GOLF COURSES	SOLID WASTE SYSTEM	TOTALS
Current assets:			
Unrestricted current assets:			
Cash and pooled cash investments	\$ 4,500	\$ 2,890,288	\$ 2,894,788
Accounts receivable	118,238	141,052	259,290
Special assessments receivable	---	83,088	83,088
Prepaid items	33,333	500	33,833
Deferred charges	---	628	628
Total current assets	156,071	3,115,556	3,271,627
Noncurrent assets, capital assets:			
Land	123,497	---	123,497
Construction in progress	---	459,059	459,059
Buildings	330,339	637,501	967,840
Improvements other than buildings	3,222,054	261,589	3,483,643
Machinery and equipment	1,426,364	12,204,458	13,630,822
Accumulated depreciation	(2,188,401)	(6,964,909)	(9,153,310)
Total capital assets (net of accumulated depreciation)	2,913,853	6,597,698	9,511,551
Total assets	\$ 3,069,924	\$ 9,713,254	\$ 12,783,178
LIABILITIES			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 182,557	\$ 224,306	\$ 406,863
Accrued wages payable	8,397	167,421	175,818
Accrued employee benefits	21,900	158,036	179,936
Due to other funds	44,683	---	44,683
Notes payable	---	538,606	538,606
Accrued interest payable	---	8,770	8,770
General obligation bonds payable	---	35,000	35,000
Unamortized premium	---	1,264	1,264
Total current liabilities	257,537	1,133,403	1,390,940
Noncurrent liabilities:			
Accrued employee benefits	52,342	377,706	430,048
Other postemployment benefits	4,274	41,591	45,865
Advance from other funds	4,025,989	---	4,025,989
Notes payable	---	2,124,225	2,124,225
General obligation bonds payable	---	93,000	93,000
Total noncurrent liabilities	4,082,605	2,636,522	6,719,127
Total liabilities	4,340,142	3,769,925	8,110,067
NET ASSETS			
Invested in capital assets, net of related debt	2,913,853	3,805,603	6,719,456
Unrestricted	(4,184,071)	2,137,726	(2,046,345)
Total net assets	\$ (1,270,218)	\$ 5,943,329	\$ 4,673,111

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2009

	GOLF COURSES	SOLID WASTE SYSTEM	TOTALS
Operating revenues:			
Charges for sales and services	\$ 1,841,293	\$ 11,454,420	\$ 13,295,713
Total operating revenues	<u>1,841,293</u>	<u>11,454,420</u>	<u>13,295,713</u>
Operating expenses:			
Personal services	328,827	4,347,865	4,676,692
Contractual services	981,895	4,520,349	5,502,244
Commodities	303,026	955,121	1,258,147
Depreciation	137,339	990,894	1,128,233
Other charges	124,088	465,772	589,860
Total operating expenses	<u>1,875,175</u>	<u>11,280,001</u>	<u>13,155,176</u>
Operating income (loss)	<u>(33,882)</u>	<u>174,419</u>	<u>140,537</u>
Non-operating revenues (expenses):			
Donations and contributions	---	22	22
Proceeds from damage claims	---	143,055	143,055
Loss on disposal of capital assets	---	(88,589)	(88,589)
Investment earnings	---	62,731	62,731
Interest expense and fiscal charges	(74,345)	(46,843)	(121,188)
Total nonoperating revenues (expenses)	<u>(74,345)</u>	<u>70,376</u>	<u>(3,969)</u>
Income (loss) before transfers	(108,227)	244,795	136,568
Transfers out	---	(10,269)	(10,269)
Change in net assets	(108,227)	234,526	126,299
Total net assets - beginning	<u>(1,161,991)</u>	<u>5,708,803</u>	<u>4,546,812</u>
Total net assets - ending	<u>\$ (1,270,218)</u>	<u>\$ 5,943,329</u>	<u>\$ 4,673,111</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2009

	GOLF COURSES	SOLID WASTE SYSTEM	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,673,305	\$ 12,334,965	\$ 14,008,270
Payments to suppliers	(1,436,785)	(5,852,773)	(7,289,558)
Payments to employees	(382,395)	(4,395,844)	(4,778,239)
Net cash provided (used) by operating activities	<u>(145,875)</u>	<u>2,086,348</u>	<u>1,940,473</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Proceeds from interfund accounts	120,220	(33,292)	86,928
Damage claim proceeds	---	143,055	143,055
Transfers out	---	(10,269)	(10,269)
Donations and contributions	---	22	22
Net cash provided (used) by noncapital and related financing activities	<u>120,220</u>	<u>99,516</u>	<u>219,736</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest paid on capital debt	(74,345)	(41,865)	(116,210)
Principal paid on long-term debt	---	(1,284,637)	(1,284,637)
Proceeds from sale of capital assets	---	285,300	285,300
Acquisition and construction of capital assets	---	(894,743)	(894,743)
Net cash (used) by capital and related financing activities	<u>(74,345)</u>	<u>(1,935,945)</u>	<u>(2,010,290)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	<u>100,000</u>	<u>62,761</u>	<u>162,761</u>
Net cash provided by investing activities	<u>100,000</u>	<u>62,761</u>	<u>162,761</u>
Net increase in cash and cash equivalents	---	312,680	312,680

	GOLF COURSES	SOLID WASTE SYSTEM	TOTALS
Cash and cash equivalents, beginning of year	\$ 4,500	\$ 2,577,608	\$ 2,582,108
Cash and cash equivalents, end of year	\$ 4,500	\$ 2,890,288	\$ 2,894,788
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (133,882)	\$ 174,419	\$ 40,537
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	137,339	990,894	1,128,233
Accretion and amortization	---	(368)	(368)
(Increase) decrease in accounts receivable	(69,213)	963,633	894,420
(Increase) decrease in Due from Other Funds	1,225	---	1,225
(Increase) decrease in prepaid items	(33,333)	(416)	(33,749)
Increase (decrease) in accounts payable	5,558	6,164	11,722
Increase (decrease) in accrued wages payable	(6,309)	(30,739)	(37,048)
Increase (decrease) in accrued employee benefits	(47,260)	(17,239)	(64,499)
Total adjustments	(11,993)	1,911,929	1,899,936
Net cash provided (used) by operating activities	\$ (145,875)	\$ 2,086,348	\$ 1,940,473
Schedule of noncash capital and related financing activities:			
Loss on disposal of capital assets	\$ ---	\$ (88,589)	\$ (88,589)

**CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
June 30, 2009**

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUNI- CATIONS
ASSETS				
Current assets:				
Cash and pooled cash investments	\$ 418,936	\$ 180,515	\$ 127,866	\$ 87,243
Taxes receivable	24,146	---	---	---
Accounts receivable	---	142	---	---
Prepaid items	4,032	15	4,491	---
Inventory	397,776	---	125,913	---
Total current assets	844,890	180,672	258,270	87,243
Noncurrent assets, capital assets:				
Machinery and equipment	55,681	16,312	1,114,041	30,770
Accumulated depreciation	(39,153)	(16,312)	(885,925)	(27,835)
Total capital assets, net of accumulated depreciation	16,528	---	228,116	2,935
Total assets	\$ 861,418	\$ 180,672	\$ 486,386	\$ 90,178
LIABILITIES				
Liabilities:				
Current liabilities:				
Accounts payable	\$ 356,262	\$ 648	\$ 41,899	\$ 9,618
Accrued wages payable	109,098	36,655	5,896	22,386
Accrued employee benefits	84,786	38,795	19,883	19,187
Due to other funds	---	---	---	---
Unearned revenue	---	---	---	---
Total current liabilities	550,146	76,098	67,678	51,191
Noncurrent liabilities:				
Accrued employee benefits	194,858	89,160	45,697	44,097
Other postemployment benefits	25,219	9,542	2,045	4,089
Total noncurrent liabilities	220,077	98,702	47,742	48,186
Total liabilities	770,223	174,800	115,420	99,377
NET ASSETS				
Invested in capital assets, net of related debt	16,528	---	228,116	2,935
Unrestricted	74,667	5,872	142,850	(12,134)
Total net assets	\$ 91,195	\$ 5,872	\$ 370,966	\$ (9,199)

<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ 1,379,958	\$ 99,206	\$ ---	\$ 2,293,724
---	---	---	24,146
---	---	2,065	2,207
---	---	1,846,659	1,855,197
---	---	---	523,689
<u>1,379,958</u>	<u>99,206</u>	<u>1,848,724</u>	<u>4,698,963</u>
31,342,108	2,473,698	---	35,032,610
(26,321,360)	(2,461,181)	---	(29,751,766)
<u>5,020,748</u>	<u>12,517</u>	<u>---</u>	<u>5,280,844</u>
\$ <u>6,400,706</u>	\$ <u>111,723</u>	\$ <u>1,848,724</u>	\$ <u>9,979,807</u>
\$ ---	\$ ---	\$ 125,077	\$ 533,504
---	---	---	174,035
---	---	---	162,651
---	---	1,597,101	1,597,101
---	---	22,909	22,909
---	---	<u>1,745,087</u>	<u>2,490,200</u>
---	---	---	373,812
---	---	---	40,895
---	---	---	<u>414,707</u>
---	---	<u>1,745,087</u>	<u>2,904,907</u>
5,020,748	12,517	---	5,280,844
<u>1,379,958</u>	<u>99,206</u>	<u>103,637</u>	<u>1,794,056</u>
\$ <u>6,400,706</u>	\$ <u>111,723</u>	\$ <u>103,637</u>	\$ <u>7,074,900</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2009

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUN- ICATIONS
Operating revenues:				
Charges for sales and services	\$ 8,738,510	\$ 944,447	\$ 1,084,453	\$ 564,980
Miscellaneous	1,177	18,588	---	---
Total operating revenue	8,739,687	963,035	1,084,453	564,980
Operating expenses:				
Personal services	2,686,596	738,636	309,637	466,247
Contractual services	931,810	185,592	727,209	66,833
Commodities	5,255,293	38,384	110,123	53,932
Depreciation	3,628	---	55,702	652
Other charges	3,600	61,480	---	---
Total operating expenses	8,880,927	1,024,092	1,202,671	587,664
Operating income (loss)	(141,240)	(61,057)	(118,218)	(22,684)
Non-operating revenues (expenses):				
Donations and contributions	---	66,194	---	---
Loss on disposal of capital assets	---	---	---	---
Total nonoperating revenues (expenses)	---	66,194	---	---
Change in net assets	(141,240)	5,137	(118,218)	(22,684)
Total net assets - beginning	232,435	735	489,184	13,485
Total net assets - ending	\$ 91,195	\$ 5,872	\$ 370,966	\$ (9,199)

<u>EQUIPMENT</u> <u>REPLACEMENT</u>	<u>RADIO</u> <u>REPLACEMENT</u>	<u>GROUP HEALTH</u> <u>INSURANCE</u>	<u>TOTALS</u>
\$ 953,837	\$ ---	\$ 22,329,315	\$34,615,542
42,531	---	---	62,296
<u>996,368</u>	<u>---</u>	<u>22,329,315</u>	<u>34,677,838</u>
---	---	---	4,201,116
---	---	22,363,874	24,275,318
2,940	235,171	---	5,695,843
1,056,740	3,547	---	1,120,269
---	---	---	65,080
<u>1,059,680</u>	<u>238,718</u>	<u>22,363,874</u>	<u>35,357,626</u>
<u>(63,312)</u>	<u>(238,718)</u>	<u>(34,559)</u>	<u>(679,788)</u>
---	---	25,914	92,108
<u>(51,208)</u>	<u>---</u>	<u>---</u>	<u>(51,208)</u>
<u>(51,208)</u>	<u>---</u>	<u>25,914</u>	<u>40,900</u>
<u>(114,520)</u>	<u>(238,718)</u>	<u>(8,645)</u>	<u>(638,888)</u>
<u>6,515,226</u>	<u>350,441</u>	<u>112,282</u>	<u>7,713,788</u>
<u>\$ 6,400,706</u>	<u>\$ 111,723</u>	<u>\$ 103,637</u>	<u>\$ 7,074,900</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2009

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUNI- CATIONS
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 469,327	\$ ---	\$ 22	\$ 2,495
Receipts from interfund services provided	8,270,849	878,111	1,083,553	564,980
Payments to suppliers	(6,188,593)	(32,984)	(816,313)	(110,486)
Payments to employees	(2,666,407)	(736,346)	(334,906)	(455,044)
Payments for interfund services used	(148,844)	(171,452)	(12,248)	(10,592)
Net cash provided (used) by operating activities	<u>(263,668)</u>	<u>(62,671)</u>	<u>(79,892)</u>	<u>(8,647)</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Donations and Contributions	---	66,194	---	---
Proceeds from interfund accounts	---	---	---	2,495
Payments to interfund accounts	---	---	---	---
Intergovernmental	---	---	---	---
Net cash provided (used) by noncapital and related financing activities	<u>---</u>	<u>66,194</u>	<u>---</u>	<u>2,495</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	---	---	---	---
Proceeds from sale of capital assets	---	---	---	---
Net cash used in capital and related financing activities	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Net increase (decrease) in cash and cash equivalents	(263,668)	3,523	(79,892)	(6,152)

<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ 16,976	\$ ---	\$ 7,004	\$ 495,824
953,836	---	22,329,315	34,080,644
(31,941)	(235,171)	(22,362,233)	(29,777,721)
---	---	---	(4,192,703)
---	---	---	(343,136)
<u>938,871</u>	<u>(235,171)</u>	<u>(25,914)</u>	<u>262,908</u>
---	---	25,914	92,108
---	---	---	2,495
(18,380)	---	---	(18,380)
269	---	---	269
<u>(18,111)</u>	<u>---</u>	<u>25,914</u>	<u>76,492</u>
(1,255,529)	---	---	(1,255,529)
5,900	---	---	5,900
<u>(1,249,629)</u>	<u>---</u>	<u>---</u>	<u>(1,249,629)</u>
(328,869)	(235,171)	---	(910,229)

(continued)

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2009

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUNI- CATIONS
Cash and cash equivalents, beginning of year	\$ 682,604	\$ 176,992	\$ 207,758	\$ 93,395
Cash and cash equivalents, end of year	<u>\$ 418,936</u>	<u>\$ 180,515</u>	<u>\$ 127,866</u>	<u>\$ 87,243</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	<u>(141,240)</u>	<u>(61,057)</u>	<u>(118,218)</u>	<u>(22,684)</u>
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:				
Depreciation expense	3,628	---	55,702	652
(Increase) decrease in accounts and taxes receivable	(1,814)	(142)	22	---
(Increase) decrease in due from other governmental units	---	---	---	---
(Increase) decrease in inventories	73,124	---	1,531	---
(Increase) decrease in prepaid items	(4,032)	(15)	(4,491)	---
Increase (decrease) in accounts payable	(210,651)	(3,748)	10,832	2,182
Increase (decrease) in accrued wages payable	16,829	4,227	(6,297)	4,191
Increase (decrease) in accrued employee benefits	3,360	(1,936)	(18,973)	7,012
Increase (decrease) in due to other governmental units	(2,872)	---	---	---
(Decrease) in deferred revenue	-	---	---	---
Total adjustments	<u>(122,428)</u>	<u>(1,614)</u>	<u>38,326</u>	<u>14,037</u>
Net cash provided (used) by operating activities	<u>\$ (263,668)</u>	<u>\$ (62,671)</u>	<u>\$ (79,892)</u>	<u>\$ (8,647)</u>
Schedule of noncash capital and related financing activities:				
Loss on sale of capital asset	---	---	---	---

<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ 1,708,827	\$ 334,377	\$ ---	\$ 3,203,953
<u>\$ 1,379,958</u>	<u>\$ 99,206</u>	<u>\$ ---</u>	<u>\$ 2,293,724</u>
(63,312)	(238,718)	(34,559)	(679,788)
1,056,740	3,547	---	1,120,269
16,707	---	7,004	21,777
---	---	113,588	113,588
---	---	-	74,655
---	---	(108,740)	(117,278)
(71,264)	---	(10,017)	(282,666)
---	---	---	18,950
---	---	---	(10,537)
---	---	---	(2,872)
---	---	6,810	6,810
<u>1,002,183</u>	<u>3,547</u>	<u>8,645</u>	<u>942,696</u>
<u>\$ 938,871</u>	<u>\$ (235,171)</u>	<u>\$ (25,914)</u>	<u>\$ 262,908</u>
(51,208)	---	---	(51,208)



CITY OF **DES MOINES**

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2009

	BALANCE JULY 1, 2008	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2009
WRA				
ASSETS				
Cash and pooled cash investments	\$ 88,464,971	\$ 133,979,904	\$ 150,151,533	\$ 72,293,342
Accounts receivable	1,618,012	33,245,560	33,946,334	917,238
Total assets	\$ 90,082,983	\$ 167,225,464	\$ 184,097,867	\$ 73,210,580
LIABILITIES				
Accounts payable	\$ 90,082,983	\$ 148,966,800	\$ 165,839,203	\$ 73,210,580
Total liabilities	\$ 90,082,983	\$ 148,966,800	\$ 165,839,203	\$ 73,210,580
Employees' Payroll Withholding				
ASSETS				
Cash and pooled cash investments	\$ 958,091	\$ 141,388,510	\$ 142,157,455	\$ 189,146
Due from other governments	---	168	---	168
Total assets	\$ 958,091	\$ 141,388,678	\$ 142,157,455	\$ 189,314
LIABILITIES				
Accounts payable	\$ 955,154	\$ 142,158,767	\$ 142,929,504	\$ 184,417
Good faith/earnest deposits	2,937	1,960	---	4,897
Total liabilities	\$ 958,091	\$ 142,160,727	\$ 142,929,504	\$ 189,314
Other Agency				
ASSETS				
Accounts receivable	\$ 59,692	\$ 118,526	\$ 150,278	\$ 27,940
Total assets	\$ 59,692	\$ 118,526	\$ 150,278	\$ 27,940
LIABILITIES				
Accounts payable	\$ 59,692	\$ 114,701	\$ 146,453	\$ 27,940
Total liabilities	\$ 59,692	\$ 114,701	\$ 146,453	\$ 27,940
Total All Agency Funds				
ASSETS				
Cash and pooled cash investments	\$ 89,423,062	\$ 275,368,414	\$ 292,308,988	\$ 72,482,488
Accounts receivable	1,677,704	33,364,086	34,096,612	945,178
Due from other governments	---	168	---	168
Total assets	\$ 91,100,766	\$ 308,732,668	\$ 326,405,600	\$ 73,427,834
LIABILITIES				
Accounts payable	\$ 91,097,829	\$ 291,240,268	\$ 308,915,160	\$ 73,422,937
Good faith/earnest deposits	2,937	1,960	---	4,897
Total liabilities	\$ 91,100,766	\$ 291,242,228	\$ 308,915,160	\$ 73,427,834

CITY OF DES MOINES, IOWA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION
For the Fiscal Year Ended June 30, 2009

Function	GOVERNMENTAL FUNDS CAPITAL ASSETS			GOVERNMENTAL FUNDS CAPITAL ASSETS
	JULY 1, 2008	ADDITIONS	DELETIONS	JUNE 30, 2009
Public safety	\$ 70,449,008	\$ 2,679,516	\$ (451,369)	\$ 72,677,155
Human development	---	---	---	---
Home and community environment	---	---	---	---
General government	218,521,693	(9,538,748)	(262,550)	208,720,395
Public works	632,335,059	53,243,070	---	685,578,129
Health and social services	---	---	---	---
Culture and recreation	168,750,017	6,560,584	(20,921)	175,289,680
Community and economic development	4,232,140	124,709	---	4,356,849
Total Governmental Funds Capital Assets	\$ 1,094,287,917	\$ 53,069,131	\$ (734,840)	\$ 1,146,622,208

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

CITY OF DES MOINES, IOWA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS*
SCHEDULE OF CAPITAL ASSETS BY SOURCE
June 30, 2009

	June 30, 2009
	BALANCE
Governmental Funds Capital Assets:	
Land and Land Improvements	\$ 62,471,455
Buildings	139,635,837
Improvements	813,323,815
Machinery and Equipment	31,490,081
Construction in Progress	99,701,020
Total Governmental Funds Capital Assets	\$ 1,146,622,208

	June 30, 2009
	BALANCE
Investment in Governmental Funds Capital Assets:	
Investments in property acquired prior to January 1, 1964	\$ 31,348,037
Investments in property acquired after January 1, 1964 from:	
Capital Improvement Funds:	
General Obligation Bonds	512,956,366
Federal & State Grants	289,844,219
Federal Revenue Sharing	22,041,477
Contributions	25,766,508
Hotel/Motel Tax	55,005
General Fund	95,810,252
Special Revenue Funds	36,091,896
Special Assessments Funds	84,904,141
Contributions from Private Sources and Other Funds	46,013,670
Confiscated Funds	1,790,637
Total Governmental Funds Capital Assets	\$ 1,146,622,208

*

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

CITY OF DES MOINES, IOWA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION
June 30, 2009

Function	LAND AND LAND IMPROVEMENTS	BUILDINGS AND BLDG IMPROVEMENTS	IMPROVEMENTS OTHER THAN BUILDINGS	MACHINERY AND EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
Public safety	\$ 764,053	\$ 21,449,359	\$ 26,177,245	\$ 24,286,498	\$ ---	\$ 72,677,155
Human development	---	---	---	---	---	---
Home and community environment	---	---	---	---	---	---
General government	45,304,302	58,706,549	924,651	4,083,873	99,701,020	208,720,395
Public works	11,254,077	30,715	673,070,270	1,223,067	---	685,578,129
Health and social services	---	---	---	---	---	---
Culture and recreation	2,956,679	59,440,366	111,092,726	1,799,909	---	175,289,680
Community and economic development	2,192,344	8,848	2,058,923	96,734	---	4,356,849
Total Governmental Funds Capital Assets	\$ 62,471,455	\$ 139,635,837	\$ 813,323,815	\$ 31,490,081	\$ 99,701,020	\$ 1,146,622,208

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



CITY OF **DES MOINES**

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2009

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
General Obligation Bonds:				
General Obligation Series 2001E	4.20 4.30 4.40	JDI	06-01	06-12
Taxable General Obligation Series 2002A	5.80 5.90 5.95	JDI	06-02	06-12
Taxable General Obligation Hotel/Motel Series 2002B	5.63 5.75 5.85	JDI	06-02	06-11
General Obligation Series 2002E	4.00 4.13 4.20 4.30 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00	JDI	06-02	06-22
General Obligation Series 2002F	3.80 3.90 4.00 4.10 4.20 4.30 4.40 4.50 4.60 4.65 4.70 4.75 4.85	JDI	06-02	06-22
General Obligation Series 2003A	4.00 4.00 4.00 5.00	JDI	05-03	06-14
General Obligation Series 2003C	3.10 3.25 3.25 3.25 3.45 3.60 3.70 3.80	JDI	06-03	06-23

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
700,000	10	\$5,950,000	\$5,950,000	\$3,700,000	\$2,250,000
775,000	11				
775,000	12				
365,000	10	\$3,170,000	\$3,170,000	\$2,005,000	\$1,165,000
390,000	11				
410,000	12				
435,000	10	\$3,290,000	\$3,290,000	\$2,015,000	\$1,275,000
425,000	11				
415,000	12				
1,495,000	10	\$30,920,000	\$30,920,000	\$4,675,000	\$26,245,000
1,560,000	11				
1,635,000	12				
1,710,000	13				
1,790,000	14				
1,880,000	15				
1,970,000	16				
2,075,000	17				
2,180,000	18				
2,295,000	19				
2,420,000	20				
2,545,000	21				
2,690,000	22				
385,000	10	\$8,515,000	\$8,515,000	\$1,815,000	\$6,700,000
405,000	11				
420,000	12				
440,000	13				
455,000	14				
480,000	15				
505,000	16				
530,000	17				
560,000	18				
585,000	19				
610,000	20				
645,000	21				
680,000	22				
2,140,000	10	\$20,970,000	\$20,970,000	\$10,535,000	\$10,435,000
2,195,000	11				
2,325,000	12				
2,400,000	13				
1,375,000	14				
820,000	10	\$19,140,000	\$19,140,000	\$2,770,000	\$16,370,000
895,000	11				
930,000	12				
975,000	13				
1,015,000	14				
1,065,000	15				
1,115,000	16				
1,170,000	17				

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2009

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
	3.90			
	3.95			
	4.05			
	4.15			
	4.20			
	4.30			
General Obligation Series 2003D	2.88	JDI	06-03	06-23
	3.00			
	3.00			
	3.00			
	3.20			
	3.35			
	3.50			
	3.55			
	3.65			
	3.75			
	3.85			
	4.00			
	4.00			
	4.00			
General Obligation Series 2003E	2.90	JDI	07-03	06-14
	3.13			
	3.25			
	3.38			
	3.35			
General Obligation Series 2004B	5.00	JDI	06-04	06-16
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
General Obligation Series 2004C	4.00	JDI	06-04	06-24
	4.00			
	4.00			
	4.00			
	0.10			
	5.00			
	5.00			
	5.25			
	5.25			
	5.25			
	5.25			
	5.38			
	5.38			
	5.50			
	5.50			
General Obligation 2004D Urban Renewal	4.00	JDI	06-04	06-24
	4.00			
	4.00			
	4.00			

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
1,225,000	18				
1,290,000	19				
1,355,000	20				
1,425,000	21				
1,505,000	22				
1,585,000	23				
485,000	10	\$11,860,000	\$11,860,000	\$2,615,000	\$9,245,000
505,000	11				
525,000	12				
550,000	13				
570,000	14				
600,000	15				
630,000	16				
660,000	17				
690,000	18				
725,000	19				
760,000	20				
805,000	21				
845,000	22				
895,000	23				
960,000	10	\$9,460,000	\$9,460,000	\$4,625,000	\$4,835,000
935,000	11				
960,000	12				
965,000	13				
1,015,000	14				
3,700,000	10	\$33,300,000	\$33,300,000	\$13,010,000	\$20,290,000
3,450,000	11				
3,345,000	12				
3,780,000	13				
2,300,000	14				
2,510,000	15				
1,205,000	16				
200,000	10	\$13,685,000	\$13,685,000	\$1,260,000	\$12,425,000
635,000	11				
660,000	12				
690,000	13				
725,000	14				
755,000	15				
795,000	16				
830,000	17				
870,000	18				
915,000	19				
965,000	20				
1,010,000	21				
1,065,000	22				
1,125,000	23				
1,185,000	24				
100,000	10	\$14,425,000	\$14,425,000	\$400,000	\$14,025,000
100,000	11				
100,000	12				
100,000	13				

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2009

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
	4.00			
	4.20			
	4.20			
	4.40			
	4.50			
	4.50			
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
Taxable General Obligation Series 2004E	4.90	JDI	06-04	06-13
	5.15			
	5.30			
	5.40			
General Obligation Series 2005A	4.00	JDI	04-05	06-18
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.13			
General Obligation Bonds Series 2005B	4.00	JDI	06-05	06-25
	4.00			
	4.00			
	4.25			
	4.50			
	4.50			
	4.50			
	4.50			
	4.50			
	4.50			
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
General Obligation 2005C Urban Renewal	4.00	JDI	06-05	06-23
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.10			
	4.20			

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
965,000	14				
1,010,000	15				
1,055,000	16				
1,110,000	17				
1,165,000	18				
1,220,000	19				
1,280,000	20				
1,345,000	21				
1,415,000	22				
1,490,000	23				
1,570,000	24				
610,000	10	\$4,830,000	\$4,830,000	\$2,190,000	\$2,640,000
640,000	11				
675,000	12				
715,000	13				
3,470,000	10	\$28,430,000	\$28,430,000	\$14,055,000	\$14,375,000
2,095,000	11				
1,100,000	12				
1,145,000	13				
1,210,000	14				
1,245,000	15				
1,310,000	16				
1,370,000	17				
1,430,000	18				
1,130,000	10	\$27,775,000	\$27,775,000	\$2,640,000	\$25,135,000
1,170,000	11				
1,215,000	12				
1,275,000	13				
1,325,000	14				
1,380,000	15				
1,440,000	16				
1,500,000	17				
1,565,000	18				
1,635,000	19				
1,710,000	20				
1,785,000	21				
1,865,000	22				
1,955,000	23				
2,045,000	24				
2,140,000	25				
730,000	13	\$10,000,000	\$10,000,000	\$0	\$10,000,000
760,000	14				
790,000	15				
825,000	16				
860,000	17				
900,000	18				
940,000	19				
980,000	20				
1,025,000	21				
1,070,000	22				
1,120,000	23				

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2009

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
Taxable General Obligation Series 2005D	4.38 4.50 4.50	JDI	06-05	06-12
General Obligation Series 2005E	5.00 5.00 5.00 5.00 5.00 4.50 4.50 4.50 4.50	JDI	12-05	06-20
General Obligation Series 2006A	4.38 4.38 4.38 4.38 4.38 4.38 4.50 4.50 4.50 4.50 4.50 4.50 4.63 4.63 4.63	JDI	07-06	06-26
General Obligation 2006B Urban Renewal	4.25 4.25 4.25 4.25 4.25 4.25 4.25 4.25 4.25 4.25 4.38 4.38 4.50 4.50 4.50 4.63	JDI	07-06	06-26
General Obligation Series 2007A	5.10 5.10 5.10 5.10 5.10 5.15	JDI	04-07	06-19

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
810,000	10	\$4,985,000	\$4,985,000	\$2,440,000	\$2,545,000
845,000	11				
890,000	12				
1,905,000	10	\$28,185,000	\$28,185,000	\$2,555,000	\$25,630,000
1,995,000	11				
2,105,000	12				
2,205,000	13				
2,320,000	14				
2,435,000	15				
2,545,000	16				
2,670,000	17				
2,790,000	18				
2,915,000	19				
1,745,000	20				
765,000	10	\$20,295,000	\$20,295,000	\$1,440,000	\$18,855,000
795,000	11				
830,000	12				
865,000	13				
905,000	14				
945,000	15				
985,000	16				
1,030,000	17				
1,075,000	18				
1,125,000	19				
1,180,000	20				
1,235,000	21				
1,295,000	22				
1,355,000	23				
1,420,000	24				
1,490,000	25				
1,560,000	26				
370,000	10	\$9,210,000	\$9,210,000	\$100,000	\$9,110,000
385,000	11				
405,000	12				
420,000	13				
440,000	14				
455,000	15				
475,000	16				
500,000	17				
520,000	18				
545,000	19				
570,000	20				
595,000	21				
625,000	22				
655,000	23				
685,000	24				
715,000	25				
750,000	26				
325,000	10	\$4,635,000	\$4,635,000	\$555,000	\$4,080,000
340,000	11				
355,000	12				
380,000	13				
395,000	14				
415,000	15				
435,000	16				

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2009

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
	5.15			
	5.15			
	5.15			
General Obligation Series 2007B	4.13	JDI	06-07	06-27
	4.13			
	4.13			
	4.13			
	4.25			
	4.25			
	4.25			
	4.25			
	4.25			
	4.25			
	4.38			
	4.38			
	4.38			
	4.50			
	4.50			
	4.50			
	4.50			
General Obligation 2007C Urban Renewal	4.00	JDI	06-07	06-22
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.13			
	4.13			
	4.13			
	4.25			
	4.25			
General Obligation Series 2008D	3.00	JDI	06-08	06-28
	3.00			
	3.25			
	3.25			
	3.50			
	3.75			
	3.75			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.13			
	4.13			
	4.25			
	4.25			
	4.38			
	4.38			
General Obligation 2008E Urban Renewal	3.00	JDI	06-08	06-23
	3.00			

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
455,000	17				
480,000	18				
500,000	19				
685,000	10	\$18,415,000	\$18,415,000	\$525,000	\$17,890,000
710,000	11				
740,000	12				
770,000	13				
800,000	14				
835,000	15				
870,000	16				
910,000	17				
945,000	18				
985,000	19				
1,030,000	20				
1,075,000	21				
1,120,000	22				
1,170,000	23				
1,225,000	24				
1,280,000	25				
1,340,000	26				
1,400,000	27				
810,000	10	\$15,045,000	\$15,045,000	\$1,475,000	\$13,570,000
845,000	11				
880,000	12				
915,000	13				
950,000	14				
990,000	15				
1,035,000	16				
1,075,000	17				
1,125,000	18				
1,170,000	19				
1,220,000	20				
1,275,000	21				
1,280,000	22				
715,000	10	\$24,055,000	\$24,055,000	\$0	\$24,055,000
905,000	11				
935,000	12				
965,000	13				
995,000	14				
1,035,000	15				
1,075,000	16				
1,115,000	17				
1,165,000	18				
1,215,000	19				
1,270,000	20				
1,325,000	21				
1,390,000	22				
1,460,000	23				
1,530,000	24				
1,610,000	25				
1,695,000	26				
1,780,000	27				
1,875,000	28				
335,000	10	\$6,325,000	\$6,325,000	\$305,000	\$6,020,000
345,000	11				

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2009

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
	3.00			
	3.25			
	3.25			
	3.50			
	3.50			
	3.75			
	3.75			
	4.00			
	4.00			
	4.00			
	4.00			
	4.10			
Taxable General Obligation Bonds 2009A	1.50	JDI	03-09	06-14
	2.00			
	2.25			
	2.50			
	2.75			
General Obligation 2009B Urban Renewal	2.00	JDI	03-09	06-21
	2.00			
	2.00			
	2.00			
	2.50			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.25			
	3.38			
General Obligation Series 2009C	2.00	JDI	03-09	06-19
	2.00			
	2.00			
	2.00			
	2.25			
	2.25			
	2.50			
	2.75			
	3.00			
	3.25			
Taxable General Obligation Bonds 2009E	1.60	JDI	06-09	06-29
	2.00			
	2.63			
	3.00			
	3.63			
	3.88			
	4.50			
	4.50			
	4.65			
	4.80			
	5.00			
	5.20			
	5.35			
	5.45			
	5.60			
	5.70			

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
355,000	12				
365,000	13				
380,000	14				
395,000	15				
410,000	16				
425,000	17				
445,000	18				
465,000	19				
490,000	20				
510,000	21				
535,000	22				
565,000	23				
180,000	10	\$1,155,000	\$1,155,000	\$180,000	\$975,000
185,000	11				
195,000	12				
200,000	13				
215,000	14				
190,000	10	\$2,870,000	\$2,870,000	\$0	\$2,870,000
210,000	11				
215,000	12				
220,000	13				
225,000	14				
230,000	15				
240,000	16				
250,000	17				
260,000	18				
270,000	19				
275,000	20				
285,000	21				
4,380,000	10	\$31,255,000	\$31,255,000	\$0	\$31,255,000
4,615,000	11				
4,725,000	12				
3,705,000	13				
3,815,000	14				
1,880,000	15				
1,930,000	16				
1,995,000	17				
2,065,000	18				
2,145,000	19				
180,000	10	\$19,605,000	\$19,605,000	\$0	\$19,605,000
560,000	11				
575,000	12				
590,000	13				
605,000	14				
620,000	15				
635,000	16				
655,000	17				
675,000	18				
700,000	19				
1,130,000	20				
1,175,000	21				
1,225,000	22				
1,275,000	23				
1,335,000	24				
1,395,000	25				

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2009

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
	5.75			
	5.80			
	5.85			
	5.90			
General Obligation 2009F Urban Renewal	2.50	JDI	06-09	06-17
	2.50			
	2.50			
	2.50			
	2.50			
	3.00			
	3.00			
Taxable General Obligation Bonds 2009G	1.75	JDI	06-09	06-19
	2.00			
	2.50			
	3.00			
	3.50			
	3.88			
	4.38			
	4.75			
	4.75			
	5.00			
Total General Obligation Bonds				

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
1,460,000	26				
1,530,000	27				
1,605,000	28				
1,680,000	29				
360,000	10	\$3,055,000	\$3,055,000	\$0	\$3,055,000
355,000	11				
365,000	12				
375,000	13				
385,000	14				
395,000	15				
405,000	16				
415,000	17				
180,000	10	\$3,115,000	\$3,115,000	\$0	\$3,115,000
285,000	11				
290,000	12				
300,000	13				
310,000	14				
320,000	15				
335,000	16				
350,000	17				
365,000	18				
380,000	19				
		<u>\$437,925,000</u>	<u>\$437,925,000</u>	<u>\$77,885,000</u>	<u>\$360,040,000</u>

<u>ANNUAL SERIAL PAYMENTS</u>		<u>BONDS</u>			
<u>AMOUNT</u>	<u>FISCAL YEAR</u>	<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
250,000	10	\$5,965,000	\$5,965,000	\$930,000	\$5,035,000
257,000	11				
265,000	12				
273,000	13				
281,000	14				
290,000	15				
298,000	16				
307,000	17				
316,000	18				
326,000	19				
336,000	20				
346,000	21				
356,000	22				
367,000	23				
378,000	24				
389,000	25				
120,000	10	\$5,160,000	\$5,160,000	\$560,000	\$4,600,000
125,000	11				
475,000	12				
490,000	13				
510,000	14				
530,000	15				
550,000	16				
575,000	17				
600,000	18				
625,000	19				
1,115,000	11	\$14,040,000	\$14,040,000	\$0	\$14,040,000
1,175,000	12				
1,230,000	13				
1,290,000	14				
1,360,000	15				
1,425,000	16				
1,495,000	17				
1,570,000	18				
1,650,000	19				
1,730,000	20				
		<u>\$25,165,000</u>	<u>\$25,165,000</u>	<u>\$1,490,000</u>	<u>\$23,675,000</u>

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2009

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
<i>Stormwater Revenue Bonds:</i>				
Stormwater Management Utility Revenue Bonds, Series 2003B	3.75 4.00 4.00 4.00 4.13 4.20 4.30 4.40 4.50	JDI	05-03	06-18
Stormwater Management Utility Revenue Bonds, Series 2004F	3.50 3.63 4.00 4.00 4.15 4.25 4.50 4.50 4.63 4.70	JDI	07-04	06-19
Stormwater Management Utility Revenue Bonds, Series 2006D	3.75 3.75 3.75 3.75 3.75 4.00 4.00 4.00 4.00 4.00 4.00 4.00	JDI	12-06	06-23
Total Stormwater Revenue Bonds				
<i>Parking Facilities Bonds:</i>				
Parking System Revenue Bonds, Series 2000A	5.50 5.50 5.63 5.75 5.75 5.75 5.75 5.75 6.38 6.00 6.00	JDI	06-02	06-20

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
585,000	10	\$9,440,000	\$9,440,000	\$3,095,000	\$6,345,000
610,000	11				
635,000	12				
665,000	13				
700,000	14				
730,000	15				
765,000	16				
805,000	17				
850,000	18				
525,000	10	\$8,510,000	\$8,510,000	\$1,915,000	\$6,595,000
550,000	11				
575,000	12				
600,000	13				
635,000	14				
665,000	15				
700,000	16				
740,000	17				
780,000	18				
825,000	19				
835,000	10	\$16,750,000	\$16,750,000	\$1,570,000	\$15,180,000
855,000	11				
895,000	12				
920,000	13				
940,000	14				
975,000	15				
1,015,000	16				
1,045,000	17				
1,080,000	18				
1,205,000	19				
1,260,000	20				
1,320,000	21				
1,385,000	22				
1,450,000	23				
		<u>\$34,700,000</u>	<u>\$34,700,000</u>	<u>\$6,580,000</u>	<u>\$28,120,000</u>
690,000	10	\$19,545,000	\$19,545,000	\$2,505,000	\$17,040,000
730,000	11				
765,000	12				
1,505,000	13				
1,590,000	14				
1,685,000	15				
1,785,000	16				
1,890,000	17				
2,005,000	18				
2,130,000	19				
2,265,000	20				

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2009

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
Parking System Capital Loan Notes, Series 2009D	3.75 3.75 3.75	JDI	03-09	06-12
Total Parking Facilities Bonds				
<i>Airport Revenue Bonds:</i>				
Aviation System Revenue Bonds Series 1998A	4.70 4.80 4.90 5.00 5.00 5.10 5.10 5.10 5.10 5.10 5.13 5.13 5.13 5.13 5.13 5.13 5.13 5.13 5.13 5.13	JJI	04-98	07-28
Aviation System Revenue Bonds Series 1998B	4.80 4.90 5.00 5.10 5.10 5.13 5.13 5.13 5.13 5.13 5.13 5.13 5.13 5.13 5.13 5.13 5.13 5.13 5.13 5.13	JJI	04-98	07-28
Aviation System Revenue Bonds Series 1998C	6.95 6.95 6.95 6.95 6.95 6.95	JJI	04-98	07-28

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
895,000	10	\$2,845,000	\$2,845,000	\$0	\$2,845,000
955,000	11				
995,000	12				
		\$22,390,000	\$22,390,000	\$2,505,000	\$19,885,000
165,000	10	\$6,335,000	\$6,335,000	\$855,000	\$5,480,000
175,000	11				
180,000	12				
190,000	13				
200,000	14				
210,000	15				
220,000	16				
230,000	17				
245,000	18				
255,000	19				
270,000	20				
285,000	21				
300,000	22				
315,000	23				
330,000	24				
345,000	25				
365,000	26				
380,000	27				
400,000	28				
420,000	29				
620,000	10	\$23,870,000	\$23,870,000	\$3,190,000	\$20,680,000
650,000	11				
685,000	12				
715,000	13				
755,000	14				
790,000	15				
835,000	16				
875,000	17				
920,000	18				
970,000	19				
1,015,000	20				
1,070,000	21				
1,125,000	22				
1,180,000	23				
1,240,000	24				
1,305,000	25				
1,375,000	26				
1,445,000	27				
1,515,000	28				
1,595,000	29				
265,000	10	\$12,465,000	\$12,465,000	\$1,595,000	\$10,870,000
285,000	11				
305,000	12				
325,000	13				
350,000	14				
375,000	15				
400,000	16				

<u>ANNUAL SERIAL PAYMENTS</u>		<u>BONDS</u>			
<u>AMOUNT</u>	<u>FISCAL YEAR</u>	<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
425,000	17				
455,000	18				
490,000	19				
520,000	20				
560,000	21				
595,000	22				
640,000	23				
685,000	24				
730,000	25				
780,000	26				
835,000	27				
895,000	28				
955,000	29				
3,450,000	01-04	\$12,000,000	\$135,500,000	\$123,500,000	\$12,000,000
		<u>\$54,670,000</u>	<u>\$178,170,000</u>	<u>\$129,140,000</u>	<u>\$49,030,000</u>
		<u>\$136,925,000</u>	<u>\$260,425,000</u>	<u>\$139,715,000</u>	<u>\$120,710,000</u>
		<u><u>\$574,850,000</u></u>	<u><u>\$698,350,000</u></u>	<u><u>\$217,600,000</u></u>	<u><u>\$480,750,000</u></u>

CITY OF DES MOINES, IOWA
SCHEDULE OF INSURANCE IN FORCE
June 30, 2009
(Unaudited)

INSURANCE COMPANY	POLICY NUMBER	POLICY PERIOD
PROPERTY INSURANCE		
Federal Insurance Co. (Chubb Group)	3530-81-60	7-1-08/09
Housing Authority Property Insurance	HAPI-16-01-342-2009C	1-1-09/10
National Flood Insurance Program (N.F.I.P.)	Various	7-1-08/09
Travelers Property Casualty Insurance Co.	020 BY 103299672 BCM	7-1-08/09
LIABILITY INSURANCE		
Everest National Insurance Co.	71P6000311-081	7-1-08/09
AUTO LIABILITY (Enterprise Funds) St. Paul Travelers	GP09313789	7-1-08/09
WRA PUBLIC OFFICIALS LIABILITY		
Amercian International Specialty Lines Insurance Company	616-54-46	7-1-08/09
Everest National Insurance Co.	71P000311-081	7-1-08/09
Housing Authority Retention Group	16-0807-2009-00-000-0	1-1-09/10
Travelers Property Casualty	GP09313789	7-1-08/09
AIG Aviation Corporation	AP 185-1764-05	7-1-08/09
Federal Insurance Company	3579-40-89WUC 7352-86-79 7981-85-15	7-1-08/09 7-1-08/09 7-1-08/09
OCCUPATIONAL MEDICAL INSURANCE		
Volunteer Firemen's Insurance	CFP - 3116 - 0143C-09	7-1-08/09
AIG Life Insurance Company	SRG-0009103048-A	7-1-08/09
Safety National Casualty Corp	SP-2J27-IA	7-1-08/09
Commerce & Industry Ins. Co. (AIG)	WC005-62-2994	1-1-09/10

DETAILS OF COVERAGE	POLICY LIMITS	ANNUAL PREMIUM
<i>Citywide (incl. WRA)</i>		
City Buildings & Contents	\$ 784,032,080	\$ 469,144
Per Occurrence Replacement Value	250,000,000	
Business Interruption & Extra Expense	9,000,000	Included
Boiler & Machinery	15,000,000	Included
Earthquake	20,000,000	Included
Flood	10,000,000	Included
Terrorism	250,000,000	Included
<i>Municipal Housing Agency (separate)</i>		
Buildings & Contents	\$ 46,220,409	\$ 62,690
<i>Flood (six buildings in Flood Zone "A")</i>		
Buildings in Flood Zone	\$ 500,000 per building	\$ 26,646
<i>Crime (citywide - incl. WRA)</i>		
Public Employee Dishonesty and Computer Fraud	\$ 1,000,000	\$ 5,245
<i>Special Excess Liability (citywide - incl. WRA)</i>		
Citywide General, Automobile, Law Enforcement, Public Officials Liability	\$ 10,000,000 aggregate \$10,000,000/occurrence \$2,000,000/occ. SIR	\$ 191,280
Following enterprise fund activities included:	\$2,000,000/occurrence	\$ 75,855
Curbside Recycling Pickup Program		Included
Sanitary/Storm Sewer		Included
Solid Waste Collection		Included
Wastewater Reclamation Facility		Included
Airport (Off-premise vehicle useage only)		Included
Municipal Housing Agency		Included
<i>Wastewater Reclamation Authority (only)</i>		
Professional Liability (Primary)	\$2,000,000/occ & agg.	\$ 23,930
Professional Liability (Excess)	\$10,000,000/occ & agg	\$ 3,620
<i>Municipal Housing Agency (separate)</i>		
General Liability	\$ 2,000,000	\$ 31,613
Automobile Liability (primary)	300,000	7,943
<i>Des Moines International Airport Liability</i>		
Airport Liability	\$ 250,000,000	\$ 121,179
<i>Blank Park Zoo (City & Zoo Foundation)</i>		
General Liability	\$ 2,000,000	\$ 48,590
Automobile Liability (Primary)	\$ 1,000,000	\$ 5,192
Automobile Liability (Excess)	1,000,000	7,900
<i>HazMat Team/Fire Dept. Mutual Aid</i>		
Primary Occupational Medical	\$ 50,000	\$ 8,461
Excess Occupational Medical	400,000	6,450
<i>Citywide (Incl. WRA)</i>		
Excess Workers Compensation	Statutory	\$ 144,578
<i>Municipal Housing Agency (separate)</i>		
Workers Compensation	Statutory	\$ 56,905



STATISTICAL SECTION



CITY OF **DES MOINES**

STATISTICAL SECTION

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

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

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

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

(Unaudited)

	2009	2008	2007
Governmental activities:			
Invested in capital assets, net of related debt	\$ 440,586,015	\$ 426,382,213	\$ 392,270,393
Restricted:			
Capital projects	29,207,892	3,589,269	24,194,587
Debt retirement	553,233	-	16,776,784
Endowments/permanently restricted	3,290,927	3,290,927	3,290,927
Donor restricted purposes/temporarily restricted	-	-	-
Tax increment	4,100,018	6,208,887	901,380
Unrestricted	16,598,697	25,561,312	29,858,916
Total governmental activities net assets	\$ 494,336,782	\$ 465,032,608	\$ 467,292,987
Business-type activities:			
Invested in capital assets, net of related debt	\$ 438,254,866	\$ 426,139,390	\$ 389,752,986
Restricted:			
Capital projects	1,466,998	426,932	4,206,726
Public housing program	15,279,740	11,602,131	8,898,800
Debt retirement	13,276,232	14,120,681	13,933,351
Contingency	-	-	-
Park & Ride operations and improvements	-	-	-
Bond proceeds	-	-	-
Unrestricted	33,326,841	46,321,403	37,878,037
Total business-type activities net assets	\$ 501,604,677	\$ 498,610,537	\$ 454,669,900
Primary government:			
Invested in capital assets, net of related debt	\$ 878,840,881	\$ 852,521,603	\$ 782,023,379
Restricted:			
Capital projects	30,674,890	4,016,201	28,401,313
Public housing program	15,279,740	11,602,131	8,898,800
Debt retirement	13,829,465	14,120,681	30,710,135
Endowments/permanently restricted	3,290,927	3,290,927	3,290,927
Donor restricted purposes/temporarily restricted	-	-	-
Tax increment	4,100,018	6,208,887	901,380
Contingency	-	-	-
Park & Ride operations and improvements	-	-	-
Bond proceeds	-	-	-
Unrestricted	49,925,538	71,882,715	67,736,953
Total primary government net assets	\$ 995,941,459	\$ 963,643,145	\$ 921,962,887

Table 1

2006	2005	2004	2003	2002
\$ 378,108,106	\$ 341,478,239	\$ 283,051,413	\$ 302,984,333	\$ 314,400,407
-	-	-	-	-
1,323,588	3,183,118	35,085,535	-	5,851,885
3,315,718	3,315,718	3,198,213	3,149,371	-
74,992	74,992	70,943	88,658	-
267,348	-	-	-	-
64,928,149	95,513,873	85,874,449	77,442,165	24,006,861
<u>\$ 448,017,901</u>	<u>\$ 443,565,940</u>	<u>\$ 407,280,553</u>	<u>\$ 383,664,527</u>	<u>\$ 344,259,153</u>
\$ 387,871,130	\$ 366,495,501	\$ 304,593,891	\$ 264,082,710	\$ 253,557,940
2,638,618	2,611,377	12,977,017	-	-
4,018,535	1,173,665	-	-	-
8,006,505	9,969,544	15,330,012	41,318,918	18,840,768
-	-	-	-	1,895,378
-	-	-	-	8,808,976
-	-	-	8,451,084	-
31,601,920	28,644,175	199,624,746	197,990,899	205,904,127
<u>\$ 434,136,708</u>	<u>\$ 408,894,262</u>	<u>\$ 532,525,666</u>	<u>\$ 511,843,611</u>	<u>\$ 489,007,189</u>
\$ 765,979,236	\$ 707,973,740	\$ 587,645,304	\$ 567,067,043	\$ 567,958,347
2,638,618	2,611,377	12,977,017	-	-
4,018,535	1,173,665	-	-	-
9,330,093	13,152,662	50,415,547	41,318,918	24,692,653
3,315,718	3,315,718	3,198,213	3,149,371	-
74,992	74,992	70,943	88,658	-
267,348	-	-	-	-
-	-	-	-	1,895,378
-	-	-	-	8,808,976
-	-	-	8,451,084	-
96,530,069	124,158,048	285,499,195	275,433,064	229,910,988
<u>\$ 882,154,609</u>	<u>\$ 852,460,202</u>	<u>\$ 939,806,219</u>	<u>\$ 895,508,138</u>	<u>\$ 833,266,342</u>

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

	2009	2008
Expenses:		
Governmental activities:		
Public safety	\$ 92,546,848	\$ 91,316,811
Public works	43,987,100	43,983,358
Health and social services	18,530,235	612,374
Culture and recreation	29,408,262	29,941,632
Community and economic development	15,946,402	34,806,759
General Government	23,848,042	24,651,764
Community protection	-	-
Human development	-	-
Home and community environment	-	-
Policy and administration	-	-
Interest on long-term debt	16,783,385	16,109,167
Total governmental activities expenses	241,050,274	241,421,865
Business-type activities:		
Airport	32,236,235	31,729,902
Parking facilities system	13,355,475	12,574,941
Sewer system	26,699,082	26,295,060
Stormwater utility	10,608,975	10,177,919
Golf	1,959,299	2,147,095
Solid waste system	11,523,915	10,642,771
Municipal Housing Agency	21,603,703	22,618,089
Total business-type activities expenses	117,986,684	116,185,777
Total primary government expenses	359,036,958	357,607,642
Program revenue:		
Governmental activities:		
Charges for services:		
Public safety	11,550,038	11,621,311
Public works	8,692,534	7,856,632
Health and social services	31,588	341,329
Culture and recreation	3,214,343	5,161,409
Community and economic development	63,640	1,214,545
General Government	12,309,518	11,019,958
Community protection	-	-
Human development	-	-
Home and community environment	-	-
Policy and administration	-	-

Table 2

	2007	2006	2005	2004	2003	2002
\$	86,971,119	\$ 85,488,230	\$ 76,007,247	\$ 77,898,044	\$ 65,492,621	\$ -
	40,778,570	41,698,546	39,815,992	30,089,959	34,906,839	-
	1,082,618	17,998,463	15,543,088	15,291,731	13,654,217	-
	27,443,217	26,819,161	24,773,016	27,995,911	26,847,266	-
	24,176,152	9,810,740	3,268,445	2,841,744	4,470,109	-
	22,278,473	20,267,299	22,096,917	28,103,460	16,261,895	-
	-	-	-	-	-	65,925,102
	-	-	-	-	-	24,904,578
	-	-	-	-	-	95,400,260
	-	-	-	-	-	26,086,574
	15,162,124	15,599,765	17,000,955	14,867,034	15,224,713	14,555,637
	217,892,273	217,682,204	198,505,660	197,087,883	176,857,660	226,872,151
	30,093,735	27,180,459	25,928,471	24,488,333	26,603,579	21,262,068
	11,531,196	11,365,271	10,591,438	11,524,834	9,830,030	8,795,254
	25,574,852	27,327,334	28,457,627	34,337,998	26,682,896	25,773,056
	9,137,184	9,211,130	7,301,443	7,005,266	7,686,838	5,334,813
	2,117,251	2,767,320	2,512,672	2,664,606	2,170,441	2,316,974
	9,915,661	10,326,717	10,155,156	9,985,786	10,242,392	9,963,603
	21,918,453	20,016,007	19,609,363	19,379,135	18,117,624	16,543,775
	110,288,332	108,194,238	104,556,170	109,385,958	101,333,800	89,989,543
	328,180,605	325,876,442	303,061,830	306,473,841	278,191,460	316,861,694
	10,862,428	8,806,757	12,276,259	4,434,416	4,157,879	-
	7,848,887	7,712,217	7,764,645	7,516,436	6,788,436	-
	-	588,692	71,219	848	17,167	-
	3,890,583	3,765,233	3,795,487	3,736,797	3,779,278	-
	384,052	4,630,036	165,179	160,887	133,789	-
	10,326,678	12,223,751	8,325,418	1,151,837	4,611,371	-
	-	-	-	-	-	7,029,056
	-	-	-	-	-	5,235,115
	-	-	-	-	-	8,335,113
	-	-	-	-	-	14,689,435

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

	2009	2008
Operating grants and contributions:		
Public safety	7,790,821	4,866,238
Public works	14,016,080	20,713,297
Health and social services	16,690,859	12,369,341
Culture and recreation	1,122,090	1,793,974
Community and economic development	2,044,207	780,682
General Government	977,698	420,191
Community protection	-	-
Human development	-	-
Home and community environment	-	-
Policy and administration	-	-
Capital grants and contributions		
Public safety	-	50,115
Public works	24,363,365	9,591,981
Health and social services	-	-
Culture and recreation	6,052,582	4,706,964
Community and economic development	-	-
General Government	504,000	9,632
Total governmental activities program revenue	109,423,363	92,517,599
Business-type activities:		
Charges for services:		
Airport	29,663,246	28,215,193
Parking facilities system	11,948,806	12,510,227
Sewer system	29,380,321	29,075,690
Stormwater utility	13,995,575	13,020,598
Golf	1,841,293	1,591,191
Solid waste system	11,454,420	11,302,442
Municipal Housing Agency	979,547	2,239,360
Operating grants and contributions:		
Airport	-	-
Parking facilities system	-	-
Sewer system	-	-
Stormwater utility	-	-
Golf	-	181
Solid waste system	22	1,371
Municipal Housing Agency	15,256,554	18,038,868

Table 2 (Continued)

2007	2006	2005	2004	2003	2002
3,752,324	6,347,328	1,483,907	1,685,679	851,704	-
17,239,250	17,141,123	19,123,902	1,594,797	18,628,512	-
425,241	16,684,540	14,968,291	12,317,678	13,693,079	-
688,511	329,223	218,470	801,235	371,767	-
12,879,555	1,209,854	520,233	178,804	800,428	-
363,205	594,938	296,895	561,979	4,125,786	-
-	-	-	-	-	595,527
-	-	-	-	-	177,353
-	-	-	-	-	13,699,234
-	-	-	-	-	5,606,005
126,235	454,356	400,004	1,968,535	-	-
11,583,356	21,913,153	20,409,238	26,668,120	1,348,895	-
-	269,995	-	-	-	-
5,258,907	12,852,652	8,368,656	622,758	8,634,256	-
-	(8,243)	1,763,492	232,042	-	-
421,603	1,029,372	19,962	4,510	-	-
86,050,815	116,544,977	99,971,257	63,637,358	67,942,347	20,078,119
28,084,082	28,124,274	26,116,503	26,722,224	25,462,547	22,741,020
10,546,668	9,699,607	9,029,823	8,328,278	9,482,242	9,694,807
26,877,068	25,329,811	27,725,289	26,817,685	24,484,257	23,418,412
11,811,325	11,281,225	10,160,148	9,536,919	8,888,690	7,635,449
1,729,333	2,093,168	1,979,032	2,179,135	1,993,007	2,041,734
11,056,904	10,950,607	10,596,888	10,468,137	8,724,207	8,554,802
1,538,970	1,191,564	1,322,175	1,538,323	1,758,442	1,917,583
-	-	-	-	-	761,939
-	-	600	-	-	-
969	-	299,949	37,983	473,762	-
2,240	21,443	6,079	31,077	14,600	330,135
1,393	-	-	-	-	6,868
1,540	-	4,500	-	-	-
16,945,764	16,367,517	15,001,366	15,686,776	13,651,926	13,009,825

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

	2009	2008
Capital grants and contributions:		
Airport	7,507,754	8,811,037
Parking facilities system	1,069	493,293
Sewer system	246,116	13,530,334
Stormwater utility	186,230	8,299,287
Golf	-	-
Solid waste system	54,466	767,818
Municipal Housing Agency	2,022,197	2,425,757
Total business-type activities program revenues	124,537,616	150,322,647
Total primary government program revenues	233,960,979	242,840,246
Net (expense) revenue:		
Governmental activities	(131,626,911)	(148,904,266)
Business-type activities	6,550,932	34,136,870
Total primary government net expense	(125,075,979)	(114,767,396)

Table 2 (Continued)

2007	2006	2005	2004	2003	2002
10,446,717	12,342,156	10,889,646	17,314,903	16,173,044	15,520,159
75,299	36,452	604,649	-	-	-
799,437	5,995,750	2,554,997	8,819,865	9,399,668	10,900,087
678,240	3,658,856	2,500,849	222,686	415,841	-
-	-	-	35,535	-	-
36,500	-	150,210	137,000	925	-
3,779,226	3,184,738	1,690,722	1,513,883	1,781,575	2,295,219
124,411,675	130,277,168	120,633,425	129,390,409	122,704,733	118,828,039
210,462,490	246,822,145	220,604,682	193,027,767	190,647,080	138,906,158
(131,841,458)	(101,137,227)	(98,534,403)	(133,450,525)	(108,915,313)	(206,794,032)
14,123,343	22,082,930	16,077,255	20,004,451	21,370,933	28,838,496
(117,718,115)	(79,054,297)	(82,457,148)	(113,446,074)	(87,544,380)	(177,955,536)

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

	2009	2008
General revenues and other changes in net assets:		
Governmental activities:		
Taxes:		
Property taxes, levied for general purposes	103,139,105	99,304,723
Property taxes, levied for debt service	27,580,755	24,994,324
Franchise taxes	13,385,310	15,032,935
Other taxes	-	-
Grants and contributions not restricted to specific programs	-	-
Investment earnings	3,612,331	5,260,767
Gain (Loss) on sale of capital asset	-	-
Miscellaneous	6,921,847	6,784,213
Transfers--internal activities	6,291,737	(4,733,075)
Special item, cumulative adjustment for depreciation application	-	-
Total governmental activities	160,931,085	146,643,887
Business-type activities:		
Investment earnings	1,747,988	5,070,692
Miscellaneous	986,957	-
Gain (Loss) on sale of capital asset	-	-
Special item--contributions to WRA	-	-
Special item, cumulative adjustment for depreciation application	-	-
Transfers--internal activities	(6,291,737)	4,733,075
Total business-type activities	(3,556,792)	9,803,767
Total primary government	157,374,293	156,447,654
Changes in net assets:		
Governmental activities	29,304,174	(2,260,379)
Business-type activities	2,994,140	43,940,637
Total primary government	\$ 32,298,314	\$ 41,680,258

GASB Statement No. 34 Implemented in Fiscal Year 2002

Table 2 (Continued)

2007	2006	2005	2004	2003	2002
99,727,601	92,491,207	95,923,545	88,204,681	84,644,834	78,143,152
22,779,494	20,487,081	20,570,145	19,646,538	18,806,697	18,165,331
14,070,843	14,826,329	8,465,369	4,193,232	4,265,008	3,859,447
-	-	-	16,712,002	16,109,869	16,000,467
-	-	-	292,799	-	18,951,554
5,953,778	4,313,515	6,709,621	2,746,351	5,009,678	3,177,990
-	-	-	47,401	(2,253,223)	(1,700,000)
9,484,828	7,294,506	3,394,030	24,915,770	18,919,145	7,070,423
(900,000)	168,458	(242,920)	307,777	109,905	578,003
-	-	-	-	2,708,774	-
151,116,544	139,581,096	134,819,790	157,066,551	148,320,687	144,246,367
5,509,849	3,327,974	2,264,666	985,381	1,815,925	2,894,238
-	-	-	-	-	-
-	-	-	-	314,841	(61,300)
-	-	(142,216,245)	-	-	-
-	-	-	-	(555,372)	-
900,000	(168,458)	242,920	(307,777)	(109,905)	(578,003)
6,409,849	3,159,516	(139,708,659)	677,604	1,465,489	2,254,935
157,526,393	142,740,612	(4,888,869)	157,744,155	149,786,176	146,501,302
19,275,086	139,581,096	36,285,387	23,616,026	39,405,374	(27,258,946)
20,533,192	3,159,516	(123,631,404)	20,682,055	22,836,422	31,093,431
\$ 39,808,278	\$ 142,740,612	\$ (87,346,017)	\$ 44,298,081	\$ 62,241,796	\$ 3,834,485

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

	2009	2008
Governmental activities:		
Charges for services:		
Public safety	\$ 11,550,038	\$ 11,621,311
Public works	8,692,534	7,856,632
Health and social services	31,588	341,329
Culture and recreation	3,214,343	5,161,409
Community and economic development	63,640	1,214,545
General Government	12,309,518	11,019,958
Community protection	-	-
Human development	-	-
Home and community environment	-	-
Policy and administration	-	-
Operating grants and contributions:		
Public safety	7,790,821	4,866,238
Public works	14,016,080	20,713,297
Health and social services	16,690,859	12,369,341
Culture and recreation	1,122,090	1,793,974
Community and economic development	2,044,207	780,682
General Government	977,698	420,191
Community protection	-	-
Human development	-	-
Home and community environment	-	-
Policy and administration	-	-
Capital grants and contributions		
Public safety	-	50,115
Public works	24,363,365	9,591,981
Health and social services	-	-
Culture and recreation	6,052,582	4,706,964
Community and economic development	-	-
General Government	504,000	9,632
Total governmental activities program revenue	109,423,363	92,517,599

Business-type activities:

Charges for services:		
Airport	29,663,246	28,215,193
Parking facilities system	11,948,806	12,510,227
Sewer system	29,380,321	29,075,690
Stormwater utility	13,995,575	13,020,598
Golf	1,841,293	1,591,191
Solid waste system	11,454,420	11,302,442
Municipal Housing Agency	979,547	2,239,360

Table 3

	2007	2006	2005	2004	2003	2002
\$	10,862,428	\$ 8,806,757	\$ 12,276,259	\$ 4,434,416	\$ 4,157,879	\$ -
	7,848,887	7,712,217	7,764,645	7,516,436	6,788,436	-
	-	588,692	71,219	848	17,167	-
	3,890,583	3,765,233	3,795,487	3,736,797	3,779,278	-
	384,052	4,630,036	165,179	160,887	133,789	-
	10,326,678	12,223,751	8,325,418	1,151,837	4,611,371	-
	-	-	-	-	-	7,029,056
	-	-	-	-	-	5,235,115
	-	-	-	-	-	8,335,113
	-	-	-	-	-	14,689,435
	3,752,324	6,347,328	1,483,907	1,685,679	851,704	-
	17,239,250	17,141,123	19,123,902	1,594,797	18,628,512	-
	425,241	16,684,540	14,968,291	12,317,678	13,693,079	-
	688,511	329,223	218,470	801,235	371,767	-
	12,879,555	1,209,854	520,233	178,804	800,428	-
	363,205	594,938	296,895	561,979	4,125,786	-
	-	-	-	-	-	595,527
	-	-	-	-	-	177,353
	-	-	-	-	-	13,699,234
	-	-	-	-	-	5,606,005
	126,235	454,356	400,004	1,968,535	-	-
	11,583,356	21,913,153	20,409,238	26,668,120	1,348,895	-
	-	269,995	-	-	-	-
	5,258,907	12,852,652	8,368,656	622,758	8,634,256	-
	-	(8,243)	1,763,492	232,042	-	-
	421,603	1,029,372	19,962	4,510	-	-
	86,050,815	116,544,977	99,971,257	63,637,358	67,942,347	55,366,838
	28,084,082	28,124,274	26,116,503	26,722,224	25,462,547	22,741,020
	10,546,668	9,699,607	9,029,823	8,328,278	9,482,242	9,694,807
	26,877,068	25,329,811	27,725,289	26,817,685	24,484,257	23,418,412
	11,811,325	11,281,225	10,160,148	9,536,919	8,888,690	7,635,449
	1,729,333	2,093,168	1,979,032	2,179,135	1,993,007	2,041,734
	11,056,904	10,950,607	10,596,888	10,468,137	8,724,207	8,554,802
	1,538,970	1,191,564	1,322,175	1,538,323	1,758,442	1,917,583

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

	2009	2008
Operating grants and contributions:		
Airport	-	-
Parking facilities system	-	-
Sewer system	-	-
Stormwater utility	-	-
Golf	-	181
Solid waste system	22	1,371
Municipal Housing Agency	15,256,554	18,038,868
Capital grants and contributions:		
Airport	7,507,754	8,811,037
Parking facilities system	1,069	493,293
Sewer system	246,116	13,530,334
Stormwater utility	186,230	8,299,287
Golf	-	-
Solid waste system	54,466	767,818
Municipal Housing Agency	2,022,197	2,425,757
Total business-type activities program revenues	124,537,616	150,322,647
Total primary government program revenues	\$ 233,960,979	\$ 242,840,246

GASB Statement No. 34 Implemented in Fiscal Year 2002

Table 3 (Continued)

2007	2006	2005	2004	2003	2002
-	-	-	-	-	761,939
-	-	600	-	-	-
969	-	299,949	37,983	473,762	-
2,240	21,443	6,079	31,077	14,600	330,135
1,393	-	-	-	-	6,868
1,540	-	4,500	-	-	-
16,945,764	16,367,517	15,001,366	15,686,776	13,651,926	13,009,825
10,446,717	12,342,156	10,889,646	17,314,903	16,173,044	15,520,159
75,299	36,452	604,649	-	-	-
799,437	5,995,750	2,554,997	8,819,865	9,399,668	10,900,087
678,240	3,658,856	2,500,849	222,686	415,841	-
-	-	-	35,535	-	-
36,500	-	150,210	137,000	925	-
3,779,226	3,184,738	1,690,722	1,513,883	1,781,575	2,295,219
124,411,675	130,277,168	120,633,425	129,390,409	122,704,733	118,828,039
\$ 210,462,490	\$ 246,822,145	\$ 220,604,682	\$ 193,027,767	\$ 190,647,080	\$ 174,194,877

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

	2009	2008	2007
General Fund:			
Reserved:			
Reserved for inventory	\$ 6,929	\$ 13,123	\$ 14,602
Reserved for advances	3,882,579	3,718,955	3,499,154
Reserved for encumbrances	138,068	204,394	119,536
Reserved for prepaid items	369,683	285,381	352,062
Unreserved	9,379,823	10,942,635	11,245,248
Total General Fund	\$ 13,777,082	\$ 15,164,488	\$ 15,230,602
All Other Governmental Funds:			
Reserved:			
Reserved for debt service	\$ -	\$ -	\$ 16,776,784
Reserved for loans receivable	9,645,270	10,277,088	10,888,010
Reserved for property held for sale	2,000,000	2,000,000	2,000,000
Reserved for advances	-	-	-
Reserved for inventory	770,080	-	-
Reserved for prepaid items	194,191	99,903	39,742
Reserved for endowments	3,290,927	3,290,927	3,290,927
Reserved for donor restricted purposes	-	-	-
Reserved for employees' retirement systems	-	-	-
Unreserved, reported in:			
Debt service funds	553,233	(452,555)	460,775
Special revenue funds	3,918,372	6,806,600	6,069,638
Capital projects funds	82,413,929	71,006,222	76,952,775
Permanent funds	626,284	541,184	368,154
Total all other government funds	\$ 103,412,286	\$ 93,569,369	\$ 116,846,805

Table 4

2006	2005	2004	2003	2002	2001	2000
\$ 41,730	\$ 25,554	\$ 18,449	\$ 15,367	\$ 18,760	\$ 21,379	\$ 29,146
3,039,982	2,571,712	2,231,615	1,671,586	1,700,361	1,827,503	1,372,811
264,788	69,747	185,178	142,358	212,332	105,028	88,968
368,360	267,290	228,400	9,489	-	8,548	51,636
10,159,280	9,268,838	8,398,022	8,645,238	10,146,042	11,022,261	9,735,716
<u>\$ 13,874,140</u>	<u>\$ 12,203,141</u>	<u>\$ 11,061,664</u>	<u>\$ 10,484,038</u>	<u>\$ 12,077,495</u>	<u>\$ 12,984,719</u>	<u>\$ 11,278,277</u>
\$ 29,108,893	\$ 14,747,035	\$ 35,085,535	\$ -	\$ 5,851,885	\$ 6,995,636	\$ 520,000
10,349,317	9,326,893	9,372,411	10,422,249	8,448,158	7,442,936	1,471,694
-	-	-	-	-	-	-
-	-	-	-	65,032	-	-
-	-	-	-	-	-	54,240
63,511	38,538	2,911	17,405	-	-	47,308
3,315,718	3,315,718	3,198,213	3,149,371	3,016,420	2,894,819	2,714,447
74,992	74,992	70,943	88,658	128,522	288,134	264,056
-	-	-	-	-	-	608
1,310,088	3,183,118	2,018,969	872,776	3,863,028	831,194	534,511
3,963,355	2,853,037	5,013,078	4,758,963	3,152,319	(1,625,188)	2,132,654
41,686,829	66,334,154	67,009,803	60,044,472	60,315,372	55,262,875	52,209,131
87,831	-	-	-	-	-	-
<u>\$ 89,960,534</u>	<u>\$ 99,873,485</u>	<u>\$ 121,771,863</u>	<u>\$ 79,353,894</u>	<u>\$ 84,840,736</u>	<u>\$ 72,090,406</u>	<u>\$ 59,948,649</u>

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

	2009	2008	2007	2006
Revenues:				
Taxes	\$ 130,719,860	\$ 124,299,047	\$ 121,611,902	\$ 112,978,288
Franchise fees	13,385,310	15,032,935	14,070,843	14,826,329
Licenses and permits	3,305,916	3,352,394	3,880,861	3,719,456
Fines and forfeitures	2,415,834	2,675,875	2,654,209	2,610,187
Charges for sales and services	17,450,617	16,074,796	15,895,692	16,217,987
Use of money and property	3,612,331	6,027,254	5,953,778	4,313,515
Miscellaneous	29,242,200	26,364,050	27,619,889	35,036,126
Intergovernmental	64,089,967	41,054,696	42,759,176	59,469,733
Total revenue	264,222,035	234,881,047	234,446,350	249,171,621
Expenditures:				
Public safety	87,767,338	86,456,547	81,911,969	80,859,282
Public works	28,276,159	28,952,001	26,724,957	28,914,351
Health and social services	18,457,082	602,172	1,000,260	17,959,003
Culture and recreation	22,869,422	23,672,112	22,216,125	22,256,463
Community and economic development	15,753,434	34,639,274	23,992,661	9,665,102
General Government	20,935,354	21,432,950	18,423,006	18,232,138
Community protection	-	-	-	-
Human development	-	-	-	-
Home and community environment	-	-	-	-
Policy and administration	-	-	-	-
Leisure-time opportunities	-	-	-	-
Physical environment	-	-	-	-
Social and economic well-being	-	-	-	-
Transportation	-	-	-	-
General administration and support	-	-	-	-
Capital outlay	52,391,576	37,345,948	42,996,476	58,149,989
Debt service:				
Principal retirement	65,124,045	43,612,306	38,670,289	37,143,823
Interest and fiscal charges	16,585,315	16,844,138	16,251,331	16,156,548
Total expenditures	328,159,725	293,557,448	272,187,074	289,336,699
Excess (deficiency) of revenue over expenditures	(63,937,690)	(58,676,401)	(37,740,724)	(40,165,078)
Other financing sources (uses):				
Transfers in	52,008,731	52,208,569	37,686,123	32,198,540
General obligation bonds issued	61,055,000	30,380,000	64,149,218	28,185,000
Proceeds from refunding bonds	-	-	-	-
Other debt issued	1,582,164	8,937,500	2,190,555	692,978
Advance refunded debt issuance	-	-	4,620,782	-
Advance refunded debt retirement	-	-	(4,875,000)	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issue	626,117	34,048	126,176	1,245,531
Discount on bond issue	-	(94,216)	(211,854)	-
Proceeds from capital asset sale	2,338,183	808,594	883,580	1,631,159
Proceeds from damage claims	500,000	-	-	-
Residual equity transfer out	-	-	-	-
Transfers out	(45,716,994)	(56,941,644)	(38,586,123)	(32,030,082)
Total other financing sources (uses)	72,393,201	35,332,851	65,983,457	31,923,126
Net changes in fund balance	\$ 8,455,511	\$ (23,343,550)	\$ 28,242,733	\$ (8,241,952)
Debt service as a percentage of noncapital expenditures	29.6%	23.6%	24.0%	23.1%

Table 5

	2005	2004	2003	2002	2001	2000
\$	116,493,690	\$ 107,851,219	\$ 103,451,531	\$ 96,308,483	\$ 91,989,399	\$ 86,912,893
	8,465,369	4,193,232	4,265,008	3,859,447	4,611,721	3,853,193
	3,598,952	2,959,063	2,402,804	2,092,244	1,846,060	1,496,488
	2,359,832	2,692,081	1,268,577	1,180,136	1,188,396	859,806
	15,485,843	17,060,010	15,411,630	13,628,396	12,731,107	13,444,186
	3,809,621	2,746,351	5,009,678	6,050,483	6,364,208	5,425,365
	29,971,941	16,227,061	21,822,046	19,666,749	30,054,358	13,966,733
	48,944,156	58,578,519	59,533,449	53,110,848	51,708,994	54,343,335
	229,129,404	212,307,536	213,164,723	195,896,786	200,494,243	180,301,999
	71,721,854	66,035,861	63,375,988	-	-	-
	27,421,998	26,384,762	27,365,791	-	-	-
	15,484,198	13,519,817	14,940,902	-	-	-
	20,734,462	25,774,437	22,626,820	-	-	-
	3,103,362	2,731,542	4,281,313	-	-	-
	18,839,200	18,593,807	15,906,352	-	-	-
	-	-	-	61,998,245	60,243,173	57,693,583
	-	-	-	21,423,480	17,691,990	16,687,128
	-	-	-	85,691,979	47,395,665	50,648,114
	-	-	-	17,456,312	15,542,915	14,564,550
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	81,078,701	53,862,014	65,508,880	11,696,951	73,759,463	38,528,086
	66,242,304	48,822,094	35,561,702	20,942,573	21,192,766	12,983,779
	17,713,332	15,106,044	15,278,053	14,449,207	13,772,832	11,797,688
	322,339,411	270,830,378	264,845,801	233,658,747	249,598,804	202,902,928
	(93,210,007)	(58,522,842)	(51,681,078)	(37,761,961)	(49,104,561)	(22,600,929)
	42,922,267	58,132,549	53,829,198	53,027,484	48,136,837	51,098,557
	70,891,133	96,515,000	53,118,070	48,789,930	48,854,030	24,950,000
	-	-	-	-	-	-
	-	51,500	-	-	20,135,000	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	(11,682,240)	-	(9,494,713)	-
	1,659,207	3,433,760	407,973	-	-	-
	-	-	(4,062)	-	-	-
	145,686	1,188,698	96,133	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	(43,165,187)	(57,803,070)	(51,164,293)	(52,449,481)	(50,559,248)	(50,350,865)
	72,453,106	101,518,437	44,600,779	49,367,933	57,071,906	25,697,692
\$	(20,756,901)	\$ 42,995,595	\$ (7,080,299)	\$ 11,605,972	\$ 7,967,345	\$ 3,096,763

34.7%

29.5%

25.1%

15.9%

-

-



CITY OF **DES MOINES**

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

Table 6

FISCAL YEAR	GENERAL PROPERTY TAXES	MONIES AND CREDITS TAX	MOBILE HOME TAX	STATE REPLACEMENT MONIES AND CREDITS TAX	HOTEL/MOTEL TAX	SPECIAL UTILITY EXCISE TAX	TOTAL TAXES
2008-09	123,124,847	16,587	118,189	---	3,720,368	3,739,869	130,719,860
2007-08	116,396,207	17,140	120,577	---	4,200,778	3,564,345	124,299,047
2006-07	113,947,563	16,340	123,113	---	3,848,692	3,676,194	121,611,902
2005-06	105,522,405	19,199	126,168	---	3,659,431	3,651,085	112,978,288
2004-05	109,191,193	20,337	131,800	---	3,247,730	3,907,277	116,498,337
2003-04	100,257,983	15,778	139,534	---	3,409,509	4,028,415	107,851,219
2002-03	96,095,883	18,893	138,866	248,465	3,164,588	3,784,836	103,451,531
2001-02	89,117,647	16,463	143,005	251,856	2,971,955	3,807,557	96,308,483
2000-01	84,709,144	16,823	144,053	273,293	3,145,771	3,700,315	91,989,399
1999-00	83,210,169	15,583	143,425	264,422	3,279,294	---	86,912,893
Change							
1999-2008	147.969%	106.443%	82.405%		113.450%		150.403%

Source: City records.

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

Valuation Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Railway Property
2008	\$ 7,123,448,010	\$ 3,048,959,390	\$ 193,397,790	\$ 3,342,380	\$ 9,540,299
2007	6,963,088,460	3,020,661,560	194,107,730	2,979,540	9,046,322
2006	6,262,344,300	2,926,850,350	183,555,680	2,747,265	8,530,839
2005	6,176,602,000	2,858,531,890	185,469,950	2,738,740	7,757,764
2004	5,514,536,820	2,695,476,615	176,594,260	2,816,090	7,808,752
2003	5,471,665,090	2,699,787,130	178,947,040	2,849,830	7,642,805
2002	4,816,194,627	2,496,300,463	155,148,350	3,719,600	5,857,122
2001	4,754,479,480	2,428,682,190	154,234,620	3,607,900	7,861,225
2000	4,208,757,250	2,206,104,670	153,397,290	4,396,190	7,674,607
1999	4,166,967,850	2,163,294,242	150,436,430	4,783,100	7,570,683

Source:
State of Iowa Department of Management

Table 7

Machinery/ Equipment Property	Utilities Property	Total Taxable Assessed Value	Total Direct Tax Rate	Percent Growth	Actual Taxable Value	Value as a Percentage of Actual Value
\$ -	\$ 347,054,081	\$ 10,725,741,950	16.57614	2.12%	\$ 6,751,877,052	63%
-	313,110,998	10,502,994,610	16.57606	8.23%	6,533,913,362	62%
-	320,020,548	9,704,048,982	16.45083	1.72%	6,210,510,617	64%
-	308,830,443	9,539,930,787	16.52000	9.83%	6,120,705,460	64%
-	289,170,524	8,686,403,061	17.05539	0.57%	5,776,063,229	66%
-	275,926,144	8,636,818,039	17.04806	11.21%	5,781,046,642	67%
-	288,804,423	7,766,024,585	17.04857	1.54%	5,404,736,985	70%
16,516,886	282,650,685	7,648,032,986	17.04857	10.86%	5,274,461,003	69%
36,996,960	281,673,568	6,899,000,535	16.57304	0.98%	5,036,479,029	73%
58,714,269	280,133,063	6,831,899,637	16.81579	6.98%	4,898,231,670	72%

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

Tax Year Levied	City Direct Rates							Overlapping Rates		
	General Fund	Transit Fund	Insurance Fund	Emergency Fund	Employee Benefits Fund	Debt Service Fund	Total Direct	Polk County	Broadlawns Hospital	Ag Extension District
2008-2009	8.10000	0.00000	0.30804	0.00000	3.93100	4.23702	16.57606	6.83696	2.92408	0.03717
2007-2008	8.10000	0.00000	0.31407	0.00000	4.13701	4.03920	16.59028	6.84207	2.96959	0.03703
2006-2007	8.10000	0.00000	0.27892	0.00000	4.33096	3.74095	16.45083	6.34845	3.49157	0.03771
2005-2006	8.10000	0.46951	0.36352	0.00000	4.03248	3.55449	16.52000	6.34845	3.20245	0.03791
2004-2005	8.10000	0.46940	0.33829	0.00000	4.59394	3.55376	17.05539	6.35281	3.25699	0.03735
2003-2004	8.10000	0.50354	0.33977	0.00000	4.49172	3.61303	17.04806	6.34845	3.05863	0.03803
2002-2003	8.10000	0.58500	0.37168	0.00000	4.43015	3.56174	17.04857	6.34845	2.99339	0.03670
2001-2002	8.10000	0.58500	0.29680	0.00000	4.43107	3.63570	17.04857	6.34845	2.91153	0.03572
2000-2001	8.10000	0.58485	0.25335	0.00000	4.23216	3.40268	16.57304	6.34845	2.55571	0.03501
1999-2000	8.10000	0.58289	0.24874	0.00000	4.42843	3.45573	16.81579	6.38493	2.55357	0.03430

Source: Polk County Auditor and Polk County Treasurer

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

Table 8

Polk County Assessor	State of Iowa	Area XI Community College	Regional Transit	Overlapping Rates					
				Des Moines Community School District	Carlisle Community School District	SE Polk Community School District	Saydel Community School District	Johnston Community Schools District	WDM Community School District
0.32711	0.0035	0.56386	0.60079	17.78888	19.86337	21.84708	13.67722	17.34353	13.69179
0.31349	0.0035	0.60276	0.59997	17.93709	20.00427	21.96487	13.62992	17.34813	13.70031
0.29738	0.00400	0.68688	0.59998	18.01713	17.21211	20.98804	13.38621	17.34623	13.70060
0.35437	0.00400	0.68408	0.00000	18.01394	18.36826	17.98848	13.12949	17.34748	13.50341
0.31745	0.00400	0.59856	0.00000	18.02657	18.36820	17.28014	14.67175	17.21053	13.50200
0.31715	0.00400	0.58184	0.00000	17.36358	18.88304	17.36978	14.79933	16.72967	13.50422
0.34363	0.00400	0.54584	0.00000	17.10442	17.96477	15.41627	14.85788	15.65446	13.50200
0.34318	0.00500	0.54454	0.00000	17.14047	16.32776	15.12681	14.78305	15.09829	13.48681
0.31454	0.00500	0.54506	0.00000	16.94943	17.05605	15.31041	16.76388	14.83631	13.49887
0.30594	0.00500	0.52451	0.00000	16.96196	16.84501	16.54398	16.57378	14.99390	13.50526



CITY OF **DES MOINES**

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

Table 9

Fiscal Year Ended June 30	Tax Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2009	2008	\$ 124,037,314	\$ 124,458,527	100.34%	\$ -	124,458,527	100.34%
2008	2007	117,055,551	119,875,076	102.41%	46,518	119,921,594	102.45%
2007	2006	118,629,762	115,357,229	97.24%	101,221	115,458,450	97.33%
2006	2005	109,692,331	106,282,565	96.89%	2,414,949	108,697,514	99.09%
2005	2004	114,202,810	111,914,789	98.00%	3,027,296	114,942,085	100.65%
2004	2003	105,337,109	104,534,389	99.24%	1,366,531	105,900,920	100.54%
2003	2002	100,909,694	99,823,762	98.92%	505,137	100,328,899	99.42%

Source:

The above information presents the information for each period for which it is levied.
A tax levy provides taxes remitted in the following year.
Information is not available for years prior to FY2003.



CITY OF **DES MOINES**

**CITY OF DES MOINES, IOWA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Table 10

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Principal Financial Group, Inc.	\$235,304,890	1	4.040%	\$84,867,430	2	1.510%
Mid-American Energy	219,985,238	2	3.770%	257,364,518	1	4.570%
Wells Fargo	82,366,860	3	1.410%	N/A		-
Nationwide Mutual	65,866,350	4	1.130%	N/A		-
SDG Macerich Properties	45,140,600	5	0.770%	47,821,370	4	0.850%
Iowa Methodist	43,481,020	6	0.750%	43,224,620	5	0.770%
Ruan	42,742,800	7	0.730%	36,645,000	6	0.650%
Meredith	41,369,330	8	0.710%	N/A		-
Hubbell Realty	40,191,150	9	0.690%	32,211,400	9	0.570%
Employers Mutual	39,396,400	10	0.680%	N/A		-
Petula Assocites	-		-	67,976,000	3	1.210%
US West Communications	-		-	35,727,273	7	0.630%
Merle Hay Mall	-		-	35,555,820	8	0.630%
Amerus Properties, Inc.	-		-	24,485,480	10	0.440%
Total	855,844,638		14.68%	665,878,911		11.83%

Source: Polk County Auditor. Information is no longer available from the County subsequent to calendar year 2007.

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

Fiscal Year	Governmental Activities				Net General Bonded Debt	Percentage of Actual Property Value	Debt Per Capita(1)
	General Obligation Bonds	Loans Payable	Notes Payable	Less Amount Available in Debt Service			
2009	\$ 359,762,000	\$ 10,155,000	\$ 7,138,607	\$ 553,233	\$ 376,502,374	3.59%	\$ 1,895
2008	361,203,000	10,270,000	8,069,488	(452,555)	379,995,043	3.62%	1,913
2007	371,821,000	1,885,000	10,131,294	17,237,559	366,599,735	3.78%	1,845
2006	342,280,000	2,000,000	12,492,505	30,432,481	326,340,024	3.42%	1,643
2005	349,226,000	2,000,000	7,164,606	17,931,361	340,459,245	3.92%	1,714
2004	344,026,808	2,120,000	7,594,969	37,104,504	316,637,273	3.67%	1,594
2003	295,198,170	2,350,000	8,449,201	872,776	305,124,595	3.93%	1,536
2002	289,047,450	1,269,930	9,261,260	9,714,913	289,863,727	3.92%	1,459
2001	255,146,283	400,000	11,835,000	6,703,311	260,677,972	3.78%	1,312
2000	228,167,434	620,000	31,327	534,511	228,284,250	3.32%	1,182

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

Note: Details regarding the City's outstanding debt may be found in the notes to the basic financial statements.

Table 11

Business-Type Activities							
Loans Payable	General Obligation Bonds	Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Per Capita Income(1)	Per Capita(1)	
\$ 16,485,120	\$ 278,000	\$ 108,710,000	\$ 8,060,816	\$ 510,589,543	13.06%	\$ 2,570	
14,858,830	547,000	114,233,000	9,502,899	518,684,217	13.27%	2,611	
2,262,225	814,000	118,768,885	11,204,648	516,887,052	13.22%	2,602	
3,203,442	1,180,000	105,077,418	11,480,377	477,713,742	12.22%	2,404	
3,669,791	1,574,000	106,110,292	3,129,730	472,874,419	12.10%	2,380	
4,308,936	1,966,000	141,463,196	2,135,710	503,615,619	12.88%	2,535	
4,897,756	2,338,500	160,493,495	1,584,527	475,311,649	12.16%	2,392	
1,091,882	2,808,900	160,076,794	1,759,617	465,315,833	11.90%	2,342	
1,288,796	3,259,300	150,757,094	1,113,953	423,800,426	10.84%	2,133	
495,184	3,681,400	176,945,392	-	409,940,737	15.71%	2,122	



CITY OF **DES MOINES**

**CITY OF DES MOINES, IOWA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
CURRENT YEAR
(Unaudited)**

Table 12

<u>NAME OF GOVERNMENTAL UNIT</u>	NET GENERAL OBLIGATION DEBT OUTSTANDING *	PERCENTAGE APPLICABLE TO THIS GOVERNMENTAL UNIT	CITY OF DES MOINES SHARE OF DEBT
City of Des Moines	\$ 360,040,000	100.00	%\$ 360,040,000
Polk County	223,771,855	38.63	86,443,068
School Districts:			
Carlisle	22,120,500	7.78	1,720,975
Des Moines	2,060,000	95.42	1,965,652
Johnston	45,235,000	10.89	4,926,092
Saydel	3,000,000	3.72	111,600
Southeast Polk	57,447,039	1.51	867,450
West Des Moines	1,190,000	0.36	4,284
Urbandale Sanitary Sewer District	1,060,000	0.13	1,378
Urbandale-Windsor Heights Sanitary Sewer District	---	5.42	---
Area XI Community College	71,670,000	21.87	15,674,229
Total overlapping	<u>427,554,394</u>		<u>111,714,727</u>
Total direct and overlapping	<u>\$ 787,594,394</u>		<u>\$ 471,754,727</u>

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

CITY OF DES MOINES, IOWA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in thousands)
(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed value	\$ 10,705,287,318
Debt limit (5% of assessed value)	<u>535,264,366</u>
Debt applicable to limit:	
General obligation bonds	361,695,000
Less amount set aside for repayment of general obligation debt	
Total net debt applicable to limit	<u>361,695,000</u>
Legal debt margin	<u>\$ 173,569,366</u>

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt limit	\$ 535,264,366	\$ 524,284,217	\$ 484,288,145	\$ 476,601,639
Total net debt applicable to limit	<u>361,695,000</u>	<u>363,520,000</u>	<u>357,825,000</u>	<u>316,570,000</u>
Legal debt margin	<u>\$ 173,569,366</u>	<u>\$ 160,764,217</u>	<u>\$ 126,463,145</u>	<u>\$ 160,031,639</u>
Total net debt applicable to the limit as a percentage of debt limit	67.57%	69.34%	73.89%	66.42%

Table 13

2005	2004	2003	2002	2001	2000
\$ 434,211,844	\$ 431,367,371	\$ 387,795,444	\$ 370,126,626	\$ 344,407,642	\$ 344,213,613
338,700,000	348,112,808	299,886,670	293,176,280	259,556,283	236,740,161
\$ 95,511,844	\$ 83,254,563	\$ 87,908,774	\$ 76,950,346	\$ 84,851,359	\$ 107,473,452
78.00%	80.70%	77.33%	79.21%	75.36%	68.78%

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

Sanitary Sewer Bonds						
Fiscal Year	Operating Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2009	\$ 28,280,923	\$ 12,980,555	\$ 15,300,368	\$ 4,421,532	\$ 3,096,163	2.04
2008	28,221,011	13,163,260	15,057,751	3,226,244	4,233,696	2.02
2007	26,776,600	13,096,158	13,680,442	4,129,342	3,622,779	1.76
2006	25,157,528	14,793,686	10,363,842	4,000,305	3,259,999	1.43
2005	22,983,744	12,474,475	10,509,269	4,927,000	1,276,183	1.69
2004	26,311,824	12,067,837	14,243,987	6,902,000	3,085,414	1.43
2003	27,947,332	9,876,222	18,071,110	6,715,000	2,821,371	1.89
2002	27,449,397	7,670,800	19,778,597	6,256,000	3,399,155	2.05
2001	27,648,014	9,184,460	18,463,554	5,961,000	3,712,752	1.91
2000	22,844,594	9,956,061	12,888,533	5,687,000	4,007,583	1.33

Table 14

Parking Bonds					
Operating Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
			Principal	Interest	
\$ 10,812,523	\$ 3,929,167	\$ 6,883,356	\$1,585,000	\$1,131,579	2.53
11,405,151	3,784,581	7,620,570	1,540,000	1,505,625	2.50
9,761,566	3,772,858	5,988,708	1,540,000	1,514,742	1.96
9,117,986	3,718,880	5,399,106	1,080,000	1,597,402	2.02
8,183,736	6,417,119	1,766,617	1,005,000	1,667,599	0.66
8,373,440	3,625,476	4,747,964	935,000	1,745,068	1.77
10,247,718	5,359,166	4,888,552	810,000	1,872,232	1.82
10,918,133	4,287,489	6,630,644	755,000	1,928,784	2.47
10,415,870	3,939,435	6,476,435	-	1,928,784	3.36
8,942,217	5,225,580	3,716,637	1,065,000	1,518,458	1.44



CITY OF **DES MOINES**

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

Table 15

Fiscal Year Ended June 30,	Population(1)	Median Family Income(1)	Per Capita Income (State of Iowa)	Median Age(1)	School Enrollment (3)	Unemployment Rate(2)
2009	198,682	\$56,674	\$19,674	34.6	30,783	6.2%
2008	198,682	56,674	56,674	34.6	32,043	4.5%
2007	198,682	56,674	56,674	34.6	31,549	3.4%
2006	198,682	56,674	19,674	34.6	31,598	3.6%
2005	198,682	56,674	19,674	34.6	31,851	4.1%
2004	198,682	56,674	19,674	34.6	32,150	3.6%
2003	198,682	56,674	19,674	34.6	30,533	3.6%
2002	198,682	56,674	19,674	34.6	32,439	2.7%
2001	198,682	56,674	19,674	34.6	31,922	2.2%
2000	198,682	56,674	19,674	34.6	31,052	2.1%

Sources:

1. FY2008 through FY2000 from the 2000 US Census. FY1999 from the 1990 US Census.
2. FY2008, FY2007 and FY2006 information from Iowa Workforce Development.
Other years from Metropolitan Statistical Area. (Polk, Dallas and Warren Counties).
3. Des Moines Public Schools information from the Iowa Department of Education website.

Notes: The demographic statistic is being added to the report.

Personal Income data is not available.



CITY OF **DES MOINES**

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

Table 16

Employer	Calendar 2008			1999
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees
Principal Life Insurance Company	-	1		1
Des Moines Public Schools	-	2		2
Iowa Health Systems	-	3		3
National Advantage Mortgage	-	4		-
Mercy Medical Center	-	5		4
HyVee Food Stores	-	6		5
US Postal Service	-	7		-
City of Des Moines	-	8		-
BFS LLC North America Tire	-	9		6
Wellmark Blue Cross and Blue	-	10		8
Pioneer	-	-		7
United Parcel Service	-	-		9
Younkers	-	-		10

Source: Iowa Workforce Development.

*Per Iowa Workforce Department data regarding the number of employees for private sector employers is not available to the public.

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

FUNCTIONS/PROGRAMS	2009	2008	2007	2006
GOVERNMENTAL FUND TYPES				
Public safety				
Police Department	469.0	470.0	466.0	461.0
Fire Department	310.0	311.0	310.0	310.0
Community Development--inspections	40.0	37.0	36.0	36.0
Total public safety	819.0	818.0	812.0	807.0
Public works				
Engineering	96.0	94.0	94.0	92.0
Public Works Department	112.0	117.0	117.0	117.0
Total public works	208.0	211.0	211.0	209.0
Health and social services				
Community Development Grants	35.1	36.0	35.3	35.1
Human Rights	3.0	3.0	3.0	3.0
Total health and social services	38.1	39.0	38.3	38.1
Culture and recreation				
Parks Department	123.6	127.8	129.0	129.4
Public Libraries	76.0	76.0	76.0	75.0
Total culture and recreation	199.6	203.8	205.0	204.4
Community and economic development				
City Manager--Economic Development	6.0	5.0	5.0	5.0
Total Community and economic development	6.0	5.0	5.0	5.0
General government				
City Clerk	6.0	6.0	6.0	6.0
City Manager	12.0	12.0	11.0	11.0
Community Development	11.9	11.0	10.8	10.8
Finance Department	21.5	21.0	21.0	23.0
Human Resources	10.0	11.0	11.0	11.0
Information Technology	28.0	25.0	25.0	21.0
Legal	22.0	22.0	22.0	22.0
Mayor and Council	8.0	8.0	8.0	8.0
Parks Department	11.0	12.8	11.6	11.5
Total general government	130.4	128.8	126.4	124.3
Total governmental fund types	1401.1	1405.6	1397.7	1387.7
PROPRIETARY FUNDS				
Airport	121.4	121.4	117.4	119.0
Parking facilities system	15.0	15.0	15.0	15.0
Sewer system	54.7	53.2	50.0	49.3
Stormwater utility	63.2	57.9	59.7	60.4
Golf	5.0	5.0	5.0	8.0
Solid waste system	50.6	56.6	57.0	58.0
Municipal Housing Agency	56.0	61.0	61.0	66.0
Internal service funds	62.0	61.0	61.0	62.0
Total proprietary funds	427.9	431.1	426.1	437.7
Total City employment	1829.0	1836.7	1823.8	1825.3

Source: City records. FY2008 budgeted positions, other years, actuals. Prior years not available.

Table 17

2005	2004	2003
461.0	454.0	475.0
298.0	286.0	287.0
35.2	41.5	59.0
794.2	781.5	821.0
92.0	92.0	99.0
118.0	114.0	115.0
210.0	206.0	214.0
37.3	32.0	34.0
3.0	3.0	7.0
40.3	35.0	41.0
146.0	140.0	162.0
62.0	59.0	68.0
208.0	199.0	230.0
5.0	5.0	5.0
5.0	5.0	5.0
6.0	6.0	8.0
10.0	8.5	11.0
10.5	9.5	15.0
22.0	23.5	28.0
11.0	11.0	14.0
21.0	21.0	23.0
21.0	21.0	24.0
8.0	8.0	8.0
16.0	17.0	17.0
125.5	125.5	148.0
1383.0	1352.0	1459.0
118.0	119.0	124.0
15.0	15.0	14.0
78.1	77.0	76.0
30.8	27.0	26.0
9.0	9.0	7.0
63.0	71.0	84.0
67.0	64.0	68.0
61.0	61.0	65.0
441.9	443.0	464.0
1824.9	1795.0	1923.0

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

	2009	2008
Public safety:		
Police Department--calls for service	324,470	340,829
Detective bureau--persons offenses assigned	7,233	7,917
Detective Bureau--property offenses assigned	13,591	16,392
Fire Department--total incidents	19,508	19,594
Fire suppression--total fires	4,673	4,385
Emergency medical services--medic calls	15,835	15,209
Emergency medical services--transports	11,165	11,446
Permit and Development Center--number of permits issued	13,234	11,054
Permit and Development Center--number of inspections	28,039	32,351
Permit and Development Center--number of plan reviews	14,888	3,130
Public works:		
Engineering Department--cost of awarded contracts	\$48,639,208	\$84,757,631
Public Works Department--snow and ice control-lane miles	2,117	2,117
Health and social services:		
Low-income energy assistance (number of households)	7,700	6,995
Furnace repair/replacements (number of households)	189	246
Energy reconnect project (number of households)	214	503
NCS applications taken	65	62
Senior Living Program applications taken (households)	173	315
Culture and recreation:		
Library usage--annual visits	1,451,930	1,376,298
Aquatic center/pools attendance	142,724	126,931
Annuals (plants) distributed to organizations	98,376	96,000
Community center attendance (calendar year)	236,954	227,313
Cemeteries--burials	597	687
Community and economic development:		
Assessed valuation increase in tax increment district	\$1,074,553,965	\$994,015,625
General government:		
Animal licenses issued (cat and dog)	22,365	21,830
Legal Department--written legal opinions	1,080	909
Tort litigation--traffic court trials	1,411	1,706
Enterprise funds:		
Airport--number of enplaned passengers	891,928	994,558
Number of sanitary sewer feet cleaned per year	1,089,149	1,061,280
Number of storm sewer feet cleaned per year	385,694	258,720
Solid waste collected annually (lbs) per year	151,800,000	120,286,400
Rounds of golf	155,321	94,545

Source: City records. Prior years not available.

Table 18

2007	2006	2005	2004	2003	2002
396,504	386,178	256,122	234,556	239,845	240,453
6,148	6,210	1,050	515	752	660
20,483	22,131	14,174	11,223	12,495	10,311
18,620	17,662	16,802	16,107	16,648	Not available
4,779	4,685	999	1,011	1,170	1,096
13,841	12,977	12,412	11,715	11,986	12,186
10,757	10,369	9,966	9,210	8,987	8,679
11,474	10,860	14,878	13,138	13,210	Not available
25,285	22,651	23,746	26,400	28,700	Not available
3,712	4,165	5,107	3,573	3,792	Not available
\$44,449,946	\$56,515,585	\$79,066,963	\$62,542,252	\$53,203,879	\$65,248,203
2,065	2,065	2,065	2,065	2,065	2,065
6,853	6,537	6,520	6,531	6,356	6,280
146	213	288	180	90	95
285	282	230	202	136	75
73	58	54	73	22	Not available
192	190	438	743	544	Not available
1,389,530	1,024,154	967,364	896,190	994,815	957,347
126,569	110,954	112,042	107,962	127,716	141,341
88,944	85,056	210,000	150,000	122,000	137,000
224,250	229,920	215,216	191,166	Not available	Not available
674	637	719	737	728	744
\$941,740,355	\$869,900,005	\$872,591,225	\$743,870,475	\$669,964,032	\$532,859,649
21,223	20,521	20,813	18,359	14,933	17,663
947	814	1,484	1,583	1,277	1,394
2,418	1,159	252	231	170	176
986,011	958,514	995,715	952,967	899,974	808,086
1,059,130	1,252,300	1,613,315	1,968,880	1,613,315	1,663,078
69,164	92,165	305,337	350,338	305,337	325,964
122,000,000	13,310,000	9,403,537	15,152,400	15,100,533	13,825,185
168,722	161,665	112,042	97,030	102,708	103,000

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

	2009	2008	2007	2006
Function/Program				
Public Safety:				
Police:				
Number of Stations	1	1	1	1
Fire:				
Number of Stations	10	10	10	10
Stations with EMS transport capability	7	7	7	7
Public Works:				
Streets paved lane miles	2,067	2,023	1,897	1,897
Streets unpaved lane miles	80	94	76	76
Sanitary sewer miles	889	889	861	861
Storm sewer miles	472	472	458	458
Number of street lights	23,630	23,614	23,376	23,376
Area--number of city square miles	91	82	82	82
Culture and Recreation:				
Parks-number of park areas	73	73	72	72
Total park acres	3,226	3,226	3,223	3,213
Number of boulevards	6	6	6	6
Number of playgrounds	58	58	58	58
Number of golf courses	3	3	3	3
Number of soccer fields	12	12	12	12
Number of aquatic centers/pools	5	5	5	5
Number of tennis courts	59	57	59	59
Number of softball diamonds	9	9	13	13
Number of baseball diamonds	9	9	5	5
Number of community centers	4	4	5	5
Miles of bike trails	37	37	29	29
Cemeteries:				
Number of facilities	7	7	5	5
Number of acres	450	332	460	460
Library:				
Number of Facilities	6	6	6	6
Number of Volumes	589,547	563,917	548,272	526,735

Source: City Records

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

Table 19

2005	2004	2003	2002	2001	2000
1	1	1	1	1	1
10	10	10	10	10	10
7	7	7	7	7	7
1,895	1,856	1,848	1,834	1,780	1,770
76	93	93	93	93	118
857	851	847	842	845	835
453	442	437	434	437	434
23,376	23,376	23,376	24,300	24,300	23,900
81	80	80	79	77	77
70	69	65	65	65	65
3,210	3,208	3,208	3,208	3,208	3,208
6	6	6	5	5	5
58	57	55	55	55	55
3	3	3	3	3	3
12	12	12	12	12	12
5	5	5	5	6	6
59	59	57	56	56	56
14	14	9	8	8	8
5	5	5	4	4	4
5	5	5	4	4	5
29	16	16	16	16	16
5	5	5	5	5	5
460	460	448	448	271	271
6	6	6	6	6	6
562,702	580,240	596,556	623,175	628,433	511,495



CITY OF **DES MOINES**

SINGLE AUDIT SECTION



CITY OF **DES MOINES**

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2009

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/08 - 6/30/09)
U.S. Department of Health and Human Services		
Community Services Block Grant:		
(Passed through the Iowa Department of Human Rights)		
Program Year: 2008		
Contract Number: CSBG-08-07-CJ		
October 1, 2007 - September 30, 2008	93.569	\$ 377,252
Program Year: 2009		
Contract Number: CSBG-09-07-CJ		
October 1, 2008 - September 30, 2009	93.569	204,152
Low-income Home Energy Assistance Block Grant:		
(Passed through the Iowa Department of Human Rights)		
Program Year: 2008		
Contract Number: 2206-08J		
October 1, 2007 - September 30, 2008	93.568	70,265
Program Year: 2009		
Contract Number: 2206-09J		
October 1, 2008 - September 30, 2009	93.568	4,601,795
Total U.S. Department of Health and Human Services		\$ 5,253,464
U.S. Department of Housing and Urban Development		
Community Development Block Grant Program Entitlement:		
Entitlement Years: 2008 - 2009	14.218	\$ 4,905,178
Fair Housing Assistance Program		
Cooperative Agreement	14.401	22,620
Riverpoint West Phase 1		
B-01-BD-190019	14.246	279,729
(Passed through the Iowa Department of Economic Development)		
Rehab Assistance #1		
Grant # 08-DRH-009	14.228	345,786
Rehab Assistance #2		
Grant # 08-DRH-209	14.228	230
Neighborhood Stabilization Program		
Grant #08-NSP-023	14.228	22,387
ARRA - Homeless Prevention and Rapid Re-Housing Program		
Grant #S09-MY-19-0001	14.257	7,617
Supportive Housing Program:		
Lighthouse Host Home #IA26B702010		
March 1, 2008 - February 28, 2009	14.235	192,057
Primary Health Care Enhancement #IA26B702002		
July 1, 2008 - June 30, 2009	14.235	224,277
YMCA Transitional Housing Program #IA26B702009		
September 1, 2008 - August 31, 2009	14.235	89,754
House of Mercy #IA26B702003		
May 1, 2008 - April 30, 2009	14.235	289,732
Primary Health Care Street Outreach #IA26B702005		
July 1, 2008 - June 30, 2009	14.235	82,515
West Des Moines Human Services #IA26B702006		
August 1, 2008 - July 31, 2009	14.235	74,916

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2009

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/08 - 6/30/09)
U.S. Department of Housing and Urban Development		
(continued)		
Buchanan Transitional Living Center #IA26B702004 December 1, 2008 - November 30, 2009	14.235	58,908
HMIS #IA26B602002 November 1, 2007 - October 31, 2008	14.235	39,337
West Des Moines Human Services #IA26B602010 August 1, 2007 - July 31, 2008	14.235	2,641
Buchanan Transitional Living Center #IA26B602007 December 1, 2007 - November 30, 2008	14.235	40,427
YMCA Transitional Housing Program #IA26B602005 September 1, 2006 - August 31, 2007	14.235	14,144
House of Mercy - Capitol Park #IA26B702007 March 1, 2008 - February 28, 2009	14.235	227,468
HMIS #IA26B702008 November 1, 2008 - October 31, 2009	14.235	59,206
Lighthouse Host Home #IA0040B7D020801 March 1, 2009 - February 28, 2010	14.235	93,505
House of Mercy - Capitol Park #IA0037B7D020801 March 1, 2009 - February 28, 2010	14.235	74,018
Shelter Plus Care - Anawim Housing #IA26C302001 May 3, 2004 - May 2, 2009	14.238	193,627
Shelter Plus Care - Anawim Housing #IA26C702011 April 20, 2008 - April 19, 2009	14.238	636,285
Shelter Plus Care - Anawim Housing #IA0034C7D010801 April 20, 2009 - April 19, 2010	14.238	149,341
Shelter Plus Care - Anawim Housing #IA0035C7D020801 April 5, 2009 - April 4, 2010	14.238	40,757
Emergency Shelter Grant Program:		
Program Year: 2008		
Contract Number: S-08-MC-19-0001 January 1, 2008 - December 31, 2008	14.231	85,734
Program Year: 2009		
Contract Number: S-09-MC-19-0001 January 1, 2009 - December 31, 2009	14.231	100,583
Home Investment in Affordable Housing:		
Program Year: 2006		
Contract Number: M-06-MC-19-0201 March 31, 2006 - March 31, 2011	14.239	315,226
Program Year: 2007		
Contract Number: M-07-MC-19-0201 March 31, 2007 - March 31, 2012	14.239	1,327,211
Program Year: 2008		
Contract Number: M-08-MC-19-0201 March 31, 2008 - March 31, 2013	14.239	154,005
Program Year: 2009		
Contract Number: M-09-MC-19-0201 March 31, 2009 - March 31, 2014	14.239	41,880
Total U.S. Department of Housing and Urban Development		\$ 10,191,101

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2009

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/08 - 6/30/09)
U.S. Department of Justice		
Public Safety and Community Policing Grants:		
Secure Our Schools Grant #2007CKWX0100	16.710	\$ 46,158
Edward Byrne Memorial Justice Assistance Grant Grant #2005DJBX0566	16.738	30
Edward Byrne Memorial Justice Assistance Grant Grant #2006DJBX0531	16.738	3,295
Edward Byrne Memorial Justice Assistance Grant Grant #2007DJBX0221	16.738	32,397
Edward Byrne Memorial Justice Assistance Grant Grant #2008DJBX0438	16.738	3,905
ARRA - Edward Byrne Memorial Justice Assistance Grant Grant #2009SBB90580	16.804	13,022
Cops Meth Initiative Grant #2007CKWX0309	16.710	89,748
Cops Interoperable Communications Technology Program Grant #2005INWX0005	16.710	68,884
Edward Byrne Memorial State & Local Law Enforcement Assistance #2003DDBX1132	16.580	405,823
Community Prosecution and Project Safe Neighborhoods		
Anti-Gang Initiative #06PSNAG-SD07	16.609	16,560
Anti-Gang Initiative #07PSNAG-SD07	16.609	25,990
Total U.S. Department of Justice		\$ 705,812
U.S. Department of Transportation		
Governor's Traffic Safety Program:		
(Passed through the Iowa Department of Public Safety)		
Governor's Traffic Safety Program Contract Number: PAP 08-04 October 1, 2007 - September 30, 2008	20.600	\$ 9,083
Governor's Traffic Safety Program Contract Number: PAP 09-04 October 1, 2008 - September 30, 2009	20.600	58,345
Highway Research, Planning, and Construction:		
(Passed through the Iowa Department of Transportation)		
Ingersoll Av Streetscape Impr 29th to 31st St STP-E-1945(706)--8V-77	20.205	11,612
Center Street Pedestrian Bridge EDP-1945(709)--7Y-77	20.205	2,167,889
SE 5th Street over Yeader Creek Bridge Rehabilitation STP-U-1945(734)--70-77	20.205	36,279
E.14th St. (US 69) from E. University Ave. to E. Aurora Ave. STP-U-1945(732)--70-77	20.205	497,587
University Av Resurfacing-DSM River Bridge to 6th Av STP-U-1945(708)--70-77	20.205	478,000
Crocker St @ 5th, 6th, 7th Traffic Signal Installation STP-U-1945(727)--70-77	20.205	142,500
Fleur Drive Planters @ Gray's Lake Park STP-E-1945(737)--8V-77	20.205	248,832
Central Business District Traffic Signal		

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2009

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/08 - 6/30/09)
STP-A-1945(23)--86-77	20.205	142,487
U.S. Department of Transportation		
(continued)		
2008 Enhanced School Crossings @ Signalized Intersections		
STRS-U-1945(733)--8U-77	20.205	85,251
SE Connector: SW 2nd/SE 6th		
NHSX-U-1945(203)--8S-77	20.205	216,420
SE Connector: Environmental Impact		
NHSX-U-1945(202)--8S-77	20.205	229,955
SE Connector: SE 6th/14th		
NHSX-U-1945(201)--8S-77	20.205	160,318
SE Connector SW 2nd to SE 6th Design Consultant Svcs		
NHSX-U-1945(251)--8S-77	20.205	1,422
SE Connector: DSM River Bridge & Levee		
NHSX-U-1945(252)- - 8S-77	20.205	279,631
Union Railroad Bridge Renovation		
STP-ES-1945(692)--81-77	20.205	33,421
SE Connector - DSM River Bridge		
NHSX-U-1945(402)- - 8S-77	20.205	1,031,051
SE Connector - DSM River Bridge		
NHSX-U-1945(403)- - 8S-77	20.205	4,204,132
SE Connector - ROW Acquisition		
NHSX-U-1945(302)--8S-77	20.205	468,914
SE Connector - ROW Acquisition		
NHSX-U-1945(303)--8S-77	20.205	416,706
SE Connector Paving SE 4th St to SE 9th St		
NHSX-U-1945(406)--8S-77	20.205	317,507
SE Connector - SE 6th to SE 14th Design Consultant Svcs.		
NHSX-U-1945(204)--8S-77	20.205	15,617
Martin Luther King Jr. Parkway Fleur Drive Intersection/Bridges		
NHSX-U-2787(310M)--8S-77	20.205	138,147
ARRA - Fleur Dr & Ble St Resurfacing from Beardsley to SW 9th St		
ESL-1945(754)--7S-91	20.205	448,019
American Discovery Trail Segment 3 from N Valley Dr to Bill Riley Trail along Walnut Creek		
STP-ES-1945(705)—8I-77	20.219	232,533
American Discovery Trail Segment 4		
STP-ES-1945(697)—8I-77	20.219	416,087
Airport Improvement Program:		
Runway 13R/31L Land Phase 2		
AIP Number: 3-19-0027-41	20.106	279,907
Runway 13R/31L Land Phase 3		
AIP Number: 3-19-0027-44	20.106	68,801
Construct Runway 13R-31L Phase 5		
AIP Number: 3-19-0027-47	20.106	1,151,269
Construct Runway 13R-31L Phase 6		
AIP Number: 3-19-0027-48	20.106	473,625
Rehabilitate Taxiway from P-3 to P-4		
AIP Number(s): 3-19-0027-46	20.106	2,576,208
Rehab East Cargo Apron		
AIP Number: 3-19-0027-49	20.106	569,354
Runway 13R-31L Land Phase 7		

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2009

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/08 - 6/30/09)
AIP Number: 3-19-0027-50	20.106	184,003
U.S. Department of Transportation		
(continued)		
Runway 13R-31L Land Phase 8 AIP Number: 3-19-0027-51	20.106	352,780
Transportation Security Administration		
Memorandum of Agreement fulfilling Security Directive SD1542-02-01 Law Enforcement Personnel	20.SD1542-02-01	242,688
Total Department of Transportation		\$ 18,386,380
U.S. Environmental Protection Agency		
Brownfields Clean-Up Revolving Loan Fund Contract Number: BF-98734301 October 1, 2003 - November 30, 2008	66.818	\$ 226,791
State Revolving Fund Loan Program: (Passed through the Iowa Department of Natural Resources) Contract Number: CS192250-01	66.458	5,000
Total U.S. Environmental Protection Agency		\$ 231,791
U.S. Department of Homeland Security		
(Passed through IA Dept of Homeland Security)		
Law Enforcement Terrorism Protection Program FY2006-LETTP-LEIN5-05	97.074	\$ 136,418
Law Enforcement Terrorism Protection Program FY2007-LETTP-LEIN5-05	97.074	181,812
2008 Homeland Security Grant Program 2008-GE-T8-0008	97.067	14,149
Homeland Security Grant Program Agreement #0001-EOD-2006	97.067	60,510
Homeland Security Grant Program Agreement #0001-EOD-2007	97.067	459,154
Homeland Security Grant Program Agreement #0001-SWAT-2006	97.067	475,092
(Passed through Cerro Gordo County) Homeland Security Grant Program 2006-GE-T6-0065-007	97.067	31,907
(Passed through Cerro Gordo County) - Non-Cash Homeland Security Grant Program 2006-GE-T6-0065-007	97.067	78,250
U.S. Federal Emergency Management Agency		
(Passed through the IA Dept of Homeland Security) Federal Disaster Declaration #1763 FIPS 153-21000-00	97.036	3,656,518
Total U.S. Department of Homeland Security		\$ 5,093,810

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2009

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/08 - 6/30/09)
Other		
Office of National Drug Control Policy		
High Intensity Drug Traffic Area Contract Number: I6PMWP556 February 1, 2006 - July 31, 2007	58.I6PMWP556Z	\$ 1,242
High Intensity Drug Traffic Area Contract Number: I7PMWP556 February 1, 2007 - July 31, 2008	58.I7PMWP556Z	1,020
High Intensity Drug Traffic Area Contract Number: I8PMWP556 February 1, 2008 - July 31, 2009	58.I8PMWP556Z	38,915
High Intensity Drug Traffic Area Contract Number: I9PMWP556 February 1, 2009 - July 31, 2010	58.I9PMWP556Z	41,930
Department of Labor, Employment and Training Administration		
Multiple Education Pathways Blueprint Agreement #: YF-16311-07-60-A-19	17.261	203,860
Total Other		\$ 286,967
Total All Federal Grants		\$ 40,149,325

City of Des Moines, Iowa

Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2009

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Des Moines, Iowa for the year ended June 30, 2009. The accompanying schedule of expenditures of federal awards does not include any awards pertaining to the Municipal Housing Agency, an enterprise fund of the City, which is reported under separate cover. All other federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies expended during the year is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2. Significant Accounting Policies

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

Note 3. Subrecipients

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

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grant	14.218	\$ 746,469
Home Investment in Affordable Housing	14.239	376,295
Supportive Housing Program	14.235	1,557,459
Shelter Plus Care	14.238	1,020,010
Emergency Shelter Grant Program	14.231	165,061
ARRA - Homeless Prevention and Rapid Re-Housing Program	14.257	2,379
Community Policing Grants	16.710	46,158
Multiple Education Pathways Blueprint	17.261	185,027
Homeland Security Grant Program	97.067	841,422
Law Enforcement Terrorism Protection Program	97.074	79,263
ARRA - Edward Byrne Memorial Justice Assistance Grant	16.804	13,022

Note 4. Noncash Assistance

Included in amounts reported on the schedule of expenditures of federal awards, the Homeland Security Grant Programs (CFDA 97.067) of the City of Des Moines, Iowa received noncash assistance in the form of Homeland Security equipment for the police and fire departments. The equipment received during the year had a fair value of \$78,250 for the year ended June 30, 2009. This equipment received was included in the determination of federal awards expended for the year ended June 30, 2009.

City of Des Moines, Iowa

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2009

Comment Number	Comment	Status	Corrective Action or Other Explanation
Statutory Reporting:			
08-IV-A	Expenditures exceeded budget in public safety, public works, culture and recreation, community and economic development, general government and debt service functions.	Not corrected.	See current year finding at 09-IV-A.

McGladrey & Pullen

Certified Public Accountants

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Des Moines, Iowa as of and for the year ended June 30, 2009, which collectively comprise the City of Des Moines, Iowa's basic financial statements and have issued our report thereon dated November 24, 2009. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Des Moines Public Library Foundation, the discretely presented component unit, as described in our report on the City of Des Moines, Iowa's financial statements. The financial statements of the Des Moines Public Library Foundation were not audited in accordance with *Government Auditing Standards*.

The City of Des Moines, Iowa's basic financial statements include the Municipal Housing Agency major fund. Our report below does not extend to the Municipal Housing Agency because it is reported in a separately issued financial and compliance report of the Municipal Housing Agency.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

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

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

The City of Des Moines, Iowa's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

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

McGladrey & Pullen, LLP

Davenport, Iowa
November 24, 2009

McGladrey & Pullen

Certified Public Accountants

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

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

Scope of this Report

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

The City of Des Moines, Iowa's basic financial statements include the operations of the Municipal Housing Agency, which expended \$16,115,482 in federal awards, which is not included in the City's schedule during the year ended June 30, 2009. Our audit, described below, did not extend to the operations of the Municipal Housing Agency because it is reported in a separately issued financial and compliance report of the Municipal Housing Agency.

Compliance

We have audited the compliance of the City of Des Moines, Iowa with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*, that are applicable to each of its major federal programs for the year ended June 30, 2009. The City of Des Moines, Iowa's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Des Moines, Iowa's management. Our responsibility is to express an opinion on the City of Des Moines, Iowa's compliance based on our audit.

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

In our opinion, the City of Des Moines, Iowa complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 09-III-A.

Internal Control Over Compliance

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

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

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

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

The City of Des Moines, Iowa's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

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

McGladrey & Pullen, LLP

Davenport, Iowa
November 24, 2009

City of Des Moines, Iowa

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2009**

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.235	Supportive Housing Program
93.568	Low-income Home Energy Assistance Block Grant
14.239	Home Investment in Affordable Housing Program
	Transportation Cluster:
20.205	Highway Research, Planning and Construction
20.205	ARRA - Highway Research, Planning and Construction
20.219	Recreational Trails Program

Dollar threshold used to distinguish between type A and type B programs: \$1,204,479

Auditee qualified as low-risk auditee? Yes No

(Continued)

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009

II. Findings Related to the Basic Financial Statements

A. Significant Deficiencies in Internal Control

None

B. Compliance

None

III. Findings and Questioned Costs for Federal Awards

A. Significant Deficiencies in Internal Control for Federal Awards
None

B. Compliance
09-III-A

**U.S. Department of Health and Human Services,
Passed Through the Iowa Department of Human Rights
Low Income Home Energy Assistance Block Grant (CFDA 93.568)
Federal Award Year: 2009**

Finding: The City did not complete a valid application for a program participant prior to the payout of energy assistance funding.

Criteria: OMB Circular A-133 requires that the City verify the income factors reported by the applicant for LIHEAP assistance. The applicant must meet requirements set forth by the HHS guidelines to be eligible to participate.

Condition: We noted one instance in a sample of 12 of a participant being paid out without a valid application being completed. There are approximately 7,700 participants in the program.

Questioned costs: Applicant was incorrectly paid out \$400.

Effect: An applicant is accepted into the program that does not meet the eligibility criteria.

Recommendation: We recommend the City review procedures to verify that proper documentation has been provided prior to approval of application.

Response and Corrective Action Plan: As stated on the award letter all approved applications may be subject to verification of accuracy. Site supervisors randomly review applications and 80 percent of the applications are reviewed by administrative office staff for errors and inaccuracies.

In the past, the cover transmittals for the LIHEAP applications to the administrative office from the site offices were lists of the paper applications included in the bundle.

(Continued)

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009

Corrective action: Added to procedures in the 2010 program year, site office application transmittals are now being generated daily from CIS (Customer Information System) confirming all applications approved or denied are accounted for. The transmittals listing client name and application date allow site office staff to indicate which applications taken that day are being held for random review and possibly corrective action which are tracked and sent under separate transmittal once the application is corrected for approval or denied.

IV. Other Findings Related to Required Statutory Reporting

09-IV-A

Certified Budget: Expenditures for the year ended June 30, 2009 exceeded the function budgeted amount in the health and social services and debt service functions. Chapter 384.20 of the Code of Iowa states in part that public monies may not be expended or encumbered except under an accrual or continuing appropriation.

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

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

Conclusion: Response accepted.

09-IV-B

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

09-IV-C

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

09-IV-D

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

09-IV-E

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

(Continued)

City of Des Moines, Iowa

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009

09-IV-F

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

09-IV-G

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

09-IV-H

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

City of Des Moines, Iowa

Corrective Action Plan
Year Ended June 30, 2009

Comment Number	Comment	Corrective Action Plan	Contact Person	Anticipated Date of Completion
Compliance Over Federal Awards:				
09-III-A	The City did not complete a valid application for a program participant prior to payout of funding	See corrective action plan at 09-III-A.	Marcia Rafdal, Community Services Administrator	June 30, 2010
Statutory Reporting:				
09-IV-A	Expenditures exceeded budget in health and social services and debt service functions.	See corrective action plan at 09-IV-A.	Allen McKinley, Finance Director	June 30, 2010



CITY OF **DES MOINES**