CITY OF ANKENY, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2010

city of Ankeny

bringing it all together

City of Ankeny, Iowa

Comprehensive Annual Financial Report

For the Year Ended June 30, 2010

Prepared By:

Finance Department

Introductory Section

CITY OF ANKENY, IOWA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2010

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December 27, 2010

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

It is our privilege to present the Comprehensive Annual Financial Report (CAFR) of the City of Ankeny, Iowa, for the fiscal year ending June 30, 2010, consistent with requirements of Chapter 11 of the Code of Iowa that requires the City of Ankeny to publish within nine 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, 2010.

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

Denman & Company, LLP, a firm of licensed certified public accountants, has issued an unqualified ("clean") opinion on the City of Ankeny's financial statements for the fiscal year ended June 30, 2010. 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. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

Profile of the City of Ankeny

The City of Ankeny, incorporated in 1903 is the state's 11th largest city, located just north of Des Moines, Iowa's state capital. As one of the fastest growing cities in the State, the population has grown from 27,117 in 2000 to an estimated 44,000 in 2010.

Ankeny has a strong educational presence in the state including the Ankeny Community School District, with a student enrollment of over 8,650 and a graduation rate of 97 percent; Des Moines Area Community College, Iowa's largest community college, serving a student population of over 28,000; Ankeny Christian Academy; and higher learning opportunities at Faith Baptist Bible College

and Theological Seminary, Simpson College and Upper Iowa University. The Ankeny Community School District is currently constructing two new high schools designed for 1,000 students each, one new middle school and one new elementary school, and will have a total of 15 elementary, middle school and high school facilities by 2014.

The policy making and legislative authority is vested in the City Council. The City Council consists of a mayor and five council members, all elected at large. For continuity purposes the mayor and council members serve four-year staggered terms with elections held every two years. The City Council establishes the City's strategic direction, sets policies, adopts ordinances and resolutions, appoints board and commission members, and adopts the annual operating budget and capital improvements program.

The City Manager serves as the chief administrative officer and is responsible for implementing the policy decisions of the City Council, overseeing day-to-day operations of the City, and hiring of department directors. City departments include: City Clerk, Finance, Economic Development, Fire, Human Resources, Information Services, Library, Municipal Utilities, Otter Creek Golf Course, Parks & Recreation, Planning & Building, Police, Public Relations, and Public Works. By state statute, a separate Board of Trustees administers the operations of the Public Library; however, the library receives its budget appropriation from the City Council and follows the policies and procedures implemented by the City.

The City is empowered to levy a property tax on real property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The financial reporting entity (the City) includes all the funds of the primary government (i.e. the City of Ankeny as legally defined). The City is not a component unit of another government, but does report the financial activities of three component units: Ankeny Arts Council, Ankeny Sports Complex Foundation and Keep Ankeny Beautiful. Component units are legally separate entities for which the primary government is financially accountable. The Ankeny Arts Council is the only discretely presented component unit and was created for the purpose of the promotion of performing and fine arts within the City.

The annual budget serves as the foundation for the City's financial planning and control. The department directors submit budgets to the City Manager for their respective departments requesting appropriations to fund program, service and capital needs consistent with City Council goals and objectives. Following several months of review and revision, the City Manager submits a recommended budget to the City Council. The budget contains estimates of revenues and expenditures for the coming year, as well as re-estimates of revenues and expenditures for the current year. The six-month preparation process includes a series of public meetings including city council work sessions and public input meetings,

culminating in March when the City Council, following a public hearing, adopts the annual budget and certifies it to the State of Iowa by March 15.

The state mandates legal spending control (that is, the level at which expenditures cannot legally exceed the appropriated amount) at the function level. These functions consist of public safety, public works, health and social services, culture and recreation, community and economic development, general government, capital projects, debt service, and business type activities/enterprise. Budget to actual comparisons are provided in this report and are presented as part of the required supplementary information.

Local Economy

Although impacted by the recent recession, Ankeny has largely remained insulated from the economic downturn, boasting the highest new housing starts in the metropolitan area with over 400 new residential permits in 2009. Ankeny's unemployment rate stood at 5.6 percent in 2009, with the local business community reporting that employment had either returned to or exceeded pre-recession levels. Several manufacturing and bioscience companies are maximizing existing space and hiring new employees, adding to Ankeny's commercial tax base and jobs growth efforts. Ankeny continues to attract designated target industries, including, advanced manufacturing/wind energy, biosciences, logistics and IT/business services. Major employers include: Ankeny Community School District, Des Moines Area Community College (DMACC), John Deere Des Moines Works, Perishable Distributors of Iowa, Tones Brothers, Inc., and Casey's General Store. In addition, the Ankeny Regional Airport is the third busiest airport in the state and provides commercial and general aviation services. Additional economic data is included in the statistical section of this report.

Relevant Financial Policies and Long Term Financial Planning

For budgetary and planning purposes, management strives to maintain an unreserved, undesignated general fund balance equal to twenty percent of total general fund expenditures. These funds are necessary to meet cash flow needs during the initial months of the new fiscal year as property tax revenue, the primary source of funding for general operations, is collected semi-annually with the county treasurer remitting the vast majority of those taxes to the City in the months of October and April.

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

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

The long-term improvement of the City's infrastructure is outlined in the five-year capital improvement program (CIP). The approved 2010-14 capital improvement program anticipates the expenditure of $143,725,014. Of this total, 34 percent is for transportation projects, 4 percent for parks and trails, 19 percent for municipal utility and drainage projects, 29 percent for Crosswinds Business Park and Prairie Trail, including public facilities and land, and 14 percent for annual infrastructure reinvestment. The first year of the five-year CIP, which the City incorporates into the annual budget, is $33,378,200 for fiscal year 2011. The capital budget includes revenues from a number of funding sources. General obligation and revenue bond proceeds finance many public works and utility projects. Tax increment financing supports a number of economic development capital projects in the areas targeted for significant commercial activity. Grants from local, state and federal sources are also part of the plan to finance capital projects.

Major Initiatives and Accomplishments

The City is currently involved in the following major construction and development projects:

- Construction of the City's fourth interstate interchange is underway at Interstate 35 and Northeast 36th Street, along with the renovation and expansion of the Interstate 35 and First Street Interchange. Both of these projects are designed to improve traffic safety, reduce congestion and provide sufficient capacity for the future.

- Prairie Trail, a public/private partnership to develop commercial and residential property on approximately 1,100 acres that was formerly owned by Iowa State University as a research farm, is under construction. Prairie Trail is currently home to the new Ankeny High School, new Southview Middle School, future elementary school #9, Future Farmers of America Headquarters, Iowa Soybean Association and Cascade Falls, the City's second aquatic center. The town center titled "The District" is under construction and will include retail and entertainment destinations, parks and trails, residential neighborhoods, a commercial district and the Vintage Business Park.

- Crosswind Business Park, located along Interstate 35, provides opportunity for commercial and retail development. It is in proximity to the Ankeny Regional Airport, the Corporate Woods Business Park and Crosswinds Business Park.

The City achieved the following accomplishments during fiscal year 2010:

- The City was presented with the Association of Public Treasurer's of the United States and Canada (APT US&C) Investment Policy Certification Program for the City's Investment Policy.

- Ankeny earned its third designation as a Playful City USA from the KaBOOM! Foundation and was one of only 32 communities to achieve the designation three consecutive years. The award is given to communities committed to creating unstructured free play spaces to encourage healthy lifestyles.

- Ankeny received a 2010 Voice of the People Award for Transformation from ICMA and the National Research Center, an award given to only eight cities nationally. The award recognizes communities for their use of citizen surveys to influence service quality.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ankeny for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. This was the eighth consecutive year that the government has received this prestigious award. In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report that satisfied both the generally accepted accounting principles (GAAP) and applicable legal requirements.

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

In addition, for the twelfth consecutive year, the City received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated March 15, 2010. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide and a communications device.

The preparation of this report would not have been possible without the City's independent auditors, Denman & Company, LLP, and the dedicated service of the City's Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report.

Likewise, we wish to extend our appreciation to the Mayor and members of the City Council in planning and conducting the financial operations of the City in a prudent and responsible manner.

Respectfully submitted,

Carl Metzger
City Manager

Jennifer Sease
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Ankeny
Iowa

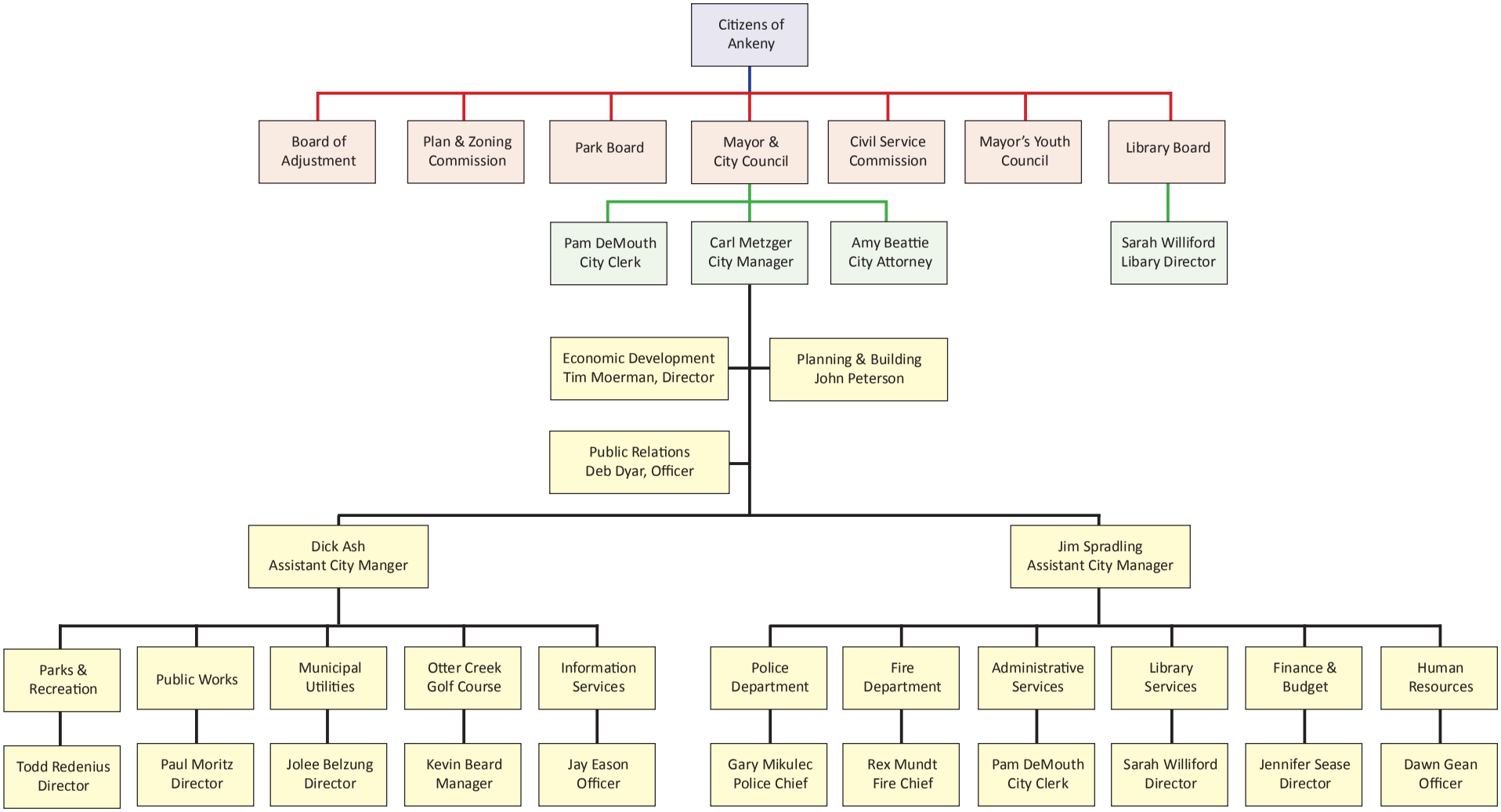
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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

President

Executive Director

City of Ankeny, Iowa
Fiscal Year 2010 Organization Chart



CITY OF ANKENY, IOWA

List of Principal Officials
June 30, 2010

ELECTED OFFICIALS

Mayor	Steve Van Oort
Council Member	Craig Block
Council Member	Dave Kissinger
Council Member	Wade Steenhoek
Council Member	Tom Strait
Council Member	Gary Welch

APPOINTED OFFICIALS

City Manager	Carl Metzger
Assistant City Manager	Dick Ash
Assistant City Manager	James Spradling
City Clerk	Pam DeMouth
Economic Development Director	Tim Moerman
Finance Director	Jennifer Sease
Fire Chief	Rex Mundt
Library Director	Sarah Willeford
Municipal Utilities Director	Jolee Belzung
Parks and Recreation Director	Todd Redenius
Planning and Building Director	John Peterson
Police Chief	Gary Mikulec
Public Works Director	Paul Moritz

Financial Section

DENMAN
& Company, LLP
Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ankeny, Iowa, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ankeny, Iowa as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2010 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress for the retiree health plan and budgetary comparison information on pages 15 through 28 and 71 through 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ankeny, Iowa's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Denman & Company, LLP

DENMAN & COMPANY, LLP

West Des Moines, Iowa
December 26, 2010

Management's Discussion and Analysis

As management of the City of Ankeny, we offer readers of the City of Ankeny's financial statements this narrative overview and analysis of the financial activities of the City of Ankeny for the fiscal year ended June 30, 2010. 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 in the introductory section of this report.

Financial Highlights

- The assets of the City of Ankeny exceeded its liabilities at the close of the most recent fiscal year by $161,871,313 (*net assets*). Of this amount, $11,224,415 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors. For the fiscal year ended June 30, 2009, assets exceeded liabilities by $166,941,619. Of this amount, $26,460,363 was unrestricted.

- The government's total net assets decreased by $5,070,306 during the fiscal year ended June 30, 2010. Governmental activities decreased $4,147,549 and business-type activities decreased $922,757. For fiscal year ended June 30, 2009, total net assets increased $1,816,915. Governmental activities decreased $4,596,161 and business-type activities increased by $6,413,076.

- As of the close of the current fiscal year, the City of Ankeny's governmental funds reported combined ending fund balances of $12,945,536, a decrease of $10,547,537 in comparison with the prior year. Approximately 76.7 percent of this total amount, $9,929,914 is unreserved fund balance which is *available for spending* at the government's discretion. As of the close of the fiscal year June 30, 2009, governmental funds reported combined ending fund balances of $23,493,072, of which $21,400,852 or 91.1 percent was unreserved.

- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was $5,136,326 or 29 percent of total general fund expenditures. The unreserved, designated fund balance for the general fund as of June 30, 2009 was $4,911,025 or 30 percent of total general fund expenditures.

- The City of Ankeny's total debt increased by $9,680,000 (6.6 percent) during the current fiscal year. Total debt for fiscal year June 30, 2009, increased by $18,818,000 (14.6 percent).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. 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 Ankeny's finances, in a manner similar to private-sector business.

The s*tatement of net assets* presents information on all of the City of Ankeny's 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 Ankeny 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 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 include public safety, health and social services, culture and recreation, public works, community and economic development, general government, and interest on long-term debt. The business type activities of the City include solid waste, water, sewer, storm water and Otter Creek Golf Course.

The government-wide financial statements include not only the City of Ankeny itself (known as the *primary government*), but also the Ankeny Arts Council for which the City of Ankeny is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself. Keep Ankeny Beautiful and the Ankeny Sports Complex Foundation, although also legally separate, function for all practical purposes as an activity of the City of Ankeny, and therefore have been included as an integral part of the primary government.

The government-wide financial statements are on pages 29-30 of 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 Ankeny, 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 Ankeny 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 level, 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 financing 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 Ankeny maintains twenty-one 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 balance for the general fund, debt service fund, tax increment financing fund, and capital projects fund, all of which are considered major funds. Data from the other seventeen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for the activity of all funds except internal service and agency funds. Formal and legal budgetary control as required by state statute is based upon nine major classes of expenditures known as functions, not by fund or fund type.

The basic governmental fund financial statements can be found on pages 31-34 of this report.

Proprietary funds. The City of Ankeny 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. The City uses enterprise funds to account for solid waste, water, sewer, storm water and golf course activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Ankeny uses internal service funds to account for vehicle maintenance, risk management, vehicle replacement, economic development incentives, and employee benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise fund financial statements provide separate information for water and sewer, both of which are considered to be major funds of the City of Ankeny. Data from the other three enterprise funds are combined into a single, aggregated presentation. 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 and the nonmajor enterprise funds are provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 35-37 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for these funds is much like that used for proprietary funds. The City has one type of fiduciary fund: agency funds.

The basic fiduciary fund financial statements can be found on page 38 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 39-70 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Ankeny, including the budgetary comparison schedule and schedule of funding progress. Required supplementary information can be found on pages 71-76 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds and agency funds are presented immediately following the required supplementary

information. Combining and individual fund statements and schedules can be found on pages 78-92 of this report. Statistical information related to the City's financial position can be found on pages 98-127.

Government-wide Financial Analysis

As noted earlier, net assets may serve as a useful indicator of a government's financial position. In the case of City of Ankeny, assets exceeded liabilities by $161,871,313 at the close of the most recent fiscal year.

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

Net Assets (000's)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current assets	$ 54,961	$ 65,624	$ 21,790	$ 24,850	$ 76,751	$ 90,474
Noncurrent assets:						
Resricted cash and cash equivalents	57	89	3,066	2,656	3,123	2,745
Capital assets	168,689	157,527	107,686	101,006	276,375	258,533
Total assets	223,707	223,240	132,542	128,512	356,249	351,752
Current liabilities	55,836	45,473	4,081	3,923	59,917	49,396
Noncurrent liabilities	99,895	105,644	34,566	29,771	134,461	135,415
Total liabilities	155,731	151,117	38,647	33,694	194,378	184,811
Invested in capital assets, net of related debt	59,847	51,005	83,083	82,763	142,930	133,768
Restricted	4,699	4,099	3,017	2,614	7,716	6,713
Unrestricted	3,430	17,020	7,795	9,441	11,225	26,461
Total net assets	$ 67,976	$ 72,124	$ 93,895	$ 94,818	$ 161,871	$ 166,942

An additional portion of the City's net assets (5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* ($11,224,415) may be used to meet the government's ongoing obligations to citizens and creditors.

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

There was a decrease of $13,589,991 in unrestricted net assets reported in connection with the City of Ankeny's governmental activities. This can be attributed to the change in unreserved fund balance of the capital projects fund.

The government's net assets decreased by $5,070,306 during the current fiscal year, which is a combination of a $4,147,549 decrease in governmental activities net assets and a decrease of $922,757 in business-type activities net assets.

Governmental activities. Governmental activities decreased the City's net assets by $4,147,549, thereby accounting for 82 percent of the total decline in net assets. Key elements of this decrease are as follows:

Changes in Net Assets (000's)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	$ 3,487	$ 2,346	$ 15,404	$ 13,204	$ 18,891	$ 15,550
Operating grants and contributions	6,298	8,701	-	-	6,298	8,701
Capital grants and contributions	3,329	4,525	268	6,227	3,597	10,752
General revenues:						
Property taxes	25,799	22,609	-	-	25,799	22,609
Other taxes	1,179	1,372	-	-	1,179	1,372
Interest	466	1,115	55	73	521	1,188
Other	90	58	635	181	725	239
Total revenues	40,648	40,726	16,362	19,685	57,010	60,411
Expenses:						
Public safety	10,444	8,709	-	-	10,444	8,709
Health and social services	275	278	-	-	275	278
Culture and recreation	5,733	5,403	-	-	5,733	5,403
Public works	18,931	17,965	-	-	18,931	17,965
Community & economic development	2,844	2,341	-	-	2,844	2,341
General government	2,709	5,794	-	-	2,709	5,794
Interest of long-term debt	4,310	4,549	-	-	4,310	4,549
Solid waste	-	-	433	573	433	573
Water	-	-	6,737	5,889	6,737	5,889
Sewer	-	-	7,704	6,002	7,704	6,002
Storm Water	-	-	276	246	276	246
Otter Creek golf course	-	-	1,685	845	1,685	845
Total expenses	45,246	45,039	16,835	13,555	62,081	58,594
Excess (deficiency) before transfers	(4,598)	(4,313)	(473)	6,130	(5,071)	1,817
Transfers	450	(283)	(450)	283	-	-
Changes in net assets	(4,148)	(4,596)	(923)	6,413	(5,071)	1,817
Net assets, beginning, as restated	72,124	76,720	94,818	88,405	166,942	165,125
Net assets, ending	$ 67,976	$ 72,124	$ 93,895	$ 94,818	$ 161,871	$ 166,942

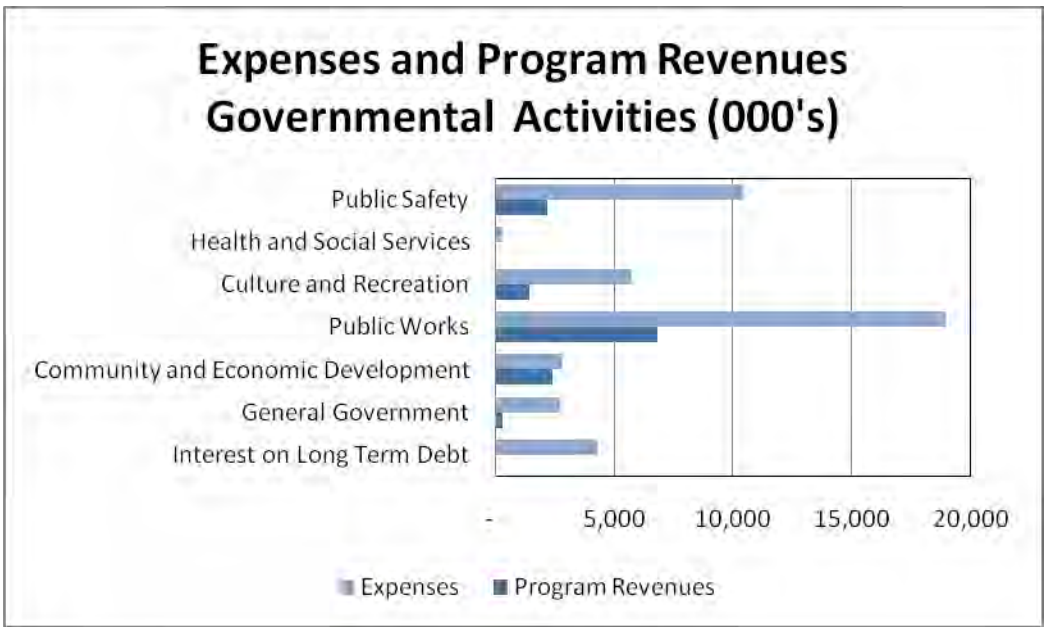
- Property taxes increased by $3,190,219 (14 percent) during the year. Most of this increase is the result of a property tax rate increase of $0.64690. The rate increase is a combination of a $0.7189 increase in the debt service fund property tax levy rate to support the debt payments

for the public safety facility projects and decreases of $0.062 in the general fund property tax rate and $0.01 in the special revenue tax rate.

- Public safety expenditures increased by $1,734,758 (20 percent) due to the hiring of three police officers in the police department and six firefighter/paramedics to staff an ambulance at the second fire station.

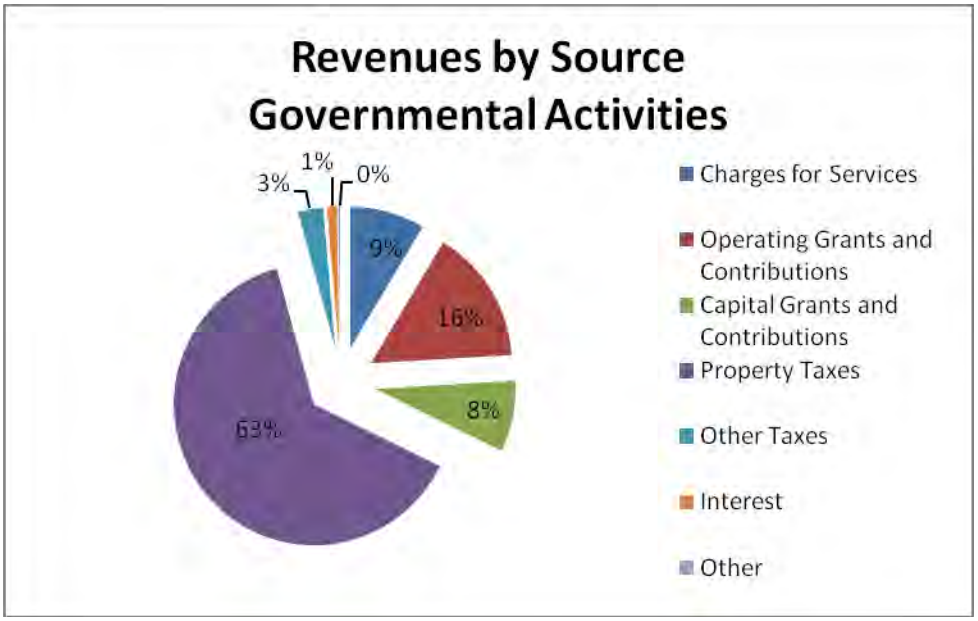
For the most part, revenues and expenses closely paralleled that of the prior year. One noteworthy item, however, was that expenditures exceeded revenues by $4,597,548 and $4,312,820 during fiscal years 2010 and 2009, respectively. This was the result of spending bond proceeds on hand from the public safety referendum projects, which included the expansion of the fire station headquarters, construction of the second fire station and construction of a new police department headquarters. These projects were completed in fiscal year 2010 and are reflected in the declining fund balance of the capital projects fund.

The change in net assets due to program activities is represented as follows:



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

Revenues for the governmental activities are derived as follows:



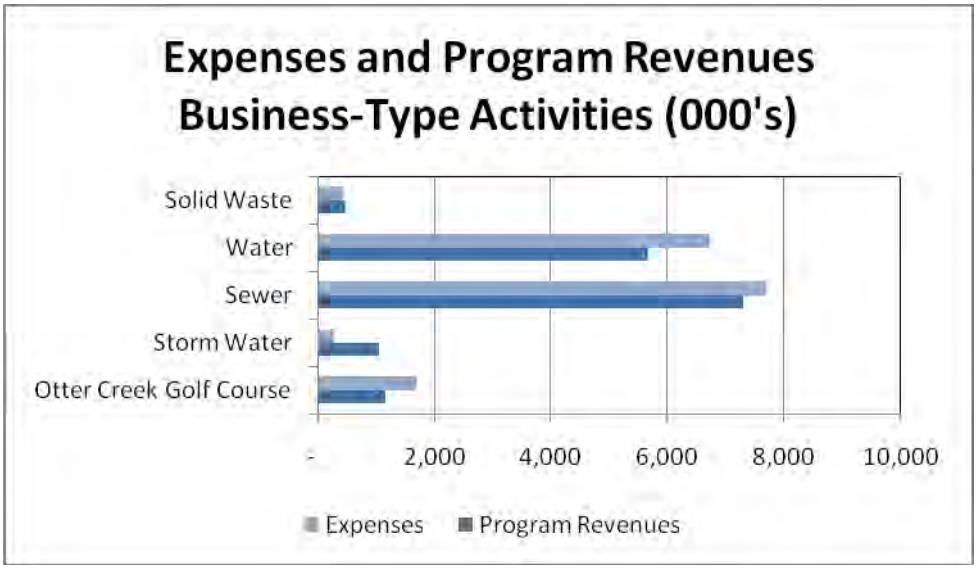
Business-type activities. Business-type activities decreased the City's net assets by $922,757, accounting for 18 percent of the total decline in the government's net assets. Key elements of this decrease are as follows:

- Charges for services for business-type activities increased by $2,199,878. Storm water and Otter Creek Golf Course account for a significant portion of this increase. This resulted from the collection of a storm water utility fee for the first time beginning on July 1, 2009, and a full year of operations for Otter Creek Golf Course. The Otter Creek Golf Course underwent redevelopment and construction of a new clubhouse facility beginning in fiscal year 2008 and was open for one month in fiscal year 2009, thus resulting in a significant increase in both revenues and expenditures for this activity. Smaller increases were noted in both water and sewer which both saw 4 percent rate increases but revenues were hampered by wet weather conditions.

- Capital grants and contributions decreased by $5,958,750 due to the completion of utility infrastructure projects and the redevelopment of Otter Creek Golf Course in the prior year.

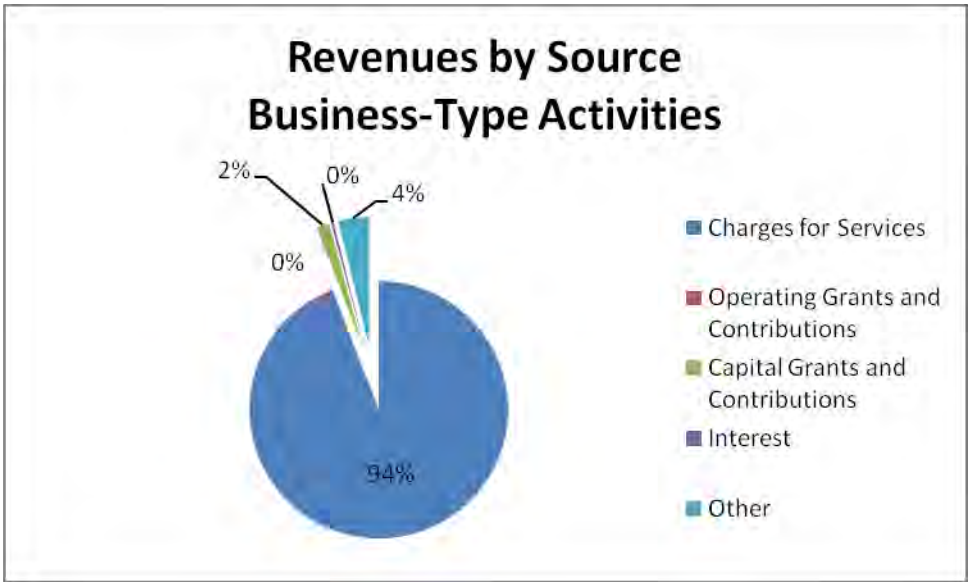
- Sewer expenditures increased by $1,701,964 due to debt service payments related to revenue bonds issued by the City and the Wastewater Reclamation Authority (WRA).

The change in net assets due to program activities is represented as follows:



The program revenues exceeded expenses for solid waste and storm water and conversely expenses exceed program revenues for water, sewer and Otter Creek Golf Course. This graph reflects the fact that the business-type activities are operated in a business-like manner and are intended to be self-supporting through service charges.

Revenues for the business-type activities are derived as follows:



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $12,945,536, a decrease of $10,547,537 in comparison with the prior year. Of this total amount, $9,929,914 constitutes *unreserved, undesignated fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is *reserved* or *designated* to indicate that it is not available for new spending because it has already been committed 1) to pay debt service ($2,896,848), and 2) for deferred compensation related to contract provisions with the City Manager ($118,774).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was $5,136,326, while total fund balance reached $5,255,100. 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 expenditures. Unreserved, undesignated fund balance represents 29.0 percent of total general fund expenditures, while total fund balance represents 29.7 percent of that same amount.

The fund balance of the City's general fund increased by $261,171 (5 percent) during the current fiscal year. The general fund saw an increase in all sources of revenue with the exception of use of money and property and miscellaneous, resulting in a net increase of $1,015,861. The most significant changes are related to the following:

- The general fund property tax levy rate decreased by $0.062, but property tax valuations remained strong with over 8 percent growth, resulting in an increase of $963,685 in property taxes collected.

- Use of money and property decreased $304,611 due to the impact of the economic downturn on interest earnings.

In comparison to a 6 percent increase in revenues, general fund expenditures increased 7 percent. The most significant increases were in the areas of public safety and public works that included the addition of police officers and firefighter/paramedics and the shift of the entire cost of street lighting from the road use tax fund to the general fund.

The debt service fund has a total fund balance of $2,896,848, all of which is reserved for the payment of debt service. The net increase in fund balance during the current year was $887,531 or 44.17%. The debt service fund accumulated reserves to maintain a stable levy rate, but a future debt service levy increase will be needed to maintain the projected capital improvements program.

The tax increment financing fund (TIF), a special revenue fund, has a total fund balance of $508,770, all of which is unreserved. The fund had an increase in fund balance of $426,923 after transfers out of $3,719,599 to the debt service fund for debt retirement. The increase in fund balance is due to additional revenue collections in TIF District #2, TIF District #3 and TIF District #5 and that projected TIF rebate payments were less than the TIF reservation.

The capital projects fund has a fund balance of $1,639,521, all of which is unreserved. The fund had a decrease in fund balance of $11,755,710 or 87.76%. This decrease was a direct result of spending bond proceeds that were on hand at the beginning of the fiscal year.

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

Total net assets of the solid waste fund at the end of the year increased by $63,104 to $101,307, all of which is unrestricted. Total net assets of the water fund at the end of current year were $26,660,141, with $23,540,874 invested in capital assets net of related debt, $1,139,155 restricted for debt service and $1,980,112 in unrestricted net assets. This represents a decrease in net assets of $1,183,299 or 4 percent. Total net assets of the sewer fund at the end of the current year were $62,600,138, with $54,461,733 invested in capital assets net of related debt, $1,878,142 restricted for debt service and $6,260,263 in unrestricted net assets. This represents a decrease in net assets of $729,442. The net assets of the storm water fund at the end of the current year were $50,894, of which $103,594 is invested in capital assets net of related debt and ($52,700) in unrestricted net assets, an increase of $415,780. The Otter Creek Golf Course had total nets assets of $4,352,851, comprised of $4,976,897 invested in capital assets net of related debt and ($624,046) in unrestricted net assets, an increase of $565,885. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Ankeny's business-type activities.

Budgetary Highlights

During the year there was a decrease in appropriations between the original and final amended budget. Following are the main components of this decrease:

- The total original revenue budget of $75,911,148 was decreased to $62,251,338, a reduction of $13,659,810. Amended revenues included decreases related to homestead credits, building permits, interest income, grants and special assessments.

- The total original expenditure budget of $106,590,452 was decreased to $97,911,370, a reduction of $8,679,082. Amended expenditures included decreases related to public safety operational costs, implementation of the early retirement program, lower than anticipated interest rates on debt issuances and timing of capital projects.

- The total original budget for other financing sources, net decreased from $23,800,000 to $21,400,000, a reduction of $2,400,000 related to the issuance and refunding of debt.

The budgetary comparison schedule and reconciliation to generally accepted accounting principles (GAAP) can be found on pages 71-73.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities was $351,803,470 in FY10 and $326,567,412 for FY09. This amount represents a net increase, including additions and deletions, of $25,236,058 and $38,889,917, respectively. The value of these capital assets, net of depreciation at June 30, 2010 and 2009, is depicted below. The investment in capital assets includes land, buildings, land improvements, machinery and equipment, furniture and fixtures, construction in progress and infrastructure. All required infrastructure has been recorded for the governmental and business-type activities.

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	$ 7,328	$ 7,270	$ 1,548	$ 1,377	$ 8,876	$ 8,647
Construction in progress	45,365	48,072	15,654	15,126	61,019	63,198
Other improvements	9,631	8,327	208	233	9,839	8,560
Infrastructure	83,752	78,145	88,867	82,903	172,619	161,048
Buildings	18,158	10,809	505	449	18,663	11,258
Machinery and equipment	4,250	4,689	845	886	5,095	5,575
Furniture and fixtures	205	214	58	32	263	246
Total capital assets	$ 168,689	$ 157,526	$ 107,685	$ 101,006	$ 276,374	$ 258,532

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

- Spent over $3,800,000 on the Westside Landfill Closure.

- Spent nearly $1,000,000 to complete the second fire station.

- Spent close to $2,000,000 constructing the Rock Creek Lateral Sewer.

- Spent over $7,700,000 towards completion of Cascade Falls, the city's second aquatic center.

- Spent over $3,200,000 towards improvements on various Prairie Trail projects.

- Spent over $1,000,000 to complete the city's second water tower.

Additional information can be found on the City's capital assets in Note 4 on pages 51-52 of this report.

Long-term debt. At the end of the current fiscal year, the City of Ankeny had total bonded debt outstanding of $157,227,000. Of this amount, $131,261,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Ankeny's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

Outstanding Debt (000's)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation bonds	$ 120,186	$ 115,894	$ 11,075	$ 10,801	$ 131,261	$ 126,695
Capital loan notes	-	-	2,541	3,252	2,541	3,252
Revenue bonds	-	-	23,425	17,600	23,425	17,600
Total outstanding debt	$ 120,186	$ 115,894	$ 37,041	$ 31,653	$ 157,227	$ 147,547

The City's total debt increased by $9,680,000 (7 percent) during the current fiscal year. The key factor in this increase was due to the City issuing $6,544,000 in revenue bonds related to sewer improvements. The government also issued $7,920,000 general obligation refunding bonds and $11,055,000 bond anticipation notes for various public improvements.

Iowa statute limits the amount of general obligation debt a government may issue to five percent of its total assessed valuation of all taxable property in the City of Ankeny. The current debt limitation for the City is $163,695,285. With outstanding general obligation debt of $107,006,000 and bond anticipation notes of $24,255,000, the City had utilized 80 percent of the debt limit as of June 30, 2010.

The City maintains an "Aa2" rating for general obligation bonds, an "Aa3" rating for revenue bonds, and "MIG1" rating for bond anticipation notes. These ratings were assigned by Moody's Investors Service.

Additional information on the City's long-term debt can be found in Note 7 on pages 54-59 of this report.

Economic Factors and Next Year's Budgets and Rates

- In calendar year 2009, the City issued 422 single-family residential permits, reflecting a slight increase from 372 building permits in 2008. This increase is somewhat reflective of the federal tax credit offered through the end of calendar 2009.

- Commercial construction in calendar year 2009 declined in terms of the number of permits with 11 permits issued with a taxable valuation of $12,251,100, which is the lowest in 10 years. Actual commercial permit results for 2008 and 2007 were 21 and 26 issued with values of $42,473,891 and $38,933,191 respectively.

- Residential construction since 2000 has increased the City's population to 36,161 residents, based on figures from the City's 2005 special census. The City's 2000 population was 27,117 residents. It is estimated that the 2010 census will increase the population to 44,000 residents.

- The City's taxable valuation has increased at an average of over 10 percent per year over the last five years, including an increase of 8 percent for fiscal year 2010.

All of these factors were considered in preparing the City of Ankeny's budget for fiscal year 2011. The fiscal year 2011 budget included total revenues of $104,618,335 up from $99,711,148, representing a 4.9 percent increase. The biggest increase in revenue is attributable to additional property tax revenue from tax base growth and in the amount of bond proceeds needed to fund the capital improvement program. In addition, the fiscal year 2011 budget included a decrease in expenditures from $106,590,452 to $104,125,219, a decrease of 2.3 percent. Virtually all of the decrease is attributable to decreases in spending in the area of capital projects. In fiscal year 2010 the final phase of construction costs related to the City's new police station headquarters and second fire station occurred, inflating capital expenditures as compared to historical levels. The City's property tax rate remains at $11.17646/$1,000 valuations.

Requests for Information

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

City of Ankeny, Iowa

Statement of Net Assets
June 30, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Ankeny Arts Council
Assets				
Current assets:				
Cash and cash equivalents	$ 36,428,214	$ 7,308,005	$ 43,736,219	$ 19,041
Investments	103,461	-	103,461	-
Monies held by primary government	-	-	-	90,812
Receivables:				
Interest	56,235	15,597	71,832	-
Taxes	27,493,881	-	27,493,881	-
Accounts	1,640,999	1,672,713	3,313,712	-
Special assessments	782,887	45,042	827,929	-
Intergovernmental	339,119	116	339,235	-
Prepaid expenses	74,218	-	74,218	489
Inventory	227,440	1,048	228,488	-
Internal balances	(12,507,702)	12,507,702	0	-
Unamortized bond issuance costs	321,901	240,124	562,025	-
Total current assets	54,960,653	21,790,347	76,751,000	110,342
Noncurrent assets:				
Restricted cash and cash equivalents	57,517	3,066,253	3,123,770	-
Capital assets:				
Land	7,328,206	1,547,944	8,876,150	-
Construction-in-progress	45,365,182	15,653,780	61,018,962	-
Depreciable assets, net of accumulated depreciation	115,995,584	90,483,719	206,479,303	12,349
Total capital assets	168,688,972	107,685,443	276,374,415	12,349
Total noncurrent assets	168,746,489	110,751,696	279,498,185	12,349
Total assets	$ 223,707,142	$ 132,542,043	$ 356,249,185	$ 122,691
Liabilities and Net Assets				
Liabilities:				
Current liabilities:				
Accounts payable	$ 3,642,765	$ 1,000,782	$ 4,643,547	$ 1,625
Retainage payable	1,571,445	-	1,571,445	
Accrued wages	425,047	96,861	521,908	530
Claims payable	92,411	-	92,411	-
Customers deposits	57,517	48,956	106,473	-
Unearned revenue	27,562,546	13,491	27,576,037	-
Bond and capital loan note interest payable	353,871	162,472	516,343	-
Bonds and capital loan notes payable, net of unamortized discount	21,601,880	2,577,390	24,179,270	-
Sewer development agreements payable	-	99,113	99,113	-
Early retirement benefit payable	100,859	-	100,859	-
Compensated absences payable	427,204	81,961	509,165	-
Total current liabilities	55,835,545	4,081,026	59,916,571	2,155
Noncurrent liabilities:				
Bonds and capital loan notes payable, net of unamortized discount	99,545,110	34,460,301	134,005,411	-
Early retirement benefit payable	234,920	-	234,920	-
Other postemployment benefits	45,993	10,007	56,000	-
Compensated absences payable	69,464	95,507	164,971	-
Total noncurrent liabilities	99,895,487	34,565,815	134,461,302	-
Total liabilities	155,731,032	38,646,841	194,377,873	2,155
Net Assets:				
Investment in capital assets, net of related debt	59,847,130	83,083,098	142,930,228	-
Restricted for:				
Debt service	2,896,848	3,017,297	5,914,145	-
Community and economic development	1,016,632	-	1,016,632	-
Culture and recreation	604,166	-	604,166	-
Public safety	181,727	-	181,727	-
Unrestricted	3,429,607	7,794,808	11,224,415	120,536
Total net assets	67,976,110	93,895,203	161,871,313	120,536
Total liabilities and net assets	$ 223,707,142	$ 132,542,043	$ 356,249,185	$ 122,691

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

City of Ankeny, Iowa

Statement of Activities
For the Year Ended June 30, 2010

Programs/Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit: Ankeny Arts Council
Primary government:								
Governmental activities:								
Public safety	$ 10,444,061	$ 1,702,101	$ 462,600	$ -	$ (8,279,360)	$ -	$ (8,279,360)	$ -
Health and social services	274,970	21,513	-	-	(253,457)	-	(253,457)	-
Culture and recreation	5,733,048	1,171,357	245,635	-	(4,316,056)	-	(4,316,056)	-
Public works	18,930,726	310,852	3,184,116	3,328,808	(12,106,951)	-	(12,106,951)	-
Community and economic development	2,843,641	20,516	2,388,848	-	(434,277)	-	(434,277)	-
General government	2,709,554	260,910	16,737	-	(2,431,907)	-	(2,431,907)	-
Interest on long-term debt	4,309,579	-	-	-	(4,309,579)	-	(4,309,579)	-
Total governmental activities	45,245,578	3,487,249	6,297,936	3,328,808	(32,131,586)	-	(32,131,586)	-
Business-type activities:								
Solid waste	432,925	485,782	-	-	-	52,857	52,857	-
Water	6,736,767	5,611,334	-	55,841	-	(1,069,592)	(1,069,592)	-
Sewer	7,703,774	7,197,284	-	113,650	-	(392,841)	(392,841)	-
Storm water	276,041	1,038,889	-	-	-	762,848	762,848	-
Otter Creek golf course	1,685,539	1,070,952	-	98,312	-	(516,274)	(516,274)	-
Total business-type activities	16,835,045	15,404,241	-	267,803	-	(1,163,001)	(1,163,001)	-
Total primary government	$ 62,080,624	$ 18,891,490	$ 6,297,936	$ 3,596,611	(32,131,586)	(1,163,001)	(33,294,587)	0
Component unit:								
Arts council	$ 88,484	$ 86,156	$ -	$ -	0	0	0	(2,328)
General revenues:								
Taxes:								
Property taxes					25,799,170	-	25,799,170	-
Other taxes					1,178,864	-	1,178,864	-
Interest					465,691	54,878	520,569	1,438
Other					90,312	635,366	725,678	-
Transfers					450,000	(450,000)	-	-
Total general revenues and transfers					27,984,037	240,244	28,224,281	1,438
Changes in net assets					(4,147,549)	(922,757)	(5,070,306)	(890)
Net asset, beginning					72,123,659	94,817,960	166,941,619	121,426
Net assets, ending					$ 67,976,110	$ 93,895,203	$ 161,871,313	$ 120,536

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

City of Ankeny, Iowa

Balance Sheet
Governmental Funds
June 30, 2010

	General	Debt Service	Tax Increment Financing	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 5,997,534	$ 3,126,884	$ 746,865	$ 18,274,822	$ 3,535,490	$ 31,681,595
Investments	103,461	-	-	-	-	103,461
Receivables:						
Interest	26,573	-	-	29,571	19	56,162
Taxes	13,967,236	7,311,813	5,455,447	-	759,385	27,493,881
Accounts	433,179	-	-	1,834	1,205,026	1,640,039
Special assessments	3,011	-	-	-	779,876	782,887
Intergovernmental	84,051	265	-	35,868	210,244	330,428
Due from other funds	192,165	-	-	-	-	192,165
Restricted assets, cash and cash equivalents	57,517	-	-	-	-	57,517
Total assets	$ 20,864,727	$ 10,438,962	$ 6,202,312	$ 18,342,095	$ 6,490,040	$ 62,338,136
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	$ 318,593	$ -	$ 2,527	$ 2,867,302	$ 417,859	$ 3,606,281
Retainage payable	-	-	-	1,571,445	-	1,571,445
Accrued wages	353,080	-	-	2,701	63,088	418,869
Due to other funds	309,018	278,346	-	12,259,293	249,956	13,096,613
Advances from other funds	512,560	-	-	-	418,964	931,524
Customer deposits	57,517	-	-	-	-	57,517
Deferred revenue	14,058,860	7,263,767	5,691,015	1,834	2,694,876	29,710,352
Total liabilities	15,609,628	7,542,113	5,693,542	16,702,575	3,844,743	49,392,601
Fund balances:						
Reserved for debt service	-	2,896,848	-	-	-	2,896,848
Unreserved, designated for:						
Deferred compensation	118,774	-	-	-	-	118,774
Unreserved, reported in:						
General fund	5,136,326	-	-	-	-	5,136,326
Special revenue funds	-	-	508,770	-	1,446,612	1,955,382
Capital projects funds	-	-	-	1,639,521	1,198,685	2,838,206
Total fund balances	5,255,100	2,896,848	508,770	1,639,521	2,645,297	12,945,536
Total liabilities and fund balances	$ 20,864,727	$ 10,438,962	$ 6,202,312	$ 18,342,095	$ 6,490,040	$ 62,338,136

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

City of Ankeny, Iowa

Reconciliation of the Balance Sheet to the Statement of Net Assets
June 30, 2010

Fund balances--total governmental funds		$ 12,945,536
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental fixed assets:		
Land	$ 7,328,206	
Construction-in-progress	45,365,182	
Depreciable capital assets	159,491,556	
Accumulated depreciation	(43,495,972)	168,688,972
The assets and liabilities of internal service funds are included in the governmental activates in the statement of net assets. Internal service fund net assets:		
Current assets	$ 5,695,671	
Internal balances	1,012,637	
Current liabilities	(430,114)	
Noncurrent liabilities	(241,358)	6,036,836
Internal service funds allocated to business-type activities		(129,872)
Deferred revenue is reported in governmental funds for revenues that have been earned but are not yet available to liquidate current liabilities. All earned revenues are reported as income at government-wide level. The following deferred revenues for unavailable items were reported in the governmental funds:		
Various funds - property tax receivable	$ 22,298	
Various funds - special assessment receivable	743,270	
General fund - accounts receivable	180,404	
Civic trust fund - accounts receivable	1,200,000	
Capital projects fund - accounts receivable	1,834	2,147,806
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
General obligation bonds	$ (120,186,128)	
Unamortized bond issuance costs	321,901	
Unamortized premium on general obligation bonds	(1,164,892)	
Unamortized discount on general obligation bonds	204,030	
Other postemployment benefits	(44,898)	
Bond interest payable	(353,871)	
Compensated absences	(489,310)	(121,713,168)
Net assets of governmental activities		$ 67,976,110

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

City of Ankeny, Iowa

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

	General Fund	Debt Service	Tax Increment Financing	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	$ 13,138,705	$ 6,856,373	$ 5,108,591	$ -	$ 714,438	$ 25,818,107
Other taxes and assessments	1,291,524	106,148	-	-	86,259	1,483,931
Licenses and permits	887,353	-	-	-	-	887,353
Intergovernmental	551,438	-	12,640	2,422,300	3,227,842	6,214,220
Charges for services	1,608,731	-	-	-	18,177	1,626,908
Use of money and property	387,942	-	-	178,156	10,266	576,364
Miscellaneous	454,424	-	-	316,016	2,531,804	3,302,244
Total revenues	18,320,117	6,962,521	5,121,231	2,916,472	6,588,786	39,909,127
Expenditures:						
Current operating:						
Public safety	9,028,970	-	-	-	597,477	9,626,447
Health and social services	264,653	-	-	-	-	264,653
Culture and recreation	4,076,986	-	-	-	623,845	4,700,831
Public works	848,657	-	-	-	2,994,967	3,843,624
Community and economic development	1,014,344	-	974,709	-	629,949	2,619,002
General government	2,488,046	-	-	-	-	2,488,046
Debt service:						
Principal	-	5,798,945	-	-	-	5,798,945
Interest and other charges	-	3,858,269	-	598,850	-	4,457,119
Capital projects	-	-	-	27,175,373	-	27,175,373
Total expenditures	17,721,655	9,657,214	974,709	27,774,223	4,846,238	60,974,040
Excess (deficiency) of revenues over (under) expenditures	598,462	(2,694,693)	4,146,522	(24,857,751)	1,742,548	(21,064,913)
Other financing sources (uses):						
Issuance of long-term debt	-	-	-	11,055,000	-	11,055,000
Issuance of refunding bonds	-	2,038,431	-	4,787,209	-	6,825,640
Discount on long-term debt	-	-	-	(21,815)	-	(21,815)
Premium on refunding bonds	-	49,194	-	84,356	-	133,551
Payment of refunded bonds	-	(2,225,000)	-	(5,700,000)	-	(7,925,000)
Transfers in	578,800	3,719,599	-	2,897,291	1,196,091	8,391,781
Transfers out	(916,091)	-	(3,719,599)	-	(3,306,091)	(7,941,781)
Total other financing sources (uses)	(337,291)	3,582,224	(3,719,599)	13,102,041	(2,110,000)	10,517,375
Net change in fund balances	261,171	887,531	426,923	(11,755,710)	(367,452)	(10,547,537)
Fund balances, beginning	4,993,929	2,009,317	81,847	13,395,231	3,012,749	23,493,072
Fund balances, ending	$ 5,255,100	$ 2,896,848	$ 508,770	$ 1,639,521	$ 2,645,297	$ 12,945,535

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

City of Ankeny, Iowa

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities For the Year Ended June 30, 2010

Net change in fund balances--total governmental funds		$ (10,547,537)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlay	$ 15,286,939	
Depreciation expense	(5,014,114)	10,272,825
Governmental funds do not report capital assets and therefore do not report gains or losses on the disposal of those assets		(56,646)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(376,530)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Bond proceeds from issuances	$ (17,880,640)	
Principal debt payments	13,723,945	
Premium on debt issuances	(133,551)	
Discount on debt issuances	21,815	
Bond issuance costs	65,089	(4,203,341)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The following expenses did not require current financial resources:		
Other postemployment benefits	$ (22,226)	
Compensated absences	(60,538)	
Amortization of bond discounts, issuance costs, premiums, and deferrals	63,552	
Adjustment to bond interest payable	18,899	(313)
Governmental funds do not report capital assets and therefore do not report the contribution of capital assets.		920,599
Internal service funds are used by management to charge costs of certain activities, such as vehicle and property maintenance, to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental activities.		(211,389)
Change in internal service fund allocation to business-type activities.		54,784
Changes in net assets of governmental activities		$ (4,147,549)

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

City of Ankeny, Iowa

Statement of Net Assets
Proprietary Funds
June 30, 2010

	Water	Sewer	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	$ 1,519,950	$ 5,570,856	$ 217,199.00	$ 7,308,005	$ 4,746,619
Receivables:					
Interest	9,540	6,057	-	15,597	73
Accounts	655,780	815,063	201,870	1,672,713	960
Special Assessment	4,356	39,521	1,165	45,042	-
Intergovernmental	10	-	106	116	8,691
Prepaid expenses	-	-	-	-	74,218
Inventory	-	319	729	1,048	227,440
Due from other funds	2,514,237	10,263,402	-	12,777,639	637,670
Unamortized bond issuance costs	96,747	143,377	-	240,124	-
Total current assets	4,800,620	16,838,595	421,069	22,060,284	5,695,671
Noncurrent assets:					
Restricted cash and cash equivalents	1,188,111	1,878,142	-	3,066,253	-
Advances to other funds	-	-	-	-	1,012,637
Capital assets:					
Land	39,764	522,238	985,942	1,547,944	-
Construction-in-progress	5,059,163	7,103,959	3,490,658	15,653,780	-
Depreciable assets, net of accumulated depreciation	30,357,258	59,522,571	603,891	90,483,719	77,689
Total capital assets	35,456,185	67,148,768	5,080,491	107,685,443	77,689
Total noncurrent assets	36,644,296	69,026,910	5,080,491	110,751,696	1,090,325
Total assets	$ 41,444,916	$ 85,865,505	$ 5,501,560	$ 132,811,980	$ 6,785,997
Liabilities and Net Assets					
Liabilities:					
Current liabilities:					
Accounts payable	$ 329,198	$ 152,844	$ 518,740	$ 1,000,782	$ 36,484
Accrued wages	31,769	27,545	37,547	96,861	6,178
Due to other funds	-	-	318,696	318,696	192,165
Claims payable	-	-	-	-	92,411
Customer deposits	48,956	-	-	48,956	-
Unearned revenue	13,491	-	-	13,491	-
Bond and capital loan note interest payable	51,949	110,523	-	162,472	-
Bonds and capital loan notes payable, net of unamortized discount	813,543	1,763,847	-	2,577,390	-
Sewer development agreements payable	-	99,113	-	99,113	-
Early retirement benefit payable	-	-	-	-	100,859
Compensated absences payable	42,447	20,922	18,592	81,961	2,017
Total current liabilities	1,331,353	2,174,794	893,575	4,399,722	430,114
Noncurrent liabilities:					
Bonds and capital loan notes payable, net of unamortized discount	13,412,933	21,047,368	-	34,460,301	-
Early retirement benefit payable	-	-	-	-	234,920
Other postemployment benefits	4,250	3,701	2,056	10,007	1,097
Compensated absences payable	36,239	39,504	19,764	95,507	5,341
Advances from other funds	-	-	81,113	81,113	-
Total noncurrent liabilities	13,453,422	21,090,573	102,933	34,646,928	241,358
Total liabilities	14,784,775	23,265,367	996,508	39,046,650	671,472
Net Assets:					
Investment in capital assets, net of related debt	23,540,874	54,461,733	5,080,491	83,083,098	77,689
Restricted for:					
Debt service	1,139,155	1,878,142	-	3,017,297	-
Unrestricted	1,980,112	6,260,263	(575,439)	7,664,937	6,036,836
Total net assets	26,660,141	62,600,138	4,505,052	93,765,332	6,114,525
Total liabilities and net assets	$ 41,444,916	$ 85,865,505	$ 5,501,560		$ 6,785,997
	Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.			129,872	
	Net assets of business-type activities			$ 93,895,204	

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

City of Ankeny, Iowa

Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2010

	Water	Sewer	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Operating revenues:					
Charges for services	$ 5,611,334	$ 7,197,284	$ 2,595,623	$ 15,404,241	$ 3,651,766
Other	53,568	-	581,798	635,366	78,283
Total operating revenues	5,664,902	7,197,284	3,177,421	16,039,607	3,730,049
Operating expenses:					
Personal services	1,075,388	1,102,500	1,001,095	3,178,983	541,750
Contractual services	1,859,946	4,065,590	942,690	6,868,226	2,631,338
Operating supplies	2,238,370	224,516	346,313	2,809,199	522,782
Depreciation	903,213	1,627,895	86,102	2,617,210	18,794
Total operating expenses	6,076,918	7,020,500	2,376,201	15,473,618	3,714,664
Operating income (loss)	(412,016)	176,783	801,221	565,989	15,385
Nonoperating revenues (expenses):					
Interest earnings	29,067	25,812	-	54,879	75,810
Interest expense	(640,191)	(661,687)	(4,764)	(1,306,642)	-
Early retirement benefit expense	-	-	-	-	(302,583)
Total nonoperating revenues (expenses)	(611,124)	(635,875)	(4,764)	(1,251,763)	(226,773)
Net income (loss) before contributions and transfers	(1,023,140)	(459,092)	796,457	(685,774)	(211,389)
Capital contributions	55,841	113,650	98,312	267,803	-
Transfers in	84,000	-	500,000	584,000	-
Transfers out	(300,000)	(384,000)	(350,000)	(1,034,000)	-
Change in net assets	(1,183,299)	(729,442)	1,044,769	(867,971)	(211,389)
Total net assets, beginning	27,843,440	63,329,580	3,460,283		6,325,914
Total net assets, ending	$ 26,660,141	$ 62,600,138	$ 4,505,052		$ 6,114,525
	Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.			(54,784)	
	Change in net assets of business-type activities			$ (922,755)	

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

City of Ankeny, Iowa

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2010

	Water	Sewer	Nonmajor Enterprise Funds	Totals	Governmental Activities-Internal Service Funds
Cash flows from operating activities:					
Receipts from customers	$ 5,767,807	$ 7,329,958	$ 3,115,356	$ 16,213,121	$ 3,912,817
Payments to suppliers	(3,938,656)	(4,189,963)	(1,345,539)	(9,474,158)	(3,513,963)
Payments to employees	(1,061,517)	(1,092,190)	(982,642)	(3,136,349)	(243,335)
Net cash provided by operating activities	767,634	2,047,806	787,175	3,602,615	155,520
Cash flows from noncapital financing activities:					
Payments received on interfund accounts	1,985,942	6,796,561	-	8,782,503	683,627
Payments made on interfund accounts	-	-	(719,422)	(719,422)	-
Early retirement benefits payable	-	-	-	-	(201,550)
Loans issued to other funds	(598,420)	(6,980,743)	-	(7,579,163)	(500,354)
Loans received from other funds	30,000	30,000	35,000	95,000	-
Transfers from other funds	84,000	-	500,000	584,000	-
Transfers to other funds	(300,000)	(384,000)	(350,000)	(1,034,000)	-
Net cash provided (used) by noncapital financing activities	1,201,522	(538,182)	(534,422)	128,918	(18,277)
Cash flows from capital and related financing activities:					
Proceeds from long-term debt, net of bond issue costs	598,420	6,980,743	-	7,579,163	-
Purchase of capital assets	(2,066,263)	(6,883,120)	(49,688)	(8,999,071)	(25,657)
Principal paid on sewer development agreements	-	(125,187)	-	(125,187)	-
Interest paid on sewer development agreements	-	(7,780)	-	(7,780)	-
Principal paid on long-term debt	(737,089)	(1,377,966)	-	(2,115,055)	-
Interest paid on long-term debt	(633,700)	(688,572)	-	(1,322,272)	-
Net cash (used) by capital and related financing activities	(2,838,632)	(2,101,882)	(49,688)	(4,990,202)	(25,657)
Cash flows from investing activities:					
Interest received	41,109	28,057	-	69,166	64,136
Net cash provided by investing activities	41,109	28,057	-	69,166	64,136
Net increase (decrease) in cash and cash equivalents	(828,367)	(564,201)	203,064	(1,189,504)	175,721
Balances, beginning of year	3,536,428	8,013,199	14,135	11,563,762	4,570,898
Balances, end of year	$ 2,708,061	$ 7,448,998	$ 217,199	$ 10,374,258	$ 4,746,619
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	$ (412,016)	$ 176,783	$ 801,221	$ 565,989	$ 15,385
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	903,213	1,627,895	86,102	2,617,210	18,794
Changes in assets and liabilities:					
Receivables, net	102,905	132,675	(62,065)	173,515	182,765
Prepaid expenses	-	-	-	-	138
Inventory	-	(319)	(729)	(1,048)	4,349
Accounts and other payables	173,531	110,772	(37,354)	246,949	(17,289)
Claims payable	-	-	-	-	(48,622)
Net cash provided by operating activities	$ 767,634	$ 2,047,806	$ 787,175	$ 3,602,615	$ 155,520
Noncash capital and related financing activities:					
Contribution of capital assets	$ 55,841	$ 113,650	$ 98,312	$ 267,803	$ -

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

City of Ankeny, Iowa

Statement of Assets and Liabilities
Agency Funds
June 30, 2010

Assets:		
Cash and cash equivalents	$	95,985
Receivables, interest		45
Total Assets	$	96,030
Liabilities:		
Monies held for other agencies	$	96,030

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

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

The City of Ankeny has quickly grown to an organization with over 375 employees and offers a wide variety of services including police and fire protection, library services, street maintenance, a public golf course, parks and recreation facilities and activities, planning and zoning, general administration and water and sewer services.

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

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

Component Units

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

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

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

The Ankeny Arts Council was established for the purpose of the promotion of performing and fine arts within the City. All board members are appointed by the Mayor. The Ankeny Arts Council's fiscal year end is December 31. The Ankeny Arts Council is a discretely presented component unit because the relationship between the City and the Ankeny Arts Council is such that without the Ankeny Arts Council's financial presentation, the City's financial statements would be incomplete. However, the relationship between the City and the Ankeny Arts Council does not meet the criteria for blending their financial data. The financial data presented for the Ankeny Arts Council is from the last fiscal year-end, which was December 31, 2009.

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

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

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

The City has the following fund types:

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

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

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

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

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

Governmental funds include the following fund types:

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

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

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

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

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

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

Proprietary funds include the following fund types:

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

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

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

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

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

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

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

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

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

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

GASB Statement No. 34 sets forth the minimum criteria for the determination of major funds. If a fund's assets, liabilities, revenues or expenditures/expenses are at least ten percent of those of its fund type and at least five percent of those of both governmental funds and enterprise funds, then it must be a major fund.

The City has the following major governmental funds:

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

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

The *Tax Increment Financing Fund,* a special revenue fund, accounts for taxes collected on the incremental increase in the value of property located

within the tax increment financing districts and to be used for activities within those districts.

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

The City has the following major enterprise funds:

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

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

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

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

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

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

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

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

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

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

C. Assets, Liabilities and Fund Equity

Cash, Cash Equivalents and Investments

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

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

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by City Council; Iowa Public Agency Investment Trust (IPAIT); prime eligible bankers acceptances; certain highly rated commercial paper or other short-term corporate debt; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Investments for the City are reported at their fair value based on market prices as of June 30.

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

Property Taxes Receivable

Property taxes are recognized as a receivable at the time an enforceable legal claim is established. This is determined to occur when the budget is certified. No property tax levy date is established by the State of Iowa; however, the current tax levy which is due and collectable during the year ending June 30, 2010, was certified on March 15, 2009, by the local taxing authority, Polk

County, Iowa, based on January 1, 2008, valuations establishing a lien date of March 15, 2009. Property taxes are due in two installments with the first half becoming delinquent after September 30 and the second half after March 31 of the following year. Property taxes are recognized as revenue at year-end if they are measurable and are available to pay current liabilities.

Property taxes certified on March 15, 2010, for the fiscal year beginning on July 1, 2010, are recognized as a receivable as of June 30, 2010, but are shown as deferred revenue because these taxes are not permitted for use until July 1, 2010.

Inventory and Prepaid Items

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

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

Interfund Balances

Transactions between funds that are representative of long-term lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “advances to/from other funds” to indicate the non-current nature of the interfund loans. All other outstanding balances between funds are expected to be repaid within one year and reported as “due to/from other funds.”

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

Restricted Assets

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

The City also has restricted assets relating to customer deposits.

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

Capital Assets

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

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

Assets	Threshold
Infrastructure	$ 50,000
Other improvements	25,000
Buildings	25,000
Machinery and equipment	5,000
Furniture and fixtures	5,000
Land	0

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

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

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

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

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is payable to employees upon

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

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

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

Long-term Obligations

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

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

Fund Equity

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

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt, excludes unspent debt proceeds. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through

external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net assets consist of $644,531 restricted by donors, $663,182 restricted by other governments, $494,812 restricted through enabling legislation and $5,914,145 restricted for debt service.

Use of Estimates

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

NOTE 3 - DEPOSITS AND INVESTMENTS

As of June 30, 2010, the City had investments in debt securities with the following original maturities:

	Original Maturity			
Investment Type	Within 6 Months	6 Months to 1 Year	1 Year to 3 Years	Totals
Corporate bonds	-	-	103,461	103,461
	$ -	$ -	$ 103,461	$ 103,461

The City held certificates of deposit totaling $12,003,000 at June 30, 2010. Of this total, $11,003,000 had original maturities of 6 months to 1 year and $1,000,000 had original maturities of 1 year to 3 years.

Risk Exposure

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

The City manages its exposure to *concentration risk* by limiting its purchase of commercial paper and other short-term corporate debt to no more than 10% of

its investment portfolio and to no more than 5% in the securities of a single issuer.

The City manages its exposure to *credit risk* by limiting its purchase of commercial paper and other short-term corporate debt to securities rated in the two highest classifications as established by one of the standard rating services approved by the State of Iowa Superintendent of Banking. Ratings are evaluated at time of purchase. The corporate bond of $103,461 held by the City was rated A2 by Moody's Investors Service.

Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2010, the carrying amount of the City's cash deposits, which include certificates of deposit, totaled $46,465,691 with bank balances of $47,304,621. The bank balances are covered entirely by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

As of December 31, 2009, the carrying amount of the Arts Council's (a discretely presented component unit) cash deposits totaled $19,041 with bank balances of $22,030. The bank balances are covered entirely by federal depository insurance.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010, is as follows:

	Balance June 30, 2009	Increases	Decreases	Balance June 30, 2010
Governmental activities:				
Undepreciated:				
Land	$ 7,270,406	$ 57,800	$ 0	$ 7,328,206
Construction in progress	48,072,435	12,776,827	15,484,080	45,365,182
Total, undepreciated	55,342,841	12,834,627	15,484,080	52,693,388
Depreciated:				
Other improvements	12,820,503	2,207,633	0	15,028,136
Infrastructure	97,533,270	7,788,442	0	105,321,712
Buildings	17,018,150	8,148,479	0	25,166,629
Machinery and equipment	12,033,300	723,514	241,441	12,515,373
Furniture and fixtures	1,445,131	14,575	0	1,459,706
Total, depreciated	140,850,354	18,882,643	241,441	159,491,556
Accumulated depreciation:				
Other improvements	4,493,829	903,081	0	5,396,910
Infrastructure	19,387,791	2,182,613	0	21,570,404
Buildings	6,209,155	799,999	0	7,009,154
Machinery and equipment	7,344,669	1,105,174	184,795	8,265,048
Furniture and fixtures	1,231,209	23,247	0	1,254,456
Total accumulated depreciation	38,666,653	5,014,114	184,795	43,495,972
Governmental activities capital assets, net	$ 157,526,542	$ 26,703,156	$ 15,540,726	$ 168,688,972

	Balance June 30, 2009	Increases	Decreases	Balance June 30, 2010
Business-type activities:				
Undepreciated:				
Land	$ 1,377,088	$ 170,856	$ 0	$ 1,547,944
Construction in progress	15,125,422	7,696,792	7,168,434	15,653,781
Total, undepreciated	16,502,510	7,867,648	7,168,434	17,201,725
Depreciated:				
Other improvements	531,372	0	0	531,372
Infrastructure	110,202,092	8,314,584	0	118,516,676
Buildings	911,926	75,714	0	987,640
Machinery and equipment	2,192,161	179,085	54,675	2,316,571
Furniture and fixtures	34,156	30,386	0	64,542
Total, depreciated	113,871,707	8,599,769	54,675	122,416,801
Accumulated depreciation:				
Other improvements	298,342	24,896	0	323,238
Infrastructure	27,299,494	2,349,855	0	29,649,348
Buildings	462,437	19,844	0	482,281
Machinery and equipment	1,306,555	217,680	52,665	1,471,570
Furniture and fixtures	1,708	4,934	0	6,642
Total accumulated depreciation	29,368,536	2,617,209	52,665	31,933,079
Business-type activities capital assets, net	$ 101,005,681	$ 13,850,208	$ 7,170,444	$ 107,685,447

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

Governmental activities:	
Public safety	$ 903,299
Health and social services	4,284
Culture and recreation	1,048,748
Public works	2,862,401
General government	195,382
Total depreciation expense - governmental activities	$ 5,014,114
Business-type activities:	
Water	$ 903,212
Sewer	1,627,895
Storm water	23,021
Otter Creek golf course	63,081
Total depreciation expense - business-type activities	$ 2,617,210

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due To/From Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor, internal service	$ 192,165
Water	Debt service	210,075
	Capital projects	2,184,162
	Enterprise, storm water	120,000
Sewer	Debt service	68,271
	Capital projects	10,075,131
	Enterprise, storm water	120,000
Nonmajor, internal service	General fund	309,018
	Special revenue, road use tax	249,956
	Enterprise, storm water	29,209
	Enterprise, Otter Creek golf course	49,487
		$13,607,474

Advances To/From Other Funds:

Receivable Fund	Payable Fund	Amount
Nonmajor, internal service	General fund	$ 512,560
	Special revenue, road use tax	418,964
	Enterprise, storm water	45,196
	Enterprise, Otter Creek golf course	35,917
		$ 1,012,637

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

Interfund transfers for the year ended June 30, 2010 were as follows:

	Transfers In						
	General	Debt Service	Capital Projects	Water	Nonmajor Governmental	Nonmajor Enterprise	Total
Transfers Out:							
General	-	-	25,000	-	891,091	-	916,091
Tax Increment Financing	-	3,719,599	-	-	-	-	3,719,599
Water	200,000	-	-	-	100,000	-	300,000
Sewer	200,000	-	-	84,000	100,000	-	384,000
Nonmajor governmental	178,800	-	2,522,291	-	105,000	500,000	3,306,091
Nonmajor enterprise	-	-	350,000	-	-	-	350,000
	578,800	3,719,599	2,897,291	84,000	1,196,091	500,000	8,975,781

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

NOTE 6 - DEFERRED REVENUE

Under both the accrual and the modified accrual methods of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset with a corresponding liability for deferred (unearned) revenue. The following funds had deferred (unearned) revenue at June 30, 2010:

General	Succeeding year taxes	$ 13,861,343
Debt Service	Succeeding year taxes	7,256,548
Special Revenue:		
Tax Increment Financing	Succeeding year taxes	5,450,855
	DART lease agreement	240,160
Police/Fire Pension	Succeeding year taxes	753,640
Water	Unearned charges	13,491
		$27,576,037

Governmental funds also record deferred (unavailable) revenue for revenues that have been earned but are not available to liquidate current liabilities. The following funds had deferred (unavailable) revenues at June 30, 2010:

General	Delinquent taxes	$ 14,310
	Accounts receivable	180,404
	Special Assessments	2,803
Debt Service	Delinquent taxes	7,219
Special Revenue:		
Police/Fire Pension	Delinquent taxes	769
Civic Trust	Accounts receivable	1,200,000

Capital Projects:		
Capital Projects	Accounts receivable	1,834
Special Assessments	Special assessments	740,467
		$ 2,147,806

NOTE 7 - LONG-TERM DEBT

General Obligation Bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of infrastructure, major capital facilities, and other major capital assets. General obligation bonds have been issued for both general government and proprietary activities. These bonds are reported in proprietary funds if they are expected to be repaid from proprietary fund revenues. General obligation bonds as of June 30, 2010 consist of the following individual issues:

Debt	Issue Date	Final Maturity	Amount Issued	Interest Rate Range Outstanding	Balance June 30, 2010
Various public improvements	05/01/03	06/01/14	$ 9,000,000	3.375 - 3.700	$ 3,925,000
Various public improvements	05/27/05	06/01/18	14,790,000	3.700 - 4.050	10,625,000
Various public improvements	05/30/06	06/01/17	5,695,000	4.125 - 4.250	4,230,000
Various public improvements	05/30/07	06/01/18	13,040,000	4.000	10,835,000
Various public improvements	05/15/08	06/01/19	11,985,000	3.250 - 4.000	10,970,000
Public safety facilities	05/15/08	06/01/28	22,425,000	3.000 - 4.625	22,325,000
Landfill remediation	04/08/09	06/01/28	3,000,000	3.000	2,881,000
Various public improvements	05/15/09	06/01/28	32,010,000	3.000 - 4.375	32,010,000
Refunding	05/15/09	06/01/12	2,220,000	4.000 - 5.000	1,285,000
Various public improvements	05/15/09	06/01/11	13,200,000	3.000	13,200,000
Refunding	05/15/10	06/01/21	7,920,000	3.000 - 3.250	7,920,000
Various public improvements	06/15/10	06/01/12	11,055,000	1.000	11,055,000
			$ 146,340,000		$ 131,261,000

On May 15, 2010, the City issued $7,920,000 of general obligation refunding bonds at a premium of $145,381 for the purpose of refunding the series 2002A and 2002B general obligation bonds and the 2008A bond anticipation notes in the amount of $7,925,000. The refunding bonds were issued to reduce future debt service payments. As a result of this refunding, the City reduced its debt service requirements by $110,672 for a present value savings of $105,592.

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

Year Ending June 30	General Obligation Principal	General Obligation Interest	Total
2011	$ 22,458,000	$ 4,648,843	$ 27,106,843
2012	20,527,000	3,927,360	24,454,360
2013	9,541,000	3,488,488	13,029,488
2014	9,224,000	3,135,489	12,359,489
2015	8,629,000	2,787,619	11,416,619
2016-2020	37,543,000	8,774,226	46,317,226
2021-2025	14,962,000	3,651,863	18,613,863
2026-2029	8,377,000	765,619	9,142,619
	$ 131,261,000	$ 31,179,507	$ 162,440,507

Accumulated fund balances in the Debt Service fund are legally restricted for the repayment of debt service. The fund balance at June 30 in the Debt Service fund is $2,896,848.

Sewer revenue bonds/capital loan notes. The City issues capital loan notes and sewer revenue bonds to provide for the construction of sewer system infrastructure. These notes are reported in the sewer fund in the enterprise funds. Sewer revenue bonds and capital loan notes as of June 30, 2010 consist of the following issues:

Debt	Issue Date	Final Maturity	Amount Issued	Interest Rate Range Outstanding	Balance June 30, 2010
Various sewer improvements	12/13/91	05/01/12	$ 925,000	3.000	$ 135,000
Various sewer improvements	05/02/94	05/01/15	1,785,000	3.000	598,000
Various sewer improvements	04/07/97	05/01/17	4,344,000	3.920	1,244,000
Various sewer improvements	12/15/08	05/01/28	6,130,000	4.000 - 6.375	5,930,000
Rock Creek lateral sewer	01/20/10	05/01/30	3,642,000	3.000	3,642,000
Rock Creek lateral sewer	01/20/10	05/01/30	902,000	3.000	902,000
Landfill remediation	02/10/10	05/01/29	2,000,000	3.000	1,926,000
			$ 19,728,000		$ 14,377,000

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

Year ending June 30	Principal	Interest	Total
2011	1,096,000	513,836	1,609,836
2012	997,000	527,330	1,524,330
2013	852,000	495,220	1,347,220
2014	676,000	467,410	1,143,410
2015	705,000	444,780	1,149,780
2016-2020	3,001,000	1,887,636	4,888,636
2021-2025	3,672,000	1,233,665	4,905,665
2026-2030	3,378,000	353,859	3,731,859
	$ 14,377,000	$ 5,923,736	$ 20,300,736

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay $19,728,000 in sewer revenue bonds and capital loan notes. Proceeds from the bonds and notes provided financing for various sewer improvement projects. The bonds and notes are payable solely from sewer customer net revenues and are payable through 2030. Annual principal and interest payments on the bonds and notes are expected to require less than 90 percent of net revenues. The total principal and interest remaining to be paid on the bonds and notes is $20,300,736. Principal and interest paid for the current year and total customer net revenues were $2,199,505 and $1,830,491, respectively.

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

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

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

The amount restricted in the Sewer Fund as of June 30, 2010 relating to these provisions is $1,878,142.

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

and then deed it over to the City. Once the sewer is completed and deeded over, the City will make payments plus interest over a five-year period to reimburse the developer for their construction cost. Connection fees from a developed area are applied to the sewer agreement's principal balance. Sewer development agreements as of June 30, 2010 consist of the following:

Debt	Year Accepted	Final Maturity	Construction Cost	Interest Rate Outstanding	Balance June 30, 2010
Ledgestone Plat 1	2005	07/01/10	$ 272,559	3.8854%	$ 30,064
Avondale Trace Plat 1	2005	07/01/10	298,005	3.3800%	21,854
Clover Ridge West	2006	07/01/10	267,845	3.3800%	47,195
			$ 838,409		$ 99,113

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

Year Ending June 30	Principal	Interest	Total
2011	99,113	5,218	104,330

Water revenue bonds/capital loan notes. The City issues water revenue bonds and capital loan notes to provide for the construction of water system infrastructure. This debt is reported in the water fund in the enterprise funds. Water revenue bonds and capital loan notes as of June 30, 2010 consist of the following issues:

Debt	Issue Date	Final Maturity	Amount Issued	Interest Rate Range Outstanding	Balance June 30, 2010
Eastside Rual Water Phase 1	10/22/01	06/01/21	$ 908,000	3.000	$ 564,000
Various water improvements	11/21/05	06/01/25	4,025,000	4.000 - 4.625	3,300,000
Various water improvements	12/15/06	06/01/26	3,890,000	3.700 - 4.300	3,470,000
Various water improvements	12/15/08	06/01/28	4,400,000	4.000 - 6.375	4,255,000
			$ 13,223,000		$ 11,589,000

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

Year ending June 30	Principal	Interest	Total
2011	$ 504,000	$ 519,595	$ 1,023,595
2012	530,000	500,325	1,030,325
2013	552,000	480,055	1,032,055
2014	573,000	458,940	1,031,940
2015	600,000	437,025	1,037,025
2016-2020	3,421,000	1,800,659	5,221,659
2021-2025	4,074,000	982,048	5,056,048
2026-2028	1,335,000	145,331	1,480,331
	$ 11,589,000	$ 5,323,978	$ 16,912,978

The City has pledged future water customer revenues, net of specified operating expenses, to repay $13,223,000 in water revenue bonds and capital loan notes. Proceeds from the bonds and notes provided financing for various water improvement projects. The bonds and notes are payable solely from water customer net revenues and are payable through 2028. Annual principal and interest payments on the bonds and notes are expected to require less than 90 percent of net revenues. The total principal and interest remaining to be paid on the bonds and notes is $16,912,978. Principal and interest paid for the current year and total customer net revenues (operating revenues plus depreciation expense) were $1,370,789 and $520,264, respectively.

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

> Cash from the Water Fund shall be transferred monthly into the Water Sinking Fund to pay the interest on, and to redeem the principal amount of, the bonds at maturity. The monthly transfers must be equal to one-sixth of the interest due on the next payment date plus one-twelfth of the principal maturing on the next retirement date.
>
> Cash from the Water Fund shall be transferred into the Water Reserve Fund to maintain a balance which is equal to the lesser of 1) the maximum amount of principal and interest coming due on the notes in any succeeding fiscal year, 2) 10% of the stated principal amount of the notes and any parity obligations outstanding, or 3) 125% of the average amount of principal and interest coming due on the notes and any parity obligations in any succeeding fiscal year.

The amount restricted in the Water Fund as of June 30, 2010 relating to these provisions is $1,139,155.

Changes in Long-term Debt. The following is a summary of the changes in the long-term debt of the City for the year ended June 30, 2010.

Governmental activities:					
General obligation bonds	$ 115,893,520	$ 17,880,640	$ 13,588,031	$ 120,186,129	$ 21,481,447
Other postemployment benefits	23,249	22,744	-	45,993	-
Compensated absences	431,679	436,063	371,073	496,669	427,204
Early retirement	234,746	155,350	54,317	335,779	100,859
Total governmental activities	116,583,194	18,494,797	14,013,421	121,064,570	22,009,510
Business-type activities:					
General obligation bonds	10,801,480	1,094,360	820,969	11,074,871	976,553
Water revenue bonds	11,470,000	-	445,000	11,025,000	460,000
Sewer revenue bonds	6,130,000	6,544,000	274,000	12,400,000	420,000
Capital loan notes	3,252,000	-	711,000	2,541,000	720,000
Sewer development agreements	224,300	20,847	146,034	99,113	99,113
Other postemployment benefits	5,351	4,656	-	10,007	-
Compensated absences	178,566	84,715	85,814	177,467	81,961
Total business-type activities	32,061,697	7,748,578	2,482,817	37,327,458	2,757,627

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

	Governmental Activities	Business-type Activities
Discounts:		
Current	$ 17,721	$ 12,230
Noncurrent	186,309	193,759
Total	$ 204,030	$ 205,989
Premiums:		
Current	$ 138,154	$ 13,067
Noncurrent	1,026,738	189,741
Total	$ 1,164,892	$ 202,808

NOTE 8 - DEFICIT FUND EQUITY

The following fund has a deficit fund balance or net assets as of June 30, 2010:

Road use tax fund	($ 451,505)

The road use tax fund deficit will be eliminated by future revenues.

NOTE 9 - RETIREMENT SYSTEMS

Iowa Public Employees Retirement System (IPERS)

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

Plan members are required to contribute 4.30% of their annual covered salary and the City is required to contribute 6.65% of annual covered payroll, except covered firefighters who contribute 6.14% and the City contributes 9.20%. Contribution requirements are established by State statute. The City's contribution to IPERS for the years ended June 30, 2010, 2009, and 2008 were $631,912, $572,991, and $500,404, respectively, equal to the required contributions for each year.

Municipal Fire and Police Retirement System of Iowa (MFPRSI)

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

Plan members are required to contribute 9.40% of their earnable compensation and the City's contribution rate is 17.00% of earnable compensation. Contribution requirements are established by State statute. The City's contributions to MFPRSI for the years ended June 30, 2010, 2009, and 2008 were $552,553, $545,111, and $684,696, respectively, which met the required minimum contributions for each year.

NOTE 10 - DEFERRED COMPENSATION PLAN

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

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

As a part of the City's contract with the City Manager, the City has decided to accumulate funds in accordance with Internal Revenue Code section 457(f) at a rate of $19,050 per year plus interest which are to be designated as a retirement benefit for the City Manager until his expected retirement date of June 30, 2012. The City is not liable for any provisions of this contract nor required to reserve or invest funds under this agreement until the expected retirement date. Unreserved general fund balance of $118,774 has been designated towards the future provisions of the agreement.

NOTE 11 - RISK MANAGEMENT AND INSURANCE

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

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

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

The City's property and casualty contributions to the risk pool are recorded as disbursements from its operating funds at the time of payment to the risk pool. The City's annual contributions to ICAP for the year ended June 30, 2010 were $257,392.

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

ICAP's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhaust total member's equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. As of June 30, 2010, settled claims have not exceeded the risk pool or reinsurance coverage since ICAP's inception.

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

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

Health Insurance

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

per person and an aggregate stop loss deductible of $1,821,600. Coverage from a private insurance company is maintained for losses in excess of both the individual and the aggregate stop loss deductibles. The City had one individual stop loss claim of $21,537 and no outstanding aggregate stop loss claims as of June 30, 2010. An independent claims administrator performs the handling of all claims and procedures. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims payable includes all known claims and an amount for claims that have been incurred but not reported (IBNR). Changes in the balances of claims payable are as follows:

	2010	2009
Claims payable, beginning of year	$ 145,484	$ 143,017
Incurred claims (including IBNR)	1,983,853	1,716,652
Claims payments	(2,036,926)	(1,714,185)
Claims payable, end of year	$ 92,411	$ 145,484

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

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS

The City participates in the Polk County Aviation Authority (PCAA) that operates the Ankeny Regional Airport. The City, along with Polk County, Altoona, and Bondurant, form the PCAA. The City appoints two board members of the seven-member board. In addition, the City levies a property tax of $.14821 per thousand dollars of taxable valuation for the Authority. The City paid $274,659 to the PCAA in fiscal year 2010.

The City participates in the Metro Waste Authority (MWA). The MWA is responsible for the management of the metro landfill, transfer station, compost center, and recycling center and operates the Curb It! recycling program. The MWA has 17 members, including Ankeny, with each appointing one representative. The City charges residents a monthly fee to help recover the City's cost of the Curb It! recycling program. The City paid fees totaling $384,119 in fiscal year 2010.

The City is a member of the Des Moines Metro Area Planning Organization (MPO) that is responsible for transportation planning and federal grants allocation within the area. There are 18 member governments that appoint 25 voting representatives. The City appoints two members. The City paid $21,697 in membership dues for fiscal year 2010.

The City is a full member of the Des Moines Area Regional Transportation Authority (DART). DART has 18 member cities and Polk County, which are represented by nine board members. In fiscal year 2007, DART no longer charged member cities for annual contributions, but instead levied a property

tax through Polk County. In addition, the City received $316,000 in fiscal year 2004 from DART for prepayment of a 25-year lease for a Park-and-Ride lot that started on July 1, 2004. The balance remaining on the lease is $240,160 as of June 30, 2010.

The City is a member of the Des Moines Metropolitan Wastewater Reclamation Authority (WRA), which is a separate entity created by agreement in accordance with Chapter 28E of the Code of Iowa. The purpose of the organization is for the planning, construction, operation, and management of sewer related facilities. The WRA has 14 member governments with a governing board of 19 representatives of which the City appoints 2 representatives. The City paid membership and participation fees during fiscal year 2010 of $2,039,527.

NOTE 13 – OPERATING LEASES

The City leases office space known as the Parks and Recreation Building under a non-cancelable operating lease. The original term of the lease was for ten years; however the lease was amended in November 2005 to extend the term to February 29, 2016. The following is a schedule of the future minimum lease payments required under the operating lease:

Fiscal Year	Amount
2011	87,920
2012	66,000
2013	66,000
2014	66,000
2015	66,000
2016	44,000
Total remaining payments	$395,920

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

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

Fiscal Year	Amount
2011	162,204
2012	174,372
2013	186,540
2014	186,540
2015	186,540
2016 - 2017	279,810
Total remaining payments	$ 1,176,006

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

The City has a long-term lease agreement with the Des Moines Waterworks (DMWW) for the production and supply of drinking water. Under the terms of the agreement, the City agrees to pay DMWW for the cost of the debt that was issued to build the infrastructure and facilities necessary to make the water available to the City. The remaining reimbursement is scheduled until December 1, 2026 and with payments scheduled as follows:

Fiscal Year	Amount
2011	914,138
2012	910,238
2013	910,638
2014	905,338
2015	909,237
2016 - 2020	4,561,086
2021 - 2025	4,590,719
2026 - 2027	1,848,313
Total remaining payments	$ 15,549,707

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

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

Fiscal Year	Amount
2011	322,131
2012	322,131
2013	322,131
2014	322,131
2015	322,131
2016 - 2020	1,610,654
2021 - 2024	1,288,523
Total remaining payments	$ 4,509,831

The City entered into a lease for space known as the Park Maintenance Building under a non-cancelable operating lease. The original term of the lease was for two years with the option to renew for an additional two years. The renewal option was exercised in May 2010, extending the lease to August 31, 2012. The following is a schedule of the future minimum lease payments required under the operating lease:

Fiscal Year	Amount
2011	39,000
2012	39,000
2013	6,500
Total remaining payments	$ 84,500

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

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

Fiscal Year	Amount
2011	57,442
2012	57,442
2013	57,442
Total remaining payments	$ 172,326

NOTE 14 - CONDUIT DEBT OBLIGATIONS

The City has previously assisted in issuing industrial revenue bonds for the purposes of constructing privately owned industrial, health care, and airport

facilities within the City. The bonds are not direct or contingent liabilities of the City, as the revenue from lease agreements and property purchased with the bond proceeds are pledged for the total payment of principal and interest on the bonds and the bondholders can look only to these sources for repayment.

The following summarizes the outstanding issues in which the City assisted at June 30, 2010:

Company	Type	Issue Year	Amount Issued	Amount Outstanding	Final Maturity
On With Life, Inc.	Health care facility	2005	$ 3,440,000	$ 2,660,000	2020

NOTE 15 - COMMITMENTS AND CONTINGENCIES

The City has outstanding commitments for purchase orders that have been issued to various vendors. For budgetary purposes, these commitments are considered encumbrances. The City's encumbrances at June 30, 2010 totaled $1,843,251.

The City has outstanding commitments for construction projects including police station construction, aquatic center construction, street improvements, park and recreation improvements, utility improvements and other construction and engineering projects. The City's commitment to these contracts at June 30, 2010 is $13,656,864.

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

NOTE 16 - OTHER POST EMPLOYEMENT BENEFITS

Plan Description - The City operates a single-employer heath care plan which provides medical, prescription drug and dental benefits for retirees and their spouses. Employees who have attained age 55 and retire from active employment are eligible for retiree benefits. There are 191 active and 3 retired members in the plan.

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

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2010, the City contributed $5,600.

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

The following table shows the components of the City's annual OPEB cost for the year ended June 30, 2010, the amount actually contributed to the plan and changes in the City's net OPEB obligation:

Annual required contribution	$	31,800
Interest on net OPEB obligation		1,200
Adjustment to annual required contribution		-
Annual OPEB cost (expense)		33,000
Contributions made		5,600
Increase in net OPEB obligation		27,400
Net OPEB obligation – July 1, 2009		28,600
Net OPEB obligation – June 30, 2010	$	56,000

The City's annual OPEB cost, the percentage of annual OPEB costs contributed to the plan, and the net OPEB obligation for fiscal year 2010 follows.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	$33,000	16.97%	$56,000

Funded Status and Funding Progress – As of July 1, 2007, the most recent actuarial valuation date for the period July 1, 2009 through June 30, 2010, the actuarial accrued liability was $203,600, with no actuarial assets, resulting in an unfunded actuarial accrued liability (UAAL) of $203,600. The covered payroll (annual payroll of active employees covered by the plan) was $11,554,485 and the ratio of the UAAL to covered payroll was 1.76%. As of June 30, 2010, there were no trust fund assets.

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

supplementary information in the section following the notes to the financial statements, will present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

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

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

NOTE 17 - TERMINATION BENEFITS

The City offers a voluntary early retirement program to its employees. Eligible employees must be at least age fifty-five and vested in IPERS or MFPRSI. The City will contribute an amount equal to 70% of the employee's base salary at the time of retirement into Vantage Care (ICMA-RC) Retirement Health Savings (RHS) Plan. In addition, the eligible employee may contribute on the date of retirement the value of any unused earned paid time off that would normally be paid at retirement and/or separation from service. Early retirement benefits paid during the fiscal year ended June 30, 2010 totaled $335,779.

NOTE 18 - NEW PRONOUNCEMENTS

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

Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued July 2007, effective 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. This statement had no effect to the City as easements were previously included as capital assets.

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

Statement No. 58, Accounting and Financial Reporting for Chapter 9 Bankruptcies, issued December 2009, effective June 30, 2010. This Statement establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. This statement had no effect to the City.

As of June 30, 2010, the GASB had issued the following statement not yet implemented by the City. The Statement, which might impact the City, is as follows:

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

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

Required Supplementary Information

City of Ankeny, Iowa

Required Supplementary Information
Budgetary Comparison Schedule (Cash Basis) - All Governmental and Proprietary Funds
For the Year Ended June 30, 2010

	Governmental Fund Types Actual	Proprietary Fund Types Actual	Total All Budgeted Funds Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive (Negative)
Revenues:						
Property taxes	$ 20,740,692	-	$ 20,740,692	$ 20,703,510	$ 20,679,028	$ 61,664
Tax increment financing	4,993,002	-	4,993,002	4,961,331	4,961,331	31,671
Other city taxes	1,404,195	-	1,404,195	1,382,219	1,388,788	15,407
Licenses and permits	886,901	5,997	892,898	893,500	826,600	66,298
Use of money and property	586,936	164,344	751,280	1,688,920	753,487	(2,207)
Intergovernmental revenue	5,121,378	9,647	5,131,025	16,260,765	4,548,574	582,451
Charges for services	1,668,357	16,102,295	17,770,652	18,805,453	18,949,960	(1,179,308)
Special assessments	42,998	-	42,998	875,000	35,000	7,998
Miscellaneous	3,421,522	-	3,421,522	10,340,450	10,108,570	(6,687,048)
Total revenues	38,865,981	16,282,283	55,148,264	75,911,148	62,251,338	(7,103,074)
Expenditures/Expenses:						
Public safety	9,559,972	-	9,559,972	10,429,117	10,240,444	680,472
Public works	3,826,049	-	3,826,049	3,828,292	3,962,972	136,923
Health and social services	271,257	-	271,257	345,698	311,270	40,013
Culture and recreation	4,698,277	-	4,698,277	4,886,609	4,995,201	296,924
Community and economic development	2,360,735	-	2,360,735	2,844,803	2,820,849	460,114
General government	2,566,305	-	2,566,305	2,667,135	2,646,244	79,939
Debt service	12,948,768	-	12,948,768	10,901,083	12,973,366	24,598
Capital projects	37,816,563	-	37,816,563	55,767,226	43,923,473	6,106,910
Business-type	-	15,364,298	15,364,298	14,920,489	16,037,551	673,253
Total expenditures/expenses	74,047,926	15,364,298	89,412,224	106,590,452	97,911,370	8,499,146
Excess (deficiency) of revenues over (under) expenditures/expenses	(35,181,945)	917,985	(34,263,960)	(30,679,304)	(35,660,032)	(1,396,072)
Other financing sources, net	24,627,415	(1,516,551)	23,110,864	23,800,000	21,400,000	(1,710,864)
Excess (deficieny) of revenues and other financing sources over (under) expenditures/expenses and other financing uses	(10,554,530)	(598,566)	(11,153,096)	(6,879,304)	(14,260,032)	(3,106,936)
Beginning fund balance, July 1	42,426,891	10,500,144	52,927,035	52,765,214	52,927,035	0
Ending fund balance, June 30	$ 31,872,361	$ 9,901,578	$ 41,773,939	$ 45,885,910	$ 38,667,003	$ 3,106,936

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

City of Ankeny, Iowa

Explanation of Differences Between Budgetary Basis and GAAP Basis Revenues and Expenditures for the Governmental Funds For the Year Ended June 30, 2010

Revenues and other financing sources:	
Actual amount of "total revenues and other financing sources" on a budgetary basis from the budgetary comparison schedule - program budget	$ 71,435,177
On a budgetary basis, the City does not record revenues until the cash has been received. This differs from GAAP, which records revenues as they are earned and available.	(2,944,106)
Investments are recorded at their market value on a GAAP basis while on a budget basis, investments are recorded at their net cost including accrued interest	3,461
The Arts Council is included as a governmental fund on a budget basis but is reported as an agency fund on a GAAP basis.	(1,456)
On a budget basis, separate funds may be created for management purposes, but on a GAAP basis these funds are combined into the general fund.	(19,050)
On a budgetary basis, capital projects for water and sewer construction are recorded in the Capital Projects fund. On a GAAP basis, this activity is recorded in the related enterprise fund as assets. Related bond proceeds are recorded as enterprise fund debt and an interfund liability. Fund transfers between the Capital Projects fund and the enterprise funds are eliminated.	(1,114,192)
Transfers from enterprise funds to the Debt Service fund for bond principal and interest payments are reported as transfers on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis.	(1,066,551)
Total GAAP basis revenues and other financing sources for the governmental funds	$ 66,293,283
Expenditures and other financing uses:	
Actual amount of "expenditures and other financing uses" on a budgetary basis from the budgetary comparison schedule - program budget	$ 81,989,707
On a budgetary basis, the City does not record expenditures until the cash has been paid. This differs from GAAP, which records expenditures as the liability is incurred.	(1,454,168)
Purchases related to loans from the Equipment Reserve fund are reported in that fund on a budgetary basis. On a GAAP basis, the borrowing fund records a liability and corresponding expenditure for the equipment purchase.	385,206
On a budgetary basis, capital projects for water and sewer construction are recorded in the Capital Projects fund. On a GAAP basis, this activity is recorded in the related enterprise fund as assets. Related bond proceeds are recorded as enterprise fund debt and an interfund liability. Fund transfers between the Capital Projects fund and the enterprise funds are eliminated.	(2,368,655)
On a budget basis, separate funds may be created for management purposes, but on a GAAP basis these funds are combined into the general fund.	(19,050)
Transfers from enterprise funds to the Debt Service fund for bond principal and interest payments are reported as transfers in on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis	(1,072,314)
Repayments of loans to the Equipment Reserve fund are recorded as an expenditure on a budget basis. No expenditure is recorded for loan repayments on a GAAP basis.	(619,905)
Total GAAP basis expenditures and other financing uses for the governmental funds	$ 76,840,821

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

City of Ankeny, Iowa

Explanation of Differences Between Budgetary Basis and GAAP Basis Revenues and Expenses for the Proprietary Funds For the Year Ended June 30, 2010

Revenues and other financing sources:	
Actual amount of "total revenues and other financing sources" on a budgetary basis from the budgetary comparison schedule - program budget	$ 16,866,283
On a budgetary basis, the City does not record revenues until the cash has been received. This differs from GAAP, which records revenues as they are earned and available.	(191,658)
Customer deposits and unearned revenue are recorded as revenue on a budgetary basis. On a GAAP basis, these deposits are reported as a liability.	3,861
Total GAAP basis revenues, nonoperating revenues, and transfers in	$ 16,678,486
Expenses and other financing uses:	
Actual amount of "expenditures and other financing uses" on a budgetary basis from the budgetary comparison schedule - program budget	$ 17,464,849
On a budgetary basis, the City does not record expenditures until the cash has been paid. This differs from GAAP, which records expenses as the liability is incurred.	265,458
Principal payments on indebtedness are recorded as an expenditure on a budgetary basis, but are not expensed on a GAAP basis.	(1,555,187)
Bond issuance costs are expended and bond discounts are not recorded on a budgetary basis. These costs and discounts are recorded and amortized under GAAP.	(47,727)
Depreciation and losses on fixed assets are reported on a GAAP basis but are not recorded on a budgetary basis	2,617,209
Purchases of capital assets is reported as an expense on a budget basis but is capitalized and depreciated on a GAAP basis	(181,568)
Transfers from enterprise funds to the Debt Service fund for bond principal and interest payments are reported as transfers in on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis.	(685,052)
Repayments of loans to the Equipment Reserve fund are recorded as an expenditure on a budget basis. No expenditure is recorded for loan repayments on a GAAP basis.	(63,722)
Total GAAP basis expenses, nonoperating expenses, and transfers out	$ 17,814,260

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

CITY OF ANKENY, IOWA
Notes to Required Supplementary Information
June 30, 2010

I. BUDGETARY INFORMATION

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

After the initial budget is adopted, the budget may be amended for specific purposes. Budget amendments are required for budget transfers between funds as well as between programs. Management is not authorized to amend the budget without the approval of City Council. The City filed two budget amendments for the fiscal year ended June 30, 2010. The amendments decreased estimated expenditures by $8,679,082. The City's budget amendments were essentially a complete re-estimate of the original budget. The amendments accounted for many changes in estimates and did not represent just a few specific activities or outlays; however, the decrease to expenditures was primarily due to the timing of capital improvement projects.

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

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

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

than at the individual fund level. The nine programs mandated by the State are: (1) public safety, (2) public works, (3) health and social services, (4) culture and recreation, (5) community and economic development, (6) general government, (7) debt service, (8) capital projects and (9) business type/enterprise. Since the City maintains its budgets at the individual fund level, it is necessary to aggregate the expenditures of the budgeted activities within the individual funds on a program basis and to compare such program totals with the program budgeted totals in order to demonstrate legal compliance with the budget. During the year ended June 30, 2010, expenditures did not exceed budgeted amounts in any of the nine programs. Budgetary compliance is demonstrated in the required supplementary information.

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

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

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

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

City of Ankeny, Iowa

Required Supplementary Information
Schedule of Funding Progress
For the Year Ended June 30, 2010

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded UAAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
06/30/2009	07/01/2007	$ -	$ 203,600	$ 203,600	0.00%	$ 10,673,526	1.91%
06/30/2010	07/01/2007	$ -	$ 203,600	$ 203,600	0.00%	$ 11,554,485	1.76%

See Note 16 in the accompanying Notes to the Financial Statements for the plan description, funding policy, annual OPEB cost and net OPEB obligation, funded status and funding progress.

Nonmajor Governmental Funds

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

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

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

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

Road Use Tax Fund – Accounts for state revenues allocated to the City for maintenance and improvement of City streets.

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

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

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

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

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

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

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

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

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

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

Civic Trust Fund – Accounts for contributions made by the master developer of Prairie Trail to be used for civic improvements.

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

City of Ankeny, Iowa

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Special Revenue							
	Fire Gift	**Hotel/Motel Tax**	**Hawkeye Park**	**Police Gift**	**Road Use Tax**	**Police Seizure**	**Economic Development**	**Police/Fire Pension**
Assets								
Cash and cash equivalents	$ 26,372	$ 183,639	$ 7,358	$ 2,135	$ 207,724	$ 145,012	$ 64,352	$ 794,659
Receivables:								
Interest	-	-	-	-	-	-	-	19
Taxes	-	-	-	-	-	-	-	759,385
Accounts	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	200,214	10,000	-	30
Total assets	26,372	183,639	7,358	2,135	407,938	155,012	64,352	1,554,093
Liabilities and fund balances (deficits)								
Liabilities:								
Accounts payable	$ 1,192	$ -	$ -	$ -	$ 155,694	$ 600	$ 1,359	$ 1,629
Accrued wages	-	553	-	-	34,829	-	8,421	19,285
Due to other funds	-	-	-	-	249,956	-	-	-
Advances from other funds	-	-	-	-	418,964	-	-	-
Deferred revenue	-	-	-	-	-	-	-	754,409
Total liabilities	1,192	553	-	-	859,443	600	9,780	775,323
Fund balances (deficits):								
Unreserved, reported in:								
Special revenue funds	25,180	183,086	7,358	2,135	(451,505)	154,412	54,572	778,770
Capital projects fund	-	-	-	-	-	-	-	-
Total fund balances (deficits)	25,180	183,086	7,358	2,135	(451,505)	154,412	54,572	778,770
Total liabilities and fund balances (deficits)	26,372	$ 183,639	$ 7,358	$ 2,135	$ 407,938	$ 155,012	$ 64,352	$ 1,554,093

Library Gift	Park Dedication	Sports Complex Foundation	Ankeny Garden Club	Recreation Events	Dog Park	Keep Ankeny Beautiful	Civic	Capital Project Special Assessments	Total Nonmajor Governmental Funds
$ 245	$ 311,726	$ 42,684	$ 432	$ 16,675	$ 65,339	$ 7,549	$ 500,313	$ 1,159,276	$ 3,535,490
-	-	-	-	-	-	-	-	-	19
-	-	-	-	-	-	-	-	-	759,385
-	-	-	-	4,500	526	-	1,200,000	-	1,205,026
-	-	-	-	-	-	-	-	779,876	779,876
-	-	-	-	-	-	-	-	-	210,244
245	311,726	42,684	432	21,175	65,865	7,549	1,700,313	1,939,152	6,490,040
$ -	$ -	$ -	$ -	$ 155	$ 7,230	$ -	$ 250,000	$ -	$ 417,859
-	-	-	-	-	-	-	-	-	63,088
-	-	-	-	-	-	-	-	-	249,956
-	-	-	-	-	-	-	-	-	418,964
-	-	-	-	-	-	-	1,200,000	740,467	2,694,876
-	-	-	-	155	7,230	-	1,450,000	740,467	3,844,743
245	311,726	42,684	432	21,020	58,635	7,549	250,313	-	1,446,612
-	-	-	-	-	-	-	-	1,198,685	1,198,685
245	311,726	42,684	432	21,020	58,635	7,549	250,313	1,198,685	2,645,297
$ 245	$ 311,726	$ 42,684	$ 432	$ 21,175	$ 65,865	$ 7,549	$ 1,700,313	$ 1,939,152	$ 6,490,040

City of Ankeny, Iowa

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Special Revenue							
	Fire Gift	Hotel/Motel Tax	Hawkeye Park	Police Gift	Road Use Tax	Police Seizure	Economic Development	Police/Fire Pension
Revenues:								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 714,438
Other taxes and assessments	-	-	-	-	-	-	-	12,021
Intergovernmental	-	-	-	-	3,151,835	44,007	25,000	-
Charges for services	-	-	6,111	-	-	-	-	-
Use of money and property	73	-	11	9	-	498	-	7,316
Miscellaneous	26,980	18,000	-	1,000	-	3,921	683	-
Total revenues	27,053	18,000	6,122	1,009	3,151,835	48,426	25,683	733,775
Expenditures:								
Current operating:								
Public safety	6,156	-	-	753	-	19,722	-	570,846
Culture and recreation	-	564,337	-	-	-	-	-	-
Public works	-	-	-	-	2,994,967	-	-	-
Community and economic development	-	-	-	-	-	-	373,342	-
Total expenditures	6,156	564,337	-	753	2,994,967	19,722	373,342	570,846
Excess (deficiency) of revenues over (under) expenditures	20,897	(546,337)	6,122	256	156,868	28,704	(347,659)	162,929
Other financing (uses):								
Transfers in	-	796,091	-	-	-	-	400,000	-
Transfers out	-	(178,800)	-	-	-	-	-	-
Total other financing sources (uses)	-	617,291	-	-	-	-	400,000	-
Net change in fund balances	20,897	70,954	6,122	256	156,868	28,704	52,341	162,929
Fund balances (deficits), beginning	4,283	112,132	1,236	1,879	(608,373)	125,708	2,231	615,841
Fund balances (deficits), ending	$ 25,180	$ 183,086	$ 7,358	$ 2,135	$ (451,505)	$ 154,412	$ 54,572	$ 778,770

Library Gift	Park Dedication	Sports Complex Foundation	Ankeny Garden Club	Recreation Events	Dog Park	Keep Ankeny Beautiful	Civic	Capital Project Special Assessments	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 714,438
-	-	-	-	-	-	-	-	74,238	86,259
-	-	5,000	-	-	-	2,000	-	-	3,227,842
-	-	9,020	-	3,046	-	-	-	-	18,177
2	1,106	108	2	-	241	23	877	-	10,266
1,540	6,055	28,180	-	18,000	23,219	1,000	2,403,226	-	2,531,804
1,542	7,161	42,308	2	21,046	23,460	3,023	2,404,103	74,238	6,588,786
-	-	-	-	-	-	-	-	-	597,477
1,586	-	662	-	18,343	38,917	-	-	-	623,845
-	-	-	-	-	-	-	-	-	2,994,967
-	-	-	-	-	-	6,571	250,036	-	629,949
1,586	-	662	-	18,343	38,917	6,571	250,036	-	4,846,238
(44)	7,161	41,646	2	2,703	(15,457)	(3,548)	2,154,067	74,238	1,742,548
-	-	-	-	-	-	-	-	-	1,196,091
-	-	(25,000)	-	-	-	-	(3,102,291)	-	(3,306,091)
-	-	(25,000)	-	-	-	-	(3,102,291)	-	(2,110,000)
(44)	7,161	16,646	2	2,703	(15,457)	(3,548)	(948,224)	74,238	(367,452)
289	304,565	26,038	430	18,317	74,092	11,097	1,198,537	1,124,447	3,012,749
$ 245	$ 311,726	$ 42,684	$ 432	$ 21,020	$ 58,635	$ 7,549	$ 250,313	$ 1,198,685	$ 2,645,297

Nonmajor Enterprise Funds

Solid Waste Fund - Accounts for the City's activities to provide recycling services.

Storm Water Fund – Accounts for the City's storm water utility including activities related to public education, street cleaning, drainage improvements, and regulatory compliance.

Otter Creek Golf Course Fund - Accounts for the operation and improvement of the municipally owned golf course.

City of Ankeny, Iowa

Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2010

	Business Type Activities - Enterprise Funds			
	Solid Waste	Storm Water	Otter Creek Golf Course	Totals
Assets				
Current assets:				
Cash and cash equivalents	$ 46,446	$ 170,753	$ -	$ 217,199
Receivables:				
Interest	-	-	-	-
Accounts	55,634	114,878	31,358	201,870
Special Assessment	595	570	-	1,165
Intergovernmental	106	-	-	106
Inventory	-	-	729	729
Total current assets	102,781	286,201	32,087	421,069
Noncurrent assets:				
Capital assets:				
Land	-	-	985,942	985,942
Construction-in-progress	-	-	3,490,658	3,490,658
Depreciable assets, net of accumulated depreciation	-	103,594	500,297	603,891
Total capital assets	-	103,594	4,976,897	5,080,491
Total noncurrent assets	-	103,594	4,976,897	5,080,491
Total assets	$102,781	$ 389,795	$ 5,008,984	$ 5,501,560
Liabilities and Net Assets				
Liabilities:				
Current liabilities:				
Accounts payable	$ 1,474	$ 5,233	$ 512,033	$ 518,740
Accrued wages	-	4,283	33,264	37,547
Due to other funds	-	269,209	49,487	318,696
Compensated absences payable	-	4,666	13,926	18,592
Total current liabilities	1,474	283,391	608,710	893,575
Noncurrent liabilities:				
Other postemployment benefits	-	685	1,371	2,056
Compensated absences payable	-	9,629	10,135	19,764
Advances from other funds	-	45,196	35,917	81,113
Total noncurrent liabilities	-	55,510	47,423	102,933
Total liabilities	1,474	338,901	656,133	996,508
Net Assets:				
Investment in capital assets, net of related debt	-	103,594	4,976,897	5,080,491
Unrestricted	101,307	(52,700)	(624,046)	(575,439)
Total net assets	101,307	50,894	4,352,851	4,505,052
Total liabilities and net assets	$102,781	$ 389,795	$ 5,008,984	$ 5,501,560

City of Ankeny, Iowa

Combining Statement of Revenues, Expenses, and Changes in Net Assets
Nonmajor Enterprise Funds
For the Year Ended June 30, 2010

	Business Type Activities - Enterprise Funds			
	Solid Waste	Storm Water	Otter Creek Golf Course	Totals
Operating revenues:				
Charges for services	$ 485,782	$ 1,038,889	$ 1,070,952	$ 2,595,623
Other	9,753	-	572,045	581,798
Total operating revenues	495,535	1,038,889	1,642,997	3,177,421
Operating expenses:				
Personal services	32,761	157,568	810,766	1,001,095
Contractual services	399,670	52,535	490,485	942,690
Operating supplies	-	37,589	308,724	346,313
Depreciation	-	23,021	63,081	86,102
Total operating expenses	432,431	270,713	1,673,056	2,376,201
Operating income (loss)	63,104	768,176	(30,059)	801,221
Nonoperating (expenses):				
Interest expense	-	(2,395)	(2,368)	(4,764)
Total nonoperating (expenses)	-	(2,395)	(2,368)	(4,764)
Net income (loss) before contributions and transfers	63,104	765,780	(32,428)	796,457
Capital contributions	-	-	98,312	98,312
Transfers in	-	-	500,000	500,000
Transfers out	-	(350,000)	-	(350,000)
Change in net assets	63,104	415,780	565,885	1,044,769
Total net assets, beginning	38,203	(364,886)	3,786,966	3,460,283
Total net assets, ending	$ 101,307	$ 50,894	$ 4,352,851	$ 4,505,052

City of Ankeny, Iowa

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2010

	Business Type Activities - Enterprise Funds			
	Solid Waste	Storm Water	Otter Creek Golf Course	Totals
Cash flows from operating activities:				
Receipts from customers	$ 509,981	$ 991,911	$ 1,613,463	$ 3,115,356
Payments to suppliers	(444,909)	(93,406)	(807,224)	(1,345,539)
Payments to employees	(32,761)	(154,766)	(795,114)	(982,642)
Net cash provided by operating activities	32,311	743,739	11,125	787,175
Cash flows from noncapital financing activities:				
Payments made on interfund accounts	-	(222,986)	(496,437)	(719,422)
Loans received from other funds	-	-	35,000	35,000
Transfers from other funds	-	-	500,000	500,000
Transfers to other funds	-	(350,000)	-	(350,000)
Net cash provided (used) by noncapital financing activities	-	(572,986)	38,563	(534,422)
Cash flows from capital and related financing activities:				
Purchase of capital assets	-	-	(49,688)	(49,688)
Net cash (used) by capital and related financing activities	-	-	(49,688)	(49,688)
Net increase (decrease) in cash and cash equivalents	32,311	170,753	(0)	203,064
Balances, beginning of year	14,135	-	-	14,135
Balances, end of year	$ 46,446	$ 170,753	$ (0)	$ 217,199
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ 63,104	$ 768,176	$ (30,059)	$ 801,221
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	-	23,021	63,081	86,102
Changes in assets and liabilities:				
Receivables, net	14,446	(46,978)	(29,533)	(62,065)
Inventory	-	-	(729)	(729)
Accounts and other payables	(45,239)	(480)	8,365	(37,354)
Net cash provided by operating activities	$ 32,311	$ 743,739	$ 11,125	$ 787,175
Noncash capital and related financing activities:				
Contribution of capital assets	$ -	$ -	$ 98,312	$ 98,312

Internal Service Funds

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

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

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

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

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

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

City of Ankeny, Iowa

Combining Statement of Net Assets
Internal Service Funds
June 30, 2010

	Central Garage	Risk Management	Equipment Reserve	Economic Development Revolving	Health Insurance	Total
Assets						
Current assets:						
Cash and cash equivalents	$ 82,312	$ 283,490	$ 764,314	$ 1,013,626	$ 2,602,877	$ 4,746,619
Investments	-	-	-	-	-	-
Receivables:						
Interest	-	-	73	-	-	73
Accounts	-	960	-	-	-	960
Intergovernmental	8,691	-	-	-	-	8,691
Prepaid expenses	-	74,218	-	-	-	74,218
Inventory	227,440	-	-	-	-	227,440
Due from other funds	-	-	637,670	-	-	637,670
Total current assets	318,443	358,668	1,402,057	1,013,626	2,602,877	5,695,671
Noncurrent assets:						
Advances to other funds	-	-	1,012,637	-	-	1,012,637
Capital Asset						
Depreciable assets, net of accumulated depreciation	39,678	38,011	-	-	-	77,689
Total capital assets	39,678	38,011	-	-	-	77,689
Total noncurrent assets	39,678	38,011	1,012,637	-	-	1,090,325
Total assets	$ 358,121	$ 396,679	$ 2,414,694	$ 1,013,626	$ 2,602,877	$ 6,785,997
Liabilities and Net Assets						
Liabilities:						
Current liabilities:						
Accounts payable	$ 25,117	$ 10,755	$ -	$ -	$ 612	$ 36,484
Accrued wages	6,178	-	-	-	-	6,178
Claims payable	-	-	-	-	92,411	92,411
Due to other funds	-	-	192,165	-	-	192,165
Early retirement benefit payable	-	-	-	-	100,859	100,859
Compensated absences payable	2,017	-	-	-	-	2,017
Total current liabilities	33,312	10,755	192,165	-	193,882	430,114
Noncurrent liabilities:						
Early retirement benefit payable	-	-	-	-	234,920	234,920
Other post employment benefits	1,097	-	-	-	-	1,097
Compensated absences payable	5,341	-	-	-	-	5,341
Total noncurrent liabilities	6,438	-	-	-	234,920	241,358
Total liabilities	$ 39,750	$ 10,755	$ 192,165	$ -	$ 428,802	$ 671,472
Net Assets:						
Unrestricted	$ 318,371	$ 385,924	$ 2,222,529	$ 1,013,626	$ 2,174,075	$ 6,114,525
Total net assets	318,371	385,924	2,222,529	1,013,626	2,174,075	6,114,525
Total liabilities and net assets	$ 358,121	$ 396,679	$ 2,414,694	$ 1,013,626	$ 2,602,877	$ 6,785,997

City of Ankeny, Iowa

Combining Statement of Revenues, Expenses, and Changes in Net Assets
Internal Service Funds
For the Year Ended June 30, 2010

	Central Garage	Risk Management	Equipment Reserve	Economic Development Revolving	Health Insurance	Total
Operating revenues:						
Charges for services	$ 787,059	$ 780,000	$ -	$ -	$ 2,084,707	3,651,766
Other	14,503	62,708	-	-	1,072	78,283
Total operating revenues	801,562	842,708	-	-	2,085,779	3,730,049
Operating expenses:						
Personal services	247,018	290,764	-	-	3,968	541,750
Contractual services	13,337	603,732	30	-	2,014,239	2,631,338
Operating supplies	520,341	139	-	-	2,302	522,782
Depreciation	11,966	6,828	-	-	-	18,794
Total operating expenses	792,662	901,463	30	-	2,020,509	3,714,664
Operating income (loss)	8,900	(58,755)	(30)	-	65,270	15,385
Nonoperating revenues (expenses):						
Interest earnings	-	-	62,705	3,486	9,619	75,810
Early retirement benefit expense	-	-	-	-	(302,583)	(302,583)
Total nonoperating revenues (expenses)	-	-	62,705	3,486	(292,964)	(226,773)
Change in net assets	8,900	(58,755)	62,674	3,486	(227,694)	(211,389)
Total net assets, beginning	309,471	444,679	2,159,855	1,010,140	2,401,769	6,325,914
Total net assets, ending	$ 318,371	$ 385,924	2,222,529	1,013,626	2,174,075	6,114,525

City of Ankeny, Iowa

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2010

	Central Garage	Risk Management	Equipment Reserve	Economic Development Revolving	Health Insurance	Total
Cash flows from operating activities:						
Cash received from customers	$ 799,842	$ 1,027,196	-	-	$ 2,085,779	$ 3,912,817
Payments to suppliers	(543,028)	(901,289)	(30)	-	(2,069,615)	(3,513,963)
Payments to employees	(239,763)	-	-	-	(3,572)	(243,335)
Net cash provided provided (used) by operating activities	17,051	125,907	(30)	-	12,592	155,520
Cash flows from noncapital financing activities:						
Payments received on interfund accounts	-	-	683,627	-	-	683,627
Early retirement benefit payments	-	-	-	-	(201,550)	(201,550)
Loans issued to other funds	-	-	(500,354)	-	-	(500,354)
Net cash provided (used) by noncapital financing activities	-	-	183,273	-	(201,550)	(18,277)
Cash flows from capital and related financing activities:						
Purchase of capital assets	-	(25,657)	-	-	-	(25,657)
Cash flows from investing activities:						
Interest received	-	-	51,030	3,486	9,620	64,136
Net cash provided (used) by investing activities	-	-	51,030	3,486	9,620	64,136
Net increase (decrease) in cash and cash equivalents	17,051	100,250	234,272	3,486	(179,338)	175,721
Cash and cash equivalents, beginning	65,261	183,240	530,042	1,010,140	2,782,215	4,570,898
Cash and cash equivalents, ending	$ 82,312	$ 283,490	$ 764,314	$ 1,013,626	$ 2,602,877	$ 4,746,619
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	$ 8,900	$ (58,755)	$ (30)	$ -	$ 65,270	$ 15,385
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	11,966	6,828	-	-	-	18,794
Changes in assets and liabilities:						
Receivables, net	(1,721)	184,486	-	-	-	182,765
Prepaid expenses	-	138	-	-	-	138
Inventory	4,349	-	-	-	-	4,349
Accounts and other payables	(10,895)	(6,790)	-	-	396	(17,289)
Claims payable	4,452	-	-	-	(53,074)	(48,622)
Net cash provided (used) by operating activities	$ 17,051	$ 125,907	$ (30)	$ -	$ 12,592	$ 155,520

Agency Funds

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

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

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

City of Ankeny, Iowa

Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2010

	Arts Council	Ankeny Foundation	Total
Assets:			
Cash and cash equivalents	$ 90,767	$ 5,218	$ 95,985
Receivables, interest	45	-	45
Total assets	$ 90,812	$ 5,218	$ 96,030
Liabilities:			
Monies held for other agencies	$ 90,812	$ 5,218	$ 96,030

City of Ankeny, Iowa

Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2010

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Arts Council				
Assets:				
Cash and cash equivalents	$ 89,310	$ 1,457	$ 0	$ 90,767
Receivables, interest	114	45	114	45
Total assets	$ 89,424	$ 1,502	$ 114	$ 90,812
Liabilities:				
Monies held for other agencies	$ 89,424	$ 1,502	$ 114	$ 90,812
Ankeny Foundation				
Assets:				
Cash and cash equivalents	$ 5,199	$ 19	$ 0	$ 5,218
Liabilities:				
Monies held for other agencies	$ 5,199	$ 19	$ 0	$ 5,218
Total				
Assets:				
Cash and cash equivalents	$ 94,509	$ 1,476	$ -	$ 95,985
Receivables, interest	114	45	114	45
Total assets	$ 94,623	$ 1,521	$ 114	$ 96,030
Liabilities:				
Monies held for other agencies	$ 94,623	$ 1,521	$ 114	$ 96,030

City of Ankeny, Iowa

Statement of Cash Flows
Discretely Presented Component Unit
For the Year Ended June 30, 2010

		Ankeny Arts Council
Cash flows from operating activities:		
Cash received from customers	$	86,156
Payments to suppliers		(59,201)
Payments to employees		(26,975)
Net cash used in operating activities		(20)
Cash flows from capital and related financing activities:		
Purchase of capital assets		(2,381)
Cash flows from investing activities:		
Interest received		50
Net increase in cash and cash equivalents		(2,351)
Cash and cash equivalents, beginning		21,392
Cash and cash equivalents, ending	$	19,041
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$	(2,328)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		3,738
Changes in assets and liabilities:		
Prepaid expenses		4
Accounts and other payables		(1,434)
Net cash used in operating activities	$	(20)

Capital Assets Used in the Operation of Governmental Funds

City of Ankeny, Iowa

Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules By Source
June 30, 2010 and 2009

	2010	2009
Governmental funds capital assets:		
Land	$ 7,328,206	$ 7,270,406
Other improvements	15,028,136	12,820,503
Infrastructure	105,321,712	97,533,270
Buildings	25,166,629	17,018,150
Machinery and equipment	12,515,373	12,033,300
Furniture and fixtures	1,459,706	1,445,131
Construction in progress	45,365,180	48,072,435
Total governmental funds capital assets	$ 212,184,944	$ 196,193,195
Investment in governmental funds capital assets by source:		
General fund	$ 20,333,138	$ 20,188,280
Special revenue funds	5,642,011	5,525,417
Capital project funds	114,263,608	99,453,911
Local, state, and federal grants and donations	71,946,186	71,025,587
Total investment in governmental funds capital assets by source	$ 212,184,944	$ 196,193,195

City of Ankeny, Iowa

Comparative Schedules - By Function and Activity
June 30, 2010

	Land	Other Improvements	Infrastructure
Public safety:			
Police	$ 29,212	$ -	$ -
Fire and ambulance	669,620	-	-
Code enforcement	-	-	-
Total public safety	698,832	-	-
Health and social services:			
Mosquito control	-	-	-
Public relations	-	-	-
Total health and social services	-	-	-
Culture and recreation:			
Library	14,361	94,657	-
Parks and recreation	4,009,704	13,089,369	122,023
Total culture and recreation	4,024,065	13,184,026	122,023
Public works:			
Public works	2,505,779	1,790,870	105,199,689
Community and economic development:			
Planning and zoning	-	-	-
General government:			
Council and management	99,531	53,241	-
Total general fixed assets	$ 7,328,206	$ 15,028,136	$ 105,321,712

Buildings	Machinery and Equipment	Furniture and Fixtures	Construction in Progress	Total
$ 38,795	$ 2,199,313	$ 239,757	$ 16,708,830	$ 19,215,907
9,950,397	3,297,787	48,316	-	13,966,120
-	117,450	-	-	117,450
9,989,192	5,614,549	288,073	16,708,830	33,299,477
-	34,130	-	-	34,130
-	18,802	-	-	18,802
-	52,932	-	-	52,932
3,149,085	432,863	619,879	-	4,310,845
5,032,888	1,181,536	45,220	15,994,043	39,474,782
8,181,973	1,614,399	665,099	15,994,043	43,785,627
3,551,665	4,102,930	-	12,540,740	129,691,673
-	25,126	-	-	25,126
3,443,799	1,105,438	506,534	121,567	5,330,110
$ 25,166,629	$ 12,515,373	$ 1,459,706	$ 45,365,180	$ 212,184,944

City of Ankeny, Iowa

Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
Year Ended June 30, 2010

	Governmental Funds Capital Assets June 30, 2009	Additions	Deductions	Governmental Funds Capital Assets June 30, 2010
Public safety:				
Police	$ 18,369,560	$ 1,037,432	$ 191,085	$ 19,215,907
Fire and ambulance	12,851,636	8,181,507	7,067,023	13,966,120
Code enforcement	140,514	-	23,064	117,450
Total public safety	31,361,711	9,218,939	7,281,172	33,299,478
Health & social services:				
Mosquito control	34,130	-	-	34,130
Public relations	18,802	-	-	18,802
Total health & social services	52,932	-	-	52,932
Culture and recreation:				
Library	4,310,845	-	-	4,310,845
Parks and recreation	29,771,716	11,846,867	2,143,802	39,474,782
Total culture and recreation	34,082,561	11,846,867	2,143,802	43,785,627
Public works:				
Public works	125,365,116	10,627,103	6,300,547	129,691,673
Community & economic development:				
Planning & zoning	25,126	-	-	25,126
General government:				
Council and management	5,305,750	24,360	-	5,330,110
Total general fixed assets	$ 196,193,195	$ 31,717,270	$15,725,521	$ 212,184,944

Statistical Section

City of Ankeny, Iowa

Statistical Section
Contents

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

Contents	Page
Financial Trends These schedules contain information to help the reader understand how the City's financial performance and well being have changed over time.	99
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	107
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	113
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment with which the City's financial activities take place.	120
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	123

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

City of Ankeny, Iowa

Net Assets by Component
Last Eight Fiscal Years [2]
(accrual basis of accounting)

	Fiscal Year				
	2010	2009	2008	2007	2006
Governmental activities:					
Invested in capital assets, net of related debt	$ 59,847,130	$ 51,005,350	$ 59,457,512	$ 65,059,807	$ 60,796,555
Restricted:					
Debt service	2,896,848	2,009,317	3,033,897	953,844	277,845
Enabling legislation	494,812	416,696	417,300	475,654	443,893
Restricted by other governments	663,182	354,817	201,617	550,532	973,642
Donor restrictions	644,531	1,317,881	5,438,401	176,481	659,074
Unrestricted	3,429,607	17,019,598	8,171,093	6,884,490	7,446,042
Total governmental activities net assets	67,976,110	72,123,659	76,719,820	74,100,808	70,597,051
Business-type activities:					
Invested in capital assets, net of related debt	83,083,098	82,762,686	77,349,435	71,526,488	69,831,317
Restricted:					
Debt service	3,017,297	2,614,509	1,553,787	1,579,500	1,256,848
Unrestricted	7,794,808	9,440,764	9,501,662	10,007,638	10,393,160
Total business-type activities net assets	93,895,203	94,817,959	88,404,884	83,113,626	81,481,325
Primary government:					
Invested in capital assets, net of related debt	142,930,228	133,768,036	136,806,947	136,586,295	130,627,872
Restricted: [1]					
Debt service	5,914,145	4,623,826	4,587,684	2,533,344	1,534,693
Enabling legislation	494,812	416,696	417,300	475,654	443,893
Restricted by other governments	663,182	354,817	201,617	550,532	973,642
Donor restrictions	644,531	1,317,881	5,438,401	176,481	659,074
Unrestricted	11,224,415	26,460,362	17,672,755	16,892,128	17,839,202
Total primary government net assets	$ 161,871,313	$ 166,941,619	$ 165,124,704	$ 157,214,434	$ 152,078,376

(1) Restricted net assets for years prior to fiscal year 2007 are restated to include changes relating to GASB Statement No. 46.
(2) GASB Statement No. 34 implemented in fiscal year 2003.

2005	2004	2003
$ 30,124,884	$ 20,560,194	$ 13,670,814
76,043	101,900	228,683
344,685	238,968	209,000
1,387,052	3,239,386	2,129,080
111,512	54,897	157,366
4,851,785	387,745	432,989
36,895,961	24,583,090	16,827,932
57,574,412	53,976,846	48,088,234
950,134	1,419,884	1,250,378
9,134,709	6,580,474	8,901,177
67,659,255	61,977,204	58,239,789
87,699,296	74,537,040	61,759,048
1,026,177	1,521,784	1,479,061
344,685	238,968	209,000
1,387,052	3,239,386	2,129,080
111,512	54,897	157,366
13,986,494	6,968,219	9,334,166
$ 104,555,216	$ 86,560,294	$ 75,067,721

City of Ankeny, Iowa

Changes in Net Assets
Last Eight Fiscal Years [1]
(accrual basis of accounting)

	Fiscal Year				
	2010	2009	2008	2007	2006
Expenses					
Governmental activities:					
Public safety	$ 10,444,061	$ 8,709,303	$ 8,765,732	$ 7,740,691	$ 7,119,401
Health and social services	274,970	277,745	236,134	115,375	59,113
Culture and recreation	5,733,048	5,402,688	5,144,408	4,760,072	4,569,428
Public works	18,930,726	17,964,501	14,066,397	11,685,977	5,383,612
Community and economic development	2,843,641	2,340,606	2,152,310	2,739,944	2,312,740
General government	2,709,554	5,794,576	2,530,968	2,356,261	2,159,580
Capital projects	-	-	-	-	-
Interest on long-term debt	4,309,579	4,549,323	3,633,724	2,652,376	2,208,212
Total governmental activities expenses	45,245,579	45,038,742	36,529,673	32,050,696	23,812,086
Business-type activities:					
Solid waste	432,925	572,728	479,368	446,051	387,949
Water	6,736,767	5,889,478	5,728,375	5,857,555	4,259,984
Sewer	7,703,774	6,001,810	5,321,560	5,000,540	4,701,184
Storm Water	276,041	245,983	100,140	72,075	19,425
Otter Creek golf course	1,685,539	845,236	845,387	1,061,638	1,082,932
Total business-type activities expenses	16,835,046	13,555,235	12,474,830	12,437,859	10,451,474
Total primary government expenses	62,080,625	58,593,978	49,004,503	44,488,555	34,263,560
Program revenues					
Governmental activities:					
Charges for services:					
Public safety	1,702,101	887,876	2,006,097	1,768,328	2,233,436
Culture and recreation	1,171,357	1,073,883	897,808	834,055	805,189
Other activities	613,791	384,441	369,195	2,130,411	605,952
Operating grants and contributions	6,297,936	8,700,935	3,844,341	4,154,440	4,331,282
Capital grants and contributions	3,328,808	4,525,314	5,865,048	4,071,240	11,943,414
Total governmental activities program revenues	13,113,993	15,572,449	12,982,489	12,958,474	19,919,273
Business-type activities:					
Charges for services:					
Water	5,611,334	5,411,574	5,494,332	5,433,073	5,654,906
Sewer	7,197,284	6,986,331	5,926,481	5,641,090	4,795,246
Other activities	2,595,623	806,458	920,086	1,319,077	1,355,074
Operating grants and contributions	-	-	-	27,930	-
Capital grants and contributions	267,803	6,226,553	7,257,728	1,577,633	12,453,517
Total business-type activities program revenues	15,672,044	19,430,916	19,598,627	13,998,803	24,258,743
Total primary government program revenues	28,786,037	35,003,365	32,581,116	26,957,277	44,178,016
Net (expense) revenue					
Governmental activities	(32,131,586)	(29,466,292)	(23,547,184)	(19,092,222)	(3,892,813)
Business-type activities	(1,163,001)	5,875,681	7,123,797	1,560,944	13,807,269
Total primary government net (expense) revenue	(33,294,588)	(23,590,611)	(16,423,387)	(17,531,278)	9,914,456
General revenues and other changes in net assets					
Governmental activities:					
Taxes:					
Property taxes	25,799,170	22,608,951	20,434,441	18,753,563	16,493,129
Other taxes	1,178,864	1,371,558	1,244,208	1,232,323	1,144,786
Grants and contributions not restricted to specific programs	-	-	-	-	-
Interest	465,691	1,115,169	2,225,590	2,216,659	1,514,889
Other	90,312	57,794	187,500	183,348	83,898
Transfers	450,000	(283,341)	2,074,457	210,086	224,000
Total governmental activities	27,984,037	24,870,131	26,166,196	22,595,979	19,460,702
Business-type activities:					
Interest	54,878	72,825	189,703	196,466	184,429
Other	635,366	181,230	52,215	84,977	54,372
Transfers	(450,000)	283,341	(2,074,457)	(210,086)	(224,000)
Total business-type activities	240,244	537,395	(1,832,539)	71,357	14,801
Total primary government	28,224,281	25,407,526	24,333,657	22,667,336	19,475,503
Changes in net assets					
Governmental activities	(4,147,549)	(4,596,161)	2,619,012	3,503,757	15,567,889
Business-type activities	(922,757)	6,413,076	5,291,258	1,632,301	13,822,070
Total primary government changes in net assets	$ (5,070,306)	$ 1,816,915	$ 7,910,270	$ 5,136,058	$ 29,389,959

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

2005	2004	2003
$ 6,563,401	$ 5,953,448	$ 5,624,663
95,944	212,221	103,307
4,039,270	3,614,161	2,784,367
4,065,180	4,462,967	2,625,544
1,513,129	1,153,503	1,391,893
2,008,601	1,934,620	1,725,874
-	-	2,015,710
1,762,124	1,624,607	1,670,819
20,047,649	18,955,527	17,942,177
277,336	244,886	221,296
3,992,676	4,011,420	3,219,883
3,999,585	3,333,904	2,651,113
3,500	-	0
1,108,882	1,138,654	1,099,752
9,381,979	8,728,864	7,192,044
29,429,628	27,684,391	25,134,221
1,771,657	1,526,943	1,603,092
650,012	512,236	460,069
1,228,247	1,169,245	418,686
2,898,819	2,761,838	2,965,910
8,417,503	5,306,596	5,522,979
14,966,238	11,276,858	10,970,736
4,382,184	3,972,892	3,351,534
4,221,821	3,490,284	3,211,933
1,233,294	1,202,659	969,258
-	-	0
5,155,227	4,016,586	2,961,507
14,992,526	12,682,421	10,494,232
29,958,764	23,959,279	21,464,968
(5,081,411)	(7,678,669)	(6,971,441)
5,610,547	3,953,557	3,302,188
529,136	(3,725,112)	(3,669,253)
15,240,675	13,189,116	12,598,029
1,082,129	1,019,780	744,109
-	34,664	292,357
778,632	555,465	619,500
227,433	368,050	69,157
65,413	266,752	824,000
17,394,282	15,433,827	15,147,152
83,974	50,610	87,240
52,943	-	361,073
(65,413)	(266,752)	(824,000)
71,504	(216,142)	(375,687)
17,465,786	15,217,685	14,771,465
12,312,871	7,755,158	8,175,711
5,682,051	3,737,415	2,926,501
$ 17,994,922	$ 11,492,573	$ 11,102,212

City of Ankeny, Iowa

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

	Fiscal Year				
	2010	2009	2008	2007	2006
General fund:					
Unreserved	$ 5,255,100	$ 4,993,929	$ 4,715,926	$ 4,596,769	$ 3,760,757
Reserved	-	-	-	-	-
Total general fund	$ 5,255,100	$ 4,993,929	$ 4,715,926	$ 4,596,769	$ 3,760,757
All other governmental funds:					
Reserved	$ 2,896,848	$ 2,009,317	$ 3,033,897	$ 953,844	$ 277,845
Unreserved, reported in:					
Debt service funds	-	-	-	-	-
Special revenue funds	1,955,382	1,970,149	6,032,229	1,607,459	2,659,219
Capital project funds	2,838,206	14,519,678	31,263,350	38,064,035	24,464,550
Total all other governmental funds	$ 7,690,436	$ 18,499,144	$ 40,329,476	$ 40,625,338	$ 27,401,614

2005	2004	2003	2002	2001
$ 2,953,483	$ 2,356,907	$ 2,416,299	$ 2,459,460	$ 2,935,008
-	-	-	-	-
$ 2,953,483	$ 2,356,907	$ 2,416,299	$ 2,459,460	$ 2,935,008
$ 76,043	$ 101,900	$ 1,318,683	$ 1,212,255	$ 160,531
-	-	-	-	2,212,135
2,520,269	4,269,476	3,498,560	2,715,230	2,070,536
30,077,141	27,144,527	15,596,747	18,535,367	11,213,240
$ 32,673,453	$ 31,515,903	$ 20,413,990	$ 22,462,852	$ 15,656,442

City of Ankeny, Iowa

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

	Fiscal Year				
	2010	2009	2008	2007	2006
Revenues:					
Property taxes	$ 25,818,107	$ 22,690,861	$ 20,114,119	$ 18,794,111	$ 16,514,753
Other taxes and assessments	1,483,931	1,349,516	1,620,228	1,531,956	1,443,778
Licenses and permits	887,353	783,144	873,022	1,101,473	1,494,933
Intergovernmental	6,214,220	6,988,555	4,132,078	7,808,298	4,723,686
Charges for services	1,626,908	1,456,300	1,684,319	1,378,617	1,125,569
Use of money and property	576,364	1,213,802	2,402,016	2,299,353	1,593,597
Miscellaneous	3,302,244	4,805,303	6,264,216	730,474	1,945,994
Total revenues	39,909,127	39,287,483	37,089,998	33,644,282	28,842,310
Expenditures:					
Current operating:					
Community protection	-	-	-	-	-
Human development	-	-	-	-	-
Home and community environment	-	-	-	-	-
Policy and administration	-	-	-	-	-
Public safety	9,626,447	9,024,964	8,762,449	8,017,872	7,245,549
Health and social services	264,653	272,534	241,908	106,535	66,687
Culture and recreation	4,700,831	4,563,000	4,680,218	4,430,748	3,535,146
Public works	3,843,624	3,534,165	4,469,736	3,770,657	3,354,035
Community and economic development	2,619,002	2,351,754	2,179,236	2,767,813	2,323,059
General government	2,488,046	5,594,008	2,357,372	2,273,884	2,153,257
Debt service:					
Principal	5,798,945	40,505,421	17,340,988	5,580,852	4,977,420
Interest and other charges	4,457,119	4,495,158	4,224,025	1,624,323	1,586,200
Capital projects	27,175,373	35,808,040	34,159,265	32,331,256	25,211,102
Total expenditures	60,974,040	106,149,045	78,415,197	60,903,940	50,452,455
Excess (deficiency) of revenues over (under) expenditures	(21,064,913)	(66,861,562)	(41,325,199)	(27,259,658)	(21,610,145)
Other financing sources (uses):					
Issuance of long-term debt	11,055,000	44,647,082	40,072,037	41,291,341	16,890,189
Issuance of refunding bonds	6,825,640	-	-	-	-
Premium (discount) on long-term debt	111,736	1,095,239	-	17,967	31,391
Bond issuance costs	-	-	-	-	-
Project note repayments	-	-	-	-	-
Payment of refunded bonds	(7,925,000)	-	-	-	-
Sale of capital assets	-	-	-	-	-
Transfers in	8,391,781	10,427,812	8,218,219	5,467,030	5,741,353
Transfers out	(7,941,781)	(10,711,153)	(7,143,762)	(5,456,944)	(5,517,353)
Total other financing sources (uses)	10,517,376	45,458,980	41,146,494	41,319,394	17,145,580
Net change in fund balances	$ (10,547,537)	$ (21,402,582)	$ (178,705)	$ 14,059,736	$ (4,464,565)
Debt service as a percentage of noncapital expenditures	22.45%	54.97%	43.30%	15.26%	20.31%

(1) The State of Iowa changed the financial reporting programs, starting in fiscal year 2003, from four program to six programs for the General and Special Revenue Funds and created an additional program for the Debt Service Fund.
(2) The City started issuing a Comprehensive Annual Financial Report using guidelines issued by the Government Finance Officers Association in fiscal year 2002.

2005	2004	2003 [1]	2002 [2]	2001
$ 15,165,093	$ 13,269,314	$ 12,531,302	$ 11,472,633	$ 11,341,607
1,769,012	1,140,340	983,094	883,587	-
1,157,466	878,768	640,065	523,578	-
5,224,090	2,828,942	4,192,528	2,995,346	2,677,054
982,051	1,371,140	743,296	689,834	1,095,078
884,232	539,640	661,942	949,636	-
618,522	562,229	854,883	641,050	1,729,753
25,800,466	20,590,373	20,607,110	18,155,664	16,843,492
-	-	-	5,072,845	4,787,296
-	-	-	2,668,753	5,854,353
-	-	-	3,261,511	8,617,844
-	-	-	1,908,354	2,110,058
6,601,587	5,729,060	5,541,328	-	-
88,979	103,791	102,907	-	-
3,121,200	2,978,587	2,584,357	-	-
3,170,707	2,976,702	2,689,826	-	-
1,522,821	1,144,920	1,385,355	-	-
1,779,191	1,567,450	1,484,543	-	-
4,772,488	4,482,064	6,249,082	3,318,400	-
1,237,928	1,425,510	1,421,237	1,424,931	-
28,328,883	8,843,011	13,001,264	7,308,489	-
50,623,784	29,251,095	34,459,899	24,963,283	21,369,551
(24,823,318)	(8,660,722)	(13,852,789)	(6,807,619)	(4,526,059)
26,452,303	23,292,618	11,196,310	10,828,813	2,886,206
-	-	-	-	-
59,728	22,991	(23,544)	-	4,044,935
-	-	-	(89,001)	(20,494)
-	-	-	-	(2,840,000)
-	(3,747,618)	-	-	-
-	28,500	-	-	-
5,232,637	3,203,149	3,116,873	2,299,314	-
(5,167,224)	(3,096,397)	(2,528,873)	(2,075,314)	(45,312)
26,577,444	19,703,243	11,760,766	10,963,812	4,025,335
$ 1,754,126	$ 11,042,521	$ (2,092,023)	$ 4,156,193	$ (500,724)
16.20%	27.61%	24.49%	26.87%	27.52%

City of Ankeny, Iowa

Actual Valuation and Taxable Valuation of Property [1]
Last Ten Fiscal Years

Actual Valuation

	As of January 1:				
	2008	2007	2006	2005	2004
Residential	$ 2,596,530,510	$ 2,454,017,210	$ 2,190,161,260	$ 1,917,419,643	$ 1,604,885,354
Agricultural	3,732,830	3,710,470	2,582,650	2,085,460	2,215,860
Commercial	571,523,700	532,071,600	472,035,700	435,008,427	373,093,369
Industrial	60,403,000	59,473,590	60,236,410	58,750,920	57,205,307
Personal/Real estate	-	-	-	-	-
Utilities	45,083,718	40,123,838	41,807,652	40,205,954	35,528,211
Gross valuation	3,277,273,758	3,089,396,708	2,766,823,672	2,453,470,404	2,072,928,101
Less: Military exemption	3,368,056	3,260,660	3,153,956	2,946,532	2,753,924
Net valuation	3,273,905,702	3,086,136,048	2,763,669,716	2,450,523,872	2,070,174,177
Incremental value	156,056,000	156,191,910	139,675,000	137,270,000	122,335,000
Actual valuation	$ 3,429,961,702	$ 3,242,327,958	$ 2,903,344,716	$ 2,587,793,872	$ 2,192,509,177
Percent change	5.787%	11.676%	12.194%	18.029%	10.137%

Taxable Valuation

	As of January 1:				
	2008	2007	2006	2005	2004
Residential	$ 1,167,749,680	$ 1,066,470,820	$ 985,221,470	$ 870,781,373	$ 759,608,294
Agricultural	3,503,500	3,343,130	2,582,650	2,085,460	2,215,860
Commercial	571,523,700	530,311,700	472,035,700	430,373,567	373,093,369
Industrial	60,403,000	59,473,590	60,236,410	58,750,920	57,205,307
Personal/Real estate	-	-	-	-	-
Utilities	34,751,309	34,238,011	33,262,313	35,229,249	32,955,571
Gross valuation	1,837,931,189	1,693,837,251	1,553,338,543	1,397,220,569	1,225,078,401
Less: Military exemption	3,368,056	3,260,660	3,153,956	2,946,532	2,753,924
Net valuation	1,834,563,133	1,690,576,591	1,550,184,587	1,394,274,037	1,222,324,477
Incremental value	156,056,000	156,191,910	139,675,000	137,270,000	122,335,000
Taxable valuation	$ 1,990,619,133	$ 1,846,768,501	$ 1,689,859,587	$ 1,531,544,037	$ 1,344,659,477
Percent change	7.789%	9.285%	10.337%	13.898%	8.141%

Total Direct Tax Rate

City of Ankeny	$ 11.17646	$ 10.52956	$ 10.28956	$ 10.33956	$ 10.38956

(1) Polk County Auditor

2003	2002	2001	2000	1999
$ 1,429,751,281	$ 1,194,083,777	$ 1,096,157,464	$ 956,289,076	$ 878,464,603
2,365,790	1,868,510	2,121,890	2,319,970	2,049,390
353,213,009	312,560,663	295,414,970	261,639,561	244,519,922
64,404,580	65,377,160	70,658,123	62,006,052	66,316,346
-	-	2,776,335	6,890,585	16,088,816
33,382,236	34,804,554	33,370,578	32,931,927	33,033,352
1,883,116,896	1,608,694,664	1,500,499,360	1,322,077,171	1,240,472,429
2,598,646	2,546,590	2,439,084	2,385,376	2,265,922
1,880,518,250	1,606,148,074	1,498,060,276	1,319,691,795	1,238,206,507
110,200,000	103,538,880	95,265,000	86,952,270	73,744,335
$ 1,990,718,250	$ 1,709,686,954	$ 1,593,325,276	$ 1,406,644,065	$ 1,311,950,842
16.438%	7.303%	13.271%	7.218%	13.221%

2003	2002	2001	2000	1999
$ 685,089,321	$ 606,050,267	$ 559,204,394	$ 532,499,666	$ 475,549,103
2,365,790	1,868,510	2,121,890	2,319,970	1,974,350
349,881,059	312,560,663	287,019,740	261,639,561	240,814,609
64,404,580	65,377,160	70,658,123	62,006,052	66,316,346
-	-	2,776,335	6,890,585	16,088,816
34,094,357	34,804,554	33,363,552	32,931,927	33,030,377
1,135,835,107	1,020,661,154	955,144,034	898,287,761	833,773,601
2,598,646	2,546,590	2,439,084	2,385,376	2,265,922
1,133,236,461	1,018,114,564	952,704,950	895,902,385	831,507,679
110,200,000	103,538,880	95,265,000	86,952,270	73,744,335
$ 1,243,436,461	$ 1,121,653,444	$ 1,047,969,950	$ 982,854,655	$ 905,252,014
10.857%	7.031%	6.625%	8.572%	10.590%
$ 10.38956	$ 9.90126	$ 9.90126	$ 9.65126	$ 9.65126

City of Ankeny, Iowa

Property Tax Rates - All Direct and Overlapping Governments [1]
Per $1,000 Taxable Valuation
Last Ten Fiscal Years

	Fiscal Year				
	2010	2009	2008	2007	2006
City of Ankeny	$ 11.17646	$ 10.52956	$ 10.28956	$ 10.33956	$ 10.38956
Ankeny Community School District	19.84290	19.58053	17.90637	16.70575	16.70201
Polk County	9.67030	9.79821	9.84869	9.87773	9.58881
Polk County Assessor	0.30104	0.32711	0.31349	0.29738	0.35437
Des Moines Area Community College	0.22946	0.56386	0.60276	0.68688	0.68408
Des Moines Area Regional Transit	0.56778	0.12117	0.10939	0.08789	N/A
State of Iowa	0.00300	0.00350	0.00350	0.00400	0.00400
Total Consolidated Tax Levy Rate	$ 41.79094	$ 40.92394	$ 39.07376	$ 37.99919	$ 37.72283
Saydel Community School District	$ 13.98315	$ 13.67722	$ 13.62992	$ 13.38621	$ 13.12949
Total Consolidated Tax Levy Rate [2]	$ 35.93119	$ 35.02063	$ 34.79731	$ 34.67965	$ 34.15031
North Polk Community School District	$ 17.39071	$ 17.77387	$ 17.46387	N/A	N/A
Total Consolidated Tax Levy Rate [3]	$ 39.33875	$ 39.11728	$ 38.63126	N/A	N/A

(1) Polk County Auditor
(2) As of fiscal year 2005, the City's taxing jurisdiction also overlaps the Saydel Community School District.
(3) As of fiscal year 2008, the City's taxing jurisdiction also overlaps the North Polk Community School District.

N/A - Not applicable.

2005	2004	2003	2002	2001
$ 10.38956	$ 9.90126	$ 9.90126	$ 9.65126	$ 9.65126
16.90251	17.10241	17.24845	17.00682	17.09290
9.64715	9.44511	9.37854	9.29570	8.93917
0.31745	0.31715	0.34363	0.34318	0.31454
0.59856	0.58184	0.54584	0.54454	0.54506
N/A	N/A	N/A	N/A	N/A
0.00400	0.00400	0.00400	0.00500	0.00500
$ 37.85923	$ 37.35177	$ 37.42172	$ 36.84650	$ 36.54793
$ 14.67175	N/A	N/A	N/A	N/A
$ 35.62847	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

City of Ankeny, Iowa

Principal Property Taxpayers [1]
Current Year and Nine Years Ago

		Fiscal Year 2010			Fiscal Year 2001		
Taxpayer	Type of Business	January 1, 2008 Taxable Valuation	Rank	Percent of Total Taxable Value	January 1, 1999 Taxable Valuation	Rank	Percent of Total Taxable Value
MidAmerican Energy	Utility	$ 28,431,421	1	1.43%			
Tone Brothers, Inc.	Spice manufacturing/distribution	23,528,000	2	1.18%	26,624,750	2	2.94%
John Deere Des Moines Works	Farm implements	23,428,000	3	1.18%	28,977,440	1	3.20%
Casey's General Stores	Corporate headquarters/distribution	21,318,400	4	1.07%	17,215,750	3	1.90%
Denny Elwell Family	Real estate development	21,218,560	5	1.07%	8,955,600	6	0.99%
Perishable Distributors of Iowa	Wholesale meat/bakery distributor	16,559,390	6	0.83%	11,618,520	4	1.28%
Ankeny North Mob LLC [2]	Commercial	16,344,000	7	0.82%			
Wal-Mart	Retail merchandise/grocery	15,608,000	8	0.78%			
Karl Chevrolet	Automobile sales	14,241,000	9	0.72%			
Target Corporation	Retail merchandise/grocery	12,949,000	10	0.65%			
Menards, Inc.	Retail home improvement store				6,259,260	9	0.69%
Fairco Foods, Inc.	Grocery warehouse				8,639,690	7	0.95%
Sun Communities	Manufactured housing community				7,797,200	8	0.86%
Mill-Pond, Inc.	Retirement community				9,478,980	5	1.05%
Ankeny Housing Association	Real estate development				5,797,990	10	0.64%
		$ 193,625,771		9.73%	$ 131,365,180		14.51%

(1) Polk County Assessor
(2) Formerly Signature Properties, LLC

City of Ankeny, Iowa

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Property Tax Levy	Current Property Tax Collections	Percent of Property Taxes Collected	Delinquent Property Tax Collections	Total Property Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
2001	10,399,032	10,682,335	102.72%	82	10,682,417	102.73%
2002	11,435,497	11,471,720	100.32%	913	11,472,633	100.32%
2003	12,619,154	12,528,042	99.28%	142	12,528,184	99.28%
2004	13,554,417	13,540,966	99.90%	2,680	13,543,646	99.92%
2005	15,248,211	15,163,074	99.44%	2,019	15,165,093	99.45%
2006	16,529,809	16,512,978	99.90%	5	16,512,983	99.90%
2007	18,815,615	18,791,243	99.87%	100	18,791,343	99.87%
2008	20,427,095	20,303,603	99.40%	634	20,304,237	99.40%
2009	22,717,538	22,823,558	100.47%	17	22,823,576	100.47%
2010	25,664,841	25,675,450	100.04%	372	25,675,822	100.04%

City of Ankeny, Iowa

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities			Business-Type Activities					
Fiscal Year	General Obligation Bonds	Bond Anticipation Notes	Tax Increment Revenue Notes	General Obligation Bonds	Capital Loan Notes	Revenue Bonds	Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (1)
2001	27,509,254	7,880,000	1,525,000	1,575,746	6,311,000	2,415,000	47,216,000	N/A	1,741
2002	30,759,627	8,895,000	1,250,000	1,605,373	6,975,380	1,865,000	51,350,380	N/A	1,894
2003	35,966,918	-	990,000	1,878,082	6,848,000	1,245,000	46,928,000	N/A	1,731
2004	40,509,472	11,125,000	675,000	1,730,528	6,632,000	615,000	61,287,000	354.20%	2,260
2005	41,219,289	18,230,000	345,000	2,710,711	6,411,000	-	68,916,000	366.11%	2,541
2006	41,852,058	24,505,000	-	2,892,942	5,533,000	3,890,000	78,673,000	398.34%	2,176
2007	46,062,547	43,125,000	-	5,822,453	4,747,000	7,640,000	107,397,000	507.93%	2,970
2008	74,437,094	37,200,000	-	5,777,906	3,954,000	7,360,000	128,729,000	573.22%	3,560
2009	96,993,520	18,900,000	-	10,801,480	3,252,000	17,600,000	147,547,000	636.50%	4,080
2010	95,931,129	24,255,000	-	11,074,871	2,541,000	23,425,000	157,227,000	668.37%	4,348

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

N/A - Information not available

City of Ankeny, Iowa

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

Fiscal Year	Actual Property Valuation (1)	General Obligation Bonded Debt (2)	Less Debt Service Fund	Net	Percentage of Actual Property Valuation	Per Capita (3)
2000	1,158,750,458	37,245,000	206,814	37,038,186	3.20%	1,366
2001	1,311,950,842	38,490,000	160,531	38,329,469	2.92%	1,413
2002	1,406,644,065	42,510,000	122,255	42,387,745	3.01%	1,563
2003	1,593,335,556	38,835,000	228,683	38,606,317	2.42%	1,424
2004	1,709,686,954	54,040,000	101,900	53,938,100	3.15%	1,989
2005	1,990,718,250	62,505,000	76,043	62,428,957	3.14%	2,302
2006	2,192,509,177	69,250,000	277,845	68,972,155	3.15%	1,907
2007	2,587,793,872	95,010,000	953,844	94,056,156	3.63%	2,601
2008	2,903,344,716	117,415,000	3,033,897	114,381,103	3.94%	3,163
2009	3,242,327,958	126,695,000	2,009,317	124,685,683	3.85%	3,448
2010	3,429,961,702	131,261,000	2,896,848	128,364,152	3.74%	3,550

(1) Polk County Auditor
(2) Includes Tax Increment Revenue Capital Loan Notes and Bond Anticipation Notes.
(3) Per capita calculations based on data from U.S. Census Bureau

City of Ankeny, Iowa

Computation of Direct and Overlapping Bonded Debt
General Obligation Bonded Debt
June 30, 2010

	General Obligation Debt June 30, 2010	Percent Applicable to City	Direct and Overlapping General Obligation Debt	Underlying General Obligation Debt
Polk County	$ 209,064,000	10.48%	$ 21,909,907	$ 187,154,093
Des Moines Area Community College	79,220,000	5.92%	4,689,824	74,530,176
North Polk Community School District	1,920,000	0.07%	1,344	1,918,656
Saydel Community School District	2,455,000	1.10%	27,005	2,427,995
Ankeny Community School District	80,935,000	90.48%	73,229,988	7,705,012
Subtotal overlapping debt	$ 373,594,000		$ 99,858,068	$ 273,735,932
City of Ankeny	120,186,129	100.00%	120,186,129	-
Total direct and overlapping debt	493,780,129		220,044,197	273,735,932

Source: Bond Official Statement June 2010

City of Ankeny, Iowa

Computation of Legal Debt Margin
Last Ten Fiscal Years

	2010	2009	2008	2007	2006
Actual property valuation [1]	$ 3,429,961,702	$ 3,242,327,958	$ 2,903,344,716	$ 2,587,793,872	$ 2,192,509,177
Debt limit - 5% of assessed valuation	171,498,085	162,116,398	145,167,236	129,389,694	109,625,459
Amount of debt applicable to limit:					
General obligation bonds	107,006,000	107,795,000	80,215,000	51,885,000	44,745,000
Bond anticipation notes	24,255,000	18,900,000	37,200,000	43,125,000	24,505,000
Total debt applicable to limit	131,261,000	126,695,000	117,415,000	95,010,000	69,250,000
Legal debt margin	$ 40,237,085	$ 35,421,398	$ 27,752,236	$ 34,379,694	$ 40,375,459
Percent of debt limit	23.46%	21.85%	19.12%	26.57%	36.83%

(1) Polk County Auditor

2005	2004	2003	2002	2001
$ 1,990,718,250	$ 1,709,686,954	$ 1,593,325,276	$ 1,406,644,065	$ 1,311,950,842
99,535,913	85,484,348	79,666,264	70,332,203	65,597,542
43,930,000	42,240,000	37,845,000	32,365,000	29,085,000
18,230,000	11,125,000	-	8,895,000	7,880,000
62,160,000	53,365,000	37,845,000	41,260,000	36,965,000
$ 37,375,913	$ 32,119,348	$ 41,821,264	$ 29,072,203	$ 28,632,542
37.55%	37.57%	52.50%	41.34%	43.65%

City of Ankeny, Iowa

Revenue Bond Coverage
Last Ten Fiscal Years

	Sewer Fund				
Fiscal Year	Gross Revenues	Operating Expenses (1)	Net Revenue Available For Debt Service	Maximum Debt Service Requirements (2)	Coverage
2001	2,963,233	1,048,085	1,915,148	1,126,910	1.6995
2002	3,016,404	1,204,985	1,811,419	1,113,509	1.6268
2003	3,105,152	1,273,837	1,831,315	1,100,379	1.6643
2004	3,311,739	1,864,093	1,447,646	1,069,094	1.3541
2005	N/A	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A
2009	7,013,732	4,113,010	2,900,722	878,924	3.3003
2010	7,223,096	5,392,605	1,830,491	1,354,951	1.3510

(1) Total operating expenses exclusive of depreciation.
(2) Includes principal and interest of revenue bonds and capital loan notes.

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

N/A - Not applicable.

Water Fund				
Gross Revenues	Operating Expenses [1]	Net Revenue Available For Debt Service	Annual Debt Service Requirements [2]	Coverage
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
5,771,431	3,470,469	2,300,962	285,843	8.0497
5,587,391	4,839,031	748,360	436,744	1.7135
5,662,041	4,581,601	1,080,440	653,994	1.6521
5,508,623	4,591,946	916,677	759,451	1.2070
5,693,969	5,173,705	520,264	1,026,250	0.5070

City of Ankeny, Iowa

Historical Economic Data
Last Ten Years

Employment				Personal Income [3]			Retail Sales [4]		
Calendar Year	Population [1]	Labor Force [2]	Unemployment Rate [2]	Calendar Year	Personal Income (000's)	Per Capita	Fiscal Year	Number of Businesses	Taxable Sales
2000	27,117	279,600	2.7%	2000	N/A	N/A	2000	2,571	277,266,781
2001	27,117	285,500	3.3%	2001	N/A	N/A	2001	2,634	296,942,692
2002	27,117	289,400	4.0%	2002	N/A	N/A	2002	2,789	336,282,498
2003	27,117	289,600	4.0%	2003	17,303,000	34,326	2003	2,840	371,959,626
2004	27,117	294,500	4.4%	2004	18,824,000	36,724	2004	2,909	415,484,756
2005	36,161	301,300	4.2%	2005	19,750,000	37,737	2005	3,070	466,908,168
2006	36,161	307,500	3.3%	2006	21,144,000	39,579	2006	3,179	514,316,083
2007	36,161	376,000	3.7%	2007	22,457,000	41,085	2007	3,591	538,000,263
2008	36,161	313,600	3.9%	2008	23,181,000	41,676	2008	3,844	562,967,614
2009	36,161	316,400	5.6%	2009	23,524,000	41,790	2009	4,203	601,447,180

(1) U.S. Census Bureau
(2) Iowa Workforce Development, Des Moines Metropolitan Service Area
(3) U.S. Bureau of Economic Analysis, Des Moines Metropolitan Service Area
(4) Iowa Department of Revenue, fiscal year ending March 31
(5) City of Ankeny Planning and Building Department

N/A - Information not available

Building Permits [5]				
Calendar Year	Commercial Permits Issued	Dollar Value of Permits Issued	Residential Permits Issued	Dollar Value of Permits Issued
2000	15	15,391,688	464	38,927,193
2001	21	15,153,000	601	54,065,206
2002	42	16,353,324	738	74,449,704
2003	30	14,829,798	1,042	119,766,928
2004	27	24,623,712	1,085	130,039,464
2005	30	21,570,268	1,311	203,434,307
2006	30	29,709,708	845	136,156,818
2007	26	38,933,191	581	107,924,995
2008	21	42,473,891	372	68,646,221
2009	11	12,251,100	422	82,430,948

City of Ankeny, Iowa

Principal Employers [1]
Current Year and Nine Years Ago

		Fiscal Year 2010			Fiscal Year 2001		
Employer [2]	Type of Business	Approximate Number of Employees	Rank	Percent of Total City Employment	Approximate Number of Employees	Rank	Percent of Total City Employment
Ankeny Community Schools	Education	1,584	1	6.44%	645	2	4.92%
Des Moines Area Community College	Education	1,540	2	6.26%	625	4	4.77%
John Deere Des Moines Works	Farm implements	1,340	3	5.45%	1,200	1	9.16%
Perishable Distributors of Iowa	Wholesale meat/bakery distributor	500	4	2.03%	470	5	3.59%
Tone Brothers, Inc.	Spice manufacturing/distribution	486	5	1.98%	640	3	4.89%
Casey's General Stores	Corporate headquarters/distribution	450	6	1.83%	350	6	2.67%
City of Ankeny	Government	375	7	1.52%	128	9	0.98%
SYSCO Food Services of Iowa	Wholesale distribution	263	8	1.07%			
Praxair	Industrial gases/welding equipment	170	9	0.69%	130	8	0.99%
Mrs. Clarks Foods	Manufacturing and distribution	140	10	0.57%	83	12	0.63%
Younkers Distribution	Retail distribution				175	7	1.34%
Techniplas	Custom injection mold plastics				104	10	0.79%
On With Life	Head injury rehabilitation facility				91	11	0.69%
Total		6,848		27.84%	4,641		35.43%

(1) City of Ankeny Economic Development Department
(2) Does not include retail employers

City of Ankeny, Iowa

Number of Permanent City Employees by Function
Last Ten Fiscal Years

	Fiscal Year									
Function	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Public Safety:										
Police:										
Police Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.80	2.80	3.00
Operations	45.00	42.00	39.00	36.00	31.00	29.00	28.00	27.00	25.00	25.00
Special Services	-	-	-	-	9.00	8.00	8.00	10.00	10.00	10.00
Support Services	14.50	14.50	14.00	14.00	6.50	8.50	8.30	7.50	11.00	8.50
Fire:										
Fire Support	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.75	2.25	3.25
Fire Suppression	1.00	1.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	0.00
Ambulance & Rescue	14.00	8.00	7.50	7.00	3.00	3.00	3.00	3.00	3.00	3.00
Code Enforcement	8.00	8.00	9.00	10.00	9.00	8.00	6.00	6.50	5.50	5.00
Total Public Safety	88.50	79.50	77.50	75.00	65.50	62.50	59.30	60.55	60.55	57.75
Health and social services:										
Public Relations	3.00	3.00	3.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Culture and Recreation:										
Library	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Parks and Recreation:										
Park Administration	2.00	2.00	2.00	1.75	2.75	2.00	2.00	2.00	2.00	2.00
Park Maintenance	6.00	7.00	7.00	6.00	5.00	4.00	4.00	4.00	4.00	4.00
Recreation Programs	4.00	4.00	4.00	4.00	3.00	2.00	2.00	2.00	2.00	2.00
Prairie Ridge Sports Complex	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Total Culture and Recreation	21.00	22.00	22.00	20.75	19.75	17.00	17.00	17.00	17.00	15.00
Public Works:										
Engineering	-	-	3.00	3.00	2.00	2.00	2.00	2.00	3.00	3.00
Street Cleaning	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Traffic Safety	3.00	3.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Roadway Administration	6.25	6.25	6.25	5.25	5.25	4.50	3.70	3.70	2.50	2.50
Roadway Maintenance	11.00	11.00	12.00	14.00	14.00	13.00	12.00	12.00	12.00	12.00
Central Garage	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Total Public Works	25.25	25.25	29.25	26.25	25.25	23.50	21.70	21.70	21.50	21.50
Community and Economic Development:										
Development and Promotion	-	-	-	-	-	1.00	1.00	1.00	3.00	3.00
Development Engineering	3.00	3.00	-	-	-	-	-	-	-	-
Planning & Zoning	4.50	5.50	5.50	5.50	4.50	4.50	4.50	4.50	4.50	4.50
Planning and Building Admin	2.00	2.00	2.00	2.00	2.00	2.80	2.80	2.00	0.00	0.00
Economic Development	3.00	3.00	3.00	3.00	2.80	0.00	0.00	0.00	0.00	0.00
Total Community and Economic Development:	12.50	13.50	10.50	10.50	9.30	8.30	8.30	7.50	7.50	7.50
General Government:										
Human Resources	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Policy & Administration	4.00	4.00	4.00	5.00	4.00	4.00	4.00	4.00	3.00	5.00
City Clerk	4.50	4.50	4.50	4.00	4.00	3.50	3.00	3.00	3.00	2.50
Finance	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Information Systems	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	0.00
Total General Government	18.50	18.50	18.25	17.75	15.75	15.25	14.75	14.75	14.75	13.25
Water										
Water Administration	7.50	7.50	7.50	3.50	3.50	3.50	2.50	2.50	2.00	2.00
Water Maintenance	8.00	8.00	8.00	8.00	7.00	7.00	7.00	6.00	6.00	5.00
Total Water	15.50	15.50	15.50	11.50	10.50	10.50	9.50	8.50	8.00	7.00
Sewer:										
Wastewater Administration	3.50	3.50	3.50	3.50	3.50	3.00	2.50	2.50	2.00	2.00
Wastewater Operations	10.00	11.00	11.00	11.00	10.00	10.00	10.00	8.00	8.00	9.00
Total Sewer	13.50	14.50	14.50	14.50	13.50	13.00	12.50	10.50	10.00	11.00
Storm water:										
Stormwater Administration	1.50	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00
Otter Creek Golf Course:										
Golf Course Maintenance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Golf Course Club House	1.00	1.00	1.00	1.50	1.50	1.50	1.50	0.50	0.50	0.00
Golf Course Banquet Services	1.00	1.00	-	-	-	-	-	-	-	-
Total Otter Creek Golf Course	5.00	5.00	4.00	4.50	4.50	4.50	4.50	3.50	3.50	3.00
Total	204.25	197.75	195.50	182.75	165.05	154.55	147.55	144.00	142.80	136.00

City of Ankeny, Iowa

Operating Indicators by Function
Last Nine Years

Function	2010	2009	2008	2007	2006	2005	2004	2003	2002
Public safety:									
Police:									
Calls for service [2]	37,573	35,668	34,127	30,130	31,756	35,219	28,715	21,621	21,132
Yearly miles logged by patrol [2]	371,026	332,686	319,438	288,976	310,234	345,187	319,918	284,923	251,628
Fire:									
Fire calls [2]	636	678	709	743	773	724	600	490	532
Ambulance calls [2]	2,123	2,092	1,964	1,875	1,640	1,676	1,498	1,387	1,274
Code Enforcement:									
Residential permits issued [2]	422	372	581	845	1,311	1,085	1,042	738	601
Commercial permits issued [2]	11	21	26	30	30	27	30	42	21
Culture and recreation:									
Library:									
Circulation [1]	501,223	498,583	447,912	367,723	350,213	320,910	316,217	308,081	300,000
Program attendance [1]	33,831	32,630	26,615	21,825	21,840	19,109	11,647	10,742	N/A
Parks and Recreation:									
Aquatic center attendance [2]	70,703	72,500	77,238	73,555	85,776	55,421	66,756	78,504	N/A
Public works:									
Street Cleaning:									
Tons of debris cleared [1]	457	657	443	227	391	649	670	N/A	N/A
Community and economic development:									
Planning and Building:									
Number of plats recorded [2]	13	19	29	31	35	44	42	29	27
Acres final platted [2]	167	639	464	719	555	823	582	299	404
General government:									
Human resources:									
Number of applications managed [2]	892	2,084	1,353	1,547	1,308	940	964	1,078	N/A
Water:									
Avg daily water consumption-gallons [1]	3,945,293	3,900,000	3,793,000	3,879,000	4,227,000	3,693,000	4,170,000	3,383,000	3,239,000
Average number of meters [1]	15,673	15,641	15,255	14,311	14,140	12,259	11,160	10,241	9,538
Sewer:									
Avg daily sewer treatment-gallons [1]	6,381,500	6,080,000	5,863,000	5,192,000	3,652,000	4,008,000	3,784,000	3,278,000	3,177,000
Otter Creek golf course:									
Number of rounds played [2][3]	22,252	-	29,636	33,591	36,123	38,695	38,081	35,467	38,613

(1) Fiscal Year
(2) Calendar Year
(3) Otter Creek Golf Course was closed during calendar year 2008 for reconstruction. The golf course reopened on June 1, 2009.

City of Ankeny, Iowa

Capital Asset Statistics by Function
Last Nine Fiscal Years

Function	2010	2009	2008	2007	2006	2005	2004	2003	2002
Public safety:									
Police:									
Number of police stations	1	1	1	1	1	1	1	1	1
Fire:									
Number of fire stations	2	1	1	1	1	1	1	1	1
Health and social services:									
Mosquito control:									
Mosquito sprayers	4	3	3	3	2	1	1	1	1
Culture and recreation:									
Library:									
Number of branches	1	1	1	1	1	1	1	1	1
Titles	64,311	75,457	89,506	86,273	82,955	78,697	75,411	74,779	70,000
Parks and Recreation:									
Community centers	2	2	2	2	2	2	2	1	1
Sports complexes	2	2	2	2	2	2	2	2	2
Park acres developed	629	503	467	425	415	403	400	N/A	N/A
Public works:									
Miles of streets	211	211	197	182	175	163	148	136	N/A
General government:									
Data Processing									
Number of personal computers	322	325	319	312	225	190	170	150	N/A
Water:									
Above ground storage-gallons	8,000,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Miles of water main	258	252	241	230	196	163	160	158	140
Sewer:									
Number of treatment plants	1	1	1	1	1	1	1	1	1
Number of lift stations	4	5	5	5	5	5	5	5	4
Miles of sanitary sewer	219	230	211	201	200	186	170	139	131
Otter Creek golf course:									
Number of municipal golf courses	1	1	1	1	1	1	1	1	1

City of Ankeny, Iowa

Insurance Schedule [1]
June 30, 2010

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

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

Liability Limits	Deductible	Policy Expiration
		07/15/2010
$10,000,000	$0	
$10,000,000	$0	
$10,000,000	$2,500	
$10,000,000	$5,000	
$1,000,000	$0	
Unlimited	$0	
Unlimited	$0	
$10,000,000	$0	
$1,000,000	$1,000	
$10,000,000 each	$0	
$10,000,000	$0	
Unlimited	$0	
$10,000,000	$0	
$500,000	$0	
$100,000/$500,000	$0	
$10,000,000	$0	
$500,000	$0	
$50,000 each, $50,000 aggregate	$0	
$250,000 each, $250,000 aggregate	$0	
$66,283,933	$25,000	
$7,508,659	$25,000	
$100,000	$1,000	
$2,000,000	$1,000	
$1,000,000	$1,000	
$100,000	$1,000	
$100,000	$1,000	
$250,000	$1,000	
$250,000	$1,000	
$250,000	$1,000	
$250,000	$1,000	
$250,000	$1,000	
$100,000	$1,000	
$100,000	$1,000	
$1,000,000	$2,500	
$20,000,000	10% of loss	
$50,000	$500	
$500,000	$1,000	
$19,500	$25,000	
Statutory	N/A	06/30/2010
$2,000,000 per member	$55,000 per member $1,821,600 aggregate	06/30/2010

Compliance Section

DENMAN
& Company, LLP
Certified Public Accountants and Business Consultants

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

Honorable Mayor and
Members of the City Council
Ankeny, Iowa

We have audited the financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ankeny, Iowa (the City) as of and for the year ended June 30, 2010, which collectively comprise the City of Ankeny, Iowa's basic financial statements and have issued our report thereon dated December 26, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

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Compliance and Other Matters

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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2010 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters in Part II of the Schedule of Findings are not intended to constitute legal interpretations of those statutes.

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

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

Denman & Company, LLP

DENMAN & COMPANY, LLP

West Des Moines, Iowa
December 26, 2010

City of Ankeny, Iowa
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year ended June 30, 2010

Summary		**Status**
Financial Statement Findings		
None		
Statutory Reporting Findings		
09-II-M	*Condition*: The City had a deficit fund balance in the Road Use Tax Fund as of June 30, 2009.	Uncorrected
09-II-M	*Condition*: The City had a deficit fund balance in the Storm Water Fund as of June 30, 2009.	Corrected

City of Ankeny, Iowa
SCHEDULE OF FINDINGS
Year ended June 30, 2010

Part I–Findings Related to the Financial Statements

Instances of Noncompliance

No matters were noted.

Internal Control Deficiencies

No matters were noted.

Part II–Findings Related to Required Statutory Reporting

10-II-A CERTIFIED BUDGET

City disbursements during the year ended June 30, 2010 did not exceed the amount budgeted in any functional area.

10-II-B QUESTIONABLE EXPENDITURES

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

10-II-C TRAVEL EXPENSE

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

10-II-D BUSINESS TRANSACTIONS

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

10-II-E BOND COVERAGE

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

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

10-II-G DEPOSITS AND INVESTMENTS

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

Part II–Findings Related to Required Statutory Reporting (continued)

10-II-H WATER AND SEWER REVENUE BONDS/NOTES

The provisions for the water and sewer revenue bonds/notes require water user rates be established at a level which produces and maintains net revenues at a level not less than 110% of the amount of principal and interest on the bonds and notes falling due in the same year.

The City was not in compliance with the net revenue requirements for the water revenue bonds/notes as required by the bond resolutions.

Recommendation

The City should ensure user rates are established at a level which produces net revenues of 110% of the annual principal and interest payments on the bonds and notes.

Response

The City will review water rates to ensure compliance with the bond resolution.

Conclusion

Response Accepted.

10-II-I PAYMENT OF GENERAL OBLIGATION BONDS

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

10-II-J ECONOMIC DEVELOPMENT

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

10-II-K NOTICE OF PUBLIC HEARING FOR PUBLIC IMPROVEMENTS

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

10-II-L SALES TAX

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

Part II–Findings Related to Required Statutory Reporting (continued)

10-II-M FINANCIAL CONDITION

Finding

Road Use Tax Fund had a deficit fund balance of $451,505 as of June 30, 2010.

Recommendation

The City should investigate alternatives to eliminate the deficit in order to return this account to a sound financial position.

Response and Corrective Action Plan

The deficit will be eliminated by future revenues.

Conclusion

Response Accepted.

City of Ankeny, Iowa
CORRECTIVE ACTION PLAN
Year ended June 30, 2010

Other Findings Related to Required Statutory Reporting

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
10-II-H	Net revenue requirements for the water revenue bond/notes were not met.	See response and corrective action plan at 10-II-H	June 30, 2011	Jennifer Sease
10-II-M	Road Use Tax Fund had a deficit balance as of June 30, 2010.	See response and corrective action plan at 10-II-M	June 30, 2011	Jennifer Sease

city of
Ankeny

bringing it all together