

City of Ankeny, Iowa
Comprehensive Annual Financial Report
For the Year Ended June 30, 2011



City of Ankeny, Iowa

Comprehensive Annual Financial Report

For the Year Ended June 30, 2011

Prepared By:

Finance Department

Introductory Section

CITY OF ANKENY, IOWA
Comprehensive Annual Financial Report
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December 21, 2011

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 ended June 30, 2011, consistent with the 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, 2011.

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, 2011. 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 the fastest growing city in the State, the population has grown from 27,117 in 2000 to 45,582 in 2010.

Ankeny has a strong educational presence in the state including the Ankeny Community School District, with a student enrollment of over 8,000 and a graduation rate of 96 percent; Des Moines Area Community College, Iowa's largest community college, serving a student population of over 23,000; Ankeny Christian Academy; and higher learning opportunities at Faith Baptist Bible College and Theological Seminary. The Ankeny Community School District recently

completed construction of a new high school and a new middle school. In addition, the district is currently constructing an additional new high 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: Administrative Services, Community Development, Finance, Economic Development, Fire, Human Resources, Information Services, Library, Municipal Utilities, 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 four component units: Ankeny Arts Council, Ankeny Sports Complex Foundation, Keep Ankeny Beautiful and Kirkendall Public Library Foundation. 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 information meeting, 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

The results of the 2010 Census showed that Ankeny continues to lead Iowa's population growth. The 2010 population of 45,582 represents an increase of 68% or 18,500 people in the last ten years. That growth represents a full 15% of the State of Iowa's overall 2000-2010 population growth. The benefits of this growth include:

- Continues to provide a pool of qualified workers for businesses in Ankeny;
- Potentially adds new retailers and restaurants to Ankeny's business amenities;
- Adds new revenues (based on population) for maintaining the street system.

Ankeny's unemployment rate stood at 6 percent in 2010, 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: John Deere Des Moines Works, Ankeny Community School District, Des Moines Area Community College (DMACC), 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 unassigned 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 and Goals, 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 2011-15 capital improvement program anticipates the expenditure of \$134,817,029. Of this total, 26 percent is for transportation projects, 4 percent for parks and trails, 35 percent for municipal utility and drainage projects, 26 percent for Crosswinds Business Park and Prairie Trail, including public facilities and land, and 9 percent for annual infrastructure reinvestment. The first year of the five-year CIP, which the City incorporates into the annual budget, is \$41,042,480 for fiscal year 2012. 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 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 emissions 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 Prairie Trail elementary school, 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.

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

The City achieved the following accomplishments during fiscal year 2011:

- Ankeny earned its fifth designation as a Playful City USA from the KaBOOM! Foundation and was one of only 19 communities nationwide to receive the Playful City USA designation five consecutive years, demonstrating the community's commitment to play spaces for unstructured free play. The award is given to communities committed to creating unstructured free play spaces to encourage healthy lifestyles.
- Ankeny received a 2011 Environmental Leadership Award from The Freshwater Society at their 10th Annual Road Salt Symposium. Ankeny Public Works was recognized for improving efficiency, maintaining safety and significantly reducing the amount of environmental impacts caused by winter maintenance.
- Bloomberg Business News spotlighted Ankeny for growth and development. Bloomberg Business News counted Ankeny on its list of America's fastest growing cities. The list noted Ankeny's access to transportation services as a growth driver and pointed out the City's intent to grow the industries of bioscience, logistics, IT and manufacturing, including wind energy.

Awards and Acknowledgements

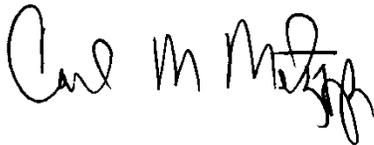
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ankeny for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. This was the ninth consecutive 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 thirteenth consecutive year, the City received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated March 15, 2011. 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,

A handwritten signature in black ink that reads "Carl Metzger". The signature is written in a cursive, flowing style.

Carl Metzger
City Manager

A handwritten signature in black ink that reads "Jennifer Sease". The signature is written in a cursive, flowing style.

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, 2010

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.



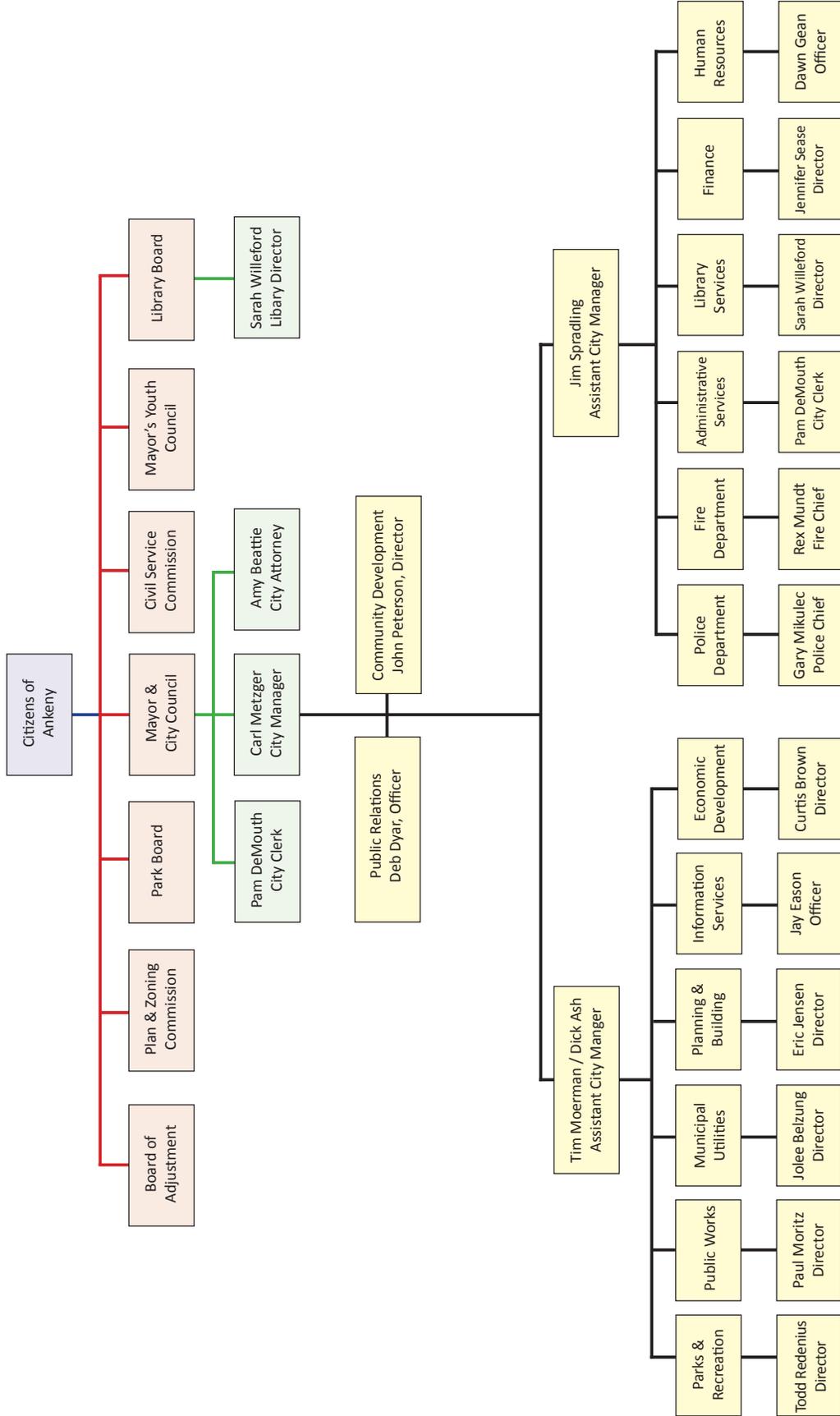
Linda C. Davidson

President

Jeffrey R. Emery

Executive Director

City of Ankeny, Iowa Fiscal Year 2011 Organization Chart



CITY OF ANKENY, IOWA

List of Principal Officials June 30, 2011

ELECTED OFFICIALS

Mayor
Council Member
Council Member
Council Member
Council Member
Council Member

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

APPOINTED OFFICIALS

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

Carl Metzger
Dick Ash
Tim Moerman
James Spradling
Pam DeMouth
John Peterson
Curtis Brown
Jennifer Sease
Rex Mundt
Sarah Willeford
Jolee Belzung
Todd Redenius
Eric Jensen
Gary Mikulec
Paul Moritz

Financial Section

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ankeny, Iowa, as of and for the year ended June 30, 2011, 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, 2011, 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 15, 2011 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

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 29 and 72 through 77 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 basic financial statements as a whole. The combining nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, and the accompanying Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was 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 basic 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 basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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

West Des Moines, Iowa
December 15, 2011

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, 2011. 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 \$170,816,871 (*net assets*). Of this amount, \$17,269,448 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors. For the fiscal year ended June 30, 2010, assets exceeded liabilities by \$161,871,313. Of this amount, \$11,224,415 was unrestricted.
- The government's total net assets increased by \$8,945,558 during the fiscal year ended June 30, 2011. Governmental activities increased \$6,716,922 and business-type activities increased \$2,228,636. For fiscal year ended June 30, 2010, total net assets decreased \$5,070,306. Governmental activities decreased \$4,147,549 and business-type activities decreased by \$922,757.
- As of the close of the current fiscal year, the City of Ankeny's governmental funds reported combined ending fund balances of \$23,404,696, an increase of \$10,459,160 in comparison with the prior year. As of the close of the fiscal year June 30, 2010, governmental funds reported combined ending fund balances of \$12,945,535.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,064,005 or 38 percent of total general fund expenditures. The unreserved, undesignated fund balance for the general fund as of June 30, 2010 was \$5,136,326 or 29 percent of total general fund expenditures.
- The City of Ankeny's total debt increased by \$11,177,000 (7 percent) during the current fiscal year. Total debt for fiscal year June 30, 2010, increased by \$9,680,000 (7 percent).
- In fiscal year 2011, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement redefines the elements of fund balance in governmental funds and more clearly describes the different types of governmental funds. Accordingly, the beginning fund balance of certain governmental funds have been

restated. Additional information regarding the balances being restated can be found on page 51 of this report.

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 *statement 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. Ankeny Sports Complex Foundation, Keep Ankeny Beautiful and Kirkendall Public Library 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 30-31 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 for 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 basic governmental fund financial statements can be found on pages 32-35 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, energy efficiency projects, 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 for 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 36-38 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 39 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 40-71 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 72-77 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 79-94 of this report. Statistical information related to the City can be found on pages 99-128.

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 \$170,816,871 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (85 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City 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	
	2011	2010	2011	2010	2011	2010
Current assets	\$ 64,243	\$ 54,961	\$ 23,079	\$ 21,790	\$ 87,322	\$ 76,751
Noncurrent assets:						
Restricted cash and cash equivalents	58	57	3,026	3,066	3,084	3,123
Capital assets	177,296	168,689	109,011	107,686	286,307	276,375
Total assets	241,597	223,707	135,116	132,542	376,713	356,249
Current liabilities	54,129	55,836	3,893	4,081	58,022	59,917
Noncurrent liabilities	112,775	99,895	35,099	34,566	147,874	134,461
Total liabilities	166,904	155,731	38,992	38,647	205,896	194,378
Invested in capital assets, net of related debt	60,287	59,847	85,278	83,083	145,565	142,930
Restricted	5,015	4,699	2,967	3,017	7,982	7,716
Unrestricted	9,391	3,430	7,879	7,795	17,270	11,225
Total net assets	\$ 74,693	\$ 67,976	\$ 96,124	\$ 93,895	\$ 170,817	\$ 161,871

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* (\$17,269,448) 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 an increase of \$5,961,175 in unrestricted net assets reported in connection with the City of Ankeny's governmental activities. This can be attributed to the change in restricted fund balance of the capital projects fund.

The government's net assets increased by \$8,945,558 during the current fiscal year, which is a combination of a \$6,716,922 increase in governmental activities net assets and an increase of \$2,228,636 in business-type activities net assets.

Changes in Net Assets (000's)

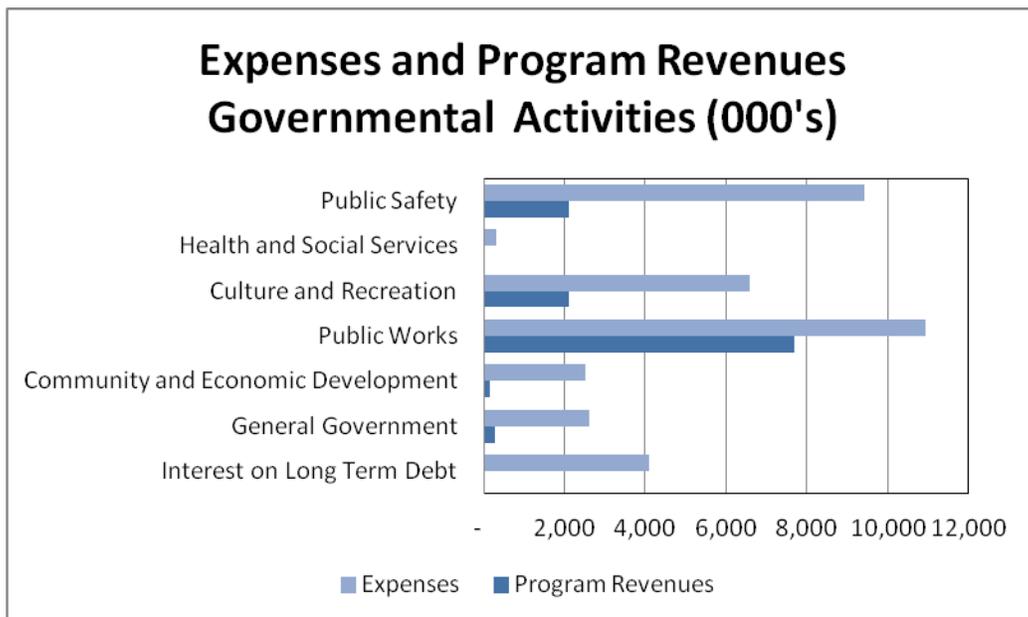
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 4,307	\$ 3,487	\$ 17,423	\$ 15,404	\$ 21,730	\$ 18,891
Operating grants and contributions	4,474	6,298	-	-	4,474	6,298
Capital grants and contributions	3,615	3,329	1,157	268	4,772	3,597
General revenues:						
Property taxes	27,368	25,799	-	-	27,368	25,799
Other taxes	1,661	1,179	-	-	1,661	1,179
Interest	388	466	34	55	422	521
Other	94	90	727	635	821	725
Total revenues	41,907	40,648	19,341	16,362	61,248	57,010
Expenses:						
Public safety	9,421	10,444	-	-	9,421	10,444
Health and social services	300	275	-	-	300	275
Culture and recreation	6,584	5,733	-	-	6,584	5,733
Public works	10,933	18,931	-	-	10,933	18,931
Community & economic development	2,531	2,844	-	-	2,531	2,844
General government	2,616	2,709	-	-	2,616	2,709
Interest of long-term debt	4,089	4,310	-	-	4,089	4,310
Solid waste	-	-	534	433	534	433
Water	-	-	6,426	6,737	6,426	6,737
Sewer	-	-	6,921	7,704	6,921	7,704
Storm Water	-	-	274	276	274	276
Otter Creek golf course	-	-	1,673	1,685	1,673	1,685
Total expenses	36,474	45,246	15,828	16,835	52,302	62,081
Excess (deficiency) before transfers	5,433	(4,598)	3,513	(473)	8,946	(5,071)
Transfers	1,284	450	(1,284)	(450)	-	-
Changes in net assets	6,717	(4,148)	2,229	(923)	8,946	(5,071)
Net assets, beginning	67,976	72,124	93,895	94,818	161,871	166,942
Net assets, ending	\$ 74,693	\$ 67,976	\$ 96,124	\$ 93,895	\$ 170,817	\$ 161,871

Governmental activities. Governmental activities increased the City's net assets by \$6,716,922, thereby accounting for 75 percent of the total improvement in net assets. Key elements of this increase are as follows:

- Charges for services increased by \$820,165 (24 percent) due to increased revenues related to ambulance billing and aquatics. Fiscal year 2011 represented the first full year of operations for Cascade Falls Aquatic Center, the City's second aquatic facility.

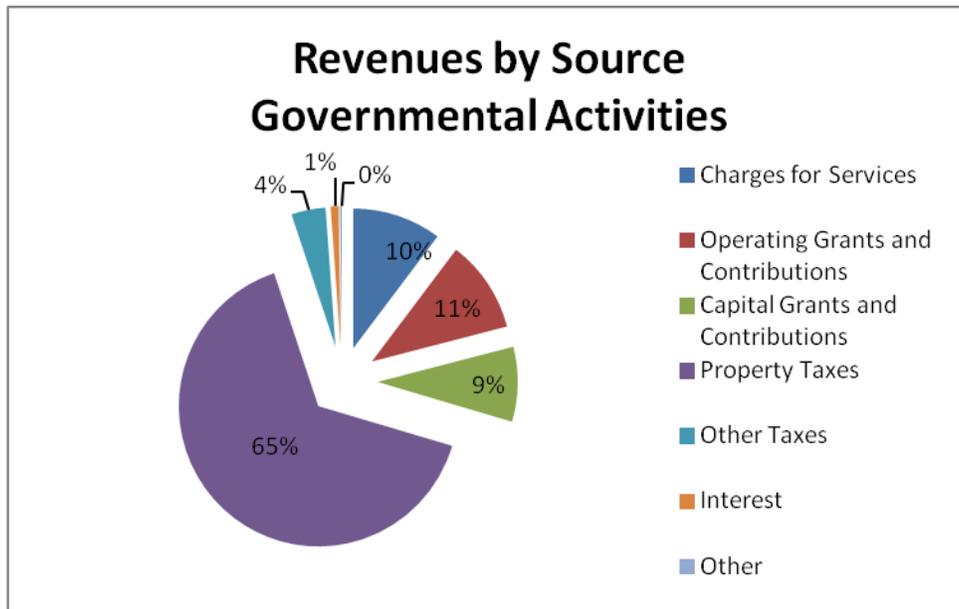
- Property taxes increased by \$1,568,403 (6 percent) during the year. The increase resulted from property valuation growth of over 5 percent, with the property tax rate remaining the same at 11.17646.
- Other taxes increased by \$481,664 (41 percent) during the year. The increase is due to City Council approval of a 2 percent franchise fee on electric and gas utilities to support public safety enhancements, specifically the hiring of firefighter/paramedics for a engine company at Fire Station #2. The first quarterly payment of the franchise fee is reflected in fiscal year 2011.
- Public works expenditures decreased by \$7,997,613 (42 percent) due to the completion of capital projects.
- Public safety expenditures decreased by \$1,022,666 (10 percent) due in part to vacancies in the police department, reduced call pay in the fire department and lower than anticipated operating costs of new facilities.

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.

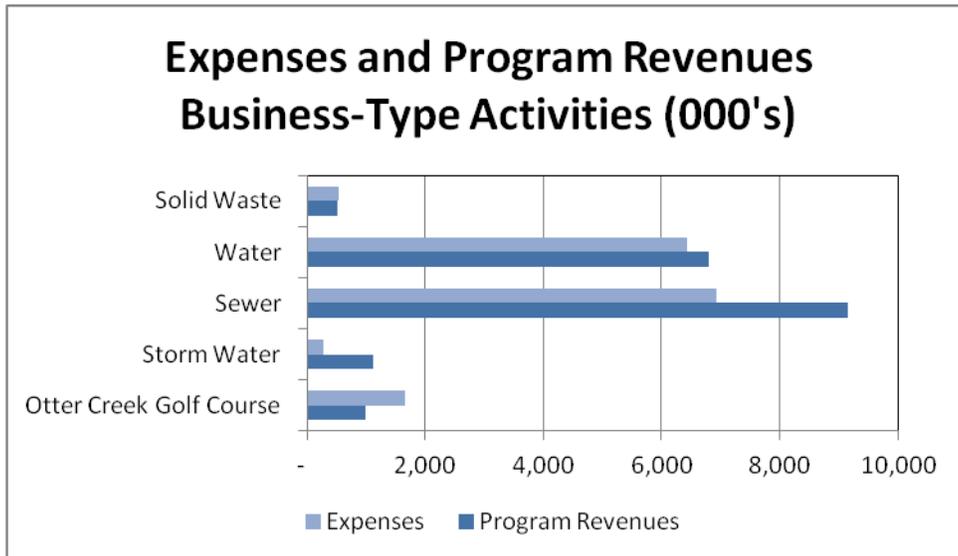
Revenues for the governmental activities are derived as follows:



Business-type activities. Business-type activities increased the City's net assets by \$2,228,636, accounting for 25 percent of the total improvement in the government's net assets. Key elements of this increase are as follows:

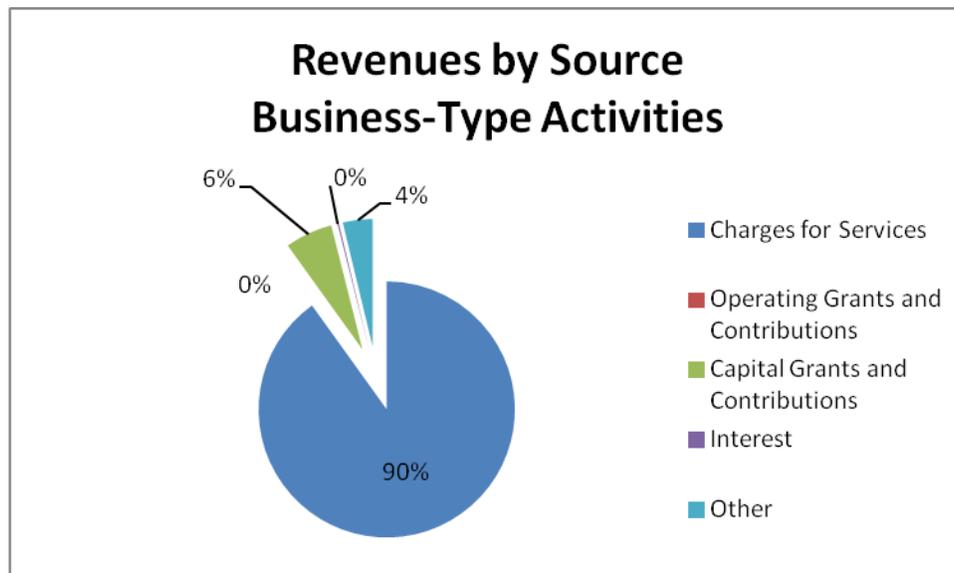
- Charges for services for business-type activities increased by \$2,018,728, with solid waste increasing 7 percent, water increasing 12 percent, sewer increasing 18 percent, storm water increasing 7 percent and Otter Creek Golf Course decreasing by 10 percent. The utility funds continue to see a growth in the number of customers annually, but the majority of the increases are related to rate increases ranging from 7 to 13 percent. The decline in golf course revenues were directly related to the cold and wet spring weather conditions.
- Solid waste expenditures increased by \$100,984 (23 percent) due to costs levied by the Metro Waste Authority, the City's recycling provider. Rates increased \$0.10 per household per month to cover the cost of cart exchanges, in addition to the consumer price index (CPI) adjustment of \$0.08, for a total of \$0.18.

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



The program revenues exceeded expenses for water, sewer and storm water and conversely expenses exceeded program revenues for solid waste 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, unassigned 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 \$23,404,696, an increase of \$10,459,160 in comparison with the prior year. Of this total amount, \$7,063,956 constitutes *unassigned fund balance*, which is available for spending at the government's discretion and \$139,671 constitutes *assigned fund balance* for deferred compensation provisions associated with the city manager's employment contract. The remainder of the fund balance, \$16,201,069, is *restricted* to indicate that it is not available for spending because it can only be spent for the specific purposes stipulated by external resource providers, by constitution or by enabling legislation.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,064,005, while total fund balance reached \$7,203,676. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 38 percent of total general fund expenditures, while total fund balance represents 39 percent of that same amount.

The fund balance of the City's general fund increased by \$1,765,490 (32 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 intergovernmental, resulting in a net increase of \$1,863,591. The most significant changes are related to the following:

- The general fund property tax levy rate did not change, but property tax valuations remained strong with over 5 percent growth, resulting in an increase of \$682,957 in property taxes collected.
- Use of money and property decreased \$18,001 due to the continuing impact of the economic downturn on interest earnings.

In comparison to an 11 percent increase in revenues, general fund expenditures increased 4 percent. The most significant increases were in the areas of culture and recreation and public works. Culture and recreation expenditures increased

as a result of GASB #54, whereby the hotel/motel tax fund that was previously classified as a special revenue fund is now included in the general fund. Public works expenditures were affected for the most part by the cost of street lighting and the commitment to the Polk County Aviation Authority, which increased as a result of property tax valuation growth.

The debt service fund had a total fund balance of \$2,551,310, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year was \$345,539 or 12 percent. While planned during fiscal year 2011, the use of fund balance is temporary, as a future debt service levy increase will be needed to maintain the projected capital improvements program (CIP).

The tax increment financing fund (TIF), a special revenue fund, had a total fund balance of \$407,042, all of which is restricted. The fund had a decrease in fund balance of \$101,728 after transfers out of \$4,363,463 to the debt service fund. The decrease in fund balance is due to the payment of rebate agreements prior to the reservation of revenues.

The capital projects fund had a fund balance of \$8,761,747, all of which is restricted. The fund had an increase in fund balance of \$7,122,226. This increase was a direct result of issuance of higher than normal bond anticipation notes, which occurred just prior to fiscal year end.

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 decreased by \$6,927 to \$94,380, all of which is unrestricted.
- Total net assets of the water fund at the end of current year were \$27,096,948, with \$23,990,760 invested in capital assets net of related debt, \$1,139,863 restricted for debt service and \$1,966,325 in unrestricted net assets. This represents an increase in net assets of \$436,807 or 2 percent.
- Total net assets of the sewer fund at the end of the current year were \$64,212,315, with \$56,225,111 invested in capital assets net of related debt, \$1,827,232 restricted for debt service and \$6,159,972 in unrestricted net assets. This represents an increase in net assets of \$1,612,177.
- The net assets of the storm water fund at the end of the current year were \$289,892, of which \$80,573 is invested in capital assets net of related debt and \$209,319 in unrestricted net assets, an increase of \$238,998.

- The Otter Creek Golf Course had total net assets of \$4,350,404, comprised of \$4,981,633 invested in capital assets net of related debt and a \$631,229 deficit in unrestricted net assets, a decrease of \$2,447.

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

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.

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

- The total original revenue budget of \$73,656,335 was decreased to \$64,338,161, a reduction of \$9,318,174. Amended revenues included decreases related to interest income, grants and the reallocation of revenues from charges for services to miscellaneous revenues.
- The total original expenditure budget of \$104,125,219 was decreased to \$95,315,603, a reduction of \$8,809,616. Amended expenditures included decreases related to police officer vacancies, position elimination in the library created by early retirement, timing of capital projects and water utility expenditures. Debt service expenditures increased due to the issuance of general obligation refunding bonds.
- The total original budget for other financing sources, net of \$30,962,000 increased to \$40,402,000, an increase of \$9,440,000 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 72-74.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities was \$370,131,135 in fiscal year 2011 and \$351,803,470 for fiscal year 2010. This amount represents a net increase, including additions and deletions, of \$18,327,665 and \$25,236,058, respectively. The value of these capital assets, net of depreciation at June 30, 2011 and 2010, is depicted below. The investment in capital assets includes land, buildings, other improvements, machinery and equipment, furniture and fixtures, construction in progress and infrastructure. All required infrastructure has been recorded for the governmental and business-type activities.

Capital Assets (000's)
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 7,328	\$ 7,328	\$ 1,548	\$ 1,548	\$ 8,876	\$ 8,876
Construction in progress	35,400	45,365	12,978	15,654	48,378	61,019
Other improvements	21,595	9,631	183	208	21,778	9,839
Infrastructure	90,343	83,752	93,050	88,867	183,393	172,619
Buildings	17,353	18,158	484	505	17,837	18,663
Machinery and equipment	5,096	4,250	716	845	5,812	5,095
Furniture and fixtures	181	205	52	58	233	263
Total capital assets	<u>\$ 177,296</u>	<u>\$ 168,689</u>	<u>\$ 109,011</u>	<u>\$ 107,685</u>	<u>\$ 286,307</u>	<u>\$ 276,374</u>

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

- Expended nearly \$1,270,000 on fire equipment, most notably an aerial platform fire truck and a pumper truck.
- Expended close to \$1,300,000 to complete Cascade Falls, the city's second aquatic center.
- Expended over \$3,100,000 on the SW Magazine/SW Cherry Extension plus over \$1,100,000 on the SW Magazine/US 69 Intersection. Both of these projects were near the new high school built by the Ankeny School District.
- Expended over \$650,000 towards improvements of a new interstate interchange at Interstate 35 and Northeast 36th Street.
- Expended over \$1,500,000 towards improvements on various Prairie Trail projects.

Additional information can be found on the City's capital assets in Note 4 on pages 53-54 of this report.

Long-term debt. At the end of the current fiscal year, the City of Ankeny had total bonded debt outstanding of \$168,404,000. Of this amount, \$141,883,000 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).

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 130,849	\$ 120,186	\$ 11,034	\$ 11,075	\$ 141,883	\$ 131,261
Capital loan notes	-	-	1,821	2,541	1,821	2,541
Revenue bonds	-	-	24,700	23,425	24,700	23,425
Total outstanding debt	\$ 130,849	\$ 120,186	\$ 37,555	\$ 37,041	\$ 168,404	\$ 157,227

The City's total debt increased by \$11,177,000 (7 percent) during the current fiscal year. The key factor in this increase was due to the City issuing \$16,160,000 general obligation refunding bonds and \$19,920,000 bond anticipation notes for various public improvements. The government also issued \$3,010,000 in revenue bonds related to sewer 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 \$177,854,893. With outstanding general obligation debt of \$110,908,000 and bond anticipation notes of \$30,975,000, the City had utilized 80 percent of the debt limit as of June 30, 2011.

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 56-60 of this report.

Economic Factors and Next Year's Budgets and Rates

- In calendar year 2010, the City issued 523 single-family residential permits, reflecting a moderate increase from 422 building permits in 2009.
- Commercial construction in calendar year 2010 increased in terms of the number of permits issued at 17 but decreased in terms of taxable valuation at \$10,060,900, which is the lowest in 10 years. Actual commercial permit results for 2009 and 2008 were 11 and 21 issued with values of \$12,251,100 and \$42,473,891 respectively.
- Residential construction since 2000 has increased the City's population to 45,582 residents, based on figures from the 2010 census. The City's 2000 population was 27,117 residents.
- The City's taxable valuation has increased at an average of over 9 percent per year over the last five years, including an increase of 5 percent for fiscal year 2011.

All of these factors were considered in preparing the City of Ankeny's budget for fiscal year 2012. The fiscal year 2012 budget included total revenues of \$98,431,251 down from \$104,618,335, representing a 6 percent decrease. The biggest decrease in revenue is attributable to a decrease in amount of bond proceeds needed to fund the capital improvement program. In addition, the fiscal year 2012 budget included a decrease in expenditures from \$104,125,219 to \$99,394,195, a decrease of 5 percent. The decline is attributable to decreases in debt service and capital project expenditures. 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, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Ankeny Arts Council
Assets				
Current assets:				
Cash and cash equivalents	\$ 44,573,393	\$ 7,173,712	\$ 51,747,105	\$ 13,859
Monies held by primary government	-	-	-	91,867
Receivables:				
Interest	23,529	8,202	31,731	-
Taxes	27,977,203	-	27,977,203	-
Accounts	1,962,180	1,905,332	3,867,512	-
Special assessments	718,346	41,050	759,396	-
Intergovernmental	1,911,284	1,175	1,912,459	-
Prepaid expenses	72,526	-	72,526	639
Inventory	275,563	62,221	337,784	-
Internal balances	(13,624,883)	13,624,883	-	-
Unamortized bond issuance costs	353,296	262,842	616,138	-
Total current assets	64,242,437	23,079,417	87,321,854	106,365
Noncurrent assets:				
Restricted cash and cash equivalents	57,717	3,026,393	3,084,110	-
Capital assets:				
Land	7,328,206	1,547,944	8,876,150	-
Construction-in-progress	35,399,531	12,978,118	48,377,649	-
Depreciable assets, net of accumulated depreciation	134,568,703	94,484,504	229,053,207	11,792
Total capital assets	177,296,440	109,010,566	286,307,006	11,792
Total noncurrent assets	177,354,157	112,036,959	289,391,116	11,792
Total assets	\$ 241,596,594	\$ 135,116,376	\$ 376,712,970	\$ 118,157
Liabilities and Net Assets				
Liabilities:				
Current liabilities:				
Accounts payable	\$ 3,918,121	\$ 983,402	\$ 4,901,523	\$ 2,781
Retainage payable	522,357	-	522,357	-
Accrued wages	457,090	91,054	548,144	801
Claims payable	249,484	-	249,484	-
Customers deposits	57,717	59,298	117,015	-
Unearned revenue	28,476,415	9,305	28,485,720	-
Bond and capital loan note interest payable	351,561	153,822	505,383	-
Bonds and capital loan notes payable, net of unamortized discount/premium	19,566,145	2,514,341	22,080,486	-
Early retirement benefit payable	64,326	-	64,326	-
Compensated absences payable	465,784	82,405	548,189	-
Total current liabilities	54,129,000	3,893,627	58,022,627	3,582
Noncurrent liabilities:				
Bonds and capital loan notes payable, net of unamortized discount/premium	112,561,659	35,027,004	147,588,663	-
Early retirement benefit payable	53,177	-	53,177	-
Other postemployment benefits	70,570	15,069	85,639	-
Compensated absences payable	89,156	56,837	145,993	-
Total noncurrent liabilities	112,774,562	35,098,910	147,873,472	-
Total liabilities	166,903,562	38,992,537	205,896,099	3,582
Net Assets:				
Investment in capital assets, net of related debt	60,286,690	85,278,077	145,564,767	-
Restricted for:				
Debt service	2,551,310	2,967,095	5,518,405	-
Community and economic development	1,691,349	-	1,691,349	-
Culture and recreation	622,876	-	622,876	-
Public safety	150,026	-	150,026	-
Unrestricted	9,390,782	7,878,667	17,269,448	114,575
Total net assets	74,693,032	96,123,839	170,816,871	114,575
Total liabilities and net assets	\$ 241,596,594	\$ 135,116,376	\$ 376,712,970	\$ 118,157

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, 2011

Programs/Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit Ankeny Arts Council
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government		
						Business-Type Activities	Total	
Primary government:								
Governmental activities:								
Public safety	\$ 9,421,395	\$ 1,766,256	\$ 355,587	\$ 3,627	\$ (7,295,925)	\$ -	\$ (7,295,925)	\$ -
Health and social services	299,558	15,117	-	-	(284,441)	-	(284,441)	-
Culture and recreation	6,584,196	1,880,188	242,285	-	(4,461,723)	-	(4,461,723)	-
Public works	10,933,113	365,541	3,708,195	3,611,747	(3,247,630)	-	(3,247,630)	-
Community and economic development	2,530,503	8,024	154,977	-	(2,367,502)	-	(2,367,502)	-
General government	2,615,502	272,288	13,053	-	(2,330,161)	-	(2,330,161)	-
Interest on long-term debt	4,089,033	-	-	-	(4,089,033)	-	(4,089,033)	-
Total governmental activities	36,473,300	4,307,414	4,474,097	3,615,374	(24,076,415)	-	(24,076,415)	-
Business-type activities:								
Solid waste	534,144	520,416	-	-	-	(13,728)	(13,728)	-
Water	6,426,365	6,301,828	-	502,680	-	378,143	378,143	-
Sewer	6,921,235	8,525,607	-	627,260	-	2,231,632	2,231,632	-
Storm water	274,327	1,111,879	-	-	-	837,552	837,552	-
Otter Creek golf course	1,672,404	963,239	-	26,917	-	(682,248)	(682,248)	-
Total business-type activities	15,828,475	17,422,969	-	1,156,857	-	2,751,351	2,751,351	-
Total primary government	\$ 52,301,775	\$ 21,730,383	\$ 4,474,097	\$ 4,772,231	\$ (24,076,415)	\$ 2,751,351	\$ (21,325,064)	\$ -
Component unit:								
Arts council	\$ 104,202	\$ 97,186	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,016)
General revenues:								
Taxes:								
Property taxes					27,367,573	-	27,367,573	-
Other taxes					1,660,528	-	1,660,528	-
Interest					387,829	34,270	422,099	1,055
Other					93,680	726,742	820,422	-
Transfers					1,283,727	(1,283,727)	-	-
Total general revenues and transfers					30,793,337	(522,715)	30,270,622	1,055
Changes in net assets					6,716,922	2,228,636	8,945,558	(5,961)
Net asset, beginning					67,976,110	93,895,203	161,871,313	120,536
Net assets, ending					\$ 74,693,032	\$ 96,123,839	\$ 170,816,871	\$ 114,575

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

City of Ankeny, Iowa

Balance Sheet
Governmental Funds
June 30, 2011

	General	Debt Service	Tax Increment Financing	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 8,126,099	\$ 2,784,175	\$ 1,116,914	\$ 24,831,310	\$ 3,759,699	\$ 40,618,197
Receivables:						
Interest	21,761	-	-	1,659	68	23,488
Taxes	14,602,636	7,648,303	4,826,869	-	899,395	27,977,203
Accounts	559,619	-	-	43,084	1,359,477	1,962,180
Special assessments	1,528	-	-	-	716,818	718,346
Intergovernmental	76,018	332	-	962,625	364,252	1,403,227
Due from other funds	21,437	-	-	-	52,756	74,193
Restricted assets, cash and cash equivalents	57,717	-	-	-	-	57,717
Total assets	\$ 23,466,815	\$ 10,432,810	\$ 5,943,783	\$ 25,838,678	\$ 7,152,465	\$ 72,834,551
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 551,794	\$ -	\$ 2,691	\$ 2,945,479	\$ 362,458	\$ 3,862,422
Retainage payable	-	-	-	522,357	-	522,357
Accrued wages	385,645	-	-	2,760	62,484	450,889
Due to other funds	268,773	279,280	-	13,410,160	255,190	14,213,403
Advances from other funds	442,424	-	-	-	496,356	938,780
Customer deposits	57,717	-	-	-	-	57,717
Deferred revenue	14,556,786	7,602,221	5,534,050	196,175	1,495,055	29,384,287
Total liabilities	16,263,139	7,881,501	5,536,741	17,076,931	2,671,543	49,429,855
Fund balances:						
Restricted	-	2,551,310	407,042	8,761,747	4,480,971	16,201,069
Assigned	139,671	-	-	-	-	139,671
Unassigned	7,064,005	-	-	-	(49)	7,063,956
Total fund balances	7,203,676	2,551,310	407,042	8,761,747	4,480,922	23,404,696
Total liabilities and fund balances	\$ 23,466,815	\$ 10,432,810	\$ 5,943,783	\$ 25,838,678	\$ 7,152,465	\$ 72,834,551

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, 2011**

Fund balances--total governmental funds		\$	23,404,696
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 capital assets:			
Land	\$	7,328,206	
Construction-in-progress		35,399,531	
Depreciable capital assets		183,726,492	
Accumulated depreciation		<u>(49,157,789)</u>	177,296,440
The assets and liabilities of internal service funds are included in the governmental activities in the statement of net assets. Internal service fund net assets:			
Current assets	\$	5,409,737	
Internal balances		1,008,847	
Current liabilities		(451,387)	
Noncurrent liabilities		<u>(63,496)</u>	5,903,701
Internal service funds allocated to business-type activities			(79,901)
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 the government-wide level. The following deferred revenues for unavailable items were reported in the governmental funds:			
Various funds - property tax receivable	\$	67,551	
Various funds - special assessment receivable		601,791	
General fund - intergovernmental receivable		1,164	
Capital projects fund - intergovernmental receivable		194,341	
General fund - accounts receivable		41,191	
Capital projects fund - accounts receivable		<u>1,834</u>	907,872
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	\$	(130,849,069)	
Unamortized bond issuance costs		353,296	
Unamortized premium on general obligation bonds		(1,453,795)	
Unamortized discount on general obligation bonds		175,060	
Other postemployment benefits		(68,872)	
Bond interest payable		(351,561)	
Compensated absences		<u>(544,835)</u>	<u>(132,739,776)</u>
Net assets of governmental activities		\$	<u>74,693,032</u>

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

City of Ankeny, Iowa

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	General Fund	Debt Service	Tax Increment Financing	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 13,821,662	\$ 7,232,414	\$ 5,516,725	\$ -	\$ 751,517	\$ 27,322,318
Other taxes and assessments	1,550,892	101,584	-	-	157,828	1,810,304
Licenses and permits	971,042	-	-	-	-	971,042
Intergovernmental	501,312	-	12,640	1,778,943	3,714,182	6,007,077
Charges for services	2,340,127	-	-	-	20,923	2,361,050
Use of money and property	369,941	-	-	125,079	8,863	503,883
Miscellaneous	628,732	-	-	140,999	1,668,883	2,438,614
Total revenues	<u>20,183,708</u>	<u>7,333,998</u>	<u>5,529,365</u>	<u>2,045,021</u>	<u>6,322,196</u>	<u>41,414,288</u>
Expenditures:						
Current operating:						
Public safety	9,163,776	-	-	-	713,824	9,877,600
Health and social services	287,278	-	-	-	-	287,278
Culture and recreation	4,761,537	-	-	-	105,191	4,866,728
Public works	1,159,245	-	-	-	3,035,193	4,194,438
Community and economic development	630,734	-	1,267,630	-	591,637	2,490,001
General government	2,440,504	-	-	-	-	2,440,504
Debt service:						
Principal	-	8,286,449	-	-	-	8,286,449
Interest and other charges	-	3,776,172	-	458,312	-	4,234,484
Capital projects	-	-	-	14,959,038	-	14,959,038
Total expenditures	<u>18,443,074</u>	<u>12,062,621</u>	<u>1,267,630</u>	<u>15,417,350</u>	<u>4,445,845</u>	<u>51,636,520</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,740,634</u>	<u>(4,728,623)</u>	<u>4,261,735</u>	<u>(13,372,329)</u>	<u>1,876,351</u>	<u>(10,222,232)</u>
Other financing sources (uses):						
Issuance of long-term debt	-	-	-	19,920,000	-	19,920,000
Issuance of refunding bonds	-	2,777,877	-	12,310,301	-	15,088,178
Premium on long-term debt	-	-	-	161,352	-	161,352
Premium on refunding bonds	-	105,535	-	186,391	-	291,926
Payment of refunded bonds	-	(2,863,791)	-	(13,200,000)	-	(16,063,791)
Transfers in	221,500	4,363,463	-	1,170,000	287,076	6,042,039
Transfers out	(196,644)	-	(4,363,463)	(53,489)	(144,716)	(4,758,312)
Total other financing sources (uses)	<u>24,856</u>	<u>4,383,084</u>	<u>(4,363,463)</u>	<u>20,494,555</u>	<u>142,360</u>	<u>20,681,392</u>
Net change in fund balances	1,765,490	(345,539)	(101,728)	7,122,226	2,018,711	10,459,160
Fund balances, beginning, as restated (see Note 1)	5,438,186	2,896,848	508,770	1,639,521	2,462,211	12,945,536
Fund balances, ending	<u>\$ 7,203,676</u>	<u>\$ 2,551,310</u>	<u>\$ 407,042</u>	<u>\$ 8,761,747</u>	<u>\$ 4,480,922</u>	<u>\$ 23,404,696</u>

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, 2011**

Net change in fund balances--total governmental funds	\$	10,459,160
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	\$ 12,863,925	
Depreciation expense	<u>(5,838,357)</u>	7,025,568
Governmental funds do not report capital assets and therefore do not report gains or losses on the disposal of those assets		(26,931)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(1,221,279)
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	\$ (35,008,178)	
Principal debt payments	24,350,240	
Premium on refunding bonds	(291,926)	
Premium on long-term debt	(161,352)	
Bond issuance costs	<u>85,613</u>	(11,025,603)
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	\$ (23,975)	
Compensated absences	(55,524)	
Amortization of bond discounts, issuance costs, premiums, and deferrals	57,528	
Adjustment to bond interest payable	<u>2,310</u>	(19,661)
Governmental funds do not report capital assets and therefore do not report the contribution of capital assets.		1,638,463
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.		(162,767)
Change in internal service fund allocation to business-type activities.		<u>49,972</u>
Changes in net assets of governmental activities	\$	<u><u>6,716,922</u></u>

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, 2011

	Water	Sewer	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 1,460,110	\$ 5,310,833	\$ 402,769	\$ 7,173,712	\$ 3,955,196
Receivables:					
Interest	5,347	2,855	-	8,202	41
Accounts	715,107	973,487	216,738	1,905,332	-
Special Assessment	3,439	36,572	1,039	41,050	-
Intergovernmental	1,175	-	-	1,175	508,057
Prepaid expenses	-	-	-	-	72,526
Inventory	-	4,531	57,690	62,221	275,563
Due from other funds	2,262,046	11,607,394	-	13,869,440	598,354
Unamortized bond issuance costs	91,841	171,001	-	262,842	-
Total current assets	4,539,065	18,106,673	678,236	23,323,974	5,409,737
Noncurrent assets:					
Restricted cash and cash equivalents	1,199,161	1,827,232	-	3,026,393	-
Advances to other funds	-	-	-	-	1,008,847
Capital assets:					
Land	39,764	522,238	985,942	1,547,944	-
Construction-in-progress	5,184,668	4,275,875	3,517,575	12,978,118	-
Depreciable assets, net of accumulated depreciation	30,604,167	63,321,650	558,689	94,484,504	48,057
Total capital assets	35,828,599	68,119,763	5,062,206	109,010,566	48,057
Total noncurrent assets	37,027,760	69,946,995	5,062,206	112,036,959	1,056,904
Total assets	\$ 41,566,825	\$ 88,053,668	\$ 5,740,442	\$ 135,360,933	\$ 6,466,641
Liabilities and Net Assets					
Liabilities:					
Current liabilities:					
Accounts payable	\$ 323,678	\$ 51,273	\$ 608,452	\$ 983,404	\$ 55,699
Accrued wages	20,434	30,836	39,784	91,054	6,201
Due to other funds	-	-	254,391	254,391	74,193
Claims payable	-	-	-	-	249,484
Customer deposits	59,298	-	-	59,298	-
Unearned revenue	9,305	-	-	9,305	-
Bond and capital loan note interest payable	50,436	103,386	-	153,822	-
Bonds and capital loan notes payable, net of unamortized discount	883,900	1,630,441	-	2,514,341	-
Early retirement benefit payable	-	-	-	-	64,326
Compensated absences payable	26,688	31,251	24,466	82,405	1,484
Total current liabilities	1,373,739	1,847,187	927,093	4,148,020	451,387
Noncurrent liabilities:					
Bonds and capital loan notes payable, net of unamortized discount	13,057,938	21,969,066	-	35,027,004	-
Early retirement benefit payable	-	-	-	-	53,177
Other postemployment benefits	4,457	7,004	3,608	15,069	1,698
Compensated absences payable	33,743	18,096	4,998	56,837	8,621
Advances from other funds	-	-	70,067	70,067	-
Total noncurrent liabilities	13,096,138	21,994,166	78,673	35,168,977	63,496
Total liabilities	14,469,877	23,841,353	1,005,766	39,316,997	514,883
Net Assets:					
Investment in capital assets, net of related debt	23,990,760	56,225,111	5,062,206	85,278,077	48,057
Restricted for:					
Debt service	1,139,863	1,827,232	-	2,967,095	-
Unrestricted	1,966,325	6,159,972	(327,530)	7,798,767	5,903,701
Total net assets	27,096,948	64,212,315	4,734,676	96,043,939	5,951,758
Total liabilities and net assets	\$ 41,566,825	\$ 88,053,668	\$ 5,740,442	\$ 135,360,933	\$ 6,466,641
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.				79,901	
Net assets of business-type activities				\$ 96,123,839	

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, 2011

	Water	Sewer	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Operating revenues:					
Charges for services	\$ 6,301,828	\$ 8,525,607	\$ 2,595,534	\$ 17,422,969	\$ 3,725,760
Other	55,469	-	671,273	726,742	647,737
Total operating revenues	6,357,297	8,525,607	3,266,807	18,149,711	4,373,497
Operating expenses:					
Personal services	876,676	1,112,171	1,000,656	2,989,503	612,685
Contractual services	1,785,360	4,119,900	985,129	6,890,389	3,370,151
Operating supplies	2,220,471	216,127	388,580	2,825,178	583,096
Depreciation	899,750	1,741,892	91,618	2,733,260	14,712
Total operating expenses	5,782,257	7,190,090	2,465,983	15,438,330	4,580,644
Operating income (loss)	575,040	1,335,517	800,824	2,711,381	(207,147)
Nonoperating revenues (expenses):					
Interest earnings	15,381	18,889	-	34,270	59,301
Interest expense	(626,650)	(697,334)	(4,189)	(1,328,173)	-
Change in bonds outstanding	-	988,000	-	988,000	-
Loss on disposal of assets	-	-	-	-	(14,921)
Total nonoperating revenues (expenses)	(611,269)	309,555	(4,189)	(305,903)	44,380
Net income (loss) before contributions and transfers	(36,229)	1,645,072	796,635	2,405,478	(162,767)
Capital contributions	502,680	627,260	26,917	1,156,857	-
Transfers in	42,000	53,489	6,072	101,561	-
Transfers out	(71,644)	(713,644)	(600,000)	(1,385,288)	-
Change in net assets	436,807	1,612,177	229,624	2,278,608	(162,767)
Total net assets, beginning	26,660,141	62,600,138	4,505,052		6,114,525
Total net assets, ending	\$ 27,096,948	\$ 64,212,315	\$ 4,734,676		\$ 5,951,758
				Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.	(49,972)
				Change in net assets of business-type activities	\$ 2,228,636

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, 2011

	Water	Sewer	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Cash flows from operating activities:					
Receipts from customers	\$ 6,303,875	\$ 8,370,135	\$ 3,252,174	\$ 17,926,184	\$ 3,875,093
Payments to suppliers	(4,011,351)	(4,441,817)	(1,374,378)	(9,827,546)	(4,167,022)
Payments to employees	(906,059)	(1,116,659)	(1,005,761)	(3,028,479)	(483,961)
Net cash provided (used) by operating activities	1,386,465	2,811,659	872,035	5,070,159	(775,890)
Cash flows from noncapital financing activities:					
Payments received on interfund accounts	752,692	2,662,063	-	3,414,755	673,651
Payments made on interfund accounts	-	-	(92,537)	(92,537)	-
Loans issued to other funds	(650,898)	(3,408,794)	-	(4,059,692)	(748,517)
Loans received from other funds	30,000	30,000	46,415	106,415	-
Transfers from other funds	42,000	53,489	6,072	101,561	-
Transfers to other funds	(71,644)	(713,644)	(600,000)	(1,385,288)	-
Net cash provided (used) by noncapital financing activities	102,150	(1,376,886)	(640,050)	(1,914,786)	(74,866)
Cash flows from capital and related financing activities:					
Proceeds from long-term debt, net of bond issue costs	650,898	3,408,794	-	4,059,692	-
Purchase of capital assets	(769,486)	(2,712,884)	(46,415)	(3,528,785)	-
Principal paid on sewer development agreements	-	(99,113)	-	(99,113)	-
Interest paid on sewer development agreements	-	(5,217)	-	(5,217)	-
Principal paid on long-term debt	(817,233)	(1,626,318)	-	(2,443,551)	-
Interest paid on long-term debt	(621,158)	(733,059)	-	(1,354,217)	-
Net cash (used) by capital and related financing activities	(1,556,979)	(1,767,797)	(46,415)	(3,371,191)	-
Cash flows from investing activities:					
Interest received	19,574	22,091	-	41,665	59,333
Net cash provided by investing activities	19,574	22,091	-	41,665	59,333
Net increase (decrease) in cash and cash equivalents	(48,791)	(310,933)	185,570	(174,154)	(791,423)
Balances, beginning of year	2,708,061	7,448,998	217,199	10,374,258	4,746,619
Balances, end of year	\$ 2,659,271	\$ 7,138,065	\$ 402,769	\$ 10,200,104	\$ 3,955,196
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 575,040	\$ 1,335,517	\$ 800,824	\$ 2,711,381	\$ (207,147)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	899,750	1,741,892	91,618	2,733,260	14,712
Changes in assets and liabilities:					
Receivables, net	(53,422)	(155,473)	(14,635)	(223,530)	(498,406)
Prepaid expenses	-	-	-	-	1,692
Inventory	-	(4,212)	(56,960)	(61,172)	(48,123)
Accounts and other payables	(34,903)	(106,065)	51,188	(89,780)	(198,438)
Claims payable	-	-	-	-	159,820
Net cash provided (used) by operating activities	\$ 1,386,465	\$ 2,811,659	\$ 872,035	\$ 5,070,159	\$ (775,890)
Noncash capital and related financing activities:					
Contribution of capital assets	\$ 502,680	\$ 627,260	\$ 26,917	\$ 1,156,857	\$ -

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, 2011

Assets:	
Cash and cash equivalents	<u>\$ 97,104</u>
Liabilities:	
Monies held for other agencies	<u>\$ 97,104</u>

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

CITY OF ANKENY, IOWA
Notes to the Financial Statements
June 30, 2011

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 394 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 four entities that qualify as component units of the City. They are the Ankeny Arts Council, Ankeny Sports Complex Foundation, Keep Ankeny Beautiful, and the Kirkendall Public Library Foundation.

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 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, 2010.

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.

Keep Ankeny Beautiful was formed in order to implement projects intended to enhance the physical appearance of the City. Keep Ankeny Beautiful 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 Kirkendall Public Library Foundation was created for the purpose of raising funds for the Kirkendall Public Library, which is a facility operated and maintained by the City. All board members are appointed by the Mayor. The Kirkendall Public Library Foundation is a blended component unit, because it exclusively provides services and benefits to the City and is presented as a special revenue fund. The Kirkendall Public Library Foundation has a June 30 year-end.

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. Proceeds of general long-term debt are reported as other financing sources.

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).

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the City's policy is generally to first apply the expenditure toward restricted fund balance and then to less-restrictive classifications—committed, assigned and then unassigned fund balances.

Governmental funds include the following fund types:

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

The *Special Revenue Funds* account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

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

The *Capital Project Funds* account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlay including the acquisition or construction of capital facilities and other capital assets.

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

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

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

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

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

The Statement of Activities 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 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 and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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

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

The 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 financial assistance to local businesses.

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 *Sustainability Revolving Loan Fund* accounts for a revolving loan fund that provides no-interest loans to other departments for energy efficiency projects such as energy-efficient building retrofits and commissioning; the incremental costs of purchasing fuel-efficient hybrid vehicles instead of conventional vehicles; or other modest energy-efficiency improvement projects.

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, 2011, was certified on March 15, 2010, by the local taxing authority, Polk County, Iowa, based on January 1, 2009, valuations establishing a lien date of March 15, 2010. 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, 2011, for the fiscal year beginning on July 1, 2011, are recognized as a receivable as of June 30, 2011, but are shown as deferred revenue because these taxes are not permitted for use until July 1, 2011.

Inventory and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories 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:

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

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

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

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

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

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is payable to employees upon termination or retirement while sick pay is payable only upon termination to employees of the American Federation of State, County and Municipal Employees and Ankeny Police Department Employees Unions. 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. The compensated absences liability has been computed based on rates of pay in effect at June

30, 2011. 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

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts which can only be used for specific purposes pursuant to constraints formally imposed by the City Council through ordinance or resolution approved prior to year end. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned – Amounts which are intended to be used for specific purposes as established by the delegated official (Finance Director), but does not meet the definition of restricted or committed.

Unassigned – All amounts not included in other spendable classifications.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt, excludes unspent debt proceeds. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net assets consist of \$1,365,322 restricted by donors, \$524,789 restricted by other governments, \$574,140 restricted through enabling legislation and \$5,518,405 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.

Restatement of Fund Balance

The beginning fund balances of the general fund and the nonmajor governmental funds have been restated in order to reflect the reclassification of the hotel/motel tax fund from a special revenue fund to the general fund. This was done in accordance with the revised definitions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The effect on beginning fund balance presented is as follows:

	General Fund	Nonmajor Governmental Funds
Beginning of year balances, as previously reported	\$ 5,255,100	\$ 2,645,297
Reclassification of funds	183,086	(183,086)
Beginning of year balances, as restated	<u>\$ 5,438,186</u>	<u>\$ 2,462,211</u>

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, 2011, the City held certificates of deposit totaling \$8,939,000. Of this total, \$8,800,000 had original maturities of 6 months to 1 year and \$139,000 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.

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, 2011, the carrying amount of the City's cash deposits, which include certificates of deposit, totaled \$54,333,082 with bank balances of \$55,148,954. 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, 2010, the carrying amount of the Arts Council's (a discretely presented component unit) cash deposits totaled \$13,762 with bank balances of \$14,827. The bank balances are covered entirely by federal depository insurance.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011, is as follows:

	Balance June 30, 2010	Increases	Decreases	Balance June 30, 2011
Governmental activities:				
Undepreciated:				
Land	\$ 7,328,206	\$ -	\$ -	\$ 7,328,206
Construction in progress	45,365,182	8,501,922	18,467,573	35,399,531
Total, undepreciated	<u>52,693,388</u>	<u>8,501,922</u>	<u>18,467,573</u>	<u>42,727,737</u>
Depreciated:				
Other improvements	15,028,136	13,508,783	-	28,536,919
Infrastructure	105,321,712	8,891,655	-	114,213,367
Buildings	25,166,629	-	-	25,166,629
Machinery and equipment	12,515,373	2,067,601	233,103	14,349,871
Furniture and fixtures	1,459,706	-	-	1,459,706
Total, depreciated	<u>159,491,556</u>	<u>24,468,039</u>	<u>233,103</u>	<u>183,726,492</u>
Accumulated depreciation:				
Other improvements	5,396,910	1,545,426	-	6,942,336
Infrastructure	21,570,404	2,299,543	-	23,869,947
Buildings	7,009,154	804,130	-	7,813,284
Machinery and equipment	8,265,048	1,179,994	191,252	9,253,790
Furniture and fixtures	1,254,456	23,976	-	1,278,432
Total accumulated depreciation	<u>43,495,972</u>	<u>5,853,069</u>	<u>191,252</u>	<u>49,157,789</u>
Governmental activities capital assets, net	<u>\$ 168,688,972</u>	<u>\$ 27,116,892</u>	<u>\$ 18,509,424</u>	<u>\$ 177,296,440</u>

	Balance June 30, 2010	Increases	Decreases	Balance June 30, 2011
Business-type activities:				
Undepreciated:				
Land	\$ 1,547,944	\$ -	\$ -	\$ 1,547,944
Construction in progress	15,653,781	2,588,794	5,264,457	12,978,118
Total, undepreciated	<u>17,201,725</u>	<u>2,588,794</u>	<u>5,264,457</u>	<u>14,526,062</u>
Depreciated:				
Other improvements	531,372	-	-	531,372
Infrastructure	118,516,676	6,663,772	-	125,180,448
Buildings	987,640	-	-	987,640
Machinery and equipment	2,316,571	70,271	-	2,386,842
Furniture and fixtures	64,542	-	-	64,542
Total, depreciated	<u>122,416,801</u>	<u>6,734,043</u>	<u>-</u>	<u>129,150,844</u>
Accumulated depreciation:				
Other improvements	323,238	24,896	-	348,134
Infrastructure	29,649,348	2,481,188	-	32,130,536
Buildings	482,281	21,737	-	504,018
Machinery and equipment	1,471,570	198,986	-	1,670,556
Furniture and fixtures	6,642	6,454	-	13,096
Total accumulated depreciation	<u>31,933,079</u>	<u>2,733,261</u>	<u>-</u>	<u>34,666,340</u>
Business-type activities capital assets, net	<u>\$ 107,685,447</u>	<u>\$ 6,589,576</u>	<u>\$ 5,264,457</u>	<u>\$ 109,010,566</u>

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

Governmental activities:	
Public safety	\$ 1,013,744
Health and social services	4,284
Culture and recreation	1,693,439
Public works	2,996,700
General government	<u>144,902</u>
Total depreciation expense - governmental activities	<u>\$ 5,853,069</u>
Business-type activities:	
Water	\$ 899,750
Sewer	1,741,892
Storm water	23,021
Otter Creek golf course	<u>68,597</u>
Total depreciation expense - business-type activities	<u>\$ 2,733,260</u>

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due To/From Other Funds:		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor, internal service	\$ 21,437
Water	Debt service	211,009
	Capital projects	1,961,037
	Enterprise, storm water	90,000
Sewer	Debt service	68,271
	Capital projects	11,449,123
	Enterprise, storm water	90,000
Nonmajor, governmental	Nonmajor, internal service	52,756
Nonmajor, internal service	General fund	268,773
	Special revenue, road use tax	255,190
	Enterprise, storm water	29,943
	Enterprise, Otter Creek golf course	<u>44,448</u>
		<u>\$14,541,987</u>
Advances To/From Other Funds:		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor, internal service	General fund	\$ 442,424
	Special revenue, road use tax	496,356
	Enterprise, storm water	15,253
	Enterprise, Otter Creek golf course	<u>54,814</u>
		<u>\$ 1,008,847</u>

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 creates an interfund balance between the capital projects fund and the enterprise fund involved.

Interfund transfers for the year ended June 30, 2011 were as follows:

	Transfers In							Total
	General	Debt Service	Capital Projects	Water	Sewer	Nonmajor Governmental	Nonmajor Enterprise	
Transfers Out:								
General	\$ -	\$ -	\$ 125,000	\$ -	\$ -	\$ 71,644	\$ -	\$ 196,644
Tax Increment Financing	-	4,363,463	-	-	-	-	-	4,363,463
Capital Projects	-	-	-	-	53,489	-	-	53,489
Water	-	-	-	-	-	71,644	-	71,644
Sewer	200,000	-	400,000	42,000	-	71,644	-	713,644
Nonmajor governmental	21,500	-	45,000	-	-	72,144	6,072	144,716
Nonmajor enterprise	-	-	600,000	-	-	-	-	600,000
	<u>\$ 221,500</u>	<u>\$ 4,363,463</u>	<u>\$ 1,170,000</u>	<u>\$ 42,000</u>	<u>\$ 53,489</u>	<u>\$ 287,076</u>	<u>\$ 6,072</u>	<u>\$ 6,143,600</u>

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

NOTE 6 - DEFERRED REVENUE

Under both the accrual and the modified accrual methods of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset with a corresponding liability for deferred (unearned) revenue. The following funds had deferred (unearned) revenue at June 30, 2011:

General	Succeeding year taxes	\$ 14,472,457
Debt Service	Succeeding year taxes	7,577,590
Special Revenue:		
Tax Increment Financing	Succeeding year taxes	5,306,530
	DART lease agreement	227,520
Nonmajor Governmental:		
Police/Fire Pension	Succeeding year taxes	892,319
Water	Unearned charges	<u>9,305</u>
		<u>\$28,485,721</u>

Governmental funds also record deferred (unavailable) revenue for revenues that have been earned but are not available to liquidate current liabilities. The following funds had deferred (unavailable) revenues at June 30, 2011:

General	Delinquent taxes	\$ 40,707
	Accounts receivable	41,191
	Intergovernmental receivable	1,164
	Special Assessments	1,267
Debt Service	Delinquent taxes	24,631
Nonmajor Governmental:		
Police/Fire Pension	Delinquent taxes	2,214
Capital Projects:		
Capital Projects	Accounts receivable	1,834
	Intergovernmental receivable	194,341
Special Assessments	Special assessments	<u>600,522</u>
		<u>\$ 907,871</u>

NOTE 7 - LONG-TERM DEBT

General Obligation Bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of infrastructure, major capital facilities, and other major capital assets. General obligation bonds have been issued for both general government and proprietary activities. These bonds are reported in proprietary funds if they are expected to be repaid from proprietary fund revenues. General obligation bonds as of June 30, 2011 consist of the following individual issues:

Debt	Issue Date	Final Maturity	Amount Issued	Interest Rate Range Outstanding	Balance June 30, 2011
Various public improvements	05/27/05	06/01/18	14,790,000	4.000 - 4.050	\$ 9,485,000
Various public improvements	05/30/06	06/01/17	5,695,000	4.125 - 4.250	3,700,000
Various public improvements	05/30/07	06/01/18	13,040,000	4.000	9,665,000
Various public improvements	05/15/08	06/01/19	11,985,000	3.250 - 4.000	9,925,000
Public safety facilities	05/15/08	06/01/28	22,425,000	3.000 - 4.625	22,125,000
Landfill remediation	04/08/09	06/01/28	3,000,000	3.000	2,758,000
Various public improvements	05/15/09	06/01/28	32,010,000	3.000 - 4.375	29,550,000
Refunding	05/15/09	06/01/12	2,220,000	5.000	320,000
Refunding	05/15/10	06/01/21	7,920,000	3.000 - 3.250	7,220,000
Various public improvements	06/15/10	06/01/12	11,055,000	1.000	11,055,000
Refunding	05/15/11	06/01/26	13,250,000	2.000 - 4.000	13,250,000
Various public improvements	05/15/11	06/01/13	19,920,000	1.500	19,920,000
Refunding	05/15/11	06/01/14	2,910,000	2.000 - 3.000	2,910,000
			<u>\$ 160,220,000</u>		<u>\$ 141,883,000</u>

On May 15, 2011, the City issued \$13,250,000 of general obligation refunding bonds at a premium of \$200,639 for the purpose of refunding the 2009C bond anticipation notes and issued \$2,910,000 general obligation refunding bonds at a premium of \$110,555 for the purpose of refunding series 2003B general obligation bonds. As a result of this refunding, the City reduced its debt service requirements by \$142,870 for a present value savings of \$138,006.

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

Year Ending June 30	General Obligation Principal	General Obligation Interest	Total
2012	20,507,000	4,576,689	\$ 25,083,689
2013	30,721,000	4,120,613	34,841,613
2014	10,494,000	3,449,914	13,943,914
2015	9,969,000	3,084,219	13,053,219
2016	10,393,000	2,727,099	13,120,099
2017-2021	39,320,000	8,084,566	47,404,566
2022-2026	14,629,000	3,100,284	17,729,284
2027-2028	5,850,000	396,184	6,246,184
	<u>\$ 141,883,000</u>	<u>\$ 29,539,568</u>	<u>\$ 171,422,568</u>

Accumulated fund balances in the Debt Service fund are legally restricted for the repayment of debt service. The fund balance at June 30, 2011 in the Debt Service fund is \$2,551,310.

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, 2011 consist of the following issues:

Debt	Issue Date	Final Maturity	Amount Issued	Interest Rate Range Outstanding	Balance June 30, 2011
Various sewer improvements	12/13/91	05/01/12	\$ 925,000	3.000	\$ 69,000
Various sewer improvements	05/02/94	05/01/15	1,785,000	3.000	488,000
Various sewer improvements	04/07/97	05/01/17	4,344,000	3.920	744,000
Various sewer improvements	12/15/08	05/01/28	6,130,000	4.000 - 6.375	5,720,000
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	02/03/10	05/01/29	1,012,000	3.000	861,000
Various sewer improvements	12/15/10	05/01/30	3,010,000	2.500 - 4.500	3,010,000
			<u>\$ 21,750,000</u>		<u>\$ 15,436,000</u>

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

Year ending June 30	Principal	Interest	Total
2012	904,000	501,016	1,405,016
2013	890,000	564,431	1,454,431
2014	745,000	552,900	1,297,900
2015	777,000	528,825	1,305,825
2016	643,000	503,665	1,146,665
2017-2021	3,484,000	2,151,764	5,635,764
2022-2026	4,318,000	1,377,540	5,695,540
2027-2031	3,370,000	371,896	3,741,896
2032	305,000	9,150	314,150
	<u>\$ 15,436,000</u>	<u>\$ 6,561,187</u>	<u>\$ 21,997,187</u>

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$21,750,000 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 2032. 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 \$21,997,187. Principal and interest paid for the current year and total customer net revenues were \$2,463,707 and \$3,096,298, 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, 2011 relating to these provisions is \$1,827,232.

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, 2011 consist of the following issues:

Debt	Issue Date	Final Maturity	Amount Issued	Interest Rate Range Outstanding	Balance June 30, 2011
Eastside Rual Water Phase 1	10/01/01	06/01/21	\$ 908,000	3.000	\$ 520,000
Various water improvements	11/21/05	06/01/25	4,025,000	4.000 - 4.625	3,140,000
Various water improvements	12/15/06	06/01/26	3,890,000	3.700 - 4.300	3,320,000
Various water improvements	12/15/08	06/01/28	4,400,000	4.000 - 6.375	4,105,000
			<u>\$ 13,223,000</u>		<u>\$ 11,085,000</u>

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

Year ending June 30	Principal	Interest	Total
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	626,000	413,975	1,039,975
2017-2021	3,579,000	1,656,539	5,235,539
2022-2026	3,915,000	789,424	4,704,424
2027-2028	710,000	68,100	778,100
	<u>\$ 11,085,000</u>	<u>\$ 4,804,383</u>	<u>\$ 15,889,383</u>

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$13,223,000 in water revenue bonds and capital loan notes. Proceeds from the bonds and notes provided financing for various water improvement projects. The bonds and notes are payable solely from water customer net revenues and are payable through 2028. Annual principal and interest payments on the bonds and notes are expected to require less than 90 percent of net revenues. The total principal and interest remaining to be paid on the bonds and notes is \$15,889,383. Principal and interest paid for the current year and total customer net revenues were \$1,438,391 and \$1,490,171, 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, 2011 relating to these provisions is \$1,139,863.

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, 2011.

	June 30, 2010	Additions	Retirements	June 30, 2011	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 120,186,129	\$ 35,008,178	\$ 24,345,238	\$ 130,849,069	\$ 19,430,740
Other postemployment benefits	45,993	24,577	-	70,570	-
Compensated absences	496,669	485,475	427,204	554,940	465,784
Early retirement	335,779	5,320	223,596	117,503	64,326
Total governmental activities	121,064,570	35,523,550	24,996,038	131,592,082	19,960,850
Business-type activities:					
General obligation bonds	11,074,871	1,071,822	1,112,762	11,033,931	1,076,259
Water revenue bonds	11,025,000	-	460,000	10,565,000	485,000
Sewer revenue bonds	12,400,000	3,010,000	1,275,000	14,135,000	377,000
Capital loan notes	2,541,000	-	720,000	1,821,000	572,000
Sewer development agreements	99,113	-	99,113	-	-
Other postemployment benefits	10,007	5,062	-	15,069	-
Compensated absences	177,467	43,736	81,961	139,242	82,405
Total business-type activities	37,327,458	4,130,620	3,748,836	37,709,242	2,592,664

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	\$ 28,970	\$ 12,453
Noncurrent	146,090	206,671
Total	\$ 175,060	\$ 219,124
Premiums:		
Current	\$ 164,375	\$ 16,535
Noncurrent	1,289,420	189,003
Total	\$ 1,453,795	\$ 205,538

NOTE 8 - 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 which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes

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

Plan members are required to contribute 4.50% of their annual covered salary and the City is required to contribute 6.95% of annual covered payroll, except covered firefighters who contribute 6.64% and the City contributes 9.95%. Contribution requirements are established by State statute. The City's contribution to IPERS for the years ended June 30, 2011, 2010, and 2009 were \$647,790, \$631,912, and \$572,991, 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. The Plan provides retirement, disability and death benefits that are established by State statute to plan members and beneficiaries. The Plan 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 19.90% of earnable compensation. Contribution requirements are established by State statute. The City's contributions to the Plan for the years ended June 30, 2011, 2010, and 2009 were \$634,969, \$552,553, and \$545,111, respectively, which met the required minimum contributions for each year.

NOTE 9 - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan through the International City Manager's Association (ICMA) 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. Assigned general fund balance of \$139,671 has been designated towards the future provisions of the agreement.

NOTE 10 - 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 645 members include various government entities throughout the State of Iowa. ICAP was formed in August 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 150 percent of the total current 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 insufficient, by the subsequent year's member contributions.

The City's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The City's annual contributions to ICAP for the year ended June 30, 2011 were \$251,857.

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. For members requiring specific coverage from \$3,000,000 to \$12,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by ICAP up to \$150,000

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. The City does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly at June 30, 2011, no liability has been recorded in the City's financial statements. As of June 30, 201, 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 casualty capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its casualty capital contributions. However, the refund is reduced by an amount equal to the annual casualty 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 \$1,702,022. 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 \$2,116 and no outstanding aggregate stop loss claims as of June 30, 2011. An independent claims administrator performs the handling of all claims and procedures. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims payable includes all known claims and an amount for claims that have been incurred but not reported (IBNR). Changes in the balances of claims payable are as follows:

	<u>2011</u>	<u>2010</u>
Claims payable, beginning of year	\$ 92,411	\$ 145,484
Incurred claims (including IBNR)	2,041,016	1,983,853
Claims payments	<u>(1,883,943)</u>	<u>(2,036,926)</u>
Claims payable, end of year	<u>\$ 249,484</u>	<u>\$ 92,411</u>

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

NOTE 11 - 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 \$289,336 to the PCAA in fiscal year 2011.

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 \$420,887 in fiscal year 2011.

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 2011.

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 \$227,520 as of June 30, 2011.

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 2011 of \$2,605,594.

NOTE 12 – 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:

<u>Fiscal Year</u>	<u>Amount</u>
2012	\$ 66,000
2013	66,000
2014	66,000
2015	66,000
2016	<u>44,000</u>
Total remaining payments	<u><u>\$ 308,000</u></u>

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

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

<u>Fiscal Year</u>	<u>Amount</u>
2012	\$ 174,372
2013	186,540
2014	186,540
2015	186,540
2016	186,540
2017	<u>93,270</u>
Total remaining payments	<u><u>\$ 1,013,802</u></u>

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

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

<u>Fiscal Year</u>	<u>Amount</u>
2012	\$ 910,238
2013	910,638
2014	905,338
2015	909,237
2016	907,238
2017 - 2021	4,570,353
2022 - 2027	5,522,528
Total remaining payments	<u>\$ 14,635,570</u>

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

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

<u>Fiscal Year</u>	<u>Amount</u>
2012	\$ 322,131
2013	322,131
2014	322,131
2015	322,131
2016	322,131
2017 - 2021	1,610,654
2022 - 2024	966,391
Total remaining payments	<u>\$ 4,187,700</u>

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:

<u>Fiscal Year</u>	<u>Amount</u>
2012	\$ 39,000
2013	6,500
Total remaining payments	<u>\$ 45,500</u>

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

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

<u>Fiscal Year</u>	<u>Amount</u>
2012	\$ 57,442
2013	57,442
Total remaining payments	<u>\$ 114,884</u>

NOTE 13 - 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, 2011:

<u>Company</u>	<u>Type</u>	<u>Issue Year</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Final Maturity</u>
On With Life, Inc.	Health Care Facility	2005	\$ 3,440,000	\$ 2,485,000	2020

NOTE 14 - 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, 2011 totaled \$2,079,959.

The City has outstanding commitments for construction projects including street improvements, park and recreation improvements, utility improvements

and other construction and engineering projects. The City's commitment to these contracts at June 30, 2011 is \$15,079,710.

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 15 - OTHER POST EMPLOYMENT BENEFITS

Plan Description - The City operates a single-employer health care plan which provides medical, prescription drug and dental benefits for retirees and their spouses. Employees who have attained age 55 and retire from active employment are eligible for retiree benefits. There are 190 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 2011, the City contributed \$9,749.

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, 2011, the amount actually contributed to the plan and changes in the City's net OPEB obligation:

Annual required contribution	\$	40,386
Interest on net OPEB obligation		2,240
Adjustment to annual required contribution		<u>(3,238)</u>
Annual OPEB cost (expense)		39,388
Contributions made		<u>(9,749)</u>
Increase in net OPEB obligation		29,639

Net OPEB obligation – July 1, 2010	56,000
Net OPEB obligation – June 30, 2011	<u>\$ 85,639</u>

The City's annual OPEB cost, the percentage of annual OPEB costs contributed to the plan, and the net OPEB obligation are summarized as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$31,800	10.06%	\$28,600
June 30, 2010	\$33,000	16.97%	\$56,000
June 30, 2011	\$39,388	24.76%	\$85,639

Funded Status and Funding Progress – As of July 1, 2010, the most recent actuarial valuation date for the period July 1, 2010 through June 30, 2011, the actuarial accrued liability was \$320,328, with no actuarial assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$320,328. The covered payroll (annual payroll of active employees covered by the plan) was \$10,215,363 and the ratio of the UAAL to covered payroll was 3.1%. As of June 30, 2011, there were no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information in the section following the Notes to the Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

As of the July 1, 2010 actuarial valuation, projected unit credit actuarial cost method was used. The projected annual health care cost trend rate is 5.0%. The projected dental claim costs were assumed to be equal to the premiums.

Mortality rates are from the RP2000 Mortality Tables, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the Scale T-6 of the Actuary's Pension Handbook.

Projected claims costs of the healthcare plan are approximately \$7,701 for retirees. The salary increase rate was assumed to be 3.0% per year. The UAAL is being amortized as a level percentage of pay on an open basis over a period of 30 years.

NOTE 16 - TERMINATION BENEFITS

The City offered a voluntary early retirement program for employees during fiscal years 2010 and 2011, with retirement dates extending through fiscal year 2013. Future offerings of the program will be evaluated on an annual basis. Eligible employees must have been at least age fifty-five and vested in IPERS or MFPRSI.

Early retirement benefits equal an amount equal to 70% of the employee's base salary at the time of retirement into a 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, 2011 totaled \$223,596.

NOTE 17 – LANDFILL CLOSURE AND POSTCLOSURE CARE

During fiscal year 2006, the United States Environmental Protection Agency (EPA) initiated legal action against the City, Deere & Company and the U.S. Army Corps for the costs involved in the performance of a removal action at Operable Unit 1, Landfill and Lagoon Complex of the Des Moines Ex Ordnance Site located in Ankeny, Polk County, Iowa.

During fiscal year 2011, actions were completed to remediate and cap the abandoned landfill and lagoon complex with 75 percent of the costs being paid by Deere & Company and 25 percent by the City.

State and federal regulations require that certain maintenance and monitoring functions be performed at the site for thirty years after closure. By agreement, the City is responsible for maintenance and monitoring, of which Deere & Company agreed to pay the future value of their proportionate share of costs upfront. Subsequently, the landfill postclosure fund was created to record Deere & Company's payment. The City's long-term maintenance and monitoring costs will be an expense of the Solid Waste Fund.

At June 30, 2011, the ending fund balance of the landfill postclosure fund was \$205,508.

NOTE 18 - NEW PRONOUNCEMENTS

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

Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued February 2009, was 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.

NOTE 19 – SUBSEQUENT EVENTS

In August 2011, the City issued \$495,000 of taxable general obligation capital loan notes to pay the cost of sports field lighting at Prairie Ridge Sports Complex. The loan notes are payable based on a 50% cost share agreement between the City and Ankeny Little League. The City's share of the notes will be abated by hotel/motel tax revenues.



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, 2011

	Governmental Fund Types Actual	Proprietary Fund Types Actual	Total All Budgeted Funds Actual	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
Property taxes	\$ 21,809,953	\$ -	\$ 21,809,953	\$ 21,871,531	\$ 21,871,531	\$ (61,578)
Tax increment financing	6,000,754	-	6,000,754	5,483,763	5,483,763	516,991
Other city taxes	1,504,968	-	1,504,968	1,382,675	1,498,875	6,093
Licenses and permits	970,022	10,481	980,503	863,100	850,800	129,703
Use of money and property	540,442	142,255	682,697	790,328	653,020	29,677
Intergovernmental revenue	4,959,778	106	4,959,884	16,509,330	5,346,258	(386,374)
Charges for services	2,290,454	16,560,262	18,850,716	21,592,558	18,877,114	(26,398)
Special assessments	76,964	-	76,964	-	61,500	15,464
Miscellaneous	1,061,542	1,254,741	2,316,283	5,163,050	9,695,300	(7,379,017)
Total revenues	39,214,877	17,967,845	57,182,722	73,656,335	64,338,161	(7,155,439)
Expenditures/Expenses:						
Public safety	9,693,871	-	9,693,871	10,460,818	10,105,048	411,177
Public works	3,676,029	-	3,676,029	3,905,127	3,952,771	276,742
Health and social services	286,187	-	286,187	315,826	297,045	10,858
Culture and recreation	4,825,606	-	4,825,606	5,163,552	5,138,536	312,930
Community and economic development	3,061,038	-	3,061,038	2,928,798	3,166,823	105,785
General government	2,403,963	-	2,403,963	2,629,640	2,637,266	233,303
Debt service	16,416,429	-	16,416,429	13,560,856	16,420,592	4,163
Capital projects	32,419,635	-	32,419,635	48,100,306	37,437,881	5,018,246
Business-type	-	15,517,601	15,517,601	17,060,296	16,159,641	642,040
Total expenditures/expenses	72,782,758	15,517,601	88,300,359	104,125,219	95,315,603	7,015,244
Excess (deficiency) of revenues over (under) expenditures/expenses	(33,567,881)	2,450,244	(31,117,637)	(30,468,884)	(30,977,442)	(140,195)
Other financing sources (uses), net	42,334,345	(2,657,815)	39,676,530	30,962,000	40,402,000	(725,470)
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing sources (uses)	8,766,464	(207,571)	8,558,893	493,116	9,424,558	(865,665)
Beginning fund balance, July 1	31,872,361	9,901,578	41,773,939	38,776,803	41,773,939	-
Ending fund balance, June 30	\$ 40,638,825	\$ 9,694,007	\$ 50,332,832	\$ 39,269,919	\$ 51,198,497	\$ (865,665)

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, 2011**

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	\$ 87,371,653
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.	2,107,111
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.	(1,100)
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.	(4,075,504)
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.	<u>(1,374,088)</u>
Total GAAP basis revenues and other financing sources for the governmental funds	<u>\$ 84,005,561</u>

Expenditures and other financing uses:

Actual amount of "expenditures and other financing uses" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 78,605,189
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.	(874,449)
Purchases related to loans from the Equipment Reserve and Sustainability Revolving Loan funds are reported in those funds on a budgetary basis. On a GAAP basis, the borrowing funds record a liability and corresponding expenditure for the equipment purchase.	744,387
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.	(2,787,494)
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	(1,510,297)
Repayments of loans to the Equipment Reserve and Sustainability Revolving Loan funds are recorded as an expenditure on a budget basis. No expenditure is recorded for loan repayments on a GAAP basis.	<u>(611,885)</u>
Total GAAP basis expenditures and other financing uses for the governmental funds	<u>\$ 73,546,401</u>

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

City of Ankeny, Iowa

**Explanation of Differences Between Budgetary
Basis and GAAP Basis Revenues and Expenses
for the Proprietary Funds
For the Year Ended June 30, 2011**

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	\$ 18,069,406
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.	222,292
Customer deposits and unearned revenue are recorded as revenue on a budgetary basis. On a GAAP basis, these deposits are reported as a liability.	<u>(6,156)</u>
Total GAAP basis revenues, nonoperating revenues, and transfers in	<u>\$ 18,285,542</u>

Expenses and other financing uses:

Actual amount of "expenditures and other financing uses" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 18,276,977
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.	(159,601)
Principal payments on indebtedness are recorded as an expenditure on a budgetary basis, but are not expensed on a GAAP basis.	(1,566,113)
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.	(26,800)
Depreciation and losses on fixed assets are reported on a GAAP basis but are not recorded on a budgetary basis	2,733,260
Purchases of capital assets is reported as an expense on a budget basis but is capitalized and depreciated on a GAAP basis	(67,615)
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.	(976,551)
Repayments of loans to the Equipment Reserve fund are recorded as an expenditure on a budget basis. No expenditure is recorded for loan repayments on a GAAP basis.	<u>(61,766)</u>
Total GAAP basis expenses, nonoperating expenses, and transfers out	<u>\$ 18,151,791</u>

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

CITY OF ANKENY, IOWA
Notes to the Required Supplementary Information
June 30, 2011

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, 2011. The amendments decreased estimated expenditures by \$8,809,616. 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, 2011, 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, 2011**

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	1.9%
06/30/2010	07/01/2007	\$ -	\$ 203,600	\$ 203,600	0.00%	\$ 11,554,485	1.8%
06/30/2011	07/01/2010	\$ -	\$ 320,328	\$ 320,328	0.00%	\$ 10,215,363	3.1%

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.

Hawkeye Park Fund - Accounts for 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 to be used specifically for the police department.

Economic Development Fund – Accounts for activities of the City's economic development department.

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

Landfill Postclosure – Accounts for maintenance activities undertaken at the remediated landfill to maintain the integrity of containment features and to monitor compliance with applicable performance standards.

Library Foundation Fund – A blended component unit, which accounts for activities of the Kirkendall Public Library Foundation.

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

Sports Complex Foundation Fund – A blended component unit, which accounts for activities of the Ankeny Sports Complex 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 to be used for recreation events and activities.

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

Keep Ankeny Beautiful Fund – A blended component unit, which accounts for activities of Keep Ankeny Beautiful.

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

Special Assessments Fund - Accounts for collection of assessments levied against affected properties to pay for improvements.

City of Ankeny, Iowa
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Special Revenue							
	Fire Gift	Hawkeye Park	Police Gift	Road Use Tax	Police Seizure	Economic Development	Police/Fire Pension	Landfill Postclosure
Assets								
Cash and cash equivalents	\$ 30,136	\$ 5,420	\$ 2,143	\$ 871,139	\$ 107,747	\$ -	\$ 918,494	\$ 205,508
Receivables:								
Interest	-	-	-	-	-	-	68	-
Taxes	-	-	-	-	-	-	899,395	-
Accounts	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	354,214	10,000	-	38	-
Due from other funds	-	-	-	52,756	-	-	-	-
Total assets	\$ 30,136	\$ 5,420	\$ 2,143	\$ 1,278,109	\$ 117,747	\$ -	\$ 1,817,995	\$ 205,508
Liabilities and fund balances (deficits)								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ 283,251	\$ -	\$ 49	\$ 4,720	\$ -
Accrued wages	-	-	-	34,455	-	-	28,029	-
Due to other funds	-	-	-	255,190	-	-	-	-
Advances from other funds	-	-	-	496,356	-	-	-	-
Deferred revenue	-	-	-	-	-	-	894,533	-
Total liabilities	-	-	-	1,069,252	-	49	927,282	-
Fund balances (deficits):								
Restricted	30,136	5,420	2,143	208,857	117,747	-	890,713	205,508
Unassigned	-	-	-	-	-	(49)	-	-
Total fund balances (deficits)	30,136	5,420	2,143	208,857	117,747	(49)	890,713	205,508
Total liabilities and fund balances (deficits)	\$ 30,136	\$ 5,420	\$ 2,143	\$ 1,278,109	\$ 117,747	\$ -	\$ 1,817,995	\$ 205,508

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

Library Foundation	Park Dedication	Sports Complex Foundation	Ankeny Garden Club	Recreation Events	Dog Park	Keep Ankeny Beautiful	Civic	Capital Project Special Assessments	Total Nonmajor Governmental Funds
\$ 22,001	\$ 325,211	\$ 14,464	\$ 2,055	\$ 18,154	\$ 7,908	\$ 568	\$ -	\$ 1,228,751	\$ 3,759,699
-	-	-	-	-	-	-	-	-	68
-	-	-	-	-	-	-	-	-	899,395
-	-	-	-	4,500	-	-	1,354,977	-	1,359,477
-	-	-	-	-	-	-	-	716,818	716,818
-	-	-	-	-	-	-	-	-	364,252
-	-	-	-	-	-	-	-	-	52,756
<u>\$ 22,001</u>	<u>\$ 325,211</u>	<u>\$ 14,464</u>	<u>\$ 2,055</u>	<u>\$ 22,654</u>	<u>\$ 7,908</u>	<u>\$ 568</u>	<u>\$ 1,354,977</u>	<u>\$ 1,945,569</u>	<u>\$ 7,152,465</u>
\$ 1,312	\$ -	\$ -	\$ -	\$ 88	\$ 1,800	\$ -	\$ 71,238	\$ -	\$ 362,458
-	-	-	-	-	-	-	-	-	62,484
-	-	-	-	-	-	-	-	-	255,190
-	-	-	-	-	-	-	-	-	496,356
-	-	-	-	-	-	-	-	600,522	1,495,055
<u>1,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88</u>	<u>1,800</u>	<u>-</u>	<u>71,238</u>	<u>600,522</u>	<u>2,671,543</u>
20,689	325,211	14,464	2,055	22,566	6,108	568	1,283,739	1,345,047	4,480,971
-	-	-	-	-	-	-	-	-	(49)
<u>20,689</u>	<u>325,211</u>	<u>14,464</u>	<u>2,055</u>	<u>22,566</u>	<u>6,108</u>	<u>568</u>	<u>1,283,739</u>	<u>1,345,047</u>	<u>4,480,922</u>
<u>\$ 22,001</u>	<u>\$ 325,211</u>	<u>\$ 14,464</u>	<u>\$ 2,055</u>	<u>\$ 22,654</u>	<u>\$ 7,908</u>	<u>\$ 568</u>	<u>\$ 1,354,977</u>	<u>\$ 1,945,569</u>	<u>\$ 7,152,465</u>

City of Ankeny, Iowa

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2011

	Special Revenue							
	Fire Gift	Hawkeye Park	Police Gift	Road Use Tax	Police Seizure	Economic Development	Police/Fire Pension	Landfill Postclosure
Revenues:								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 751,517	\$ -
Other taxes and assessments	-	-	-	-	-	-	11,466	-
Intergovernmental	-	-	-	3,695,555	13,627	-	-	-
Charges for services	-	6,935	-	-	-	-	-	-
Use of money and property	100	26	8	-	446	-	6,799	-
Miscellaneous	7,630	1,500	-	-	2,473	400	-	211,580
Total revenues	<u>7,730</u>	<u>8,461</u>	<u>8</u>	<u>3,695,555</u>	<u>16,546</u>	<u>400</u>	<u>769,782</u>	<u>211,580</u>
Expenditures:								
Current operating:								
Public safety	2,774	-	-	-	53,211	-	657,839	-
Culture and recreation	-	10,399	-	-	-	-	-	-
Public works	-	-	-	3,035,193	-	-	-	-
Community and economic development	-	-	-	-	-	341,597	-	-
Total expenditures	<u>2,774</u>	<u>10,399</u>	<u>-</u>	<u>3,035,193</u>	<u>53,211</u>	<u>341,597</u>	<u>657,839</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,956</u>	<u>(1,938)</u>	<u>8</u>	<u>660,362</u>	<u>(36,665)</u>	<u>(341,197)</u>	<u>111,943</u>	<u>211,580</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	286,576	-	-
Transfers out	-	-	-	-	-	-	-	(6,072)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>286,576</u>	<u>-</u>	<u>(6,072)</u>
Net change in fund balances	4,956	(1,938)	8	660,362	(36,665)	(54,621)	111,943	205,508
Fund balances (deficits), beginning	25,180	7,358	2,135	(451,505)	154,412	54,572	778,770	-
Fund balances (deficits), ending	<u>\$ 30,136</u>	<u>\$ 5,420</u>	<u>\$ 2,143</u>	<u>\$ 208,857</u>	<u>\$ 117,747</u>	<u>\$ (49)</u>	<u>\$ 890,713</u>	<u>\$ 205,508</u>

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

Library Foundation	Park Dedication	Sports Complex Foundation	Ankeny Garden Club	Recreation Events	Dog Park	Keep Ankeny Beautiful	Civic	Capital Project Special Assessments	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 751,517
-	-	-	-	-	-	-	-	146,362	157,828
-	-	5,000	-	-	-	-	-	-	3,714,182
-	-	12,350	-	1,638	-	-	-	-	20,923
17	1,159	65	4	-	87	19	133	-	8,863
25,744	12,326	14,850	1,495	18,000	17,908	-	1,354,977	-	1,668,883
25,761	13,485	32,265	1,499	19,638	17,995	19	1,355,110	146,362	6,322,196
-	-	-	-	-	-	-	-	-	713,824
5,317	-	485	376	18,092	70,522	-	-	-	105,191
-	-	-	-	-	-	-	-	-	3,035,193
-	-	-	-	-	-	-	250,040	-	591,637
5,317	-	485	376	18,092	70,522	-	250,040	-	4,445,845
20,444	13,485	31,780	1,123	1,546	(52,527)	19	1,105,070	146,362	1,876,351
-	-	-	500	-	-	-	-	-	287,076
-	-	(60,000)	-	-	-	(7,000)	(71,644)	-	(144,716)
-	-	(60,000)	500	-	-	(7,000)	(71,644)	-	142,360
20,444	13,485	(28,220)	1,623	1,546	(52,527)	(6,981)	1,033,426	146,362	2,018,711
245	311,726	42,684	432	21,020	58,635	7,549	250,313	1,198,685	2,462,211
\$ 20,689	\$ 325,211	\$ 14,464	\$ 2,055	\$ 22,566	\$ 6,108	\$ 568	\$ 1,283,739	\$ 1,345,047	\$ 4,480,922

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, 2011

	Enterprise Funds			Totals
	Solid Waste	Storm Water	Otter Creek Golf Course	
Assets				
Current assets:				
Cash and cash equivalents	\$ 69,662	\$ 333,107	\$ -	\$ 402,769
Receivables:				
Accounts	60,794	123,349	32,595	216,738
Special Assessment	410	629	-	1,039
Inventory	-	-	57,690	57,690
Total current assets	130,866	457,085	90,285	678,236
Noncurrent assets:				
Capital assets:				
Land	-	-	985,942	985,942
Construction-in-progress	-	-	3,517,575	3,517,575
Depreciable assets, net of accumulated depreciation	-	80,573	478,116	558,689
Total capital assets	-	80,573	4,981,633	5,062,206
Total noncurrent assets	-	80,573	4,981,633	5,062,206
Total assets	\$130,866	\$ 537,658	\$ 5,071,918	\$ 5,740,442
Liabilities and Net Assets				
Liabilities:				
Current liabilities:				
Accounts payable	\$ 36,486	\$ 7,318	\$ 564,648	\$ 608,452
Accrued wages	-	5,043	34,741	39,784
Due to other funds	-	209,943	44,448	254,391
Compensated absences payable	-	4,150	20,316	24,466
Total current liabilities	36,486	226,454	664,153	927,093
Noncurrent liabilities:				
Other postemployment benefits	-	1,061	2,547	3,608
Compensated absences payable	-	4,998	-	4,998
Advances from other funds	-	15,253	54,814	70,067
Total noncurrent liabilities	-	21,312	57,361	78,673
Total liabilities	36,486	247,766	721,514	1,005,766
Net Assets:				
Investment in capital assets, net of related debt	-	80,573	4,981,633	5,062,206
Unrestricted	94,380	209,319	(631,229)	(327,530)
Total net assets	94,380	289,892	4,350,404	4,734,676
Total liabilities and net assets	\$130,866	\$ 537,658	\$ 5,071,918	\$ 5,740,442

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

City of Ankeny, Iowa

**Combining Statement of Revenues, Expenses, and Changes in Net Assets
Nonmajor Enterprise Funds
For the Year Ended June 30, 2011**

	Enterprise Funds			Totals
	Solid Waste	Storm Water	Otter Creek Golf Course	
Operating revenues:				
Charges for services	\$ 520,416	\$ 1,111,879	\$ 963,239	\$ 2,595,534
Other	-	-	671,273	671,273
Total operating revenues	520,416	1,111,879	1,634,512	3,266,807
Operating expenses:				
Personal services	29,635	161,075	809,946	1,000,656
Contractual services	503,780	50,668	430,681	985,129
Operating supplies	-	36,438	352,142	388,580
Depreciation	-	23,021	68,597	91,618
Total operating expenses	533,415	271,202	1,661,366	2,465,983
Operating income (loss)	(12,999)	840,677	(26,854)	800,824
Nonoperating (expenses):				
Interest expense	-	(1,679)	(2,510)	(4,189)
Total nonoperating (expenses)	-	(1,679)	(2,510)	(4,189)
Net income (loss) before contributions and transfers	(12,999)	838,998	(29,364)	796,635
Capital contributions	-	-	26,917	26,917
Transfers in	6,072	-	-	6,072
Transfers out	-	(600,000)	-	(600,000)
Change in net assets	(6,927)	238,998	(2,447)	229,624
Total net assets, beginning	101,307	50,894	4,352,851	4,505,052
Total net assets, ending	\$ 94,380	\$ 289,892	\$ 4,350,404	\$ 4,734,676

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

City of Ankeny, Iowa

**Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2011**

	Enterprise Funds			Totals
	Solid Waste	Storm Water	Otter Creek Golf Course	
Cash flows from operating activities:				
Receipts from customers	\$ 515,549	\$ 1,103,349	\$ 1,633,276	\$ 3,252,174
Payments to suppliers	(468,770)	(85,022)	(820,586)	(1,374,378)
Payments to employees	(29,635)	(165,086)	(811,040)	(1,005,761)
Net cash provided by operating activities	<u>17,144</u>	<u>853,241</u>	<u>1,650</u>	<u>872,035</u>
Cash flows from noncapital financing activities:				
Payments made on interfund accounts	-	(90,887)	(1,650)	(92,537)
Loans received from other funds	-	-	46,415	46,415
Transfers from other funds	6,072	-	-	6,072
Transfers to other funds	-	(600,000)	-	(600,000)
Net cash provided (used) by noncapital financing activities	<u>6,072</u>	<u>(690,887)</u>	<u>44,765</u>	<u>(640,050)</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	-	-	(46,415)	(46,415)
Net cash (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(46,415)</u>	<u>(46,415)</u>
Net increase in cash and cash equivalents	23,216	162,354	-	185,570
Balances, beginning of year	46,446	170,753	-	217,199
Balances, end of year	<u>\$ 69,662</u>	<u>\$ 333,107</u>	<u>\$ -</u>	<u>\$ 402,769</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (12,999)	\$ 840,677	\$ (26,854)	\$ 800,824
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	-	23,021	68,597	91,618
Changes in assets and liabilities:				
Receivables, net	(4,868)	(8,530)	(1,237)	(14,635)
Inventory	-	-	(56,960)	(56,960)
Accounts and other payables	35,011	(1,927)	18,104	51,188
Net cash provided by operating activities	<u>\$ 17,144</u>	<u>\$ 853,241</u>	<u>\$ 1,650</u>	<u>\$ 872,035</u>
Noncash capital and related financing activities:				
Contribution of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,917</u>	<u>\$ 26,917</u>

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

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.

Sustainability Revolving Loan Fund – Provides loans to other funds for energy efficiency projects. Loans made under this revolving loan fund will be no-interest loans to departments.

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, 2011

	<u>Central Garage</u>	<u>Risk Management</u>	<u>Equipment Reserve</u>	<u>Sustainability Revolving Loan</u>	<u>Economic Development Revolving</u>	<u>Health Insurance</u>	<u>Total</u>
Assets							
Current assets:							
Cash and cash equivalents	\$ 121,463	\$ 373,048	\$ 740,410	\$ 16,576	\$ 517,050	\$ 2,186,649	\$ 3,955,196
Receivables:							
Interest	-	-	41	-	-	-	41
Intergovernmental	8,057	-	-	-	500,000	-	508,057
Prepaid expenses	-	72,526	-	-	-	-	72,526
Inventory	275,563	-	-	-	-	-	275,563
Due from other funds	-	-	597,213	1,141	-	-	598,354
	<u>405,083</u>	<u>445,574</u>	<u>1,337,664</u>	<u>17,717</u>	<u>1,017,050</u>	<u>2,186,649</u>	<u>5,409,737</u>
Noncurrent assets:							
Advances to other funds	-	-	1,006,564	2,283	-	-	1,008,847
Capital Asset							
Depreciable assets, net of accumulated depreciation	30,097	17,960	-	-	-	-	48,057
	<u>30,097</u>	<u>17,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,057</u>
Total capital assets	<u>30,097</u>	<u>17,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,057</u>
Total noncurrent assets	<u>30,097</u>	<u>17,960</u>	<u>1,006,564</u>	<u>2,283</u>	<u>-</u>	<u>-</u>	<u>1,056,904</u>
Total assets	<u>\$ 435,180</u>	<u>\$ 463,534</u>	<u>\$ 2,344,228</u>	<u>\$ 20,000</u>	<u>\$ 1,017,050</u>	<u>\$ 2,186,649</u>	<u>\$ 6,466,641</u>
Liabilities and Net Assets							
Liabilities:							
Current liabilities:							
Accounts payable	\$ 31,194	\$ 23,761	\$ -	\$ -	\$ -	\$ 744	\$ 55,699
Accrued wages	6,201	-	-	-	-	-	6,201
Claims payable	-	-	-	-	-	249,484	249,484
Due to other funds	-	-	74,193	-	-	-	74,193
Early retirement benefit payable	-	-	-	-	-	64,326	64,326
Compensated absences payable	1,484	-	-	-	-	-	1,484
	<u>38,879</u>	<u>23,761</u>	<u>74,193</u>	<u>-</u>	<u>-</u>	<u>314,554</u>	<u>451,387</u>
Total current liabilities	<u>38,879</u>	<u>23,761</u>	<u>74,193</u>	<u>-</u>	<u>-</u>	<u>314,554</u>	<u>451,387</u>
Noncurrent liabilities:							
Early retirement benefit payable	-	-	-	-	-	53,177	53,177
Other post employment benefits	1,698	-	-	-	-	-	1,698
Compensated absences payable	8,621	-	-	-	-	-	8,621
	<u>10,319</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,177</u>	<u>63,496</u>
Total noncurrent liabilities	<u>10,319</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,177</u>	<u>63,496</u>
Total liabilities	<u>49,198</u>	<u>23,761</u>	<u>74,193</u>	<u>-</u>	<u>-</u>	<u>367,731</u>	<u>514,883</u>
Net Assets:							
Unrestricted	<u>385,982</u>	<u>439,773</u>	<u>2,270,035</u>	<u>20,000</u>	<u>1,017,050</u>	<u>1,818,918</u>	<u>5,951,758</u>
Total net assets	<u>385,982</u>	<u>439,773</u>	<u>2,270,035</u>	<u>20,000</u>	<u>1,017,050</u>	<u>1,818,918</u>	<u>5,951,758</u>
Total liabilities and net assets	<u>\$ 435,180</u>	<u>\$ 463,534</u>	<u>\$ 2,344,228</u>	<u>\$ 20,000</u>	<u>\$ 1,017,050</u>	<u>\$ 2,186,649</u>	<u>\$ 6,466,641</u>

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

City of Ankeny, Iowa

Combining Statement of Revenues, Expenses, and Changes in Net Assets
Internal Service Funds
For the Year Ended June 30, 2011

	Central Garage	Risk Management	Equipment Reserve	Sustainability Revolving Loan	Economic Development Revolving	Health Insurance	Total
Operating revenues:							
Charges for services	\$ 898,475	\$ 830,500	\$ -	\$ -	\$ -	\$ 1,996,785	\$ 3,725,760
Other	14,378	106,904	-	20,000	500,000	6,455	647,737
Total operating revenues	912,853	937,404	-	20,000	500,000	2,003,240	4,373,497
Operating expenses:							
Personal services	246,191	343,497	-	-	-	22,997	612,685
Contractual services	12,586	520,005	-	-	500,000	2,337,559	3,370,151
Operating supplies	576,884	-	-	-	-	6,212	583,096
Depreciation	9,581	5,131	-	-	-	-	14,712
Total operating expenses	845,243	868,633	-	-	500,000	2,366,768	4,580,644
Operating income (loss)	67,611	68,770	-	20,000	-	(363,528)	(207,147)
Nonoperating revenues (expenses):							
Interest earnings	-	-	47,506	-	3,424	8,371	59,301
Loss on disposal of fixed assets	-	(14,921)	-	-	-	-	(14,921)
Total nonoperating revenues (expenses)	-	(14,921)	47,506	-	3,424	8,371	44,380
Change in net assets	67,611	53,849	47,506	20,000	3,424	(355,157)	(162,767)
Total net assets, beginning	318,371	385,924	2,222,529	-	1,013,626	2,174,075	6,114,525
Total net assets, ending	\$ 385,982	\$ 439,773	\$ 2,270,035	\$ 20,000	\$ 1,017,050	\$ 1,818,918	\$ 5,951,758

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

City of Ankeny, Iowa

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2011

	Central Garage	Risk Management	Equipment Reserve	Sustainability Revolving Loan	Economic Development Revolving	Health Insurance	Total
Cash flows from operating activities:							
Cash received from customers	\$ 913,488	\$ 938,364	\$ -	\$ 20,000	\$ -	\$ 2,003,241	\$ 3,875,093
Payments to suppliers	(631,517)	(848,806)	-	-	(500,000)	(2,186,699)	(4,167,022)
Payments to employees	(242,820)	-	-	-	-	(241,141)	(483,961)
Net cash provided provided (used) by operating activities	39,151	89,558	-	20,000	(500,000)	(424,599)	(775,890)
Cash flows from noncapital financing activities:							
Payments received on interfund accounts	-	-	672,510	1,141	-	-	673,651
Loans issued to other funds	-	-	(743,952)	(4,565)	-	-	(748,517)
Net cash provided (used) by noncapital financing activities	-	-	(71,442)	(3,424.00)	-	-	(74,866)
Cash flows from investing activities:							
Interest received	-	-	47,538	-	3,424	8,371	59,333
Net cash provided (used) by investing activities	-	-	47,538	-	3,424	8,371	59,333
Net increase (decrease) in cash and cash equivalents	39,151	89,558	(23,904)	16,576	(496,576)	(416,228)	(791,423)
Cash and cash equivalents, beginning	82,312	283,490	764,314	-	1,013,626	2,602,877	4,746,619
Cash and cash equivalents, ending	\$ 121,463	\$ 373,048	\$ 740,410	\$ 16,576	\$ 517,050	\$ 2,186,649	\$ 3,955,196
Reconciliation of operating income (loss) to net cash provided (used) by operating activities							
Operating income (loss)	\$ 67,611	\$ 68,770	\$ -	\$ 20,000	\$ -	\$ (363,528)	\$ (207,147)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	9,581	5,131	-	-	-	-	14,712
Changes in assets and liabilities:							
Receivables, net	634	960	-	-	(500,000)	-	(498,406)
Prepaid expenses	-	1,692	-	-	-	-	1,692
Inventory	(48,123)	-	-	-	-	-	(48,123)
Accounts and other payables	6,701	13,005	-	-	-	(218,144)	(198,438)
Claims payable	2,747	-	-	-	-	157,073	159,820
Net cash provided (used) by operating activities	\$ 39,151	\$ 89,558	\$ -	\$ 20,000	\$ (500,000)	\$ (424,599)	\$ (775,890)

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

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, 2011

	<u>Arts Council</u>	<u>Ankeny Foundation</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	<u>\$ 91,867</u>	<u>\$ 5,237</u>	<u>\$ 97,104</u>
Liabilities:			
Monies held for other agencies	<u>\$ 91,867</u>	<u>\$ 5,237</u>	<u>\$ 97,104</u>

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

City of Ankeny, Iowa

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Year Ended June 30, 2011

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
<u>Arts Council</u>				
Assets:				
Cash and cash equivalents	\$ 90,767	\$ 1,100	\$ -	\$ 91,867
Receivables, interest	45	-	45	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 90,812</u>	<u>\$ 1,100</u>	<u>\$ 45</u>	<u>\$ 91,867</u>
Liabilities:				
Monies held for other agencies	<u>\$ 90,812</u>	<u>\$ 1,100</u>	<u>\$ 45</u>	<u>\$ 91,867</u>
<u>Ankeny Foundation</u>				
Assets:				
Cash and cash equivalents	<u>\$ 5,218</u>	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ 5,237</u>
Liabilities:				
Monies held for other agencies	<u>\$ 5,218</u>	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ 5,237</u>
<u>Total</u>				
Assets:				
Cash and cash equivalents	\$ 95,985	\$ 1,119	\$ -	\$ 97,104
Receivables, interest	45	-	45	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 96,030</u>	<u>\$ 1,119</u>	<u>\$ 45</u>	<u>\$ 97,104</u>
Liabilities:				
Monies held for other agencies	<u>\$ 96,030</u>	<u>\$ 1,119</u>	<u>\$ 45</u>	<u>\$ 97,104</u>

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

City of Ankeny, Iowa

**Statement of Cash Flows
Discretely Presented Component Unit
For the Year Ended June 30, 2011**

	Ankeny Arts Council
Cash flows from operating activities:	
Cash received from customers	\$ 97,186
Payments to suppliers	(68,454)
Payments to employees	(31,204)
	(2,472)
Net cash used in operating activities	(2,472)
Cash flows from capital and related financing activities:	
Purchase of capital assets	(2,711)
	(2,711)
Net decrease in cash and cash equivalents	(5,183)
Cash and cash equivalents, beginning	19,041
	\$ 13,858
Reconciliation of operating (loss) to net cash used in operating activities	
Operating (loss)	\$ (7,016)
Adjustments to reconcile operating (loss) to net cash used in operating activities:	
Depreciation	3,267
Changes in assets and liabilities:	
Prepaid expenses	(150)
Accounts and other payables	1,427
	(2,472)
Net cash used in operating activities	\$ (2,472)

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



**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, 2011 and 2010**

	2011	2010
Governmental funds capital assets:		
Land	\$ 7,328,206	\$ 7,328,206
Other improvements	28,536,919	15,028,136
Infrastructure	114,213,367	105,321,712
Buildings	25,166,629	25,166,629
Machinery and equipment	14,349,871	12,515,373
Furniture and fixtures	1,459,706	1,459,706
Construction in progress	35,399,531	45,365,180
 Total governmental funds capital assets	 \$ 226,454,229	 \$ 212,184,944
 Investment in governmental funds capital assets by source:		
General fund	\$ 20,508,995	\$ 20,333,138
Special revenue funds	6,034,799	5,642,011
Capital project funds	126,325,787	114,263,608
Local, state, and federal grants and donations	73,584,649	71,946,186
 Total investment in governmental funds capital assets by source	 \$ 226,454,229	 \$ 212,184,944

City of Ankeny, Iowa

**Comparative Schedule By Function and Activity
June 30, 2011**

	<u>Land</u>	<u>Other Improvements</u>	<u>Infrastructure</u>
Public safety:			
Police	\$ 29,212	\$ -	\$ -
Fire and ambulance	669,620	-	-
Code enforcement	-	-	-
Total public safety	<u>698,832</u>	<u>-</u>	<u>-</u>
Health and social services:			
Mosquito control	-	-	-
Public relations	-	-	-
Total health and social services	<u>-</u>	<u>-</u>	<u>-</u>
Culture and recreation:			
Library	14,361	94,657	-
Parks and recreation	4,009,704	26,598,152	122,023
Total culture and recreation	<u>4,024,065</u>	<u>26,692,809</u>	<u>122,023</u>
Public works:			
Public works	<u>2,505,779</u>	<u>1,790,870</u>	<u>114,091,345</u>
Community and economic development:			
Planning and zoning	-	-	-
General government:			
Council and management	<u>99,531</u>	<u>53,241</u>	<u>-</u>
Total general fixed assets	<u>\$ 7,328,206</u>	<u>\$ 28,536,919</u>	<u>\$ 114,213,367</u>

<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Furniture and Fixtures</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 38,795	\$ 2,205,214	\$ 239,757	\$ 17,035,284	\$ 19,548,262
9,950,397	4,726,541	48,316	-	15,394,874
-	117,450	-	-	117,450
<u>9,989,192</u>	<u>7,049,204</u>	<u>288,073</u>	<u>17,035,284</u>	<u>35,060,586</u>
-	34,130	-	-	34,130
-	18,802	-	-	18,802
-	52,932	-	-	52,932
3,149,085	445,650	619,879	828,333	5,151,965
5,032,888	1,190,773	45,220	5,091,662	42,090,421
<u>8,181,973</u>	<u>1,636,423</u>	<u>665,099</u>	<u>5,919,995</u>	<u>47,242,386</u>
<u>3,551,665</u>	<u>4,480,747</u>	<u>-</u>	<u>12,322,686</u>	<u>138,743,091</u>
-	25,126	-	-	25,126
3,443,799	1,105,438	506,534	121,567	5,330,109
<u>\$ 25,166,629</u>	<u>\$ 14,349,871</u>	<u>\$ 1,459,706</u>	<u>\$ 35,399,531</u>	<u>\$ 226,454,229</u>

City of Ankeny, Iowa

**Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
Year Ended June 30, 2011**

	Governmental Funds Capital Assets June 30, 2010	Additions	Deductions	Governmental Funds Capital Assets June 30, 2011
Public safety:				
Police	\$ 19,215,907	\$ 550,489	\$ 218,134	\$ 19,548,262
Fire and ambulance	13,966,120	1,428,754	-	15,394,874
Code enforcement	117,450	-	-	117,450
Total public safety	33,299,477	1,979,243	218,134	35,060,586
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	841,120	-	5,151,965
Parks and recreation	39,474,782	14,670,658	12,055,019	42,090,421
Total culture and recreation	43,785,627	15,511,778	12,055,019	47,242,386
Public works:				
Public works	129,691,673	15,478,941	6,427,523	138,743,091
Community & economic development:				
Planning & zoning	25,126	-	-	25,126
General government:				
Council and management	5,330,110	-	-	5,330,110
Total general fixed assets	\$ 212,184,944	\$ 32,969,962	\$18,700,676	\$ 226,454,229

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.	100
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	108
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.	114
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.	121
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.	124

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 Nine Fiscal Years ⁽²⁾
(accrual basis of accounting)**

	Fiscal Year				
	2011	2010	2009	2008	2007
Governmental activities:					
Invested in capital assets, net of related debt	\$ 60,286,690	\$ 59,847,130	\$ 51,005,350	\$ 59,457,512	\$ 65,059,807
Restricted:					
Debt service	2,551,310	2,896,848	2,009,317	3,033,897	953,844
Enabling legislation	574,140	494,812	416,696	417,300	475,654
Restricted by other governments	524,789	663,182	354,817	201,617	550,532
Donor restrictions	1,365,322	644,531	1,317,881	5,438,401	176,481
Unrestricted	9,390,782	3,429,607	17,019,598	8,171,093	6,884,490
Total governmental activities net assets	<u>74,693,032</u>	<u>67,976,110</u>	<u>72,123,659</u>	<u>76,719,820</u>	<u>74,100,808</u>
Business-type activities:					
Invested in capital assets, net of related debt	85,278,077	83,083,098	82,762,686	77,349,435	71,526,488
Restricted:					
Debt service	2,967,095	3,017,297	2,614,509	1,553,787	1,579,500
Unrestricted	7,878,667	7,794,808	9,440,764	9,501,662	10,007,638
Total business-type activities net assets	<u>96,123,839</u>	<u>93,895,203</u>	<u>94,817,959</u>	<u>88,404,884</u>	<u>83,113,626</u>
Primary government:					
Invested in capital assets, net of related debt	145,564,767	142,930,228	133,768,036	136,806,947	136,586,295
Restricted: ⁽¹⁾					
Debt service	5,518,405	5,914,145	4,623,826	4,587,684	2,533,344
Enabling legislation	574,140	494,812	416,696	417,300	475,654
Restricted by other governments	524,789	663,182	354,817	201,617	550,532
Donor restrictions	1,365,322	644,531	1,317,881	5,438,401	176,481
Unrestricted	17,269,448	11,224,415	26,460,362	17,672,755	16,892,128
Total primary government net assets	<u>\$ 170,816,871</u>	<u>\$ 161,871,313</u>	<u>\$ 166,941,619</u>	<u>\$ 165,124,704</u>	<u>\$ 157,214,434</u>

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

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

2006	2005	2004	2003
\$ 60,796,555	\$ 30,124,884	\$ 20,560,194	\$ 13,670,814
277,845	76,043	101,900	228,683
443,893	344,685	238,968	209,000
973,642	1,387,052	3,239,386	2,129,080
659,074	111,512	54,897	157,366
7,446,042	4,851,785	387,745	432,989
<u>70,597,051</u>	<u>36,895,961</u>	<u>24,583,090</u>	<u>16,827,932</u>
69,831,317	57,574,412	53,976,846	48,088,234
1,256,848	950,134	1,419,884	1,250,378
10,393,160	9,134,709	6,580,474	8,901,177
<u>81,481,325</u>	<u>67,659,255</u>	<u>61,977,204</u>	<u>58,239,789</u>
130,627,872	87,699,296	74,537,040	61,759,048
1,534,693	1,026,177	1,521,784	1,479,061
443,893	344,685	238,968	209,000
973,642	1,387,052	3,239,386	2,129,080
659,074	111,512	54,897	157,366
17,839,202	13,986,494	6,968,219	9,334,166
<u>\$ 152,078,376</u>	<u>\$ 104,555,216</u>	<u>\$ 86,560,294</u>	<u>\$ 75,067,721</u>

City of Ankeny, Iowa

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

	Fiscal Year				
	2011	2010	2009	2008	2007
Expenses					
Governmental activities:					
Public safety	\$ 9,421,395	\$ 10,444,061	\$ 8,709,303	\$ 8,765,732	\$ 7,740,691
Health and social services	299,558	274,970	277,745	236,134	115,375
Culture and recreation	6,584,196	5,733,048	5,402,688	5,144,408	4,760,072
Public works	10,933,113	18,930,726	17,964,501	14,066,397	11,685,977
Community and economic development	2,530,503	2,843,641	2,340,606	2,152,310	2,739,944
General government	2,615,502	2,709,554	5,794,576	2,530,968	2,356,261
Capital projects	-	-	-	-	-
Interest on long-term debt	4,089,033	4,309,579	4,549,323	3,633,724	2,652,376
Total governmental activities expenses	<u>36,473,300</u>	<u>45,245,579</u>	<u>45,038,742</u>	<u>36,529,673</u>	<u>32,050,696</u>
Business-type activities:					
Solid waste	534,144	432,925	572,728	479,368	446,051
Water	6,426,365	6,736,767	5,889,478	5,728,375	5,857,555
Sewer	6,921,235	7,703,774	6,001,810	5,321,560	5,000,540
Storm Water	274,327	276,041	245,983	100,140	72,075
Otter Creek golf course	1,672,404	1,685,539	845,236	845,387	1,061,638
Total business-type activities expenses	<u>15,828,475</u>	<u>16,835,046</u>	<u>13,555,235</u>	<u>12,474,830</u>	<u>12,437,859</u>
Total primary government expenses	<u>52,301,775</u>	<u>62,080,625</u>	<u>58,593,978</u>	<u>49,004,503</u>	<u>44,488,555</u>
Program revenues					
Governmental activities:					
Charges for services:					
Public safety	1,766,256	1,702,101	887,876	2,006,097	1,768,328
Culture and recreation	1,880,188	1,171,357	1,073,883	897,808	834,055
Other activities	660,970	613,791	384,441	369,195	2,130,411
Operating grants and contributions	4,474,097	6,297,936	8,700,935	3,844,341	4,154,440
Capital grants and contributions	3,615,374	3,328,808	4,525,314	5,865,048	4,071,240
Total governmental activities program revenues	<u>12,396,885</u>	<u>13,113,993</u>	<u>15,572,449</u>	<u>12,982,489</u>	<u>12,958,474</u>
Business-type activities:					
Charges for services:					
Water	6,301,828	5,611,334	5,411,574	5,494,332	5,433,073
Sewer	8,525,607	7,197,284	6,986,331	5,926,481	5,641,090
Other activities	2,595,534	2,595,623	806,458	920,086	1,319,077
Operating grants and contributions	-	-	-	-	27,930
Capital grants and contributions	1,156,857	267,803	6,226,553	7,257,728	1,577,633
Total business-type activities program revenues	<u>18,579,826</u>	<u>15,672,044</u>	<u>19,430,916</u>	<u>19,598,627</u>	<u>13,998,803</u>
Total primary government program revenues	<u>30,976,711</u>	<u>28,786,037</u>	<u>35,003,365</u>	<u>32,581,116</u>	<u>26,957,277</u>
Net (expense) revenue					
Governmental activities	(24,076,415)	(32,131,586)	(29,466,292)	(23,547,184)	(19,092,222)
Business-type activities	2,751,351	(1,163,001)	5,875,681	7,123,797	1,560,944
Total primary government net (expense) revenue	<u>(21,325,064)</u>	<u>(33,294,588)</u>	<u>(23,590,611)</u>	<u>(16,423,387)</u>	<u>(17,531,278)</u>
General revenues and other changes in net assets					
Governmental activities:					
Taxes:					
Property taxes	27,367,573	25,799,170	22,608,951	20,434,441	18,753,563
Other taxes	1,660,528	1,178,864	1,371,558	1,244,208	1,232,323
Grants and contributions not restricted to specific programs	-	-	-	-	-
Interest	387,829	465,691	1,115,169	2,225,590	2,216,659
Other	93,680	90,312	57,794	187,500	183,348
Transfers	1,283,727	450,000	(283,341)	2,074,457	210,086
Total governmental activities	<u>30,793,337</u>	<u>27,984,037</u>	<u>24,870,131</u>	<u>26,166,196</u>	<u>22,595,979</u>
Business-type activities:					
Interest	34,270	54,878	72,825	189,703	196,466
Other	726,742	635,366	181,230	52,215	84,977
Transfers	(1,283,727)	(450,000)	283,341	(2,074,457)	(210,086)
Total business-type activities	<u>(522,715)</u>	<u>240,244</u>	<u>537,395</u>	<u>(1,832,539)</u>	<u>71,357</u>
Total primary government	<u>30,270,622</u>	<u>28,224,281</u>	<u>25,407,526</u>	<u>24,333,657</u>	<u>22,667,336</u>
Changes in net assets					
Governmental activities	6,716,922	(4,147,549)	(4,596,161)	2,619,012	3,503,757
Business-type activities	2,228,636	(922,757)	6,413,076	5,291,258	1,632,301
Total primary government changes in net assets	<u>\$ 8,945,558</u>	<u>\$ (5,070,306)</u>	<u>\$ 1,816,915</u>	<u>\$ 7,910,270</u>	<u>\$ 5,136,058</u>

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

	2006	2005	2004	2003
\$	7,119,401	\$ 6,563,401	\$ 5,953,448	\$ 5,624,663
	59,113	95,944	212,221	103,307
	4,569,428	4,039,270	3,614,161	2,784,367
	5,383,612	4,065,180	4,462,967	2,625,544
	2,312,740	1,513,129	1,153,503	1,391,893
	2,159,580	2,008,601	1,934,620	1,725,874
	-	-	-	2,015,710
	2,208,212	1,762,124	1,624,607	1,670,819
	23,812,086	20,047,649	18,955,527	17,942,177
	387,949	277,336	244,886	221,296
	4,259,984	3,992,676	4,011,420	3,219,883
	4,701,184	3,999,585	3,333,904	2,651,113
	19,425	3,500	-	-
	1,082,932	1,108,882	1,138,654	1,099,752
	10,451,474	9,381,979	8,728,864	7,192,044
	34,263,560	29,429,628	27,684,391	25,134,221
	2,233,436	1,771,657	1,526,943	1,603,092
	805,189	650,012	512,236	460,069
	605,952	1,228,247	1,169,245	418,686
	4,331,282	2,898,819	2,761,838	2,965,910
	11,943,414	8,417,503	5,306,596	5,522,979
	19,919,273	14,966,238	11,276,858	10,970,736
	5,654,906	4,382,184	3,972,892	3,351,534
	4,795,246	4,221,821	3,490,284	3,211,933
	1,355,074	1,233,294	1,202,659	969,258
	-	-	-	-
	12,453,517	5,155,227	4,016,586	2,961,507
	24,258,743	14,992,526	12,682,421	10,494,232
	44,178,016	29,958,764	23,959,279	21,464,968
	(3,892,813)	(5,081,411)	(7,678,669)	(6,971,441)
	13,807,269	5,610,547	3,953,557	3,302,188
	9,914,456	529,136	(3,725,112)	(3,669,253)
	16,493,129	15,240,675	13,189,116	12,598,029
	1,144,786	1,082,129	1,019,780	744,109
	-	-	34,664	292,357
	1,514,889	778,632	555,465	619,500
	83,898	227,433	368,050	69,157
	224,000	65,413	266,752	824,000
	19,460,702	17,394,282	15,433,827	15,147,152
	184,429	83,974	50,610	87,240
	54,372	52,943	-	361,073
	(224,000)	(65,413)	(266,752)	(824,000)
	14,801	71,504	(216,142)	(375,687)
	19,475,503	17,465,786	15,217,685	14,771,465
	15,567,889	12,312,871	7,755,158	8,175,711
	13,822,070	5,682,051	3,737,415	2,926,501
\$	29,389,959	\$ 17,994,922	\$ 11,492,573	\$ 11,102,212

City of Ankeny, Iowa

Fund Balances of Governmental Funds
Last Ten Fiscal Years ⁽¹⁾
(modified accrual basis of accounting)

	Fiscal Year				
	2011	2010	2009	2008	2007
General fund:					
Unreserved	N/A	\$ 5,255,100	\$ 4,993,929	\$ 4,715,926	\$ 4,596,769
Reserved	N/A	-	-	-	-
Assigned	139,671	N/A	N/A	N/A	N/A
Unassigned	7,064,005	N/A	N/A	N/A	N/A
Total general fund	<u>\$ 7,203,676</u>	<u>\$ 5,255,100</u>	<u>\$ 4,993,929</u>	<u>\$ 4,715,926</u>	<u>\$ 4,596,769</u>
All other governmental funds:					
Reserved	N/A	\$ 2,896,848	\$ 2,009,317	\$ 3,033,897	\$ 953,844
Unreserved, reported in:					
Debt service funds	N/A	-	-	-	-
Special revenue funds	N/A	1,955,382	1,970,149	6,032,229	1,607,459
Capital project funds	N/A	2,838,206	14,519,678	31,263,350	38,064,035
Restricted	16,201,069	N/A	N/A	N/A	N/A
Unassigned	(49)	N/A	N/A	N/A	N/A
Total all other governmental funds	<u>\$ 16,201,020</u>	<u>\$ 7,690,436</u>	<u>\$ 18,499,144</u>	<u>\$ 40,329,476</u>	<u>\$ 40,625,338</u>

⁽¹⁾ GASB Statement No. 54 implemented in fiscal year 2011.

N/A - Information not available

2006	2005	2004	2003	2002
\$ 3,760,757	\$ 2,953,483	\$ 2,356,907	\$ 2,416,299	\$ 2,459,460
-	-	-	-	-
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
<u>\$ 3,760,757</u>	<u>\$ 2,953,483</u>	<u>\$ 2,356,907</u>	<u>\$ 2,416,299</u>	<u>\$ 2,459,460</u>
\$ 277,845	\$ 76,043	\$ 101,900	\$ 1,318,683	\$ 1,212,255
-	-	-	-	-
2,659,219	2,520,269	4,269,476	3,498,560	2,715,230
24,464,550	30,077,141	27,144,527	15,596,747	18,535,367
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
<u>\$ 27,401,614</u>	<u>\$ 32,673,453</u>	<u>\$ 31,515,903</u>	<u>\$ 20,413,990</u>	<u>\$ 22,462,852</u>

City of Ankeny, Iowa

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

	Fiscal Year				
	2011	2010	2009	2008	2007
Revenues:					
Property taxes	\$ 27,322,318	\$ 25,818,107	\$ 22,690,861	\$ 20,114,119	\$ 18,794,111
Other taxes and assessments	1,810,304	1,483,931	1,349,516	1,620,228	1,531,956
Licenses and permits	971,042	887,353	783,144	873,022	1,101,473
Intergovernmental	6,007,077	6,214,220	6,988,555	4,132,078	7,808,298
Charges for services	2,361,050	1,626,908	1,456,300	1,684,319	1,378,617
Use of money and property	503,883	576,364	1,213,802	2,402,016	2,299,353
Miscellaneous	2,438,614	3,302,244	4,805,303	6,264,216	730,474
Total revenues	41,414,288	39,909,127	39,287,483	37,089,998	33,644,282
Expenditures:					
Current operating:					
Community protection	-	-	-	-	-
Human development	-	-	-	-	-
Home and community environment	-	-	-	-	-
Policy and administration	-	-	-	-	-
Public safety	9,877,600	9,626,447	9,024,964	8,762,449	8,017,872
Health and social services	287,278	264,653	272,534	241,908	106,535
Culture and recreation	4,866,728	4,700,831	4,563,000	4,680,218	4,430,748
Public works	4,194,438	3,843,624	3,534,165	4,469,736	3,770,657
Community and economic development	2,490,001	2,619,002	2,351,754	2,179,236	2,767,813
General government	2,440,504	2,488,046	5,594,008	2,357,372	2,273,884
Debt service:					
Principal	8,286,449	5,798,945	40,505,421	17,340,988	5,580,852
Interest and other charges	4,234,484	4,457,119	4,495,158	4,224,025	1,624,323
Capital projects	14,959,038	27,175,373	35,808,040	34,159,265	32,331,256
Total expenditures	51,636,520	60,974,040	106,149,045	78,415,197	60,903,940
(Deficiency) of revenues (under) expenditures	(10,222,232)	(21,064,913)	(66,861,562)	(41,325,199)	(27,259,658)
Other financing sources (uses):					
Issuance of long-term debt	19,920,000	11,055,000	44,647,082	40,072,037	41,291,341
Issuance of refunding bonds	15,088,178	6,825,640	-	-	-
Premium (discount) on long-term debt	453,278	111,736	1,095,239	-	17,967
Bond issuance costs	-	-	-	-	-
Project note repayments	-	-	-	-	-
Payment of refunded bonds	(16,063,791)	(7,925,000)	-	-	-
Sale of capital assets	-	-	-	-	-
Transfers in	6,042,039	8,391,781	10,427,812	8,218,219	5,467,030
Transfers out	(4,758,312)	(7,941,781)	(10,711,153)	(7,143,762)	(5,456,944)
Total other financing sources (uses)	20,681,392	10,517,376	45,458,980	41,146,494	41,319,394
Net change in fund balances	\$ 10,459,160	\$ (10,547,537)	\$ (21,402,582)	\$ (178,705)	\$ 14,059,736
Debt service as a percentage of noncapital expenditures	32.29%	22.45%	54.97%	43.30%	15.26%

⁽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.

2006	2005	2004	2003 ⁽¹⁾	2002 ⁽²⁾
\$ 16,514,753	\$ 15,165,093	\$ 13,269,314	\$ 12,531,302	\$ 11,472,633
1,443,778	1,769,012	1,140,340	983,094	883,587
1,494,933	1,157,466	878,768	640,065	523,578
4,723,686	5,224,090	2,828,942	4,192,528	2,995,346
1,125,569	982,051	1,371,140	743,296	689,834
1,593,597	884,232	539,640	661,942	949,636
1,945,994	618,522	562,229	854,883	641,050
<u>28,842,310</u>	<u>25,800,466</u>	<u>20,590,373</u>	<u>20,607,110</u>	<u>18,155,664</u>
-	-	-	-	5,072,845
-	-	-	-	2,668,753
-	-	-	-	3,261,511
-	-	-	-	1,908,354
7,245,549	6,601,587	5,729,060	5,541,328	-
66,687	88,979	103,791	102,907	-
3,535,146	3,121,200	2,978,587	2,584,357	-
3,354,035	3,170,707	2,976,702	2,689,826	-
2,323,059	1,522,821	1,144,920	1,385,355	-
2,153,257	1,779,191	1,567,450	1,484,543	-
4,977,420	4,772,488	4,482,064	6,249,082	3,318,400
1,586,200	1,237,928	1,425,510	1,421,237	1,424,931
<u>25,211,102</u>	<u>28,328,883</u>	<u>8,843,011</u>	<u>13,001,264</u>	<u>7,308,489</u>
<u>50,452,455</u>	<u>50,623,784</u>	<u>29,251,095</u>	<u>34,459,899</u>	<u>24,963,283</u>
<u>(21,610,145)</u>	<u>(24,823,318)</u>	<u>(8,660,722)</u>	<u>(13,852,789)</u>	<u>(6,807,619)</u>
16,890,189	26,452,303	23,292,618	11,196,310	10,828,813
-	-	-	-	-
31,391	59,728	22,991	(23,544)	-
-	-	-	-	(89,001)
-	-	-	-	-
-	-	(3,747,618)	-	-
-	-	28,500	-	-
5,741,353	5,232,637	3,203,149	3,116,873	2,299,314
<u>(5,517,353)</u>	<u>(5,167,224)</u>	<u>(3,096,397)</u>	<u>(2,528,873)</u>	<u>(2,075,314)</u>
<u>17,145,580</u>	<u>26,577,444</u>	<u>19,703,243</u>	<u>11,760,766</u>	<u>10,963,812</u>
<u>\$ (4,464,565)</u>	<u>\$ 1,754,126</u>	<u>\$ 11,042,521</u>	<u>\$ (2,092,023)</u>	<u>\$ 4,156,193</u>
<u>20.31%</u>	<u>16.20%</u>	<u>27.61%</u>	<u>24.49%</u>	<u>26.87%</u>

City of Ankeny, Iowa

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

Actual Valuation

	As of January 1:				
	2009	2008	2007	2006	2005
Residential	\$ 2,673,211,940	\$ 2,596,530,510	\$ 2,454,017,210	\$ 2,190,161,260	\$ 1,917,419,643
Agricultural	6,339,650	3,732,830	3,710,470	2,582,650	2,085,460
Commercial	600,996,510	571,523,700	532,071,600	472,035,700	435,008,427
Industrial	61,474,170	60,403,000	59,473,590	60,236,410	58,750,920
Personal/Real estate	-	-	-	-	-
Utilities	46,596,775	45,083,718	40,123,838	41,807,652	40,205,954
Gross valuation	3,388,619,045	3,277,273,758	3,089,396,708	2,766,823,672	2,453,470,404
Less: Military exemption	3,434,778	3,368,056	3,260,660	3,153,956	2,946,532
Net valuation	3,385,184,267	3,273,905,702	3,086,136,048	2,763,669,716	2,450,523,872
Incremental value	171,913,600	156,056,000	156,191,910	139,675,000	137,270,000
Actual valuation	<u>\$ 3,557,097,867</u>	<u>\$ 3,429,961,702</u>	<u>\$ 3,242,327,958</u>	<u>\$ 2,903,344,716</u>	<u>\$ 2,587,793,872</u>
Percent change	3.707%	5.787%	11.676%	12.194%	18.029%

Taxable Valuation

	As of January 1:				
	2009	2008	2007	2006	2005
Residential	\$ 1,236,013,400	\$ 1,167,749,680	\$ 1,066,470,820	\$ 985,221,470	\$ 870,781,373
Agricultural	4,201,450	3,503,500	3,343,130	2,582,650	2,085,460
Commercial	600,996,510	571,523,700	530,311,700	472,035,700	430,373,567
Industrial	61,474,170	60,403,000	59,473,590	60,236,410	58,750,920
Personal/Real estate	-	-	-	-	-
Utilities	33,857,524	34,751,309	34,238,011	33,262,313	35,229,249
Gross valuation	1,936,543,054	1,837,931,189	1,693,837,251	1,553,338,543	1,397,220,569
Less: Military exemption	3,434,778	3,368,056	3,260,660	3,153,956	2,946,532
Net valuation	1,933,108,276	1,834,563,133	1,690,576,591	1,550,184,587	1,394,274,037
Incremental value	171,913,600	156,056,000	156,191,910	139,675,000	137,270,000
Taxable valuation	<u>\$ 2,105,021,876</u>	<u>\$ 1,990,619,133</u>	<u>\$ 1,846,768,501</u>	<u>\$ 1,689,859,587</u>	<u>\$ 1,531,544,037</u>
Percent change	5.747%	7.789%	9.285%	10.337%	13.898%

Total Direct Tax Rate

City of Ankeny	<u>\$ 11.17646</u>	<u>\$ 11.17646</u>	<u>\$ 10.52956</u>	<u>\$ 10.28956</u>	<u>\$ 10.33956</u>
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⁽¹⁾ Polk County Auditor

2004	2003	2002	2001	2000
\$ 1,604,885,354	\$ 1,429,751,281	\$ 1,194,083,777	\$ 1,096,157,464	\$ 956,289,076
2,215,860	2,365,790	1,868,510	2,121,890	2,319,970
373,093,369	353,213,009	312,560,663	295,414,970	261,639,561
57,205,307	64,404,580	65,377,160	70,658,123	62,006,052
-	-	-	2,776,335	6,890,585
35,528,211	33,382,236	34,804,554	33,370,578	32,931,927
2,072,928,101	1,883,116,896	1,608,694,664	1,500,499,360	1,322,077,171
2,753,924	2,598,646	2,546,590	2,439,084	2,385,376
2,070,174,177	1,880,518,250	1,606,148,074	1,498,060,276	1,319,691,795
122,335,000	110,200,000	103,538,880	95,265,000	86,952,270
<u>\$ 2,192,509,177</u>	<u>\$ 1,990,718,250</u>	<u>\$ 1,709,686,954</u>	<u>\$ 1,593,325,276</u>	<u>\$ 1,406,644,065</u>
10.137%	16.438%	7.303%	13.271%	7.218%

2004	2003	2002	2001	2000
\$ 759,608,294	\$ 685,089,321	\$ 606,050,267	\$ 559,204,394	\$ 532,499,666
2,215,860	2,365,790	1,868,510	2,121,890	2,319,970
373,093,369	349,881,059	312,560,663	287,019,740	261,639,561
57,205,307	64,404,580	65,377,160	70,658,123	62,006,052
-	-	-	2,776,335	6,890,585
32,955,571	34,094,357	34,804,554	33,363,552	32,931,927
1,225,078,401	1,135,835,107	1,020,661,154	955,144,034	898,287,761
2,753,924	2,598,646	2,546,590	2,439,084	2,385,376
1,222,324,477	1,133,236,461	1,018,114,564	952,704,950	895,902,385
122,335,000	110,200,000	103,538,880	95,265,000	86,952,270
<u>\$ 1,344,659,477</u>	<u>\$ 1,243,436,461</u>	<u>\$ 1,121,653,444</u>	<u>\$ 1,047,969,950</u>	<u>\$ 982,854,655</u>
8.141%	10.857%	7.031%	6.625%	8.572%

<u>\$ 10.38956</u>	<u>\$ 10.38956</u>	<u>\$ 9.90126</u>	<u>\$ 9.90126</u>	<u>\$ 9.65126</u>
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City of Ankeny, Iowa

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

	Fiscal Year				
	2011	2010	2009	2008	2007
City of Ankeny	\$ 11.17646	\$ 11.17646	\$ 10.52956	\$ 10.28956	\$ 10.33956
Ankeny Community School District	22.34576	19.84290	19.58053	17.90637	16.70575
Polk County	9.77575	9.67030	9.79821	9.84869	9.87773
Polk County Assessor	0.27848	0.30104	0.32711	0.31349	0.29738
Des Moines Area Regional Transit	0.24290	0.22946	0.12117	0.10939	0.08789
Des Moines Area Community College	0.56008	0.56778	0.56386	0.60276	0.68688
State of Iowa	0.00340	0.00300	0.00350	0.00350	0.00400
Total Consolidated Tax Levy Rate	\$ 44.38283	\$ 41.79094	\$ 40.92394	\$ 39.07376	\$ 37.99919
Saydel Community School District	\$ 13.97723	\$ 13.98315	\$ 13.67722	\$ 13.62992	\$ 13.38621
Total Consolidated Tax Levy Rate ⁽²⁾	\$ 36.01430	\$ 35.93119	\$ 35.02063	\$ 34.79731	\$ 34.67965
North Polk Community School District	\$ 18.26638	\$ 17.39071	\$ 17.77387	\$ 17.46387	N/A
Total Consolidated Tax Levy Rate ⁽³⁾	\$ 40.30345	\$ 39.33875	\$ 39.11728	\$ 38.63126	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.

	2006	2005	2004	2003	2002
\$	10.38956	\$ 10.38956	\$ 9.90126	\$ 9.90126	\$ 9.65126
	16.70201	16.90251	17.10241	17.24845	17.00682
	9.58881	9.64715	9.44511	9.37854	9.29570
	0.35437	0.31745	0.31715	0.34363	0.34318
	N/A	N/A	N/A	N/A	N/A
	0.68408	0.59856	0.58184	0.54584	0.54454
	0.00400	0.00400	0.00400	0.00400	0.00500
\$	37.72283	\$ 37.85923	\$ 37.35177	\$ 37.42172	\$ 36.84650
\$	13.12949	\$ 14.67175	N/A	N/A	N/A
\$	34.15031	\$ 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

City of Ankeny, Iowa

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

Taxpayer	Type of Business	Fiscal Year 2011			Fiscal Year 2002		
		January 1, 2009 Taxable Valuation	Rank	Percent of Total Taxable Value	January 1, 2000 Taxable Valuation	Rank	Percent of Total Taxable Value
Denny Elwell Family LC	Real estate development	\$ 28,243,280	1	1.34%	\$ 10,066,580	6	1.02%
MidAmerican Energy	Utility	26,927,793	2	1.28%			
Casey's General Stores	Corporate headquarters/distribution	23,706,100	3	1.13%	16,918,390	3	1.72%
ACH Food Companies Inc ⁽³⁾	Spice manufacturing/distribution	23,528,000	4	1.12%	28,662,950	2	2.92%
Deere & Company	Farm implements	23,428,000	5	1.11%	36,597,180	1	3.72%
Perishable Distributors of Iowa	Wholesale meat/bakery distributor	17,504,120	6	0.83%	15,125,540	4	1.54%
Ankeny North Mob LLC ⁽²⁾	Commercial	16,344,000	7	0.78%			
Wal-Mart	Retail merchandise/grocery	15,608,000	8	0.74%			
Karl Chevrolet	Automobile sales	15,370,000	9	0.73%			
Menards, Inc.	Retail home improvement store	12,434,000	10	0.59%	6,565,620	9	0.67%
Mill-Pond, Inc.	Retirement community				11,147,000	5	1.13%
Fairco Foods, Inc.	Grocery warehouse				7,905,040	7	0.80%
Sun Communities	Manufactured housing community				6,727,500	8	0.68%
Ankeny Housing Association	Real estate development				6,522,900	10	0.66%
		<u>\$ 203,093,293</u>		<u>9.65%</u>	<u>\$ 146,238,700</u>		<u>14.88%</u>

⁽¹⁾ Polk County Assessor

⁽²⁾ Formerly Signature Properties, LLC

⁽³⁾ Formerly Tone Brothers, Inc.

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
2002	11,435,497	11,471,720	100.32% ⁽¹⁾	913	11,472,633	100.32% ⁽²⁾
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% ⁽¹⁾	17	22,823,576	100.47% ⁽²⁾
2010	25,664,841	25,675,450	100.04% ⁽¹⁾	372	25,675,822	100.04% ⁽²⁾
2011	27,355,294	27,799,160	101.62% ⁽¹⁾	136	27,799,295	101.62% ⁽²⁾

⁽¹⁾ Collected amount includes TIF receipts, which results in over 100% collection of levied tax.

⁽²⁾ Collected amount includes delinquencies from prior years, which results in over 100% collection of levied tax.

City of Ankeny, Iowa

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income ⁽¹⁾	Debt Per Capita ⁽¹⁾
	General Obligation Bonds	Bond Anticipation Notes	Tax Increment Revenue Notes	General Obligation Bonds	Capital Loan Notes	Revenue Bonds			
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
2011	99,874,069	30,975,000	-	11,033,931	1,821,000	24,700,000	168,404,000	694.39%	3,695

⁽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⁾
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
2011	3,557,097,867	141,883,000	2,551,310	139,331,691	3.92%	3,057

⁽¹⁾ Polk County Auditor

⁽²⁾ Includes General Obligation 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, 2011**

	General Obligation Debt June 30, 2011	Percent Applicable to City	Direct and Overlapping General Obligation Debt	Underlying General Obligation Debt
Polk County	\$ 280,773,000	10.69%	\$ 30,014,634	\$ 250,758,366
Des Moines Area Community College	88,800,000	5.99%	5,319,120	83,480,880
North Polk Community School District	1,920,000	0.07%	1,344	1,918,656
Saydel Community School District	1,855,000	1.53%	28,382	1,826,619
Ankeny Community School District	<u>80,935,000</u>	90.66%	<u>73,375,671</u>	<u>7,559,329</u>
Subtotal overlapping debt	\$ 454,283,000		\$ 108,739,150	\$ 345,543,850
City of Ankeny	<u>130,849,069</u>	100.00%	<u>130,849,069</u>	<u>-</u>
Total direct and overlapping debt	<u><u>585,132,069</u></u>		<u><u>239,588,219</u></u>	<u><u>345,543,850</u></u>

Source: Bond Official Statement May 2011



City of Ankeny, Iowa

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

	2011	2010	2009	2008	2007
Actual property valuation ⁽¹⁾	\$ 3,557,097,867	\$ 3,429,961,702	\$ 3,242,327,958	\$ 2,903,344,716	\$ 2,587,793,872
Debt limit - 5% of assessed valuation	177,854,893	171,498,085	162,116,398	145,167,236	129,389,694
Amount of debt applicable to limit:					
General obligation bonds	110,908,000	107,006,000	107,795,000	80,215,000	51,885,000
Bond anticipation notes	30,975,000	24,255,000	18,900,000	37,200,000	43,125,000
Total debt applicable to limit	141,883,000	131,261,000	126,695,000	117,415,000	95,010,000
Legal debt margin	<u>\$ 35,971,893</u>	<u>\$ 40,237,085</u>	<u>\$ 35,421,398</u>	<u>\$ 27,752,236</u>	<u>\$ 34,379,694</u>
Percent of debt limit	20.23%	23.46%	21.85%	19.12%	26.57%

⁽¹⁾ Polk County Auditor

2006	2005	2004	2003	2002
\$ 2,192,509,177	\$ 1,990,718,250	\$ 1,709,686,954	\$ 1,593,325,276	\$ 1,406,644,065
109,625,459	99,535,913	85,484,348	79,666,264	70,332,203
44,745,000	43,930,000	42,240,000	37,845,000	32,365,000
24,505,000	18,230,000	11,125,000	-	8,895,000
69,250,000	62,160,000	53,365,000	37,845,000	41,260,000
<u>\$ 40,375,459</u>	<u>\$ 37,375,913</u>	<u>\$ 32,119,348</u>	<u>\$ 41,821,264</u>	<u>\$ 29,072,203</u>
36.83%	37.55%	37.57%	52.50%	41.34%

City of Ankeny, Iowa

**Revenue Bond Coverage
Last Ten Fiscal Years**

Fiscal Year	Sewer Fund				Coverage
	Gross Revenues	Operating Expenses ⁽¹⁾	Net Revenue Available For Debt Service	Maximum Debt Service Requirements ⁽²⁾	
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
2011	8,544,496	5,448,198	3,096,298	1,298,460	2.3846

⁽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	
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	
6,372,678	4,882,507	1,490,171	1,023,595	1.4558	

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
2001	27,117	285,500	3.3%	2001	16,067,000	32,777	2001	2,634	296,942,692
2002	27,117	289,400	4.0%	2002	17,050,000	34,307	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
2010	45,582	315,900	6.0%	2010	24,252,000	N/A	2010	4,287	622,122,041

⁽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 at report date

Building Permits ⁽⁵⁾				
Calendar Year	Commercial Permits Issued	Dollar Value of Permits Issued	Residential Permits Issued	Dollar Value of Permits Issued
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
2010	17	10,060,900	523	106,078,166

City of Ankeny, Iowa

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

Employer ⁽²⁾	Type of Business	Fiscal Year 2011			Fiscal Year 2002		
		Approximate Number of Employees	Rank	Percent of Total City Employment	Approximate Number of Employees	Rank	Percent of Total City Employment
John Deere Des Moines Works	Farm implements	1,652	1	6.77%	1,200	1	7.19%
Ankeny Community Schools	Education	1,643	2	6.73%	645	2	3.86%
Des Moines Area Community College	Education	1,603	3	6.57%	625	4	3.74%
Perishable Distributors of Iowa	Wholesale meat/bakery distributor	518	4	2.12%	470	5	2.81%
Tone Brothers, Inc.	Spice manufacturing/distribution	497	5	2.04%	640	3	3.83%
Casey's General Stores	Corporate headquarters/distribution	460	6	1.89%	350	6	2.10%
City of Ankeny	Government	394	7	1.61%	128	9	0.77%
SYSCO Food Services of Iowa	Wholesale distribution	265	8	1.09%			
Praxair	Industrial gases/welding equipment	159	9	0.65%	130	8	0.78%
Mrs. Clarks Foods	Manufacturing and distribution	124	10	0.51%	83	12	0.50%
Younkers Distribution	Retail distribution				175	7	1.05%
Techniplas	Custom injection mold plastics				104	10	0.62%
On With Life	Head injury rehabilitation facility				91	11	0.54%
Total		<u>7,315</u>		<u>29.98%</u>	<u>4,641</u>		<u>27.79%</u>

⁽¹⁾ City of Ankeny Economic Development Department

⁽²⁾ Does not include retail employers

City of Ankeny, Iowa

Number of Permanent City Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Public Safety:										
Police:										
Police Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.80	2.80
Operations	44.00	45.00	42.00	39.00	36.00	31.00	29.00	28.00	27.00	25.00
Special Services	-	-	-	-	-	9.00	8.00	8.00	10.00	10.00
Support Services	15.50	14.50	14.50	14.00	14.00	6.50	8.50	8.30	7.50	11.00
Fire:										
Fire Support	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.75	2.25
Fire Suppression	1.00	1.00	1.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00
Ambulance & Rescue	14.00	14.00	8.00	7.50	7.00	3.00	3.00	3.00	3.00	3.00
Code Enforcement	8.00	8.00	8.00	9.00	10.00	9.00	8.00	6.00	6.50	5.50
Total Public Safety	88.50	88.50	79.50	77.50	75.00	65.50	62.50	59.30	60.55	60.55
Health and social services:										
Public Relations	3.00	3.00	3.00	3.00	1.00	0.00	0.00	0.00	0.00	0.00
Culture and Recreation:										
Library	6.00	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	2.00	1.75	2.75	2.00	2.00	2.00	2.00
Park Maintenance	7.00	6.00	7.00	7.00	6.00	5.00	4.00	4.00	4.00	4.00
Recreation Programs	3.00	4.00	4.00	4.00	4.00	3.00	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	2.00
Total Culture and Recreation	20.00	21.00	22.00	22.00	20.75	19.75	17.00	17.00	17.00	17.00
Public Works:										
Engineering	-	-	-	3.00	3.00	2.00	2.00	2.00	2.00	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	3.00	0.00	0.00	0.00	0.00	0.00	0.00
Roadway Administration	6.25	6.25	6.25	6.25	5.25	5.25	4.50	3.70	3.70	2.50
Roadway Maintenance	11.00	11.00	11.00	12.00	14.00	14.00	13.00	12.00	12.00	12.00
Central Garage	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00
Total Public Works	25.25	25.25	25.25	29.25	26.25	25.25	23.50	21.70	21.70	21.50
Community and Economic Development:										
Development and Promotion	-	-	-	-	-	-	1.00	1.00	1.00	3.00
Development Engineering	3.00	3.00	3.00	-	-	-	-	-	-	-
Planning & Zoning	4.00	4.50	5.50	5.50	5.50	4.50	4.50	4.50	4.50	4.50
Planning and Building Admin	2.00	2.00	2.00	2.00	2.00	2.00	2.80	2.80	2.00	0.00
Economic Development	3.00	3.00	3.00	3.00	3.00	2.80	0.00	0.00	0.00	0.00
Total Community and Economic Development:	12.00	12.50	13.50	10.50	10.50	9.30	8.30	8.30	7.50	7.50
General Government:										
Human Resources	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Policy & Administration	4.00	4.00	4.00	4.00	5.00	4.00	4.00	4.00	4.00	3.00
City Clerk	4.50	4.50	4.50	4.50	4.00	4.00	3.50	3.00	3.00	3.00
Finance	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	4.00
Information Systems	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00
Total General Government	18.50	18.50	18.50	18.25	17.75	15.75	15.25	14.75	14.75	14.75
Water										
Water Administration	3.50	7.50	7.50	7.50	3.50	3.50	3.50	2.50	2.50	2.00
Water Maintenance	7.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00	6.00	6.00
Total Water	10.50	15.50	15.50	15.50	11.50	10.50	10.50	9.50	8.50	8.00
Sewer:										
Wastewater Administration	6.50	3.50	3.50	3.50	3.50	3.50	3.00	2.50	2.50	2.00
Wastewater Operations	10.00	10.00	11.00	11.00	11.00	10.00	10.00	10.00	8.00	8.00
Total Sewer	16.50	13.50	14.50	14.50	14.50	13.50	13.00	12.50	10.50	10.00
Storm water:										
Stormwater Administration	1.50	1.50	1.00	1.00	1.00	1.00	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	2.00	1.00	1.00	1.00	1.50	1.50	1.50	1.50	0.50	0.50
Golf Course Banquet Services	1.00	1.00	1.00	-	-	-	-	-	-	-
Total Otter Creek Golf Course	6.00	5.00	5.00	4.00	4.50	4.50	4.50	4.50	3.50	3.50
Total	201.75	204.25	197.75	195.50	182.75	165.05	154.55	147.55	144.00	142.80

Source: City Records

City of Ankeny, Iowa

Operating Indicators by Function
Last Ten Years

Function	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Public safety:										
Police:										
Calls for service ⁽²⁾	39,385	37,573	35,668	34,127	30,130	31,756	35,219	28,715	21,621	21,132
Yearly miles logged by patrol ⁽²⁾	351,843	371,026	332,686	319,438	288,976	310,234	345,187	319,918	284,923	251,628
Fire:										
Fire calls ⁽²⁾	702	636	678	709	743	773	724	600	490	532
Ambulance calls ⁽²⁾	2,209	2,123	2,092	1,964	1,875	1,640	1,676	1,498	1,387	1,274
Code Enforcement:										
Residential permits issued ⁽²⁾	523	422	372	581	845	1,311	1,085	1,042	738	601
Commercial permits issued ⁽²⁾	17	11	21	26	30	30	27	30	42	21
Culture and recreation:										
Library:										
Circulation ⁽¹⁾	550,541	501,223	498,583	447,912	367,723	350,213	320,910	316,217	308,081	300,000
Program attendance ⁽¹⁾	38,351	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⁾	122,059	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⁾	374	457	657	443	227	391	649	670	N/A	N/A
Community and economic development:										
Planning and Building:										
Number of plats recorded ⁽²⁾	12	13	19	29	31	35	44	42	29	27
Acres final platted ⁽²⁾	153	167	639	464	719	555	823	582	299	404
General government:										
Human resources:										
Number of applications managed ⁽²⁾	844	892	2,084	1,353	1,547	1,308	940	964	1,078	N/A
Water:										
Avg daily water consumption-gallons ⁽¹⁾	3,479,154	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
Avg number of meters ⁽¹⁾	16,175	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⁾	6,387,000	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⁾	28,817	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.

Source: City Records

City of Ankeny, Iowa

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2011	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	1
Fire:										
Number of fire stations	2	2	1	1	1	1	1	1	1	1
Health and social services:										
Mosquito control:										
Mosquito sprayers	4	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	1
Titles	66,994	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	2	1	1
Sports complexes	2	2	2	2	2	2	2	2	2	2
Park acres developed	671	629	503	467	425	415	403	400	N/A	N/A
Public works:										
Miles of streets	214	211	211	197	182	175	163	148	136	N/A
General government:										
Data Processing										
Number of personal computers	335	322	325	319	312	225	190	170	150	N/A
Water:										
Above ground storage-gallons	8,000,000	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	299	258	252	241	230	196	163	160	158	140
Sewer:										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of lift stations	3	4	5	5	5	5	5	5	5	4
Miles of sanitary sewer	222	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	1

Source: City Records

City of Ankeny, Iowa

Insurance Schedule ⁽¹⁾
June 30, 2011

Insurance Company	Policy Number	Type of Coverage
Iowa Communities Assurance Pool	408	Liability: Legal Liability/3rd Party Automotive Liability Wrongful Acts Law Enforcement Liability Appeal, Bail, Property Release Bonds Claim and Defense Expenses Covered Pollution Cost or Expense for Automobiles Employee Benefit Employee Expense Good Samaritan Injunctive Relief Medical Malpractice Member Expenses Post-judgement/Pre-judgment Interest Stop Gap Underinsured/Uninsured Motorist Broad Legal Defense Fund Moral Obligation to Pay Pollution Liability: Chlorine, Pesticides, Anti-Skid Materials Fire Department and Fire Department Training Sewer Back-up Wastewater Treatment Plant-3rd Party Liability Wastewater Treatment Plant-Clean Up Expense Liquor Liability Property: Buildings Personal Property Newly Acquired/Newly Constructed Buildings Book Collection Vehicles Miscellaneous Property EDP Hardware/Software Boiler Earthquake
Old Republic Surety Company	RCB537396	Employee dishonesty
Iowa Municipal Workers Compensation Association	0643	Worker's compensation
Wellmark BCBS of Iowa	038	Employee health insurance (per member) Minimum Aggregate Deductible

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

Liability Limits	Deductible	Policy Expiration
		7/15/2011
\$10,000,000	\$0	
\$10,000,000	\$0	
\$10,000,000	\$2,500	
\$10,000,000	\$5,000	
Unlimited	\$0	
Unlimited	\$0	
\$10,000,000	\$0	
\$1,000,000	\$1,000	
\$10,000,000	\$0	
\$10,000,000 each	\$0	
\$25,000	15%	
\$10,000,000	\$0	
10,000	\$0	
Unlimited	\$0	
\$10,000,000	\$0	
\$500,000	\$0	
\$5,000 each, \$5,000 Aggregate	25%	
\$2,500 Aggregate	25%	
\$10,000,000	\$0	
\$500,000	\$0	
\$250,000 each, \$250,000 aggregate	\$0	
\$50,000 each, \$50,000 aggregate	\$0	
\$50,000 each, \$50,000 aggregate	\$0	
\$1,000,000	\$0	
\$82,019,674	\$25,000 per occurrence	
\$7,858,659	\$25,000 per occurrence	
\$2,000,000	\$25,000 per occurrence	
\$1,000,000	\$25,000 per occurrence	
\$8,450,247	\$1,000 per occurrence	
\$4,045,685	\$25,000 per occurrence	
\$917,329	\$25,000 per occurrence	
\$1,000,000	\$25,000 per occurrence	
\$20,000,000	10% of loss	
\$100,000/\$500,000	\$0	
Statutory	N/A	6/30/2011
\$2,000,000	\$55,000	6/30/2011
	\$1,702,022	



Single Audit Section

City of Ankeny, Iowa

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Grantor/Program	CFDA Number	Other Identification Number	Program Expenditures
Direct:			
U.S. Department of Justice, Bulletproof Vest Partnership Program 2008	16.607		\$ 2,920
U.S. Department of Justice, Bulletproof Vest Partnership Program 2010	16.607		398
Total Direct			3,318
Indirect:			
U.S. Department of Justice, ARRA-Recovery Act- Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.804	2009-F2648-IA-SB	5,167
U.S. Department of Transportation Federal Highway Administration Highway Construction Planning and Recovery	20.205	STP-A-0187(623)--86-77	70,000
U.S. Department of Transportation National Highway Traffic Safety Administration State and Community Highway Safety	20.600	PAP 10-04, Task 03	2,831
U.S. Department of Transportation National Highway Traffic Safety Administration Alcohol Impaired Driving Countermeasures Incentive	20.601	PAP 11-04, Task 02	22,557
Environmental Protection Agency Department of Water Capitalization Grants for Clean Water State Revolving Funds	66.458		58,138
U.S. Department of Energy Energy Efficiency and Conservation Block Grant Program	81.128	EE002411	59,576
U.S. Department of Energy Energy Efficiency and Conservation Block Grant Program	81.128	EECBG 10-3323	176,029
U.S. Department of Education Education Jobs Fund	84.397	S397A090016A	43,181
U.S. Department of Homeland Security Disaster Grants-Public Assistance (Presidentially Declared Disaster	97.036	PA-07-IA-1930-PW-00120(0)	152,063
Total Indirect			589,542
TOTAL FEDERAL AWARDS EXPENDED			\$ 592,860

See accompanying independent auditor's report.

City of Ankeny, Iowa

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011**

Note 1. Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of the City of Ankeny and is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Subrecipients

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

Energy Efficiency and Conservation Block Grant Program	81.128	\$176,029
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City of Ankeny, Iowa
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year ended June 30, 2011

Summary

Status

Financial Statement Findings

None

Statutory Reporting Findings

10-II-M	<i>Condition:</i> The City had a deficit fund balance in the Road Use Tax Fund as of June 30, 2010.	Corrected
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10-II-M	<i>Condition:</i> The City did not meet net revenue requirements for the water revenue bond/notes as of June 30, 2010.	Corrected
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**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, 2011, which collectively comprise the City of Ankeny, Iowa's basic financial statements and have issued our report thereon dated December 15, 2011. 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 City'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.

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 IV of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2011 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

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

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


DENMAN & COMPANY, LLP

West Des Moines, Iowa
December 15, 2011

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Mayor and
Members of the City Council
Ankeny, Iowa

Compliance

We have audited the City of Ankeny's (the City) compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2011. The City's major federal programs are identified in the summary of the independent auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Ankeny complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over compliance 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 compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the City and other parties to whom the City 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 15, 2011

**City of Ankeny, Iowa
SCHEDULE OF FINDINGS
Year ended June 30, 2011**

Part I. Summary of the Independent Auditor's Results

- (a) An unqualified opinion was issued on the financial statements.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) No material weaknesses in internal controls over major programs were noted.
- (e) An unqualified opinion was issued on compliance with requirements applicable to major programs.
- (f) The audit did not disclose audit findings that are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - *CFDA Number 81.128 - Energy and Efficiency Conservation Block Grant - ARRA
 - *CFDA Number 20.205 - Highway Construction Planning and Recovery
- (h) The dollar threshold used to distinguish between type A and B programs was \$300,000.
- (i) The City of Ankeny did not qualify as a low-risk auditee.

**Part II—Findings Relating to the Financial Statements Reported in
Accordance with *Government Auditing Standards***

Instances of Non-compliance
No matters were noted.

Internal Control Deficiencies
No material weaknesses in internal control over financial reporting were noted.

Part III—Findings and Questioned Costs for Federal Awards

Instances of Non-compliance
No matters were noted.

Internal Control Deficiencies
No material weaknesses in internal control over the major programs were noted.

**City of Ankeny, Iowa
SCHEDULE OF FINDINGS
Year ended June 30, 2011**

Part IV—Findings Related to Required Statutory Reporting

11-IV-A CERTIFIED BUDGET

City disbursements during the year ended June 30, 2011 did not exceed the amount budgeted in any functional area.

11-IV-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.

11-IV-C TRAVEL EXPENSE

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

11-IV-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.

11-IV-E BOND COVERAGE

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

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

Finding

We noted one instance when disbursements approved by the Council were not published as required by Chapter 372.13(6) of the Code of Iowa.

Recommendation

The City should comply with Chapter 372.13(6) of the Code of Iowa and should publish the disbursements approved as required.

Response and Corrective Action Plan

The City will work to make sure all disbursements approved by the Council are published as required.

Conclusion

Response accepted.

**City of Ankeny, Iowa
SCHEDULE OF FINDINGS
Year ended June 30, 2011**

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

11-IV-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.

11-IV-H WATER AND SEWER REVENUE BONDS/NOTES

No instances of noncompliance with their revenue note provisions were noted.

11-IV-I PAYMENT OF GENERAL OBLIGATION BONDS

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

11-IV-J ECONOMIC DEVELOPMENT

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

11-IV-K NOTICE OF PUBLIC HEARING FOR PUBLIC IMPROVEMENTS

Finding

We noted two instances when the City did not publish the Notice of Public Hearing for Public Improvement Projects as required by Chapters 26.12 and 362.3 of the Code of Iowa.

Recommendation

The City should comply with Chapters 26.12 and 362.3 of the Code of Iowa and should properly publish the Notice of Public Hearing for Public Improvement Projects.

Response and Corrective Action

The City will work to comply with the Code of Iowa and properly publish the Notice of Public Hearing for Public Improvement Projects.

Conclusion

Response accepted.

11-IV-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.

**City of Ankeny, Iowa
CORRECTIVE ACTION PLAN
Year ended June 30, 2011**

Other Findings Related to Required Statutory Reporting

<u>Current Number</u>	<u>Comment</u>	<u>Corrective Action Plan</u>	<u>Anticipated Date of Completion</u>	<u>Contact Person</u>
11-IV-F	Disbursements approved by the Council were not published as required by Chapter 372.13(6) of the Code of Iowa.	See response and corrective action plan at 11-IV-F	June 30, 2012	Jennifer Sease
11-IV-K	Notice of Hearings for Public Improvement Projects were not published as required by Chapters 26.12 and 362.3 of the Code of Iowa.	See response and corrective action plan at 11-IV-K	June 30, 2012	Jennifer Sease

Comprehensive Annual Financial Report

