



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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2011**

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

For the Fiscal Year Ended June 30, 2011

Prepared by the
Department of Finance



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INTRODUCTORY SECTION





December 16, 2011

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

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2011.

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

McGladrey & Pullen LLP, Certified Public Accountants, has issued an unqualified ("clean") opinion on the City of Des Moines's financial statements for the year ended June 30, 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. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Des Moines, Iowa was incorporated as a town in 1851 and as a city in 1857 under the laws of the State of Iowa, later amended in 1975 under the Home Rule Act. Extending over 80 square miles, it is home to 203,000 people and the central city of a metropolitan area of approximately 500,000. It is a river city, intersected by the Des Moines and Raccoon Rivers.

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

The City of Des Moines provides a full range of services, including police and fire protection, sanitation services, park and recreational programs and facilities; construction and maintenance of infrastructure, including streets, roads, bridges, and a storm water utility; enforcement of building code regulations; traffic control and parking; operation and maintenance of an international airport; housing and other community improvements and social services; economic development and six public libraries. The Des Moines Independent Community School District, the Des Moines Water Works, Des Moines Area Regional Transit, the Wastewater Reclamation Authority and Metro Waste Authority – while providing other services to the citizens of Des Moines – do not meet the established criteria for component entities of the City, and thus, are excluded from this report. The City benefits from strong and diverse neighborhoods and a citizenry deeply involved in its government. The development of 58 recognized neighborhood associations and the participation of more than 300 residents who voluntarily serve on boards and commissions strengthen the basic framework of the City’s governmental structure.

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

Local Economy and Living Conditions

Des Moines is the industrial, commercial, financial, trade, transportation, and governmental center of Iowa. The City’s insurance industry is the third largest in the world – after London and Hartford – and growing. There are over 200 insurance offices and headquarters located in Des Moines employing more than 20,000 people. Insurance activities are part of a strong local economy that is also based in agriculture, manufacturing, technology, education, health care, and other services.

Forbes Magazine ranked Des Moines #1 place as “America’s Best Places to Raise a Family” and “Best City for Young Professionals”, and top ten for “Best Mid-sized Cities for Jobs”. Gallup Poll and Healthways Survey ranked Des Moines #3 in the nation for “Healthiest

and Safest Metro”, and the United States Environmental Protection Agency placed Des Moines in the top 25 cities in the U.S. with the largest number of energy efficient buildings according to EPA’s Energy Star. In addition, Moody’s Economy reported that the Des Moines Metro region is 17 percent below the national average for cost of doing business, Forbes Magazine ranked Iowa #3 in the nation for health care, Mainstreet.com ranked Iowa as the 2nd happiest state in the nation, and the Denver Business Journal ranked Iowa as a top ten state for wellness.

While Iowa is an agricultural state, the City’s economic diversification insulates it from the farm economy. Further, as many of the state’s rural communities experience population decreases, the Des Moines metropolitan area continues to grow, with much of the expansion resulting from the relocation of residents to Des Moines from rural areas. The variety of components contributing to the City’s economy creates a stability that is apparent from unemployment figures. The City has historically enjoyed a relatively low unemployment rate for each of the last five calendar years: 6.0 percent June 30, 2011, 6.4 percent June 30, 2010, 6.2 percent June 30, 2009, 3.7 percent June 30, 2008, and 3.4 percent in 2007. Clearly, Des Moines is not unlike most other cities in the United States that are experiencing an increase in its unemployment rate. Nevertheless, Des Moines remains significantly below the national average. Additional background data is included in the statistical section of this report. Des Moines’ underlying economic base remains strong and although new residential and commercial construction has slowed and unemployment has increased Des Moines is expected to experience growth in the post-recession era of the global economy.

Long-term Financial Planning

The City Council and administration routinely consider the long-term view regarding financial matters. Operating budget decisions are based on the long-term impact of appropriations and funding. A two-year budget plan is prepared every two years and multi-year trends are identified for all major revenues and expenditures. The city has a sophisticated and detailed Capital Improvement Plan that considers the impact of the investment in infrastructure, the associated debt burden, and any changes in operating costs.

Relevant Financial Policies

The city regards General Fund unassigned fund balance as a critical component of fiscal health and criteria for an above average bond rating. General Fund unassigned fund balance is targeted at 10% of expenditures. The June 30, 2011 balance is 10.2% of expenditures, up from 7.1% as of June 30, 2010. The City Council took necessary actions to

adopt a balanced FY12 budget that will preserve the General Fund unassigned fund balance. The City Council is currently preparing the FY13 budget with a focus on making adjustments that will maintain a balanced budget for FY13 and for FY14. Enterprise funds are monitored regularly and user fees adjusted to maintain required revenue bond coverage and sufficient working capital balances.

Major Initiatives

Several major projects designed to enhance the city's quality of life and add to its tax base have been completed. Those projects include the renovation and expansion of the Franklin Avenue Library, the renovation of the World Food Prize building. Downtown Riverwalk improvements continue to be unveiled in phases and will continue forward for the next few years. Additional improvements remain in the early stages of development for the Riverpoint West area. Wellmark's construction of a new office building and parking garage has been completed. The extension of Martin Luther King East/West Parkway eastward across the Des Moines River has also been completed. The parkway has received additional State and Federal funding to be extended to SE 14th Street over the next couple of years.

The downtown housing stock is strong for rental units while owner-occupied condominiums have slowed with the weak economy. Nonetheless, downtown residential living continues to increase, turning the downtown into a vibrant "24/7" location. The Botanical Center will be undergoing major renovations and a new hotel will be constructed along the river south of Court Avenue. This work as well as the East Village revitalization and the Gateway West development have contributed to Des Moines being one of the "Top Ten Downtown Turnarounds" as named by the Urban Land Institute Magazine.

After many years of planning and coordination with the Army Corps of Engineers, significant flood protection measures are being undertaken along the Des Moines River. The Birdland area levee improvements have been completed and the Central Place levee improvements are under construction.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Des Moines for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2010. This was the 34th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government has to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Richard Clark
City Manager



Scott E. Sanders
Finance Director/Treasurer



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Des Moines
Iowa

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

President

Jeffrey R. Emer

Executive Director



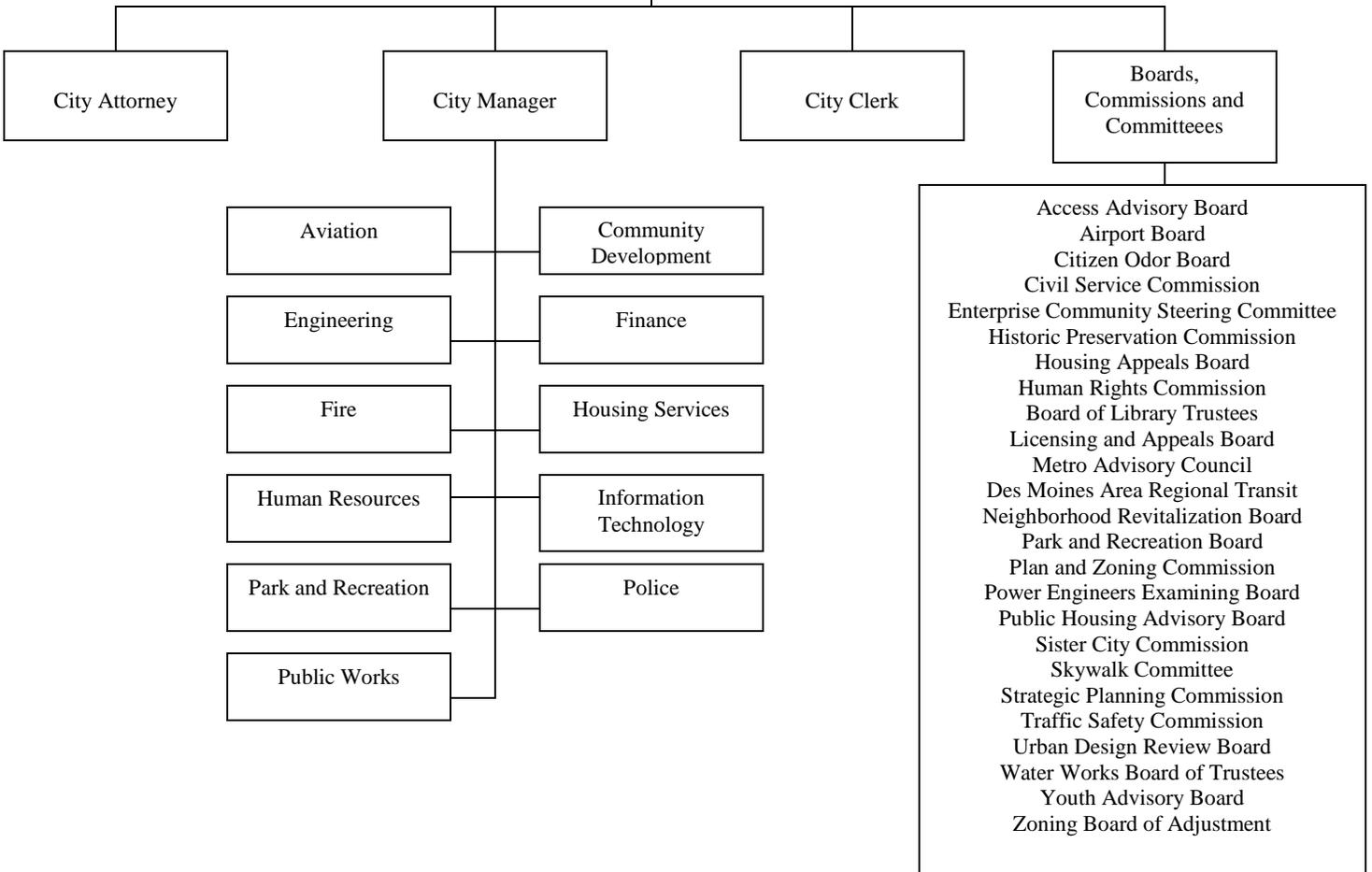
City of Des Moines, Iowa Table of Organization

Citizens of Des Moines

ELECT

Des Moines City Council
 Frank Cownie, Mayor
 Chris Coleman, At-Large
 Skip Moore, At-Large
 Halley Griess, Ward I
 Bob Mahaffey, Ward II
 Christine Hensley, Ward III
 Brian Meyer, Ward IV

APPOINTS





**CITY OF DES MOINES, IOWA
ELECTED AND APPOINTED OFFICIALS
For the Fiscal Year Ended June 30, 2011**

Elected Officials:

Term Expires

Frank Cownie	Mayor	1/1/2012
Chris Coleman	Council Member, At-Large	1/1/2012
Skip Moore	Council Member, At-Large	1/1/2014
Halley Griess	Council Member, Ward I	1/1/2014
Bob Mahaffey	Council Member, Ward II	1/1/2012
Christine Hensley	Council Member, Ward III	1/1/2014
Brian Meyer	Council Member, Ward IV	1/1/2012

Council-Appointed Officials:

Richard Clark	City Manager
Jeffrey D. Lester	City Attorney
Diane Rauh	City Clerk



FINANCIAL SECTION





Independent Auditor's Report

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

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

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Des Moines, Iowa, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Notes 17 and 18 to the basic financial statements, the City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which changed its method of accounting for governmental funds' fund balance classifications.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2011 on our consideration of the City of Des Moines, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Des Moines, Iowa's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments and Nonprofit Organizations*, and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

McGladrey & Pullen, LLP

Des Moines, Iowa
December 16, 2011

Management's Discussion and Analysis

As management of the City of Des Moines, we offer readers of the City of Des Moines' financial statements this narrative overview and analysis of the financial activities of the City of Des Moines for the fiscal year ended June 30, 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 on page VII through XI of this report.

Financial Highlights

- The assets of the City of Des Moines exceeded its liabilities at the close of the most recent fiscal year by \$1,073,425,045 (*net assets*). Of this amount, \$13,549,075 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$44,746,424.
- At the close of this current fiscal year, the City of Des Moines' governmental funds reported combined ending fund balances of \$171,269,616, an increase of \$63,066,357 in comparison with the prior year. This increase was attributable primarily to debt proceeds held in escrow in the debt service fund.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$13,554,759 or 10.2 percent of total General Fund expenditures.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

The City of Des Moines maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Tax Increment Fund, Capital Projects Fund, and Benefit Tax Accounts Special Revenue Fund, all of which are considered to be major funds. Data from the other 8 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Des Moines' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has only one type of fiduciary funds: agency funds. The total assets held in the fiduciary funds at June 30, 2011 were \$64,137,946 of which \$63,631,213 belonged to the Wastewater Reclamation Authority (WRA), an agency fund.

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

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Des Moines, assets exceeded liabilities by \$1,073,425,045, at the close of the fiscal year ended June 30, 2011.

By far the largest portion of the City of Des Moines' net assets (86.8 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Des Moines uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Des Moines' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Des Moines' Net Assets

	Governmental Activities 2011	Business-type Activities 2011	Total 2011	Governmental Activities 2010	Business-type Activities 2010	Total 2010
Current and other assets	\$ 341,860,900	\$ 76,500,298	\$ 418,361,198	\$ 278,478,088	\$ 77,276,166	\$ 355,754,254
Capital assets	827,652,256	601,857,131	1,429,509,387	792,910,146	580,403,943	1,373,314,089
Total assets	<u>1,169,513,156</u>	<u>678,357,429</u>	<u>1,847,870,585</u>	<u>1,071,388,234</u>	<u>657,680,109</u>	<u>1,729,068,343</u>
Noncurrent liabilities	412,341,303	124,547,690	536,888,993	356,816,174	107,667,115	464,483,289
Other liabilities	208,349,846	29,206,701	237,556,547	199,661,907	36,244,526	235,906,433
Total liabilities	<u>620,691,149</u>	<u>153,754,391</u>	<u>774,445,540</u>	<u>556,478,081</u>	<u>143,911,641</u>	<u>700,389,722</u>
Net assets:						
assets, net of related debt	466,931,679	464,887,533	931,819,212	486,181,597	460,045,625	946,227,222
Restricted	68,341,253	26,222,227	94,563,480	16,197,154	27,423,393	43,620,547
Unrestricted	13,549,075	33,493,278	47,042,353	12,531,402	26,299,450	38,830,852
Total net assets	<u>\$ 548,822,007</u>	<u>\$ 524,603,038</u>	<u>\$ 1,073,425,045</u>	<u>\$ 514,910,153</u>	<u>\$ 513,768,468</u>	<u>\$ 1,028,678,621</u>

An additional portion of the City of Des Moines' net assets (8.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$47,042,353) may be used to meet the government's ongoing obligations to citizens and creditors.

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

The City's total net assets increased by \$44,746,424 during the current fiscal year. The governmental-type activities increased by \$33,911,854. This increase was attributable primarily to debt proceeds held in escrow in the debt service fund. The total business-type activities' net assets increased by \$10,834,570. This increase was attributable primarily to contributed capital in the stormwater utility fund and was partially offset by decreases in the airport and municipal housing funds.

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

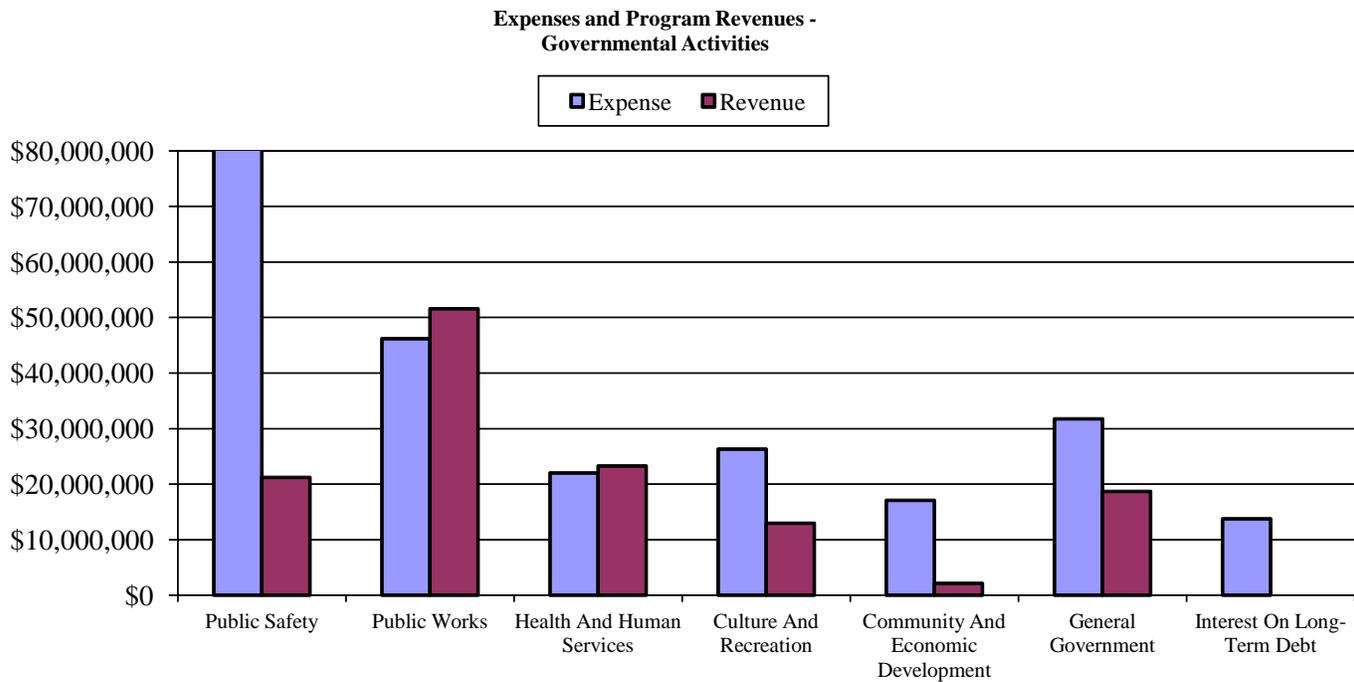
City of Des Moines' Changes in Net Assets

	Governmental Activities 2011	Business-type Activities 2011	Total 2011	Governmental Activities 2010	Business-type Activities 2010	Total 2010
Revenues:						
Program revenues:						
Charges for services	\$ 45,799,150	\$ 102,631,101	\$ 148,430,251	\$ 40,742,706	\$ 99,804,842	\$ 140,547,548
Operating grants and contributions	54,678,753	18,484,739	73,163,492	48,691,262	16,840,446	65,531,708
Capital grants and contributions	29,363,090	22,943,037	52,306,127	27,553,752	7,553,523	35,107,275
General revenues:						
Property taxes	137,636,622	---	137,636,622	135,781,459	---	135,781,459
Other taxes	13,101,045	---	13,101,045	12,816,420	---	12,816,420
Grants and contributions not restricted to specific	---	---	---	---	---	---
Other	2,027,429	468,794	2,496,223	5,388,575	397,665	5,786,240
Total	282,606,089	144,527,671	427,133,760	270,974,174	124,596,476	395,570,650
Expenses:						
Public safety	93,375,900	---	93,375,900	92,779,497	---	92,779,497
Public works	46,184,974	---	46,184,974	46,828,147	---	46,828,147
Health and social services	22,007,150	---	22,007,150	23,095,540	---	23,095,540
Culture and recreation	26,293,968	---	26,293,968	28,165,552	---	28,165,552
Community and economic development	17,054,115	---	17,054,115	13,713,121	---	13,713,121
General government	31,732,926	---	31,732,926	23,827,266	---	23,827,266
Interest on long-term debt	13,733,718	---	13,733,718	14,918,745	---	14,918,745
Airport	---	36,610,641	36,610,641	---	31,367,882	31,367,882
Parking facilities system	---	12,667,634	12,667,634	---	12,792,295	12,792,295
Sewer system	---	32,492,636	32,492,636	---	29,798,616	29,798,616
Stormwater utility	---	14,124,721	14,124,721	---	11,450,883	11,450,883
Golf	---	246,620	246,620	---	1,045,624	1,045,624
Solid waste	---	11,410,969	11,410,969	---	10,813,656	10,813,656
Municipal Housing Agency	---	24,451,364	24,451,364	---	22,236,664	22,236,664
Total expenses	250,382,751	132,004,585	382,387,336	243,327,868	119,505,620	362,833,488
Increase/(decrease) in net assets before transfers	32,223,338	12,523,086	44,746,424	27,646,306	5,090,856	32,737,162
Transfers	1,688,516	(1,688,516)	---	(7,072,935)	7,072,935	---
Increase/(decrease) in net assets	33,911,854	10,834,570	44,746,424	20,573,371	12,163,791	32,737,162
Net assets - beginning	514,910,153	513,768,468	1,028,678,621	494,336,782	501,604,677	995,941,459
Net assets - ending	\$ 548,822,007	\$ 524,603,038	\$ 1,073,425,045	\$ 514,910,153	\$ 513,768,468	\$ 1,028,678,621

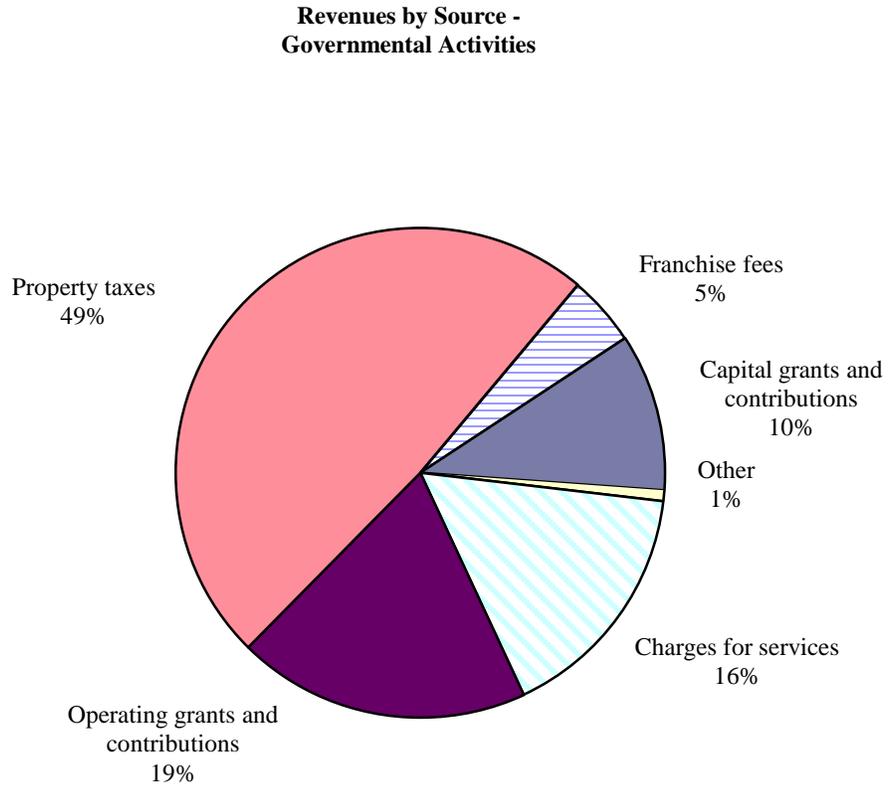
Total governmental activities' revenue for the fiscal year was \$282,606,089 compared to \$270,974,174 in 2010. The largest single revenue source for the City was property taxes

of \$137,636,622. Property taxes increased by \$1,855,163 (1.4 percent) from 2010. This increase is the result primarily of an increase in tax increment financing commitments funded from increased related property values.

Certain revenues are generated that are specific to governmental program activities. These totaled \$129,840,993 in 2011 and \$116,987,720 in 2010. The graph below shows a comparison between the expenditures by governmental activity type and the revenues generated that are specific to those activities.

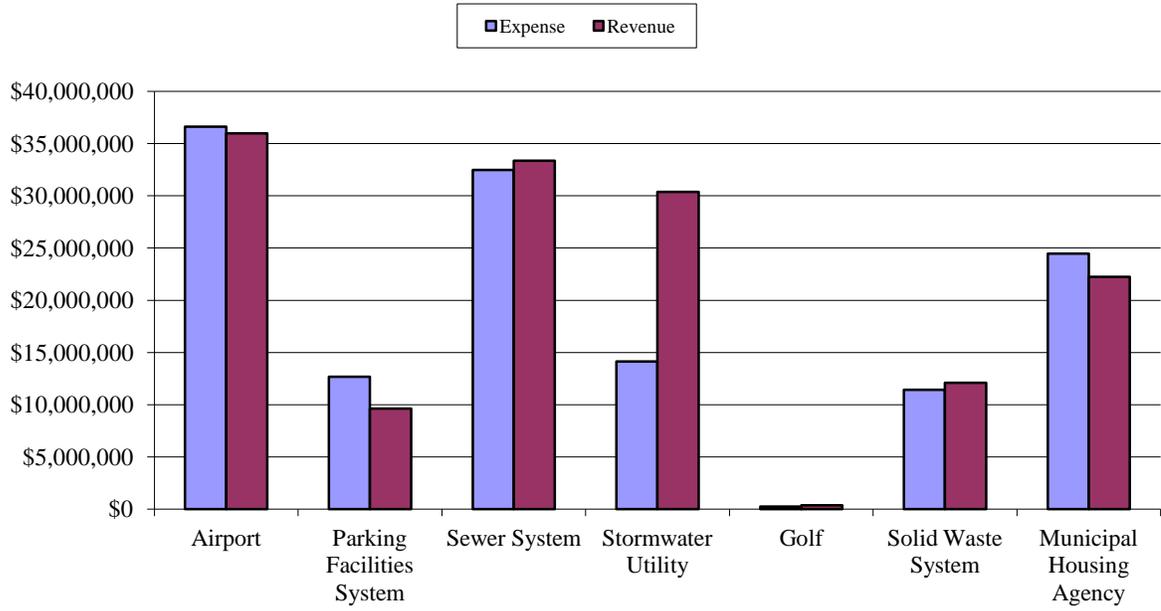


The graph below shows the percentage of the total governmental revenues allocated by each revenue type.

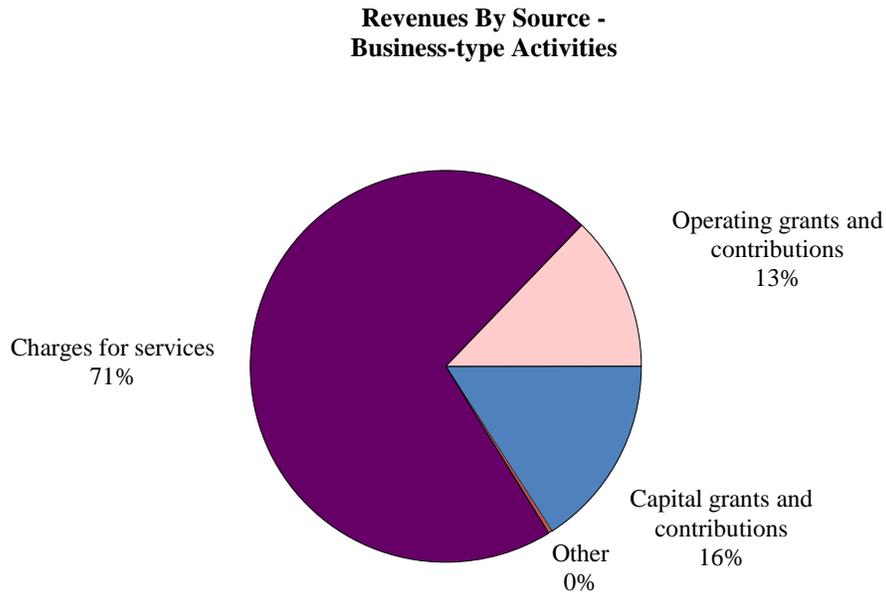


Total business-type activities' revenue for the fiscal year was \$144,527,671 compared to \$124,596,476 in 2010. All but \$468,794 and \$397,665 of this revenue was generated for specific business-type activity expenses in 2011 and 2010, respectively. The graph on the following page shows a comparison between the business-type activity expenditures and program revenues.

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



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



Business-type activities. Business-type activities increased the City of Des Moines' net assets by \$10,834,570, accounting for the increase, in total, in the government's net assets. Key elements of this increase are as follows:

- The Stormwater Utility System recorded an increase of \$13,960,401 in net assets for the year. This increase was the result of an increase in capital grants and contributions and operating income.
- The increase was partially offset by decreases in net assets of the Airport (decrease of \$527,340) and the Municipal Housing Agency (decrease of \$2,086,039).

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Des Moines' *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Des Moines' financing requirements. In particular, *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 of Des Moines' governmental funds reported combined ending fund balances of \$171,269,616, an increase of \$63,066,357 in comparison with the prior year. The increase was related to an increase of fund balance of \$50,331,496 in the debt service fund that was a result of funds being held in escrow to be used to pay future refunding of Series 2002E, 2002F, and 2005B. There were also increases in ending fund balance in the general fund and the capital projects fund. The increase for the fiscal year was partially offset by a decrease in fund balance in the tax increment fund. With implementation of GASB 54, the fund balance classifications have changed. Fund balance identified as unspendable totaled \$8,025,588. There were restrictions of \$62,256,128 on the governmental fund balance. Committed fund balance totaled \$93,898,793, and unassigned fund balance totaled \$7,089,107. See footnote 18 for a further breakdown of the classifications of the governmental fund balance.

The General Fund is the chief operating fund of the City of Des Moines. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$13,554,759, while total fund balance was \$18,144,856. 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 fund expenditures. Unassigned fund balance represents 10.2 percent of total General Fund expenditures, while total fund balance represents 13.6 percent of that same amount.

The fund balance of the City of Des Moines' General Fund increased by \$3,331,185 during the current fiscal year.

The Debt Service Fund has a total fund balance of \$51,749,947. The net increase in fund balance during the current year in the Debt Service Fund was \$50,331,496. This increase was attributable primarily to debt proceeds held in escrow in the debt service fund associated with advance refundings. A portion of the balance (\$432,462) is to fund future debt service payments funded by the Municipal Housing Agency related to public housing programs.

The Tax Increment Fund (TIF) has a total fund balance of \$1,726,753. The net decrease in fund balance during the current year in the Tax Increment Fund was \$3,212,489, due to the timing of planned developer payments that carried forward from the prior year.

The Capital Projects Fund has a total fund balance of \$84,846,836. The net increase in fund balance during the current year in the Capital Projects Fund was \$8,230,206. This increase was due to the timing and rate of expenditures for capital projects during the construction season that spans primarily from May through October. The unspent fund balance will be expended in projects in the subsequent year.

The Benefit Tax Accounts Special Revenue Fund has a total fund balance of (\$799,457) and is scheduled to return to a near zero fund balance by June 30, 2012.

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

Unrestricted net assets of the Airport at the end of the year were \$11,767,867; those for the Stormwater Utility were \$12,135,862; those for the Parking Facility System were \$5,157,952; those for the Municipal Housing Agency were \$1,839,737; and those for the Sewer System were \$5,102,541. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Des Moines' business-type activities.

Budgetary Highlights

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

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

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

- The total original FY2011 revenue budget of \$418,719,069 was increased through an amendment to \$439,092,881 (an increase of \$20,373,812).

- The total original FY2011 expenditure budget of \$574,680,425 was increased through an amendment to \$676,392,740 (an increase of \$101,712,315). Of this increase, \$58,880,090 related to refinanced debt service and \$25,268,452 related to capital outlay.
- The total original FY2011 budget for net transfers in of \$48,902,295 was increased through an amendment to \$57,497,968 (an increase of \$8,595,673).

Revenues were less than revised budget projections by \$15,682,353. This was attributable to shortfalls in charges for sales and services (\$12,432,161), in miscellaneous revenue (\$7,389,093), in licenses and permits (\$1,783,714) as well as smaller losses in other revenue types.

Expenditures were under budget in total by \$53,764,669. This underage was primarily due to expenditures that were under budget in capital outlay \$39,312,315 and debt service \$24,941,041. These underages were partially offset by overages in community and economic development (\$367,003), general government (\$4,154,481) and business-type expenditures (\$13,255,377).

See page 93 for the *Budgetary Comparison Schedule – All Governmental Funds and Enterprise Funds*.

Capital Asset and Debt Administration

Capital assets. The City of Des Moines' investment in capital assets for its governmental and business-type activities as of June 30, 2011, amounts to \$1,429,509,387 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the City of Des Moines' investment in capital assets for the current fiscal year was 4.1 percent (a 4.4 percent increase for governmental activities, and a 3.7 percent increase for business-type activities).

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

- Made more than \$20 million worth of improvements to the City's stormwater and flood protection system, thanks to more than \$10.4 million of federal funds, and \$3.5 million of I-Jobs funds.
- Spent more than \$5.1 million towards completion of the \$7.7 million Franklin Avenue Library renovation/expansion project.

- Contributed more than \$3.3 million towards major improvements at the Blank Park Zoo including the Sea Lion Pool, Quarantine/Winter Holding barn, Australia Trail, and various zoo infrastructures.
- Spent more than \$5.5 million towards completion of the SE Connector from SW Second to SE Sixth Streets.
- Spent \$6 million towards the substantial completion of the Rental Car Service Facility at the Des Moines International Airport.
- Completed \$3,100,000 asphalted overlay projects using gaming monies.
- Spent over \$2 million toward the Riverpoint Trunk Sewer Separation and Pump Station project.
- Spent \$2.8 million towards completion of the Mulberry Street Paving project from 13th Street to 15th Street, which will allow construction of the New Central Fire Station and a new facility for Central Iowa Shelter and Services.

City of Des Moines' Capital Assets
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 59,916	\$ 58,458	\$ 84,330	\$ 84,623	\$ 144,246	\$ 143,081
Buildings	150,094	143,654	202,648	195,262	352,742	338,916
Improvements other than buildings	916,446	862,400	474,209	462,685	1,390,655	1,325,085
Machinery and equipment	68,277	66,723	47,234	42,507	115,511	109,230
Construction in progress	103,880	102,134	96,422	74,602	200,302	176,736
Accumulated depreciation	(470,961)	(440,459)	(302,986)	(279,275)	(773,947)	(719,734)
Total	\$ 827,652	\$ 792,910	\$ 601,857	\$ 580,404	\$ 1,429,509	\$ 1,373,314

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

Long-term debt. At the end of the current fiscal year, the City of Des Moines had total bonded debt outstanding of \$527,813,000. Of this amount, \$404,265,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Des Moines' debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 404,265,000	\$ 355,574,000	\$ -	\$ 21,000	\$ 404,265,000	\$ 355,595,000
Revenue bonds	-	-	123,548,000	103,760,000	123,548,000	103,760,000
Total	\$ 404,265,000	\$ 355,574,000	\$ 123,548,000	\$ 103,781,000	\$ 527,813,000	\$ 459,355,000

The City of Des Moines' total bonded debt increased by \$68,458,000 (14.9%) during the current fiscal year. The key factor in this increase was that proceeds from new debt were placed in escrow to refund debt in the future, new debt was issued in the stormwater utility management enterprise to finance capital improvements, and new revenue debt in the airport enterprise was used to repay existing commercial paper debt.

The City issued refunding general obligation bonds in 2011. The proceeds refunded the Series 2003C general obligation bonds and the Series 2003D general obligation bonds on June 1, 2011, and Series 2005A general obligation bonds on June 27, 2011. In addition, proceeds from these refunding bonds have been placed in escrow and will be used to refund the Series 2002E general obligation bonds and the Series 2002F general obligation bonds on June 1, 2012, and the Series 2005B general obligation bonds on June 1, 2013.

The City of Des Moines maintained its debt ratings of Aa1 from Moody's Investors Service and an AAA rating from Standard & Poor's during the fiscal year.

The Des Moines stormwater management utility issued refunding revenue capital loan notes in 2011. The proceeds refunded the Series 2010F revenue bonds on November 1, 2010 and the Series 2003B revenue bonds on June 1, 2011. The Des Moines stormwater management utility received ratings of Aa2 by Moody's Investors Service and an AA+ rating from Standard & Poor's.

The Des Moines International Airport issued Aviation System Revenue Capital Loan Notes in 2011. The proceeds refunded the Series 1998A revenue bonds, a portion of the Series 1998B revenue bonds, the Series 1998C revenue bonds on January 7, 2011, and the Airport Non-PFC Commercial Paper Revenue Notes, Series C on December 22, 2010.

The Des Moines International Airport purchased insurance from Assured Guaranty Municipal Corp, in order to be issued ratings of Aa3 (Underlying A2) from Moody's Investor Service and an AA+ (Underlying A-) from Standard and Poor's.

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total assessed valuation. The current debt limitation for the City of Des Moines is \$558,198,015, which is significantly in excess of the City of Des Moines' outstanding general obligation debt (\$404,265,000) and other debt subject to the debt limitation (\$1,425,000).

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

Economic Factors and Next Year's Budgets and Rates

- Property taxes provide 50 percent of General Fund revenues. Over the past five years citywide assessed values have risen an average of 5.4 percent, while property tax limitations imposed by the State of Iowa have held taxable values to an average annual growth of 4.3 percent. The fiscal year 2012 budget reflects property tax revenue growth of 2.7 percent.
- Valuation growth in the downtown area has experienced a reversal. Over the previous five years, through fiscal year 2011, downtown taxable values have risen 4.4 percent. From fiscal year 2011 to fiscal year 2013 valuations for downtown office buildings decreased on average by 28 percent.
- Personnel costs make up a significant portion of City operating costs. Wage increases identified in contractual bargaining agreements for fiscal year 2012 ranged from 2.0 percent to 3.25 percent.
- The City continues to face the challenge of funding the increasing costs of employee health care. On July 1st, 2011 the City converted to a self-funded health care program with a third-party administrator for processing claims. The City had already budgeted for increased costs for fiscal year 2012. The self-funded costs are estimated

to be low enough for the City to pay claims and build a reserve fund sufficient to meet State self-funded health insurance reserve requirements.

- Stormwater Utility fees will increase 8.0 percent and Sanitary Sewer fees are not scheduled for a fee increase in fiscal year 2012.

All of these factors were considered in preparing the City of Des Moines' budget for fiscal year 2012.

Requests for Information

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

CITY OF DES MOINES, IOWA
STATEMENT OF NET ASSETS
June 30, 2011

ASSETS	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
Current assets:				
Unrestricted current assets:				
Cash and pooled cash investments	\$ 101,953,597	\$ 43,587,308	\$ 145,540,905	\$ 556,572
Investments	3,700,181	---	3,700,181	1,356,130
Taxes receivable	144,033,836	---	144,033,836	---
Special assessments receivable	115,003	161,974	276,977	---
Accounts receivable	4,895,900	3,037,963	7,933,863	---
Contract sale receivable	286,639	---	286,639	---
Loans receivable, current portion	380,000	---	380,000	---
Property held for sale	1,200,000	---	1,200,000	---
Accrued interest receivable	138,982	---	138,982	9,840
Other receivables	---	---	---	186,670
Due from signatory airlines	---	889,956	889,956	---
Internal balances	7,626,145	(7,626,145)	---	---
Due from other governmental units	11,389,617	2,582,823	13,972,440	---
Inventory	820,196	125,421	945,617	---
Prepaid items	628,154	101,417	729,571	---
Deferred charges	---	144,921	144,921	---
Unamortized issuance costs	383,152	---	383,152	---
Total unrestricted current assets	<u>277,551,402</u>	<u>43,005,638</u>	<u>320,557,040</u>	<u>2,109,212</u>
Restricted assets:				
Cash and pooled cash investments	---	6,713,063	6,713,063	---
Investments	---	11,140,180	11,140,180	1,284,507
Accounts receivable	---	580,624	580,624	---
Interest receivable	---	128,443	128,443	---
Total restricted current assets	<u>---</u>	<u>18,562,310</u>	<u>18,562,310</u>	<u>1,284,507</u>
Total current assets	<u>277,551,402</u>	<u>61,567,948</u>	<u>339,119,350</u>	<u>3,393,719</u>
Noncurrent assets:				
Loans receivable, net of allowance for doubtful accounts of \$1,743,376	8,815,835	---	8,815,835	---
Deferred charges	---	1,262,045	1,262,045	---
Long-term receivables	2,536,822	---	2,536,822	---
Unamortized issuance costs	2,583,305	---	2,583,305	---
Restricted cash and pooled cash investments	50,373,536	13,670,305	64,043,841	---
Capital assets:				
Land	59,916,190	84,330,306	144,246,496	---
Construction in progress	103,879,738	96,421,744	200,301,482	---
Buildings	150,093,801	202,648,098	352,741,899	---
Improvements other than buildings	916,446,732	474,208,705	1,390,655,437	---
Machinery and equipment	68,276,946	47,234,532	115,511,478	6,276
Accumulated depreciation	(470,961,151)	(302,986,254)	(773,947,405)	(4,393)
Total capital assets	<u>827,652,256</u>	<u>601,857,131</u>	<u>1,429,509,387</u>	<u>1,883</u>
Total noncurrent assets	<u>891,961,754</u>	<u>616,789,481</u>	<u>1,508,751,235</u>	<u>1,883</u>
Total assets	<u>\$ 1,169,513,156</u>	<u>\$ 678,357,429</u>	<u>\$ 1,847,870,585</u>	<u>\$ 3,395,602</u>

LIABILITIES	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL	
	ACTIVITIES	ACTIVITIES		
Liabilities:				
Current liabilities:				
Accounts payable	\$ 6,250,257	\$ 1,804,979	\$ 8,055,236	\$ ---
Contracts payable	5,734,793	4,439,841	10,174,634	---
Accrued wages payable	6,459,466	1,364,513	7,823,979	55,986
Accrued employee benefits	14,580,893	1,228,438	15,809,331	---
Due to other governmental units	---	616,750	616,750	---
Good faith, tenant, security deposits	1,006,528	87,299	1,093,827	---
Accrued interest payable	1,466,208	570,551	2,036,759	---
Notes payable	949,834	7,525,686	8,475,520	---
Revenue bonds payable, net	---	5,194,922	5,194,922	---
General obligation bonds payable, net	33,699,427	---	33,699,427	---
Section 108 loan payable	115,000	---	115,000	---
Unearned revenue	137,792,426	106,765	137,899,191	---
Capital leases payable	---	1,628,069	1,628,069	1,772
Other liabilities	295,014	152,149	447,163	---
Total	208,349,846	24,719,962	233,069,808	57,758
Current liabilities payable from restricted assets:				
Construction contracts	---	1,453,354	1,453,354	---
Revenue bonds payable, net	---	2,783,512	2,783,512	---
Accrued interest payable	---	249,873	249,873	---
Total current liabilities payable from restricted assets	---	4,486,739	4,486,739	---
Total current liabilities	208,349,846	29,206,701	237,556,547	57,758
Noncurrent liabilities:				
Accrued employee benefits	10,881,813	2,434,245	13,316,058	---
Other post retirement benefits	2,722,187	668,842	3,391,029	---
Other liabilities, claims and judgments	735,000	149,528	884,528	---
Notes payable	2,478,130	1,815,363	4,293,493	---
General obligation bonds payable, net	385,714,173	---	385,714,173	---
Revenue bonds payable, net	---	116,470,041	116,470,041	---
Section 108 loan payable	9,810,000	---	9,810,000	---
Capital leases payable	---	3,009,671	3,009,671	953
Total noncurrent liabilities	412,341,303	124,547,690	536,888,993	953
Total liabilities	620,691,149	153,754,391	774,445,540	58,711
NET ASSETS				
Invested in capital assets, net of related debt	466,931,679	464,887,533	931,819,212	---
Restricted:				
Capital projects	3,356,372	---	3,356,372	---
Public housing program	---	14,087,504	14,087,504	---
Debt retirement	51,749,947	12,134,723	63,884,670	---
Corpus/Permanently restricted	3,288,277	---	3,288,277	1,111,320
Donor restricted purposes - corpus/Temporarily restricted	---	---	---	1,109,719
Public safety	3,079,649	---	3,079,649	---
Public works	1,539,523	---	1,539,523	---
Health and social services	2,872,173	---	2,872,173	---
Culture and recreation	1,439,971	---	1,439,971	---
Community and economic development	1,015,341	---	1,015,341	---
Unrestricted	13,549,075	33,493,278	47,042,353	1,115,852
Total net assets	\$ 548,822,007	\$ 524,603,038	\$ 1,073,425,045	\$ 3,336,891

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

CITY OF DES MOINES
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2011

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SALES AND SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Primary government:				
Governmental activities:				
Public safety	\$ 93,375,900	\$ 12,550,995	\$ 6,104,119	\$ 2,575,741
Public works	46,184,974	9,750,204	20,665,865	21,159,074
Health and social services	22,007,150	1,849,824	20,645,749	765,414
Culture and recreation	26,293,968	3,916,141	5,019,386	4,023,726
Community and economic development	17,054,115	850,016	458,449	838,102
General government	31,732,926	16,881,970	1,785,185	1,033
Interest on long-term debt	13,733,718	---	---	---
Total governmental activities	250,382,751	45,799,150	54,678,753	29,363,090
Business-type activities:				
Airport	36,610,641	31,264,963	---	4,707,342
Parking facilities system	12,667,634	9,636,890	---	---
Sewer system	32,492,636	30,679,167	---	2,694,218
Stormwater utility	14,124,721	16,381,613	---	14,005,894
Golf	246,620	364,126	---	---
Solid waste system	11,410,969	12,082,415	---	---
Municipal Housing Agency	24,451,364	2,221,927	18,484,739	1,535,583
Total business-type activities	132,004,585	102,631,101	18,484,739	22,943,037
Total primary government	\$ 382,387,336	\$ 148,430,251	\$ 73,163,492	\$ 52,306,127
Component unit, Des Moines Public Library Foundation				
	\$ 343,382	\$ ---	\$ 543,682	\$ ---

General revenues:

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Franchise taxes

Investment earnings

Miscellaneous

Gain on disposal of capital assets

Transfers - internal activities

Total general revenues and transfers

Change in net assets

Net assets, beginning

Net assets, ending

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

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS

PRIMARY GOVERNMENT			
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNIT
\$ (72,145,045)	\$ ---	\$ (72,145,045)	\$ ---
5,390,169	---	5,390,169	---
1,253,837	---	1,253,837	---
(13,334,715)	---	(13,334,715)	---
(14,907,548)	---	(14,907,548)	---
(13,064,738)	---	(13,064,738)	---
(13,733,718)	---	(13,733,718)	---
<u>(120,541,758)</u>	<u>---</u>	<u>(120,541,758)</u>	<u>---</u>
---	(638,336)	(638,336)	---
---	(3,030,744)	(3,030,744)	---
---	880,749	880,749	---
---	16,262,786	16,262,786	---
---	117,506	117,506	---
---	671,446	671,446	---
---	(2,209,115)	(2,209,115)	---
<u>---</u>	<u>12,054,292</u>	<u>12,054,292</u>	<u>---</u>
\$ (120,541,758)	\$ 12,054,292	\$ (108,487,466)	\$ ---
<u>---</u>	<u>---</u>	<u>---</u>	<u>200,300</u>
109,225,167	---	109,225,167	---
28,411,455	---	28,411,455	---
13,101,045	---	13,101,045	---
1,794,452	421,876	2,216,328	147,530
171,160	36,066	207,226	---
61,817	10,852	72,669	---
1,688,516	(1,688,516)	---	---
<u>154,453,612</u>	<u>(1,219,722)</u>	<u>153,233,890</u>	<u>147,530</u>
<u>33,911,854</u>	<u>10,834,570</u>	<u>44,746,424</u>	<u>347,830</u>
<u>514,910,153</u>	<u>513,768,468</u>	<u>1,028,678,621</u>	<u>2,989,061</u>
<u>\$ 548,822,007</u>	<u>\$ 524,603,038</u>	<u>\$ 1,073,425,045</u>	<u>\$ 3,336,891</u>

CITY OF DES MOINES, IOWA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

ASSETS	GENERAL	DEBT SERVICE	TAX INCREMENT
Cash and pooled cash investments	\$ 15,093,174	\$ 811,229	\$ 1,443,285
Investments	---	---	---
Cash held in escrow	---	50,373,536	---
Taxes receivable	57,430,960	28,775,736	24,474,433
Special assessments receivable	78,695	---	---
Accounts receivable	3,487,529	183,003	167,902
Contracts sale receivable	---	---	---
Loans receivable, net of allowance for doubtful accounts	---	---	---
Property held for sale	---	---	---
Accrued interest receivable	91,029	---	---
Due from other funds	219,246	---	---
Due from other governmental units	820,277	4,523	---
Advance to other funds	3,878,507	---	---
Long-term receivables	---	---	---
Inventory	18,438	---	---
Prepaid items	443,152	---	---
Total assets	\$ 81,561,007	\$80,148,027	\$ 26,085,620
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,710,843	\$ 93,080	\$ 87,336
Contracts payable	---	---	---
Accrued wages payable	5,105,560	---	---
Accrued employee benefits	14,391	---	---
Due to other funds	262,848	---	---
Good faith, security deposits	931,480	---	---
Deferred revenue	55,391,029	28,305,000	24,271,531
Total liabilities	63,416,151	28,398,080	24,358,867
Fund balances (deficits):			
Nonspendable	4,340,097	---	---
Restricted	250,000	51,749,947	1,726,753
Committed	---	---	---
Unassigned	13,554,759	---	---
Total fund balances	18,144,856	51,749,947	1,726,753
Total liabilities and fund balances	\$ 81,561,007	\$80,148,027	\$ 26,085,620

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

BENEFIT TAX ACCOUNTS	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ ---	\$ 79,682,193	\$ 2,560,171	\$ 99,590,052
---	---	3,700,181	3,700,181
---	---	---	50,373,536
17,631,915	---	15,702,982	144,016,026
---	1,002	35,306	115,003
---	501,652	539,818	4,879,904
---	---	286,639	286,639
---	---	9,195,835	9,195,835
---	---	1,200,000	1,200,000
---	2,283	45,670	138,982
---	10,257,062	---	10,476,308
---	3,437,818	7,126,232	11,388,850
---	---	---	3,878,507
---	2,536,822	---	2,536,822
---	---	265,821	284,259
---	28,814	102,579	574,545
<u>\$ 17,631,915</u>	<u>\$ 96,447,646</u>	<u>\$ 40,761,234</u>	<u>\$ 342,635,449</u>
\$ ---	\$ 2,238,215	\$ 1,536,114	\$ 5,665,588
---	5,687,996	46,797	5,734,793
---	310,651	834,375	6,250,586
---	---	300,551	314,942
1,023,593	---	8,970,621	10,257,062
---	---	75,048	1,006,528
<u>17,407,779</u>	<u>3,363,948</u>	<u>13,397,047</u>	<u>142,136,334</u>
<u>18,431,372</u>	<u>11,600,810</u>	<u>25,160,553</u>	<u>171,365,833</u>
---	28,814	3,656,677	8,025,588
---	821,440	7,707,988	62,256,128
---	83,996,582	9,902,211	93,898,793
(799,457)	---	(5,666,195)	7,089,107
<u>(799,457)</u>	<u>84,846,836</u>	<u>15,600,681</u>	<u>171,269,616</u>
<u>\$ 17,631,915</u>	<u>\$ 96,447,646</u>	<u>\$ 40,761,234</u>	<u>\$ 342,635,449</u>



CITY OF DES MOINES, IOWA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2011

Total governmental fund balances \$ 171,269,616

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. 822,503,270

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 4,372,793

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

Capital assets, net of accumulated depreciation	5,148,986
Other current assets	2,987,664
Other current liabilities	(965,417)
Noncurrent liabilities	(444,535)
	<u>6,726,698</u>

Internal service funds allocated to business-type activities 3,528,392

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

Deferred charges, issuance costs	2,966,457
Unamortized premium cost	(15,358,715)
Unamortized discount	210,115
Accrued employee benefits	(24,660,395)
Other accrued post retirement benefits	(2,622,038)
Accrued interest payable	(1,466,208)
Notes payable	(3,427,964)
Section 108 loans payable	(9,925,000)
General obligation bonds payable	(404,265,000)
Other liabilities, claims and judgments	(1,030,014)
	<u>(459,578,762)</u>

Net assets of governmental activities \$ 548,822,007

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

CITY OF DES MOINES, IOWA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2011

	GENERAL	DEBT SERVICE	TAX INCREMENT
Revenues:			
Taxes	\$ 57,473,659	\$ 28,411,455	\$ 24,356,836
Franchise fees	13,101,045	---	---
Licenses and permits	2,864,595	---	---
Fines and forfeitures	2,705,719	---	---
Charges for sales and services	15,744,365	---	---
Use of money and property	1,302,518	99,089	---
Miscellaneous	17,275,856	431,709	---
Intergovernmental	2,015,891	---	---
Total revenue	<u>112,483,648</u>	<u>28,942,253</u>	<u>24,356,836</u>
Expenditures:			
Current:			
Public safety	83,532,035	---	---
Public works	9,399,632	---	---
Health and social services	329,959	---	---
Culture and recreation	18,933,431	---	---
Community and economic development	4,590,742	---	7,875,161
General government	16,908,366	1,093,300	---
Capital outlay	196,463	---	---
Debt service:			
Principal retirement	---	62,549,309	930,968
Interest and fiscal charges	---	16,046,349	---
Total expenditures	<u>133,890,628</u>	<u>79,688,958</u>	<u>8,806,129</u>
Excess (deficiency) of revenues over expenditures	<u>(21,406,980)</u>	<u>(50,746,705)</u>	<u>15,550,707</u>
Other financing sources (uses):			
Transfers in	26,336,188	16,356,336	---
General obligation bonds issued	---	73,450,000	---
Transfers out	(1,773,579)	---	(18,763,196)
Premium on bond issue	---	11,271,865	---
Proceeds from damage claims	56,413	---	---
Loss on asset impairment	---	---	---
Proceeds from capital asset sale	119,143	---	---
Total other financing sources (uses)	<u>24,738,165</u>	<u>101,078,201</u>	<u>(18,763,196)</u>
Net change in fund balances	3,331,185	50,331,496	(3,212,489)
Fund balances, beginning of year, as restated	<u>14,813,671</u>	<u>1,418,451</u>	<u>4,939,242</u>
Fund balances, end of year	<u>\$ 18,144,856</u>	<u>\$ 51,749,947</u>	<u>\$ 1,726,753</u>

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

BENEFIT TAX ACCOUNTS	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 12,939,466	\$ ---	\$ 14,455,206	\$ 137,636,622
---	---	---	13,101,045
---	---	136,071	3,000,666
---	---	69,120	2,774,839
---	93,295	2,831,750	18,669,410
---	(407,966)	787,972	1,781,613
---	2,468,204	3,302,747	23,478,516
---	26,393,618	49,086,311	77,495,820
<u>12,939,466</u>	<u>28,547,151</u>	<u>70,669,177</u>	<u>277,938,531</u>
---	93,017	4,866,784	88,491,836
---	78,812	18,357,627	27,836,071
---	---	21,470,845	21,800,804
---	7,556	355,859	19,296,846
---	926,577	2,825,098	16,217,578
---	2,900,058	3,068,272	23,969,996
---	57,091,620	2,661,185	59,949,268
---	---	583,627	64,063,904
---	---	543,051	16,589,400
---	<u>61,097,640</u>	<u>54,732,348</u>	<u>338,215,703</u>
<u>12,939,466</u>	<u>(32,550,489)</u>	<u>15,936,829</u>	<u>(60,277,172)</u>
---	13,926,734	---	56,619,258
---	35,795,000	1,635,000	110,880,000
(12,611,000)	(9,015,584)	(12,801,424)	(54,964,783)
---	---	---	11,271,865
---	31,375	59,889	147,677
---	---	(800,000)	(800,000)
---	43,170	27,199	189,512
<u>(12,611,000)</u>	<u>40,780,695</u>	<u>(11,879,336)</u>	<u>123,343,529</u>
328,466	8,230,206	4,057,493	63,066,357
<u>(1,127,923)</u>	<u>76,616,630</u>	<u>11,543,188</u>	<u>108,203,259</u>
<u>\$ (799,457)</u>	<u>\$ 84,846,836</u>	<u>\$ 15,600,681</u>	<u>\$ 171,269,616</u>



CITY OF DES MOINES, IOWA
RECONCILIATION OF THE CHANGE IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2011

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

Net change in fund balances: Total governmental funds \$ 63,066,357

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

Capital outlay	59,985,590
Depreciation	(29,899,873)
	<u>30,085,717</u>

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

Proceeds from the sale of capital assets	(189,512)
Gain from sale of capital assets	28,248
Capital assets contributed by private sources	4,745,188
	<u>4,583,924</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (3,084,509)

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

Amortization of premium	2,144,811
Premium on bond issue	(11,271,865)
Long-term debt issued	(110,880,000)
Other long-term debt issued	---
Repayment of long-term debt principal	64,063,904
Interest	319,129
Issuance costs	787,080
Amortization of issuance costs	(369,101)
Arbitrage	532
Bond discount	---
Amortization of discount	(26,769)
	<u>(55,232,279)</u>

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

Accrued employee benefits	(5,882,506)
Other accrued post retirement benefits	(713,976)
Claims and judgments	(155,000)
	<u>(6,751,482)</u>

Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net income of certain activities of internal service funds is reported with governmental activities. 948,630

Change in internal service fund allocations to business-type activities 295,496

Change in net assets of governmental activities \$ 33,911,854

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

CITY OF DES MOINES, IOWA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2011

	BUSINESS-TYPE ACTIVITIES -		
	AIRPORT	PARKING	SEWER SYSTEM
ASSETS			
Current assets:			
Unrestricted current assets:			
Cash and pooled cash investments	\$ 11,578,272	\$ 5,627,785	\$ 7,111,307
Taxes receivable	---	---	---
Accounts receivable	2,549,943	9,890	162,256
Special assessments receivable	---	---	35,132
Due from signatory airlines	889,956	---	---
Due from other funds	---	47,662	---
Due from other governmental units	418,098	42,147	384,008
Inventory	58,270	---	---
Prepaid items	38,269	---	7,238
Deferred charges	51,724	12,844	28,276
Total unrestricted current assets	<u>15,584,532</u>	<u>5,740,328</u>	<u>7,728,217</u>
Restricted current assets:			
Cash and pooled cash investments	4,430,325	140,933	177,342
Investments	4,349,864	1,952,721	1,897,527
Accounts receivable	580,624	---	---
Interest receivable	29,018	2,718	939
Total restricted current assets	<u>9,389,831</u>	<u>2,096,372</u>	<u>2,075,808</u>
Total current assets	<u>24,974,363</u>	<u>7,836,700</u>	<u>9,804,025</u>
Noncurrent assets:			
Deferred charges	684,873	43,252	151,384
Advance to other funds	---	49,364	---
Restricted cash and pooled cash investments	---	---	---
Capital assets			
Land	66,838,189	13,932,457	1,311,076
Construction in progress	13,209,303	2,761,416	37,267,088
Buildings	106,083,389	62,888,110	573,492
Improvements other than buildings	230,118,622	34,740,555	130,120,103
Machinery and equipment	22,255,228	1,159,358	5,433,024
Accumulated depreciation	<u>(160,501,812)</u>	<u>(52,258,777)</u>	<u>(44,310,654)</u>
Total capital assets, net of accumulated depreciation	<u>278,002,919</u>	<u>63,223,119</u>	<u>130,394,129</u>
Total noncurrent assets	<u>278,687,792</u>	<u>63,315,735</u>	<u>130,545,513</u>
Total assets	<u>\$ 303,662,155</u>	<u>\$ 71,152,435</u>	<u>\$ 140,349,538</u>

ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
STORMWATER UTILITY	MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
\$ 12,570,878	\$ 2,756,662	\$ 3,942,404	\$ 43,587,308	\$ 2,363,545
---	---	---	---	17,810
84,370	75,917	155,587	3,037,963	15,996
26,451	---	100,391	161,974	---
---	---	---	889,956	---
---	---	---	47,662	---
1,654,163	62,754	21,653	2,582,823	767
---	67,151	---	125,421	535,937
16,127	39,638	145	101,417	53,609
52,077	---	---	144,921	---
<u>14,404,066</u>	<u>3,002,122</u>	<u>4,220,180</u>	<u>50,679,445</u>	<u>2,987,664</u>
1,547,264	417,199	---	6,713,063	---
2,940,068	---	---	11,140,180	---
---	---	---	580,624	---
95,768	---	---	128,443	---
<u>4,583,100</u>	<u>417,199</u>	<u>---</u>	<u>18,562,310</u>	<u>---</u>
<u>18,987,166</u>	<u>3,419,321</u>	<u>4,220,180</u>	<u>69,241,755</u>	<u>2,987,664</u>
382,536	---	---	1,262,045	---
---	---	---	49,364	---
---	13,670,305	---	13,670,305	---
657,527	1,467,560	123,497	84,330,306	---
43,183,937	---	---	96,421,744	---
---	31,628,888	1,474,219	202,648,098	---
69,907,535	5,838,247	3,483,643	474,208,705	---
2,810,419	1,376,231	14,200,272	47,234,532	34,858,574
<u>(8,253,198)</u>	<u>(26,988,684)</u>	<u>(10,673,129)</u>	<u>(302,986,254)</u>	<u>(29,709,588)</u>
<u>108,306,220</u>	<u>13,322,242</u>	<u>8,608,502</u>	<u>601,857,131</u>	<u>5,148,986</u>
<u>108,688,756</u>	<u>26,992,547</u>	<u>8,608,502</u>	<u>616,838,845</u>	<u>5,148,986</u>
\$ <u>127,675,922</u>	\$ <u>30,411,868</u>	\$ <u>12,828,682</u>	\$ <u>686,080,600</u>	\$ <u>8,136,650</u>

(continued)

CITY OF DES MOINES, IOWA
STATEMENT OF NET ASSETS (CONTINUED)
PROPRIETARY FUNDS
June 30, 2011

	BUSINESS-TYPE ACTIVITIES -		
	AIRPORT	PARKING	SEWER SYSTEM
LIABILITIES			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 828,899	\$ 193,153	\$ 219,145
Contracts payable	---	151,168	1,076,723
Accrued wages payable	402,436	54,627	218,054
Accrued employee benefits	329,444	63,018	203,892
Due to other funds	---	---	---
Due to other governmental units	---	---	616,750
Tenant security deposits	---	---	---
Notes payable	9,812	---	4,197,408
Accrued interest payable	440,445	22,488	---
Revenue bonds payable, net	1,418,459	995,000	---
Unearned revenue	87,847	---	---
Capital leases payable	167,085	1,460,984	---
Other liabilities	103,050	3,520	---
Total	3,787,477	2,943,958	6,531,972
Current liabilities payable from restricted assets:			
Construction contracts	1,453,354	---	---
Revenue bonds payable, net	---	765,000	2,018,512
Accrued interest payable	---	169,552	80,321
Total current liabilities payable from restricted	1,453,354	934,552	2,098,833
Total current liabilities	5,240,831	3,878,510	8,630,805
Noncurrent liabilities:			
Accrued employee benefits	648,811	124,108	401,546
Other postemployment benefits	213,445	35,234	116,437
Advance from other funds	---	---	---
Notes payable	22,622	---	---
Revenue bonds payable, net	46,430,101	14,855,000	20,338,370
Other liabilities	---	---	---
Capital leases payable	87,708	2,921,963	---
Total noncurrent liabilities	47,402,687	17,936,305	20,856,353
Total liabilities	52,643,518	21,814,815	29,487,158
NET ASSETS			
Invested in capital assets, net of related debt	231,325,346	42,225,168	103,839,839
Restricted:			
Public housing program	---	---	---
Housing assistance payments	---	---	---
Passenger Facility Charge Funds	788,199	---	---
Debt retirement	7,137,225	1,954,500	1,920,000
Unrestricted	11,767,867	5,157,952	5,102,541
Total net assets	\$ 251,018,637	\$ 49,337,620	\$ 110,862,380

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

ENTERPRISE FUNDS				GOVERNMENTAL
STORMWATER UTILITY	MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
\$ 248,807	\$ 85,755	\$ 229,220	\$ 1,804,979	\$ 584,669
3,211,950	---	---	4,439,841	---
327,600	155,714	206,082	1,364,513	208,880
332,085	112,246	187,753	1,228,438	142,983
---	219,246	47,662	266,908	---
---	---	---	616,750	---
---	87,299	---	87,299	---
2,873,001	---	445,465	7,525,686	---
102,647	---	4,971	570,551	---
2,781,463	---	---	5,194,922	---
---	18,918	---	106,765	28,885
---	---	---	1,628,069	---
45,579	---	---	152,149	---
<u>9,923,132</u>	<u>679,178</u>	<u>1,121,153</u>	<u>24,986,870</u>	<u>965,417</u>
---	---	---	1,453,354	---
---	---	---	2,783,512	---
---	---	---	249,873	---
---	---	---	4,486,739	---
<u>9,923,132</u>	<u>679,178</u>	<u>1,121,153</u>	<u>29,473,609</u>	<u>965,417</u>
654,012	236,006	369,762	2,434,245	344,386
68,704	97,823	137,199	668,842	100,149
---	---	3,927,871	3,927,871	---
657,182	---	1,135,559	1,815,363	---
34,846,570	---	---	116,470,041	---
150	149,378	---	149,528	---
---	---	---	3,009,671	---
<u>36,226,618</u>	<u>483,207</u>	<u>5,570,391</u>	<u>128,475,561</u>	<u>444,535</u>
<u>46,149,750</u>	<u>1,162,385</u>	<u>6,691,544</u>	<u>157,949,170</u>	<u>1,409,952</u>
67,147,460	13,322,242	7,027,478	464,887,533	5,148,986
---	13,670,305	---	13,670,305	---
---	417,199	---	417,199	---
---	---	---	788,199	---
2,242,850	---	---	13,254,575	---
12,135,862	1,839,737	(890,340)	35,113,619	1,577,712
<u>\$ 81,526,172</u>	<u>\$ 29,249,483</u>	<u>\$ 6,137,138</u>	<u>\$ 528,131,430</u>	<u>\$ 6,726,698</u>



CITY OF DES MOINES, IOWA
RECONCILIATION OF ENTERPRISE FUNDS NET ASSETS
TO THE STATEMENT OF NET ASSETS
June 30, 2011

Total enterprise funds net assets \$ 528,131,430

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

Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. (3,528,392)

Net assets of business-type activities \$ 524,603,038

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

CITY OF DES MOINES, IOWA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2011

	BUSINESS-TYPE ACTIVITIES -		
	AIRPORT	PARKING	SEWER SYSTEM
Operating revenues:			
Charges for sales and services	\$ 26,015,328	\$ 9,636,890	\$ 30,679,167
Operating grants	---	---	---
Miscellaneous	---	---	---
Total operating revenues	<u>26,015,328</u>	<u>9,636,890</u>	<u>30,679,167</u>
Operating expenses:			
Personal services	9,407,010	1,183,756	4,247,894
Contractual services	7,696,113	3,933,167	18,063,838
Commodities	2,031,202	189,115	382,271
Depreciation	14,488,621	3,585,823	2,812,533
Other charges	637,480	2,457,250	5,901,819
Total operating expenses	<u>34,260,426</u>	<u>11,349,111</u>	<u>31,408,355</u>
Operating income (loss)	<u>(8,245,098)</u>	<u>(1,712,221)</u>	<u>(729,188)</u>
Non-operating revenues (expenses):			
Donations and contributions	---	19,184	---
Gain/(loss) on disposal of capital assets	(57,471)	244,780	(730)
Investment earnings	82,085	22,426	143,154
Proceeds from damage claims	7,641	2,399	2,672
Passenger/customer facility charge revenue	5,249,635	---	---
Interest expense and fiscal charges	(2,271,474)	(1,305,421)	(1,037,711)
Total nonoperating revenues (expenses)	<u>3,010,416</u>	<u>(1,016,632)</u>	<u>(892,615)</u>
Income (loss) before capital grants, contributions and transfers	(5,234,682)	(2,728,853)	(1,621,803)
Capital grants and contributions	4,707,342	---	2,694,218
Transfers in	---	1,200,000	---
Transfers out	---	---	(399,951)
Change in net assets	(527,340)	(1,528,853)	672,464
Total nets assets - beginning	<u>251,545,977</u>	<u>50,866,473</u>	<u>110,189,916</u>
Total net assets - ending	<u>\$251,018,637</u>	<u>\$ 49,337,620</u>	<u>\$ 110,862,380</u>

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

STORMWATER UTILITY	ENTERPRISE FUNDS			GOVERNMENTAL
	MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
\$ 16,381,613	\$ 1,057,327	\$ 12,322,774	\$ 96,093,099	\$ 37,937,057
---	18,484,739	---	18,484,739	---
---	1,164,600	123,767	1,288,367	202,969
<u>16,381,613</u>	<u>20,706,666</u>	<u>12,446,541</u>	<u>115,866,205</u>	<u>38,140,026</u>
5,721,413	5,533,471	4,456,954	30,550,498	4,451,600
2,633,685	17,281,809	4,807,402	54,416,014	26,402,054
314,257	---	403,488	3,320,333	5,140,406
1,552,962	1,597,991	1,180,495	25,218,425	1,513,152
2,462,970	---	659,839	12,119,358	72,140
<u>12,685,287</u>	<u>24,413,271</u>	<u>11,508,178</u>	<u>125,624,628</u>	<u>37,579,352</u>
<u>3,696,326</u>	<u>(3,706,605)</u>	<u>938,363</u>	<u>(9,758,423)</u>	<u>560,674</u>
---	---	---	19,184	315,325
(45,243)	63,000	(193,484)	10,852	33,571
141,016	21,983	11,212	421,876	---
4,170	---	---	16,882	5,019
---	---	---	5,249,635	---
(1,375,037)	---	(94,818)	(6,084,461)	---
<u>(1,275,094)</u>	<u>84,983</u>	<u>(277,090)</u>	<u>(366,032)</u>	<u>353,915</u>
2,421,232	(3,621,622)	661,273	(10,124,455)	914,589
14,005,894	1,535,583	---	22,943,037	---
812,218	---	---	2,012,218	34,041
<u>(3,278,943)</u>	<u>---</u>	<u>(21,840)</u>	<u>(3,700,734)</u>	<u>---</u>
13,960,401	(2,086,039)	639,433	11,130,066	948,630
<u>67,565,771</u>	<u>31,335,522</u>	<u>5,497,705</u>	<u>517,001,364</u>	<u>5,778,068</u>
<u>\$ 81,526,172</u>	<u>\$ 29,249,483</u>	<u>\$ 6,137,138</u>	<u>\$ 528,131,430</u>	<u>\$ 6,726,698</u>



CITY OF DES MOINES, IOWA
RECONCILIATION OF THE CHANGE IN NET ASSETS OF
ENTERPRISE FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2011

Net changes in net assets in enterprise funds \$ 11,130,066

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

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

(295,496)

Change in net assets of business-type activities

\$ 10,834,570

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

CITY OF DES MOINES, IOWA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2011

	BUSINESS-TYPE ACTIVITIES -		
	<u>AIRPORT</u>	<u>PARKING</u>	<u>SEWER SYSTEM</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 25,554,409	\$ 9,630,831	\$ 30,373,897
Receipts from interfund services provided	---	---	---
Payments to suppliers	(9,595,188)	(6,861,097)	(23,595,328)
Payments to employees	(9,215,957)	(1,167,569)	(4,218,617)
Receipts from miscellaneous revenue	---	---	---
Payments for interfund services used	---	---	---
Net cash provided (used) by operating activities	<u>6,743,264</u>	<u>1,602,165</u>	<u>2,559,952</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Proceeds from interfund accounts	---	47,661	---
Payments to interfund accounts	---	(1,277)	---
Proceeds from damage claims	7,641	2,399	2,672
Transfers In	---	1,200,000	---
Transfers Out	---	---	(399,951)
Intergovernmental	---	---	---
Donations and contributions	---	19,184	---
Net cash provided (used) by capital and related financing activities	<u>7,641</u>	<u>1,267,967</u>	<u>(397,279)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from intergovernmental and capital grants	4,364,448	---	2,513,520
Proceeds from passenger facility charges	3,787,387	---	---
Proceeds from customer facility charges	1,440,827	---	---
Interest paid on capital debt	(2,845,882)	(1,251,224)	(1,155,382)
Principal paid on short-term debt	(60,000,000)	---	---
Principal paid on long-term debt and leases	(24,338,515)	(3,145,988)	(1,497,000)
Proceeds from issuance of long-term debt	48,000,000	---	---
Proceeds from issuance of short-term notes payable	35,533,717	---	---
Proceeds from sale of capital assets	5,321	507,860	2,806
Acquisition and construction of capital assets	(14,529,819)	(566,264)	(7,540,783)
Net cash provided (used) by capital and related financing activities	<u>(8,582,516)</u>	<u>(4,455,616)</u>	<u>(7,676,839)</u>

				GOVERNMENTAL ACTIVITIES
STORMWATER UTILITY	MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
\$ 15,328,723	\$ 21,086,484	\$ 12,284,870	\$ 114,259,214	\$ 2,116,152
---	---	---	---	36,056,766
(2,756,626)	(17,154,199)	(5,825,090)	(65,787,528)	(29,987,631)
(5,726,239)	(5,442,669)	(4,350,648)	(30,121,699)	(4,490,672)
---	---	123,767	123,767	---
---	---	---	---	(1,722,989)
<u>6,845,858</u>	<u>(1,510,384)</u>	<u>2,232,899</u>	<u>18,473,754</u>	<u>1,971,626</u>
770,319	---	12,777	830,757	34,041
---	152,768	(237,945)	(86,454)	(61,010)
4,170	---	---	16,882	5,019
812,218	---	---	2,012,218	---
(3,278,943)	---	---	(3,678,894)	---
---	---	---	-	17,506
---	---	---	19,184	315,325
<u>(1,692,236)</u>	<u>152,768</u>	<u>(225,168)</u>	<u>(886,307)</u>	<u>310,881</u>
13,938,122	1,535,583	---	22,351,673	---
---	---	---	3,787,387	---
---	---	---	1,440,827	---
(1,425,990)	---	(95,936)	(6,774,414)	---
---	---	---	(60,000,000)	---
(13,954,042)	---	(564,201)	(43,499,746)	---
24,900,126	---	---	72,900,126	---
---	---	---	35,533,717	---
12,757	328,269	204,459	1,061,472	33,571
(19,420,636)	(757,947)	(1,654,515)	(44,469,964)	(1,585,620)
<u>4,050,337</u>	<u>1,105,905</u>	<u>(2,110,193)</u>	<u>(17,668,922)</u>	<u>(1,552,049)</u>

(continued)

CITY OF DES MOINES, IOWA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2011

	BUSINESS-TYPE ACTIVITIES -		
	<u>AIRPORT</u>	<u>PARKING</u>	<u>SEWER SYSTEM</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	\$ 3,000,000	\$ 1,954,500	\$ 3,074,368
Purchase of investments	(4,372,696)	(1,950,942)	(3,026,190)
Interest and dividends received	82,982	23,394	120,055
Net cash provided by investing activities	<u>(1,289,714)</u>	<u>26,952</u>	<u>168,233</u>
Net increase (decrease) in cash and cash equivalents	(3,121,325)	(1,558,532)	(5,345,933)
Cash and cash equivalents, beginning of year	19,129,922	7,327,250	12,634,582
Cash and cash equivalents, end of year	<u>\$ 16,008,597</u>	<u>\$ 5,768,718</u>	<u>\$ 7,288,649</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	<u>\$ (8,245,098)</u>	<u>\$ (1,712,221)</u>	<u>\$ (729,188)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	14,488,621	3,585,823	2,812,533
Amortization/Accretion	636,647	16,611	29,911
(Increase) decrease in accounts and taxes receivable	(806,871)	(8,073)	(12,669)
(Increase) decrease in special assessments receivable	---	---	14,703
(Increase) decrease in due from other governmental units	---	(11,957)	(307,304)
(Decrease) in amounts owed from signatory airlines	343,060	---	---
(Increase) decrease in inventories	(4,338)	---	---
(Increase) decrease in prepaid items	---	1,281	1,756
(Decrease) increase in accounts and contracts payable	136,465	(282,846)	104,183
Increase (decrease) in accrued wages payable	---	(6,291)	32,330
Increase (decrease) in accrued employee benefits	191,053	22,478	(3,053)
Increase (decrease) in due to other governmental units	---	---	616,750
(Decrease) in amounts owed to signatory airlines	---	---	---
(Decrease) increase in other liabilities, self-sufficiency participation and tenant security deposits	(6,700)	(2,640)	---
Increase (Decrease) in unearned revenue	10,425	---	---
Total adjustments	<u>14,988,362</u>	<u>3,314,386</u>	<u>3,289,140</u>
Net cash provided (used) by operating activities	<u>\$ 6,743,264</u>	<u>\$ 1,602,165</u>	<u>\$ 2,559,952</u>
Schedule of noncash investing activities:			
Increase (decrease) in fair value of investments	(22,832)	1,779	24,089
Schedule of noncash capital and related financing activities:			
Gain (loss) on disposal of capital assets	(57,471)	244,780	(730)
Payments (proceeds) on contracts payable for acquisition of capital assets	(57,898)	29,294	409,807
Capital assets contributed	---	---	180,698

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

				GOVERNMENTAL ACTIVITIES	
	MUNICIPAL	OTHER			
STORMWATER UTILITY	HOUSING AGENCY	ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS	
\$ 1,781,533	\$ ---	\$ ---	\$ 9,810,401	\$ ---	
(1,781,533)	---	---	(11,131,361)	---	
247,942	21,983	11,212	507,568	---	
247,942	21,983	11,212	(813,392)	---	
9,451,901	(229,728)	(91,250)	(894,867)	730,458	
4,666,241	17,073,894	4,033,654	64,865,543	1,633,087	
<u>\$ 14,118,142</u>	<u>\$ 16,844,166</u>	<u>\$ 3,942,404</u>	<u>\$ 63,970,676</u>	<u>\$ 2,363,545</u>	
<u>\$ 3,696,326</u>	<u>\$ (3,706,605)</u>	<u>\$ 938,363</u>	<u>\$ (9,758,423)</u>	<u>\$ 560,674</u>	
1,552,962	1,597,991	1,180,495	25,218,425	1,513,151	
165,426	---	76	848,671	---	
(14,191)	(38,697)	(20,561)	(901,062)	32,891	
5,161	---	4,310	24,174	---	
(1,043,860)	351,087	(21,653)	(1,033,687)	---	
---	---	---	343,060	---	
---	(5,449)	---	(9,787)	(79,476)	
2,352,567	100,091	803	2,456,498	1,788,815	
202,300	32,968	44,760	237,830	(374,456)	
30,167	18,327	21,762	96,295	21,896	
(34,993)	72,475	84,544	332,504	(60,968)	
---	---	---	616,750	(1,443,906)	
---	---	---	---	---	
(66,007)	68,559	---	(6,788)	---	
---	(1,131)	---	9,294	13,005	
<u>3,149,532</u>	<u>2,196,221</u>	<u>1,294,536</u>	<u>28,232,177</u>	<u>1,410,952</u>	
<u>\$ 6,845,858</u>	<u>\$ (1,510,384)</u>	<u>\$ 2,232,899</u>	<u>\$ 18,473,754</u>	<u>\$ 1,971,626</u>	
(185,672)	---	---	(182,636)	---	
(45,243)	63,000	(193,484)	10,852	33,571	
2,622,596	---	---	3,003,799	---	
67,772	---	---	248,470	---	

CITY OF DES MOINES, IOWA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2011

	<u>AGENCY FUNDS</u>
ASSETS	
<u>Cash and pooled cash investments</u>	\$ 63,213,462
Accounts receivable	924,484
Total assets	<u>\$ 64,137,946</u>
LIABILITIES	
<u>Accounts payable</u>	\$ 64,133,381
Good faith/earnest deposits	4,565
Total liabilities	<u>\$ 64,137,946</u>

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

CITY OF DES MOINES, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

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

B. Government-wide and Fund Financial Statements

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

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

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

C. Fund Accounting

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

(1) Governmental Fund Types

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

(a) General Fund

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

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

The following accounts are included in this fund:

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

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

Other General - To account for several minor general fund activities not material enough to disclose separately (i.e. Benchmarking and City-wide Training, City match of Federal Police grant, and Employee Wellness Program). These funds were previously accounted for in Special Revenue funds but were moved per GASB pronouncement #54.

(b) Tax Increment Fund

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

(c) Debt Service Fund

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

(d) Capital Projects Fund

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

The following accounts are included in this fund:

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

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

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

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

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

Other Capital Projects - To account for projects that don't fit into one of the other categories but require significant capital investment to complete, such as technology and environmental projects.

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

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

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

(e) Benefit Tax Accounts Fund

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) Proprietary Fund Types

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

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

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

- (d) **Sewer System Fund** - To account for the operation and maintenance of the City's Sanitary Sewer System.
- (e) **Municipal Housing Agency Fund** - To account for operations of the Federal Section 8 Rent Payment Assistance Program and low-income housing projects.

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

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

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

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

The following funds are included in this fund type:

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

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

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

Forestry - To provide ground maintenance to other departments.

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

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

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

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

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

Agency Funds

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

The following funds are included in this fund type:

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

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

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

D. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period, with the exception of property taxes which is 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the City policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications - committed, assigned and unassigned fund balances.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to

the City; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure, and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

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

Property taxes are recognized as a receivable at the time an enforceable legal claim is established. This is determined to occur when the budget is certified. The current tax receivable represents the 2011 levy certified on March 15, 2011, based on the 2010 assessed valuations. The tax lien date is January 1, 2010. As the levy is intended for use in the 2012 fiscal year, the revenue has been recorded as deferred revenue. Taxes are levied on July 1 and are payable in two installments on September 30 and March 31. Tax payments become delinquent on October 1 and April 1. The County Treasurer bills and collects property taxes for the City. Property taxes are considered available if received within 60 days of year-end.

The City is permitted by the *Code of Iowa* to levy taxes up to \$8.10 per \$1,000 of assessed valuation for General Fund purposes, \$.27 per \$1,000 of assessed valuation for an Emergency Fund to assist in the funding of General Fund activities, and unlimited amounts for the payment of principal and interest on general obligation bonds, judgments awarded against the City, trust and agency accounts for pension and related employee benefit funds, and to pay the premium costs on tort liability insurance. The combined tax rate for the collection year ended June 30, 2011 was \$16.58 per \$1,000 of assessed valuation.

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

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

E. Budgetary and Legal Appropriation and Amendment Policies

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

F. Encumbrances

Appropriations in the governmental funds are charged for encumbrances when commitments are made.

G. Cash and Pooled Cash Investments

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

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

H. Investments

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

I. Statement of Cash Flows

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

J. Loans Receivable

Loans receivable consist primarily of low- and no- interest loans. The City receives federal funds from the U.S. Department of Housing and Urban Development as part of the Community Development Block Grant, which allows the City to provide loans at below-market-rates to eligible corporations and individuals to finance urban and community development. Loans are carried at the amount of unpaid principal. Management records allowances for estimated uncollectible amounts based on historic information and review of outstanding amounts. Loans which, due to the terms and nature of the agreements, are expected to be forgiven in the future are not recorded in the statement of net assets but are expensed at the time of disbursement.

K. Inventories and Prepaid Items

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

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

L. Capital Assets

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

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

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

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

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

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

M. Deferred and Unearned Revenues

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

the deferral of property tax receivables which are levied for a future period as well as unearned revenue.

N. Inter-fund Transactions

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

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

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

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

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

O. Compensated Absences

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

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

P. Fund Balance

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.

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

Committed: Amounts which can be used only for the specific purpose 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 funds.

Assigned: Amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City Manager and the Finance Director.

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, it is the City's policy to pay the expenditure from restricted fund balance and then from less restrictive classifications of committed, assigned and then unassigned fund balances.

Q. Net assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt excludes unspent debt proceeds. The portion of the debt related to unspent proceeds is included in the same net asset component as the unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted through enabling legislation consists of \$3,212,488 for tax increment and \$51,749,947 for debt service.

As of June 30, 2011, the governmental activities had unspent bond proceeds of \$72,045,987. The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

R. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements

and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

S. Accounts Receivable

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

T. Long-Term Obligations

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

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

2. Individual Fund Disclosures

The following is a summary of deficit fund balances/net assets of individual funds at June 30, 2011:

<u>FUND TYPE</u>	<u>INDIVIDUAL FUND</u>	<u>DEFICIT FUND BALANCES</u>	<u>DEFICIT NET ASSETS</u>
Governmental	Special Revenue, Community Services	21,493	
Governmental	Special Revenue, Other Employee Benefits	3,004,437	
Governmental	Special Revenue, Benefit Tax Accounts	799,457	
Proprietary	Enterprise, Golf		1,401,414
Proprietary	Internal Service, Radio Communications		789

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

3. Cash and Pooled Cash Investments and Investments

The City maintains a cash and investment pool that is available for use by all funds, where the resources have been pooled in order to maximize investment opportunities. Each fund type's

portion of this pool is displayed on the balance sheet as "Cash and pooled cash investments." Investment income is allocated to the various funds based on their respective participation and in accordance with accounting principles generally accepted in the United States of America. In addition, investments are separately held by several of the City's funds.

The Library Foundation has an endowment fund. As of December 31, 2010, the balance of \$1,379,222 is in equity securities.

A. Authorized Investments

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

B. Interest Rate Risk

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

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

Security Description	Current Market Value	Investment Maturities (in Years)		
		Less Than 1	1 - 5	6 - 10
Commercial Paper Total	11,985,759	11,985,759	---	---
Federal Farm Credit Total	14,288,637	1,999,780	12,288,857	---
FHLB Total	49,057,446	19,200,333	29,857,113	---
FHLB Discount Total	4,000,000	4,000,000	---	---
FHLMC Total	14,985,332	6,268,758	8,716,574	---
FHLMC Discount Total	13,999,220	13,999,220	---	---
FNMA Total	21,777,886	6,817,395	14,960,491	---
FNMA Discount Total	4,298,692	4,298,692	---	---
Treasury Note Total	3,523,240	---	3,523,240	---
Grand Total	137,916,212	68,569,937	69,346,275	---

The above table includes the investments of the WRA.

C. Credit Risk

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

As of June 30, 2011, the City's investments were rated as follows:

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

D. Concentration of Credit Risk

The City's investment policy seeks diversification to reduce overall portfolio risk while attaining benchmark average rates of return to meet all anticipated cash requirements. The policy requires that with the exception of U.S. Treasury securities, no more than 50% of the City's total investment portfolio will be invested in a single security type, and no more than 25% with a single financial institution. The Finance Director/Treasurer will invest in securities with varying maturities. Certificates of deposit will be limited to the amount approved by City Council for each financial institution in accordance with

Chapter 12C of the Code of Iowa. Prime bankers' acceptances and commercial paper are limited as explained under authorized investments, above. More than 5% of the City's investments are in the Federal National Mortgage Association, Federal Home Loan Bank, and Federal Home Loan Mortgage Corporation. The City's investments are in accordance with these policies regarding diversification.

E. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Chapter 12C of the Code of Iowa requires all City funds be deposited into an approved depository and be either insured or collateralized. At June 30, 2011, the City's deposits were held in banks within the state of Iowa and covered by the state sinking fund per Section 12C.25 of the Code of Iowa. At June 30, 2011, \$137,916,212 of City investments were uninsured and unregistered securities held by the counterparty's trust department in the City's name.

4. Joint Venture

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

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

The WRA Sewer Revenue Bonds Series 2004A bonds were issued for the advance refunding of the City's sewer revenue bonds. The WRA Agreement requires the debt service on these bonds to be allocated through the annual flow allocation to the participating communities based on the existing allocations of debt service under the prior I.C.A. agreement. The Series 2004A bonds had a balance of \$2,735,000 as of June 30, 2011. Therefore, the City of

Des Moines has a commitment for approximately \$2,296,410 for future principal payment requirements. The WRA Sewer Revenue Bonds Series 2004B bonds were issued for capital expansion. The WRA Agreement requires the debt service on these bonds to be allocated to the participating communities based on the WRA flows of the core communities and expansion communities of each calendar year. As of June 30, 2011, the Series 2004B bonds had a balance of \$61,245,000 and the City of Des Moines' estimated future allocation based on the WRA flows is currently \$21,504,833. The WRA Sewer Revenue Bonds Series 2006A bonds were issued for capital expansion. The WRA Agreement requires the debt service on these bonds to be allocated to the participating communities based on the WRA flows of the core communities and expansion communities of each calendar year. As of June 30, 2011, the Series 2006A bonds had a balance of \$35,795,000 and the City of Des Moines' estimated future allocation based on the WRA flows is currently \$11,410,108. The State Revolving Loans are to be paid by the participating communities based on the existing allocations under the prior I.C.A. agreement. As of June 30, 2011, the WRA had \$114,978,147 in State Revolving Loans of which \$34,417,498 future principal debt service is a commitment to the City of Des Moines. Included in the State Revolving Loans totals is new debt in June, 2011. The WRA issued \$21,105,000 of Sewer Revenue Bonds during FY09, of which \$19,491,587 has been drawn at June 30, 2011. The WRA issued \$39,000,000 of Sewer Revenue Bonds during FY10, of which \$25,775,204 has been drawn at June 30, 2011. The WRA issued \$85,600,000 of Sewer Revenue Bonds during FY11, of which \$39,948,484 has been drawn at June 30, 2011.

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

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

Condensed financial information of the joint venture as of June 30, 2011 is as follows:

Statement of Net Assets

Current assets	\$	59,664,504
Noncurrent assets	\$	447,155,221
Total Assets	\$	506,819,725
Current liabilities	\$	23,819,269
Noncurrent liabilities	\$	212,228,632
Total liabilities	\$	236,047,901
Net assets:		
Invested in capital assets,		
Net of related debt	\$	221,177,295
Restricted	\$	30,400,500
Unrestricted	\$	19,194,029

Statement of Revenues, Expenses and Changes in Net Assets

Operating revenues	\$	36,912,893
Operating expenses	\$	28,504,951
Operating income	\$	8,407,942
Nonoperating, net	\$	(3,458,042)
Capital grants and contributions	\$	249,269
Change in net assets	\$	5,199,169

Statement of Cash Flows

Cash provided by operating activities	\$	18,780,729
Cash provided by investing activities	\$	3,794,237
Cash used in capital and related		
financing activities	\$	(28,075,121)
Decrease in cash and pooled cash investments	\$	(5,500,155)

5. Operating Lease Rentals

The City, as lessor, has various operating lease agreements for the use of land and facilities. The following is a schedule by year of minimum future rentals required under operating leases having initial or remaining noncancelable lease terms in excess of one year as of June 30, 2011:

	ENTERPRISE FUNDS					TOTAL
	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS	PARKING FACILITIES SYSTEM	AIRPORT	
Year ending June 30,						
2012	247,606	74,100	16,000	94,305	2,973,093	3,405,104
2013	246,429	74,100	8,000	68,636	2,219,850	2,617,015
2014	60,965	74,100	---	19,230	2,032,053	2,186,348
2015	60,965	74,100	---	10,065	1,937,069	2,082,199
2016	53,465	74,100	---	---	1,225,259	1,352,824
2017-2021	1,832,101	370,500	---	---	3,140,997	5,343,598
2022-2026	241,765	---	---	---	284,695	526,460
2027-2031	66,765	---	---	---	127,501	194,266
2032-2036	66,765	---	---	---	127,501	194,266
2037-2041	66,765	---	---	---	127,501	194,266
2042-2046	66,765	---	---	---	---	66,765
2047-2048	26,706	---	---	---	---	26,706
Total minimum future rentals	<u>\$ 3,037,062</u>	<u>\$ 741,000</u>	<u>\$ 24,000</u>	<u>\$ 192,236</u>	<u>\$ 14,195,519</u>	<u>\$ 18,189,817</u>

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

At June 30, 2010, the net book value of leased property in the Airport major enterprise fund is as follows:

Cost of Leased Land	\$ 19,884,059
Cost of Leased Buildings	54,985,611
Accumulated Depreciation of Leased Buildings	<u>(9,523,207)</u>
Net book value of Leased Fixed Assets	<u>\$ 65,346,463</u>

6. Changes in Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2011:

	ENDING BALANCE 6/30/2010	ADDITIONS	DELETIONS & TRANSFERS	ENDING BALANCE 6/30/2011
GOVERNMENTAL ACTIVITIES				
Capital Assets, not being depreciated:				
Land	\$ 58,458,045	\$ 1,500,894	\$ (42,749)	\$ 59,916,190
Construction in Progress	102,133,699	15,308,724	(13,562,685)	\$ 103,879,738
Total capital Assets not being depreciated	160,591,744	16,809,618	(13,605,434)	163,795,928
Capital Assets, being depreciated:				
Buildings	143,653,600	6,440,201	-	150,093,801
Improvements Other than Buildings	862,399,832	54,068,224	(21,324)	916,446,732
Machinery and Equipment	66,723,425	2,561,041	(1,007,520)	68,276,946
Total capital assets being depreciated	1,072,776,857	63,069,466	(1,028,844)	1,134,817,479
Less accumulated depreciation for:				
Buildings	69,083,919	4,284,715	-	73,368,634
Improvements Other than Buildings	321,816,988	23,626,894	-	345,443,882
Machinery and Equipment	49,557,548	3,501,416	(910,329)	52,148,635
Total accumulated depreciation	440,458,455	31,413,025	(910,329)	470,961,151
Total capital assets, being depreciated, net	632,318,402	31,656,441	(118,515)	663,856,328
Governmental activities capital assets, net	\$ 792,910,146	\$ 48,466,059	\$ (13,723,949)	\$ 827,652,256
BUSINESS-TYPE ACTIVITIES				
Capital Assets, not being depreciated:				
Land	\$ 84,623,286	\$ 28,100	\$ (321,080)	\$ 84,330,306
Construction in Progress	74,602,025	37,960,313	(16,140,594)	\$ 96,421,744
Total capital Assets not being depreciated	159,225,311	37,988,413	(16,461,674)	180,752,050
Capital Assets, being depreciated:				
Buildings	195,261,690	7,809,679	(423,271)	202,648,098
Improvements Other than Buildings	462,684,710	11,523,995	-	474,208,705
Machinery and Equipment	42,506,839	6,538,774	(1,811,081)	47,234,532
Total capital assets being depreciated	700,453,239	25,872,448	(2,234,352)	724,091,335
Less accumulated depreciation for:				
Buildings	76,523,224	7,313,782	(158,002)	83,679,004
Improvements Other than Buildings	173,473,188	14,785,914	-	188,259,102
Machinery and Equipment	29,278,195	3,118,729	(1,348,776)	31,048,148
Total accumulated depreciation	279,274,607	25,218,425	(1,506,778)	302,986,254
Total capital assets, being depreciated, net	421,178,632	654,023	(727,574)	421,105,081
Business-Type activities capital assets, net	\$ 580,403,943	\$ 38,642,436	\$ (17,189,248)	\$ 601,857,131

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

GOVERNMENTAL ACTIVITIES

Public Safety	3,174,490
General Government	1,584,550
Public Works	17,952,168
Culture and Recreation	7,040,352
Community and Economic Development	148,313
Internal service assets are charged to the various functions based on their useage of the assets	1,513,152
Total Depreciation Expense - Governmental Activities	<u>\$ 31,413,025</u>

BUSINESS-TYPE ACTIVITIES

Airport	14,488,621
Parking	3,585,823
Sanitary Sewer	2,812,533
Stormwater	1,552,962
Housing	1,597,991
Other Enterprise Funds	1,180,495
Total Depreciation Expense - Business-type Activities	<u>\$ 25,218,425</u>

7. Employee Retirement Systems

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

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

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

Plan members are required to contribute 4.50 and 4.30 percent of their annual covered salary, and the City is required to contribute 6.95 and 6.65 percent, respectively, of annual covered payroll for the years ended June 30, 2011 and 2010. Contribution requirements are established by state statute. The City's contribution to IPERS for the years ended June 30, 2011; 2010; and 2009 were \$4,847,268; \$4,573,464; and \$4,433,062, respectively, equal to the required contributions for each year.

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

The City contributes to the Municipal Fire and Police Retirement System of Iowa (MFPRSI), which is a cost-sharing, multiple-employer, defined benefit pension plan.

MFPRSI provides retirement, disability, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statute, and vest after four years of credited service. MFPRSI issues publicly available financial reports, which include financial statements and required supplementary information for the plan. The reports may be obtained by contacting the MFPRSI, 2836 104th Street, Urbandale, IA 50322.

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

The contribution rates for plan members and the City in fiscal years 2011, 2010, and 2009 were as follows:

<u>MFPRSI</u>	<u>PLAN MEMBER CONTRIBUTION</u>	<u>CITY CONTRIBUTION</u>
Fiscal Year 2011	9.40 %	19.90 %
Fiscal Year 2010	9.40 %	17.00 %
Fiscal Year 2009	9.35 %	18.75 %

The City's contributions to MFPRSI for the years ending June 30, 2011; 2010; and 2009, were equal to the required contributions for each year as follows:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
MFPRSI	\$ 8,772,090	\$ 7,436,202	\$ 8,082,254

8. Deferred Compensation

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

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

9. Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2011:

	BALANCE JUNE 30, 2010	ADDITIONS	RETIREMENTS	BALANCE JUNE 30, 2011	DUE WITHIN ONE YEAR	RANGE OF INTEREST RATES
Governmental Activities:						
General Obligation Bonds	\$ 355,574,000	\$ 110,880,000	\$ 62,189,000	\$ 404,265,000	\$ 31,320,000	1.20% to 5.95%
Less discounts	(236,884)	—	26,769	(210,115)	(23,629)	
Add premiums	6,231,661	11,271,865	2,144,811	15,358,715	2,403,056	
Net General Obligation Bonds	361,568,777	122,151,865	64,360,580	419,413,600	33,699,427	
Section 108 Loans payable	10,040,000	—	115,000	9,925,000	115,000	4.00% to 5.38%
Notes Payable	5,187,868	—	1,759,904	3,427,964	949,834	0.0% to 3.82%
Accrued Employee Benefits	20,024,799	19,903,842	14,465,935	25,462,706	14,580,893	NA
Liability for Claims/Judgments	580,000	720,475	565,475	735,000	—	NA
Liability for arbitrage	295,546	—	532	295,014	295,014	NA
	<u>\$ 391,702,213</u>	<u>\$ 131,504,317</u>	<u>\$ 79,095,846</u>	<u>\$ 444,110,684</u>	<u>\$ 47,260,741</u>	
Business-type Activities						
Revenue Bonds	\$ 103,760,000	\$ 60,845,000	\$ 41,057,000	\$ 123,548,000	\$ 7,805,000	2.00% to 6.00%
Less discounts	(484,304)	(295,772)	333,636	(446,440)	(31,541)	
Add premiums	\$ 661,088	\$ 859,901	\$ 174,074	\$ 1,346,915	\$ 204,975	
Net Revenue Bonds	103,936,784	61,409,129	41,564,710	124,448,475	7,978,434	
General Obligation Bonds	21,000	—	21,000	—	—	NA
Notes Payable	10,100,107	—	759,058	9,341,049	7,525,686	0.00% to 4.23%
Capital Leases	6,300,425	—	1,662,685	4,637,740	1,628,069	3.90% to 6.44%
Liability for arbitrage	111,586	—	66,007	45,579	45,579	NA
Accrued Employee Benefits	3,537,369	4,049,978	3,924,664	3,662,683	1,228,438	NA
	<u>\$ 123,830,487</u>	<u>\$ 64,894,978</u>	<u>\$ 47,490,414</u>	<u>\$ 141,235,051</u>	<u>\$ 18,232,772</u>	

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

Net assets of certain enterprise funds of \$12,134,723 are restricted for debt service and the payment of certain liabilities pursuant to the requirements of the revenue bond ordinances.

Proceeds from the Series 2010A Aviation System Revenue Capital Loan Notes totaled \$5,225,000, and were used to current refund the Series 1998A Aviation System Revenue Bonds dated April 1, 1998.

Proceeds from the Series 2010B Aviation System Revenue Capital Loan Notes totaled \$15,990,000, and were used to refund a portion of the Series 1998B Aviation System Revenue Bonds, dated April 1, 1998 and the \$12,000,000 Subordinate Airport Commercial Paper Revenue Notes, Series C, dated October 8, 2003.

Proceeds from the Series 2010C Aviation System Revenue Capital Loan Notes totaled \$10,330,000, and were used to current refund the Series 1998C Aviation System Revenue Bonds, dated April 1, 1998.

Proceeds from the Series 2010D Aviation System Revenue Capital Loan Notes totaled \$4,900,000, and were used to construct certain improvements to the heating, cooling, and ventilation systems to the Aviation System.

Proceeds from the Series 2010F Stormwater Management Utility Revenue Capital Loan Notes totaled \$19,300,000, and were used to current refund the Series 2004F Stormwater Management Utility Revenue Bonds, dated July 15, 2004 and were also allocated to certain capital improvement projects within the Stormwater Management Utility Fund.

Proceeds from the Series 2010G Stormwater Management Utility Revenue Refunding Capital Loan Notes, totaled \$5,100,000 and were used to advance refund the Series 2003B, Stormwater Management Utility Revenue Bonds, dated May 1, 2003.

Proceeds from the Series 2010H General Obligation Refunding Capital Loan Notes totaled \$65,360,000 and were used to advance refund the Series 2003C General Obligation Bonds, dated June 25, 2003, advance refund the Series 2003D General Obligation Bonds (Urban Renewal), dated June 25, 2003, crossover refund on June 1, 2012 the Series 2002E General Obligation Bonds, dated June 28, 2002, and Series 2002F General Obligation Bonds (Urban Renewal), dated June 28, 2002, and crossover refund on June 1, 2013 the Series 2005B General Obligation Bonds, dated June 8, 2005.

Proceeds from the Series 2011A General Obligation Bonds totaled \$45,520,000, were used to current refund the Series 2005A General Obligation Refunding Bonds, dated April 27, 2005 and were also allocated to certain capital improvement projects.

Outstanding bonds at June 30, 2011 mature as follows:

General Obligation Debt Service		
GENERAL OBLIGATION BONDS		
YEAR	PRINCIPAL	INTEREST
2012	\$ 19,960,970	\$ 10,110,560
2013	18,952,000	9,464,191
2014	17,411,000	8,760,101
2015	16,222,000	8,094,591
2016	15,871,000	7,459,364
2017-2021	75,221,000	27,687,202
2022-2026	56,620,000	12,489,631
2027-2031	23,950,000	2,514,511
Totals	<u>\$ 244,207,970</u>	<u>\$ 86,580,151</u>

In addition, funds held in escrow will refund Series 2002E General Obligation Bonds, Series 2002F General Obligation Bonds, and 2005B General Obligation Bonds in the amount of \$47,390,000 on June 1, 2012 and June 1, 2013. See Note 11.

Tax Increment Debt Service

YEAR	GENERAL OBLIGATION BONDS	
	PRINCIPAL	INTEREST
2012	\$ 11,359,030	\$ 4,271,318
2013	10,963,000	3,919,285
2014	11,154,000	3,551,136
2015	8,953,000	3,181,401
2016	8,994,000	2,849,606
2017-2021	42,274,000	9,023,006
2022-2026	18,955,000	1,787,425
2027-2031	15,000	675
Totals	\$ 112,667,030	\$ 28,583,852

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

Series	June 30, 2011 Balance	Maturity Fiscal Year	Purpose
Sewer Revenue 2004I	\$ 4,528,000	2025	Capital Improvements
Sewer Revenue 2004G	4,355,000	2019	Capital Improvements
Sewer Revenue Refunding, 2004H	12,925,000	2020	Refunding

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay the revenue bonds. The bonds are payable solely from the sewer customer net revenues. Annual principal and interest payments on the bonds are expected to require less than 80% of net revenues. Total principal and interest remaining to be paid on the bonds is \$27,237,575. Principal and interest paid for the current year and total customer net revenues were \$2,540,338 and \$13,454,198, respectively.

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

Series	June 30, 2011 Balance	Maturity Fiscal Year	Purpose
Series 2006D	\$ 13,490,000	2023	Capital Improvements
Series 2010F	18,240,000	2030	Refund & Capital Improvements
Series 2010G	5,100,000	2018	Refund & Capital Improvements

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay the revenue bonds. The bonds are payable solely from the stormwater utility customer net revenues. Annual principal and interest payments on the bonds are expected to require less than 80% of net revenues. Total principal and interest remaining to be paid on the bonds is \$47,047,550. Principal and interest paid for the current year and total customer net revenues were \$15,172,963 and \$13,702,868, respectively.

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

Series	June 30, 2011 Balance	Maturity Fiscal Year	Purpose
Series 2000A	\$ 15,620,000	2020	Capital Improvements & Refunding
Series 2009D	995,000	2012	Refunding

The City has pledged future parking customer revenues, net of specified operating expenses to repay the revenue bonds. The bonds are payable solely from the parking customer net revenues. Annual principal and interest payments on the bonds are expected to require less than 80% of net revenues. Total principal and interest remaining to be paid on the bonds is \$21,835,713. Principal and interest paid for the current year and total customer net revenues were \$2,682,425 and \$5,676,892, respectively.

Revenue Bonds, Airport Enterprise Fund: On April 1, 1998, the City issued \$42,670,000 of Aviation System Revenue Bonds (Series 1998 A, B, C). The current balance of the bonds is \$11,850,000 which mature in Fiscal Year 2029. On December 7, 2010, the City issued \$36,445,000 of Aviation System Revenue Capital Loan Notes (Series 2010 A, B, C, D). The current balance of the bonds is \$36,445,000 which mature in Fiscal Year 2035. The bonds are special obligations payable solely from and secured by a pledge of the net revenues of the Airport, subject to the prior lien on the net revenues of the Airport Revenue Capital Loan Notes. Payment of the principal and interest on the bonds is guaranteed by a municipal bond insurance policy. Annual principal and interest payments on the bonds are expected to require 56% of the Airport net revenues. Total principal and interest remaining to be paid on the bonds is \$81,601,337. Principal and interest paid for the current year and total Airport net revenues were \$26,217,293 and \$6,761,970, respectively.

Enterprise Funds			
YEAR	REVENUE BONDS		
	PRINCIPAL	INTEREST	
2012	\$ 7,805,000	\$ 5,468,445	
2013	7,728,000	5,205,800	
2014	8,006,000	4,922,363	
2015	8,340,000	4,612,665	
2016	8,658,000	4,283,998	
2017-2021	39,086,000	15,532,766	
2022-2026	19,645,000	8,640,559	
2027-2031	15,875,000	4,369,853	
2032-2035	8,405,000	1,137,725	
Totals	\$ 123,548,000	\$ 54,174,174	

Section 108 Loans Payable: The CDBG Section 108 Loan for \$2,000,000 was used to lend SNAG, L.L.C. an Iowa limited liability company, funds to construct a grocery store in the vicinity of the Seventh and University Avenues. The balance of the loan as of June 30, 2011 is \$1,425,000. The loan is payable through fiscal year 2023. The principal and interest on the

loan is payable from an annual CDBG grant award specific to the Section 108 loan. Annual principal and interest on the bonds are expected to require 100% of the grant award. Total principal and interest remaining to be paid on the loan payable is \$1,938,099. Principal and interest paid in the current year and CDBG grant revenues were \$205,853 and \$5,130,504, respectively.

On November 15, 2007, the City closed a \$17,500,000 Section 108 loan to make a loan for the benefit of River Point West LLC, for the purpose of financing the acquisition and clearance of properties in the River Point West area for sale and subsequent redevelopment, and the construction of supporting public infrastructure improvements to serve the developed properties. The balance of the loan as of June 30, 2011 is \$8,500,000 and is payable through fiscal year 2028. The loan is not a general obligation of the City. The principal and interest is initially payable from a federal grant during the development phase. Thereafter, principal and interest is payable solely from the tax increment revenues of the Metro Center Urban Renewal Area of the City. Tax increment revenues are projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest paid in the current year and grant revenues were \$439,749 and \$439,749, respectively.

Notes Payable, Governmental Activities: Notes payable include \$325,904 Supplement DLL5; \$254,018 Supplement DLL D-1A, and \$320,141 Supplement DLL D-1B. These notes are payable through fiscal year 2015. The principal and interest is payable from the debt service levy. Annual principal and interest on the bonds are expected to require 80% of the revenue. Total principal and interest remaining to be paid on the notes payable is \$979,857. Principal and interest paid in the current year and the debt service levy were \$233,533 and \$27,851,575, respectively.

Notes payable also include a \$1,875,000 loan from Polk County. This loan is for an economic development grant to be paid to Nelson Development 14, LLC. The balance of the note payable is \$1,500,000 and is payable through fiscal year 2019. The principal and interest is payable from tax increment finance levy. Annual principal and interest on the bonds are expected to require 100% of the revenue. Total principal and interest remaining to be paid on the notes payable is \$1,500,000. Principal and interest paid in the current year and TIF levy were \$375,000 and \$22,844,780, respectively. In addition, notes payable as of June 30, 2010 includes a RISE loan of \$1,027,901.

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

FISCAL YEAR	NOTES PAYABLE			
	CDBG SECTION 108 LOANS		GOVERNMENTAL ACTIVITIES	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2012	\$ 115,000	\$ 527,348	\$ 949,834	\$ 30,653
2013	115,000	511,690	869,399	23,434
2014	139,000	505,299	401,130	16,087
2015	142,000	498,096	404,859	8,612
2016	144,000	490,590	240,242	1,006
2017-2021	2,158,000	2,264,489	562,500	—
2022-2026	4,780,000	1,259,598	—	—
2027-2031	2,332,000	130,466	—	—
Totals	<u>\$ 9,925,000</u>	<u>\$ 6,187,576</u>	<u>\$ 3,427,964</u>	<u>\$ 79,792</u>

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

The notes payable has financed the purchase of nine recycling trucks, twenty-two refuse trucks, ten pickup trucks, 55,000 refuse carts, and 32,000 toters in the Solid Waste Enterprise Fund. The balance of the notes payable is \$1,581,024 and is payable through fiscal year 2015. The principal and interest is payable from the operating revenues of the Solid Waste Enterprise. Annual principal and interest on the notes payable are expected to require 63% of the revenue. Total principal and interest remaining to be paid on the notes payable is \$1,725,950. Principal and interest paid in the current year and the operating revenues of the Solid Waste Enterprise were \$622,921 and \$1,844,471, respectively.

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

YEAR	NOTES PAYABLE ENTERPRISE	
	PRINCIPAL	INTEREST
2012	\$ 445,465	\$ 59,649
2013	376,872	42,586
2014	378,511	28,443
2015	380,176	14,248
Totals	<u>\$ 1,581,024</u>	<u>\$ 144,926</u>

The Stormwater Utility Fund entered into Supplement #DLL D-2 of the City's Governmental-Lease Purchase Master Agreement during Fiscal Year 2010 to purchase seven street sweeper vehicles, this is in addition to Supplement #DLL2. The balance as of June 30, 2011 is \$869,738 and will be paid as follows:

NOTES PAYABLE		
ENTERPRISE		
YEAR	PRINCIPAL	INTEREST
2012	\$ 212,011	\$ 29,332
2013	215,587	22,182
2014	219,222	14,912
2015	222,918	7,519
Totals	<u>\$ 869,738</u>	<u>\$ 73,945</u>

The Airport entered into a Solid Waste Alternatives Program Project Agreement with the Iowa Department of Natural Resources during Fiscal Year 2010 to help offset the costs of implementing a recycling program. The balance as of June 30, 2011 is \$31,890 and will be paid as follows:

NOTES PAYABLE		
ENTERPRISE		
YEAR	PRINCIPAL	INTEREST
2012	9,812	—
2013	9,812	—
2014	9,812	—
2015	2,454	—
Totals	<u>\$ 31,890</u>	<u>\$ —</u>

Notes payable, business-type activities also includes \$6,858,397 payable to the State of Iowa for the City's portion of the I-235 project. Of this amount, \$4,197,408 is recorded in the Sanitary Sewer Fund and \$2,660,990 is recorded in the Stormwater Utility Fund. The entire balance is scheduled to be paid in 2012.

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

The balance of the capital leases payable for the Airport fund is \$254,793 and is payable through fiscal year 2013. The principal and interest is payable from the net revenues of the Airport. Annual principal and interest on the capital leases are expected to require 1.5% of the operating revenue. Total principal and interest remaining to be paid on the capital leases is \$268,926. Principal and interest paid in the current year and Airport operating revenue were \$221,330 and \$26,022,969, respectively.

Future principal and interest requirements are summarized as follows:

Airport Capital Leases

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2012	167,085	10,715
2013	87,708	3,418
Totals	<u>\$ 254,793</u>	<u>\$ 14,133</u>

On June 30, 2011, the net book value of the equipment purchased with capital leases is \$177,254.

Capital Leases, Parking Enterprise Fund: The City has entered into a lease purchase agreement for a new parking garage and is reported in the Parking Fund, an enterprise fund of the City. The balance of the lease purchase is \$4,382,951 and is payable through fiscal year 2014. The principal and interest is payable from net operating revenues of the Parking Enterprise. Annual principal and interest on the capital lease are expected to require 25% of the revenue. Total principal and interest remaining to be paid on the capital lease is \$4,848,044. Principal and interest paid in the current year and net operating revenues of the Parking Enterprise were \$1,771,046 and \$5,676,892, respectively.

Future principal and interest requirements are summarized as follows:

Parking Capital Lease

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2012	1,460,984	232,547
2013	1,460,984	155,031
2014	1,460,979	77,515
Totals	<u>\$ 4,382,947</u>	<u>\$ 465,093</u>

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

10. Revenue Bond Resolution Requirements

The revenue bond resolutions contain significant limitations and restrictions on annual debt service requirements, require minimum amounts to be maintained in various restricted accounts to provide for payment of principal and interest, and require minimum revenue bond coverage. In the Sewer System Fund, \$1,920,000 of net assets is restricted for bond reserves. In the Parking Facilities System Fund, \$1,954,500 of net assets is restricted for bond reserves. In the Stormwater Utility Fund, \$2,242,850 of net assets is restricted for bond reserves. In the Airport Fund, \$7,137,225 of net assets is restricted for debt retirement.

11. Debt Extinguishment

On October 26, 2010, the City issued \$19,300,000 in Stormwater Management Utility Revenue Capital Loan Notes (Series 2010F) with an average interest rate of 2.94 percent to current refund \$6,070,000 of Series 2004F Stormwater Management Utility Revenue Bonds with an average interest rate of 4.30 percent on November 1, 2010. The current refunding was done to reduce aggregate debt service payments by \$208,294 over the next three years and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$620,571.

On October 26, 2010, the City issued \$5,100,000 in Stormwater Management Utility Revenue Refunding Capital Loan Notes (Series 2010G) with an average interest rate of 2.45 percent to advance refund \$5,150,000 of Series 2003B Stormwater Management Utility Revenue Bonds with an average interest rate of 4.23 percent on June 1, 2011. The advance refunding was done to reduce aggregate debt service payments by \$153,208 over the next three years and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$430,554.

On December 7, 2010, the City issued \$65,360,000 in General Obligation Refunding Capital Loan Notes (Series 2010H) with an average interest rate of 4.94 percent to crossover advance refund \$14,655,000 of Series 2003C General Obligation Bonds with an average interest rate of 3.86 percent on June 1, 2011, crossover advance refund \$8,255,000 of Series 2003D General Obligation Bonds (Urban Renewal) with an average interest rate of 3.63 percent on June 1, 2011, crossover advance refund \$21,555,000 of Series 2002E General Obligation Bonds with an average interest rate of 4.94 percent on June 1, 2012, crossover advance refund \$5,490,000 of Series 2002F General Obligation Bonds (Urban Renewal) with an average interest rate of 4.54 percent on June 1, 2012 and crossover advance refund \$20,345,000 of Series 2005B General Obligation Bonds with an average interest rate of 4.74 percent on June 1, 2013. The net proceeds related to the crossover refunding of \$74,188,780 (after payment of \$219,607 in underwriting fees, insurance and other costs) were used to purchase U.S. government securities (SLGS) in an irrevocable trust with an escrow agent. These proceeds provided the future debt service payments on the Series 2003C and Series 2003D until the crossover date of June 1, 2011. As of the crossover date of June 1, 2011, the Series 2003C and Series 2003D were considered extinguished and removed from the government-wide statement of net assets. The Series 2002E, Series 2002F, and Series 2005B will remain on the government-wide statement of net assets as well as the escrow to be used to refund the debt in the future.

The crossover refunding was done to reduce aggregate debt service payments by \$872,690 over the next three years and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$3,670,120.

On December 22, 2010, the City issued \$36,445,000 in Aviation System Revenue Capital Loan Notes (Series 2010ABCD). Series A was issued in the amount of \$5,225,000 with an average interest rate of 4.86 percent to advance refund \$5,140,000 of Series 1998A Aviation System Revenue Bonds with an average interest rate of 5.10 percent on January 7, 2011. Series B was issued in the amount of \$15,990,000 with an average interest rate of 5.35 percent to partially advance refund \$7,560,000 of Series 1998B Aviation System Revenue Bonds with an average interest rate of 5.11 percent on January 7, 2011 and partially current refund \$8,700,000 of Airport Commercial Paper Series C Non-PFC backed notes. Series C was issued in the amount of \$10,330,000 with an average interest rate of 3.64 percent to advance refund \$10,320,000 of Series 1998C Aviation System Revenue Bonds with an interest rate of 6.95 percent on January 7, 2011. Series D was issued in the amount of \$4,900,000 with an interest rate of 5.125 percent to current refund the \$3,300,000 remaining outstanding balance of Airport Commercial Paper Series C Non-PFC backed notes. The advance refunding was done to reduce aggregate debt service payments by \$2,278,806 over the next three years and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,665,907.

On June 27, 2011, the City issued \$45,520,000 in General Obligation Bonds (Series 2011A) with an average interest rate of 3.21 percent to current refund \$8,810,000 of Series 2005A General Obligation Bonds with an average interest rate of 4.02 percent. The current refunding was done to reduce aggregate debt service payments by \$332,068 over the next three years and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$666,749.

12. Conduit Debt

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

As of June 30, 2011, there were nine series of industrial revenue bonds outstanding. The aggregate principal amount payable for the four series issued after July 1, 1995 was \$14.82 million. The aggregate principal amount payable for the series issued prior to July 1, 1995 could not be determined; however, their original issue amounts totaled \$53.9 million.

13. Interfund Receivables and Payables

The individual fund interfund receivable and payable balances include both Due to/from Other Funds and Advances to/from Other Funds. These balances at June 30, 2011 were:

	INTERFUND RECEIVABLE	INTERFUND PAYABLE
General	\$ 219,246	\$ 262,848
Capital Projects	10,257,062	—
Benefit Tax Accounts, Special Revenue	—	1,023,593
Other Nonmajor Governmental Funds	—	8,970,621
Parking, Enterprise	47,662	—
Municipal Housing Agency, Enterprise	—	219,246
Other Nonmajor Enterprise Funds	—	47,662
Total	<u>\$ 10,523,970</u>	<u>\$ 10,523,970</u>
	ADVANCES RECEIVABLE	ADVANCES PAYABLE
General	\$ 3,878,507	\$ —
Parking, enterprise	49,364	—
Other Nonmajor Enterprise Funds	—	3,927,871
Total	<u>\$ 3,927,871</u>	<u>\$ 3,927,871</u>

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

14. Fund Transfer Reconciliation

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

	TRANSFERS IN	TRANSFERS OUT
General	\$ 26,336,188	\$ 1,773,579
Tax Increment, special revenue	—	18,763,196
Benefit tax accounts, special revenue	—	12,611,000
Debt Service	16,356,336	—
Capital Projects	13,926,734	9,015,584
Other Nonmajor Governmental Funds	—	12,801,424
Internal Service	34,041	—
Stormwater, enterprise	812,218	3,278,943
Sanitary Sewer, enterprise	—	399,951
Parking, enterprise	1,200,000	—
Other Nonmajor Enterprise Funds	—	21,840
	<u>\$ 58,665,517</u>	<u>\$ 58,665,517</u>

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

15. Post Employment Benefits

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

Contributions of the full premium are required for both retiree and dependent coverage. The contributions for each insured group is assumed to be the expected, composite per capita cost for the group. This composite is then disaggregated into an age-specific starting cost curve based on the average age of the group and for assumptions for age-based morbidity. The average age of the pre-65 retiree group is 62. Retiree expenses are then offset by monthly contributions. The City does not issue a publicly available financial report.

Funding policy: The City of Des Moines establishes and amends contribution requirements. The current funding policy of the City is to pay health insurance premiums as they occur. This arrangement does not qualify as other post employment benefits (OPEB) plan assets under Governmental Accounting Standards Board (GASB) Statement No. 45 for current GASB reporting.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2010, the City contributed \$648,961.

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

Annual required contribution	\$ 1,565,920
Interest on net OPEB obligation	110,517
Adjustment to annual required contribution	<u>(92,372)</u>
Annual OPEB cost (expense)	1,584,065
Contributions and payments made	<u>648,961</u>
Increase in net OPEB obligation	935,104
Net OPEB obligation - July 1, 2010	<u>2,455,928</u>
Net OPEB obligation - June 30, 2011	<u><u>\$ 3,391,032</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2011 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$ 1,045,304	31.1%	\$ 1,504,637
June 30, 2010	\$ 1,541,256	38.3%	\$ 2,455,928
June 30, 2011	\$ 1,584,065	41.0%	\$ 3,391,032

Funded status and funding progress: As of July 1, 2009, the most recent actuarial valuation date, the plan was not funded. The City's actuarial accrued liability for benefits was \$14,269,349 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$(14,269,349). The covered payroll (annual payroll of active employees covered by the plan) was \$152,549,355 and the ratio of the UAAL to the covered payroll was 9.4%.

Actuarial estimates of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, morality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the July 1, 2009 actuarial valuation, project unit credit method was used. The actuarial assumptions included a 4.5 percent discount rate, an annual health care cost trend rate of 9.5 percent reduced by decrements of .5 percent annually to an ultimate rate of 5 percent. The UAAL is being amortized as an open level dollar. The amortization of UAAL is done over a period of 30 years.

16. Commitments and Contingent Liabilities

A. Grants

The City has received financial assistance from numerous federal and state agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, liabilities resulting from disallowed claims, if any, will not have a material effect on the City's financial position as of June 30, 2011.

B. Litigation

The City Attorney reported that as of June 30, 2011, various claims and lawsuits were on file against the City, and estimated that the potential settlements against the City not covered by insurance would not materially affect the financial position of the City. The City has authority to levy additional taxes (outside the regular limit) to cover uninsured judgments against the City.

The City of Des Moines, Iowa is currently in a class action lawsuit regarding franchise fees charged for gas and electric utilities. The Supreme Court has ruled that the fee is not an illegal tax and may be charged. However, the ruling defined that only an amount reasonably related to the City's administrative expenses in exercising its policing power to regulate the franchises, including incidental costs may be collected. In June 2010, the Iowa District Court ruled that portions of the fee were illegal taxes. The Court did not enter a specific dollar amount in the form of a judgment against the City. The plaintiffs are seeking reimbursement of any fees collected that exceed the expenses allowed to be charged. The potential liability may range from \$0 to \$45 million. The City collects approximately \$12 million of franchise fees for gas and electric utilities each year. Insufficient information exists at this time to predict the financial outcome of this lawsuit.

C. Self-insurance

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

Airport, all General Fund, enterprise fund operations, and the Municipal Housing Agency are also covered by an excess liability policy with limits of \$10 million per occurrence.

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

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

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

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

	LOSSES IN EXCESS OF	
	PER INCIDENT	PER YEAR
Workers Compensation	\$ 550,000	up to statutory limits
Dental Benefits	—	\$ 1,976,133
Tort Liability	2,000,000	Variable

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

Liabilities are reported when it is probable that a loss will occur, and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering recent claim settlement trends, including frequency and amount of payouts and other economic and social factors. The following is a summary of estimated claims liability for

the year ended June 30, 2011 (with comparative amounts for 2010):

	<u>WORKERS COMPENSATION</u>	
	<u>2011</u>	<u>2010</u>
Balance at beginning of year	\$ 1,035,545	\$ 2,182,426
Current year claims and changes in estimate	6,653,444	2,041,263
Claim payments	<u>(1,751,777)</u>	<u>(3,188,144)</u>
Balance at end of year	<u>\$ 5,937,212</u>	<u>\$ 1,035,545</u>

	<u>LEGAL SETTLEMENTS</u>	
	<u>2011</u>	<u>2010</u>
Balance at beginning of year	\$ 580,000	\$ 460,000
Current year claims and changes in estimate	720,475	624,470
Claim payments	<u>(565,475)</u>	<u>(504,470)</u>
Balance at end of year	<u>\$ 735,000</u>	<u>\$ 580,000</u>

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

The City has a fully insured medical and prescription program for both retirees and employees with Wellmark. Premium payments totaled \$23,737,147 during fiscal year 2011. Settled claims have not exceeded coverage in any of the last three fiscal years. Dental insurance is self-funded and administered by Delta Dental of Iowa.

D. Construction Contracts

The City has recognized as a liability only that portion of construction contracts representing construction completed through June 30, 2011. The City has additional commitments for signed construction contracts of approximately \$44.43 million as of June 30, 2011. Of these commitments, approximately \$19.45 million will be funded by general obligation and revenue bonds, \$17.54 million by federal and state grants, \$4.55 million from operating revenues, \$489,000 from Airport passenger facility charges, and \$2.4 million from private contributions.

E. Arbitrage

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

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

	<u>Rebate Liability</u>	<u>Liability as of</u>
General Obligation Bonds issued 2006	\$ 75,809	December 31, 2010
General Obligation Bonds issued 2007	219,205	December 31, 2010
Stormwater Revenue Bonds issued 2006	45,579	November 30, 2010

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

F. Developer Commitments

In order to encourage development within designated TIF districts, the City Council has approved developer grants to 28 different projects. The grants are to be paid only after certain conditions have been met by each project developer, and are to be paid over many years in the form of a rebate of a predetermined percentage of future property taxes generated by the property. Currently, it is estimated that outstanding commitments totaling about \$135.4 million exist, of which \$7.9 million may be eligible to be paid in the next fiscal year. These items are expensed in the period in which they are paid. No liability is recognized due to the fact that the agreements are conditional and the payments are to be funded by future property taxes receivable on the project and are subject to the City Council's right of non-appropriation each fiscal year.

17. Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund type Definitions*, was implemented during the year ended June 30, 2011. The effect of fund type reclassifications is as follows:

	<u>General</u>	<u>Non-Major</u>	
		<u>Urban Development Action Grant</u>	<u>Other Special Revenue</u>
Balances June 30, 2010 as previously reported	\$ 13,834,408	\$ 2,955,142	\$ 10,388,382
Change in fund type classification per implementation of GASB Statement No. 54	979,263	(2,955,142)	1,975,879
Balances July 1, 2010, as restated	<u>\$ 14,813,671</u>	<u>\$ -</u>	<u>\$ 12,364,261</u>

18. Fund Balances

In fiscal year 2011 the City of Des Moines adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. The statement establishes criteria for reclassifying fund balances into specifically defined classifications and clarified definitions for governmental fund types. The details for the City of Des Moines' fund balances are the following:

Fund Balances (deficits):	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>TAX INCREMENT</u>
Nonspendable:			
Advances	\$ 3,878,507	\$ ---	\$ ---
Inventories	18,438	---	---
Prepays	443,152	---	---
Corpus for permanent funds	---	---	---
Total nonspendable	<u>4,340,097</u>	<u>---</u>	<u>---</u>
Restricted:			
Federal, state, and local grants	250,000	---	---
Road Use	---	---	---
Maintenance on public land, cemetery	---	---	---
Debt Service	---	51,749,947	---
Capital improvements and maintenance	---	---	1,726,753
Police department	---	---	---
Fire department	---	---	---
SSMID districts	---	---	---
Community projects	---	---	---
Library gift fund	---	---	---
Scholarship	---	---	---
Total restricted	<u>250,000</u>	<u>51,749,947</u>	<u>1,726,753</u>
Committed			
Capital improvements and maintenance	---	---	---
Maintenance on public land, cemetery	---	---	---
Economic development	---	---	---
Community projects	---	---	---
Total committed	<u>---</u>	<u>---</u>	<u>---</u>
Unassigned	<u>13,554,759</u>	<u>---</u>	<u>---</u>
Total fund balances (deficits)	<u>\$ 18,144,856</u>	<u>\$ 51,749,947</u>	<u>\$ 1,726,753</u>

BENEFIT TAX ACCOUNTS	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ ---	\$ ---	\$ ---	\$ 3,878,507
---	---	265,821	284,259
---	28,814	102,579	574,545
---	---	3,288,277	3,288,277
---	28,814	3,656,677	8,025,588
---	---	2,849,995	3,099,995
---	---	1,539,523	1,539,523
---	---	692,912	692,912
---	---	---	51,749,947
---	821,440	808,179	3,356,372
---	---	600,610	600,610
---	---	34,770	34,770
---	---	286,612	286,612
---	---	148,328	148,328
---	---	745,549	745,549
---	---	1,510	1,510
---	821,440	7,707,988	62,256,128
---	83,996,582	21,097	84,017,679
---	---	---	---
---	---	9,665,384	9,665,384
---	---	215,730	215,730
---	83,996,582	9,902,211	93,898,793
(799,457)	---	(5,666,195)	7,089,107
\$ (799,457)	\$ 84,846,836	\$ 15,600,681	\$ 171,269,616

19. New Pronouncements

During the year ended June 30, 2011, the City implemented the following GASB statements:

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement improves the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints. The City reclassified the fund balances for all governmental funds and restated the General Fund fund balance by \$979,263, and the Nonmajor governmental funds fund balance by (\$979,263) as a result of the implementation of this Statement.

GASB Statement No. 59, *Financial Instruments Omnibus*. This Statement updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. Specifically, this Statement provides financial reporting guidance by emphasizing the applicability of SEC requirements to certain external investment pools, addressing the applicability of GASB 53, *Accounting and Financial Reporting for Derivative Instruments*, and applying the reporting provisions for interest-earning investment contracts of GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. This statement had no effect on the current year financial statements.

As of June 30, 2011, the GASB has issued the following statements not yet implemented by the City. The statements which might impact the City are as follows:

GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, issued January 2010, will be effective for the City beginning with its year ending June 30, 2012. This Statement addresses issues related to measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans. GASB 57 amends GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, issued November 2010, will be effective for the City beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement, and disclosure requirements SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements.

This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, issued November, 2010, will be effective for the City beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, issued January 2011, will be effective for the City beginning with its year ending June 30, 2013. This Statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. This Statement incorporates into the GASB's authoritative literature the applicable guidance previously presented in the following pronouncements issued before November 30, 1989: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. By incorporating and maintaining this guidance in a single source, the GASB believes that GASB 62 reduces the complexity of locating and using authoritative literature needed to prepare state and local government financial reports.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued July 2011, will be effective for the City beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities deferred inflows of resources, and net position (which is the net residual amount of the other elements). The Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets.

GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53), issued July 2011, will be effective for the City beginning with its year ending June 30, 2012. This Statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. Those conditions are: (a) the collectability of swap payments is considered to be probable, (b) the replacement of the counterparty or credit support provider meets the criteria of an assignment or in-substance assignment as described in the Statement, and (c) the counterparty or counterparty credit support provider (and not the government) has committed the act of default or termination event. When all of these conditions exist, the GASB believes that the hedging relationship continues and hedge accounting should continue to be applied.

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

20. Subsequent Events

On February 14, 2011, the Des Moines City Council passed an ordinance creating the Des Moines Airport Authority. The Authority officially came into being on November 1, 2011, at which time all the assets (except land) of the Des Moines Airport passed from the City's control to the Authority. The Authority is led by a five member Authority Board whose members are nominated by the City Council and appointed by the Mayor.

The City continues to own the land at the Airport, and the Authority has a 99-year lease on that land. All City employees working for the Aviation Department were laid off at the City and offered positions with the Authority as of November 14, 2011; represented employees were also given the option to exercise their bumping rights to remain employed by the City of Des Moines. As defined in the agreement between the Authority and the City, the Authority will continue to use City services (accounting, payroll, human resources, police, etc.). The Authority's separation from the City is intended to be revenue-neutral to the City.

On July 13, 2011, the City closed on the first supplement of the Lease-Purchase Master Agreement with Wells Fargo. The City borrowed \$942,038 at an interest rate of 4.75%. The funds were used to reimburse the City for the purchase of six trucks which were originally obtained in February, 2011. Payments on the lease will be made semi-annually with a maturity date of 6/1/18.

REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF DES MOINES, IOWA
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS -- ALL GOVERNMENTAL FUNDS
AND ENTERPRISE FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2011**

	GOVERNMENTAL FUND TYPES	ENTERPRISE FUND TYPES		BUDGETED	AMOUNTS	FINAL TO ACTUAL
	BASIS ACTUAL	BASIS ACTUAL	NET	ORIGINAL	FINAL	POSITIVE (NEGATIVE)
	AMOUNTS	AMOUNTS				
Revenue:						
Taxes	\$ 137,636,622	\$ ---	\$ 137,636,622	\$ 138,417,869	\$ 138,511,167	\$ (874,545)
Franchise fees	13,101,045	---	13,101,045	13,004,000	13,247,000	(145,955)
Licenses and permits	3,000,666	---	3,000,666	3,527,000	4,784,380	(1,783,714)
Fines and forfeitures	2,774,839	---	2,774,839	2,636,500	2,413,200	361,639
Charges for sales and services	18,669,410	101,342,734	120,012,144	134,559,078	132,444,305	(12,432,161)
Use of money and property	2,951,264	689,523	3,640,787	4,729,398	3,133,166	507,621
Miscellaneous	23,261,748	1,307,551	24,569,299	32,691,343	31,958,392	(7,389,093)
Intergovernmental	77,495,820	41,179,306	118,675,126	89,153,881	112,601,271	6,073,855
Total revenue	<u>278,891,414</u>	<u>144,519,114</u>	<u>423,410,528</u>	<u>418,719,069</u>	<u>439,092,881</u>	<u>(15,682,353)</u>
Expenditure:						
Current:						
Public safety	88,491,836	---	88,491,836	86,901,299	90,609,728	2,117,892
Public works	27,836,071	---	27,836,071	27,814,142	28,865,422	1,029,351
Health and social services	22,035,804	---	22,035,804	19,766,306	25,006,993	2,971,189
Culture and recreation	19,296,846	---	19,296,846	20,515,464	20,466,588	1,169,742
Community and economic development	16,675,828	---	16,675,828	13,876,914	16,308,825	(367,003)
General government	23,969,996	---	23,969,996	18,930,834	19,815,515	(4,154,481)
Business-type		123,882,121	123,882,121	106,331,083	110,626,744	(13,255,377)
Capital outlay	59,829,539	50,094,940	109,924,479	123,968,342	149,236,794	39,312,315
Debt service	80,653,304	109,861,786	190,515,090	156,576,041	215,456,131	24,941,041
Total expenditure	<u>338,789,224</u>	<u>283,838,847</u>	<u>622,628,071</u>	<u>574,680,425</u>	<u>676,392,740</u>	<u>53,764,669</u>
Excess (deficiency) of revenue over expenditure	<u>(59,897,810)</u>	<u>(139,319,733)</u>	<u>(199,217,543)</u>	<u>(155,961,356)</u>	<u>(237,299,859)</u>	<u>38,082,316</u>
Other financing sources (uses):						
Transfers in	56,653,299	52,187,316	108,840,615	48,902,295	57,497,968	51,342,647
Other financing sources	121,689,054	109,440,414	231,129,468	127,496,800	185,318,975	45,810,493
Transfers out	(54,964,783)	(53,875,832)	(108,840,615)	(48,902,295)	(57,497,968)	(51,342,647)
Total other financing sources (uses)	<u>123,377,570</u>	<u>107,751,898</u>	<u>231,129,468</u>	<u>127,496,800</u>	<u>185,318,975</u>	<u>45,810,493</u>
Net change in fund balances	<u>63,479,760</u>	<u>(31,567,835)</u>	<u>31,911,925</u>	<u>\$ (28,464,556)</u>	<u>\$ (51,980,884)</u>	<u>\$ 83,892,809</u>
Fund balances, beginning of year	<u>157,630,875</u>	<u>59,049,666</u>	<u>216,680,541</u>			
Fund balances, end of year	<u>\$ 221,110,635</u>	<u>\$ 27,481,831</u>	<u>\$ 248,592,466</u>			

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

**CITY OF DES MOINES, IOWA
 BUDGETARY COMPARISON SCHEDULE --
 BUDGET TO GAAP RECONCILIATION
 REQUIRED SUPPLEMENTARY INFORMATION
 For the Fiscal Year Ended June 30, 2011**

	GOVERNMENTAL FUND TYPES		
	BUDGET MODIFIED	ACCRUAL	MODIFIED
	ACCRUAL BASIS	ADJUSTMENTS	ACCRUAL BASIS
Revenues	\$ 278,891,414	\$ (952,883)	\$ 277,938,531
Expenditures	338,789,224	(573,521)	338,215,703
Net	(59,897,810)	(379,362)	(60,277,172)
Other financing sources (uses)	123,377,570	(34,041)	123,343,529
Beginning fund balances	157,630,875	(49,427,616)	108,203,259
Ending fund balances	<u>\$ 221,110,635</u>	<u>\$ (49,841,019)</u>	<u>\$ 171,269,616</u>

	ENTERPRISE FUND TYPES		
	BUDGET MODIFIED	ACCRUAL	
	ACCRUAL BASIS	ADJUSTMENTS	ACCRUAL BASIS
Revenues	\$ 144,519,114	\$ 8,557	\$ 144,527,671
Expenditures	283,838,847	(152,129,758)	131,709,089
Net	(139,319,733)	152,138,315	12,818,582
Other financing sources (uses)	107,751,898	(109,440,414)	(1,688,516)
Beginning fund balances	59,049,666	457,951,698	517,001,364
Ending fund balances	<u>\$ 27,481,831</u>	<u>\$ 500,649,599</u>	<u>\$ 528,131,430</u>

See notes to required supplementary information.

**CITY OF DES MOINES, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION --
BUDGETARY REPORTING
June 30, 2011**

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

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. These ten functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, business-type and non-program. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, budget amendments increased budgeted disbursements by \$101,712,315. These budget amendments are reflected in the final budgeted amounts.

During the year ended June 30, 2011, disbursements exceeded the amounts budgeted in the community and economic development function, the general government function, and the business-type function.

**CITY OF DES MOINES, IOWA
OTHER POSTEMPLOYMENT BENEFIT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2011**

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2011	7/1/2009	\$ ---	\$ 14,269,349	\$ 14,269,349	\$ ---	\$152,549,355	9.4%
2010	7/1/2009	\$ ---	\$ 14,269,349	\$ 14,269,349	\$ ---	\$148,644,073	9.6%
2009	7/1/2007	\$ ---	\$ 8,495,106	\$ 8,495,106	\$ ---	\$146,458,858	5.8%

The information presented in the required supplementary schedule was determined as part of the actuarial valuation as of July 1, 2009. Additional information follows:

1. The cost method used to determine the ARC is the Projected Unit Credit Actuarial Cost method.
2. There are no plan assets.
3. Economic assumptions are as follows: health care cost trend rates of 5.0-9.5 percent; discount rate of 4.5 percent.
4. The amortization method is open, level dollar.

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





**CITY OF DES MOINES, IOWA
COMBINING BALANCE SHEET SCHEDULE
ALL GENERAL FUND ACCOUNTS
June 30, 2011**

	GENERAL	TORT LIABILITY	OTHER	TOTALS
ASSETS				
Cash and pooled cash investments	\$13,688,671	\$ ---	\$ 1,404,503	\$ 15,093,174
Taxes receivable	55,412,089	2,018,871	---	57,430,960
Special assessments receivable	78,695	---	---	78,695
Accounts receivable	3,487,529	---	---	3,487,529
Accrued interest receivable	91,029	---	---	91,029
Due from other funds	5,109	---	214,137	219,246
Due from other governmental units	820,277	---	---	820,277
Advance to other funds	3,878,507	---	---	3,878,507
Inventory	18,438	---	---	18,438
Prepaid items	438,761	677	3,714	443,152
Total assets	\$77,919,105	\$ 2,019,548	\$ 1,622,354	\$ 81,561,007
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 1,697,716	\$ 3,712	\$ 9,415	\$ 1,710,843
Accrued wages payable	5,051,342	54,218	---	5,105,560
Accrued employee benefits	14,391	---	---	14,391
Due to other funds	---	50,457	212,391	262,848
Good faith, security deposits	931,480	---	---	931,480
Deferred revenue	53,405,725	1,985,304	---	55,391,029
Total liabilities	61,100,654	2,093,691	221,806	63,416,151
Fund balance (deficit):				
Nonspendable	4,335,706	677	3,714	4,340,097
Restricted	---	---	250,000	250,000
Unassigned	12,482,745	(74,820)	1,146,834	13,554,759
Total fund balance (deficit)	16,818,451	(74,143)	1,400,548	18,144,856
Total liabilities and fund balance	\$77,919,105	\$ 2,019,548	\$ 1,622,354	\$ 81,561,007

CITY OF DES MOINES, IOWA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (DEFICIT)
ALL GENERAL FUND ACCOUNTS
For the Fiscal Year Ended June 30, 2011

	GENERAL	TORT LIABILITY	OTHER	TOTALS
Revenues:				
Taxes	\$ 55,528,306	\$ 1,933,267	\$ 12,086	\$ 57,473,659
Franchise fees	13,101,045	---	---	13,101,045
Licenses and permits	2,864,595	---	---	2,864,595
Fines and forfeitures	2,705,719	---	---	2,705,719
Charges for sales and services	15,769,305	---	(24,940)	15,744,365
Use of money and property	1,277,124	---	25,394	1,302,518
Miscellaneous revenue	17,239,302	750	35,806	17,275,858
Intergovernmental	2,015,891	---	---	2,015,891
Total revenues	110,501,287	1,934,017	48,346	112,483,650
Expenditures:				
Current:				
Public safety	83,337,010	171,493	23,532	83,532,035
Public works	9,399,632	---	---	9,399,632
Health and social services	329,959	---	---	329,959
Culture and recreation	18,933,431	---	---	18,933,431
Community and economic development	4,590,742	---	---	4,590,742
General governmental	15,339,930	1,431,397	137,039	16,908,366
Capital outlay	191,314	---	5,149	196,463
Total expenditures	132,122,018	1,602,890	165,720	133,890,628
Excess (deficiency) of revenues over expenditures	(21,620,731)	331,127	(117,374)	(21,406,978)
Other financing sources (uses):				
Transfers in	25,881,252	---	454,934	26,336,186
Transfers out	(1,477,751)	(295,828)	---	(1,773,579)
Proceeds from damage claims	56,413	---	---	56,413
Proceeds from capital asset sale	35,418	---	83,725	119,143
Total other financing sources (uses)	24,495,332	(295,828)	538,659	24,738,163
Net changes in fund balance	2,874,601	35,299	421,285	3,331,185
Restated Fund balance (deficit), beginning of year	13,943,850	(109,442)	979,263	14,813,671
Fund balance (deficit), end of year	\$ 16,818,451	\$ (74,143)	\$ 1,400,548	\$ 18,144,856

CITY OF DES MOINES, IOWA
COMBINING BALANCE SHEET SCHEDULE
ALL CAPITAL PROJECTS ACCOUNTS
June 30, 2011

	BRIDGE PROJECTS	MUNICIPAL BUILDINGS PROJECTS	STREET PROJECTS	PARK IMPROVEMENT PROJECTS
ASSETS				
Cash and pooled cash investments	\$ 6,383,604	\$ 12,911,547	\$20,499,857	\$ 11,270,669
Accounts receivable	---	5,100	384	50
Special assessments receivable	---	---	---	---
Accrued interest receivable	---	---	---	---
Due from other funds	---	---	10,257,062	---
Due from other governmental units	519,077	80,231	1,211,775	474,686
Prepaid items	---	---	5,192	---
Long-term receivables	---	---	---	---
Total assets	\$ 6,902,681	\$ 12,996,878	\$31,974,270	\$ 11,745,405
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 6,609	\$ 55,578	\$ 140,566	\$ 130,517
Contracts payable	673,633	182,330	2,157,728	1,639,133
Accrued wages payable	25,171	87,675	92,055	95,076
Deferred revenue	120,000	---	331,791	375,335
Total liabilities	825,413	325,583	2,722,140	2,240,061
Fund balance:				
Nonspendable	---	---	5,192	---
Restricted	---	---	---	---
Committed	6,077,268	12,671,295	29,246,938	9,505,344
Total fund balance	6,077,268	12,671,295	29,252,130	9,505,344
Total liabilities and fund balance	\$ 6,902,681	\$ 12,996,878	\$31,974,270	\$ 11,745,405

<u>FIRE PROTECTION PROJECTS</u>	<u>LIBRARY PROJECTS</u>	<u>SPECIAL ASSESSMENT PROJECTS</u>	<u>URBAN RENEWAL PROJECTS</u>	<u>OTHER CAPITAL PROJECTS</u>	<u>TOTALS</u>
\$ 16,074,871	\$2,155,706	\$ 820,155	\$ 1,375,075	\$ 8,190,709	\$ 79,682,193
---	496,118	---	---	---	501,652
---	---	1,002	---	---	1,002
---	---	283	---	2,000	2,283
---	---	---	---	---	10,257,062
424,766	175,091	---	---	552,192	3,437,818
7,080	16,542	---	---	---	28,814
---	---	2,536,822	---	---	2,536,822
<u>\$ 16,506,717</u>	<u>\$2,843,457</u>	<u>\$ 3,358,262</u>	<u>\$ 1,375,075</u>	<u>\$ 8,744,901</u>	<u>\$ 96,447,646</u>
\$ ---	\$ 289,910	\$ ---	\$ 1,500	\$ 1,613,535	\$ 2,238,215
376,592	407,885	---	250,695	---	5,687,996
4,454	3,717	---	162	2,341	310,651
---	---	2,536,822	---	---	3,363,948
<u>381,046</u>	<u>701,512</u>	<u>2,536,822</u>	<u>252,357</u>	<u>1,615,876</u>	<u>11,600,810</u>
7,080	16,542	---	---	---	28,814
---	---	821,440	---	---	821,440
<u>16,118,591</u>	<u>2,125,403</u>	<u>---</u>	<u>1,122,718</u>	<u>7,129,025</u>	<u>83,996,582</u>
<u>16,125,671</u>	<u>2,141,945</u>	<u>821,440</u>	<u>1,122,718</u>	<u>7,129,025</u>	<u>84,846,836</u>
<u>\$ 16,506,717</u>	<u>\$2,843,457</u>	<u>\$ 3,358,262</u>	<u>\$ 1,375,075</u>	<u>\$ 8,744,901</u>	<u>\$ 96,447,646</u>

**CITY OF DES MOINES, IOWA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
ALL CAPITAL PROJECTS ACCOUNTS
For the Fiscal Year Ended June 30, 2011**

	BRIDGE PROJECTS	MUNICIPAL BUILDINGS PROJECTS	STREET PROJECTS	PARK IMPROVEMENT PROJECTS
Revenues:				
Charges for sales and services	\$ ---	\$ 20,400	\$ 7,200	\$ ---
Use of money and property	(5,733)	(14,772)	(42,737)	(17,449)
Miscellaneous	---	120,762	534,762	433,906
Intergovernmental	4,185,000	145,369	16,435,859	1,804,241
Total revenue	<u>4,179,267</u>	<u>271,759</u>	<u>16,935,084</u>	<u>2,220,698</u>
Expenditures:				
Current:				
Public safety	---	---	---	---
Public works	---	---	78,812	---
Culture and recreation	---	---	---	7,556
Community and economic development	---	---	---	---
General government	---	---	---	---
Capital outlay	5,157,246	3,683,774	29,967,939	9,304,964
Total expenditures	<u>5,157,246</u>	<u>3,683,774</u>	<u>30,046,751</u>	<u>9,312,520</u>
Excess (deficiency) of revenues over expenditures	<u>(977,979)</u>	<u>(3,412,015)</u>	<u>(13,111,667)</u>	<u>(7,091,822)</u>
Other financing sources (uses):				
General obligation bonds issued	---	6,800,000	12,285,000	5,425,000
Transfers in	---	4,200,622	4,087,503	27,500
Transfers out	---	(3,717,225)	---	(890,170)
Proceeds from damage claims	---	---	---	31,375
Proceeds from capital asset sale	---	1,267	---	39,763
Total other financing sources (uses)	<u>---</u>	<u>7,284,664</u>	<u>16,372,503</u>	<u>4,633,468</u>
Net changes in fund balance	(977,979)	3,872,649	3,260,836	(2,458,354)
Fund balance, beginning of year	<u>7,055,247</u>	<u>8,798,646</u>	<u>25,991,294</u>	<u>11,963,698</u>
Fund balance, end of year	<u>\$ 6,077,268</u>	<u>\$ 12,671,295</u>	<u>\$ 29,252,130</u>	<u>\$ 9,505,344</u>

<u>FIRE PROTECTION PROJECTS</u>	<u>LIBRARY PROJECTS</u>	<u>SPECIAL ASSESSMENT PROJECTS</u>	<u>URBAN RENEWAL PROJECTS</u>	<u>OTHER CAPITAL PROJECTS</u>	<u>TOTALS</u>
\$ ---	\$ ---	\$ 1,225	\$ 64,470	\$ ---	\$ 93,295
(11,769)	(1,173)	(302,855)	(935)	(10,543)	(407,966)
---	508,362	30,311	838,101	2,000	2,468,204
855,876	1,245,955	---	---	1,721,318	26,393,618
<u>844,107</u>	<u>1,753,144</u>	<u>(271,319)</u>	<u>901,636</u>	<u>1,712,775</u>	<u>28,547,151</u>
93,017	---	---	---	---	93,017
---	---	---	---	---	78,812
---	---	---	---	---	7,556
---	674,152	---	252,425	---	926,577
---	---	---	---	2,900,058	2,900,058
1,786,295	5,243,980	---	117,435	1,829,987	57,091,620
<u>1,879,312</u>	<u>5,918,132</u>	<u>---</u>	<u>369,860</u>	<u>4,730,045</u>	<u>61,097,640</u>
<u>(1,035,205)</u>	<u>(4,164,988)</u>	<u>(271,319)</u>	<u>531,776</u>	<u>(3,017,270)</u>	<u>(32,550,489)</u>
7,655,000	1,760,000	---	---	1,870,000	35,795,000
---	1,687,484	---	---	3,923,625	13,926,734
(525,000)	---	---	(3,883,189)	---	(9,015,584)
---	---	---	---	---	31,375
---	---	---	2,140	---	43,170
<u>7,130,000</u>	<u>3,447,484</u>	<u>---</u>	<u>(3,881,049)</u>	<u>5,793,625</u>	<u>40,780,695</u>
6,094,795	(717,504)	(271,319)	(3,349,273)	2,776,355	8,230,206
<u>10,030,876</u>	<u>2,859,449</u>	<u>1,092,759</u>	<u>4,471,991</u>	<u>4,352,670</u>	<u>76,616,630</u>
<u>\$ 16,125,671</u>	<u>\$ 2,141,945</u>	<u>\$ 821,440</u>	<u>\$ 1,122,718</u>	<u>\$ 7,129,025</u>	<u>\$ 84,846,836</u>

**CITY OF DES MOINES, IOWA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2011**

	SPECIAL REVENUE		
	CDBG	COMMUNITY SERVICES	OTHER
			EMPLOYEE BENEFITS
ASSETS			
Cash and pooled cash investments	\$ ---	\$ ---	\$ 142,000
Investments	---	---	---
Taxes receivable	---	---	10,830,195
Accounts receivable	365	66,769	119,279
Special assessments receivable	32,279	---	---
Contract sales receivable	---	---	---
Loans receivable, net of allowance for doubtful accounts	1,077,648	---	---
Property held for sale	1,200,000	---	---
Accrued interest receivable	5,783	---	---
Due from other governmental units	3,466,363	2,277,447	---
Inventory	---	---	---
Prepaid items	---	64,589	---
Total assets	\$ 5,782,438	\$ 2,408,805	\$ 11,091,474
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities:			
Accounts payable	\$ 628,961	\$ 545,033	\$ ---
Contracts payable	7,569	34,385	---
Accrued wages payable	152,305	61,447	133,989
Accrued employee benefits	---	---	300,551
Good faith, security deposits	---	---	---
Due to other funds	2,575,556	1,695,556	3,061,172
Deferred revenue	795,439	93,877	10,600,199
Total liabilities	4,159,830	2,430,298	14,095,911
Fund balances (deficits):			
Nonspendable	---	64,589	---
Restricted	1,622,608	---	---
Committed	---	---	---
Unassigned	---	(86,082)	(3,004,437)
Total fund balances (deficits)	1,622,608	(21,493)	(3,004,437)
Total liabilities and fund balances (deficits)	\$ 5,782,438	\$ 2,408,805	\$ 11,091,474

SPECIAL REVENUE		PERMANENT				TOTALS
ROAD USE TAX	OTHER SPECIAL REVENUE	PERMANENT CEMETERY MAINTENANCE	SWARTZELL ENDOWMENT	WEISE BIRD HABITATS		
\$ ---	\$ 2,023,058	\$ 355,326	\$ 37,137	\$ 2,650	\$ 2,560,171	
---	---	3,343,064	357,117	---	3,700,181	
3,615,843	1,256,944	---	---	---	15,702,982	
87,071	265,172	1,162	---	---	539,818	
3,027	---	---	---	---	35,306	
---	286,639	---	---	---	286,639	
---	8,118,187	---	---	---	9,195,835	
---	---	---	---	---	1,200,000	
---	39,887	---	---	---	45,670	
100	1,382,322	---	---	---	7,126,232	
265,821	---	---	---	---	265,821	
---	37,990	---	---	---	102,579	
<u>\$ 3,971,862</u>	<u>\$ 13,410,199</u>	<u>\$ 3,699,552</u>	<u>\$ 394,254</u>	<u>\$ 2,650</u>	<u>\$ 40,761,234</u>	
\$ 108,858	\$ 253,262	\$ ---	\$ ---	\$ ---	\$ 1,536,114	
---	4,843	---	---	---	46,797	
419,323	67,311	---	---	---	834,375	
---	---	---	---	---	300,551	
---	75,048	---	---	---	75,048	
1,638,337	---	---	---	---	8,970,621	
---	1,907,532	---	---	---	13,397,047	
<u>2,166,518</u>	<u>2,307,996</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>25,160,553</u>	
265,821	37,990	2,940,518	347,759	---	3,656,677	
1,539,523	3,737,678	759,034	46,495	2,650	7,707,988	
---	9,902,211	---	---	---	9,902,211	
---	(2,575,676)	---	---	---	(5,666,195)	
<u>1,805,344</u>	<u>11,102,203</u>	<u>3,699,552</u>	<u>394,254</u>	<u>2,650</u>	<u>15,600,681</u>	
<u>\$ 3,971,862</u>	<u>\$ 13,410,199</u>	<u>\$ 3,699,552</u>	<u>\$ 394,254</u>	<u>\$ 2,650</u>	<u>\$ 40,761,234</u>	

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2011

	SPECIAL REVENUE			
	CDBG	OTHER		ROAD USE TAX
		SERVICES	EMPLOYEE BENEFITS	
Revenues:				
Taxes	\$ ---	\$ ---	\$ 13,215,768	\$ ---
Licenses and permits	---	1,140	---	134,931
Fines and forfeitures	67,610	---	---	1,500
Charges for sales and services	2,472	129,486	---	2,555,392
Use of money and property	47,595	---	---	---
Miscellaneous	387,580	1,021,942	434,958	31,121
Intergovernmental	9,028,661	14,679,687	---	20,150,363
Total revenues	<u>9,533,918</u>	<u>15,832,255</u>	<u>13,650,726</u>	<u>22,873,307</u>
Expenditures:				
Current:				
Public safety	---	---	---	---
Public works	---	---	---	18,357,627
Health and social services	7,902,390	13,568,455	---	---
Culture and recreation	---	---	---	---
Community and economic development	29,159	---	---	---
General government	---	---	2,795,229	---
Capital outlay	613,281	168,120	---	11,898
Debt service:				
Principal retirement	---	---	---	111,127
Interest and fiscal charges	---	---	---	20,229
Total expenditures	<u>8,544,830</u>	<u>13,736,575</u>	<u>2,795,229</u>	<u>18,500,881</u>
Excess (deficiency) of revenues over expenditures	<u>989,088</u>	<u>2,095,680</u>	<u>10,855,497</u>	<u>4,372,426</u>
Other financing sources (uses):				
General obligation bonds issued	---	---	---	---
Transfers out	---	---	(10,382,303)	(2,006,121)
Loss from asset impairment	(800,000)	---	---	---
Proceeds from damage claims	---	---	---	59,889
Proceeds from capital asset sale	11,000	5,500	---	---
Total other financing sources (uses)	<u>(789,000)</u>	<u>5,500</u>	<u>(10,382,303)</u>	<u>(1,946,232)</u>
Net changes in fund balances	200,088	2,101,180	473,194	2,426,194
Restated fund balances (deficits), beginning of year	<u>1,422,520</u>	<u>(2,122,673)</u>	<u>(3,477,631)</u>	<u>(620,850)</u>
Fund balances (deficits), end of year	<u>\$ 1,622,608</u>	<u>\$ (21,493)</u>	<u>\$ (3,004,437)</u>	<u>\$ 1,805,344</u>

PERMANENT				
OTHER SPECIAL REVENUE	PERMANENT			TOTALS
	CEMETERY MAINTENANCE	SWARTZELL ENDOWMENT	WEISE BIRD HABITATS	
\$ 1,239,438	\$ ---	\$ ---	\$ ---	\$ 14,455,206
---	---	---	---	136,071
10	---	---	---	69,120
38,204	106,196	---	---	2,831,750
727,678	12,606	93	---	787,972
1,427,146	---	---	---	3,302,747
5,227,600	---	---	---	49,086,311
<u>8,660,076</u>	<u>118,802</u>	<u>93</u>	<u>---</u>	<u>70,669,177</u>
4,866,784	---	---	---	4,866,784
---	---	---	---	18,357,627
---	---	---	---	21,470,845
355,859	---	---	---	355,859
2,795,939	---	---	---	2,825,098
273,043	---	---	---	3,068,272
1,867,886	---	---	---	2,661,185
472,500	---	---	---	583,627
522,822	---	---	---	543,051
<u>11,154,833</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>54,732,348</u>
(2,494,757)	118,802	93	---	15,936,829
1,635,000	---	---	---	1,635,000
(413,000)	---	---	---	(12,801,424)
---	---	---	---	(800,000)
---	---	---	---	59,889
10,699	---	---	---	27,199
<u>1,232,699</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(11,879,336)</u>
(1,262,058)	118,802	93	---	4,057,493
12,364,261	3,580,750	394,161	2,650	11,543,188
<u>\$ 11,102,203</u>	<u>\$ 3,699,552</u>	<u>\$ 394,254</u>	<u>\$ 2,650</u>	<u>\$ 15,600,681</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
June 30, 2011

ASSETS	GOLF COURSES	SOLID WASTE SYSTEM	TOTALS
Current assets:			
Unrestricted current assets:			
Cash and pooled cash investments	\$ 4,500	\$ 3,937,904	\$ 3,942,404
Accounts receivable	7,242	148,345	155,587
Special assessments receivable	---	100,391	100,391
Due from other governmental units	---	21,653	21,653
Prepaid items	---	145	145
Total current assets	11,742	4,208,438	4,220,180
Noncurrent assets, capital assets:			
Land	123,497	---	123,497
Buildings	330,339	1,143,880	1,474,219
Improvements other than buildings	3,222,054	261,589	3,483,643
Machinery and equipment	1,042,365	13,157,907	14,200,272
Accumulated depreciation	(2,144,725)	(8,528,404)	(10,673,129)
Total capital assets (net of accumulated depreciation)	2,573,530	6,034,972	8,608,502
Total assets	\$ 2,585,272	\$ 10,243,410	\$ 12,828,682
LIABILITIES			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 7,378	\$ 221,842	\$ 229,220
Accrued wages payable	---	206,082	206,082
Accrued employee benefits	---	187,753	187,753
Due to other funds	47,662	---	47,662
Notes payable	---	445,465	445,465
Accrued interest payable	---	4,971	4,971
Total current liabilities	55,040	1,066,113	1,121,153
Noncurrent liabilities:			
Accrued employee benefits	---	369,762	369,762
Other postemployment benefits	3,775	133,424	137,199
Advance from other funds	3,927,871	---	3,927,871
Notes payable	---	1,135,559	1,135,559
Total noncurrent liabilities	3,931,646	1,638,745	5,570,391
Total liabilities	3,986,686	2,704,858	6,691,544
NET ASSETS			
Invested in capital assets, net of related debt	2,573,530	4,453,948	7,027,478
Unrestricted	(3,974,944)	3,084,604	(890,340)
Total net assets	\$ (1,401,414)	\$ 7,538,552	\$ 6,137,138

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2011

	<u>GOLF COURSES</u>	<u>SOLID WASTE SYSTEM</u>	<u>TOTALS</u>
Operating revenues:			
Charges for sales and services	\$ 240,359	\$ 12,082,415	\$ 12,322,774
Miscellaneous	123,767	---	123,767
Total operating revenues	<u>364,126</u>	<u>12,082,415</u>	<u>12,446,541</u>
Operating expenses:			
Personal services	(346)	4,457,300	4,456,954
Contractual services	103,494	4,703,908	4,807,402
Commodities	415	403,073	403,488
Depreciation	98,109	1,082,386	1,180,495
Other charges	29,449	630,390	659,839
Total operating expenses	<u>231,121</u>	<u>11,277,057</u>	<u>11,508,178</u>
Operating income	<u>133,005</u>	<u>805,358</u>	<u>938,363</u>
Non-operating revenues (expenses):			
Loss on disposal of capital assets	(22,568)	(170,916)	(193,484)
Investment earnings	---	11,212	11,212
Interest expense and fiscal charges	(15,263)	(79,555)	(94,818)
Total nonoperating revenues (expenses)	<u>(37,831)</u>	<u>(239,259)</u>	<u>(277,090)</u>
Income before transfers	95,174	566,099	661,273
Transfers out	<u>---</u>	<u>(21,840)</u>	<u>(21,840)</u>
Change in net assets	95,174	544,259	639,433
Total net assets - beginning	<u>(1,496,588)</u>	<u>6,994,293</u>	<u>5,497,705</u>
Total net assets - ending	<u>\$ (1,401,414)</u>	<u>\$ 7,538,552</u>	<u>\$ 6,137,138</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2011

	<u>GOLF COURSES</u>	<u>SOLID WASTE SYSTEM</u>	<u>TOTALS</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 258,117	\$ 12,026,753	\$ 12,284,870
Payments to suppliers	(163,293)	(5,661,797)	(5,825,090)
Payments to employees	---	(4,350,648)	(4,350,648)
Receipts from miscellaneous revenues	123,767	---	123,767
Net cash provided (used) by operating activities	<u>218,591</u>	<u>2,014,308</u>	<u>2,232,899</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Proceeds from interfund accounts	12,777	---	12,777
Payments to interfund accounts	(216,105)	(21,840)	(237,945)
Net cash provided (used) by noncapital and related financing activities	<u>(203,328)</u>	<u>(21,840)</u>	<u>(225,168)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest paid on capital debt	(15,263)	(80,673)	(95,936)
Principal paid on long-term debt	---	(564,201)	(564,201)
Proceeds from sale of capital assets	---	204,459	204,459
Acquisition and construction of capital assets	---	(1,654,515)	(1,654,515)
Net cash (used) by capital and related financing activities	<u>(15,263)</u>	<u>(2,094,930)</u>	<u>(2,110,193)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	---	11,212	11,212
Net cash provided by investing activities	<u>---</u>	<u>11,212</u>	<u>11,212</u>
Net decrease in cash and cash equivalents	---	(91,250)	(91,250)

	<u>GOLF COURSES</u>	<u>SOLID WASTE SYSTEM</u>	<u>TOTALS</u>
Cash and cash equivalents, beginning of year	\$ 4,500	\$ 4,029,154	\$ 4,033,654
Cash and cash equivalents, end of year	<u>\$ 4,500</u>	<u>\$ 3,937,904</u>	<u>\$ 3,942,404</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	<u>\$ 133,005</u>	<u>\$ 805,358</u>	<u>\$ 938,363</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	98,109	1,082,386	1,180,495
Accretion and amortization	---	76	76
(Increase) decrease in accounts receivable	17,758	(38,319)	(20,561)
Increase in special assessments receivable	---	4,310	4,310
(Increase) decrease in due from other governmental units	---	(21,653)	(21,653)
(Increase) decrease in prepaid items	---	803	803
Increase (decrease) in accounts payable	(29,935)	74,695	44,760
Increase (decrease) in accrued wages payable	---	21,762	21,762
Increase (decrease) in accrued employee benefits	(346)	84,890	84,544
Total adjustments	<u>85,586</u>	<u>1,208,950</u>	<u>1,294,536</u>
Net cash provided (used) by operating activities	<u>\$ 218,591</u>	<u>\$ 2,014,308</u>	<u>\$ 2,232,899</u>
Schedule of noncash capital and related financing activities:			
(Loss) on disposal of capital assets	\$ (22,568)	\$ (170,916)	\$ (193,484)

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
June 30, 2011

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUNI- CATIONS
ASSETS				
Current assets:				
Cash and pooled cash investments	\$ 853,001	\$ 196,518	\$ 175,767	\$ 121,045
Taxes receivable	17,810	---	---	---
Accounts receivable	498	1,537	---	---
Due from other governmental units	767	---	---	---
Prepaid items	4,640	1,170	40,360	470
Inventory	444,916	---	91,021	---
Total current assets	1,321,632	199,225	307,148	121,515
Noncurrent assets, capital assets:				
Machinery and equipment	86,200	16,312	1,114,041	30,770
Accumulated depreciation	(47,892)	(16,312)	(997,329)	(29,139)
Total capital assets, net of accumulated depreciation	38,308	---	116,712	1,631
Total assets	\$ 1,359,940	\$ 199,225	\$ 423,860	\$ 123,146
LIABILITIES				
Liabilities:				
Current liabilities:				
Accounts payable	\$ 357,237	\$ 316	\$ 26,932	\$ 3,193
Accrued wages payable	135,149	44,824	---	28,907
Accrued employee benefits	92,706	25,218	---	25,059
Unearned revenue	---	---	---	---
Total current liabilities	585,092	70,358	26,932	57,159
Noncurrent liabilities:				
Accrued employee benefits	223,290	60,740	---	60,356
Other postemployment benefits	67,836	23,123	2,770	6,420
Total noncurrent liabilities	291,126	83,863	2,770	66,776
Total liabilities	876,218	154,221	29,702	123,935
NET ASSETS				
Invested in capital assets, net of related debt	38,308	---	116,712	1,631
Unrestricted	445,414	45,004	277,446	(2,420)
Total net assets	\$ 483,722	\$ 45,004	\$ 394,158	\$ (789)

<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ 52,279	\$ 105,000	\$ 859,935	\$ 2,363,545
---	---	---	17,810
8,693	---	5,268	15,996
---	---	---	767
---	---	6,969	53,609
---	---	---	535,937
<u>60,972</u>	<u>105,000</u>	<u>872,172</u>	<u>2,987,664</u>
31,137,553	2,473,698	---	34,858,574
<u>(26,150,642)</u>	<u>(2,468,274)</u>	<u>---</u>	<u>(29,709,588)</u>
4,986,911	5,424	---	5,148,986
<u>\$ 5,047,883</u>	<u>\$ 110,424</u>	<u>\$ 872,172</u>	<u>\$ 8,136,650</u>
\$ 196,991	\$ ---	\$ ---	\$ 584,669
---	---	---	208,880
---	---	---	142,983
---	---	28,885	28,885
<u>196,991</u>	<u>---</u>	<u>28,885</u>	<u>965,417</u>
---	---	---	344,386
---	---	---	100,149
---	---	---	444,535
<u>196,991</u>	<u>---</u>	<u>28,885</u>	<u>1,409,952</u>
4,986,911	5,424	---	5,148,986
<u>(136,019)</u>	<u>105,000</u>	<u>843,287</u>	<u>1,577,712</u>
<u>\$ 4,850,892</u>	<u>\$ 110,424</u>	<u>\$ 843,287</u>	<u>\$ 6,726,698</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2011

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUN- ICATIONS
Operating revenues:				
Charges for sales and services	\$ 9,155,474	\$ 1,207,941	\$ 680,966	\$ 617,542
Miscellaneous	---	16,640	---	---
Total operating revenue	<u>9,155,474</u>	<u>1,224,581</u>	<u>680,966</u>	<u>617,542</u>
Operating expenses:				
Personal services	2,849,517	967,468	83,840	550,775
Contractual services	800,101	179,454	453,527	70,759
Commodities	4,942,523	31,658	96,702	35,101
Depreciation	6,068	---	55,702	652
Other charges	42,949	21,283	6,450	1,458
Total operating expenses	<u>8,641,158</u>	<u>1,199,863</u>	<u>696,221</u>	<u>658,745</u>
Operating income (loss)	<u>514,316</u>	<u>24,718</u>	<u>(15,255)</u>	<u>(41,203)</u>
Non-operating revenues:				
Donations and contributions	---	20,000	---	---
Proceeds from damage claims	---	5,019	---	---
Gain on disposal of capital assets	---	---	---	---
Transfers in	---	---	34,041	---
Total nonoperating revenues	<u>---</u>	<u>25,019</u>	<u>34,041</u>	<u>---</u>
Change in net assets	<u>514,316</u>	<u>49,737</u>	<u>18,786</u>	<u>(41,203)</u>
Total net assets - beginning	<u>(30,594)</u>	<u>(4,733)</u>	<u>375,372</u>	<u>40,414</u>
Total net assets - ending	<u>\$ 483,722</u>	<u>\$ 45,004</u>	<u>\$ 394,158</u>	<u>\$ (789)</u>

<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ 1,007,400	\$ 40,717	\$ 25,227,017	\$37,937,057
185,579	750	---	202,969
<u>1,192,979</u>	<u>41,467</u>	<u>25,227,017</u>	<u>38,140,026</u>
---	---	---	4,451,600
888	5,674	24,891,651	26,402,054
7,670	26,753	---	5,140,407
1,447,183	3,546	---	1,513,151
---	---	---	72,140
<u>1,455,741</u>	<u>35,973</u>	<u>24,891,651</u>	<u>37,579,352</u>
<u>(262,762)</u>	<u>5,494</u>	<u>335,366</u>	<u>560,674</u>
---	---	295,325	315,325
---	---	---	5,019
33,571	---	---	33,571
---	---	---	34,041
<u>33,571</u>	<u>---</u>	<u>295,325</u>	<u>387,956</u>
<u>(229,191)</u>	<u>5,494</u>	<u>630,691</u>	<u>948,630</u>
<u>5,080,083</u>	<u>104,930</u>	<u>212,596</u>	<u>5,778,068</u>
<u>\$ 4,850,892</u>	<u>\$ 110,424</u>	<u>\$ 843,287</u>	<u>\$ 6,726,698</u>

**CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2011**

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUNI- CATIONS
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 43,348	\$ 8,968	\$ 44	\$ ---
Receipts from interfund services provided	9,137,055	1,214,076	680,922	617,542
Payments to suppliers	(5,881,136)	(78,279)	(567,355)	(92,625)
Payments to employees	(2,849,580)	(963,806)	(154,285)	(523,001)
Payments for interfund services used	(104,048)	(158,559)	---	(16,476)
Net cash provided (used) by operating activities	<u>345,639</u>	<u>22,400</u>	<u>(40,674)</u>	<u>(14,560)</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Donations and Contributions	---	20,000	---	---
Proceeds from interfund accounts	---	---	34,041	---
Payments to interfund accounts	---	---	---	---
Proceeds from damage claims	---	5,019	---	---
Intergovernmental	(185)	---	---	---
Net cash provided (used) by noncapital and related financing activities	<u>(185)</u>	<u>25,019</u>	<u>34,041</u>	<u>---</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(30,519)	---	---	---
Proceeds from sale of capital assets	---	---	---	---
Net cash used in capital and related financing activities	<u>(30,519)</u>	<u>---</u>	<u>---</u>	<u>---</u>
Net increase (decrease) in cash and cash equivalents	314,935	47,419	(6,633)	(14,560)

<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ 194,171	\$ 750	\$ 1,868,871	\$ 2,116,152
1,007,400	40,717	23,359,054	36,056,766
(116,400)	(32,427)	(23,219,409)	(29,987,631)
---	---	---	(4,490,672)
---	---	(1,443,906)	(1,722,989)
<u>1,085,171</u>	<u>9,040</u>	<u>564,610</u>	<u>1,971,626</u>
---	---	295,325	315,325
---	---	---	34,041
(61,010)	---	---	(61,010)
---	---	---	5,019
<u>17,691</u>	<u>---</u>	<u>---</u>	<u>17,506</u>
<u>(43,319)</u>	<u>---</u>	<u>295,325</u>	<u>310,881</u>
(1,555,101)	---	---	(1,585,620)
<u>33,571</u>	<u>---</u>	<u>---</u>	<u>33,571</u>
<u>(1,521,530)</u>	<u>---</u>	<u>---</u>	<u>(1,552,049)</u>
(479,678)	9,040	859,935	730,458

(continued)

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2011

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUNI- CATIONS
Cash and cash equivalents, beginning of year	\$ 538,066	\$ 149,099	\$ 182,400	\$ 135,605
Cash and cash equivalents, end of year	<u>\$ 853,001</u>	<u>\$ 196,518</u>	<u>\$ 175,767</u>	<u>\$ 121,045</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	<u>514,316</u>	<u>24,718</u>	<u>(15,255)</u>	<u>(41,203)</u>
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:				
Depreciation expense	6,068	---	55,702	652
(Increase) decrease in accounts and taxes receivable	24,928	(1,537)	---	---
(Increase) decrease in inventories	(73,452)	---	(6,024)	---
(Increase) decrease in prepaid items	231	(1,170)	(10,502)	(55)
Increase (decrease) in accounts payable and other liabilities	(126,389)	(3,273)	5,850	(1,728)
Increase (decrease) in accrued wages payable	15,646	4,994	(6,179)	7,435
Increase (decrease) in accrued employee benefits	(15,709)	(1,332)	(64,266)	20,339
Increase (decrease) in due to other governmental units	---	---	---	---
(Decrease) in deferred revenue	---	---	---	---
Total adjustments	<u>(168,677)</u>	<u>(2,318)</u>	<u>(25,419)</u>	<u>26,643</u>
Net cash provided (used) by operating activities	<u>\$ 345,639</u>	<u>\$ 22,400</u>	<u>\$ (40,674)</u>	<u>\$ (14,560)</u>
Schedule of noncash capital and related financing activities:				
Gain (Loss) on sale of capital asset	---	---	---	---

<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ 531,957	\$ 95,960	\$ ---	\$ 1,633,087
\$ 52,279	\$ 105,000	\$ 859,935	\$ 2,363,545
(262,762)	5,494	335,366	560,674
1,447,183	3,546	---	1,513,151
8,592	---	908	32,891
---	---	---	(79,476)
---	---	1,800,311	1,788,815
(107,842)	---	(141,074)	(374,456)
---	---	---	21,896
---	---	---	(60,968)
---	---	(1,443,906)	(1,443,906)
---	---	13,005	13,005
1,347,933	3,546	229,244	1,410,952
\$ 1,085,171	\$ 9,040	\$ 564,610	\$ 1,971,626
33,571	---	---	33,571

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2011

	BALANCE			BALANCE
	JULY 1, 2010	ADDITIONS	DEDUCTIONS	JUNE 30, 2011
WRA ASSETS				
Cash and pooled cash investments	\$ 70,991,983	\$ 185,639,879	\$ 193,918,967	\$ 62,712,895
Accounts receivable	650,124	37,901,963	37,633,769	918,318
Total assets	\$ 71,642,107	\$ 223,541,842	\$ 231,552,736	\$ 63,631,213
LIABILITIES				
Accounts payable	\$ 71,642,107	\$ 198,819,094	\$ 206,829,988	\$ 63,631,213
Total liabilities	\$ 71,642,107	\$ 198,819,094	\$ 206,829,988	\$ 63,631,213
Employees' Payroll Withholding ASSETS				
Cash and pooled cash investments	\$ 170,821	\$ 144,129,235	\$ 144,038,599	\$ 261,457
Accounts receivable	6,252	---	6,252	---
Total assets	\$ 177,073	\$ 144,129,235	\$ 144,044,851	\$ 261,457
LIABILITIES				
Accounts payable	\$ 169,949	\$ 144,042,292	\$ 143,955,349	\$ 256,892
Good faith/earnest deposits	7,124	---	2,559	4,565
Total liabilities	\$ 177,073	\$ 144,042,292	\$ 143,957,908	\$ 261,457
Corporation for Economic Development ASSETS				
Cash and pooled cash investments	\$ ---	\$ 294,777	\$ 66,166	\$ 228,611
Accounts receivable	---	6,166	---	6,166
Total assets	\$ ---	\$ 300,943	\$ 66,166	\$ 234,777
LIABILITIES				
Accounts payable	\$ ---	\$ 266,440	\$ 31,663	\$ 234,777
Total liabilities	\$ ---	\$ 266,440	\$ 31,663	\$ 234,777
Other Agency ASSETS				
Cash and pooled cash investments	\$ ---	\$ 126,030	\$ 115,531	\$ 10,499
Accounts receivable	25,369	126,030	151,399	---
Total assets	\$ 25,369	\$ 252,060	\$ 266,930	\$ 10,499
LIABILITIES				
Accounts payable	\$ 25,369	\$ 116,750	\$ 131,620	\$ 10,499
Total liabilities	\$ 25,369	\$ 116,750	\$ 131,620	\$ 10,499

	BALANCE			BALANCE
	JULY 1, 2010	ADDITIONS	DEDUCTIONS	JUNE 30, 2011
Ceba Grants				
ASSETS				
Cash and pooled cash investments	\$ ---	\$ 200,000	\$ 200,000	\$ ---
Total assets	\$ ---	\$ 200,000	\$ 200,000	\$ ---
LIABILITIES				
Accounts payable	\$ ---	\$ 200,000	\$ 200,000	\$ ---
Total liabilities	\$ ---	\$ 200,000	\$ 200,000	\$ ---
TOTAL ASSETS				
Cash and pooled cash investments	\$ 71,162,804	\$ 330,389,921	\$ 338,339,263	\$ 63,213,462
Accounts receivable	681,745	38,034,159	37,791,420	924,484
Total assets	\$ 71,844,549	\$ 368,424,080	\$ 376,130,683	\$ 64,137,946
TOTAL LIABILITIES				
Accounts payable	\$ 71,837,425	\$ 343,444,576	\$ 351,148,620	\$ 64,133,381
Good faith/earnest deposits	7,124	---	2,559	4,565
Total liabilities	\$ 71,844,549	\$ 343,444,576	\$ 351,151,179	\$ 64,137,946

CITY OF DES MOINES, IOWA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION
For the Fiscal Year Ended June 30, 2011

Function	GOVERNMENTAL FUNDS CAPITAL ASSETS			GOVERNMENTAL FUNDS CAPITAL ASSETS
	JULY 1, 2010	ADDITIONS	DELETIONS	JUNE 30, 2011
Public safety	\$ 74,531,421	\$ 1,780,047	\$ (469,724)	\$ 75,841,744
Human development	---	---	---	---
Home and community environment	---	---	---	---
General government	213,765,376	4,422,014	(12,516)	218,174,874
Public works	723,939,291	41,407,634	(69,303)	765,277,622
Health and social services	---	---	---	---
Culture and recreation	182,544,803	16,509,349	(97,422)	198,956,730
Community and economic development	4,910,247	611,736	(18,120)	5,503,863
Total Governmental Funds Capital Assets	\$ 1,199,691,138	\$ 64,730,780	\$ (667,085)	\$ 1,263,754,833

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

CITY OF DES MOINES, IOWA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS*
SCHEDULE OF CAPITAL ASSETS BY SOURCE
June 30, 2011

	June 30, 2011
	<u>BALANCE</u>
Governmental Funds Capital Assets:	
Land and Land Improvements	\$ 65,943,302
Buildings	150,093,801
Improvements	910,419,620
Machinery and Equipment	33,418,372
Construction in Progress	103,879,738
Total Governmental Funds Capital Assets	<u>\$ 1,263,754,833</u>

	June 30, 2011
	<u>BALANCE</u>
Investment in Governmental Funds Capital Assets:	
Investments in property acquired prior to January 1, 1964	\$ 31,348,037
Investments in property acquired after January 1, 1964 from:	
Capital Improvement Funds:	
General Obligation Bonds	554,942,659
Federal & State Grants	329,650,046
Federal Revenue Sharing	22,041,477
Contributions	30,769,173
Hotel/Motel Tax	55,005
General Fund	99,989,011
Special Revenue Funds	40,979,958
Special Assessments Funds	84,904,141
Contributions from Private Sources and Other Funds	67,006,168
Confiscated Funds	2,069,158
Total Governmental Funds Capital Assets	<u>\$ 1,263,754,833</u>

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

CITY OF DES MOINES, IOWA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION
June 30, 2011

Function	LAND AND LAND IMPROVEMENTS	BUILDINGS AND BLDG IMPROVEMENTS	IMPROVEMENTS OTHER THAN BUILDINGS	MACHINERY AND EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
Public safety	\$ 2,750,157	\$ 21,538,231	\$ 26,177,246	\$ 25,376,110	\$ ---	\$ 75,841,744
Human development	---	---	---	---	---	---
Home and community environment	---	---	---	---	---	---
General government	45,391,740	63,503,942	1,217,708	4,181,746	103,879,738	218,174,874
Public works	11,254,078	72,374	751,784,775	2,166,395	---	765,277,622
Health and social services	---	---	---	---	---	---
Culture and recreation	3,190,674	64,970,406	129,180,968	1,614,682	---	198,956,730
Community and economic development	3,356,653	8,848	2,058,923	79,439	---	5,503,863
Total Governmental Funds Capital Assets	\$ 65,943,302	\$ 150,093,801	\$ 910,419,620	\$ 33,418,372	\$ 103,879,738	\$ 1,263,754,833

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



CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2011

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
General Obligation Bonds:				
General Obligation Series 2001E	4.40	JDI	06-01	06-12
Taxable General Obligation Series 2002A	5.95	JDI	06-02	06-12
Taxable General Obligation Hotel/Motel Series 2002B	5.85	JDI	06-02	06-11
General Obligation Series 2002E	4.20 4.30 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00	JDI	06-02	06-22
General Obligation Series 2002F	4.00 4.10 4.20 4.30 4.40 4.50 4.60 4.65 4.70 4.75 4.85	JDI	06-02	06-22
Taxable General Obligation Series 2004E	5.30 5.40	JDI	06-04	06-13
General Obligation Bonds Series 2005B	4.00 4.25 4.50 4.50 4.50 4.50 4.50 4.50 5.00 5.00 5.00 5.00	JDI	06-05	06-25
General Obligation 2005C Urban Renewal	4.00 4.00 4.00 4.00 4.00 4.00	JDI	06-05	06-23

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
775,000	12	\$5,950,000	\$5,950,000	\$5,175,000	\$775,000
410,000	12	\$3,170,000	\$3,170,000	\$2,760,000	\$410,000
415,000	12	\$3,290,000	\$3,290,000	\$2,875,000	\$415,000
1,635,000	12	\$30,920,000	\$30,920,000	\$7,730,000	\$23,190,000
1,710,000	13				
1,790,000	14				
1,880,000	15				
1,970,000	16				
2,075,000	17				
2,180,000	18				
2,295,000	19				
2,420,000	20				
2,545,000	21				
2,690,000	22				
420,000	12	\$8,515,000	\$8,515,000	\$2,605,000	\$5,910,000
440,000	13				
455,000	14				
480,000	15				
505,000	16				
530,000	17				
560,000	18				
585,000	19				
610,000	20				
645,000	21				
680,000	22				
675,000	12	\$4,830,000	\$4,830,000	\$3,440,000	\$1,390,000
715,000	13				
1,215,000	12	\$27,775,000	\$27,775,000	\$4,940,000	\$22,835,000
1,275,000	13				
1,325,000	14				
1,380,000	15				
1,440,000	16				
1,500,000	17				
1,565,000	18				
1,635,000	19				
1,710,000	20				
1,785,000	21				
1,865,000	22				
1,955,000	23				
2,045,000	24				
2,140,000	25				
730,000	13	\$10,000,000	\$10,000,000	\$0	\$10,000,000
760,000	14				
790,000	15				
825,000	16				
860,000	17				
900,000	18				
940,000	19				

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2011

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
	4.00			
	4.00			
	4.10			
	4.20			
Taxable General Obligation Series 2005D	4.50	JDI	06-05	06-12
General Obligation Series 2005E	5.00	JDI	12-05	06-20
	5.00			
	5.00			
	5.00			
	4.50			
	4.50			
	4.50			
	4.50			
	4.50			
General Obligation Series 2006A	4.38	JDI	07-06	06-26
	4.38			
	4.38			
	4.38			
	4.38			
	4.50			
	4.50			
	4.50			
	4.50			
	4.50			
	4.63			
	4.63			
	4.63			
General Obligation 2006B Urban Renewal	4.25	JDI	07-06	06-26
	4.25			
	4.25			
	4.25			
	4.25			
	4.25			
	4.25			
	4.25			
	4.38			
	4.38			
	4.50			
	4.50			
	4.50			
	4.63			
General Obligation Series 2007A	5.10	JDI	04-07	06-19
	5.10			
	5.10			
	5.10			
	5.15			
	5.15			
	5.15			
	5.15			

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
980,000	20				
1,025,000	21				
1,070,000	22				
1,120,000	23				
890,000	12	\$4,985,000	\$4,985,000	\$4,095,000	\$890,000
2,105,000	12	\$28,185,000	\$28,185,000	\$6,455,000	\$21,730,000
2,205,000	13				
2,320,000	14				
2,435,000	15				
2,545,000	16				
2,670,000	17				
2,790,000	18				
2,915,000	19				
1,745,000	20				
830,000	12	\$20,295,000	\$20,295,000	\$3,000,000	\$17,295,000
865,000	13				
905,000	14				
945,000	15				
985,000	16				
1,030,000	17				
1,075,000	18				
1,125,000	19				
1,180,000	20				
1,235,000	21				
1,295,000	22				
1,355,000	23				
1,420,000	24				
1,490,000	25				
1,560,000	26				
405,000	12	\$9,210,000	\$9,210,000	\$855,000	\$8,355,000
420,000	13				
440,000	14				
455,000	15				
475,000	16				
500,000	17				
520,000	18				
545,000	19				
570,000	20				
595,000	21				
625,000	22				
655,000	23				
685,000	24				
715,000	25				
750,000	26				
355,000	12	\$4,635,000	\$4,635,000	\$1,220,000	\$3,415,000
380,000	13				
395,000	14				
415,000	15				
435,000	16				
455,000	17				
480,000	18				
500,000	19				

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2011

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
General Obligation Series 2007B	4.13	JDI	06-07	06-27
	4.13			
	4.25			
	4.25			
	4.25			
	4.25			
	4.25			
	4.25			
	4.38			
	4.38			
	4.38			
	4.50			
	4.50			
	4.50			
	4.50			
General Obligation 2007C Urban Renewal	4.00	JDI	06-07	06-22
	4.00			
	4.00			
	4.00			
	4.00			
	4.13			
	4.13			
	4.13			
	4.25			
	4.25			
General Obligation Series 2008D	3.25	JDI	06-08	06-28
	3.25			
	3.50			
	3.75			
	3.75			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.13			
	4.13			
	4.25			
	4.25			
	4.38			
	4.38			
General Obligation 2008E Urban Renewal	3.00	JDI	06-08	06-23
	3.25			
	3.25			
	3.50			
	3.50			
	3.75			
	3.75			
	4.00			
	4.00			
	4.00			
	4.00			
	4.10			

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
740,000	12	\$18,415,000	\$18,415,000	\$1,920,000	\$16,495,000
770,000	13				
800,000	14				
835,000	15				
870,000	16				
910,000	17				
945,000	18				
985,000	19				
1,030,000	20				
1,075,000	21				
1,120,000	22				
1,170,000	23				
1,225,000	24				
1,280,000	25				
1,340,000	26				
1,400,000	27				
880,000	12	\$15,045,000	\$15,045,000	\$3,130,000	\$11,915,000
915,000	13				
950,000	14				
990,000	15				
1,035,000	16				
1,075,000	17				
1,125,000	18				
1,170,000	19				
1,220,000	20				
1,275,000	21				
1,280,000	22				
935,000	12	\$24,055,000	\$24,055,000	\$1,620,000	\$22,435,000
965,000	13				
995,000	14				
1,035,000	15				
1,075,000	16				
1,115,000	17				
1,165,000	18				
1,215,000	19				
1,270,000	20				
1,325,000	21				
1,390,000	22				
1,460,000	23				
1,530,000	24				
1,610,000	25				
1,695,000	26				
1,780,000	27				
1,875,000	28				
355,000	12	\$6,325,000	\$6,325,000	\$985,000	\$5,340,000
365,000	13				
380,000	14				
395,000	15				
410,000	16				
425,000	17				
445,000	18				
465,000	19				
490,000	20				
510,000	21				
535,000	22				
565,000	23				

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2011

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
Taxable General Obligation Bonds 2009A	2.25 2.50 2.75	JDI	03-09	06-14
General Obligation 2009B Urban Renewal	2.00 2.00 2.50 3.00 3.00 3.00 3.00 3.25 3.38	JDI	03-09	06-21
General Obligation Series 2009C	2.00 2.00 2.25 2.25 2.50 2.75 3.00 3.25	JDI	03-09	06-19
Taxable General Obligation Bonds 2009E	2.63 3.00 3.63 3.88 4.50 4.50 4.65 4.80 5.00 5.20 5.35 5.45 5.60 5.70 5.75 5.80 5.85 5.90	JDI	06-09	06-29
General Obligation 2009F Urban Renewal	2.50 2.50 2.50 2.50 3.00 3.00	JDI	06-09	06-17
Taxable General Obligation Bonds 2009G	2.50 3.00 3.50 3.88 4.38 4.75 4.75 5.00	JDI	06-09	06-19

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
195,000	12	\$1,155,000	\$1,155,000	\$545,000	\$610,000
200,000	13				
215,000	14				
215,000	12	\$2,870,000	\$2,870,000	\$400,000	\$2,470,000
220,000	13				
225,000	14				
230,000	15				
240,000	16				
250,000	17				
260,000	18				
270,000	19				
275,000	20				
285,000	21				
4,725,000	12	\$31,255,000	\$31,255,000	\$8,995,000	\$22,260,000
3,705,000	13				
3,815,000	14				
1,880,000	15				
1,930,000	16				
1,995,000	17				
2,065,000	18				
2,145,000	19				
575,000	12	\$19,605,000	\$19,605,000	\$740,000	\$18,865,000
590,000	13				
605,000	14				
620,000	15				
635,000	16				
655,000	17				
675,000	18				
700,000	19				
1,130,000	20				
1,175,000	21				
1,225,000	22				
1,275,000	23				
1,335,000	24				
1,395,000	25				
1,460,000	26				
1,530,000	27				
1,605,000	28				
1,680,000	29				
365,000	12	\$3,055,000	\$3,055,000	\$715,000	\$2,340,000
375,000	13				
385,000	14				
395,000	15				
405,000	16				
415,000	17				
290,000	12	\$3,115,000	\$3,115,000	\$465,000	\$2,650,000
300,000	13				
310,000	14				
320,000	15				
335,000	16				
350,000	17				
365,000	18				
380,000	19				

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2011

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
General Obligation Series 2010A	2.00	JDI	01-10	06-24
	2.00			
	2.00			
	2.50			
	3.00			
	3.00			
	3.25			
	3.50			
	3.50			
	4.00			
	4.00			
	4.00			
	4.00			
General Obligation 2010B Urban Renewal	3.00	JDI	01-10	06-24
	3.00			
	3.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
General Obligation Capital Loan Notes 2010C	5.00	JDI	03-10	06-16
	5.00			
	5.00			
	5.00			
	5.00			
General Obligation Bonds 2010D	2.00	JDI	06-10	06-30
	2.00			
	2.00			
	2.00			
	2.38			
	2.63			
	2.75			
	3.00			
	3.25			
	3.25			
	3.25			
	3.25			
	3.38			
	4.00			
	4.00			
4.00				
4.00				
4.13				
Taxable General Obligation Bonds 2010E	1.20	JDI	06-10	06-13
	1.65			
General Obligation Refunding Capital Loan Notes 2010H	4.00	JDI	12-10	06-25

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
1,655,000	12	\$15,990,000	\$15,990,000	\$1,630,000	\$14,360,000
1,670,000	13				
1,725,000	14				
810,000	15				
830,000	16				
855,000	17				
875,000	18				
905,000	19				
935,000	20				
965,000	21				
1,005,000	22				
1,045,000	23				
1,085,000	24				
100,000	12	\$13,440,000	\$13,440,000	\$100,000	\$13,340,000
100,000	13				
970,000	14				
1,000,000	15				
1,050,000	16				
1,050,000	17				
1,100,000	18				
1,190,000	19				
1,245,000	20				
1,300,000	21				
1,350,000	22				
1,410,000	23				
1,475,000	24				
5,245,000	12	\$22,630,000	\$22,630,000	\$5,125,000	\$17,505,000
5,740,000	13				
3,300,000	14				
2,220,000	15				
1,000,000	16				
665,000	12	\$25,330,000	\$25,330,000	\$100,000	\$25,230,000
1,200,000	13				
1,500,000	14				
1,530,000	15				
1,570,000	16				
1,615,000	17				
1,670,000	18				
1,725,000	19				
1,015,000	20				
1,055,000	21				
1,095,000	22				
1,140,000	23				
1,185,000	24				
1,235,000	25				
1,290,000	26				
1,345,000	27				
1,400,000	28				
1,465,000	29				
1,530,000	30				
690,000	12	\$2,260,000	\$2,260,000	\$1,300,000	\$960,000
270,000	13				
940,000	12	\$65,360,000	\$65,360,000	\$0	\$65,360,000

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
3,155,000	13				
4,715,000	14				
4,975,000	15				
5,245,000	16				
5,530,000	17				
5,830,000	18				
6,150,000	19				
6,490,000	20				
6,850,000	21				
7,235,000	22				
4,235,000	23				
1,960,000	24				
2,050,000	25				
2,620,000	12	\$45,520,000	\$45,520,000	\$0	\$45,520,000
2,785,000	13				
2,855,000	14				
2,900,000	15				
2,970,000	16				
3,050,000	17				
3,145,000	18				
1,850,000	19				
1,880,000	20				
1,960,000	21				
2,060,000	22				
2,145,000	23				
2,225,000	24				
2,315,000	25				
2,405,000	26				
1,535,000	27				
1,595,000	28				
1,660,000	29				
1,755,000	30				
1,810,000	31				
		<u>\$477,185,000</u>	<u>\$477,185,000</u>	<u>\$72,920,000</u>	<u>\$404,265,000</u>

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
265,000	12	\$5,965,000	\$5,965,000	\$1,437,000	\$4,528,000
273,000	13				
281,000	14				
290,000	15				
298,000	16				
307,000	17				
316,000	18				
326,000	19				
336,000	20				
346,000	21				
356,000	22				
367,000	23				
378,000	24				
389,000	25				
475,000	12				
490,000	13				
510,000	14				
530,000	15				
550,000	16				
575,000	17				
600,000	18				
625,000	19				
1,175,000	12	\$14,040,000	\$14,040,000	\$1,115,000	\$12,925,000
1,230,000	13				
1,290,000	14				
1,360,000	15				
1,425,000	16				
1,495,000	17				
1,570,000	18				
1,650,000	19				
1,730,000	20				

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
895,000	12	\$16,750,000	\$16,750,000	\$3,260,000	\$13,490,000
920,000	13				
940,000	14				
975,000	15				
1,015,000	16				
1,045,000	17				
1,080,000	18				
1,205,000	19				
1,260,000	20				
1,320,000	21				
1,385,000	22				
1,450,000	23				
1,115,000	12	\$19,300,000	\$19,300,000	\$1,060,000	\$18,240,000
1,135,000	13				
1,165,000	14				
1,195,000	15				
1,215,000	16				
1,255,000	17				
1,290,000	18				
1,360,000	19				
625,000	20				
650,000	21				
675,000	22				
700,000	23				
730,000	24				
765,000	25				
795,000	26				
835,000	27				
870,000	28				
910,000	29				
955,000	30				
670,000	12	\$5,100,000	\$5,100,000	\$0	\$5,100,000
685,000	13				
705,000	14				
725,000	15				
740,000	16				
770,000	17				
805,000	18				
		<u>\$41,150,000</u>	<u>\$41,150,000</u>	<u>\$4,320,000</u>	<u>\$36,830,000</u>
765,000	12	\$19,545,000	\$19,545,000	\$3,925,000	\$15,620,000
1,505,000	13				
1,590,000	14				
1,685,000	15				
1,785,000	16				
1,890,000	17				
2,005,000	18				
2,130,000	19				
2,265,000	20				

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2011

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
Parking System Capital Loan Notes, Series 2009D	3.75	JDI	03-09	06-12
Total Parking Facilities Bonds				
<i>Airport Revenue Bonds:</i>				
Aviation System Revenue Bonds Series 1998B	5.13 5.13 5.13 5.13 5.13 5.13 5.13 5.13 5.13	JJI	04-98	07-28
Aviation System Revenue Capital Loan Notes Series 2010A	4.50 5.00	JDI	12-10	06-28
Aviation System Revenue Capital Loan Notes Series 2010B	4.00 5.00 5.00 5.00 5.13 5.63 5.75	JDI	12-10	06-33
Aviation System Revenue Capital Loan Notes Series 2010C	2.08 2.59 3.43 3.73 4.34 4.59 4.98	JDI	12-10	06-18
Aviation System Revenue Capital Loan Notes Series 2010C	5.13	JDI	12-10	06-35
Total Airport Revenue Bonds				
Total Revenue Bonds				
Total General Obligation and Revenue Bonds				

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
995,000	12	\$2,845,000	\$2,845,000	\$1,850,000	\$995,000
		<u>\$22,390,000</u>	<u>\$22,390,000</u>	<u>\$5,775,000</u>	<u>\$16,615,000</u>
1,070,000	21	\$23,870,000	\$23,870,000	\$12,020,000	\$11,850,000
1,125,000	22				
1,180,000	23				
1,240,000	24				
1,305,000	25				
1,375,000	26				
1,445,000	27				
1,515,000	28				
1,595,000	29				
1,485,000	25	\$5,225,000	\$5,225,000	\$0	\$5,225,000
3,740,000	28				
840,000	18	\$15,990,000	\$15,990,000	\$0	\$15,990,000
1,860,000	19				
895,000	20				
935,000	21				
2,760,000	24				
3,370,000	30				
5,330,000	33				
1,450,000	12	\$10,330,000	\$10,330,000	\$0	\$10,330,000
1,490,000	13				
1,525,000	14				
1,580,000	15				
1,630,000	16				
1,705,000	17				
950,000	18				
4,900,000	00-35	\$4,900,000	\$4,900,000	\$0	\$4,900,000
		<u>\$60,315,000</u>	<u>\$60,315,000</u>	<u>\$12,020,000</u>	<u>\$48,295,000</u>
		<u>\$149,020,000</u>	<u>\$149,020,000</u>	<u>\$25,472,000</u>	<u>\$123,548,000</u>
		<u>\$626,205,000</u>	<u>\$626,205,000</u>	<u>\$98,392,000</u>	<u>\$527,813,000</u>



OTHER INFORMATION





**CITY OF DES MOINES, IOWA
SCHEDULE OF INSURANCE IN FORCE
June 30, 2011
(Unaudited)**

<u>TYPE OF INSURANCE / INSURANCE COMPANY</u>	<u>POLICY NUMBER</u>	<u>POLICY PERIOD</u>
<u>PROPERTY INSURANCE</u>		
The Travelers Indemnity Company	KTK-CMB-6867N33-9-10	7-1-10/11
The Travelers Indemnity Company	KTK-CMB-7645N09-5-10	7-1-10/11
The Travlers Indemnity Company	M5J-BME1-5250R081-TIL-10	7-1-10/11
Housing Authority Property Insurance	HAPI-342-89705-2010	1-1-10/11
<u>FLOOD INSURANCE</u>		
National Flood Insurance Progam (N.F.I.P.)	Various	7-1-10/11
<u>EXCESS FLOOD INSURANCE</u>		
Arch Specialty Insurance Company	ESP003993500	7-1-10/11
<u>CRIME INSURANCE</u>		
Travelers Property Casualty Insurance Co.	020 BY 103299672 BCM	7-1-10/11
	020 BY 103299672 BCM	7-1-10/11
<u>SPECIAL EXCESS LIABILITY INSURANCE</u>		
Everest National Insurance Co.	71P6000311-101	7-1-10/11
<u>GENERAL LIABILITY INSURANCE</u>		
Housing Authority Retention Group	HARRG-342-89701-2010	1-1-10/11
Federal Insurance Company	3579-40-89DMO	11-1-10/7-1-11
The Travelers Indemnity Company	GP09315272	7-1-10/11
<u>AUTO LIABILITY INSURANCE</u>		
St. Paul Travelers	BA-5616R556-10-PUB	7-1-10/11
The Travelers Indemnity Company	BA-6374R39A-10-PUB	7-1-10/11
Federal Insurance Company	7352-86-79	11-1-10/7-1-11
Federal Insurance Company	7981-85-15	11-1-10/7-1-11
<u>PUBLIC OFFICIALS LIABILITY</u>		
The Travelers Indemnity Company	GP09315272	7-1-10/11
Everest National Insurance Co.	71P6000311-101	7-1-10/11
<u>AIRPORT LIABILITY INSURANCE</u>		
Federal Insurance Company (Chubb)	9957-4147-01	7-1-10/11
<u>POLLUTION LIABILITY INSURANCE</u>		
Illinois Union Insurance Company	PPLG24888228001	7-1-10/11
<u>WORKERS COMPENSATION INSURANCE</u>		
Volunteer Firemen's Insurance	CFP-5516-0076D-1	7-1-10/11
AIG Life Insurance Company	SRG-0009103048-A	7-1-10/11
Commerce & Industry Ins. Co. (Chartis)	WC009-87-2495	1-1-10/11
<u>EXCESS WORKERS COMPENSATION INSURANCE</u>		
Safety National Casualty Corp	SP4042256	7-1-10/11

NAMED INSURED / DETAILS OF COVERAGE	POLICY LIMITS	ANNUAL PREMIUM
<u>City of Des Moines</u>		
Buildings & Contents	\$ 659,449,783	\$ 405,015
Per Occurrence Replacement Value	250,000,000	
Business Interruption & Extra Expense	9,000,000	Included
Boiler & Machinery	100,000,000	Included
Earthquake	20,000,000	Included
Flood	5,000,000	Included
<u>Wastewater Reclamation Authority</u>		
Buildings & Contents	\$ 192,303,334	\$ 225,984
Per Occurrence Replacement Value	\$ 150,000,000	
Business Interruption & Extra Expense	\$ 5,000,000	Included
Earthquake	\$ 20,000,000	Included
Flood	\$ 5,000,000	Included
Equipment Breakdown (Boiler & Machinery)	\$ 100,000,000	\$ 22,252
<u>Municipal Housing Agency</u>		
Buildings & Contents	\$ 45,586,165	\$ 58,344
<u>City of Des Moines</u>		
(6 buildings in Flood Zone "A")	\$ 500,000	\$ 25,321
	per building	
<u>Wastewater Reclamation Authority</u>		
WRA - 4 locations	\$ 5,000,000	\$ 90,996
<u>Shared: City, WRA & DMMHA</u>		
Public Employee Dishonesty and Computer Fraud	\$ 2,000,000	\$ 6,650
Required for State of Iowa IJOBS Projects	\$ 10,000,000	\$ 11,379
<u>Shared: City, RWA & DMMHA</u>		
Citywide General, Automobile, Law Enforcement, Public Officials Liability, etc	\$ 10,000,000 \$ 2,000,000 SIR	\$ 185,600
<u>Municipal Housing Agency</u>		
General Liability	\$ 2,000,000	\$ 29,669
<u>Blank Park Zoo (Shared: City & Zoo Foundation)</u>		
General Liability	\$ 2,000,000	\$ 43,800
<u>Wastewater Reclamation Authority</u>		
General Liability	\$ 2,000,000	\$ 47,511
<u>Shared: City & DMMHA</u>		
Following enterprise fund activities included:	\$ 2,000,000	\$ 56,500
Curbside Recycling Pickup Program		Included
Sanitary/Storm Sewer		Included
Solid Waste Collection		Included
Wastewater Reclamation Facility		Included
Airport (Off-premise vehicle useage only)		Included
Municipal Housing Agency		Included
<u>Wastewater Reclamation Authority</u>		
Automobile liability	\$ 2,000,000	\$ 15,881
<u>Blank Park Zoo (Shared: City & Zoo Foundation)</u>		
Primary	\$ 1,000,000	\$ 7,827
Umbrella	\$ 1,000,000	\$ 5,335
<u>Wastewater Reclamation Authority</u>		
Primary	\$ 2,000,000	\$ 4,102
Excess	\$ 10,000,000	\$ 3,378
<u>City of Des Moines</u>		
Airport Liability	\$ 250,000,000	\$ 80,626
<u>Wastewater Reclamation Authority</u>		
Pollution Liability	\$ 2,000,000	\$ 15,631
<u>City - HazMat Team/Fire Dept Mutual Aid</u>		
Primary Occupational Medical	\$ 50,000	\$ 10,099
Excess Occupational Medical	\$ 500,000	\$ 8,346
<u>Municipal Housing Agency</u>		
Workers Compensation	Statutory	\$ 58,055
<u>City of Des Moines (including WRA Operations)</u>		
Excess Workers Compensation	Statutory	\$ 170,006



STATISTICAL SECTION



STATISTICAL SECTION

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

Contents	Page
Financial Trends	156
<i>These schedules contain trend information to help the reader understand how the City of Des Moines' financial performance and well-being have changed over time.</i>	
Revenue Capacity	175
<i>These schedules contain information to help the reader assess the City of Des Moines' most significant local revenue source, the property tax.</i>	
Debt Capacity	184
<i>These schedules present information to help the reader assess the affordability of the City of Des Moines' current levels of outstanding debt and the City of Des Moines' ability to issue additional debt in the future.</i>	
Demographic and Economic Information	193
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City of Des Moines' financial activities take place.</i>	
Operating Information	198
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City of Des Moines' financial report relates to the services the City of Des Moines provides and the activities it performs.</i>	

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

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

	2011	2010	2009	2008
Governmental activities:				
Invested in capital assets, net of related debt	\$ 466,931,679	\$ 486,181,597	\$ 440,586,015	\$ 426,382,213
Restricted:				
Capital projects	3,356,372	6,548,534	29,207,892	3,589,269
Debt retirement	51,749,947	1,418,451	553,233	-
Corpus/Endowments/permanently restricted	3,288,277	3,290,927	3,290,927	3,290,927
Donor restricted purposes/temporarily restricted	-	-	-	-
Tax increment	-	4,939,242	4,100,018	6,208,887
Public safety	3,079,649	-	-	-
Public works	1,539,523	-	-	-
Health and social services	2,872,173	-	-	-
Culture and recreation	1,439,971	-	-	-
Community and economic development	1,015,341	-	-	-
Unrestricted	13,549,075	12,531,402	16,598,697	25,561,312
Total governmental activities net assets	\$ 548,822,007	\$ 514,910,153	\$ 494,336,782	\$ 465,032,608
Business-type activities:				
Invested in capital assets, net of related debt	\$ 464,887,533	\$ 460,045,625	\$ 438,254,866	\$ 426,139,390
Restricted:				
Capital projects	-	-	1,466,998	426,932
Public housing program	14,087,504	14,184,972	15,279,740	11,602,131
Debt retirement	12,134,723	13,238,421	13,276,232	14,120,681
Contingency	-	-	-	-
Park & Ride operations and improvements	-	-	-	-
Bond proceeds	-	-	-	-
Unrestricted	33,493,278	26,299,450	33,326,841	46,321,403
Total business-type activities net assets	\$ 524,603,038	\$ 513,768,468	\$ 501,604,677	\$ 498,610,537
Primary government:				
Invested in capital assets, net of related debt	\$ 931,819,212	\$ 946,227,222	\$ 878,840,881	\$ 852,521,603
Restricted:				
Capital projects	3,356,372	6,548,534	30,674,890	4,016,201
Public housing program	14,087,504	14,184,972	15,279,740	11,602,131
Debt retirement	63,884,670	14,656,872	13,829,465	14,120,681
Endowments/permanently restricted	3,288,277	3,290,927	3,290,927	3,290,927
Donor restricted purposes/temporarily restricted	-	-	-	-
Public safety	3,079,649	-	-	-
Public works	1,539,523	-	-	-
Health and social services	2,872,173	-	-	-
Culture and recreation	1,439,971	-	-	-
Community and economic development	1,015,341	-	-	-
Tax increment	-	4,939,242	4,100,018	6,208,887
Contingency	-	-	-	-
Park & Ride operations and improvements	-	-	-	-
Bond proceeds	-	-	-	-
Unrestricted	47,042,353	38,830,852	49,925,538	71,882,715
Total primary government net assets	\$ 1,073,425,045	\$ 1,028,678,621	\$ 995,941,459	\$ 963,643,145

Table 1

2007	2006	2005	2004	2003	2002
\$ 392,270,393	\$ 378,108,106	\$ 341,478,239	\$ 283,051,413	\$ 302,984,333	\$ 314,400,407
24,194,587	-	-	-	-	-
16,776,784	1,323,588	3,183,118	35,085,535	-	5,851,885
3,290,927	3,315,718	3,315,718	3,198,213	3,149,371	-
-	74,992	74,992	70,943	88,658	-
901,380	267,348	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
29,858,916	64,928,149	95,513,873	85,874,449	77,442,165	24,006,861
\$ 467,292,987	\$ 448,017,901	\$ 443,565,940	\$ 407,280,553	\$ 383,664,527	\$ 344,259,153
\$ 389,752,986	\$ 387,871,130	\$ 366,495,501	\$ 304,593,891	\$ 264,082,710	\$ 253,557,940
4,206,726	2,638,618	2,611,377	12,977,017	-	-
8,898,800	4,018,535	1,173,665	-	-	-
13,933,351	8,006,505	9,969,544	15,330,012	41,318,918	18,840,768
-	-	-	-	-	1,895,378
-	-	-	-	-	8,808,976
-	-	-	-	8,451,084	-
37,878,037	31,601,920	28,644,175	199,624,746	197,990,899	205,904,127
\$ 454,669,900	\$ 434,136,708	\$ 408,894,262	\$ 532,525,666	\$ 511,843,611	\$ 489,007,189
\$ 782,023,379	\$ 765,979,236	\$ 707,973,740	\$ 587,645,304	\$ 567,067,043	\$ 567,958,347
28,401,313	2,638,618	2,611,377	12,977,017	-	-
8,898,800	4,018,535	1,173,665	-	-	-
30,710,135	9,330,093	13,152,662	50,415,547	41,318,918	24,692,653
3,290,927	3,315,718	3,315,718	3,198,213	3,149,371	-
-	74,992	74,992	70,943	88,658	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
901,380	267,348	-	-	-	-
-	-	-	-	-	1,895,378
-	-	-	-	-	8,808,976
-	-	-	-	8,451,084	-
67,736,953	96,530,069	124,158,048	285,499,195	275,433,064	229,910,988
\$ 921,962,887	\$ 882,154,609	\$ 852,460,202	\$ 939,806,219	\$ 895,508,138	\$ 833,266,342

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

	2011	2010	2009
Expenses:			
Governmental activities:			
Public safety	\$ 93,375,900	\$ 92,779,497	\$ 92,546,848
Public works	46,184,974	46,828,147	43,987,100
Health and social services	22,007,150	23,095,540	18,530,235
Culture and recreation	26,293,968	28,165,552	29,408,262
Community and economic development	17,054,115	13,713,121	15,946,402
General Government	31,732,926	23,827,266	23,848,042
Community protection	-	-	-
Human development	-	-	-
Home and community environment	-	-	-
Policy and administration	-	-	-
Interest on long-term debt	13,733,718	14,918,745	16,783,385
Total governmental activities expenses	250,382,751	243,327,868	241,050,274
Business-type activities:			
Airport	36,610,641	31,367,882	32,236,235
Parking facilities system	12,667,634	12,792,295	13,355,475
Sewer system	32,492,636	29,798,616	26,699,082
Stormwater utility	14,124,721	11,450,883	10,608,975
Golf	246,620	1,045,624	1,959,299
Solid waste system	11,410,969	10,813,656	11,523,915
Municipal Housing Agency	24,451,364	22,236,664	21,603,703
Total business-type activities expenses	132,004,585	119,505,620	117,986,684
Total primary government expenses	382,387,336	362,833,488	359,036,958
Program revenue:			
Governmental activities:			
Charges for services:			
Public safety	12,550,995	12,028,692	11,550,038
Public works	9,750,204	9,500,432	8,692,534
Health and social services	1,849,824	1,278,361	31,588
Culture and recreation	3,916,141	4,083,803	3,214,343
Community and economic development	850,016	172,646	63,640
General Government	16,881,970	13,678,772	12,309,518
Community protection	-	-	-
Human development	-	-	-
Home and community environment	-	-	-
Policy and administration	-	-	-

Table 2

	2008	2007	2006	2005	2004	2003	2002
\$	91,316,811	\$ 86,971,119	\$ 85,488,230	\$ 76,007,247	\$ 77,898,044	\$ 65,492,621	\$ -
	43,983,358	40,778,570	41,698,546	39,815,992	30,089,959	34,906,839	-
	612,374	1,082,618	17,998,463	15,543,088	15,291,731	13,654,217	-
	29,941,632	27,443,217	26,819,161	24,773,016	27,995,911	26,847,266	-
	34,806,759	24,176,152	9,810,740	3,268,445	2,841,744	4,470,109	-
	24,651,764	22,278,473	20,267,299	22,096,917	28,103,460	16,261,895	-
	-	-	-	-	-	-	65,925,102
	-	-	-	-	-	-	24,904,578
	-	-	-	-	-	-	95,400,260
	-	-	-	-	-	-	26,086,574
	16,109,167	15,162,124	15,599,765	17,000,955	14,867,034	15,224,713	14,555,637
	241,421,865	217,892,273	217,682,204	198,505,660	197,087,883	176,857,660	226,872,151
	31,729,902	30,093,735	27,180,459	25,928,471	24,488,333	26,603,579	21,262,068
	12,574,941	11,531,196	11,365,271	10,591,438	11,524,834	9,830,030	8,795,254
	26,295,060	25,574,852	27,327,334	28,457,627	34,337,998	26,682,896	25,773,056
	10,177,919	9,137,184	9,211,130	7,301,443	7,005,266	7,686,838	5,334,813
	2,147,095	2,117,251	2,767,320	2,512,672	2,664,606	2,170,441	2,316,974
	10,642,771	9,915,661	10,326,717	10,155,156	9,985,786	10,242,392	9,963,603
	22,618,089	21,918,453	20,016,007	19,609,363	19,379,135	18,117,624	16,543,775
	116,185,777	110,288,332	108,194,238	104,556,170	109,385,958	101,333,800	89,989,543
	357,607,642	328,180,605	325,876,442	303,061,830	306,473,841	278,191,460	316,861,694
	11,621,311	10,862,428	8,806,757	12,276,259	4,434,416	4,157,879	-
	7,856,632	7,848,887	7,712,217	7,764,645	7,516,436	6,788,436	-
	341,329	-	588,692	71,219	848	17,167	-
	5,161,409	3,890,583	3,765,233	3,795,487	3,736,797	3,779,278	-
	1,214,545	384,052	4,630,036	165,179	160,887	133,789	-
	11,019,958	10,326,678	12,223,751	8,325,418	1,151,837	4,611,371	-
	-	-	-	-	-	-	7,029,056
	-	-	-	-	-	-	5,235,115
	-	-	-	-	-	-	8,335,113
	-	-	-	-	-	-	14,689,435

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

	2011	2010	2009
Operating grants and contributions:			
Public safety	6,104,119	5,495,311	7,790,821
Public works	20,665,865	19,690,770	14,016,080
Health and social services	20,645,749	21,914,206	16,690,859
Culture and recreation	5,019,386	640,803	1,122,090
Community and economic development	458,449	515,273	2,044,207
General Government	1,785,185	434,899	977,698
Community protection	-	-	-
Human development	-	-	-
Home and community environment	-	-	-
Policy and administration	-	-	-
Capital grants and contributions			
Public safety	2,575,741	410,420	-
Public works	21,159,074	21,588,804	24,363,365
Health and social services	765,414	-	-
Culture and recreation	4,023,726	5,357,084	6,052,582
Community and economic development	838,102	-	-
General Government	1,033	197,444	504,000
Total governmental activities program revenue	129,840,993	116,987,720	109,423,363
Business-type activities:			
Charges for services:			
Airport	31,264,963	29,022,719	29,663,246
Parking facilities system	9,636,890	10,660,243	11,948,806
Sewer system	30,679,167	30,189,874	29,380,321
Stormwater utility	16,381,613	15,092,393	13,995,575
Golf	364,126	866,679	1,841,293
Solid waste system	12,082,415	11,836,783	11,454,420
Municipal Housing Agency	2,221,927	2,136,151	979,547
Operating grants and contributions:			
Airport	-	-	-
Parking facilities system	-	-	-
Sewer system	-	-	-
Stormwater utility	-	-	-
Golf	-	25,000	-
Solid waste system	-	-	22
Municipal Housing Agency	18,484,739	16,815,446	15,256,554

Table 2 (Continued)

2008	2007	2006	2005	2004	2003	2002
4,866,238	3,752,324	6,347,328	1,483,907	1,685,679	851,704	-
20,713,297	17,239,250	17,141,123	19,123,902	1,594,797	18,628,512	-
12,369,341	425,241	16,684,540	14,968,291	12,317,678	13,693,079	-
1,793,974	688,511	329,223	218,470	801,235	371,767	-
780,682	12,879,555	1,209,854	520,233	178,804	800,428	-
420,191	363,205	594,938	296,895	561,979	4,125,786	-
-	-	-	-	-	-	595,527
-	-	-	-	-	-	177,353
-	-	-	-	-	-	13,699,234
-	-	-	-	-	-	5,606,005
50,115	126,235	454,356	400,004	1,968,535	-	-
9,591,981	11,583,356	21,913,153	20,409,238	26,668,120	1,348,895	-
-	-	269,995	-	-	-	-
4,706,964	5,258,907	12,852,652	8,368,656	622,758	8,634,256	-
-	-	(8,243)	1,763,492	232,042	-	-
9,632	421,603	1,029,372	19,962	4,510	-	-
92,517,599	86,050,815	116,544,977	99,971,257	63,637,358	67,942,347	20,078,119
28,215,193	28,084,082	28,124,274	26,116,503	26,722,224	25,462,547	22,741,020
12,510,227	10,546,668	9,699,607	9,029,823	8,328,278	9,482,242	9,694,807
29,075,690	26,877,068	25,329,811	27,725,289	26,817,685	24,484,257	23,418,412
13,020,598	11,811,325	11,281,225	10,160,148	9,536,919	8,888,690	7,635,449
1,591,191	1,729,333	2,093,168	1,979,032	2,179,135	1,993,007	2,041,734
11,302,442	11,056,904	10,950,607	10,596,888	10,468,137	8,724,207	8,554,802
2,239,360	1,538,970	1,191,564	1,322,175	1,538,323	1,758,442	1,917,583
-	-	-	-	-	-	761,939
-	-	-	600	-	-	-
-	969	-	299,949	37,983	473,762	-
-	2,240	21,443	6,079	31,077	14,600	330,135
181	1,393	-	-	-	-	6,868
1,371	1,540	-	4,500	-	-	-
18,038,868	16,945,764	16,367,517	15,001,366	15,686,776	13,651,926	13,009,825

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

	2011	2010	2009
Capital grants and contributions:			
Airport	4,707,342	3,147,565	7,507,754
Parking facilities system	-	-	1,069
Sewer system	2,694,218	690,222	246,116
Stormwater utility	14,005,894	1,293,411	186,230
Golf	-	-	-
Solid waste system	-	-	54,466
Municipal Housing Agency	1,535,583	2,422,325	2,022,197
Total business-type activities program revenues	144,058,877	124,198,811	124,537,616
Total primary government program revenues	273,899,870	241,186,531	233,960,979
Net (expense) revenue:			
Governmental activities	(120,541,758)	(126,340,148)	(131,626,911)
Business-type activities	12,054,292	4,693,191	6,550,932
Total primary government net expense	(108,487,466)	(121,646,957)	(125,075,979)

Table 2 (Continued)

2008	2007	2006	2005	2004	2003	2002
8,811,037	10,446,717	12,342,156	10,889,646	17,314,903	16,173,044	15,520,159
493,293	75,299	36,452	604,649	-	-	-
13,530,334	799,437	5,995,750	2,554,997	8,819,865	9,399,668	10,900,087
8,299,287	678,240	3,658,856	2,500,849	222,686	415,841	-
-	-	-	-	35,535	-	-
767,818	36,500	-	150,210	137,000	925	-
2,425,757	3,779,226	3,184,738	1,690,722	1,513,883	1,781,575	2,295,219
150,322,647	124,411,675	130,277,168	120,633,425	129,390,409	122,704,733	118,828,039
242,840,246	210,462,490	246,822,145	220,604,682	193,027,767	190,647,080	138,906,158
(148,904,266)	(131,841,458)	(101,137,227)	(98,534,403)	(133,450,525)	(108,915,313)	(206,794,032)
34,136,870	14,123,343	22,082,930	16,077,255	20,004,451	21,370,933	28,838,496
(114,767,396)	(117,718,115)	(79,054,297)	(82,457,148)	(113,446,074)	(87,544,380)	(177,955,536)

(Continued)

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

	2011	2010	2009
General revenues and other changes in net assets:			
Governmental activities:			
Taxes:			
Property taxes, levied for general purposes	109,225,167	106,998,776	103,139,105
Property taxes, levied for debt service	28,411,455	28,782,683	27,580,755
Franchise taxes	13,101,045	12,816,420	13,385,310
Other taxes		-	-
Grants and contributions not restricted to specific programs		-	-
Investment earnings	1,794,452	2,337,212	3,612,331
Gain (Loss) on sale of capital asset	61,817	-	-
Miscellaneous	171,160	3,051,363	6,921,847
Transfers--internal activities	1,688,516	(7,072,935)	6,291,737
Special item, cumulative adjustment for depreciation application		-	-
Total governmental activities	154,453,612	146,913,519	160,931,085
Business-type activities:			
Investment earnings	421,876	473,427	1,747,988
Miscellaneous	36,066	(75,762)	986,957
Gain (Loss) on sale of capital asset	10,852	-	-
Special item--contributions to WRA		-	-
Special item, cumulative adjustment for depreciation application		-	-
Transfers--internal activities	(1,688,516)	7,072,935	(6,291,737)
Total business-type activities	(1,219,722)	7,470,600	(3,556,792)
Total primary government	153,233,890	154,384,119	157,374,293
Changes in net assets:			
Governmental activities	33,911,854	20,573,371	29,304,174
Business-type activities	10,834,570	12,163,791	2,994,140
Total primary government	\$ 44,746,424	\$ 32,737,162	\$ 32,298,314

GASB Statement No. 34 Implemented in Fiscal Year 2002

Table 2 (Continued)

2008	2007	2006	2005	2004	2003	2002
99,304,723	99,727,601	92,491,207	95,923,545	88,204,681	84,644,834	78,143,152
24,994,324	22,779,494	20,487,081	20,570,145	19,646,538	18,806,697	18,165,331
15,032,935	14,070,843	14,826,329	8,465,369	4,193,232	4,265,008	3,859,447
-	-	-	-	16,712,002	16,109,869	16,000,467
-	-	-	-	292,799	-	18,951,554
5,260,767	5,953,778	4,313,515	6,709,621	2,746,351	5,009,678	3,177,990
-	-	-	-	47,401	(2,253,223)	(1,700,000)
6,784,213	9,484,828	7,294,506	3,394,030	24,915,770	18,919,145	7,070,423
(4,733,075)	(900,000)	168,458	(242,920)	307,777	109,905	578,003
-	-	-	-	-	2,708,774	-
146,643,887	151,116,544	139,581,096	134,819,790	157,066,551	148,320,687	144,246,367
5,070,692	5,509,849	3,327,974	2,264,666	985,381	1,815,925	2,894,238
-	-	-	-	-	-	-
-	-	-	-	-	314,841	(61,300)
-	-	-	(142,216,245)	-	-	-
-	-	-	-	-	(555,372)	-
4,733,075	900,000	(168,458)	242,920	(307,777)	(109,905)	(578,003)
9,803,767	6,409,849	3,159,516	(139,708,659)	677,604	1,465,489	2,254,935
156,447,654	157,526,393	142,740,612	(4,888,869)	157,744,155	149,786,176	146,501,302
(2,260,379)	19,275,086	139,581,096	36,285,387	23,616,026	39,405,374	(27,258,946)
43,940,637	20,533,192	3,159,516	(123,631,404)	20,682,055	22,836,422	31,093,431
\$ 41,680,258	\$ 39,808,278	\$ 142,740,612	\$ (87,346,017)	\$ 44,298,081	\$ 62,241,796	\$ 3,834,485

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

	2011	2010	2009
Governmental activities:			
Charges for services:			
Public safety	\$ 12,550,995	\$ 12,028,692	\$ 11,550,038
Public works	9,750,204	9,500,432	8,692,534
Health and social services	1,849,824	1,278,361	31,588
Culture and recreation	3,916,141	4,083,803	3,214,343
Community and economic development	850,016	172,646	63,640
General Government	16,881,970	13,678,772	12,309,518
Community protection	-	-	-
Human development	-	-	-
Home and community environment	-	-	-
Policy and administration	-	-	-
Operating grants and contributions:			
Public safety	6,104,119	5,495,311	7,790,821
Public works	20,665,865	19,690,770	14,016,080
Health and social services	20,645,749	21,914,206	16,690,859
Culture and recreation	5,019,386	640,803	1,122,090
Community and economic development	458,449	515,273	2,044,207
General Government	1,785,185	434,899	977,698
Community protection	-	-	-
Human development	-	-	-
Home and community environment	-	-	-
Policy and administration	-	-	-
Capital grants and contributions			
Public safety	2,575,741	410,420	-
Public works	21,159,074	21,588,804	24,363,365
Health and social services	765,414	-	-
Culture and recreation	4,023,726	5,357,084	6,052,582
Community and economic development	838,102	-	-
General Government	1,033	197,444	504,000
Total governmental activities program revenue	129,840,993	116,987,720	109,423,363

Business-type activities:

Charges for services:			
Airport	31,264,963	29,022,719	29,663,246
Parking facilities system	9,636,890	10,660,243	11,948,806
Sewer system	30,679,167	30,189,874	29,380,321
Stormwater utility	16,381,613	15,092,393	13,995,575
Golf	364,126	866,679	1,841,293
Solid waste system	12,082,415	11,836,783	11,454,420
Municipal Housing Agency	2,221,927	2,136,151	979,547

Table 3

	2008	2007	2006	2005	2004	2003	2002
\$	11,621,311	\$ 10,862,428	\$ 8,806,757	\$ 12,276,259	\$ 4,434,416	\$ 4,157,879	\$ -
	7,856,632	7,848,887	7,712,217	7,764,645	7,516,436	6,788,436	-
	341,329	-	588,692	71,219	848	17,167	-
	5,161,409	3,890,583	3,765,233	3,795,487	3,736,797	3,779,278	-
	1,214,545	384,052	4,630,036	165,179	160,887	133,789	-
	11,019,958	10,326,678	12,223,751	8,325,418	1,151,837	4,611,371	-
	-	-	-	-	-	-	7,029,056
	-	-	-	-	-	-	5,235,115
	-	-	-	-	-	-	8,335,113
	-	-	-	-	-	-	14,689,435
	4,866,238	3,752,324	6,347,328	1,483,907	1,685,679	851,704	-
	20,713,297	17,239,250	17,141,123	19,123,902	1,594,797	18,628,512	-
	12,369,341	425,241	16,684,540	14,968,291	12,317,678	13,693,079	-
	1,793,974	688,511	329,223	218,470	801,235	371,767	-
	780,682	12,879,555	1,209,854	520,233	178,804	800,428	-
	420,191	363,205	594,938	296,895	561,979	4,125,786	-
	-	-	-	-	-	-	595,527
	-	-	-	-	-	-	177,353
	-	-	-	-	-	-	13,699,234
	-	-	-	-	-	-	5,606,005
	50,115	126,235	454,356	400,004	1,968,535	-	-
	9,591,981	11,583,356	21,913,153	20,409,238	26,668,120	1,348,895	-
	-	-	269,995	-	-	-	-
	4,706,964	5,258,907	12,852,652	8,368,656	622,758	8,634,256	-
	-	-	(8,243)	1,763,492	232,042	-	-
	9,632	421,603	1,029,372	19,962	4,510	-	-
	92,517,599	86,050,815	116,544,977	99,971,257	63,637,358	67,942,347	55,366,838
	28,215,193	28,084,082	28,124,274	26,116,503	26,722,224	25,462,547	22,741,020
	12,510,227	10,546,668	9,699,607	9,029,823	8,328,278	9,482,242	9,694,807
	29,075,690	26,877,068	25,329,811	27,725,289	26,817,685	24,484,257	23,418,412
	13,020,598	11,811,325	11,281,225	10,160,148	9,536,919	8,888,690	7,635,449
	1,591,191	1,729,333	2,093,168	1,979,032	2,179,135	1,993,007	2,041,734
	11,302,442	11,056,904	10,950,607	10,596,888	10,468,137	8,724,207	8,554,802
	2,239,360	1,538,970	1,191,564	1,322,175	1,538,323	1,758,442	1,917,583

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

	2011	2010	2009
Operating grants and contributions:			
Airport	-	-	-
Parking facilities system	-	-	-
Sewer system	-	-	-
Stormwater utility	-	-	-
Golf	-	25,000	-
Solid waste system	-	-	22
Municipal Housing Agency	18,484,739	16,815,446	15,256,554
Capital grants and contributions:			
Airport	4,707,342	3,147,565	7,507,754
Parking facilities system	-	-	1,069
Sewer system	2,694,218	690,222	246,116
Stormwater utility	14,005,894	1,293,411	186,230
Golf	-	-	-
Solid waste system	-	-	54,466
Municipal Housing Agency	1,535,583	2,422,325	2,022,197
Total business-type activities program revenues	144,058,877	124,198,811	124,537,616
Total primary government program revenues	\$ 273,899,870	\$ 241,186,531	\$ 233,960,979

GASB Statement No. 34 Implemented in Fiscal Year 2002

Table 3 (Continued)

2008	2007	2006	2005	2004	2003	2002
-	-	-	-	-	-	761,939
-	-	-	600	-	-	-
-	969	-	299,949	37,983	473,762	-
-	2,240	21,443	6,079	31,077	14,600	330,135
181	1,393	-	-	-	-	6,868
1,371	1,540	-	4,500	-	-	-
18,038,868	16,945,764	16,367,517	15,001,366	15,686,776	13,651,926	13,009,825
8,811,037	10,446,717	12,342,156	10,889,646	17,314,903	16,173,044	15,520,159
493,293	75,299	36,452	604,649	-	-	-
13,530,334	799,437	5,995,750	2,554,997	8,819,865	9,399,668	10,900,087
8,299,287	678,240	3,658,856	2,500,849	222,686	415,841	-
-	-	-	-	35,535	-	-
767,818	36,500	-	150,210	137,000	925	-
2,425,757	3,779,226	3,184,738	1,690,722	1,513,883	1,781,575	2,295,219
150,322,647	124,411,675	130,277,168	120,633,425	129,390,409	122,704,733	118,828,039
\$ 242,840,246	\$ 210,462,490	\$ 246,822,145	\$ 220,604,682	\$ 193,027,767	\$ 190,647,080	\$ 174,194,877

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

	2011	2010	2009
General Fund:			
Nonspendable	\$ 4,340,097	\$ -	\$ -
Restricted	250,000	-	-
Committed	-	-	-
Unassigned	13,554,759	-	-
Reserved:			
Reserved for inventory	-	13,361	6,929
Reserved for advances	-	4,046,951	3,882,579
Reserved for encumbrances	-	60,716	138,068
Reserved for prepaid items	-	318,668	369,683
Unreserved	-	9,394,712	9,379,823
Total General Fund	\$ 18,144,856	\$ 13,834,408	\$ 13,777,082
All Other Governmental Funds:			
Nonspendable	\$ 3,685,491	\$ -	\$ -
Restricted	62,006,128	-	-
Committed	93,898,793	-	-
Unassigned	(6,465,652)	-	-
Reserved:			
Reserved for debt service	-	-	-
Reserved for loans receivable	-	9,175,535	9,645,270
Reserved for property held for sale	-	2,000,000	2,000,000
Reserved for advances	-	-	-
Reserved for inventory	-	567,698	770,080
Reserved for prepaid items	-	203,229	194,191
Reserved for endowments	-	3,290,927	3,290,927
Reserved for donor restricted purposes	-	-	-
Reserved for employees' retirement systems	-	-	-
Unreserved, reported in:			
Debt service funds	-	1,418,451	553,233
Special revenue funds	-	484,871	3,918,372
Capital projects funds	-	76,541,506	82,413,929
Permanent funds	-	686,634	626,284
Total all other government funds	\$ 153,124,760	\$ 94,368,851	\$ 103,412,286

Table 4

	2008	2007	2006	2005	2004	2003	2002
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	13,123	14,602	41,730	25,554	18,449	15,367	18,760
	3,718,955	3,499,154	3,039,982	2,571,712	2,231,615	1,671,586	1,700,361
	204,394	119,536	264,788	69,747	185,178	142,358	212,332
	285,381	352,062	368,360	267,290	228,400	9,489	-
	10,942,635	11,245,248	10,159,280	9,268,838	8,398,022	8,645,238	10,146,042
\$	15,164,488	\$ 15,230,602	\$ 13,874,140	\$ 12,203,141	\$ 11,061,664	\$ 10,484,038	\$ 12,077,495
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	16,776,784	29,108,893	14,747,035	35,085,535	-	5,851,885
	10,277,088	10,888,010	10,349,317	9,326,893	9,372,411	10,422,249	8,448,158
	2,000,000	2,000,000	-	-	-	-	-
	-	-	-	-	-	-	65,032
	-	-	-	-	-	-	-
	99,903	39,742	63,511	38,538	2,911	17,405	-
	3,290,927	3,290,927	3,315,718	3,315,718	3,198,213	3,149,371	3,016,420
	-	-	74,992	74,992	70,943	88,658	128,522
	-	-	-	-	-	-	-
	(452,555)	460,775	1,310,088	3,183,118	2,018,969	872,776	3,863,028
	6,806,600	6,069,638	3,963,355	2,853,037	5,013,078	4,758,963	3,152,319
	71,006,222	76,952,775	41,686,829	66,334,154	67,009,803	60,044,472	60,315,372
	541,184	368,154	87,831	-	-	-	-
\$	93,569,369	\$ 116,846,805	\$ 89,960,534	\$ 99,873,485	\$ 121,771,863	\$ 79,353,894	\$ 84,840,736

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

	2011	2010	2009	2008
Revenues:				
Taxes	\$ 137,636,622	\$ 135,781,459	\$ 130,719,860	\$ 124,299,047
Franchise fees	13,101,045	12,816,420	13,385,310	15,032,935
Licenses and permits	3,000,666	2,673,649	3,305,916	3,352,394
Fines and forfeitures	2,774,839	2,492,003	2,415,834	2,675,875
Charges for sales and services	18,669,410	18,148,419	17,450,617	16,074,796
Use of money and property	1,781,613	2,337,212	3,612,331	6,027,254
Miscellaneous	23,478,516	24,679,657	29,242,200	26,364,050
Intergovernmental	77,495,820	67,004,562	64,089,967	41,054,696
Total revenue	277,938,531	265,933,381	264,222,035	234,881,047
Expenditures:				
Public safety	88,491,836	88,705,053	87,767,338	86,456,547
Public works	27,836,071	29,045,473	28,276,159	28,952,001
Health and social services	21,800,804	23,053,917	18,457,082	602,172
Culture and recreation	19,296,846	21,180,095	22,869,422	23,672,112
Community and economic development	16,217,578	13,524,591	15,753,434	34,639,274
General Government	23,969,996	20,903,330	20,935,354	21,432,950
Community protection	-	-	-	-
Human development	-	-	-	-
Home and community environment	-	-	-	-
Policy and administration	-	-	-	-
Leisure-time opportunities	-	-	-	-
Physical environment	-	-	-	-
Social and economic well-being	-	-	-	-
Transportation	-	-	-	-
General administration and support	-	-	-	-
Capital outlay	59,949,268	53,452,736	52,391,576	37,345,948
Debt service:				
Principal retirement	64,063,904	60,532,593	65,124,045	43,612,306
Interest and fiscal charges	16,589,400	16,197,806	16,585,315	16,844,138
Total expenditures	338,215,703	326,595,594	328,159,725	293,557,448
Excess (deficiency) of revenue over expenditures	(60,277,172)	(60,662,213)	(63,937,690)	(58,676,401)
Other financing sources (uses):				
Transfers in	56,619,258	50,412,327	52,008,731	52,208,569
General obligation bonds issued	110,880,000	53,500,000	61,055,000	30,380,000
Proceeds from refunding bonds	-	-	-	-
Other debt issued	-	778,854	1,582,164	8,937,500
Advance refunded debt issuance	-	26,150,000	-	-
Advance refunded debt retirement	-	(26,150,000)	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issue	11,271,865	3,898,393	626,117	34,048
Discount on bond issue	-	-	-	(94,216)
Proceeds from capital asset sale	189,512	301,792	2,338,183	808,594
Proceeds from damage claims	147,677	-	500,000	-
Residual equity transfer out	-	-	-	-
Loss on asset impairment	(800,000)	-	-	-
Transfers out	(54,964,783)	(57,215,262)	(45,716,994)	(56,941,644)
Total other financing sources (uses)	123,343,529	51,676,104	72,393,201	35,332,851
Net changes in fund balance	\$ 63,066,357	\$ (8,986,109)	\$ 8,455,511	\$ (23,343,550)

Debt service as a percentage of noncapital expenditures

2011	2010	2009	2008
29.0%	28.1%	29.6%	23.6%

Table 5

	2007	2006	2005	2004	2003	2002
\$	121,611,902	\$ 112,978,288	\$ 116,493,690	\$ 107,851,219	\$ 103,451,531	\$ 96,308,483
	14,070,843	14,826,329	8,465,369	4,193,232	4,265,008	3,859,447
	3,880,861	3,719,456	3,598,952	2,959,063	2,402,804	2,092,244
	2,654,209	2,610,187	2,359,832	2,692,081	1,268,577	1,180,136
	15,895,692	16,217,987	15,485,843	17,060,010	15,411,630	13,628,396
	5,953,778	4,313,515	3,809,621	2,746,351	5,009,678	6,050,483
	27,619,889	35,036,126	29,971,941	16,227,061	21,822,046	19,666,749
	42,759,176	59,469,733	48,944,156	58,578,519	59,533,449	53,110,848
	234,446,350	249,171,621	229,129,404	212,307,536	213,164,723	195,896,786
	81,911,969	80,859,282	71,721,854	66,035,861	63,375,988	-
	26,724,957	28,914,351	27,421,998	26,384,762	27,365,791	-
	1,000,260	17,959,003	15,484,198	13,519,817	14,940,902	-
	22,216,125	22,256,463	20,734,462	25,774,437	22,626,820	-
	23,992,661	9,665,102	3,103,362	2,731,542	4,281,313	-
	18,423,006	18,232,138	18,839,200	18,593,807	15,906,352	-
	-	-	-	-	-	61,998,245
	-	-	-	-	-	21,423,480
	-	-	-	-	-	85,691,979
	-	-	-	-	-	17,456,312
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	42,996,476	58,149,989	81,078,701	53,862,014	65,508,880	11,696,951
	38,670,289	37,143,823	66,242,304	48,822,094	35,561,702	20,942,573
	16,251,331	16,156,548	17,713,332	15,106,044	15,278,053	14,449,207
	272,187,074	289,336,699	322,339,411	270,830,378	264,845,801	233,658,747
	(37,740,724)	(40,165,078)	(93,210,007)	(58,522,842)	(51,681,078)	(37,761,961)
	37,686,123	32,198,540	42,922,267	58,132,549	53,829,198	53,027,484
	64,149,218	28,185,000	70,891,133	96,515,000	53,118,070	48,789,930
	-	-	-	-	-	-
	2,190,555	692,978	-	51,500	-	-
	4,620,782	-	-	-	-	-
	(4,875,000)	-	-	-	-	-
	-	-	-	-	(11,682,240)	-
	126,176	1,245,531	1,659,207	3,433,760	407,973	-
	(211,854)	-	-	-	(4,062)	-
	883,580	1,631,159	145,686	1,188,698	96,133	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	(38,586,123)	(32,030,082)	(43,165,187)	(57,803,070)	(51,164,293)	(52,449,481)
	65,983,457	31,923,126	72,453,106	101,518,437	44,600,779	49,367,933
\$	28,242,733	\$ (8,241,952)	\$ (20,756,901)	\$ 42,995,595	\$ (7,080,299)	\$ 11,605,972

24.0%

23.1%

34.7%

173

29.5%

25.1%

15.9%



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

Table 6

FISCAL YEAR	GENERAL PROPERTY TAXES	MONIES AND CREDITS TAX	MOBILE HOME TAX	STATE REPLACEMENT MONIES AND CREDITS TAX	HOTEL/MOTEL TAX	SPECIAL UTILITY EXCISE TAX	TOTAL TAXES
2010-11	129,977,076	29,317	122,097	---	3,889,790	3,618,342	137,636,622
2009-10	128,142,798	45,717	120,092	---	3,700,761	3,772,091	135,781,459
2008-09	123,124,847	16,587	118,189	---	3,720,368	3,739,869	130,719,860
2007-08	116,396,207	17,140	120,577	---	4,200,778	3,564,345	124,299,047
2006-07	113,947,563	16,340	123,113	---	3,848,692	3,676,194	121,611,902
2005-06	105,522,405	19,199	126,168	---	3,659,431	3,651,085	112,978,288
2004-05	109,191,193	20,337	131,800	---	3,247,730	3,907,277	116,498,337
2003-04	100,257,983	15,778	139,534	---	3,409,509	4,028,415	107,851,219
2002-03	96,095,883	18,893	138,866	248,465	3,164,588	3,784,836	103,451,531
2001-02	89,117,647	16,463	143,005	251,856	2,971,955	3,807,557	96,308,483
Change							
2001-2011	145.849%	178.078%	85.380%		130.883%	95.031%	142.912%

Source: City records.

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

Valuation Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Railway Property
2010	\$ 7,500,758,350	\$ 3,095,405,840	\$ 194,779,860	\$ 8,270,550	\$ 12,966,428
2009	7,370,107,010	3,129,490,830	194,168,000	8,241,560	10,228,649
2008	7,123,448,010	3,048,959,390	193,397,790	3,342,380	9,540,299
2007	6,963,088,460	3,020,661,560	194,107,730	2,979,540	9,046,322
2006	6,262,344,300	2,926,850,350	183,555,680	2,747,265	8,530,839
2005	6,176,602,000	2,858,531,890	185,469,950	2,738,740	7,757,764
2004	5,514,536,820	2,695,476,615	176,594,260	2,816,090	7,808,752
2003	5,471,665,090	2,699,787,130	178,947,040	2,849,830	7,642,805
2002	4,816,194,627	2,496,300,463	155,148,350	3,719,600	5,857,122
2001	4,754,479,480	2,428,682,190	154,234,620	3,607,900	7,861,225

Source:
State of Iowa Department of Management

Table 7

Machinery/ Equipment Property	Utilities Property	Total Taxable Assessed Value	Total Direct Tax Rate	Percent Growth	Actual Taxable Value	Value as a Percentage of Actual Value
\$ -	\$ 367,913,783	11,180,094,811	16.58000	1.01%	\$ 7,195,887,806	64%
-	356,474,377	11,068,710,426	16.57614	3.20%	7,032,688,268	64%
-	347,054,081	10,725,741,950	16.57614	2.12%	6,751,877,052	63%
-	313,110,998	10,502,994,610	16.57606	8.23%	6,533,913,362	62%
-	320,020,548	9,704,048,982	16.45083	1.72%	6,210,510,617	64%
-	308,830,443	9,539,930,787	16.52000	9.83%	6,120,705,460	64%
-	289,170,524	8,686,403,061	17.05539	0.57%	5,776,063,229	66%
-	275,926,144	8,636,818,039	17.04806	11.21%	5,781,046,642	67%
-	288,804,423	7,766,024,585	17.04857	1.54%	5,404,736,985	70%
16,516,886	282,650,685	7,648,032,986	17.04857	10.86%	5,274,461,003	69%

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

Tax Year Levied	City Direct Rates							Overlapping Rates		
	General Fund	Transit Fund	Insurance Fund	Emergency Fund	Employee Benefits Fund	Debt Service Fund	Total Direct	Polk County	Broadlawns County Hospital	Ag Extension District
2010-2011	8.10000	0.00000	0.30345	0.00000	4.10538	4.06730	16.57613	6.81833	2.92111	0.03631
2009-2010	8.10000	0.00000	0.29425	0.00000	3.90745	4.27444	16.57614	6.82855	2.80423	0.03752
2008-2009	8.10000	0.00000	0.30804	0.00000	3.93100	4.23702	16.57606	6.83696	2.92408	0.03717
2007-2008	8.10000	0.00000	0.31407	0.00000	4.13701	4.03920	16.59028	6.84207	2.96959	0.03703
2006-2007	8.10000	0.00000	0.27892	0.00000	4.33096	3.74095	16.45083	6.34845	3.49157	0.03771
2005-2006	8.10000	0.46951	0.36352	0.00000	4.03248	3.55449	16.52000	6.34845	3.20245	0.03791
2004-2005	8.10000	0.46940	0.33829	0.00000	4.59394	3.55376	17.05539	6.35281	3.25699	0.03735
2003-2004	8.10000	0.50354	0.33977	0.00000	4.49172	3.61303	17.04806	6.34845	3.05863	0.03803
2002-2003	8.10000	0.58500	0.37168	0.00000	4.43015	3.56174	17.04857	6.34845	2.99339	0.03670
2001-2002	8.10000	0.58500	0.29680	0.00000	4.43107	3.63570	17.04857	6.34845	2.91153	0.03572

Source: Polk County Auditor and Polk County Treasurer

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

Table 8

Polk County Assessor	State of Iowa	Area XI Community College	Regional Transit	Overlapping Rates					
				Des Moines Community School District	Carlisle Community School District	SE Polk Community School District	Saydel Community School District	Johnston Community Schools District	WDM Community School District
0.27848	0.003	0.56008	0.4443	17.64347	20.97493	21.80667	13.97723	17.34506	13.94266
0.30104	0.003	0.56778	0.46232	17.64277	19.46621	21.83221	13.98315	17.34738	13.9441
0.32711	0.0035	0.56386	0.60079	17.78888	19.86337	21.84708	13.67722	17.34353	13.69179
0.31349	0.0035	0.60276	0.59997	17.93709	20.00427	21.96487	13.62992	17.34813	13.70031
0.29738	0.00400	0.68688	0.59998	18.01713	17.21211	20.98804	13.38621	17.34623	13.70060
0.35437	0.00400	0.68408	0.00000	18.01394	18.36826	17.98848	13.12949	17.34748	13.50341
0.31745	0.00400	0.59856	0.00000	18.02657	18.36820	17.28014	14.67175	17.21053	13.50200
0.31715	0.00400	0.58184	0.00000	17.36358	18.88304	17.36978	14.79933	16.72967	13.50422
0.34363	0.00400	0.54584	0.00000	17.10442	17.96477	15.41627	14.85788	15.65446	13.50200
0.34318	0.00500	0.54454	0.00000	17.14047	16.32776	15.12681	14.78305	15.09829	13.48681



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

Table 9

Fiscal Year Ended June 30	Tax Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2011	2010	\$ 134,998,095	\$ 133,512,630	98.90%	\$ -	\$ 133,512,630	98.90%
2010	2009	132,446,684	131,938,293	99.62%	22,416	131,960,709	99.63%
2009	2008	127,597,827	124,458,527	97.54%	53,171	124,511,698	97.58%
2008	2007	120,533,667	119,875,076	99.45%	65,735	119,940,811	99.51%
2007	2006	118,629,762	115,357,229	97.24%	114,502	115,471,731	97.34%
2006	2005	109,692,331	106,282,565	96.89%	2,424,308	108,706,873	99.10%
2005	2004	114,202,783	112,775,249	98.75%	2,173,223	114,948,472	100.65%
2004	2003	105,337,109	104,534,389	99.24%	1,373,327	105,907,716	100.54%
2003	2002	100,909,694	99,823,762	98.92%	509,570	100,333,332	99.43%

Source:

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



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

Table 10

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Principal Financial Group	\$257,537,900	1	4.420%	\$220,639,730	1	3.92%
Nationwide Mutual Insurance	193,336,200	2	3.320%			
Mercy Midical Plaza	164,193,000	3	2.820%	91,548,280	2	1.63%
Wells Fargo Financial Inc.	99,471,700	4	1.710%			
Wellmark, Inc.	63,290,000	5	1.09%			
Employers Mutual Casualty Co.	51,064,070	6	0.88%	43,347,590	6	0.77%
Iowa Methodist Medical Center	50,903,000	7	0.87%	43,409,640	5	0.77%
Ruan Center	38,675,000	8	0.66%	44,384,000	4	0.79%
Meredith Corporation	34,961,000	9	0.60%	57,434,040	3	1.02%
Hubbell Realty Co.	30,428,850	10	0.52%	40,148,570	7	0.71%
Merle Hay Mall	-		-	35,958,700	9	0.64%
SDG Macerich Proposal	-		-	36,780,310	8	0.65%
Capital Square Associates	-		-	31,500,000	10	0.56%
Total	\$983,860,720		16.89%	\$645,150,860		11.46%

Source: Polk County Assessor/ Auditor. 2010 Latest Available.

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

Fiscal Year	Governmental Activities				Net General Bonded Debt	Percentage of Actual Property Value	Debt Per Capita(1)
	General Obligation Bonds	Loans Payable	Notes Payable	Less Amount Available in Debt Service			
2011	\$ 404,265,000	\$ 9,925,000	\$ 3,427,964	\$ 51,749,947	\$ 365,868,017	3.28%	\$ 1,798
2010	355,574,000	10,040,000	5,187,868	1,418,451	369,383,417	3.52%	1,859
2009	359,762,000	10,155,000	7,138,607	553,233	376,502,374	3.59%	1,895
2008	361,203,000	10,270,000	8,069,488	(452,555)	379,995,043	3.62%	1,913
2007	371,821,000	1,885,000	10,131,294	17,237,559	366,599,735	3.78%	1,845
2006	342,280,000	2,000,000	12,492,505	30,432,481	326,340,024	3.42%	1,643
2005	349,226,000	2,000,000	7,164,606	17,931,361	340,459,245	3.92%	1,714
2004	344,026,808	2,120,000	7,594,969	37,104,504	316,637,273	3.67%	1,594
2003	295,198,170	2,350,000	8,449,201	872,776	305,124,595	3.93%	1,536
2002	289,047,450	1,269,930	9,261,260	9,714,913	289,863,727	3.92%	1,459

(1) Per capita numbers are based upon 2010 census data and the remainder are based upon the 2000 census data

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

Table 11

Business-Type Activities							
Loans Payable	General Obligation Bonds	Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Per Capita Income(1)	Per Capita(1)	
\$ 9,341,049	\$ -	\$ 123,548,000	\$ 4,637,740	\$ 555,144,753	11.90%	\$ 2,729	
10,100,107	21,000	103,760,000	6,300,425	490,983,400	12.56%	2,471	
16,485,120	278,000	108,710,000	8,060,816	510,589,543	13.06%	2,570	
14,858,830	547,000	114,233,000	9,502,899	518,684,217	13.27%	2,611	
2,262,225	814,000	118,768,885	11,204,648	516,887,052	13.22%	2,602	
3,203,442	1,180,000	105,077,418	11,480,377	477,713,742	12.22%	2,404	
3,669,791	1,574,000	106,110,292	3,129,730	472,874,419	12.10%	2,380	
4,308,936	1,966,000	141,463,196	2,135,710	503,615,619	12.88%	2,535	
4,897,756	2,338,500	160,493,495	1,584,527	475,311,649	12.16%	2,392	
1,091,882	2,808,900	160,076,794	1,759,617	465,315,833	11.90%	2,342	



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

Table 12

NAME OF GOVERNMENTAL UNIT	NET GENERAL OBLIGATION DEBT OUTSTANDING *	PERCENTAGE APPLICABLE TO THIS GOVERNMENTAL UNIT	CITY OF DES MOINES SHARE OF DEBT
City of Des Moines	\$ 404,265,000	100.00 %	\$ 404,265,000
Polk County	108,430,900	38.61	41,865,170
School Districts:			
Carlisle	8,099,000	1.94	157,121
Des Moines	68,360,000	96.40	65,899,040
Johnston	40,665,000	1.95	792,968
Saydel	1,855,000	0.40	7,420
Southeast Polk	90,927,936	6.97	6,337,677
Area XI Community College	75,705,000	24.00	18,169,200
Total overlapping	<u>394,042,836</u>		<u>133,228,596</u>
Total direct and overlapping	<u>\$ 798,307,836</u>		<u>\$ 537,493,596</u>

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

Source: Polk County Auditor, DMACC and School Districts Records/Maps

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

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value	\$ 11,163,960,293
Debt limit (5% of assessed value)	<u>558,198,015</u>
Debt applicable to limit:	
General obligation bonds	404,265,000
Less amount set aside for repayment of general obligation debt	<u>(50,373,536)</u>
Total net debt applicable to limit	<u>353,891,464</u>
Legal debt margin	<u>\$ 204,306,551</u>

	<u>2011</u>	<u>2010</u>	<u>2008</u>	<u>2007</u>
Debt limit	\$ 558,198,015	\$ 552,597,489	\$ 535,264,366	\$ 524,284,217
Total net debt applicable to limit	<u>353,891,464</u>	<u>355,595,000</u>	<u>361,695,000</u>	<u>363,520,000</u>
Legal debt margin	<u><u>\$ 204,306,551</u></u>	<u><u>\$ 197,002,489</u></u>	<u><u>\$ 173,569,366</u></u>	<u><u>\$ 160,764,217</u></u>
Total net debt applicable to the limit as a percentage of debt limit	63.40%	64.35%	67.57%	69.34%

Table 13

2006	2005	2004	2003	2002	2001
\$ 484,288,145	\$ 476,601,639	\$ 434,211,844	\$ 431,367,371	\$ 387,795,444	\$ 370,126,626
357,825,000	316,570,000	338,700,000	348,112,808	299,886,670	293,176,280
\$ 126,463,145	\$ 160,031,639	\$ 95,511,844	\$ 83,254,563	\$ 87,908,774	\$ 76,950,346
73.89%	66.42%	78.00%	80.70%	77.33%	79.21%

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

Sanitary Sewer Bonds						
Fiscal Year	Operating Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2011	\$ 30,750,844	\$ 17,261,514	\$ 13,489,330	\$ 5,043,872	\$ 4,661,951	1.39
2010	29,106,079	14,459,147	14,646,932	4,720,956	3,011,545	1.89
2009	28,280,923	12,980,555	15,300,368	4,421,532	3,096,163	2.04
2008	28,221,011	13,163,260	15,057,751	3,226,244	4,233,696	2.02
2007	26,776,600	13,096,158	13,680,442	4,129,342	3,622,779	1.76
2006	25,157,528	14,793,686	10,363,842	4,000,305	3,259,999	1.43
2005	22,983,744	12,474,475	10,509,269	4,927,000	1,276,183	1.69
2004	26,311,824	12,067,837	14,243,987	6,902,000	3,085,414	1.43
2003	27,947,332	9,876,222	18,071,110	6,715,000	2,821,371	1.89
2002	27,449,397	7,670,800	19,778,597	6,256,000	3,399,155	2.05

Table 14

Parking Bonds					
Operating Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
			Principal	Interest	
\$ 10,611,585	\$ 4,934,693	\$ 5,676,892	\$1,685,000	\$1,027,657	2.09
8,883,383	3,814,351	5,069,032	1,585,000	377,193	2.58
10,812,523	3,929,167	6,883,356	1,585,000	1,131,579	2.53
11,405,151	3,784,581	7,620,570	1,540,000	1,505,625	2.50
9,761,566	3,772,858	5,988,708	1,540,000	1,514,742	1.96
9,117,986	3,718,880	5,399,106	1,080,000	1,597,402	2.02
8,183,736	6,417,119	1,766,617	1,005,000	1,667,599	0.66
8,373,440	3,625,476	4,747,964	935,000	1,745,068	1.77
10,247,718	5,359,166	4,888,552	810,000	1,872,232	1.82
10,918,133	4,287,489	6,630,644	755,000	1,928,784	2.47



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

Table 15

Fiscal Year Ended June 30,	Population(1)	Median Family Income(1)	Per Capita Income (State of Iowa)	Median Age(1)	School Enrollment (3)	Unemployment Rate(2)
2011	203,443	\$51,851	\$26,280	33.5	32,438	6.0%
2010	198,682	44,022	24,357	34.6	31,924	6.4%
2009	198,682	44,022	24,357	34.6	30,783	6.2%
2008	198,682	44,022	24,357	34.6	32,043	4.5%
2007	198,682	44,022	24,357	34.6	31,549	3.4%
2006	198,682	44,022	24,357	34.6	31,598	3.6%
2005	198,682	44,022	24,357	34.6	31,851	4.1%
2004	198,682	56,674	19,674	34.6	32,150	3.6%
2003	198,682	56,674	19,674	34.6	30,533	3.6%
2002	198,682	56,674	19,674	34.6	32,439	2.7%

Sources:

1. 2010, 2000 US Census.
2. FY2010 through FY2006 information from Iowa Workforce Development.
Other years from Metropolitan Statistical Area. (Polk, Dallas and Warren Counties).
3. Des Moines Public Schools information from the Iowa Department of Education website.

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

Personal Income data is not available.



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

Table 16

Employer	2010		2000	
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees
Principal Life Insurance Company	-	1	-	1
Des Moines Public Schools	-	2	-	2
Iowa Health Systems	-	3	-	3
Mercy Medical Center	-	4	-	-
Blank Children's Pediatric	-	5	-	4
CDS Global	-	6	-	5
Des Moines Register	-	7	-	-
Empolyers Mutual	-	8	-	-
Firestone Agricultural Tire	-	9	-	6
Lutheran Services of Iowa	-	10	-	8
Pioneer	-	-	-	7
United Parcel Service	-	-	-	9
Younkers	-	-	-	10

Source: Iowa Workforce Development. 2010 latest data available.

*Per Iowa Workforce Department data regarding the number of employees for private sector employers is not available to the public. 2000 numbers used as 2001 not readily available.

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

FUNCTIONS/PROGRAMS	2011	2010	2009	2008
GOVERNMENTAL FUND TYPES				
Public safety				
Police Department	449.0	455.0	469.0	470.0
Fire Department	290.0	307.0	310.0	311.0
Community Development--inspections	37.6	40.0	40.0	37.0
Total public safety	776.6	802.0	819.0	818.0
Public works				
Engineering	92.0	93.0	96.0	94.0
Public Works Department	94.0	112.0	112.0	117.0
Total public works	186.0	205.0	208.0	211.0
Health and social services				
Community Development Grants	31.5	36.1	35.1	36.0
Human Rights	3.0	3.0	3.0	3.0
Total health and social services	34.5	39.1	38.1	39.0
Culture and recreation				
Parks Department	87.0	89.5	123.6	127.8
Public Libraries	63.0	67.0	76.0	76.0
Total culture and recreation	150.0	156.5	199.6	203.8
Community and economic development				
City Manager--Economic Development	5.0	6.0	6.0	5.0
Total Community and economic development	5.0	6.0	6.0	5.0
General government				
City Clerk	6.0	6.0	6.0	6.0
City Manager	10.0	11.0	12.0	12.0
Community Development	12.0	11.0	11.9	11.0
Finance Department	22.0	21.0	21.5	21.0
Human Resources	10.0	10.0	10.0	11.0
Information Technology	29.0	29.0	28.0	25.0
Legal	19.0	20.0	22.0	22.0
Mayor and Council	8.0	8.0	8.0	8.0
Parks Department	10.0	11.5	11.0	12.8
Total general government	126.0	127.5	130.4	128.8
Total governmental fund types	1278.1	1336.1	1401.1	1405.6
PROPRIETARY FUNDS				
Airport	100.0	95.0	121.4	121.4
Parking facilities system	15.0	14.0	15.0	15.0
Sewer system	53.8	54.8	54.7	53.2
Stormwater utility	67.2	63.2	63.2	57.9
Golf	0.0	0.0	5.0	5.0
Solid waste system	50.0	51.0	50.6	56.6
Municipal Housing Agency	61.0	52.0	56.0	61.0
Internal service funds	59.0	61.0	62.0	61.0
Total proprietary funds	406.0	391.0	427.9	431.1
Total City employment	1684.1	1727.1	1829.0	1836.7

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

Table 17

2007	2006	2005	2004	2003
466.0	461.0	461.0	454.0	475.0
310.0	310.0	298.0	286.0	287.0
36.0	36.0	35.2	41.5	59.0
812.0	807.0	794.2	781.5	821.0
94.0	92.0	92.0	92.0	99.0
117.0	117.0	118.0	114.0	115.0
211.0	209.0	210.0	206.0	214.0
35.3	35.1	37.3	32.0	34.0
3.0	3.0	3.0	3.0	7.0
38.3	38.1	40.3	35.0	41.0
129.0	129.4	146.0	140.0	162.0
76.0	75.0	62.0	59.0	68.0
205.0	204.4	208.0	199.0	230.0
5.0	5.0	5.0	5.0	5.0
5.0	5.0	5.0	5.0	5.0
6.0	6.0	6.0	6.0	8.0
11.0	11.0	10.0	8.5	11.0
10.8	10.8	10.5	9.5	15.0
21.0	23.0	22.0	23.5	28.0
11.0	11.0	11.0	11.0	14.0
25.0	21.0	21.0	21.0	23.0
22.0	22.0	21.0	21.0	24.0
8.0	8.0	8.0	8.0	8.0
11.6	11.5	16.0	17.0	17.0
126.4	124.3	125.5	125.5	148.0
1397.7	1387.7	1383.0	1352.0	1459.0
117.4	119.0	118.0	119.0	124.0
15.0	15.0	15.0	15.0	14.0
50.0	49.3	78.1	77.0	76.0
59.7	60.4	30.8	27.0	26.0
5.0	8.0	9.0	9.0	7.0
57.0	58.0	63.0	71.0	84.0
61.0	66.0	67.0	64.0	68.0
61.0	62.0	61.0	61.0	65.0
426.1	437.7	441.9	443.0	464.0
1823.8	1825.3	1824.9	1795.0	1923.0

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

	2011	2010	2009
Public safety:			
Police Department--calls for service	322,453	320,359	324,470
Detective bureau--persons offenses assigned	6,855	7,095	7,233
Detective Bureau--property offenses assigned	14,495	12,512	13,591
Fire Department--total incidents	19,649	19,375	19,508
Fire suppression--total fires	4,865	4,638	4,673
Emergency medical services--medic calls	14,784	14,737	15,835
Emergency medical services--transports	11,232	11,213	11,165
Permit and Development Center--number of permits issued	15,520	13,479	13,234
Permit and Development Center--number of inspections	28,716	30,331	28,039
Permit and Development Center--number of plan reviews	14,583	14,726	14,888
Public works:			
Engineering Department--cost of awarded contracts	\$118,852,698	\$137,105,722	\$48,639,208
Public Works Department--snow and ice control-lane miles	2,207	2,207	2,117
Health and social services:			
Low-income energy assistance (number of households)	7,207	8,298	7,700
Furnace repair/replacements (number of households)	195	207	189
Energy reconnect project (number of households)	47	806	214
NCS applications taken	89	108	65
Senior Living Program applications taken (households)	136	146	173
Culture and recreation:			
Library usage--annual visits	1,335,720	1,344,334	1,451,930
Aquatic center/pools attendance	131,875	133,423	142,724
Annuals (plants) distributed to organizations	104,200	105,000	98,376
Community center attendance (calendar year)	175,757	235,405	236,954
Cemeteries--burials	581	546	597
Community and economic development:			
Assessed valuation increase in tax increment district	\$1,229,650,820	\$1,149,037,530	\$1,074,553,965
General government:			
Animal licenses issued (cat and dog)	23,036	22,480	22,365
Legal Department--written legal opinions	998	954	1,080
Tort litigation--traffic court trials	1,113*	1,113	1,411
Enterprise funds:			
Airport--number of enplaned passengers	929,355	890,097	891,928
Number of sanitary sewer feet cleaned per year	1,094,511	1,255,200	1,089,149
Number of storm sewer feet cleaned per year	257,387	310,000	385,694
Solid waste collected annually (lbs) per year	121,207,500	118,901,034	151,800,000
Rounds of golf	86,908	168,341	155,321

Source: City records. Prior years not available.

*Current year not available

Table 18

2008	2007	2006	2005	2004	2003	2002
340,829	396,504	386,178	256,122	234,556	239,845	240,453
7,917	6,148	6,210	1,050	515	752	660
16,392	20,483	22,131	14,174	11,223	12,495	10,311
19,594	18,620	17,662	16,802	16,107	16,648	Not available
4,385	4,779	4,685	999	1,011	1,170	1,096
15,209	13,841	12,977	12,412	11,715	11,986	12,186
11,446	10,757	10,369	9,966	9,210	8,987	8,679
11,054	11,474	10,860	14,878	13,138	13,210	Not available
32,351	25,285	22,651	23,746	26,400	28,700	Not available
3,130	3,712	4,165	5,107	3,573	3,792	Not available
\$84,757,631	\$44,449,946	\$56,515,585	\$79,066,963	\$62,542,252	\$53,203,879	\$65,248,203
2,117	2,065	2,065	2,065	2,065	2,065	2,065
6,995	6,853	6,537	6,520	6,531	6,356	6,280
246	146	213	288	180	90	95
503	285	282	230	202	136	75
62	73	58	54	73	22	Not available
315	192	190	438	743	544	Not available
1,376,298	1,389,530	1,024,154	967,364	896,190	994,815	957,347
126,931	126,569	110,954	112,042	107,962	127,716	141,341
96,000	88,944	85,056	210,000	150,000	122,000	137,000
227,313	224,250	229,920	215,216	191,166	Not available	Not available
687	674	637	719	737	728	744
\$994,015,625	\$941,740,355	\$869,900,005	\$872,591,225	\$743,870,475	\$669,964,032	\$532,859,649
21,830	21,223	20,521	20,813	18,359	14,933	17,663
909	947	814	1,484	1,583	1,277	1,394
1,706	2,418	1,159	252	231	170	176
994,558	986,011	958,514	995,715	952,967	899,974	808,086
1,061,280	1,059,130	1,252,300	1,613,315	1,968,880	1,613,315	1,663,078
258,720	69,164	92,165	305,337	350,338	305,337	325,964
120,286,400	122,000,000	13,310,000	9,403,537	15,152,400	15,100,533	13,825,185
94,545	168,722	161,665	112,042	97,030	102,708	103,000

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

	2011	2010	2009	2008
Function/Program				
Public Safety:				
Police:				
Number of Stations	1	1	1	1
Fire:				
Number of Stations	10	10	10	10
Stations with EMS transport capability	8	8	7	7
Public Works:				
Streets paved lane miles	2,070	2,069	2,067	2,023
Streets unpaved lane miles	78	78	80	94
Sanitary sewer miles	935	884	889	889
Storm sewer miles	493	282	472	472
Number of street lights	25,400	24,200	23,630	23,614
Area--number of city square miles	91	91	91	82
Culture and Recreation:				
Parks-number of park areas	73	73	73	73
Total park acres	3,560	3,560	3,226	3,226
Number of boulevards	9	6	6	6
Number of playgrounds	78	78	58	58
Number of golf courses	3	3	3	3
Number of soccer fields	12	12	12	12
Number of aquatic centers/pools	5	5	5	5
Number of tennis courts	52	50	59	57
Number of softball diamonds	9	9	9	9
Number of baseball diamonds	8	8	9	9
Number of community centers	4	4	4	4
Miles of bike trails	42	40	37	37
Cemeteries:				
Number of facilities	7	7	7	7
Number of acres	345	345	450	332
Library:				
Number of Facilities	6	6	6	6
Number of Volumes	571,476	570,271	589,547	563,917

Source: City Records

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

Table 19

2007	2006	2005	2004	2003	2002
1	1	1	1	1	1
10	10	10	10	10	10
7	7	7	7	7	7
1,897	1,897	1,895	1,856	1,848	1,834
76	76	76	93	93	93
861	861	857	851	847	842
458	458	453	442	437	434
23,376	23,376	23,376	23,376	23,376	24,300
82	82	81	80	80	79
72	72	70	69	65	65
3,223	3,213	3,210	3,208	3,208	3,208
6	6	6	6	6	5
58	58	58	57	55	55
3	3	3	3	3	3
12	12	12	12	12	12
5	5	5	5	5	5
59	59	59	59	57	56
13	13	14	14	9	8
5	5	5	5	5	4
5	5	5	5	5	4
29	29	29	16	16	16
5	5	5	5	5	5
460	460	460	460	448	448
6	6	6	6	6	6
548,272	526,735	562,702	580,240	596,556	623,175



SINGLE AUDIT SECTION



CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2011

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/10 - 6/30/11)
U.S. Department of Health and Human Services		
Community Services Block Grant:		
(Passed through the Iowa Department of Human Rights)		
Program Year: 2010		
Contract Number: CSBG-10-07-CJ		
October 1, 2009 - September 30, 2010	93.569	\$ 353,729
Program Year: 2011		
Contract Number: CSBG-11-07-CJ		
October 1, 2010 - September 30, 2011	93.569	330,551
ARRA - Contract #CSBG-R9-07		
April 10, 2009 - September 30, 2010	93.710	382,703
Low-income Home Energy Assistance Block Grant:		
(Passed through the Iowa Department of Human Rights)		
Program Year: 2010		
Contract Number: 2206-10J		
October 1, 2009 - September 30, 2010	93.568	67,256
Program Year: 2011		
Contract Number: 2206-11J		
October 1, 2010 - September 30, 2011	93.568	4,405,391
Total U.S. Department of Health and Human Services		\$ 5,539,630
U.S. Department of Housing and Urban Development		
Community Development Block Grant Program Entitlement:		
Entitlement Years: 2010 - 2011	14.218	\$ 4,964,799
ARRA - Community Development Block Grant		
August 1, 2009 - September 30, 2012	14.253	562,749
(Passed through Polk County)		
ARRA - Lead Based Paint Hazard Control		
in Privately-Owned Housing	14.907	300,731
Fair Housing Assistance Program		
Cooperative Agreement	14.401	9,840
Riverpoint West Phase 1		
B-01-BD-190019	14.246	439,749
ARRA - Homeless Prevention and Rapid Re-Housing Program		
Grant #S09-MY-19-0001	14.257	782,768
(Passed through the Iowa Department of Economic Development)		
Rehab Assistance #1		
Grant # 08-DRH-009	14.228	653,106
Rehab Assistance #2		
Grant # 08-DRH-209	14.228	850,641
Neighborhood Stabilization Program		
Grant #08-NSP-023	14.228	1,585,763
Infrastructure Assistance		
Grant #08-DRI-006	14.228	1,669,425
Infrastructure Assistance		
Grant #08-DRI-207	14.228	645,650
Infrastructure Assistance		
Grant #08-DRI-032	14.228	1,709,210
Infrastructure Assistance		
Grant #08-DRI-033	14.228	1,255,525

(Continued)

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2011

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/10 - 6/30/11)
U.S. Department of Housing and Urban Development (continued)		
(Passed through the Iowa Department of Economic Development)		
Infrastructure Assistance		
Grant #08-DRI-235	14.228	4,771,313
Infrastructure Assistance		
Grant #08-DRI-234	14.228	601,345
Infrastructure Assistance		
Grant #08-DRI-205	14.228	2,304,187
Business Rental Assistance Program		
Grant #08-DRB-203	14.228	74,218
Flood Relief		
Contract #08-DRMH-221	14.228	50,488
Contract #08-DRMH-216	14.228	174,064
Supportive Housing Program:		
West Des Moines Human Services #IA0043B7D020801		
August 1, 2009 - July 31, 2011	14.235	80,615
Buchanan Transitional Living Center #IA0039B7D020801		
December 1, 2009 - November 30, 2011	14.235	97,757
YMCA Permanent Housing Program #IA0033B7D020801		
May 1, 2010 - April 30, 2013	14.235	86,791
HMIS #IA0041B7D020801		
November 1, 2009 - October 31, 2010	14.235	45,109
West Des Moines Transitional Hsg 2 #IA0032B7D020800		
December 21, 2009 - December 20, 2011	14.235	30,328
Primary Health Care Street Outreach #IA0042B7D020802		
July 1, 2010 - June 30, 2011	14.235	84,512
Primary Health Care Enhancement #IA0036B7D020802		
July 1, 2010 - June 30, 2011	14.235	254,913
Lighthouse Host Home #IA0040B7D020802		
March 1, 2010 - February 28, 2011	14.235	190,151
House of Mercy #IA0038B7D020802		
May 1, 2010 - April 30, 2011	14.235	241,155
House of Mercy - Capitol Park #IA0037B7D020802		
March 1, 2010 - February 28, 2011	14.235	152,421
HMIS #IA0041B7D020801		
November 1, 2010 - October 31, 2011	14.235	72,581
Shelter Plus Care - Anawim Housing #IA0034C7D020802		
April 20, 2010 - April 19, 2011	14.238	681,348
Shelter Plus Care - Anawim Housing #IA0035C7D020802		
April 5, 2010 - April 4, 2011	14.238	205,470
Shelter Plus Care - Anawim Housing #IA0034C7D020803		
April 20, 2011 - April 19, 2012	14.238	84,775
Shelter Plus Care - Anawim Housing #IA0035C7D020803		
April 5, 2011 - April 4, 2012	14.238	23,938

(Continued)

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2011

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/10 - 6/30/11)
U.S. Department of Housing and Urban Development (continued)		
Emergency Shelter Grant Program:		
Program Year: 2010		
Contract Number: S-10-MC-19-0001		
January 1, 2010 - December 31, 2010	14.231	84,233
Program Year: 2011		
Contract Number: S-11-MC-19-0001		
January 1, 2011 - December 31, 2011	14.231	58,847
Home Investment in Affordable Housing:		
Program Year: 2006		
Contract Number: M-06-MC-19-0201		
March 31, 2006 - March 31, 2011	14.239	2,500
Program Year: 2007		
Contract Number: M-07-MC-19-0201		
March 31, 2007 - March 31, 2012	14.239	35,013
Program Year: 2008		
Contract Number: M-08-MC-19-0201		
March 31, 2008 - March 31, 2013	14.239	408,840
Program Year: 2009		
Contract Number: M-09-MC-19-0201		
March 31, 2009 - March 31, 2014	14.239	320,000
Program Year: 2010		
Contract Number: M-10-MC-19-0201		
March 31, 2010 - March 31, 2015	14.239	404,158
Program Year: 2011		
Contract Number: M-11-MC-19-0201		
March 31, 2011 - March 31, 2016	14.239	97,217
(Passed through the State of Iowa Dept of Economic Development)		
Agreement #'s: 09-HM-196-28 & 09-HM-198-28	14.239	348,513
Total U.S. Department of Housing and Urban Development		\$ 27,496,756
U.S. Department of Justice		
Public Safety and Community Policing Grants:		
Secure Our Schools		
Grant #2008CKWX0647	16.710	\$ 103,133
Edward Byrne Memorial Justice Assistance Grant		
Grant #2009DJBX0141	16.738	49,454
Edward Byrne Memorial Justice Assistance Grant		
Grant #2010DJBX1150	16.738	88,844
ARRA - Edward Byrne Memorial Justice Assistance Grant		
Grant #2009SBB90580	16.804	556,524
Cops Meth Initiative		
Grant #2007CKWX0309	16.710	52,320
Cops Meth Hotspots Grant		
Grant #09-HotSpots/Interdiction-1	16.710	18,830
Cops Interoperable Communications Technology Program		
Grant #2005INWX0005	16.710	1,285,723
Cops Technology Grant		
Grant #2008CKW0420	16.710	113,591

(Continued)

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2011

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/10 - 6/30/11)
U.S. Department of Justice (continued)		
ARRA - COPS Hiring Recover Program		
Grant #2009RJWX0041	16.710	463,026
State and Community Highway Safety Program:		
Community Prosecution and Project Safe Neighborhoods		
Anti-Gang Initiative #07PSNAG-SD07	16.609	14,888
Anti-Gang Initiative #08PSNAG-SD07	16.609	28,724
Anti-Gang Initiative #08PSNAG-SD07	16.609	16,307
Total U.S. Department of Justice		\$ 2,791,364
U.S. Department of Transportation		
Governor's Traffic Safety Program:		
(Passed through the Iowa Department of Public Safety)		
Governor's Traffic Safety Program		
Contract Number: PAP 10-410		
October 1, 2009 - September 30, 2010		
	20.600	\$ 54,885
Governor's Traffic Safety Program		
Contract Number: PAP 11-410		
October 1, 2010 - September 30, 2011		
	20.600	123,560
Highway Research, Planning, and Construction:		
(Passed through the Iowa Department of Transportation)		
Easton Blvd Bridge Over 4-Mile Creek		
BRM-1945(729)--8N-77	20.205	1,000,000
Merle Hay Road		
HSIP-28-2(39)--2H-77	20.205	484,398
Merle Hay Road		
STP-A-1945(741)--86-77	20.205	62,454
E University Ave - E 30th St Traffic Signal		
STP-A-163-1(79)--22-77	20.205	19,719
E Indianola Ave Widening - SE 14th St to SE 16th Ct		
STP-U-1945(704)--70-77	20.205	1,372,247
E Indianola Ave Widening - SE 14th St to SE 16th Ct		
STP-A-69-4(91)--86-77	20.205	500,000
Fleur Drive Viaduct Over Recreation Trail Rehab		
STP-U-1945(778)--27-77	20.205	300,000
Merle Hay Road Traffic Signal Interconnect		
STP-A-1945(767)--86-77	20.205	331,651
SW 7th St Over Raccoon River Bridge Rehab		
BHM-1945(752)--8K-77	20.205	1,000,000
SE Connector: SW 2nd/SE 6th		
NHSX-U-1945(203)--8S-77	20.205	53,786
SE Connector: Environmental Impact		
NHSX-U-1945(202)-8S-77	20.205	61,447
SE Connector: SE 6th/14th		
NHSX-U-1945(201)--8S-77	20.205	98,510
SE Connector: DSM River Bridge & Levee		
NHSX-U-1945(252)- 8S-77	20.205	36,157
SE Connector - DSM River Bridge		
NHSX-U-1945(402)- 8S-77	20.205	182,821
SE Connector - ROW Acquisition		
NHSX-U-1945(303)--8S-77	20.205	91,999

(Continued)

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2011

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/10 - 6/30/11)
U.S. Department of Transportation (continued)		
SE Connector Paving SE 4th St to SE 9th St NHSX-U-1945(406)--8S-77	20.205	73,725
SE Connector - SE 6th to SE 14th Design Consultant Svcs. NHSX-U-1945(204)--8S-77	20.205	48,098
SE Connector - SE 6th to SE 14th Construction Supp 4 & 6 NHSX-U-1945(253)--8S-77	20.205	7,747
SE Connector - DSM River Bridge NHSX-U-1945(405)- 8S-77	20.205	612,604
SE Connector Paving SE 4th St to SE 9th St NHSX-U-1945(407)--8S-77	20.205	3,195,805
SE Connector - ROW Acquisition SE 9th -SE 15th NHSX-U-1945(304)--8S-77	20.205	145,436
ARRA - McKinley Ave Resurfacing - S Union St to Fleur Dr ESL-1945(755)--7S-77	20.205	15,051
ARRA - SE 5th St Resurfacing - E County Line Rd to e Army Post Rd ESL-1945(756)--7S-77	20.205	34,987
ARRA - E McKinley Ave Widening from S Union St to SE 5th St ESL-1945(757)--7S-77	20.205	1,030,056
ARRA - Army Post Widening - SE 5th St to SW 9th St ESL-1945(758)--7S-77	20.205	793,357
ARRA - Principal Riverwalk - Walnut/Grand Ave West ESL-1945(759)--7S-77	20.205	409,941
Waveland Trail Phase 2 University Ave to Franklin Ave Project Number: STP-E-1945(765)--8V-77	20.219	200,000
Airport Improvement Program:		
Construct Runway 13R-31L Phase 5 AIP Number: 3-19-0027-47	20.106	189,483
Construct Runway 13R-31L Phase 6 AIP Number: 3-19-0027-48	20.106	200,131
Rehabilitate Taxiway from P-3 to P-4 AIP Number(s): 3-19-0027-46	20.106	116,875
Runway 13R-31L Land Phase 7 AIP Number: 3-19-0027-50	20.106	152,856
Runway 13R-31L Land Phase 8 AIP Number: 3-19-0027-51	20.106	104,138
Runway 13R-31L Land Phase 9 AIP Number: 3-19-0027-52	20.106	212,366
Install Security Enhancements AIP Number: 3-19-0027-54	20.106	879,333
Install Security Enhancements AIP Number: 3-19-0027-55	20.106	2,303,272
Transportation Security Administration		
Memorandum of Agreement fulfilling Security Directive SD1542-02-01 Law Enforcement Personnel	SD1542-02-01	203,968
Total Department of Transportation		\$ 16,702,863

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2011

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/10 - 6/30/11)
U.S. Department of Homeland Security		
(Passed through IA Dept of Homeland Security)		
Homeland Security - Mitigation		
Project #LPDM-2008-IA-77-002	97.047	\$ 165,620
Law Enforcement Terrorism Protection Program		
FY2007-LETPP-LEIN5-05	97.074	17,165
2008 Homeland Security Grant Program		
2008-GE-T8-0008	97.067	31,185
2009 Homeland Security Grant Program		
Intelligence & Information Sharing Initiative		
2009-SS-T9-0034-11A	97.067	141,218
Critical Infrastructure Protection		
2009-SS-T9-0034-11	97.067	57,806
Intelligence & Information Sharing Initiative		
2010-SS-T9-0034-11A	97.067	86,938
Critical Infrastructure Protection		
2010-SS-T9-0034-11	97.067	39,535
Homeland Security Grant Program		
Agreement #0001-EOD-2008	97.067	212,474
Homeland Security Grant Program		
Agreement #2009-SS-T9-0034-16	97.067	13,856
Homeland Security Grant Program		
Agreement #0001-SWAT-2008	97.067	79,326
(Passed through Cerro Gordo County)		
Homeland Security Grant Program		
Grant #CZ6HF16086	97.067	9,912
U.S. Federal Emergency Management Agency		
(Passed through the IA Dept of Homeland Security)		
Federal Disaster Declaration #1763		
1763-DR-IA	97.036	110,918
1930-DR-IA	97.036	71,136
HMGP-DR-1763-0016-02	97.036	160,239
HMGP-DR-1763-0021-01	97.036	522,935
Total U.S. Department of Homeland Security		\$ 1,720,264

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2011

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/10 - 6/30/11)
Other		
Office of National Drug Control Policy		
High Intensity Drug Traffic Area Contract Number: I9PMWP556 February 1, 2009 - July 31, 2010	58.I9PMWP556Z	\$ 26
High Intensity Drug Traffic Area Contract Number: G10MW0002A February 1, 2010 - July 31, 2011	58.I0MW0002A	27,128
High Intensity Drug Traffic Area Contract Number: G11MW0002A February 1, 2011 - July 31, 2012	58.I1MW0002A	57,782
Department of Education		
(Passed through the Iowa Department of Transportation)		
ARRA - State Fiscal Stabilization Fund --		
Govt Services, Recovery Act Award #S397A090016A	84.397	237,251
Department of Energy		
ARRA - Energy Efficiency and Conservation Block Grant		
Grant #: DE-SC0003333	81.128	231,524
(Passed through the Iowa Department of Economic Development)		
ARRA - Energy Efficiency and Conservation Block Grant		
LED Streetlight Conversion Contract #3696	81.128	50,000
ARRA - State Energy Program		
Grant #: SEP10-5580	81.041	65,001
Department of the Interior		
(Passed through the Iowa Department of Economic Development)		
National Park Service - Historic Preservation Fund		
Grant #2010-05 CLG	15.904	15,000
Total Other		\$ 683,712
Total All Federal Grants		\$ 54,934,589

City of Des Moines, Iowa

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

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Des Moines, Iowa for the year ended June 30, 2011. The accompanying schedule of expenditures of federal awards does not include any awards pertaining to the Municipal Housing Agency, an enterprise fund of the City, which is reported under separate cover. All other federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies expended during the year is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2. Significant Accounting Policies

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

Note 3. Subrecipients

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grant	14.218	\$ 396,911
Emergency Shelter Grant Program	14.231	137,502
Supportive Housing Program	14.235	1,305,492
Shelter Plus Care	14.238	995,531
Home Investment in Affordable Housing	14.239	181,434
ARRA - Homeless Prevention and Rapid Re-Housing Program	14.257	741,430
Community Policing Grants	16.710	107,681
Edward Byrne Memorial Justice Assistance Grant	16.738	20,802
ARRA - Edward Byrne Memorial Justice Assistance Grant	16.804	134,742
Law Enforcement Terrorism Protection Program	97.074	965

City of Des Moines, Iowa

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011**

Comment Number	Comment	Status	Corrective Action or Other Explanation
Compliance Over Federal Awards:			
	No items were reported.		
Statutory Reporting:			
10-IV-A	Expenditures exceeded budget in health and social services and general government functions.	Not corrected.	See current year finding at 11-IV-A.



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

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Des Moines, Iowa as of and for the year ended June 30, 2011, and have issued our report thereon dated December 16, 2011. Our audit was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Des Moines Public Library Foundation, the discretely presented component unit, as described in our report on the City of Des Moines, Iowa's financial statements. The financial statements of the Des Moines Public Library Foundation were not audited in accordance with *Government Auditing Standards*.

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

Internal Control over Financial Reporting

Management of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Des Moines, Iowa is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Des Moines, Iowa's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Des Moines, Iowa's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Des Moines, Iowa's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

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

City of Des Moines, Iowa's response to the finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. We did not audit City of Des Moines, Iowa's response and, accordingly, we express no opinion on it.

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

McGladrey & Pullen, LLP

Des Moines, Iowa
December 16, 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**

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

Scope of this Report

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

The City of Des Moines, Iowa's basic financial statements include the operations of the Municipal Housing Agency, which expended \$15,329,433 in federal awards, which is not included in the City's schedule during the year ended June 30, 2011. Our audit, described below, did not extend to the operations of the Municipal Housing Agency because it is reported in a separately issued financial and compliance report of the Municipal Housing Agency.

Compliance

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and 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 City of Des Moines, Iowa's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on City of Des Moines, Iowa's compliance with those requirements.

In our opinion, City of Des Moines, Iowa 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 City of Des Moines, Iowa 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 City of Des Moines, Iowa'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 our auditing procedures for the purpose 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 City of Des Moines, Iowa'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 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 and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as discussed above.

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

McGladrey & Pullen, LLP

Des Moines, Iowa
December 16, 2011

City of Des Moines, Iowa

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2011**

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified? Yes None Reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies? Yes None Reported

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

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

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
16.710	ARRA - Public Safety Partnership and Community Policing Grants
14.257	ARRA - Homeless Prevention and Rapid Re-Housing Program
20.106	Airport Improvement Program
Highway Planning and Construction Cluster:	
20.219	Highway Research, Planning and Construction Recreation Trails Program
20.205	ARRA - Highway Research, Planning and Construction
CSBF Cluster:	
93.569	Community Services Block Grant
93.710	ARRA - Community Services Block Grant

Dollar threshold used to distinguish between type A and type B programs: \$1,648,038

Auditee qualified as low-risk auditee? Yes No

(Continued)

City of Des Moines, Iowa

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2011

II. Findings Related to the Basic Financial Statements

A. Internal Control

None reported

B. Compliance

None reported

III. Findings and Questioned Costs for Federal Awards

A. Internal Control for Federal Awards

None reported

B. Compliance

None reported

IV. Other Findings Related to Required Statutory Reporting

11-IV-A

Certified budget: Expenditures for the year ended June 30, 2010 exceeded the health and social services and general government functions budgeted amounts. Chapter 384.20 of the Code of Iowa states in part that public monies may not be expended or encumbered except under an accrual or continuing appropriation.

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

Response and corrective action plan: The City will look for ways to prevent exceeding the budgetary functions.

Conclusion: Response accepted.

11-IV-B

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

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

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 the coverage is adequate for current operations.

(Continued)

City of Des Moines, Iowa

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2011**

11-IV-F

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

11-IV-G

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

City of Des Moines, Iowa

**Corrective Action Plan
Year Ended June 30, 2011**

Comment Number	Comment	Corrective Action Plan	Contact Person	Anticipated Date of Completion
Federal Awards				
	None reported			
Statutory Reporting:				
11-IV-A	Expenditures exceeded budget in health and social services and general government functions.	See reponse and corrective action plan at 11-IV-A	Scott Sanders, Finance Director	June 30, 2012

