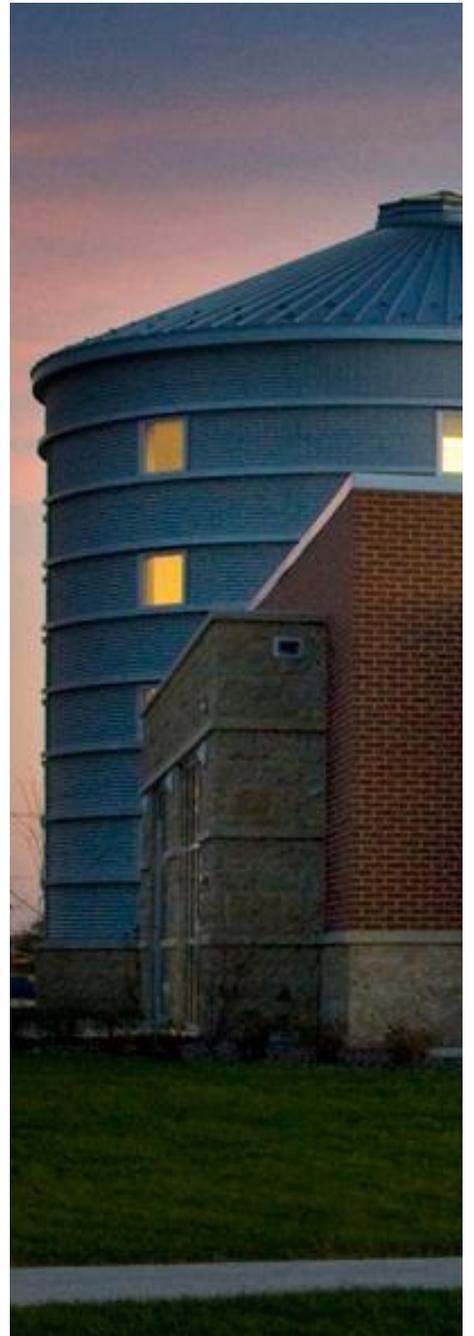




city of  
**Ankeny**

*bringing it all together*

# COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2013



# **City of Ankeny, Iowa**

Comprehensive Annual Financial Report

For the Year Ended June 30, 2013

Prepared By:

Finance Department

## **Introductory Section**

**CITY OF ANKENY, IOWA**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2013**

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December 20, 2013

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

It is our privilege to present the Comprehensive Annual Financial Report (CAFR) of the City of Ankeny, Iowa, for the fiscal year ended June 30, 2013, consistent with the requirements of Chapter 11 of the Code of Iowa that requires the City of Ankeny to publish within nine months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2013.

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

Denman & Company, LLP, a firm of licensed certified public accountants, has issued an unmodified ("clean") opinion on the City of Ankeny's financial statements for the fiscal year ended June 30, 2013. The independent auditor's report is located at the front of the financial section of this report.

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

### **Profile of the City of Ankeny**

The City of Ankeny, incorporated in 1903 is the state's 11<sup>th</sup> largest city, located just north of Des Moines, Iowa's state capital. As one of the fastest growing cities in the State, the population has grown from 27,117 in 2000 to 45,582 in 2010.

Ankeny has a strong educational presence in the state including the Ankeny Community School District, with a student enrollment over 9,300 and a graduation rate of 93 percent; Des Moines Area Community College, Iowa's largest community college, serving a student population of over 24,000; Ankeny Christian Academy; and higher learning opportunities at Faith Baptist Bible College and Theological Seminary.

For the 2013-2014 school year, the Ankeny Community School District opened a second high school to serve the students in the northern half of Ankeny and is in the process of constructing the district's tenth elementary school. There will be a total of 16 elementary, middle school and high school facilities by school year 2014-2015.

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

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

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

The financial reporting entity (the City) includes all the funds of the primary government (i.e. the City of Ankeny as legally defined). The City is not a component unit of another government, but does report the financial activities of four component units: Ankeny Community Foundation, Ankeny Sports Complex Foundation, Keep Ankeny Beautiful and Kirkendall Public Library Foundation. Component units are legally separate entities for which the primary government is financially accountable.

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

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

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

## **Local Economy**

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

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

Ankeny's unemployment rate stood at 5.3 percent in 2012 which is a decline from the past three years. Several businesses are constructing additional office, manufacturing, and warehouse space and hiring new employees, adding to Ankeny's commercial tax base and job growth efforts.

Ankeny continues to attract targeted industries, including advanced manufacturing/wind energy, biosciences, logistics and IT/business services. Major employers include: John Deere Des Moines Works, Des Moines Area Community College (DMACC), Ankeny Community Schools, Casey's General Stores, Perishable Distributors of Iowa, and ACH Food Companies, Inc. In addition, the Ankeny Regional Airport is the third busiest airport in the state and provides commercial and general aviation services. Additional economic data is included in the statistical section of this report.

## **Long Term Financial Planning**

The preparation of the City's annual operating budget and the five year capital improvement program are governed by the Council's budget policy statement, as well as Vision, Mission and Goals. As a result of these policies, the annual operating budget has been prepared on a two year basis.

The long-term improvement of the City's infrastructure is outlined in the five-year capital improvement program (CIP). The approved 2013-2017 Capital Improvement Program anticipates the expenditure of \$136,425,471. Of this total, 71 percent is for transportation projects including annual maintenance, 9 percent for Prairie Trail, 16 percent for municipal utility and drainage projects and 4 percent for park facilities. The first year of the five-year CIP, which the City incorporates into the annual budget, is \$19,044,806 for fiscal year 2014. The major source of funds for the program include general obligation bonds and tax increment financing to support economic development projects. In addition, the City leverages its program with available grants from federal and state governments and private partnerships.

### **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. The June 30, 2013, unassigned fund balance in the general fund was 49 percent of total general fund expenditures, up from 40 percent as of June 30, 2012. This amount is significantly higher than the policy guideline of 20 percent set by the Council for budgetary and planning purposes. The City Council has budgeted to maintain that fund balance for fiscal year 2014.

### **Major Initiatives and Accomplishments**

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

- Full reconstruction of SW Irvinedale Drive from just north of Oralabor Road to West First Street to support the expansion of the John Deere Des Moines Works. The scope of this project includes reconstruction as a 4-lane urban roadway with curbs, storm sewers, and all utilities.
- Prairie Trail, a public/private partnership to develop commercial and residential property on approximately 1,100 acres that was formerly owned by Iowa State University as a research farm, is under construction. Prairie Trail is currently home to Ankeny High School, Southview Middle School, Prairie Trail elementary school, Future Farmers of America Headquarters, Iowa Soybean Association and Cascade Falls, the City's second aquatic center. The town center titled "The District" is under construction and will include retail and entertainment destinations, parks and trails, residential neighborhoods, a commercial district and the Vintage Business Park.
- Street and utility improvements to support the future Elementary School #10 for the Ankeny Community School District. The school will be located near the northwest quadrant of the intersection of NW 36<sup>th</sup> Street and NW State Street. It is expected to open in August 2014.

The City achieved the following accomplishments during fiscal year 2013:

- Ankeny earned its seventh designation as a Playful City USA from the KaBOOM! Foundation, one of only 16 communities nationwide to receive the designation seven consecutive years, demonstrating the community's commitment to play spaces for unstructured free play. The award is given to communities committed to creating unstructured free play spaces to encourage healthy lifestyles.
- Ankeny received recognition from CNN and Money Magazine by being named in 2013 as one of the Top 50 Best Places to Live. Ankeny's ranking was 37<sup>th</sup>. This is the third time Ankeny has made the list.
- Ankeny received a first place Savvy Award from the City-County Communications & Marketing Association (3CMA) for the Budget 2013: Virtual Town Hall, a social media citizen engagement effort.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ankeny for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. This was the eleventh consecutive year that the government has received this prestigious award. In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report that satisfied both the generally accepted accounting principles (GAAP) and applicable legal requirements.

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

In addition, for the fifteenth consecutive year, the City received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated March 15, 2013. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide and a communications device.

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

City Council in planning and conducting the financial operations of the City in a prudent and responsible manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James H. Spradling". The signature is fluid and cursive, with a large initial "J" and "S".

James H. Spradling  
City Manager

A handwritten signature in black ink, appearing to read "Jennifer Sease". The signature is cursive and somewhat stylized.

Jennifer Sease  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Ankeny  
Iowa**

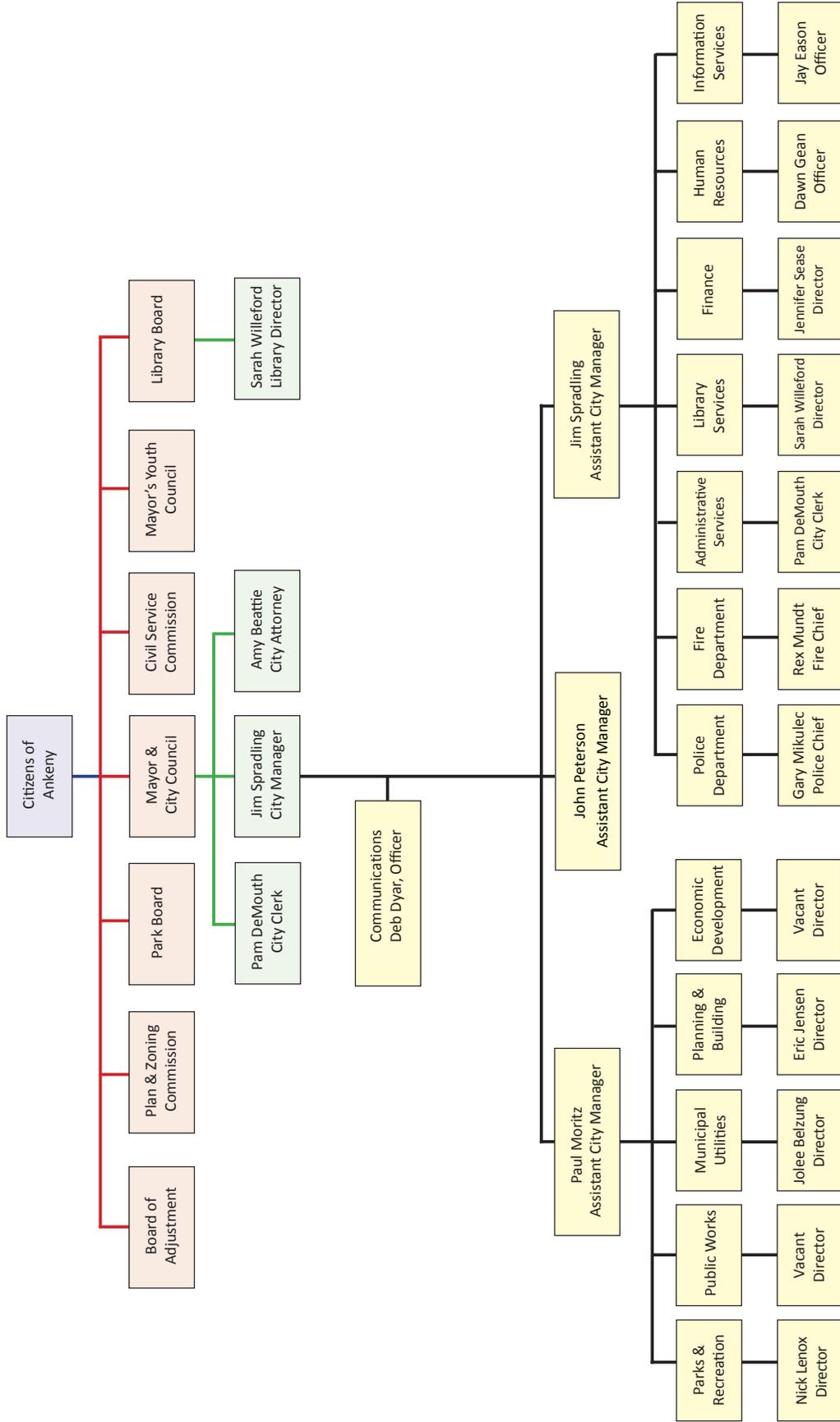
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

# City of Ankeny, Iowa

## Fiscal Year 2013 Organization Chart



# CITY OF ANKENY, IOWA

## List of Principal Officials June 30, 2013

### ELECTED OFFICIALS

Mayor  
Council Member  
Council Member  
Council Member  
Council Member  
Council Member

Gary Lorenz  
Mark Holm  
Bobbi Bentz  
Jim McKenna  
Dave Kissinger  
Wade Steenhoek

### APPOINTED OFFICIALS

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

James Spradling  
Paul Moritz  
John Peterson  
James Spradling  
Pam DeMouth  
Vacant  
Jennifer Sease  
Rex Mundt  
Sarah Willeford  
Jolee Belzung  
Nick Lenox  
Eric Jensen  
Gary Mikulec  
Vacant

**Financial Section**

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Ankeny, Iowa, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ankeny, Iowa, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress for the retiree health plan and budgetary comparison information on pages 15-28 and 72-77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ankeny, Iowa's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2013, on our consideration of the City of Ankeny, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Ankeny, Iowa's internal control over financial reporting and compliance.



**DENMAN & COMPANY, LLP**

West Des Moines, Iowa  
December 17, 2013

## Management's Discussion and Analysis

As management of the City of Ankeny, we offer readers of the City of Ankeny's financial statements this narrative overview and analysis of the financial activities of the City of Ankeny for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introductory Section at the front of this report.

### Financial Highlights

- The assets of the City of Ankeny exceeded its liabilities at the close of the most recent fiscal year by \$220,282,458 (*net position*). Of this amount, \$35,319,340 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. For the fiscal year ended June 30, 2012, assets exceeded liabilities by \$192,407,528 as restated. Of this amount, \$33,917,614 was unrestricted.
- The government's total net position increased by \$27,874,930 during the fiscal year ended June 30, 2013. Governmental activities increased \$20,875,227 and business-type activities increased \$6,999,703. For fiscal year ended June 30, 2012, total net position increased \$21,447,979. Governmental activities increased \$13,103,727 and business-type activities increased by \$8,344,252.
- As of the close of the current fiscal year, the City of Ankeny's governmental funds reported combined ending fund balances of \$24,480,067, an increase of \$2,935,669 in comparison with the prior year. As of the close of the fiscal year June 30, 2012, governmental funds reported combined ending fund balances of \$21,544,368 as restated.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,035,862 or 49 percent of total general fund expenditures. The unassigned fund balance for the general fund as of June 30, 2012 was \$8,192,665 or 40 percent of total general fund expenditures.
- The City of Ankeny's total debt decreased by \$1,228,000 (1 percent) during the current fiscal year. Total debt for fiscal year June 30, 2012, increased by \$7,634,000 (5 percent).

### Overview of the Financial Statements

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

other supplementary information in addition to the basic financial statements themselves.

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include public safety, health and social services, culture and recreation, public works, community and economic development, general government, and interest on long-term debt. The business type activities of the City include solid waste, water, sewer, storm water and Otter Creek Golf Course.

The government-wide financial statements include the City of Ankeny itself (known as the *primary government*). The financial statements also include the following blended component units: Ankeny Community Foundation, Ankeny Sports Complex Foundation, Keep Ankeny Beautiful and Kirkendall Public Library Foundation. These component units, although legally separate entities, are included in the City's reporting entity because of their significant operational or financial relationship with the City.

The government-wide financial statements are on pages 29-30 of this report.

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

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide level, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City of Ankeny maintains twenty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, debt service fund, tax increment financing fund, and capital projects fund, all of which are considered major funds. Data for the other seventeen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

**Proprietary funds.** The City of Ankeny maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for solid waste, water, sewer, storm water and Otter Creek Golf Course activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Ankeny uses internal service funds to account for vehicle maintenance, risk management, vehicle replacement, energy efficiency projects, economic development incentives, and employee benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise fund financial statements provide separate information for the water fund, sewer fund and storm water fund, all of which are considered to be major funds of the City of

Ankeny. Data for the other two enterprise funds are combined into a single, aggregated presentation. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds and the nonmajor enterprise funds are provided in the form of *combining statements* elsewhere in this report.

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 38-71 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Ankeny, including the Budgetary Comparison Schedule and Schedule of Funding Progress. Required supplementary information can be found on pages 72-77 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 79-90 of this report. Statistical information related to the City can be found on pages 95-124.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the City of Ankeny, assets exceeded liabilities by \$220,282,458 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (81 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to the citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

## Net Position (000's)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current assets	\$ 68,707	\$ 66,419	\$ 31,721	\$ 25,501	\$ 100,428	\$ 91,920
Noncurrent assets:						
Restricted cash and cash equivalents	58	58	2,846	3,031	2,904	3,089
Capital assets	210,801	195,475	123,895	119,450	334,696	314,925
Total assets	<u>279,566</u>	<u>261,952</u>	<u>158,462</u>	<u>147,982</u>	<u>438,028</u>	<u>409,934</u>
Current liabilities	64,464	68,374	3,746	3,771	68,210	72,145
Noncurrent liabilities	106,287	105,781	43,248	39,743	149,535	145,524
Total liabilities	<u>170,751</u>	<u>174,155</u>	<u>46,994</u>	<u>43,514</u>	<u>217,745</u>	<u>217,669</u>
Net investment in capital assets	81,319	61,719	96,614	89,544	177,933	151,263
Restricted	4,305	4,131	2,725	2,953	7,030	7,084
Unrestricted	23,191	21,947	12,128	11,971	35,319	33,918
Total net position	<u>\$ 108,815</u>	<u>\$ 87,797</u>	<u>\$ 111,467</u>	<u>\$ 104,468</u>	<u>\$ 220,282</u>	<u>\$ 192,265</u>

An additional portion of the City's net position (3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$35,319,340) may be used to meet the government's ongoing obligations to citizens and creditors.

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

There was an increase of \$1,401,726 in unrestricted net position reported in connection with the City of Ankeny's government-wide activities. This can be attributed to the increase in fund balance of the general fund.

The government's net position increased by \$27,874,930 during the current fiscal year, which is a combination of a \$20,875,227 increase in governmental activities net position and an increase of \$6,999,703 in business-type activities net position.

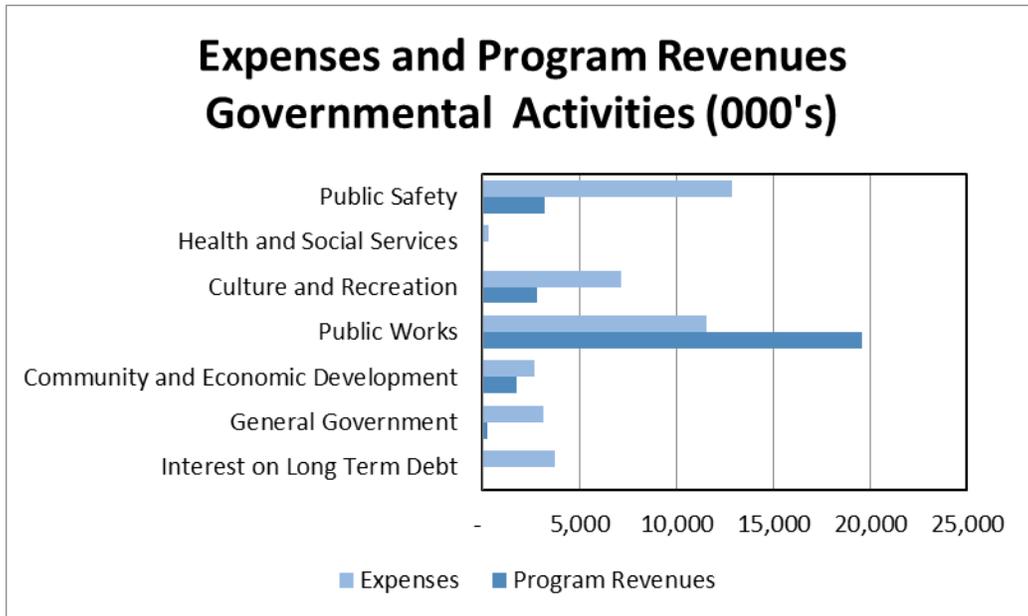
### Changes in Net Position (000's)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 5,402	\$ 4,868	\$ 22,345	\$ 20,755	\$ 27,747	\$ 25,623
Operating grants and contributions	6,777	4,903	-	-	6,777	4,903
Capital grants and contributions	15,538	12,568	5,118	5,389	20,656	17,957
General revenues:						
Property taxes	30,569	29,205	-	-	30,569	29,205
Other taxes	2,427	2,815	-	-	2,427	2,815
Interest	252	279	10	32	262	311
Other	(299)	103	753	769	454	872
Total revenues	60,666	54,741	28,226	26,945	88,892	81,686
Expenses:						
Public safety	12,860	12,021	-	-	12,860	12,021
Health and social services	308	318	-	-	308	318
Culture and recreation	7,154	6,269	-	-	7,154	6,269
Public works	11,545	13,151	-	-	11,545	13,151
Community & economic development	2,669	3,192	-	-	2,669	3,192
General government	3,158	3,133	-	-	3,158	3,133
Interest of long-term debt	3,735	3,966	-	-	3,735	3,966
Solid waste	-	-	582	554	582	554
Water	-	-	7,597	6,896	7,597	6,896
Sewer	-	-	9,172	8,559	9,172	8,559
Storm water	-	-	408	471	408	471
Otter Creek golf course	-	-	1,828	1,708	1,828	1,708
Total expenses	41,429	42,050	19,587	18,188	61,016	60,238
Excess before transfers	19,237	12,691	8,639	8,757	27,876	21,448
Transfers	1,638	412	(1,638)	(412)	-	-
Changes in net position	20,875	13,103	7,000	8,345	27,876	21,448
Net position, beginning (as restated)	87,939	74,693	104,468	96,124	192,407	170,817
Net position, ending	\$ 108,815	\$ 87,797	\$ 111,467	\$ 104,468	\$ 220,282	\$ 192,265

**Governmental activities.** Governmental activities increased the City's net position by \$20,875,227, thereby accounting for 75 percent of the total improvement in net position. Key elements of this increase are as follows:

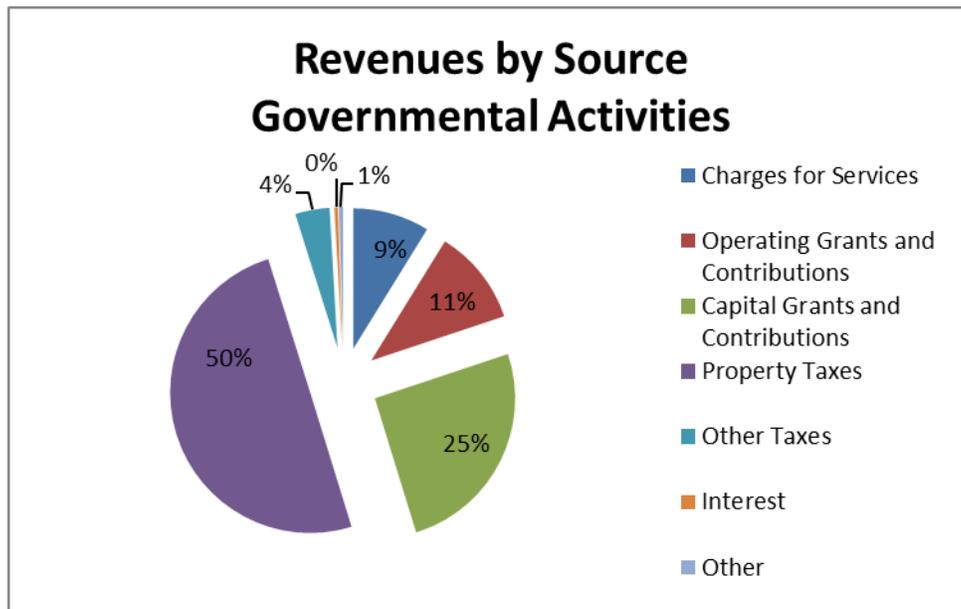
- Operating and capital grants and contributions increased by \$4,844,241 as a result of increased capital grants in the area of public works and of increased contributions for the civic fund.
- Property taxes increased by \$1,363,744 (5 percent) during the year. This increase is attributable to property valuation growth of close to 2 percent.
- Public safety revenue increased by \$740,575 (36%), primarily due to increased ambulance charges revenue collected by the fire department and building permit revenue collected by code enforcement.
- Public works expenses decreased by \$1,606,130 (12%) due to a decrease in the number of projects in the capital improvement program.

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



Expenses are higher than revenues for all programs, with the exception of public works, due to the fact that many of the governmental activities are supported by general governmental revenues including property taxes, other taxes and interest income. Public works revenues exceeded expenses due to increased capital contributions and grants.

Revenues for the governmental activities are derived as follows:



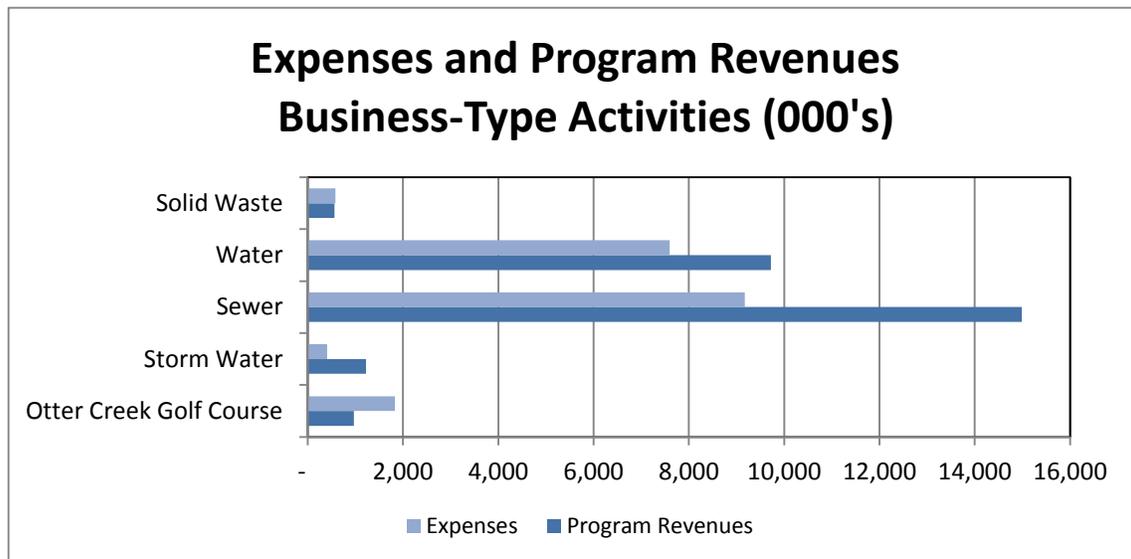
**Business-type activities.** Business-type activities increased the City’s net position by \$6,999,703, accounting for 25 percent of the total improvement in the government’s net position. Key elements of this increase are as follows:

- Charges for services for business-type activities increased by \$1,589,134, with solid waste increasing 3 percent, water increasing 6 percent, sewer increasing 11 percent, storm water increasing 6 percent and Otter Creek Golf Course decreasing by 6 percent.

The enterprise funds continue to see growth in the number of customers annually, but the majority of the increases are related to rate increases. For water the increase was 6 percent and for sewer it was 9.75 percent.

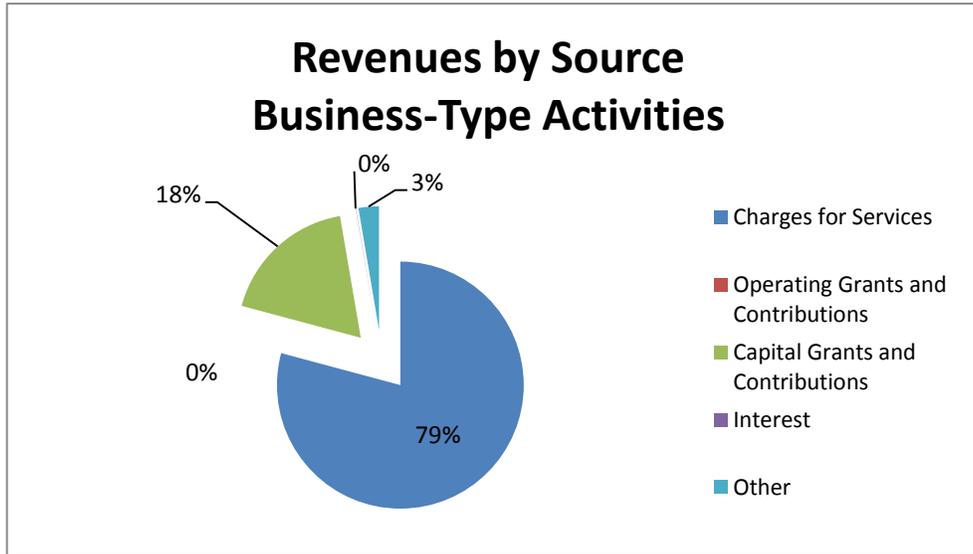
- Sewer expenses increased by \$612,504 due to debt service payments related to revenue bonds issued by the Wastewater Reclamation Authority (WRA).
- Water expenses increased by \$701,016 due primarily to increased purchased water from Des Moines Water Works. This was brought about by increased customer demand for water.

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



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

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



### Financial Analysis of the Government's Funds

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

**Governmental funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$24,480,067, an increase of \$2,935,699 in comparison with the prior year. Of this total amount, \$1,204 is *nonspendable*, which is inventory in a nonspendable form, and \$10,035,862 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance, \$14,443,001, is *restricted* to indicate that it is not available for spending because it can only be spent for the specific purposes stipulated by external resource providers, by constitution or by enabling legislation.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance reached \$10,037,066. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total

expenditures. Total fund balance represents 49 percent of total general fund expenditures.

The fund balance of the City's general fund increased by \$1,843,274 (23 percent) during the current fiscal year. The general fund saw an increase in all sources of revenue with the exception of other taxes and assessments and miscellaneous, resulting in a net increase of \$840,593. The most significant changes are related to the following:

- The general fund property tax levy rate did not change, but property tax valuations remained strong at close to 2 percent growth, resulting in an increase of \$280,517 in property taxes collected.
- Licenses and permits increased by \$628,804, due to the strong rebound in development.

In comparison to a 4 percent increase in revenues, general fund expenditures increased less than 1 percent. The most significant increase was in the area of public safety, where the police department experienced slightly higher staffing levels.

The debt service fund had a total fund balance of \$2,698,019, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year was \$483,741 or 22 percent. This increase is due to lower than anticipated interest costs on the fiscal year 2013 bond sales.

The tax increment financing fund (TIF), a special revenue fund, had a total fund balance of \$542,041, all of which is restricted. The fund had a decrease in fund balance of \$97,562 after transfers out of \$4,275,652 to the debt service fund. Property taxes collected in the special financing districts are generally transferred from the tax increment financing fund to other funds to cover bonded debt, other loans, advances and development agreements used to finance infrastructure improvements in the tax increment financing districts.

The capital projects fund had a fund balance of \$5,075,260, all of which is restricted. The fund had a decrease in fund balance of \$535,427. This decrease was attributable to the timing and scope of capital project expenditures.

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

- Total net position of the water fund at the end of current year was \$31,267,160, with \$26,367,741 net investment in capital assets, \$1,139,850 restricted for debt service and \$3,759,569 in unrestricted net position. This represents an increase in net position of \$1,415,213.

- Total net position of the sewer fund at the end of the current year was \$73,787,556, with \$64,557,536 net investment in capital assets, \$1,585,541 restricted for debt service and \$7,644,479 in unrestricted net position. This represents an increase in net position of \$5,148,903.
- The net position of the storm water fund at the end of the current year was \$1,282,455, of which \$333,255 is net investment in capital assets and \$949,200 in unrestricted net position, an increase of \$561,696.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Ankeny's business-type activities.

### **Budgetary Highlights**

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

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

- The total original revenue budget of \$69,965,223 was increased to \$76,578,222, an increase of \$6,612,999. Amended revenues included increases in building permits issued due to a strong recovery in development activity. There were also increases in civic trust contributions and foundation contributions for two projects, the Miracle League Field and the Ankeny Market Pavilion. Water and sewer sales and hook-up fees also attributed to the increase in revenues.
- The total original expenditure budget of \$107,680,202 was increased to \$114,219,718, an increase of \$6,539,516. Amended expenditures included increases mainly related to the timing of capital project expenditures. The purchase of water also increased due to customer demand. These increases were slightly offset by a decrease to debt service interest payments due to savings from refundings.
- The total original budget for other financing sources, net of \$31,990,000 increased to \$32,943,000, an increase of \$953,000.

The budgetary comparison schedule and reconciliation to generally accepted accounting principles (GAAP) can be found on pages 72-74.

### **Capital Assets and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities was \$436,712,670 in fiscal year 2013 and \$407,333,524

for fiscal year 2012. This amount represents a net increase, including additions and deletions, of \$29,379,146 and \$37,202,389, respectively. The value of these capital assets, net of depreciation at June 30, 2013 and 2012, is depicted below. The investment in capital assets includes land, buildings, other improvements, machinery and equipment, furniture and fixtures, construction in progress and infrastructure. All required infrastructure has been recorded for the governmental and business-type activities.

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 7,397	\$ 7,329	\$ 1,548	\$ 1,548	\$ 8,945	\$ 8,877
Construction in progress	24,438	39,841	12,812	20,568	37,250	60,409
Other improvements	23,473	22,252	133	158	23,606	22,410
Infrastructure	118,003	104,560	104,156	95,731	222,159	200,291
Buildings	33,062	16,551	4,107	505	37,169	17,056
Machinery and equipment	4,295	4,785	1,100	895	5,395	5,680
Furniture and fixtures	133	157	39	45	172	202
Total capital assets	<u>\$ 210,801</u>	<u>\$ 195,475</u>	<u>\$ 123,895</u>	<u>\$ 119,450</u>	<u>\$ 334,696</u>	<u>\$ 314,925</u>

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

- Expended over \$5,700,000 on the completion of the first phase and the beginning of the second phase of the reconstruction of SW Irvinedale Drive to accommodate the expansion of John Deere Des Moines Works. This includes new traffic signals on SW Irvinedale Drive.
- Expended over \$700,000 on a new traffic signal at the intersection of SE Oralabor Road and Peachtree Drive.
- Expended close to \$2,000,000 on road construction at the Crosswinds Business Park.
- Expended over \$1,800,000 on the widening of NE 36<sup>th</sup> Street for the new interchange located at the intersection of NE 36<sup>th</sup> Street and Interstate 35.
- Expended close to \$2,000,000 towards improvements on various Prairie Trail projects.

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

**Long-term debt.** At the end of the current fiscal year, the City of Ankeny had total bonded debt outstanding of \$174,810,000. Of this amount, \$148,605,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Ankeny's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 129,164	\$ 133,421	\$ 19,141	\$ 14,165	\$ 148,305	\$ 147,586
Capital loan notes	300	400	428	1,249	728	1,649
Revenue bonds	-	-	25,777	26,803	25,777	26,803
Total outstanding debt	\$ 129,464	\$ 133,821	\$ 45,346	\$ 42,217	\$ 174,810	\$ 176,038

The City's total debt decreased by \$1,228,000 (1 percent) during the current fiscal year. The key factor in this decrease was due to the City overall issuing less general obligation bonds and bond anticipation notes compared to the prior fiscal year.

Iowa statute limits the amount of general obligation debt a government may issue to five percent of its total assessed valuation of all taxable property in the City of Ankeny. The current debt limitation for the City is \$182,177,534. With outstanding general obligation debt of \$132,855,000, bond anticipation notes of \$15,450,000, and capital loan notes of \$300,000, the City had utilized 82 percent of the debt limit as of June 30, 2013.

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

Additional information on the City's long-term debt can be found in Note 7 on pages 54-58 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

- In calendar year 2012, the City issued 1031 single-family residential permits, reflecting a significant increase from 580 building permits in 2011.
- Commercial construction in calendar year 2012 more than doubled in terms of the number of permits, increasing from 15 in 2011 to 33 in 2012. The taxable valuation of those 2012 permits was \$73,674,050, which is the highest dollar value of permits issued in over a decade.
- The City's taxable valuation has increased at an average of over 5 percent per year over the last five years, including an increase of close to 2 percent for fiscal year 2013.

All of these factors were considered in preparing the City of Ankeny's budget for fiscal year 2014. The fiscal year 2014 budget included total revenues of \$109,056,291 up from \$101,955,222, representing a 7 percent increase. The increase in revenue is attributable to increases in property tax revenues, service charges, and bond proceeds. In addition, the fiscal year 2014 budget included a decrease in expenditures from \$107,680,202 to \$101,079,881, a decrease of 6

percent. The decrease is attributable to decreases in capital project expenditures. The City's property tax rate remains at \$12.02746/\$1,000 valuations.

### **Requests for Information**

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

**City of Ankeny, Iowa**  
**Statement of Net Position**  
**June 30, 2013**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 50,739,419	\$ 9,770,465	\$ 60,509,884
Investments	999,860	1,499,860	2,499,720
Receivables:			
Interest	4,288	7,815	12,103
Taxes	32,310,508	-	32,310,508
Accounts	682,277	2,341,792	3,024,069
Special assessments	531,064	30,221	561,285
Intergovernmental	508,177	2,626	510,803
Prepaid expenses	80,103	-	80,103
Inventory	171,466	91,449	262,915
Internal balances	(17,683,584)	17,683,584	-
Unamortized bond issuance costs	364,198	293,604	657,802
Total current assets	<u>68,707,776</u>	<u>31,721,416</u>	<u>100,429,192</u>
Noncurrent assets:			
Restricted cash and cash equivalents	57,717	2,845,719	2,903,436
Capital assets:			
Land	7,397,460	1,547,944	8,945,404
Construction-in-progress	24,438,329	12,812,087	37,250,416
Depreciable assets, net of accumulated depreciation	178,965,079	109,535,042	288,500,121
Total capital assets	<u>210,800,868</u>	<u>123,895,073</u>	<u>334,695,941</u>
Total noncurrent assets	<u>210,858,585</u>	<u>126,740,792</u>	<u>337,599,377</u>
Total assets	<u>279,566,361</u>	<u>158,462,208</u>	<u>438,028,569</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	3,199,389	494,946	3,694,335
Retainage payable	630,976	-	630,976
Accrued wages	601,477	126,438	727,915
Claims payable	373,242	-	373,242
Customers deposits	57,717	120,328	178,045
Unearned revenue	32,377,767	621	32,378,388
Bond and capital loan note interest payable	344,943	185,657	530,600
Bonds and capital loan notes payable, net of unamortized discount/premium	26,388,454	2,733,262	29,121,716
Compensated absences payable	490,451	85,165	575,616
Total current liabilities	<u>64,464,416</u>	<u>3,746,417</u>	<u>68,210,833</u>
Noncurrent liabilities:			
Bonds and capital loan notes payable, net of unamortized discount/premium	105,665,606	42,908,609	148,574,215
Early retirement benefit payable	401,548	196,067	597,615
Other postemployment benefits	134,875	27,486	162,361
Compensated absences payable	85,251	115,835	201,086
Total noncurrent liabilities	<u>106,287,280</u>	<u>43,247,997</u>	<u>149,535,277</u>
Total liabilities	<u>170,751,696</u>	<u>46,994,414</u>	<u>217,746,110</u>
<b>Net Position</b>			
Net investment in capital assets	81,318,637	96,614,000	177,932,637
Restricted for:			
Debt service	2,698,019	2,725,391	5,423,410
Community and economic development	542,244	-	542,244
Culture and recreation	927,002	-	927,002
Public safety	137,825	-	137,825
Unrestricted	23,190,937	12,128,403	35,319,340
Total net position	<u>\$ 108,814,664</u>	<u>\$ 111,467,794</u>	<u>\$ 220,282,458</u>

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

**City of Ankeny, Iowa**  
**Statement of Activities**  
**For the Year Ended June 30, 2013**

Programs/Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
<b>Primary government:</b>							
Governmental activities:							
Public safety	\$ 12,860,105	\$ 2,807,114	\$ 433,314	\$ -	\$ (9,619,677)	\$ -	\$ (9,619,677)
Health and social services	307,809	7,400	-	-	(300,409)	-	(300,409)
Culture and recreation	7,153,442	1,900,545	146,993	757,559	(4,348,345)	-	(4,348,345)
Public works	11,545,237	390,067	4,432,240	14,780,542	8,057,612	-	8,057,612
Community and economic development	2,668,602	37,520	1,746,275	-	(884,807)	-	(884,807)
General government	3,157,581	259,266	18,097	-	(2,880,218)	-	(2,880,218)
Interest on long-term debt	3,735,351	-	-	-	(3,735,351)	-	(3,735,351)
<b>Total governmental activities</b>	<b>41,428,127</b>	<b>5,401,912</b>	<b>6,776,919</b>	<b>15,538,101</b>	<b>(13,711,195)</b>	<b>-</b>	<b>(13,711,195)</b>
Business-type activities:							
Solid waste	582,002	563,462	-	-	-	(18,540)	(18,540)
Water	7,597,352	8,770,876	-	953,719	-	2,127,243	2,127,243
Sewer	9,171,890	10,826,754	-	4,158,083	-	5,812,947	5,812,947
Storm water	407,890	1,219,963	-	-	-	812,073	812,073
Otter Creek golf course	1,828,281	963,499	-	5,833	-	(858,949)	(858,949)
<b>Total business-type activities</b>	<b>19,587,415</b>	<b>22,344,554</b>	<b>-</b>	<b>5,117,635</b>	<b>-</b>	<b>7,874,774</b>	<b>7,874,774</b>
<b>Total primary government</b>	<b>\$ 61,015,542</b>	<b>\$ 27,746,466</b>	<b>\$ 6,776,919</b>	<b>\$ 20,655,736</b>	<b>(13,711,195)</b>	<b>7,874,774</b>	<b>(5,836,421)</b>
General revenues:							
Taxes:							
Property taxes					30,569,114	-	30,569,114
Other taxes					2,426,806	-	2,426,806
Interest					251,805	9,531	261,336
Other					(299,359)	753,454	454,095
Transfers					1,638,056	(1,638,056)	-
<b>Total general revenues and transfers</b>					<b>34,586,422</b>	<b>(875,071)</b>	<b>33,711,351</b>
Changes in net position					20,875,227	6,999,703	27,874,930
Net position, beginning, as restated (see Note 1)					87,939,437	104,468,091	192,407,528
Net position, ending					<b>\$ 108,814,664</b>	<b>\$ 111,467,794</b>	<b>\$ 220,282,458</b>

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

City of Ankeny, Iowa

Balance Sheet  
Governmental Funds  
June 30, 2013

	General	Debt Service	Tax Increment Financing	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 9,956,006	\$ 2,948,238	\$ 794,458	\$ 25,928,051	\$ 6,463,016	\$ 46,089,769
Investments	999,860	-	-	-	-	999,860
Receivables:						
Interest	4,248	-	-	-	20	4,268
Taxes	15,213,529	10,007,619	6,038,942	-	1,050,418	32,310,508
Accounts	674,922	-	-	786	5,913	681,621
Special assessments	746	-	-	-	530,318	531,064
Intergovernmental	75,727	385	-	45,087	373,330	494,529
Inventory	1,204	-	-	-	-	1,204
Restricted assets, cash and cash equivalents	57,717	-	-	-	-	57,717
<b>Total assets</b>	<b>\$ 26,983,959</b>	<b>\$ 12,956,242</b>	<b>\$ 6,833,400</b>	<b>\$ 25,973,924</b>	<b>\$ 8,423,015</b>	<b>\$ 81,170,540</b>
<b>Liabilities</b>						
Accounts payable	\$ 439,451	\$ -	\$ 67,310	\$ 2,527,464	\$ 53,045	\$ 3,087,270
Retainage payable	-	-	-	630,976	-	630,976
Accrued wages	541,571	-	-	-	50,603	592,174
Due to other funds	198,910	279,279	-	17,739,831	239,087	18,457,107
Advances from other funds	277,595	-	-	-	389,368	666,963
Customer deposits	57,717	-	-	-	-	57,717
Deferred revenue	15,431,649	9,978,944	6,224,049	393	1,563,231	33,198,266
<b>Total liabilities</b>	<b>16,946,893</b>	<b>10,258,223</b>	<b>6,291,359</b>	<b>20,898,664</b>	<b>2,295,334</b>	<b>56,690,473</b>
<b>Fund balances</b>						
Nonspendable	1,204	-	-	-	-	1,204
Restricted	-	2,698,019	542,041	5,075,260	6,127,681	14,443,001
Unassigned	10,035,862	-	-	-	-	10,035,862
<b>Total fund balances</b>	<b>10,037,066</b>	<b>2,698,019</b>	<b>542,041</b>	<b>5,075,260</b>	<b>6,127,681</b>	<b>24,480,067</b>
<b>Total liabilities and fund balances</b>	<b>\$ 26,983,959</b>	<b>\$ 12,956,242</b>	<b>\$ 6,833,400</b>	<b>\$ 25,973,924</b>	<b>\$ 8,423,015</b>	<b>\$ 81,170,540</b>

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

**City of Ankeny, Iowa**

**Reconciliation of the Balance Sheet to the  
Statement of Net Position  
June 30, 2013**

Fund balances--total governmental funds		\$	24,480,067
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Governmental capital assets:			
Land	\$	7,397,460	
Construction-in-progress		24,438,329	
Depreciable capital assets		240,635,281	
Accumulated depreciation		<u>(61,670,202)</u>	210,800,868
The assets and liabilities of internal service funds are included in the governmental activities in the statement of net position. Internal service fund net position:			
Current assets	\$	5,427,308	
Internal balances		1,054,433	
Current liabilities		(502,092)	
Noncurrent liabilities		<u>(10,702)</u>	5,968,947
Internal service funds allocated to business-type activities			(126,916)
Deferred revenue is reported in governmental funds for revenues that have been earned but are not yet available to liquidate current liabilities. All earned revenues are reported as income at the government-wide level. The following deferred revenues for unavailable items were reported in the governmental funds:			
Various funds - property tax receivable	\$	42,363	
Various funds - special assessment receivable		516,489	
General fund - intergovernmental receivable		300	
General fund - accounts receivable		260,954	
Capital projects fund - accounts receivable		<u>393</u>	820,499
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
General obligation bonds	\$	(129,463,871)	
Unamortized bond issuance costs		364,198	
Unamortized premium on general obligation bonds		(2,733,858)	
Unamortized discount on general obligation bonds		143,669	
Other postemployment benefits		(131,734)	
Early retirement benefit payable		(401,548)	
Bond interest payable		(344,943)	
Compensated absences		<u>(560,713)</u>	<u>(133,128,800)</u>
Net position of governmental activities		\$	<u><u>108,814,664</u></u>

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

City of Ankeny, Iowa

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2013

	General Fund	Debt Service	Tax Increment Financing	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property taxes	\$ 14,725,561	\$ 9,597,987	\$ 5,396,322	\$ -	\$ 1,006,170	\$ 30,726,040
Other taxes and assessments	2,280,399	132,400	-	-	100,271	2,513,070
Licenses and permits	1,782,043	-	-	-	-	1,782,043
Intergovernmental	502,343	-	12,640	7,150,004	4,459,783	12,124,770
Charges for services	2,405,314	-	-	946	10,511	2,416,771
Use of money and property	358,149	-	5,133	78,217	3,439	444,938
Miscellaneous	654,353	-	-	1,189,409	2,553,174	4,396,936
Total revenues	<u>22,708,162</u>	<u>9,730,387</u>	<u>5,414,095</u>	<u>8,418,576</u>	<u>8,133,348</u>	<u>54,404,568</u>
<b>Expenditures</b>						
Current operating:						
Public safety	10,496,288	-	-	-	1,078,846	11,575,134
Health and social services	264,654	-	-	-	-	264,654
Culture and recreation	4,422,325	-	-	-	782,878	5,205,203
Public works	1,255,157	-	-	-	3,216,598	4,471,755
Community and economic development	1,187,574	-	1,236,005	-	250,110	2,673,689
General government	3,010,877	-	-	-	-	3,010,877
Debt service:						
Principal	-	9,992,389	-	-	-	9,992,389
Interest and other charges	-	3,635,309	-	453,729	-	4,089,038
Capital projects	-	-	-	18,672,990	-	18,672,990
Total expenditures	<u>20,636,875</u>	<u>13,627,698</u>	<u>1,236,005</u>	<u>19,126,719</u>	<u>5,328,432</u>	<u>59,955,729</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,071,287</u>	<u>(3,897,311)</u>	<u>4,178,090</u>	<u>(10,708,143)</u>	<u>2,804,916</u>	<u>(5,551,161)</u>
<b>Other financing sources (uses)</b>						
Issuance of long-term debt	-	-	-	10,990,000	-	10,990,000
Issuance of refunding bonds	-	-	-	14,565,000	-	14,565,000
Premium on long-term debt	-	-	-	517,051	-	517,051
Premium on refunding bonds	-	-	-	696,753	-	696,753
Payment of refunded bonds	-	-	-	(19,920,000)	-	(19,920,000)
Transfers in	534,264	4,381,052	-	3,329,092	250,000	8,494,408
Transfers out	(762,277)	-	(4,275,652)	(5,180)	(1,813,243)	(6,856,352)
Total other financing sources (uses)	<u>(228,013)</u>	<u>4,381,052</u>	<u>(4,275,652)</u>	<u>10,172,716</u>	<u>(1,563,243)</u>	<u>8,486,860</u>
Net change in fund balances	1,843,274	483,741	(97,562)	(535,427)	1,241,673	2,935,699
Fund balances, beginning, as restated (see Note 1)	<u>8,193,792</u>	<u>2,214,278</u>	<u>639,603</u>	<u>5,610,687</u>	<u>4,886,008</u>	<u>21,544,368</u>
Fund balances, ending	<u>\$ 10,037,066</u>	<u>\$ 2,698,019</u>	<u>\$ 542,041</u>	<u>\$ 5,075,260</u>	<u>\$ 6,127,681</u>	<u>\$ 24,480,067</u>

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

**City of Ankeny, Iowa**

**Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
For the Year Ended June 30, 2013**

Net change in fund balances--total governmental funds	\$	2,935,699
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period:</p>		
Capital outlay	\$ 15,717,443	
Depreciation expense	<u>(7,112,350)</u>	8,605,093
Governmental funds do not report capital assets and therefore do not report gains or losses on the disposal of those assets		(35,806)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(224,217)
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Bond proceeds from issuances	\$ (25,555,000)	
Principal debt payments	29,912,389	
Premium on refunding bonds	(696,753)	
Premium on long-term debt	(517,051)	
Bond issuance costs	<u>84,745</u>	3,228,330
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The following expenses did not require current financial resources:</p>		
Other postemployment benefits	\$ (31,157)	
Compensated absences	4,678	
Early retirement benefits	(401,548)	
Amortization of bond discounts, issuance costs, premiums, and deferrals	256,982	
Adjustment to bond interest payable	<u>11,960</u>	(159,085)
Governmental funds do not report capital assets and therefore do not report the contribution of capital assets.		6,784,300
Internal service funds are used by management to charge costs of certain activities, such as vehicle and property maintenance, to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental activities.		(250,645)
Change in internal service fund allocation to business-type activities.		<u>(8,442)</u>
Change in net position of governmental activities	\$	<u><u>20,875,227</u></u>

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

City of Ankeny, Iowa

Statement of Net Position  
Proprietary Funds  
June 30, 2013

	Water	Sewer	Storm Water	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 2,665,496	\$ 5,785,236	\$ 1,173,027	\$ 146,706	\$ 9,770,465	\$ 4,649,650
Investments	499,860	1,000,000	-	-	1,499,860	-
Receivables:						
Interest	4,351	3,464	-	-	7,815	20
Accounts	890,503	1,179,670	150,601	121,018	2,341,792	656
Special Assessment	1,811	27,896	289	225	30,221	-
Intergovernmental	909	-	-	1,717	2,626	13,648
Prepaid expenses	-	-	-	-	-	80,103
Inventory	-	5,904	-	85,545	91,449	170,262
Due from other funds	1,546,150	8,832,126	7,700,834	-	18,079,110	512,969
Unamortized bond issuance costs	77,795	181,491	34,318	-	293,604	-
Total current assets	<u>5,686,875</u>	<u>17,015,787</u>	<u>9,059,069</u>	<u>355,211</u>	<u>32,116,942</u>	<u>5,427,308</u>
Noncurrent assets:						
Restricted cash and cash equivalents	1,260,178	1,585,541	-	-	2,845,719	-
Advances to other funds	-	-	-	-	-	1,054,433
Capital assets:						
Land	39,764	522,238	-	985,942	1,547,944	-
Construction-in-progress	565,431	9,268,727	2,977,929	-	12,812,087	-
Depreciable assets, net of accumulated depreciation	36,421,384	68,705,880	38,252	4,369,526	109,535,042	59,404
Total capital assets	<u>37,026,579</u>	<u>78,496,845</u>	<u>3,016,181</u>	<u>5,355,468</u>	<u>123,895,073</u>	<u>59,404</u>
Total noncurrent assets	<u>38,286,757</u>	<u>80,082,386</u>	<u>3,016,181</u>	<u>5,355,468</u>	<u>126,740,792</u>	<u>1,113,837</u>
Total assets	<u>43,973,632</u>	<u>97,098,173</u>	<u>12,075,250</u>	<u>5,710,679</u>	<u>158,857,734</u>	<u>6,541,145</u>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	267,006	82,412	5,944	139,584	494,946	112,119
Accrued wages	29,942	44,947	6,554	44,995	126,438	9,303
Due to other funds	-	992	60,000	73,980	134,972	-
Claims payable	-	-	-	-	-	373,242
Customer deposits	120,328	-	-	-	120,328	-
Unearned revenue	621	-	-	-	621	-
Bond and capital loan note interest payable	44,540	118,445	22,672	-	185,657	-
Bonds and capital loan notes payable, net of unamortized discount or premium	943,860	1,499,818	289,584	-	2,733,262	-
Compensated absences payable	28,600	31,237	5,994	19,334	85,165	7,428
Total current liabilities	<u>1,434,897</u>	<u>1,777,851</u>	<u>390,748</u>	<u>277,893</u>	<u>3,881,389</u>	<u>502,092</u>
Noncurrent liabilities:						
Bonds and capital loan notes payable, net of unamortized discount or premium	11,183,024	21,336,498	10,389,088	-	42,908,609	-
Early retirement benefit payable	42,320	122,864	-	30,883	196,067	-
Other postemployment benefits	7,461	12,957	1,963	5,105	27,486	3,141
Compensated absences payable	38,770	54,496	10,996	11,573	115,835	7,561
Advances from other funds	-	5,953	-	381,517	387,470	-
Total noncurrent liabilities	<u>11,271,575</u>	<u>21,532,768</u>	<u>10,402,047</u>	<u>429,078</u>	<u>43,635,467</u>	<u>10,702</u>
Total liabilities	<u>12,706,472</u>	<u>23,310,619</u>	<u>10,792,795</u>	<u>706,971</u>	<u>47,516,856</u>	<u>512,794</u>
<b>Net Position</b>						
Net investment in capital assets	26,367,741	64,557,536	333,255	5,355,468	96,614,000	59,404
Restricted for:						
Debt service	1,139,850	1,585,541	-	-	2,725,391	-
Unrestricted	3,759,569	7,644,479	949,200	(351,760)	12,001,488	5,968,947
Total net position	<u>\$ 31,267,160</u>	<u>\$ 73,787,556</u>	<u>\$ 1,282,455</u>	<u>\$ 5,003,708</u>	<u>111,340,879</u>	<u>\$ 6,028,351</u>
					Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.	126,916
					Net position of business-type activities	<u>\$ 111,467,794</u>

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

City of Ankeny, Iowa

Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2013

	Water	Sewer	Storm Water	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Operating revenues:						
Charges for services	\$ 8,770,876	\$ 10,826,754	\$ 1,219,963	\$ 1,526,961	\$ 22,344,554	\$ 4,226,812
Other	72,253	-	-	681,201	753,454	85,021
Total operating revenues	8,843,129	10,826,754	1,219,963	2,208,162	23,098,008	4,311,833
Operating expenses:						
Personal services	952,512	1,442,663	186,937	942,468	3,524,580	350,126
Contractual services	2,128,020	4,710,919	76,976	836,841	7,752,756	3,450,849
Operating supplies	3,044,104	256,764	29,518	474,348	3,804,734	777,369
Depreciation	904,321	1,898,077	25,501	155,339	2,983,238	27,994
Total operating expenses	7,028,957	8,308,423	318,932	2,408,996	18,065,308	4,606,338
Operating income (loss)	1,814,172	2,518,331	901,031	(200,834)	5,032,700	(294,505)
Nonoperating revenues (expenses):						
Interest earnings	3,044	6,487	-	-	9,531	43,860
Interest expense	(571,138)	(867,866)	(89,335)	(3,212)	(1,531,551)	-
Change in bonds outstanding	-	1,000	-	-	1,000	-
Total nonoperating revenues (expenses)	(568,094)	(860,379)	(89,335)	(3,212)	(1,521,020)	43,860
Net income (loss) before contributions and transfers	1,246,078	1,657,952	811,696	(204,046)	3,511,680	(250,645)
Capital contributions	953,719	4,158,083	-	5,833	5,117,635	-
Transfers in	618	-	-	63,660	64,278	-
Transfers out	(785,202)	(667,132)	(250,000)	-	(1,702,334)	-
Change in net position	1,415,213	5,148,903	561,696	(134,553)	6,991,259	(250,645)
Total net position, beginning	29,851,947	68,638,653	720,759	5,138,261		6,278,996
Total net position, ending	\$ 31,267,160	\$ 73,787,556	\$ 1,282,455	\$ 5,003,708		\$ 6,028,351
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.					8,442	
Change in net position of business-type activities					\$ 6,999,703	

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

City of Ankeny, Iowa

Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2013

	Water	Sewer	Storm Water	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
<b>Cash flows from operating activities</b>						
Receipts from customers	\$ 9,200,941	\$ 10,726,700	\$ 1,195,957	\$ 2,189,768	\$ 23,313,366	\$ 4,305,520
Payments to suppliers	(5,257,219)	(4,975,273)	(201,334)	(1,295,792)	(11,729,618)	(4,322,159)
Payments to employees	(911,724)	(1,308,898)	(184,121)	(919,576)	(3,324,319)	(275,830)
Net cash provided (used) by operating activities	3,031,998	4,442,529	810,502	(25,600)	8,259,429	(292,469)
<b>Cash flows from noncapital financing activities</b>						
Payments received on interfund accounts	447,178	746,124	696,568	-	1,889,870	611,981
Payments made on interfund accounts	-	(992)	(75,444)	(45,260)	(121,696)	-
Loans issued to other funds	-	-	-	-	-	(415,883)
Loans received from other funds	30,000	30,000	(6,124,609)	391,852	(5,672,757)	-
Transfers from other funds	618	-	-	63,660	64,278	-
Transfers to other funds	(785,202)	(667,132)	(250,000)	-	(1,702,334)	-
Net cash provided (used) by noncapital financing activities	(307,406)	108,000	(5,753,485)	410,252	(5,542,639)	196,098
<b>Cash flows from capital and related financing activities</b>						
Proceeds from long-term debt, net of bond issue costs	-	-	6,124,609	-	6,124,609	-
Purchase of capital assets	(447,178)	(766,987)	(696,568)	(391,852)	(2,302,585)	-
Principal paid on long-term debt	(934,728)	(2,079,883)	-	-	(3,014,611)	-
Interest paid on long-term debt	(570,051)	(876,557)	(93,735)	-	(1,540,343)	-
Net cash provided (used) by capital and related financing activities	(1,951,957)	(3,723,427)	5,334,306	(391,852)	(732,930)	-
<b>Cash flows from investing activities</b>						
Proceeds from investment maturity	1,492,718	992,183	-	-	2,484,901	-
Purchase of investments	(498,086)	(995,921)	-	-	(1,494,007)	-
Interest received	7,282	9,567	-	-	16,849	43,845
Net cash provided by investing activities	1,001,914	5,829	-	-	1,007,743	43,845
Net increase (decrease) in cash and cash equivalents	1,774,549	832,931	391,323	(7,200)	2,991,603	(52,526)
Balances, beginning of year	2,151,125	6,537,846	781,704	153,906	9,624,581	4,702,176
Balances, end of year	\$ 3,925,674	\$ 7,370,777	\$ 1,173,027	\$ 146,706	\$ 12,616,184	\$ 4,649,650
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>						
Operating income (loss)	\$ 1,814,172	\$ 2,518,331	\$ 901,031	\$ (200,834)	\$ 5,032,700	\$ (294,505)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	904,321	1,898,077	25,501	155,339	2,983,238	27,994
Changes in assets and liabilities:						
Receivables, net	357,813	(100,054)	(24,006)	(18,394)	215,359	(6,313)
Prepaid expenses	-	-	-	-	-	(6,631)
Inventory	-	(1,040)	-	4,958	3,918	48,369
Accounts and other payables	(44,308)	127,215	(92,024)	33,331	24,214	(163,386)
Claims payable	-	-	-	-	-	102,003
Net cash provided (used) by operating activities	\$ 3,031,998	\$ 4,442,529	\$ 810,502	\$ (25,600)	\$ 8,259,429	\$ (292,469)
Noncash capital and related financing activities:						
Contribution of capital assets	\$ 953,719	\$ 4,158,083	\$ -	\$ 5,833	\$ 5,117,635	\$ -
Noncash investing activities:						
Net change in unrealized gain on investments	\$ 1,774	\$ 4,079	\$ -	\$ -	\$ 5,853	\$ -

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

**CITY OF ANKENY, IOWA**  
Notes to the Financial Statements  
June 30, 2013

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

**A. Financial Reporting Entity**

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

The City of Ankeny has quickly grown to an organization with over 638 employees and offers a wide variety of services including police and fire protection, library services, street maintenance, a public golf course, parks and recreation facilities and activities, planning and zoning, general administration and water and sewer services.

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

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

**Component Units**

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

The Ankeny Community Foundation is a charitable public foundation established for the purpose of improving the quality of life in Ankeny by initiating programs, coordinating resources, and supporting organizations that enhance education, community betterment, arts and culture, and human services. The Ankeny Community Foundation is a blended component unit, because the nature and significance of their relationship is such that without the Ankeny Community Foundation's financial presentation, the City's financial statements would be incomplete. The Ankeny Community Foundation is presented as a special revenue fund and has a June 30 year-end.

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

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

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

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

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

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with

finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The City has the following fund types:

**Governmental funds** are used to account for the City's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means that the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year-end.

Property taxes, service charges, special assessments, intergovernmental revenue, and interest revenue are susceptible to accrual. Licenses and permits, fines and forfeitures, and other miscellaneous receipts become measurable and available when cash is received by the City and are recognized as revenue at that time. Proceeds of general long-term debt are reported as other financing sources.

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

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

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

Governmental funds include the following fund types:

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

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

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

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

**Proprietary funds** are accounted for using the flow of economic resources measurement focus and the full accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized at the time the liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues from the City's proprietary funds are charges to customers for sales, rentals and services. Operating expenses for the proprietary funds include cost of personal services, contractual services, operating supplies, self-insurance claims and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Proprietary funds include the following fund types:

The *Enterprise Funds* are used to account for those operations that are financed and operated in a manner similar to private business or where the City Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

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

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

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

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

The Statement of Net Position presents the City's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in the following categories:

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

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

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

The Statement of Activities presents, for each City activity, the extent to which direct expenses are being supported by program revenues or by general revenues. Direct expenses are those that are clearly identifiable with the specific activity (including depreciation). Program revenues are charges, grants, contributions, or other revenues that are either restricted for use or are directly associated with the particular activity. General revenues include interest, taxes, and other revenues used to support City operations that are not directly associated with a particular activity.

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

Governmental activities in the government-wide statements include the operations from the governmental funds: general fund, special revenue funds, debt service fund and capital projects funds adjusted from the modified accrual to the full accrual basis of accounting. Governmental activities also include the activities from the internal service funds, because their operations are governmental in nature. Business-type activities in the government-wide statements are comprised of the enterprise funds.

The fund financial statements present the City's activities at the fund level rather than on a city-wide basis. The fund financial statements report the governmental funds using the modified accrual basis of accounting and the proprietary funds using the full accrual basis of accounting. The fund financial statements for both

the governmental and the proprietary funds report the major funds individually and the nonmajor funds combined.

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

The City has the following major governmental funds:

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

The *Debt Service Fund* accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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

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

The City has the following major enterprise funds:

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

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

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

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

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

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

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

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

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

The *Economic Development Revolving Fund* accounts for a revolving loan fund that provides financial assistance to local businesses.

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

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

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

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

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

The City considers petty cash, bank deposits, certificates of deposit and investments in open-end mutual funds to be cash or cash equivalents. Short-

term investments with original maturities of three months or less are also considered cash equivalents.

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

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

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

#### *Property Taxes Receivable*

Property taxes are recognized as a receivable at the time an enforceable legal claim is established. This is determined to occur when the budget is certified. No property tax levy date is established by the State of Iowa; however, the current tax levy which is due and collectable during the year ending June 30, 2013, was certified on March 15, 2012, by the local taxing authority, Polk County, Iowa, based on January 1, 2011, valuations establishing a lien date of March 15, 2012. Property taxes are due in two installments with the first half becoming delinquent after September 30 and the second half after March 31 of the following year. Property taxes are recognized as revenue at year-end if they are measurable and are available to pay current liabilities.

Property taxes certified on March 15, 2013, for the fiscal year beginning on July 1, 2013, are recognized as a receivable as of June 30, 2013, but are shown as deferred revenue because these taxes are not permitted for use until July 1, 2013.

#### *Inventory and Prepaid Items*

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

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

### *Interfund Balances*

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

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

### *Restricted Assets*

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

The City also has restricted assets relating to customer deposits.

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

### *Capital Assets*

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

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

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

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

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

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

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

#### *Compensated Absences*

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

Accrued vacation and sick leave benefits are reported as a liability in the proprietary funds using the same basis as the activities at the government-wide level. In governmental funds, however, these accrued benefits are not considered due and are not reported as a fund liability. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2013. Compensated absences attributable to governmental activities are generally liquidated by the general fund and the road use tax fund.

#### *Long-Term Obligations*

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

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

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

### *Fund Equity*

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

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

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

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

**Assigned** – Amounts which the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. These amounts are designated by City Council through informal processes, such as by City policy.

**Unassigned** – All amounts not included in other spendable classifications.

### *Net Position*

Net position represent the difference between assets and liabilities. Net investment in capital assets 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 investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net position consists of

\$110,847 restricted by donors, \$643,904 restricted by other governments, \$852,320 restricted through enabling legislation and \$5,423,410 restricted for debt service.

*Use of Estimates*

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

*Restatement of Fund Balance*

The beginning fund balances of the nonmajor governmental funds have been restated in order to reflect the reclassification of the Ankeny Community Foundation fund from an agency fund to a special revenue fund. The effect on beginning fund balance presented is as follows:

	Nonmajor Governmental Funds
	<u>                    </u>
Beginning of year balances, as previously reported	\$ 4,743,330
Reclassification of funds	142,678
Beginning of year balances, as restated	<u><u>\$ 4,886,008</u></u>

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

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

**NOTE 3 - DEPOSITS AND INVESTMENTS**

As of June 30, 2013, the City had investments in debt securities with the following original maturities:

<u>Investment Type</u>	<u>Original Maturity</u>			<u>Totals</u>
	<u>Within 6 Months</u>	<u>6 Months to 1 Year</u>	<u>1 Year to 3 Years</u>	
Commercial paper	\$ -	\$ 2,488,888	\$ -	\$ 2,488,888

The City held certificates of deposit totaling \$2,300,000. All of these had original maturities of 6 months to 1 year.

### *Risk Exposure*

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

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

The City manages its exposure to *credit risk* by limiting its purchase of commercial paper and other short-term corporate debt to securities rated in the two highest classifications as established by one of the standard rating services approved by the State of Iowa Superintendent of Banking. Ratings are evaluated at time of purchase. Commercial paper of \$2,488,888 held by the City were rated P1 by Moody's Investors Service and A1 by Standard & Poor's at the time of purchase.

*Custodial credit risk*, in the case of deposits, is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2013, the carrying amount of the City's cash deposits, which include certificates of deposit, totaled \$63,395,393 with bank balances of \$64,743,182. The bank balances are covered entirely by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2013, is as follows:

	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
<b>Governmental activities:</b>				
Undepreciated:				
Land	\$ 7,329,256	\$ 68,204	\$ -	\$ 7,397,460
Construction in progress	39,840,924	11,552,950	26,955,545	24,438,329
Total, undepreciated	<u>47,170,180</u>	<u>11,621,154</u>	<u>26,955,545</u>	<u>31,835,789</u>
Depreciated:				
Other improvements	30,807,899	2,934,424	-	33,742,323
Infrastructure	130,971,399	16,326,767	-	147,298,166
Buildings	25,166,629	17,755,406	-	42,922,035
Machinery and equipment	14,855,213	819,532	461,694	15,213,051
Furniture and fixtures	1,459,706	-	-	1,459,706
Total, depreciated	<u>203,260,846</u>	<u>37,836,129</u>	<u>461,694</u>	<u>240,635,281</u>
Accumulated depreciation:				
Other improvements	8,556,433	1,713,727	-	10,270,160
Infrastructure	26,411,167	2,884,056	-	29,295,223
Buildings	8,615,811	1,244,062	-	9,859,873
Machinery and equipment	10,069,928	1,274,523	425,889	10,918,562
Furniture and fixtures	1,302,408	23,976	-	1,326,384
Total accumulated depreciation	<u>54,955,747</u>	<u>7,140,344</u>	<u>425,889</u>	<u>61,670,202</u>
Governmental activities capital assets, net	<u>\$ 195,475,279</u>	<u>\$ 42,316,939</u>	<u>\$ 26,991,350</u>	<u>\$ 210,800,868</u>

	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
<b>Business-type activities:</b>				
Undepreciated:				
Land	\$ 1,547,944	\$ -	\$ -	\$ 1,547,944
Construction in progress	20,568,405	1,881,636	9,637,954	12,812,087
Total, undepreciated	<u>22,116,349</u>	<u>1,881,636</u>	<u>9,637,954</u>	<u>14,360,031</u>
Depreciated:				
Other improvements	531,372	-	-	531,372
Infrastructure	130,399,873	11,076,014	-	141,475,887
Buildings	1,031,849	3,687,811	-	4,719,660
Machinery and equipment	2,758,513	420,652	89,057	3,090,108
Furniture and fixtures	64,542	-	-	64,542
Total, depreciated	<u>134,786,149</u>	<u>15,184,477</u>	<u>89,057</u>	<u>149,881,569</u>
Accumulated depreciation:				
Other improvements	373,030	24,896	-	397,926
Infrastructure	34,668,920	2,650,810	-	37,319,730
Buildings	526,860	85,412	-	612,272
Machinery and equipment	1,863,986	215,666	89,057	1,990,595
Furniture and fixtures	19,550	6,454	-	26,004
Total accumulated depreciation	<u>37,452,346</u>	<u>2,983,238</u>	<u>89,057</u>	<u>40,346,527</u>
Business-type activities capital assets, net	<u>\$ 119,450,152</u>	<u>\$ 14,082,875</u>	<u>\$ 9,637,954.00</u>	<u>\$ 123,895,073</u>

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

Governmental activities:		
Public safety		\$ 1,496,534
Health and social services		3,013
Culture and recreation		1,932,586
Public works		3,597,513
General government		<u>110,698</u>
Total depreciation expense - governmental activities		<u>\$ 7,140,345</u>
Business-type activities:		
Water		\$ 904,321
Sewer		1,898,077
Storm water		25,501
Otter Creek golf course		<u>155,339</u>
Total depreciation expense - business-type activities		<u>\$ 2,983,238</u>

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

Due To/From Other Funds:		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water	Debt service	\$211,008
	Capital projects	1,305,142
	Enterprise, storm water	30,000
Sewer	Debt service	68,271
	Capital projects	8,733,855
	Enterprise, storm water	30,000
Storm Water	Capital projects	7,700,834
Nonmajor, internal service	General fund	198,910
	Special revenue, road use tax	239,087
	Enterprise, Sewer	992
	Enterprise, Otter Creek golf course	<u>73,980</u>
		<u>\$18,592,079</u>
Advances To/From Other Funds:		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor, internal service	General fund	\$ 277,595
	Special revenue, road use tax	389,368
	Enterprise, Sewer	5,953
	Enterprise, Otter Creek golf course	<u>381,517</u>
		<u>\$ 1,054,433</u>

Interfund balances result from financing activities for the acquisition of capital equipment and improvements. The internal service fund, equipment reserve fund, loans to other funds for the acquisition of capital equipment; the resulting loan is reported as an interfund receivable/payable. The capital projects fund accounts for the capital construction and related financing for many water and

sewer projects, which are funded through debt financing. The timing differences between the debt issuance and the capital construction creates an interfund balance between the capital projects fund and the enterprise fund involved.

Interfund transfers for the year ended June 30, 2013 were as follows:

	Transfers In						Total
	General	Debt Service	Capital Projects	Water	Nonmajor Governmental	Nonmajor Enterprise	
<b>Transfers Out:</b>							
General	\$ -	\$ 105,400	\$ 358,259	\$ 618	\$ 250,000	\$ 48,000	\$ 762,277
Tax Increment Financing	-	4,275,652	-	-	-	-	4,275,652
Capital Projects	-	-	-	-	-	5,180	5,180
Water	267,132	-	518,070	-	-	-	785,202
Sewer	267,132	-	400,000	-	-	-	667,132
Storm Water	-	-	250,000	-	-	-	250,000
Nonmajor governmental	-	-	1,802,763	-	-	10,480	1,813,243
	<u>\$ 534,264</u>	<u>\$ 4,381,052</u>	<u>\$ 3,329,092</u>	<u>\$ 618</u>	<u>\$ 250,000</u>	<u>\$ 63,660</u>	<u>\$ 8,558,686</u>

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

**NOTE 6 - DEFERRED REVENUE**

Under both the accrual and the modified accrual methods of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset with a corresponding liability for deferred (unearned) revenue. The following funds had deferred (unearned) revenue at June 30, 2013:

General	Succeeding year taxes	\$ 15,166,161
Debt Service	Succeeding year taxes	9,976,393
Special Revenue:		
Tax Increment Financing	Succeeding year taxes	5,985,825
	DART lease agreement	202,240
Nonmajor Governmental:		
Police/Fire Pension	Succeeding year taxes	1,047,148
Water	Unearned charges	<u>621</u>
		<u><b>\$32,378,388</b></u>

Governmental funds also record deferred (unavailable) revenue for revenues that have been earned but are not available to liquidate current liabilities. The following funds had deferred (unavailable) revenues at June 30, 2013:

General	Delinquent taxes	\$ 3,581
	Accounts receivable	260,954
	Intergovernmental receivable	300
	Special assessments	653
Debt Service	Delinquent taxes	2,551
Special Revenue:		
Tax Increment Financing	Delinquent taxes	35,984
Nonmajor Governmental:		
Police/Fire Pension	Delinquent taxes	247
Special Assessments	Special assessments	515,836
Capital Projects:		
Capital Projects	Accounts receivable	<u>393</u>
		<u>\$820,499</u>

#### NOTE 7 - LONG-TERM DEBT

*General Obligation Bonds.* The City issues general obligation bonds to provide funds for the acquisition and construction of infrastructure, major capital facilities, and other major capital assets. General obligation bonds have been issued for both general government and proprietary activities. These bonds are reported in proprietary funds if they are expected to be repaid from proprietary fund revenues. General obligation bonds as of June 30, 2013 consist of the following individual issues:

Debt	Issue Date	Final Maturity	Amount Issued	Interest Rate Range Outstanding	Balance June 30, 2013
Various public improvements	05/30/06	06/01/17	\$ 5,695,000	4.250	\$ 2,575,000
Various public improvements	05/30/07	06/01/18	13,040,000	4.000	7,185,000
Various public improvements	05/15/08	06/01/19	11,985,000	3.250 - 4.000	7,725,000
Public safety facilities	05/15/08	06/01/28	22,425,000	3.250 - 4.625	21,425,000
Landfill remediation	04/08/09	06/01/28	3,000,000	3.000	2,500,000
Various public improvements	05/15/09	06/01/28	32,010,000	4.000 - 4.375	24,500,000
Refunding	05/15/10	06/01/21	7,920,000	3.000 - 3.250	4,735,000
Refunding	05/15/11	06/01/26	13,250,000	2.000 - 4.000	11,960,000
Refunding	05/15/11	06/01/14	2,910,000	3.000	985,000
Sports field lighting	08/15/11	06/01/16	495,000	1.150 - 1.800	300,000
Refunding	05/30/12	06/01/27	11,160,000	1.500 - 3.000	10,900,000
Various public improvements	05/30/12	06/01/14	15,450,000	1.000	15,450,000
Advance Refunding	05/30/12	06/01/18	6,665,000	2.000 - 4.000	6,665,000
Refunding	05/30/13	06/01/28	18,730,000	2.000 - 3.200	18,730,000
Various public improvements	05/30/13	06/01/28	12,970,000	2.000 - 3.000	12,970,000
			<u>\$ 177,705,000</u>		<u>\$ 148,605,000</u>

On May 30, 2013, the City issued series 2012A general obligation refunding bonds totaling \$18,730,000, and was used to refund the series 2011B general obligation bond anticipation notes.

On May 30, 2013, the City issued series 2012B general obligation bonds totaling \$12,970,000 and was used to construct various capital improvement projects.

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

Year Ending June 30	General Obligation Principal	General Obligation Interest	Total
2014	\$ 27,494,000	\$ 4,711,483	\$ 32,205,483
2015	12,554,000	4,187,836	16,741,836
2016	13,018,000	3,797,266	16,815,266
2017	13,502,000	3,369,195	16,871,195
2018	13,321,000	2,884,710	16,205,710
2019-2023	38,512,000	9,056,646	47,568,646
2024-2028	30,204,000	3,287,066	33,491,066
	<u>\$ 148,605,000</u>	<u>\$ 31,294,202</u>	<u>\$ 179,899,202</u>

Accumulated fund balances in the Debt Service Fund are legally restricted for the repayment of debt service. The fund balance at June 30, 2013 in the Debt Service Fund is \$2,698,019.

*Sewer revenue bonds.* The City issues sewer revenue bonds to provide for the construction of sewer system infrastructure. These bonds are reported in the sewer fund in the enterprise funds. Sewer revenue bonds as of June 30, 2013 consist of the following issues:

Debt	Issue Date	Final Maturity	Amount Issued	Interest Rate Range Outstanding	Balance June 30, 2013
Various sewer improvements	12/15/08	05/01/28	\$ 6,130,000	4.000 - 6.375	\$ 5,275,000
Rock Creek lateral sewer	01/20/10	05/01/32	3,642,000	3.000	3,510,000
Rock Creek lateral sewer	01/20/10	05/01/32	902,000	3.000	901,000
Landfill remediation	02/03/10	05/01/29	1,012,000	3.000	786,000
Various sewer improvements	12/15/10	05/01/30	3,010,000	2.500 - 4.500	2,765,000
Various sewer improvements	03/05/12	05/01/31	2,965,000	2.000 - 3.375	2,965,000
			<u>\$ 17,661,000</u>		<u>\$ 16,202,000</u>

Future debt service requirements for the outstanding sewer revenue bonds are as follows:

<b>Year ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2014	\$ 705,000	\$ 624,131	\$ 1,329,131
2015	732,000	602,606	1,334,606
2016	748,000	580,146	1,328,146
2017	782,000	555,676	1,337,676
2018	809,000	529,216	1,338,216
2019-2023	4,538,000	2,182,795	6,720,795
2024-2028	5,618,000	1,168,094	6,786,094
2029-2032	2,270,000	161,416	2,431,416
	<u>\$ 16,202,000</u>	<u>\$ 6,404,080</u>	<u>\$ 22,606,080</u>

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$17,661,000 in sewer revenue bonds. Proceeds from the bonds provided financing for various sewer improvement projects. The bonds are payable solely from sewer customer net revenues and are payable through 2032. Annual principal and interest payments on the bonds are expected to require less than 90 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$22,606,080. Principal and interest paid for the current year and total customer net revenues were \$2,956,440 and \$4,416,408, respectively.

The following provisions are included in the sewer revenue bond agreements:

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

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

The amount restricted in the Sewer Fund as of June 30, 2013 relating to these provisions is \$1,585,541.

*Water revenue bonds/capital loan notes.* The City issues water revenue bonds and capital loan notes to provide for the construction of water system infrastructure. This debt is reported in the water fund in the enterprise funds.

Water revenue bonds and capital loan notes as of June 30, 2013 consist of the following issues:

<b>Debt</b>	<b>Issue Date</b>	<b>Final Maturity</b>	<b>Amount Issued</b>	<b>Interest Rate Range Outstanding</b>	<b>Balance June 30, 2013</b>
Eastside Rual Water Phase 1	10/01/01	06/01/21	\$ 908,000	3.000	\$ 428,000
Various water improvements	11/21/05	06/01/25	4,025,000	4.000 - 4.625	2,795,000
Various water improvements	12/15/06	06/01/26	3,890,000	3.700 - 4.300	2,995,000
Various water improvements	12/15/08	06/01/28	4,400,000	4.000 - 6.375	3,785,000
			<u>\$ 13,223,000</u>		<u>\$ 10,003,000</u>

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

<b>Year ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2014	\$ 573,000	\$ 458,940	\$ 1,031,940
2015	600,000	437,025	1,037,025
2016	626,000	413,975	1,039,975
2017	653,000	389,365	1,042,365
2018	679,000	362,020	1,041,020
2019-2023	3,807,000	1,337,306	5,144,306
2024-2028	3,065,000	425,374	3,490,374
	<u>\$ 10,003,000</u>	<u>\$ 3,824,005</u>	<u>\$ 13,827,005</u>

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$13,223,000 in water revenue bonds and capital loan notes. Proceeds from the bonds and notes provided financing for various water improvement projects. The bonds and notes are payable solely from water customer net revenues and are payable through 2028. Annual principal and interest payments on the bonds and notes are expected to require less than 90 percent of net revenues. The total principal and interest remaining to be paid on the bonds and notes is \$13,827,005. Principal and interest paid for the current year and total customer net revenues were \$1,504,779 and \$2,718,493, respectively.

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

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

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

obligations outstanding, or 3) 125% of the average amount of principal and interest coming due on the notes and any parity obligations in any succeeding fiscal year.

The amount restricted in the Water Fund as of June 30, 2013 relating to these provisions is \$1,139,850.

*Changes in Long-term Debt.* The following is a summary of the changes in the long-term debt of the City for the year ended June 30, 2013.

	June 30, 2012	Additions	Retirements	June 30, 2013	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 133,421,262	\$ 25,555,000	\$ 29,812,389	\$ 129,163,873	\$ 25,967,604
Capital loan notes	400,000	-	100,000	300,000	100,000
Other postemployment benefits	102,968	31,907	-	134,875	-
Compensated absences	576,406	508,135	508,839	575,702	490,451
Early retirement	213,121	253,723	65,296	401,548	401,548
<b>Total governmental activities</b>	<b>\$ 134,713,757</b>	<b>\$ 26,348,765</b>	<b>\$ 30,486,524</b>	<b>\$ 130,575,998</b>	<b>\$ 26,959,603</b>
Business-type activities:					
General obligation bonds	\$ 14,164,738	\$ 6,145,000	\$ 1,168,611	\$ 19,141,127	\$ 1,426,396
Water revenue bonds	10,080,000	-	505,000	9,575,000	525,000
Sewer revenue bonds	16,723,000	-	521,000	16,202,000	705,000
Capital loan notes	1,249,000	-	821,000	428,000	48,000
Other postemployment benefits	21,221	6,265	-	27,486	-
Compensated absences	209,461	93,193	101,654	201,000	85,165
Early retirement	-	249,966	53,899	196,067	196,067
<b>Total business-type activities</b>	<b>\$ 42,447,420</b>	<b>\$ 6,494,424</b>	<b>\$ 3,171,164</b>	<b>\$ 45,770,680</b>	<b>\$ 2,985,628</b>

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

	Governmental Activities	Business-type Activities
Discounts:		
Current	\$ 9,808	\$ 14,453
Noncurrent	133,861	196,120
<b>Total</b>	<b>\$ 143,669</b>	<b>\$ 210,573</b>
Premiums:		
Current	\$ 330,658	\$ 43,320
Noncurrent	2,403,200	462,994
<b>Total</b>	<b>\$ 2,733,858</b>	<b>\$ 506,314</b>

## **NOTE 8 - RETIREMENT SYSTEMS**

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

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

Plan members are required to contribute 5.78% of their annual covered salary and the City is required to contribute 8.67% of annual covered payroll, except covered firefighters who contribute 6.84% and the City contributes 10.27%. Contribution requirements are established by State statute. The City's contribution to IPERS for the years ended June 30, 2013, 2012, and 2011 were \$824,171, \$736,889, and \$640,790, respectively, equal to the required contributions for each year.

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

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

Plan members are required to contribute 9.40% of their earnable compensation and the City's contribution rate is 26.12% of earnable compensation. Contribution requirements are established by State statute. The City's contributions to the Plan for the years ended June 30, 2013, 2012, and 2011 were \$1,040,737, \$941,093, and \$634,969, respectively, which met the required minimum contributions for each year.

## **NOTE 9 - RISK MANAGEMENT AND INSURANCE**

The City is a member of the Iowa Communities Assurance Pool (ICAP), as allowed by Chapter 670.7 of the Code of Iowa. ICAP is a local government risk-sharing pool whose 679 members include various government entities throughout the State of Iowa. ICAP was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. ICAP provides coverage and protection in the following categories: general liability,

automobile liability, automobile physical damage, public officials' liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to ICAP fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, ICAP's general and administrative expenses, claims, claims expenses, and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over ICAP.

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

The City's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The City's annual contributions to ICAP for the year ended June 30, 2013 were \$255,410.

ICAP uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. ICAP retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim. For members requiring specific coverage from \$3,000,000 to \$15,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by ICAP up to \$250,000 per occurrence, each location, with excess coverage reinsured on an individual member basis.

ICAP's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhaust total member's equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The City does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly at June 30, 2013, no liability has been recorded in the City's financial statements. As of June 30, 2013, settled

claims have not exceeded the risk pool or reinsurance coverage since ICAP's inception.

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

The City also carries commercial insurance purchased from other insurers for coverage associated with workers compensation. The City assumes the liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The City also assumes all risks related to the injury of police officers and full-time fire fighters in the line of duty. The City's risk management activities are accounted for in the internal service fund, risk management fund, which provides for the purchase of insurance.

#### *Health Insurance*

The City operates a health insurance pool for the benefit of its employees that is self-funded through contributions in the form of employee premiums. The City is liable as to medical and dental claims made by the participants in the plan. The pool is self insured with an annual stop loss deductible of \$55,000 per member and an aggregate stop loss deductible of \$2,091,018. Coverage from a private insurance company is maintained for losses in excess of both the individual and the aggregate stop loss deductibles. The City had no individual stop loss claims and no outstanding aggregate stop loss claims as of June 30, 2013. An independent claims administrator performs the handling of all claims and procedures. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims payable includes all known claims and an amount for claims that have been incurred but not reported (IBNR). Changes in the balances of claims payable are as follows:

	<u>2013</u>	<u>2012</u>
Claims payable, beginning of year	\$ 275,214	\$ 249,484
Incurred claims (including IBNR)	2,264,993	2,150,555
Claims payments	<u>(2,166,965)</u>	<u>(2,124,825)</u>
Claims payable, end of year	<u>\$ 373,242</u>	<u>\$ 275,214</u>

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

#### **NOTE 10 - JOINTLY GOVERNED ORGANIZATIONS**

The City participates in the Polk County Aviation Authority (PCAA) that operates the Ankeny Regional Airport. The City, along with Polk County, Altoona, and Bondurant, form the PCAA. The City appoints two board members of the seven-member board. In addition, the City levies a property tax of \$.14821 per thousand dollars of taxable valuation for the Authority. The City paid \$311,617 to the PCAA in fiscal year 2013.

The City participates in the Metro Waste Authority (MWA). The MWA is responsible for the management of the metro landfill, transfer station, compost center, and recycling center and operates the Curb It! recycling program. The MWA has 17 members, including Ankeny, with each appointing one representative. The City charges residents a monthly fee to help recover the City's cost of the Curb It! recycling program. The City paid fees totaling \$466,665 in fiscal year 2013.

The City is a member of the Des Moines Metro Area Planning Organization (MPO) that is responsible for transportation planning and federal grants allocation within the area. There are 18 member governments that appoint 25 voting representatives. The City appoints two members. The City paid \$45,582 in membership dues for fiscal year 2013.

The City is a full member of the Des Moines Area Regional Transportation Authority (DART). DART has 18 member cities and Polk County, which are represented by nine board members. In fiscal year 2007, DART no longer charged member cities for annual contributions, but instead levied a property tax through Polk County. In addition, the City received \$316,000 in fiscal year 2004 from DART for prepayment of a 25-year lease for a Park-and-Ride lot that started on July 1, 2004. The balance remaining on the lease is \$202,240 as of June 30, 2013.

The City is a member of the Des Moines Metropolitan Wastewater Reclamation Authority (WRA), which is a separate entity created by agreement in accordance with Chapter 28E of the Code of Iowa. The purpose of the organization is for the planning, construction, operation, and management of sewer related facilities.

The WRA has 14 member governments with a governing board of 19 representatives of which the City appoints 2 representatives. The City paid membership and participation fees during fiscal year 2013 of \$3,297,802.

**NOTE 11 – OPERATING LEASES**

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

<u>Fiscal Year</u>	<u>Amount</u>
2014	\$ 66,000
2015	66,000
2016	44,000
Total remaining payments	<u>\$ 176,000</u>

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

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

<u>Fiscal Year</u>	<u>Amount</u>
2014	\$ 186,540
2015	186,540
2016	186,540
2017	93,270
Total remaining payments	<u>\$ 652,890</u>

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

The City has a long-term lease agreement with the Des Moines Waterworks (DMWW) for the production and supply of drinking water. Under the terms of the agreement, the City agrees to pay DMWW for the cost of the debt that was issued to build the infrastructure and facilities necessary to make the water available to the City. The remaining reimbursements are scheduled until December 1, 2025 and with payments scheduled as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2014	\$ 836,886
2015	858,796
2016	856,418
2017	929,252
2018	932,898
2019 - 2023	4,691,914
2024 - 2026	2,458,149
Total remaining payments	<u>\$ 11,564,312</u>

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

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

<u>Fiscal Year</u>	<u>Amount</u>
2014	\$ 322,131
2015	322,131
2016	322,131
2017	322,131
2018	322,131
2019 - 2023	1,610,655
2024	322,131
Total remaining payments	<u>\$ 3,543,441</u>

**NOTE 12 - CONDUIT DEBT OBLIGATIONS**

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

The following summarizes the outstanding issues in which the City assisted at June 30, 2013:

<u>Company</u>	<u>Type</u>	<u>Issue Year</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Final Maturity</u>
On With Life, Inc.	Health Care Facility	2004	\$ 3,440,000	\$ 1,910,000	2020

**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

The City has outstanding commitments for purchase orders that have been issued to various vendors. For budgetary purposes, these commitments are considered encumbrances. The City’s encumbrances at June 30, 2013, in the General Fund, Capital Projects Fund and nonmajor governmental funds were \$327,719, \$613,319, and \$308,565, respectively. The City also had encumbrances in the Sewer Fund and nonmajor enterprise funds of \$68,492 and \$39,164, respectively.

The City has outstanding commitments for construction projects including street improvements, park and recreation improvements, utility improvements and other construction and engineering projects. The City’s commitment to these contracts at June 30, 2013 is \$14,299,494.

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

**NOTE 14 - OTHER POST EMPLOYMENT BENEFITS**

Plan Description - The City operates a single-employer health care plan which provides medical, prescription drug and dental benefits for retirees and their spouses. Employees who have attained age 55 and retire from active employment are eligible for retiree benefits. There are 187 active and 5 retired members in the plan.

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

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2013, the City contributed \$0.

Other postemployment obligations are generally liquidated by the Health Insurance Internal Service Fund.

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

The following table shows the components of the City’s annual OPEB cost for the year ended June 30, 2013, the amount actually contributed to the plan and changes in the City’s net OPEB obligation:

Annual required contribution	\$ 40,386
Interest on net OPEB obligation	4,968
Adjustment to annual required contribution	<u>(7,182)</u>
Annual OPEB cost (expense)	38,172
Contributions made	<u>(0)</u>
Increase in net OPEB obligation	38,172
Net OPEB obligation – July 1, 2012	<u>124,189</u>
Net OPEB obligation – June 30, 2013	<u>\$ 162,361</u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$31,800	10.06%	\$28,600
June 30, 2010	\$33,000	16.97%	\$56,000
June 30, 2011	\$39,388	24.76%	\$85,639
June 30, 2012	\$38,859	0.80%	\$124,189
June 30, 2013	\$38,172	0.00%	\$162,361

Funded Status and Funding Progress – As of July 1, 2010, the most recent actuarial valuation date, the actuarial accrued liability was \$320,328, with no actuarial assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$320,328. The covered payroll (annual payroll of active employees covered by the plan) was \$12,542,793 and the ratio of the UAAL to covered payroll was 2.6%.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the

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

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

As of the July 1, 2010 actuarial valuation, projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment return and a projected annual health care cost trend rate of 5.0%. The projected dental claim costs were assumed to be equal to the premiums.

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

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

#### **NOTE 15 - TERMINATION BENEFITS**

In fiscal years 2010, 2011 and 2013, the City offered a voluntary early retirement program for employees. Eligible employees must have reached the age of fifty-five and vested in IPERS or MFPRSI.

Early retirement benefits equal 70% of the employee's base salary in effect at the time of retirement into a Vantage Care (ICMA-RC) Retirement Health Savings (RHS) Plan. In addition, the eligible employee may contribute on the date of retirement the value of any unused earned paid time off that would normally be paid at retirement and/or separation from service.

At June 30, 2013, the City has obligations to ten participants with a total liability of \$597,615. Actual early retirement expenditures for year ended June 30, 2013 totaled \$119,197.

#### **NOTE 16 – LANDFILL CLOSURE AND POSTCLOSURE CARE**

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

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

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

At June 30, 2013, the ending fund balance of the landfill postclosure fund was \$173,727.

#### **NOTE 17 - NEW PRONOUNCEMENTS**

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

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. This Statement had no effect on the City's financial statements.

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. The four component units of the City are blended. This Statement had no significant impact to the City.

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. This Statement had no effect on the City's financial statements.

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 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. With the implementation of GASB 63, the Statement of Net Assets has been changed to be the Statement of Net Position.

As of June 30, 2013, the GASB has issued the following statements not yet implemented by the City. The Statements, which might impact the City as are follows:

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, issued April 2012, will be effective for the City beginning with its year ending June 30, 2014. This Statement clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB Concepts Statement (CON) No. 4, *Elements of Financial Statements*, specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources or deferred inflows of resources, according to the definition of CON 4. Based on those definitions, this Statement reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, the Statement recognizes certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources.

GASB Statement No. 66, *Technical Corrections - 2012*, issued April 2012, will be effective for the City beginning with its year ending June 30, 2014. This Statement enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. This Statement amends GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state or local government’s risk financing activities to the general fund and the internal service fund types. As a result, governments would base their decisions about governmental fund type usage for risk financing activities on the definitions in GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement also amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for: (a) operating lease payments that vary from a straight-line basis; (b) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans; and (c) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes would

eliminate any uncertainty regarding the application of GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases* and result in guidance that is consistent with the requirements in GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entry Transfers of Assets and Future Revenues*, respectively.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, issued June 2012, will be effective for the City beginning with its year ending June 30, 2015. This Statement replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. This Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information.

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

## **Required Supplementary Information**

City of Ankeny, Iowa

Required Supplementary Information  
 Budgetary Comparison Schedule (Cash Basis) - All Governmental and Proprietary Funds  
 For the Year Ended June 30, 2013

	Governmental Fund Types Actual	Proprietary Fund Types Actual	Total All Budgeted Funds Actual	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
Property taxes	\$ 25,339,354	\$ -	\$ 25,339,354	\$ 25,343,663	\$ 25,343,663	\$ (4,309)
Tax increment financing	5,390,847	-	5,390,847	5,421,691	5,387,285	3,562
Other city taxes	2,689,828	-	2,689,828	2,469,919	2,665,120	24,708
Licenses and permits	1,774,220	11,008	1,785,228	959,100	1,606,400	178,828
Use of money and property	453,689	128,026	581,715	469,620	501,420	80,295
Intergovernmental revenue	12,129,321	18,062	12,147,383	12,014,823	12,079,830	67,553
Charges for services	2,417,365	21,463,603	23,880,968	21,149,486	23,415,212	465,756
Special assessments	71,838	-	71,838	1,000	11,000	60,838
Miscellaneous	3,602,340	1,709,516	5,311,856	2,135,921	5,568,292	(256,436)
Total revenues	<u>53,868,802</u>	<u>23,330,215</u>	<u>77,199,017</u>	<u>69,965,223</u>	<u>76,578,222</u>	<u>620,795</u>
Expenditures/Expenses:						
Public safety	11,813,304	-	11,813,304	12,401,795	12,350,531	537,227
Public works	4,432,126	-	4,432,126	4,588,796	4,556,126	124,000
Health and social services	23,339	-	23,339	351,188	30,700	7,361
Culture and recreation	5,230,983	-	5,230,983	5,114,325	5,517,219	286,236
Community and economic development	2,159,176	-	2,159,176	2,254,352	2,242,198	83,022
General government	3,046,064	-	3,046,064	2,911,781	3,197,210	151,146
Debt service	15,560,984	-	15,560,984	16,053,304	15,561,234	250
Capital projects	42,608,651	-	42,608,651	46,659,740	52,034,769	9,426,118
Business-type	-	18,080,295	18,080,295	17,344,921	18,729,731	649,436
Total expenditures/expenses	<u>84,874,627</u>	<u>18,080,295</u>	<u>102,954,922</u>	<u>107,680,202</u>	<u>114,219,718</u>	<u>11,264,796</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	(31,005,825)	5,249,920	(25,755,905)	(37,714,979)	(37,641,496)	11,885,591
Other financing sources (uses), net	<u>36,787,313</u>	<u>(3,249,212)</u>	<u>33,538,101</u>	<u>31,990,000</u>	<u>32,943,000</u>	<u>595,101</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing sources (uses)	5,781,488	2,000,708	7,782,196	(5,724,979)	(4,698,496)	12,480,692
Beginning fund balance, July 1	<u>41,113,114</u>	<u>12,109,482</u>	<u>53,222,596</u>	<u>44,138,629</u>	<u>53,222,596</u>	<u>-</u>
Ending fund balance, June 30	<u>\$ 46,894,602</u>	<u>\$ 14,110,190</u>	<u>\$ 61,004,792</u>	<u>\$ 38,413,650</u>	<u>\$ 48,524,100</u>	<u>\$ 12,480,692</u>

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

City of Ankeny, Iowa

**Explanation of Differences Between Budgetary Basis and  
Generally Accepted Accounting Principles (GAAP) Basis  
Revenues and Expenditures for the Governmental Funds  
For the Year Ended June 30, 2013**

**Revenues and other financing sources:**

Actual amount of "total revenues and other financing sources" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 98,270,608
On a budgetary basis, the City does not record revenues until the cash has been received. This differs from GAAP, which records revenues as they are earned and available.	(559,254)
Investments are recorded at their market value on a GAAP basis while on a budget basis, investments are recorded at their net cost including accrued interest	4,979
On a budgetary basis, capital projects for water, sewer, and storm water construction are recorded in the capital projects fund. On a GAAP basis, this activity is recorded in the related enterprise fund as assets. Related bond proceeds are recorded as enterprise fund debt and an interfund liability. Fund transfers between the capital projects fund and the enterprise funds are eliminated.	(6,437,397)
Transfers from enterprise funds to the debt service fund for bond principal and interest payments are reported as transfers on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis.	<u>(1,611,156)</u>
Total GAAP basis revenues and other financing sources for the governmental funds	<u><u>\$ 89,667,780</u></u>

**Expenditures and other financing uses:**

Actual amount of "expenditures and other financing uses" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 92,441,751
On a budgetary basis, the City does not record expenditures until the cash has been paid. This differs from GAAP, which records expenditures as the liability is incurred.	(1,667,051)
Purchases related to loans from the equipment reserve and sustainability revolving loan funds are reported in those funds on a budgetary basis. On a GAAP basis, the borrowing funds record a liability and corresponding expenditure for the equipment purchase.	12,094
On a budgetary basis, capital projects for water, sewer, and storm water construction are recorded in the capital projects fund. On a GAAP basis, this activity is recorded in the related enterprise fund as assets. Related bond proceeds are recorded as enterprise fund debt and an interfund liability. Fund transfers between the capital projects fund and the enterprise funds are eliminated.	(1,889,870)
Transfers from enterprise funds to the debt service fund for bond principal and interest payments are reported as transfers in on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis	(1,611,156)
Repayments of loans to the equipment reserve fund and the sustainability revolving loan fund are recorded as an expenditure on a budget basis. No expenditure is recorded for loan repayments on a GAAP basis.	<u>(553,687)</u>
Total GAAP basis expenditures and other financing uses for the governmental funds	<u><u>\$ 86,732,081</u></u>

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

**City of Ankeny, Iowa**

**Explanation of Differences Between Budgetary  
Basis and GAAP Basis Revenues and Expenses  
for the Proprietary Funds  
For the Year Ended June 30, 2013**

**Revenues and other financing sources:**

Actual amount of "total revenues and other financing sources" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 23,394,493
On a budgetary basis, the City does not record revenues until the cash has been received. This differs from GAAP, which records revenues as they are earned and available.	(169,919)
Investments are not reported at market value on a budgetary basis. The change in market value is recorded on a GAAP basis.	(6,721)
Customer deposits and unearned revenue are recorded as revenue on a budgetary basis. On a GAAP basis, these deposits are reported as a liability.	<u>(46,036)</u>
Total GAAP basis revenues, nonoperating revenues, and transfers in	<u><u>\$ 23,171,817</u></u>

**Expenses and other financing uses:**

Actual amount of "expenditures and other financing uses" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 21,393,785
On a budgetary basis, the City does not record expenditures until the cash has been paid. This differs from GAAP, which records expenses as the liability is incurred.	28,124
Principal payments on indebtedness are recorded as an expenditure on a budgetary basis, but are not expensed on a GAAP basis.	(1,846,000)
Bond issuance costs are expensed and bond discounts are not recorded on a budgetary basis. These costs and discounts are recorded and amortized under GAAP.	(12,188)
Depreciation and losses on capital assets are reported on a GAAP basis but are not recorded on a budgetary basis	2,983,238
Purchases of capital assets are reported as an expense on a budget basis but are capitalized and depreciated on a GAAP basis	(20,863)
Transfers from enterprise funds to the debt service fund for bond principal and interest payments are reported as transfers in on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis.	(1,168,610)
Repayments of loans to the equipment reserve fund and sustainability revolving loan fund are recorded as an expenditure on a budget basis. No expenditure is recorded for loan repayments on a GAAP basis.	<u>(58,293)</u>
Total GAAP basis expenses, nonoperating expenses, and transfers out	<u><u>\$ 21,299,193</u></u>

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

**CITY OF ANKENY, IOWA**  
Notes to the Required Supplementary Information  
June 30, 2013

**I. BUDGETARY INFORMATION**

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

After the initial budget is adopted, the budget may be amended for specific purposes. Budget amendments are required for budget transfers between funds as well as between programs. Management is not authorized to amend the budget without the approval of City Council. The City filed two budget amendments for the fiscal year ended June 30, 2013. The amendments increased estimated revenues by \$6,612,999 and increased expenditures by \$6,539,516. The City's budget amendments were essentially a complete re-estimate of the original budget. The amendments accounted for many changes in estimates and did not represent just a few specific activities or outlays; however, the increase in revenues and expenditures are primarily related to additional utility revenues, civic contributions and the timing of capital improvement projects.

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

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

The legal level of control (the level at which expenditures may not legally exceed appropriations) is the program level for all funds combined rather than at the individual fund level. The nine programs mandated by the State are: (1) public safety, (2) public works, (3) health and social services, (4) culture and recreation, (5) community and economic development, (6) general government, (7) debt service, (8) capital projects and (9) business type/enterprise. Since the City maintains its budgets at the individual fund level, it is necessary to aggregate the expenditures of the budgeted activities within the individual funds on a program basis and to compare such program totals with the program budgeted totals in order to demonstrate legal compliance with the budget. During the year ended June 30, 2013, expenditures did not exceed budgeted amounts in any of the nine programs. Budgetary compliance is demonstrated in the required supplementary information.

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

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

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

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

**City of Ankeny, Iowa**

**Required Supplementary Information  
Schedule of Funding Progress  
For the Year Ended June 30, 2013**

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2009	7/1/2007	\$ -	\$ 203,600	\$ 203,600	0.00%	\$ 10,673,526	1.9%
6/30/2010	7/1/2007	\$ -	\$ 203,600	\$ 203,600	0.00%	\$ 11,554,485	1.8%
6/30/2011	7/1/2010	\$ -	\$ 320,328	\$ 320,328	0.00%	\$ 11,309,005	2.8%
6/30/2012	7/1/2010	\$ -	\$ 320,328	\$ 320,328	0.00%	\$ 12,019,979	2.7%
6/30/2013	7/1/2010	\$ -	\$ 320,328	\$ 320,328	0.00%	\$ 12,542,793	2.6%

See Note 14 in the accompanying Notes to the Financial Statements for the plan description, funding policy, annual OPEB cost and net OPEB obligation, funded status and funding progress.



## **Nonmajor Governmental Funds**

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

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

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

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

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

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

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

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

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

**Sports Complex Foundation Fund** – A blended component unit which accounts for activities of the Ankeny Sports Complex Foundation.

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

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

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

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

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

**Ankeny Community Foundation** – A blended component unit which accounts for monies contributed to the Ankeny Community Foundation.

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

**City of Ankeny, Iowa**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2013**

**Special Revenue**

	<b>Fire Gift</b>	<b>Hawkeye Park</b>	<b>Police Gift</b>	<b>Road Use Tax</b>	<b>Police Seizure</b>	<b>Police/Fire Pension</b>	<b>Landfill Postclosure</b>	<b>Library Foundation</b>
<b>Assets</b>								
Cash and cash equivalents	\$ 33,706	\$ 21,568	\$ 2,256	\$ 2,916,539	\$ 101,863	\$ 1,100,813	\$ 173,727	\$ 30,713
Receivables:								
Interest	-	-	-	-	-	20	-	-
Taxes	-	-	-	-	-	1,050,418	-	-
Accounts	-	-	-	-	-	913	-	-
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	373,286	-	44	-	-
<b>Total assets</b>	<b>\$ 33,706</b>	<b>\$ 21,568</b>	<b>\$ 2,256</b>	<b>\$ 3,289,825</b>	<b>\$ 101,863</b>	<b>\$ 2,152,208</b>	<b>\$ 173,727</b>	<b>\$ 30,713</b>
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ 45,109	\$ -	\$ 913	\$ -	\$ 6,940
Accrued wages	-	-	-	50,603	-	-	-	-
Due to other funds	-	-	-	239,087	-	-	-	-
Advances from other funds	-	-	-	389,368	-	-	-	-
Deferred revenue	-	-	-	-	-	1,047,395	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>724,167</b>	<b>-</b>	<b>1,048,308</b>	<b>-</b>	<b>6,940</b>
<b>Fund balances</b>								
Restricted	33,706	21,568	2,256	2,565,658	101,863	1,103,900	173,727	23,773
<b>Total liabilities and fund balances</b>	<b>\$ 33,706</b>	<b>\$ 21,568</b>	<b>\$ 2,256</b>	<b>\$ 3,289,825</b>	<b>\$ 101,863</b>	<b>\$ 2,152,208</b>	<b>\$ 173,727</b>	<b>\$ 30,713</b>

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

								Capital Project	Total Nonmajor Governmental Funds
Park Dedication	Sports Complex Foundation	Ankeny Garden Club	Recreation Events	Dog Park	Keep Ankeny Beautiful	Civic	Ankeny Community Foundation	Special Assessments	
\$ 352,638	\$ 18,250	\$ 10,850	\$ 13,653	\$ 324	\$ -	\$ 203	\$ 190,047	\$ 1,495,866	\$ 6,463,016
-	-	-	-	-	-	-	-	-	20
-	-	-	-	-	-	-	-	-	1,050,418
-	-	-	5,000	-	-	-	-	-	5,913
-	-	-	-	-	-	-	-	530,318	530,318
-	-	-	-	-	-	-	-	-	373,330
<u>\$ 352,638</u>	<u>\$ 18,250</u>	<u>\$ 10,850</u>	<u>\$ 18,653</u>	<u>\$ 324</u>	<u>\$ -</u>	<u>\$ 203</u>	<u>\$ 190,047</u>	<u>\$ 2,026,184</u>	<u>\$ 8,423,015</u>
\$ -	\$ -	\$ 83	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,045
-	-	-	-	-	-	-	-	-	50,603
-	-	-	-	-	-	-	-	-	239,087
-	-	-	-	-	-	-	-	-	389,368
-	-	-	-	-	-	-	-	515,836	1,563,231
-	-	83	-	-	-	-	-	515,836	2,295,334
352,638	18,250	10,767	18,653	324	-	203	190,047	1,510,348	6,127,681
<u>\$ 352,638</u>	<u>\$ 18,250</u>	<u>\$ 10,850</u>	<u>\$ 18,653</u>	<u>\$ 324</u>	<u>\$ -</u>	<u>\$ 203</u>	<u>\$ 190,047</u>	<u>\$ 2,026,184</u>	<u>\$ 8,423,015</u>

City of Ankeny, Iowa

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2013

	Special Revenue							
	Fire Gift	Hawkeye Park	Police Gift	Road Use Tax	Police Seizure	Police/Fire Pension	Landfill Postclosure	Library Foundation
<b>Revenues</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,006,170	\$ -	\$ -
Other taxes and assessments	-	-	-	-	-	15,104	-	-
Intergovernmental	-	-	-	4,419,599	38,184	-	-	2,000
Charges for services	-	9,291	-	-	-	-	-	-
Use of money and property	55	26	3	-	143	1,761	-	42
Miscellaneous	9,620	-	-	-	2,817	913	-	12,513
Total revenues	9,675	9,317	3	4,419,599	41,144	1,023,948	-	14,555
<b>Expenditures</b>								
Current operating:								
Public safety	9,774	-	-	-	18,423	1,050,649	-	-
Culture and recreation	-	-	-	-	-	-	-	13,864
Public works	-	-	-	3,216,598	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Total expenditures	9,774	-	-	3,216,598	18,423	1,050,649	-	13,864
Excess (deficiency) of revenues over (under) expenditures	(99)	9,317	3	1,203,001	22,721	(26,701)	-	691
<b>Other financing sources (uses)</b>								
Transfers in	-	-	-	-	-	250,000	-	-
Transfers out	-	-	-	-	-	-	(10,480)	-
Total other financing sources (uses)	-	-	-	-	-	250,000	(10,480)	-
Net change in fund balances	(99)	9,317	3	1,203,001	22,721	223,299	(10,480)	691
Fund balances, beginning, as restated (see Note 1)	33,805	12,251	2,253	1,362,657	79,142	880,601	184,207	23,082
Fund balances, ending	\$ 33,706	\$ 21,568	\$ 2,256	\$ 2,565,658	\$ 101,863	\$ 1,103,900	\$ 173,727	\$ 23,773

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

								Capital Project	Total Nonmajor Governmental Funds
Park Dedication	Sports Complex Foundation	Ankeny Garden Club	Recreation Events	Dog Park	Keep Ankeny Beautiful	Civic	Ankeny Community Foundation	Special Assessments	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,006,170
-	-	-	-	-	-	-	-	85,167	100,271
-	-	-	-	-	-	-	-	-	4,459,783
-	1,220	-	-	-	-	-	-	-	10,511
571	31	12	-	6	-	207	582	-	3,439
2,451	2,250	8,385	25,000	392	-	1,731,274	757,559	-	2,553,174
3,022	3,501	8,397	25,000	398	-	1,731,481	758,141	85,167	8,133,348
-	-	-	-	-	-	-	-	-	1,078,846
-	6,900	3,301	35,001	12,470	570	-	710,772	-	782,878
-	-	-	-	-	-	-	-	-	3,216,598
-	-	-	-	-	-	250,110	-	-	250,110
-	6,900	3,301	35,001	12,470	570	250,110	710,772	-	5,328,432
3,022	(3,399)	5,096	(10,001)	(12,072)	(570)	1,481,371	47,369	85,167	2,804,916
-	-	-	-	-	-	-	-	-	250,000
-	-	-	-	-	-	(1,802,763)	-	-	(1,813,243)
-	-	-	-	-	-	(1,802,763)	-	-	(1,563,243)
3,022	(3,399)	5,096	(10,001)	(12,072)	(570)	(321,392)	47,369	85,167	1,241,673
349,616	21,649	5,671	28,654	12,396	570	321,595	142,678	1,425,181	4,886,008
\$ 352,638	\$ 18,250	\$ 10,767	\$ 18,653	\$ 324	\$ -	\$ 203	\$ 190,047	\$ 1,510,348	\$ 6,127,681

## **Nonmajor Enterprise Funds**

**Solid Waste Fund** - Accounts for the City's activities to provide recycling services and the long-term maintenance and monitoring costs of the remediated landfill.

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

City of Ankeny, Iowa

Combining Statement of Net Position  
Nonmajor Enterprise Funds  
June 30, 2013

	Enterprise Funds		
	Solid Waste	Otter Creek Golf Course	Totals
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 96,319	\$ 50,387	\$ 146,706
Receivables:			
Accounts	64,847	56,171	121,018
Special Assessment	225	-	225
Intergovernmental	-	1,717	1,717
Inventory	-	85,545	85,545
Total current assets	161,391	193,820	355,211
Noncurrent assets:			
Capital assets:			
Land	-	985,942	985,942
Depreciable assets, net of accumulated depreciation	-	4,369,526	4,369,526
Total capital assets	-	5,355,468	5,355,468
Total noncurrent assets	-	5,355,468	5,355,468
Total assets	161,391	5,549,288	5,710,679
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	54,420	85,164	139,584
Accrued wages	2,547	42,448	44,995
Due to other funds	-	73,980	73,980
Compensated absences payable	-	19,334	19,334
Total current liabilities	56,967	220,926	277,893
Noncurrent liabilities:			
Early retirement benefit payable	-	30,883	30,883
Other postemployment benefits	-	5,105	5,105
Compensated absences payable	-	11,573	11,573
Advances from other funds	-	381,517	381,517
Total noncurrent liabilities	-	429,078	429,078
Total liabilities	56,967	650,004	706,971
<b>Net Position</b>			
Net investment in capital assets	-	5,355,468	5,355,468
Unrestricted	104,424	(456,184)	(351,760)
Total net position	\$ 104,424	\$ 4,899,284	\$ 5,003,708

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

**City of Ankeny, Iowa**

**Combining Statement of Revenues, Expenses, and Changes in Net Position  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2013**

	<b>Enterprise Funds</b>		
	<b>Solid Waste</b>	<b>Otter Creek Golf Course</b>	<b>Totals</b>
Operating revenues:			
Charges for services	\$ 563,462	\$ 963,499	\$ 1,526,961
Other	2,820	678,381	681,201
<b>Total operating revenues</b>	<b>566,282</b>	<b>1,641,880</b>	<b>2,208,162</b>
Operating expenses:			
Personal services	41,902	900,566	942,468
Contractual services	540,151	296,690	836,841
Operating supplies	-	474,348	474,348
Depreciation	-	155,339	155,339
<b>Total operating expenses</b>	<b>582,053</b>	<b>1,826,943</b>	<b>2,408,996</b>
<b>Operating (loss)</b>	<b>(15,771)</b>	<b>(185,063)</b>	<b>(200,834)</b>
Nonoperating (expenses):			
Interest expense	-	(3,212)	(3,212)
<b>Total nonoperating (expenses)</b>	<b>-</b>	<b>(3,212)</b>	<b>(3,212)</b>
<b>Net (loss) before contributions and transfers</b>	<b>(15,771)</b>	<b>(188,275)</b>	<b>(204,046)</b>
Capital contributions	-	5,833	5,833
Transfers in	10,480	53,180	63,660
<b>Change in net position</b>	<b>(5,291)</b>	<b>(129,262)</b>	<b>(134,553)</b>
<b>Total net position, beginning</b>	<b>109,715</b>	<b>5,028,546</b>	<b>5,138,261</b>
<b>Total net position, ending</b>	<b>\$ 104,424</b>	<b>\$ 4,899,284</b>	<b>\$ 5,003,708</b>

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

City of Ankeny, Iowa

**Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2013**

	<b>Enterprise Funds</b>		
	<b>Solid Waste</b>	<b>Otter Creek Golf Course</b>	<b>Totals</b>
<b>Cash flows from operating activities</b>			
Receipts from customers	\$ 563,635	\$ 1,626,133	\$ 2,189,768
Payments to suppliers	(532,366)	(763,426)	(1,295,792)
Payments to employees	(42,408)	(877,168)	(919,576)
Net cash (used) by operating activities	(11,139)	(14,461)	(25,600)
<b>Cash flows from noncapital financing activities</b>			
Payments made on interfund accounts	-	(45,260)	(45,260)
Loans received from other funds	-	391,852	391,852
Transfers from other funds	10,480	53,180	63,660
Net cash provided (used) by noncapital financing activities	10,480	399,772	410,252
<b>Cash flows from capital and related financing activities</b>			
Purchase of capital assets	-	(391,852)	(391,852)
Net cash (used) by capital and related financing activities	-	(391,852)	(391,852)
Net (decrease) in cash and cash equivalents	(659)	(6,541)	(7,200)
Balances, beginning of year	96,978	56,928	153,906
Balances, end of year	<u>\$ 96,319</u>	<u>\$ 50,387</u>	<u>\$ 146,706</u>
<b>Reconciliation of operating (loss) to net cash (used) by operating activities</b>			
Operating (loss)	\$ (15,771)	\$ (185,063)	\$ (200,834)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:			
Depreciation	-	155,339	155,339
Changes in assets and liabilities:			
Receivables, net	(2,647)	(15,747)	(18,394)
Inventory	-	4,958	4,958
Accounts and other payables	7,279	26,052	33,331
Net cash (used) by operating activities	<u>\$ (11,139)</u>	<u>\$ (14,461)</u>	<u>\$ (25,600)</u>
Noncash capital and related financing activities:			
Contribution of capital assets	<u>\$ -</u>	<u>\$ 5,833</u>	<u>\$ 5,833</u>

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

## **Internal Service Funds**

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

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

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

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

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

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

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

City of Ankeny, Iowa

Combining Statement of Net Position  
Internal Service Funds  
June 30, 2013

	Central Garage	Risk Management	Equipment Reserve	Sustainability Revolving Loan	Economic Development Revolving	Health Insurance	Total
<b>Assets</b>							
Current assets:							
Cash and cash equivalents	\$ 272,009	\$ 543,490	\$ 812,366	\$ 7,857	\$ 680,736	\$ 2,333,192	\$ 4,649,650
Receivables:							
Interest	-	-	20	-	-	-	20
Accounts	-	-	-	-	-	656	656
Intergovernmental	9,368	4,280	-	-	-	-	13,648
Prepaid expenses	-	80,103	-	-	-	-	80,103
Inventory	170,262	-	-	-	-	-	170,262
Due from other funds	-	-	509,442	3,527	-	-	512,969
Total current assets	451,639	627,873	1,321,828	11,384	680,736	2,333,848	5,427,308
Noncurrent assets:							
Advances to other funds	-	-	1,037,492	16,941	-	-	1,054,433
Capital Asset							
Depreciable assets, net of accumulated depreciation	34,522	24,882	-	-	-	-	59,404
Total capital assets	34,522	24,882	-	-	-	-	59,404
Total noncurrent assets	34,522	24,882	1,037,492	16,941	-	-	1,113,837
Total assets	486,161	652,755	2,359,320	28,325	680,736	2,333,848	6,541,145
<b>Liabilities</b>							
Current liabilities:							
Accounts payable	30,481	73,169	-	-	-	8,469	112,119
Accrued wages	9,303	-	-	-	-	-	9,303
Claims payable	-	-	-	-	-	373,242	373,242
Due to other funds	-	-	-	-	-	-	-
Compensated absences payable	7,428	-	-	-	-	-	7,428
Total current liabilities	47,212	73,169	-	-	-	381,711	502,092
Noncurrent liabilities:							
Other post employment benefits	3,141	-	-	-	-	-	3,141
Compensated absences payable	7,561	-	-	-	-	-	7,561
Total noncurrent liabilities	10,702	-	-	-	-	-	10,702
Total liabilities	57,914	73,169	-	-	-	381,711	512,794
<b>Net Position</b>							
Net investment in capital assets	34,522	24,882	-	-	-	-	59,404
Unrestricted	393,725	554,704	2,359,320	28,325	680,736	1,952,137	5,968,947
Total net position	\$ 428,247	\$ 579,586	\$ 2,359,320	\$ 28,325	\$ 680,736	\$ 1,952,137	\$ 6,028,351

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

**City of Ankeny, Iowa**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2013**

	<b>Central Garage</b>	<b>Risk Management</b>	<b>Equipment Reserve</b>	<b>Sustainability Revolving Loan</b>	<b>Economic Development Revolving</b>	<b>Health Insurance</b>	<b>Total</b>
Operating revenues:							
Charges for services	\$ 1,068,148	\$ 820,000	\$ -	\$ -	\$ -	\$ 2,338,664	\$ 4,226,812
Other	18,487	64,713	-	-	-	1,821	85,021
Total operating revenues	<u>1,086,635</u>	<u>884,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,340,485</u>	<u>4,311,833</u>
Operating expenses:							
Personal services	279,353	281,530	-	-	-	(210,757)	350,126
Contractual services	12,639	565,288	-	-	341,734	2,531,188	3,450,849
Operating supplies	760,255	-	-	16,954	-	160	777,369
Depreciation	19,738	8,256	-	-	-	-	27,994
Total operating expenses	<u>1,071,985</u>	<u>855,074</u>	<u>-</u>	<u>16,954</u>	<u>341,734</u>	<u>2,320,591</u>	<u>4,606,338</u>
Operating income (loss)	<u>14,650</u>	<u>29,639</u>	<u>-</u>	<u>(16,954)</u>	<u>(341,734)</u>	<u>19,894</u>	<u>(294,505)</u>
Nonoperating revenues:							
Interest earnings	-	-	41,526	-	1,284	1,050	43,860
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>41,526</u>	<u>-</u>	<u>1,284</u>	<u>1,050</u>	<u>43,860</u>
Change in net position	14,650	29,639	41,526	(16,954)	(340,450)	20,944	(250,645)
Total net position, beginning	<u>413,597</u>	<u>549,947</u>	<u>2,317,794</u>	<u>45,279</u>	<u>1,021,186</u>	<u>1,931,193</u>	<u>6,278,996</u>
Total net position, ending	<u>\$ 428,247</u>	<u>\$ 579,586</u>	<u>\$ 2,359,320</u>	<u>\$ 28,325</u>	<u>\$ 680,736</u>	<u>\$ 1,952,137</u>	<u>\$ 6,028,351</u>

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

City of Ankeny, Iowa

Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2013

	Central Garage	Risk Management	Equipment Reserve	Sustainability Revolving Loan	Economic Development Revolving	Health Insurance	Total
<b>Cash flows from operating activities</b>							
Cash received from customers	\$ 1,084,183	\$ 881,508	\$ -	\$ -	\$ -	\$ 2,339,829	\$ 4,305,520
Payments to suppliers	(722,247)	(815,773)	-	(16,954)	(341,734)	(2,425,451)	(4,322,159)
Payments to employees	(273,286)	-	-	-	-	(2,544)	(275,830)
Net cash provided (used) by operating activities	88,650	65,735	-	(16,954)	(341,734)	(88,166)	(292,469)
<b>Cash flows from noncapital financing activities</b>							
Payments received on interfund accounts	-	-	608,127	3,854	-	-	611,981
Loans issued to other funds	-	-	(407,946)	(7,937)	-	-	(415,883)
Net cash provided (used) by noncapital financing activities	-	-	200,181	(4,083.00)	-	-	196,098
<b>Cash flows from investing activities</b>							
Interest received	-	-	41,511	-	1,284	1,050	43,845
Net cash provided by investing activities	-	-	41,511	-	1,284	1,050	43,845
Net increase (decrease) in cash and cash equivalents	88,650	65,735	241,692	(21,037)	(340,450)	(87,116)	(52,526)
Cash and cash equivalents, beginning	183,359	477,755	570,674	28,894	1,021,186	2,420,308	4,702,176
Cash and cash equivalents, ending	\$ 272,009	\$ 543,490	\$ 812,366	\$ 7,857	\$ 680,736	\$ 2,333,192	\$ 4,649,650
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>							
Operating income (loss)	\$ 14,650	\$ 29,639	\$ -	\$ (16,954)	\$ (341,734)	\$ 19,894	\$ (294,505)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	19,738	8,256	-	-	-	-	27,994
Changes in assets and liabilities:							
Receivables, net	(2,452)	(3,205)	-	-	-	(656)	(6,313)
Prepaid expenses	-	(6,631)	-	-	-	-	(6,631)
Inventory	48,369	-	-	-	-	-	48,369
Accounts and other payables	4,370	37,676	-	-	-	(205,432)	(163,386)
Claims payable	3,975	-	-	-	-	98,028	102,003
Net cash provided (used) by operating activities	\$ 88,650	\$ 65,735	\$ -	\$ (16,954)	\$ (341,734)	\$ (88,166)	\$ (292,469)

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

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

**City of Ankeny, Iowa**

**Capital Assets Used in the Operation of Governmental Funds  
Comparative Schedules By Source  
June 30, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
Governmental funds capital assets:		
Land	\$ 7,397,460	\$ 7,329,256
Other improvements	33,742,323	30,807,900
Infrastructure	147,298,163	130,971,396
Buildings	42,922,038	25,166,629
Machinery and equipment	15,213,051	14,855,212
Furniture and fixtures	1,459,706	1,459,706
Construction in progress	24,438,329	39,840,924
 Total governmental funds capital assets	 \$ 272,471,070	 \$ 250,431,023
 Investment in governmental funds capital assets by source:		
General fund	\$ 20,824,217	\$ 20,697,686
Special revenue funds	6,582,755	6,351,450
Capital project funds	156,080,006	141,182,095
Local, state, and federal grants and donations	88,984,092	82,199,792
 Total investment in governmental funds capital assets by source	 \$ 272,471,070	 \$ 250,431,023

**City of Ankeny, Iowa**

**Comparative Schedule By Function and Activity  
June 30, 2013**

	<u>Land</u>	<u>Other Improvements</u>	<u>Infrastructure</u>
Public safety:			
Police	\$ 29,212	\$ -	\$ -
Fire and ambulance	669,620	-	-
Code enforcement	-	-	-
Total public safety	<u>698,832</u>	<u>-</u>	<u>-</u>
Health and social services:			
Mosquito control	-	-	-
Public relations	-	-	-
Total health and social services	<u>-</u>	<u>-</u>	<u>-</u>
Culture and recreation:			
Library	14,361	94,657	-
Parks and recreation	4,009,704	31,670,426	1,032,739
Total culture and recreation	<u>4,024,065</u>	<u>31,765,083</u>	<u>1,032,739</u>
Public works:			
Public works	<u>2,575,033</u>	<u>1,923,999</u>	<u>146,265,425</u>
Community and economic development:			
Planning and zoning	-	-	-
General government:			
Council and management	<u>99,531</u>	<u>53,241</u>	<u>-</u>
Total general capital assets	<u>\$ 7,397,460</u>	<u>\$ 33,742,323</u>	<u>\$ 147,298,163</u>

<b>Buildings</b>	<b>Machinery and Equipment</b>	<b>Furniture and Fixtures</b>	<b>Construction in Progress</b>	<b>Total</b>
\$ 17,600,265	\$ 2,234,029	\$ 239,757	\$ -	\$ 20,103,263
9,950,397	4,776,402	48,316	-	15,444,735
-	117,450	-	-	117,450
<u>27,550,662</u>	<u>7,127,881</u>	<u>288,073</u>	<u>-</u>	<u>35,665,448</u>
-	34,130	-	-	34,130
-	18,802	-	-	18,802
-	52,932	-	-	52,932
3,149,085	569,620	619,879	910,673	5,358,275
5,032,888	1,265,600	45,220	2,472,301	45,528,877
<u>8,181,973</u>	<u>1,835,220</u>	<u>665,099</u>	<u>3,382,973</u>	<u>50,887,151</u>
<u>3,551,665</u>	<u>5,028,703</u>	<u>-</u>	<u>21,055,356</u>	<u>180,400,180</u>
-	25,126	-	-	25,126
3,637,738	1,143,189	506,534	-	5,440,233
<u>\$ 42,922,038</u>	<u>\$ 15,213,051</u>	<u>\$ 1,459,706</u>	<u>\$ 24,438,329</u>	<u>\$ 272,471,070</u>

**City of Ankeny, Iowa**

**Capital Assets Used in the Operation of Governmental Funds  
Schedule of Changes By Function and Activity  
Year Ended June 30, 2013**

	<b>Governmental Funds Capital Assets June 30, 2012</b>	<b>Additions</b>	<b>Deductions</b>	<b>Governmental Funds Capital Assets June 30, 2013</b>
Public safety:				
Police	\$ 19,941,743	\$ 17,802,995	\$17,641,475	\$ 20,103,263
Fire and ambulance	15,463,512	193,725	212,502	15,444,735
Code enforcement	117,450	-	-	117,450
<b>Total public safety</b>	<b>35,522,705</b>	<b>17,996,720</b>	<b>17,853,977</b>	<b>35,665,448</b>
Health & social services:				
Mosquito control	34,130	-	-	34,130
Public relations	18,802	-	-	18,802
<b>Total health &amp; social services</b>	<b>52,932</b>	<b>-</b>	<b>-</b>	<b>52,932</b>
Culture and recreation:				
Library	5,333,090	25,185	-	5,358,275
Parks and recreation	44,204,577	4,546,011	3,221,710	45,528,877
<b>Total culture and recreation</b>	<b>49,537,667</b>	<b>4,571,196</b>	<b>3,221,710</b>	<b>50,887,152</b>
Public works:				
Public works	159,903,054	26,665,062	6,167,936	180,400,180
Community & economic development:				
Planning & zoning	25,126	-	-	25,126
General government:				
Council and management	5,389,542	224,309	173,618	5,440,233
<b>Total general capital assets</b>	<b>\$ 250,431,023</b>	<b>\$ 49,457,287</b>	<b>\$27,417,241</b>	<b>\$ 272,471,070</b>



## **Statistical Section**

## City of Ankeny, Iowa

### Statistical Section Contents

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

Contents	Page
<b>Financial Trends</b> These schedules contain information to help the reader understand how the City's financial performance and well being have changed over time.	96
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	104
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	110
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment with which the City's financial activities take place.	117
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	120

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

**City of Ankeny, Iowa**

**Net Position by Component  
Last Ten Fiscal Years <sup>(2)</sup>  
(accrual basis of accounting)**

	Fiscal Year				
	2013	2012	2011	2010	2009
Governmental activities:					
Net investment in capital assets	\$ 81,318,637	\$ 61,719,171	\$ 60,286,690	\$ 59,847,130	\$ 51,005,350
Restricted:					
Debt service	2,698,019	2,214,278	2,551,310	2,896,848	2,009,317
Enabling legislation	852,320	764,803	574,140	494,812	416,696
Restricted by other governments	643,904	718,745	524,789	663,182	354,817
Donor restrictions	110,847	433,272	1,365,322	644,531	1,317,881
Unrestricted	23,190,937	21,946,490	9,390,782	3,429,607	17,019,598
Total governmental activities net position	<u>108,814,664</u>	<u>87,796,759</u>	<u>74,693,032</u>	<u>67,976,110</u>	<u>72,123,659</u>
Business-type activities:					
Net investment in capital assets	96,614,000	89,543,803	85,278,077	83,083,098	82,762,686
Restricted:					
Debt service	2,725,391	2,953,164	2,967,095	3,017,297	2,614,509
Unrestricted	12,128,403	11,971,124	7,878,667	7,794,808	9,440,764
Total business-type activities net position	<u>111,467,794</u>	<u>104,468,091</u>	<u>96,123,839</u>	<u>93,895,203</u>	<u>94,817,959</u>
Primary government:					
Net investment in capital assets	177,932,637	151,262,974	145,564,767	142,930,228	133,768,036
Restricted: <sup>(1)</sup>					
Debt service	5,423,410	5,167,442	5,518,405	5,914,145	4,623,826
Enabling legislation	852,320	764,803	574,140	494,812	416,696
Restricted by other governments	643,904	718,745	524,789	663,182	354,817
Donor restrictions	110,847	433,272	1,365,322	644,531	1,317,881
Unrestricted	35,319,340	33,917,614	17,269,448	11,224,415	26,460,362
Total primary government net position	<u>\$ 220,282,458</u>	<u>\$ 192,264,850</u>	<u>\$ 170,816,871</u>	<u>\$ 161,871,313</u>	<u>\$ 166,941,619</u>

<sup>(1)</sup> Restricted net position for years prior to fiscal year 2007 are restated to include changes relating to GASB Statement No. 46.

2008	2007	2006	2005	2004
\$ 59,457,512	\$ 65,059,807	\$ 60,796,555	\$ 30,124,884	\$ 20,560,194
3,033,897	953,844	277,845	76,043	101,900
417,300	475,654	443,893	344,685	238,968
201,617	550,532	973,642	1,387,052	3,239,386
5,438,401	176,481	659,074	111,512	54,897
8,171,093	6,884,490	7,446,042	4,851,785	387,745
<u>76,719,820</u>	<u>74,100,808</u>	<u>70,597,051</u>	<u>36,895,961</u>	<u>24,583,090</u>
77,349,435	71,526,488	69,831,317	57,574,412	53,976,846
1,553,787	1,579,500	1,256,848	950,134	1,419,884
<u>9,501,662</u>	<u>10,007,638</u>	<u>10,393,160</u>	<u>9,134,709</u>	<u>6,580,474</u>
<u>88,404,884</u>	<u>83,113,626</u>	<u>81,481,325</u>	<u>67,659,255</u>	<u>61,977,204</u>
136,806,947	136,586,295	130,627,872	87,699,296	74,537,040
4,587,684	2,533,344	1,534,693	1,026,177	1,521,784
417,300	475,654	443,893	344,685	238,968
201,617	550,532	973,642	1,387,052	3,239,386
5,438,401	176,481	659,074	111,512	54,897
<u>17,672,755</u>	<u>16,892,128</u>	<u>17,839,202</u>	<u>13,986,494</u>	<u>6,968,219</u>
<u>\$ 165,124,704</u>	<u>\$ 157,214,434</u>	<u>\$ 152,078,376</u>	<u>\$ 104,555,216</u>	<u>\$ 86,560,294</u>

City of Ankeny, Iowa

**Changes in Net Position**  
**Last Ten Fiscal Years <sup>(1)</sup>**  
**(accrual basis of accounting)**

	Fiscal Year				
	2013	2012	2011	2010	2009
<b>Expenses</b>					
Governmental activities:					
Public safety	\$ 12,860,105	\$ 12,020,771	\$ 9,421,395	\$ 10,444,061	\$ 8,709,303
Health and social services	307,809	318,200	299,558	274,970	277,745
Culture and recreation	7,153,442	6,268,871	6,584,196	5,733,048	5,402,688
Public works	11,545,237	13,151,367	10,933,113	18,930,726	17,964,501
Community and economic development	2,668,602	3,191,753	2,530,503	2,843,641	2,340,606
General government	3,157,581	3,133,067	2,615,502	2,709,554	5,794,576
Interest on long-term debt	3,735,351	3,966,374	4,089,033	4,309,579	4,549,323
Total governmental activities expenses	<u>41,428,127</u>	<u>42,050,403</u>	<u>36,473,300</u>	<u>45,245,579</u>	<u>45,038,742</u>
Business-type activities:					
Solid waste	582,002	553,677	534,144	432,925	572,728
Water	7,597,352	6,896,336	6,426,365	6,736,767	5,889,478
Sewer	9,171,890	8,559,386	6,921,235	7,703,774	6,001,810
Storm water	407,890	470,710	274,327	276,041	245,983
Otter Creek golf course	1,828,281	1,708,377	1,672,404	1,685,539	845,236
Total business-type activities expenses	<u>19,587,415</u>	<u>18,188,486</u>	<u>15,828,475</u>	<u>16,835,046</u>	<u>13,555,235</u>
Total primary government expenses	<u>61,015,542</u>	<u>60,238,889</u>	<u>52,301,775</u>	<u>62,080,625</u>	<u>58,593,978</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services:					
Public safety	2,807,114	2,066,539	1,766,256	1,702,101	887,876
Culture and recreation	1,900,545	2,007,595	1,880,188	1,171,357	1,073,883
Other activities	694,253	794,333	660,970	613,791	384,441
Operating grants and contributions	6,776,919	4,902,587	4,474,097	6,297,936	8,700,935
Capital grants and contributions	15,538,101	12,568,192	3,615,374	3,328,808	4,525,314
Total governmental activities program revenues	<u>27,716,932</u>	<u>22,339,246</u>	<u>12,396,885</u>	<u>13,113,993</u>	<u>15,572,449</u>
Business-type activities:					
Charges for services:					
Water	8,770,876	8,281,518	6,301,828	5,611,334	5,411,574
Sewer	10,826,754	9,750,899	8,525,607	7,197,284	6,986,331
Other activities	2,746,924	2,723,003	2,595,534	2,595,623	806,458
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	5,117,635	5,388,700	1,156,857	267,803	6,226,553
Total business-type activities program revenues	<u>27,462,189</u>	<u>26,144,120</u>	<u>18,579,826</u>	<u>15,672,044</u>	<u>19,430,916</u>
Total primary government program revenues	<u>55,179,121</u>	<u>48,483,366</u>	<u>30,976,711</u>	<u>28,786,037</u>	<u>35,003,365</u>
<b>Net (expense) revenue</b>					
Governmental activities	(13,711,195)	(19,711,157)	(24,076,415)	(32,131,586)	(29,466,292)
Business-type activities	7,874,774	7,955,634	2,751,351	(1,163,001)	5,875,681
Total primary government net (expense) revenue	<u>(5,836,421)</u>	<u>(11,755,523)</u>	<u>(21,325,064)</u>	<u>(33,294,588)</u>	<u>(23,590,611)</u>
<b>General revenues and other changes in net position</b>					
Governmental activities:					
Taxes:					
Property taxes	30,569,114	29,205,370	27,367,573	25,799,170	22,608,951
Other taxes	2,426,806	2,815,350	1,660,528	1,178,864	1,371,558
Grants and contributions not restricted to specific programs	-	-	-	-	-
Interest	251,805	279,326	387,829	465,691	1,115,169
Other	(299,359)	102,639	93,680	90,312	57,794
Transfers	1,638,056	412,199	1,283,727	450,000	(283,341)
Total governmental activities	<u>34,586,422</u>	<u>32,814,884</u>	<u>30,793,337</u>	<u>27,984,037</u>	<u>24,870,131</u>
Business-type activities:					
Interest	9,531	31,933	34,270	54,878	72,825
Other	753,454	768,884	726,742	635,366	181,230
Transfers	(1,638,056)	(412,199)	(1,283,727)	(450,000)	283,341
Total business-type activities	<u>(875,071)</u>	<u>388,618</u>	<u>(522,715)</u>	<u>240,244</u>	<u>537,395</u>
Total primary government	<u>33,711,351</u>	<u>33,203,502</u>	<u>30,270,622</u>	<u>28,224,281</u>	<u>25,407,526</u>
<b>Changes in net position</b>					
Governmental activities	20,875,227	13,103,727	6,716,922	(4,147,549)	(4,596,161)
Business-type activities	6,999,703	8,344,252	2,228,636	(922,757)	6,413,076
Total primary government changes in net position	<u>\$ 27,874,930</u>	<u>\$ 21,447,979</u>	<u>\$ 8,945,558</u>	<u>\$ (5,070,306)</u>	<u>\$ 1,816,915</u>

	2008	2007	2006	2005	2004
\$	8,765,732	\$ 7,740,691	\$ 7,119,401	\$ 6,563,401	\$ 5,953,448
	236,134	115,375	59,113	95,944	212,221
	5,144,408	4,760,072	4,569,428	4,039,270	3,614,161
	14,066,397	11,685,977	5,383,612	4,065,180	4,462,967
	2,152,310	2,739,944	2,312,740	1,513,129	1,153,503
	2,530,968	2,356,261	2,159,580	2,008,601	1,934,620
	3,633,724	2,652,376	2,208,212	1,762,124	1,624,607
	<u>36,529,673</u>	<u>32,050,696</u>	<u>23,812,086</u>	<u>20,047,649</u>	<u>18,955,527</u>
	479,368	446,051	387,949	277,336	244,886
	5,728,375	5,857,555	4,259,984	3,992,676	4,011,420
	5,321,560	5,000,540	4,701,184	3,999,585	3,333,904
	100,140	72,075	19,425	3,500	-
	845,387	1,061,638	1,082,932	1,108,882	1,138,654
	<u>12,474,830</u>	<u>12,437,859</u>	<u>10,451,474</u>	<u>9,381,979</u>	<u>8,728,864</u>
	<u>49,004,503</u>	<u>44,488,555</u>	<u>34,263,560</u>	<u>29,429,628</u>	<u>27,684,391</u>
	2,006,097	1,768,328	2,233,436	1,771,657	1,526,943
	897,808	834,055	805,189	650,012	512,236
	369,195	2,130,411	605,952	1,228,247	1,169,245
	3,844,341	4,154,440	4,331,282	2,898,819	2,761,838
	5,865,048	4,071,240	11,943,414	8,417,503	5,306,596
	<u>12,982,489</u>	<u>12,958,474</u>	<u>19,919,273</u>	<u>14,966,238</u>	<u>11,276,858</u>
	5,494,332	5,433,073	5,654,906	4,382,184	3,972,892
	5,926,481	5,641,090	4,795,246	4,221,821	3,490,284
	920,086	1,319,077	1,355,074	1,233,294	1,202,659
	-	27,930	-	-	-
	7,257,728	1,577,633	12,453,517	5,155,227	4,016,586
	<u>19,598,627</u>	<u>13,998,803</u>	<u>24,258,743</u>	<u>14,992,526</u>	<u>12,682,421</u>
	<u>32,581,116</u>	<u>26,957,277</u>	<u>44,178,016</u>	<u>29,958,764</u>	<u>23,959,279</u>
	(23,547,184)	(19,092,222)	(3,892,813)	(5,081,411)	(7,678,669)
	7,123,797	1,560,944	13,807,269	5,610,547	3,953,557
	<u>(16,423,387)</u>	<u>(17,531,278)</u>	<u>9,914,456</u>	<u>529,136</u>	<u>(3,725,112)</u>
	20,434,441	18,753,563	16,493,129	15,240,675	13,189,116
	1,244,208	1,232,323	1,144,786	1,082,129	1,019,780
	-	-	-	-	34,664
	2,225,590	2,216,659	1,514,889	778,632	555,465
	187,500	183,348	83,898	227,433	368,050
	2,074,457	210,086	224,000	65,413	266,752
	<u>26,166,196</u>	<u>22,595,979</u>	<u>19,460,702</u>	<u>17,394,282</u>	<u>15,433,827</u>
	189,703	196,466	184,429	83,974	50,610
	52,215	84,977	54,372	52,943	-
	(2,074,457)	(210,086)	(224,000)	(65,413)	(266,752)
	<u>(1,832,539)</u>	<u>71,357</u>	<u>14,801</u>	<u>71,504</u>	<u>(216,142)</u>
	<u>24,333,657</u>	<u>22,667,336</u>	<u>19,475,503</u>	<u>17,465,786</u>	<u>15,217,685</u>
	2,619,012	3,503,757	15,567,889	12,312,871	7,755,158
	5,291,258	1,632,301	13,822,070	5,682,051	3,737,415
\$	<u>\$ 7,910,270</u>	<u>\$ 5,136,058</u>	<u>\$ 29,389,959</u>	<u>\$ 17,994,922</u>	<u>\$ 11,492,573</u>

**City of Ankeny, Iowa**

**Fund Balances of Governmental Funds  
Last Ten Fiscal Years <sup>(1)</sup>  
(modified accrual basis of accounting)**

	Fiscal Year				
	2013	2012	2011	2010	2009
General fund:					
Unreserved	N/A	N/A	N/A	\$ 5,255,100	\$ 4,993,929
Nonspendable	1,204	1,127	-	-	-
Assigned	-	-	139,671	N/A	N/A
Unassigned	10,035,862	8,192,665	7,064,005	N/A	N/A
Total general fund	<u>\$ 10,037,066</u>	<u>\$ 8,193,792</u>	<u>\$ 7,203,676</u>	<u>\$ 5,255,100</u>	<u>\$ 4,993,929</u>
All other governmental funds:					
Reserved	N/A	N/A	N/A	\$ 2,896,848	\$ 2,009,317
Unreserved, reported in:					
Debt service funds	N/A	N/A	N/A	-	-
Special revenue funds	N/A	N/A	N/A	1,955,382	1,970,149
Capital project funds	N/A	N/A	N/A	2,838,206	14,519,678
Restricted	14,443,001	13,207,898	16,201,069	N/A	N/A
Unassigned	-	-	(49)	N/A	N/A
Total all other governmental funds	<u>\$ 14,443,001</u>	<u>\$ 13,207,898</u>	<u>\$ 16,201,020</u>	<u>\$ 7,690,436</u>	<u>\$ 18,499,144</u>

<sup>(1)</sup> GASB Statement No. 54 implemented in fiscal year 2011.

N/A - Not applicable.

	2008	2007	2006	2005	2004
\$	4,715,926	\$ 4,596,769	\$ 3,760,757	\$ 2,953,483	\$ 2,356,907
	-	-	-	-	-
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
\$	<u>4,715,926</u>	<u>\$ 4,596,769</u>	<u>\$ 3,760,757</u>	<u>\$ 2,953,483</u>	<u>\$ 2,356,907</u>
\$	3,033,897	\$ 953,844	\$ 277,845	\$ 76,043	\$ 101,900
	-	-	-	-	-
	6,032,229	1,607,459	2,659,219	2,520,269	4,269,476
	31,263,350	38,064,035	24,464,550	30,077,141	27,144,527
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
\$	<u>40,329,476</u>	<u>\$ 40,625,338</u>	<u>\$ 27,401,614</u>	<u>\$ 32,673,453</u>	<u>\$ 31,515,903</u>

City of Ankeny, Iowa

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

	Fiscal Year				
	2013	2012	2011	2010	2009
Revenues:					
Property taxes	\$ 30,726,040	\$ 29,073,634	\$ 27,322,318	\$ 25,818,107	\$ 22,690,861
Other taxes and assessments	2,513,070	3,023,406	1,810,304	1,483,931	1,349,516
Licenses and permits	1,782,043	1,153,239	971,042	887,353	783,144
Intergovernmental	12,124,770	8,881,901	6,007,077	6,214,220	6,988,555
Charges for services	2,416,771	2,167,888	2,361,050	1,626,908	1,456,300
Use of money and property	444,938	425,785	503,883	576,364	1,213,802
Miscellaneous	4,396,936	1,161,456	2,438,614	3,302,244	4,805,303
Total revenues	<u>54,404,568</u>	<u>45,887,309</u>	<u>41,414,288</u>	<u>39,909,127</u>	<u>39,287,483</u>
Expenditures:					
Current operating:					
Public safety	11,575,134	11,234,795	9,877,600	9,626,447	9,024,964
Health and social services	264,654	310,995	287,278	264,653	272,534
Culture and recreation	5,205,203	4,657,997	4,866,728	4,700,831	4,563,000
Public works	4,471,755	4,478,092	4,194,438	3,843,624	3,534,165
Community and economic development	2,673,689	3,212,794	2,490,001	2,619,002	2,351,754
General government	3,010,877	3,015,084	2,440,504	2,488,046	5,594,008
Debt service:					
Principal	9,992,389	8,470,740	8,286,449	5,798,945	40,505,421
Interest and other charges	4,089,038	4,199,996	4,234,484	4,457,119	4,495,158
Capital projects	18,672,990	20,832,387	14,959,038	27,175,373	35,808,040
Total expenditures	<u>59,955,729</u>	<u>60,412,880</u>	<u>51,636,520</u>	<u>60,974,040</u>	<u>106,149,045</u>
(Deficiency) of revenues (under) expenditures	<u>(5,551,161)</u>	<u>(14,525,571)</u>	<u>(10,222,232)</u>	<u>(21,064,913)</u>	<u>(66,861,562)</u>
Other financing sources (uses):					
Issuance of long-term debt	10,990,000	15,945,000	19,920,000	11,055,000	44,647,082
Issuance of refunding bonds	14,565,000	13,036,254	15,088,178	6,825,640	-
Premium on long-term debt	1,213,804	667,432	453,278	111,736	1,095,239
Payment of refunded bonds	(19,920,000)	(17,538,321)	(16,063,791)	(7,925,000)	-
Sale of capital assets	-	-	-	-	-
Transfers in	8,494,408	6,049,205	6,042,039	8,391,781	10,427,812
Transfers out	(6,856,352)	(5,637,006)	(4,758,312)	(7,941,781)	(10,711,153)
Total other financing sources (uses)	<u>8,486,860</u>	<u>12,522,564</u>	<u>20,681,392</u>	<u>10,517,376</u>	<u>45,458,980</u>
Net change in fund balances	<u>\$ 2,935,699</u>	<u>\$ (2,003,007)</u>	<u>\$ 10,459,160</u>	<u>\$ (10,547,537)</u>	<u>\$ (21,402,582)</u>
Debt service as a percentage of noncapital expenditures	<u>31.83%</u>	<u>28.42%</u>	<u>32.29%</u>	<u>22.45%</u>	<u>54.97%</u>

2008	2007	2006	2005	2004
\$ 20,114,119	\$ 18,794,111	\$ 16,514,753	\$ 15,165,093	\$ 13,269,314
1,620,228	1,531,956	1,443,778	1,769,012	1,140,340
873,022	1,101,473	1,494,933	1,157,466	878,768
4,132,078	7,808,298	4,723,686	5,224,090	2,828,942
1,684,319	1,378,617	1,125,569	982,051	1,371,140
2,402,016	2,299,353	1,593,597	884,232	539,640
6,264,216	730,474	1,945,994	618,522	562,229
<u>37,089,998</u>	<u>33,644,282</u>	<u>28,842,310</u>	<u>25,800,466</u>	<u>20,590,373</u>
8,762,449	8,017,872	7,245,549	6,601,587	5,729,060
241,908	106,535	66,687	88,979	103,791
4,680,218	4,430,748	3,535,146	3,121,200	2,978,587
4,469,736	3,770,657	3,354,035	3,170,707	2,976,702
2,179,236	2,767,813	2,323,059	1,522,821	1,144,920
2,357,372	2,273,884	2,153,257	1,779,191	1,567,450
17,340,988	5,580,852	4,977,420	4,772,488	4,482,064
4,224,025	1,624,323	1,586,200	1,237,928	1,425,510
<u>34,159,265</u>	<u>32,331,256</u>	<u>25,211,102</u>	<u>28,328,883</u>	<u>8,843,011</u>
<u>78,415,197</u>	<u>60,903,940</u>	<u>50,452,455</u>	<u>50,623,784</u>	<u>29,251,095</u>
<u>(41,325,199)</u>	<u>(27,259,658)</u>	<u>(21,610,145)</u>	<u>(24,823,318)</u>	<u>(8,660,722)</u>
40,072,037	41,291,341	16,890,189	26,452,303	23,292,618
-	-	-	-	-
-	17,967	31,391	59,728	22,991
-	-	-	-	(3,747,618)
-	-	-	-	28,500
8,218,219	5,467,030	5,741,353	5,232,637	3,203,149
<u>(7,143,762)</u>	<u>(5,456,944)</u>	<u>(5,517,353)</u>	<u>(5,167,224)</u>	<u>(3,096,397)</u>
<u>41,146,494</u>	<u>41,319,394</u>	<u>17,145,580</u>	<u>26,577,444</u>	<u>19,703,243</u>
<u>\$ (178,705)</u>	<u>\$ 14,059,736</u>	<u>\$ (4,464,565)</u>	<u>\$ 1,754,126</u>	<u>\$ 11,042,521</u>
<u>43.30%</u>	<u>15.26%</u>	<u>20.31%</u>	<u>16.20%</u>	<u>27.61%</u>

**City of Ankeny, Iowa**

**Actual Valuation and Taxable Valuation of Property <sup>(1)</sup>  
Last Ten Fiscal Years**

Actual Valuation

	As of January 1:				
	2011	2010	2009	2008	2007
Residential	\$ 2,783,244,740	\$ 2,769,055,320	\$ 2,673,211,940	\$ 2,596,530,510	\$ 2,454,017,210
Agricultural	6,829,650	6,092,180	6,339,650	3,732,830	3,710,470
Commercial	590,069,450	607,693,640	600,996,510	571,523,700	532,071,600
Industrial	59,495,960	62,080,920	61,474,170	60,403,000	59,473,590
Personal/Real estate	-	-	-	-	-
Utilities	49,901,818	48,318,830	46,596,775	45,083,718	40,123,838
Gross valuation	3,489,541,618	3,493,240,890	3,388,619,045	3,277,273,758	3,089,396,708
Less: Military exemption	3,498,538	3,477,414	3,434,778	3,368,056	3,260,660
Net valuation	3,486,043,080	3,489,763,476	3,385,184,267	3,273,905,702	3,086,136,048
Incremental value	157,507,600	166,005,600	171,913,600	156,056,000	156,191,910
Actual valuation	<u>\$ 3,643,550,680</u>	<u>\$ 3,655,769,076</u>	<u>\$ 3,557,097,867</u>	<u>\$ 3,429,961,702</u>	<u>\$ 3,242,327,958</u>
Percent change	-0.334%	2.774%	3.707%	5.787%	11.676%

Taxable Valuation

	As of January 1:				
	2011	2010	2009	2008	2007
Residential	\$ 1,395,090,900	\$ 1,325,849,350	\$ 1,236,013,400	\$ 1,167,749,680	\$ 1,066,470,820
Agricultural	3,929,850	4,204,540	4,201,450	3,503,500	3,343,130
Commercial	590,069,450	607,693,640	600,996,510	571,523,700	530,311,700
Industrial	59,495,960	62,080,920	61,474,170	60,403,000	59,473,590
Personal/Real estate	-	-	-	-	-
Utilities	36,289,968	36,097,110	33,857,524	34,751,309	34,238,011
Gross valuation	2,084,876,128	2,035,925,560	1,936,543,054	1,837,931,189	1,693,837,251
Less: Military exemption	3,498,538	3,477,414	3,434,778	3,368,056	3,260,660
Net valuation	2,081,377,590	2,032,448,146	1,933,108,276	1,834,563,133	1,690,576,591
Incremental value	157,507,600	166,005,600	171,913,600	156,056,000	156,191,910
Taxable valuation	<u>\$ 2,238,885,190</u>	<u>\$ 2,198,453,746</u>	<u>\$ 2,105,021,876</u>	<u>\$ 1,990,619,133</u>	<u>\$ 1,846,768,501</u>
Percent change	1.839%	4.439%	5.747%	7.789%	9.285%

Total Direct Tax Rate

City of Ankeny	<u>\$ 12.02746</u>	<u>\$ 11.17646</u>	<u>\$ 11.17646</u>	<u>\$ 11.17646</u>	<u>\$ 10.52956</u>
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<sup>(1)</sup> Polk County Auditor

2006	2005	2004	2003	2002
\$ 2,190,161,260	\$ 1,917,419,643	\$ 1,604,885,354	\$ 1,429,751,281	\$ 1,194,083,777
2,582,650	2,085,460	2,215,860	2,365,790	1,868,510
472,035,700	435,008,427	373,093,369	353,213,009	312,560,663
60,236,410	58,750,920	57,205,307	64,404,580	65,377,160
-	-	-	-	-
41,807,652	40,205,954	35,528,211	33,382,236	34,804,554
2,766,823,672	2,453,470,404	2,072,928,101	1,883,116,896	1,608,694,664
3,153,956	2,946,532	2,753,924	2,598,646	2,546,590
2,763,669,716	2,450,523,872	2,070,174,177	1,880,518,250	1,606,148,074
139,675,000	137,270,000	122,335,000	110,200,000	103,538,880
<u>\$ 2,903,344,716</u>	<u>\$ 2,587,793,872</u>	<u>\$ 2,192,509,177</u>	<u>\$ 1,990,718,250</u>	<u>\$ 1,709,686,954</u>
12.194%	18.029%	10.137%	16.438%	7.303%

2006	2005	2004	2003	2002
\$ 985,221,470	\$ 870,781,373	\$ 759,608,294	\$ 685,089,321	\$ 606,050,267
2,582,650	2,085,460	2,215,860	2,365,790	1,868,510
472,035,700	430,373,567	373,093,369	349,881,059	312,560,663
60,236,410	58,750,920	57,205,307	64,404,580	65,377,160
-	-	-	-	-
33,262,313	35,229,249	32,955,571	34,094,357	34,804,554
1,553,338,543	1,397,220,569	1,225,078,401	1,135,835,107	1,020,661,154
3,153,956	2,946,532	2,753,924	2,598,646	2,546,590
1,550,184,587	1,394,274,037	1,222,324,477	1,133,236,461	1,018,114,564
139,675,000	137,270,000	122,335,000	110,200,000	103,538,880
<u>\$ 1,689,859,587</u>	<u>\$ 1,531,544,037</u>	<u>\$ 1,344,659,477</u>	<u>\$ 1,243,436,461</u>	<u>\$ 1,121,653,444</u>
10.337%	13.898%	8.141%	10.857%	7.031%

<u>\$ 10.28956</u>	<u>\$ 10.33956</u>	<u>\$ 10.38956</u>	<u>\$ 10.38956</u>	<u>\$ 9.90126</u>
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City of Ankeny, Iowa

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

Fiscal Year	City Direct Rates					Total Direct
	General Fund	Aviation Authority	Debt Service	Police & Fire Retirement		
Ankeny Community School District:						
2004	6.67834	0.14765	2.92000	0.15527		9.90126
2005	7.05501	0.14821	2.93010	0.25624		10.38956
2006	7.05501	0.14821	2.93010	0.25624		10.38956
2007	6.85501	0.14821	2.93010	0.40624		10.33956
2008	6.80501	0.14821	2.93010	0.40624		10.28956
2009	7.19501	0.14821	2.78010	0.40624		10.52956
2010	7.13301	0.14821	3.49900	0.39624		11.17646
2011	7.13301	0.14821	3.49900	0.39624		11.17646
2012	7.08301	0.14821	3.49900	0.44624		11.17646
2013	7.03301	0.14821	4.35000	0.49624		12.02746
Saydel Community School District <sup>(2)</sup> :						
2004	6.67834	0.14765	2.92000	0.15527		9.90126
2005	7.05501	0.14821	2.93010	0.25624		10.38956
2006	7.05501	0.14821	2.93010	0.25624		10.38956
2007	6.85501	0.14821	2.93010	0.40624		10.33956
2008	6.80501	0.14821	2.93010	0.40624		10.28956
2009	7.19501	0.14821	2.78010	0.40624		10.52956
2010	7.13301	0.14821	3.49900	0.39624		11.17646
2011	7.13301	0.14821	3.49900	0.39624		11.17646
2012	7.08301	0.14821	3.49900	0.44624		11.17646
2013	7.03301	0.14821	4.35000	0.49624		12.02746
North Polk Community School District <sup>(3)</sup> :						
2004	6.67834	0.14765	2.92000	0.15527		9.90126
2005	7.05501	0.14821	2.93010	0.25624		10.38956
2006	7.05501	0.14821	2.93010	0.25624		10.38956
2007	6.85501	0.14821	2.93010	0.40624		10.33956
2008	6.80501	0.14821	2.93010	0.40624		10.28956
2009	7.19501	0.14821	2.78010	0.40624		10.52956
2010	7.13301	0.14821	3.49900	0.39624		11.17646
2011	7.13301	0.14821	3.49900	0.39624		11.17646
2012	7.08301	0.14821	3.49900	0.44624		11.17646
2013	7.03301	0.14821	4.35000	0.49624		12.02746

<sup>(1)</sup> Polk County Auditor

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

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

N/A - Not applicable.

School District	County and Assessor	Overlapping Rates			Total Direct and Overlapping Rates
		Regional Transit	Community College	State	
17.10241	9.76226	N/A	0.58184	0.00400	37.35177
16.90251	9.96460	N/A	0.59856	0.00400	37.85923
16.70201	9.94318	N/A	0.68408	0.00400	37.72283
16.70575	10.17511	0.08789	0.68688	0.00400	37.99919
17.90637	10.16218	0.10939	0.60276	0.00350	39.07376
19.58053	10.12532	0.12117	0.56386	0.00350	40.92394
19.84290	9.97134	0.22946	0.56778	0.00300	41.79094
22.34576	10.05423	0.24290	0.56008	0.00340	44.38283
21.07036	10.01509	0.25900	0.59018	0.00320	43.11429
20.59177	10.07059	0.40900	0.58466	0.00330	43.68678
N/A	9.76226	N/A	0.58184	0.00400	N/A
14.67175	9.96460	N/A	0.59856	0.00400	35.62847
13.12949	9.94318	N/A	0.68408	0.00400	34.15031
13.38621	10.17511	0.08789	0.68688	0.00400	34.67965
13.62992	10.16218	0.10939	0.60276	0.00350	34.79731
13.67722	10.12532	0.12117	0.56386	0.00350	35.02063
13.98315	9.97134	0.22946	0.56778	0.00300	35.93119
13.97723	10.05423	0.24290	0.56008	0.00340	36.01430
13.97969	10.01509	0.25900	0.59018	0.00320	36.02362
13.47994	10.07059	0.40900	0.58466	0.00330	36.57495
N/A	9.76226	N/A	0.58184	0.00400	N/A
N/A	9.96460	N/A	0.59856	0.00400	N/A
N/A	9.94318	N/A	0.68408	0.00400	N/A
N/A	10.17511	0.08789	0.68688	0.00400	N/A
17.46387	10.16218	0.10939	0.60276	0.00350	38.63126
17.77387	10.12532	0.12117	0.56386	0.00350	39.11728
17.39071	9.97134	0.22946	0.56778	0.00300	39.33875
18.26638	10.05423	0.24290	0.56008	0.00340	40.30345
19.85396	10.01509	0.25900	0.59018	0.00320	41.89789
19.99983	10.07059	0.40900	0.58466	0.00330	43.09484

City of Ankeny, Iowa

Principal Property Taxpayers <sup>(1)</sup>  
Current Year and Nine Years Ago

Taxpayer	Type of Business	Fiscal Year 2013			Fiscal Year 2004		
		January 1, 2011 Taxable Valuation	Rank	Percent of Total Taxable Value	January 1, 2002 Taxable Valuation	Rank	Percent of Total Taxable Value
MidAmerican Energy	Utility	\$ 28,244,507	1	1.26%			
Casey's General Stores	Corporate headquarters/distribution	27,544,200	2	1.23%	15,280,250	4	1.36%
Denny Elwell Family, LC	Real estate development	23,635,610	3	1.06%	9,844,530	7	0.88%
Deere & Company	Farm implements	23,428,000	4	1.05%	28,368,930	1	2.53%
ACH Food Companies, Inc. <sup>(3)</sup>	Spice manufacturing/distribution	19,500,000	5	0.87%	23,500,000	2	2.10%
Perishable Distributors of Iowa	Wholesale meat/bakery distributor	16,651,910	6	0.74%	17,659,190	3	1.57%
DLE Seven LLC	Real estate development	16,208,320	7	0.72%			
Ankeny North MOB, LLC <sup>(2)</sup>	Real estate development	15,530,000	8	0.69%			
Wal-Mart	Retail merchandise/grocery	14,830,000	9	0.66%	12,676,000	5	1.13%
Karl Chevrolet	Automobile sales	14,600,000	10	0.65%			
Target	Retail merchandise/grocery				10,656,000	6	0.95%
Menards, Inc.	Retail home improvement store				9,050,990	8	0.81%
Sun Secured Financial	Mobile home park				8,214,610	9	0.73%
Sysco Food Services	Food Distribution				8,210,410	10	0.73%
		<u>\$ 200,172,547</u>		<u>8.94%</u>	<u>\$ 143,460,910</u>		<u>12.79%</u>

<sup>(1)</sup> Polk County Assessor

<sup>(2)</sup> Formerly Signature Properties, LLC

<sup>(3)</sup> Formerly Tone Brothers, Inc.

City of Ankeny, Iowa

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Total Property Tax Levy	Current Property Tax Collections	Percent of Property Taxes Collected	Delinquent Property Tax Collections	Total Property Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
2004	13,554,417	13,540,966	99.90%	2,680	13,543,646	99.92%
2005	15,248,211	15,163,074	99.44%	2,019	15,165,093	99.45%
2006	16,529,809	16,512,978	99.90%	5	16,512,983	99.90%
2007	18,815,615	18,791,243	99.87%	100	18,791,343	99.87%
2008	20,427,095	20,303,603	99.40%	634	20,304,237	99.40%
2009	22,717,538	22,823,558	100.47% <sup>(1)</sup>	17	22,823,576	100.47% <sup>(2)</sup>
2010	25,664,841	25,675,450	100.04% <sup>(1)</sup>	372	25,675,822	100.04% <sup>(2)</sup>
2011	27,355,294	27,799,160	101.62% <sup>(1)</sup>	136	27,799,295	101.62% <sup>(2)</sup>
2012	28,760,314	28,465,728	98.98%	1,482	28,467,210	98.98%
2013	30,765,354	30,631,053	99.56%	680	30,631,733	99.57%

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

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

City of Ankeny, Iowa

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Debt Per Capita <sup>(1)</sup>
	General Obligation Bonds	Bond Anticipation Notes	Tax Increment Revenue Notes	Capital Loan Notes	General Obligation Bonds	Capital Loan Notes	Revenue Bonds			
2004	40,509,472	11,125,000	675,000	-	1,730,528	6,632,000	615,000	61,287,000	354.20%	2,260
2005	41,219,289	18,230,000	345,000	-	2,710,711	6,411,000	-	68,916,000	366.11%	2,541
2006	41,852,058	24,505,000	-	-	2,892,942	5,533,000	3,890,000	78,673,000	398.34%	2,176
2007	46,062,547	43,125,000	-	-	5,822,453	4,747,000	7,640,000	107,397,000	507.93%	2,970
2008	74,437,094	37,200,000	-	-	5,777,906	3,954,000	7,360,000	128,729,000	573.22%	3,560
2009	96,993,520	18,900,000	-	-	10,801,480	3,252,000	17,600,000	147,547,000	636.50%	4,080
2010	95,931,129	24,255,000	-	-	11,074,871	2,541,000	23,425,000	157,227,000	668.37%	4,348
2011	99,874,069	30,975,000	-	-	11,033,931	1,821,000	24,700,000	168,404,000	694.39%	3,695
2012	98,051,262	35,370,000	-	400,000	14,164,738	1,249,000	26,803,000	176,038,000	674.71%	3,862
2013	113,713,872	15,450,000	-	300,000	19,141,128	428,000	25,777,000	174,810,000	634.82%	3,835

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

City of Ankeny, Iowa

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

Fiscal Year	Actual Property Valuation <sup>(1)</sup>	General Obligation Bonded Debt <sup>(2)</sup>	Less Debt Service Fund	Net	Percentage of Actual Property Valuation	Per Capita <sup>(3)</sup>
2004	1,709,686,954	54,040,000	101,900	53,938,100	3.15%	1,989
2005	1,990,718,250	62,505,000	76,043	62,428,957	3.14%	2,302
2006	2,192,509,177	69,250,000	277,845	68,972,155	3.15%	1,907
2007	2,587,793,872	95,010,000	953,844	94,056,156	3.63%	2,601
2008	2,903,344,716	117,415,000	3,033,897	114,381,103	3.94%	3,163
2009	3,242,327,958	126,695,000	2,009,317	124,685,683	3.85%	3,448
2010	3,429,961,702	131,261,000	2,896,848	128,364,152	3.74%	3,550
2011	3,557,097,867	141,883,000	2,551,310	139,331,691	3.92%	3,057
2012	3,655,769,076	147,986,000	2,214,278	145,771,722	3.99%	3,198
2013	3,643,550,680	148,605,000	2,698,019	145,906,981	4.00%	3,201

<sup>(1)</sup> Polk County Auditor

<sup>(2)</sup> Includes General Obligation Bond Anticipation Notes and General Obligation Capital Loan Notes.

<sup>(3)</sup> Per capita calculations based on data from U.S. Census Bureau

**City of Ankeny, Iowa**

**Computation of Direct and Overlapping Bonded Debt  
General Obligation Bonded Debt  
June 30, 2013**

	General Obligation Debt June 30, 2013	Percent Applicable to City	Direct and Overlapping General Obligation Debt	Underlying General Obligation Debt
Polk County	\$ 250,177,000	11.14%	\$ 27,869,718	\$ 222,307,282
Des Moines Area Community College	72,390,000	6.05%	4,379,595	68,010,405
North Polk Community School District	600,000	1.49%	8,940	591,060
Saydel Community School District	15,470,000	0.04%	6,188	15,463,812
Ankeny Community School District	<u>82,740,000</u>	90.61%	<u>74,970,714</u>	<u>7,769,286</u>
Subtotal overlapping debt	\$ 421,377,000		\$ 107,235,155	\$ 314,141,845
City of Ankeny	<u>129,163,872</u>	100.00%	<u>129,163,872</u>	<u>-</u>
Total direct and overlapping debt	<u>\$ 550,540,872</u>		<u>\$ 236,399,027</u>	<u>\$ 314,141,845</u>

Source: Bond Official Statement May 2012

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Ankeny. This process recognizes that, when considering the government's ability to issue and repay long-term debt the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.



**City of Ankeny, Iowa**

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

	2013	2012	2011	2010	2009
Actual property valuation <sup>(1)</sup>	\$ 3,643,550,680	\$ 3,655,769,076	\$ 3,557,097,867	\$ 3,429,961,702	\$ 3,242,327,958
Debt limit - 5% of assessed valuation	182,177,534	182,788,454	177,854,893	171,498,085	162,116,398
Amount of debt applicable to limit:					
General obligation bonds	132,855,000	112,216,000	110,908,000	107,006,000	107,795,000
Bond anticipation notes	15,450,000	35,370,000	30,975,000	24,255,000	18,900,000
Capital loan notes	300,000	400,000	-	-	-
Total debt applicable to limit	148,605,000	147,986,000	141,883,000	131,261,000	126,695,000
Legal debt margin	<u>\$ 33,572,534</u>	<u>\$ 34,802,454</u>	<u>\$ 35,971,893</u>	<u>\$ 40,237,085</u>	<u>\$ 35,421,398</u>
Percent of debt limit	18.43%	19.04%	20.23%	23.46%	21.85%

<sup>(1)</sup> Polk County Auditor

2008	2007	2006	2005	2004
\$ 2,903,344,716	\$ 2,587,793,872	\$ 2,192,509,177	\$ 1,990,718,250	\$ 1,709,686,954
145,167,236	129,389,694	109,625,459	99,535,913	85,484,348
80,215,000	51,885,000	44,745,000	43,930,000	42,240,000
37,200,000	43,125,000	24,505,000	18,230,000	11,125,000
-	-	-	-	-
117,415,000	95,010,000	69,250,000	62,160,000	53,365,000
<u>\$ 27,752,236</u>	<u>\$ 34,379,694</u>	<u>\$ 40,375,459</u>	<u>\$ 37,375,913</u>	<u>\$ 32,119,348</u>
19.12%	26.57%	36.83%	37.55%	37.57%

**City of Ankeny, Iowa**

**Revenue Bond Coverage  
Last Ten Fiscal Years**

Fiscal Year	Sewer Fund				Coverage
	Gross Revenues	Operating Expenses <sup>(1)</sup>	Net Revenue Available For Debt Service	Maximum Debt Service Requirements <sup>(2)</sup>	
2004	3,311,739	1,864,093	1,447,646	1,069,094	1.3541
2005	N/A	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A
2009	7,013,732	4,113,010	2,900,722	878,924	3
2010	7,223,096	5,392,605	1,830,491	1,354,951	1.3510
2011	8,544,496	5,448,198	3,096,298	1,298,460	2.3846
2012	9,770,350	5,992,735	3,777,615	1,544,066	2.4465
2013	10,833,241	6,410,346	4,422,895	1,364,019	3.2425

<sup>(1)</sup> Total operating expenses exclusive of depreciation.

<sup>(2)</sup> Includes principal and interest of revenue bonds and capital loan notes.

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

Sewer Fund issued revenue bonds with coverage requirements in fiscal year 2009, 2010, 2011 and 2012.

N/A - Not applicable.

Water Fund				
Gross Revenues	Operating Expenses <sup>(1)</sup>	Net Revenue Available For Debt Service	Annual Debt Service Requirements <sup>(2)</sup>	Coverage
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
5,771,431	3,470,469	2,300,962	285,843	8
5,587,391	4,839,031	748,360	436,744	1.7135
5,662,041	4,581,601	1,080,440	653,994	1.6521
5,508,623	4,591,946	916,677	759,451	1.2070
5,693,969	5,173,705	520,264	1,026,250	0.5070
6,372,678	4,882,507	1,490,171	1,023,595	1.4558
8,354,480	5,404,880	2,949,600	1,030,325	2.8628
8,846,173	6,124,636	2,721,537	1,032,055	2.6370

**City of Ankeny, Iowa**

**Historical Economic Data  
Last Ten Years**

Employment				Personal Income <sup>(3)</sup>			Retail Sales <sup>(4)</sup>		
Calendar Year	Population <sup>(1)</sup>	Labor Force <sup>(2)</sup>	Unemployment Rate <sup>(2)</sup>	Calendar Year	Personal Income (000's)	Per Capita	Fiscal Year	Number of Businesses	Taxable Sales
2003	27,117	289,600	4.0%	2003	17,303,000	34,326	2003	2,840	371,959,626
2004	27,117	294,500	4.4%	2004	18,824,000	36,724	2004	2,909	415,484,756
2005	36,161	301,300	4.2%	2005	19,750,000	37,737	2005	3,070	466,908,168
2006	36,161	307,500	3.3%	2006	21,144,000	39,579	2006	3,179	514,316,083
2007	36,161	376,000	3.7%	2007	22,457,000	41,085	2007	3,591	538,000,263
2008	36,161	313,600	3.9%	2008	23,181,000	41,676	2008	3,844	562,967,614
2009	36,161	316,400	5.6%	2009	23,524,000	41,790	2009	4,203	601,447,180
2010	45,582	315,900	6.0%	2010	24,252,000	42,234	2010	4,287	622,122,041
2011	45,582	313,200	5.9%	2011	26,091,000	44,966	2011	4,215	658,098,454
2012	45,582	311,500	5.3%	2012	27,537,000	46,753	2012	4,303	682,910,249

<sup>(1)</sup> U.S. Census Bureau

<sup>(2)</sup> Iowa Workforce Development, Des Moines Metropolitan Service Area

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

<sup>(4)</sup> Iowa Department of Revenue, fiscal year ending March 31

<sup>(5)</sup> City of Ankeny Planning and Building Department

Calendar Year	Building Permits <sup>(5)</sup>			
	Commercial Permits Issued	Dollar Value of Permits Issued	Residential Permits Issued	Dollar Value of Permits Issued
2003	30	14,829,798	1,042	119,766,928
2004	27	24,623,712	1,085	130,039,464
2005	30	21,570,268	1,311	203,434,307
2006	30	29,709,708	845	136,156,818
2007	26	38,933,191	581	107,924,995
2008	21	42,473,891	372	68,646,221
2009	11	12,251,100	422	82,430,948
2010	17	10,060,900	523	106,078,166
2011	15	19,062,235	580	107,047,822
2012	33	73,674,050	1,031	178,308,459

**City of Ankeny, Iowa**

**Principal Employers <sup>(1)</sup>  
Current Year and Nine Years Ago**

Employer <sup>(2)</sup>	Type of Business	Fiscal Year 2013			Fiscal Year 2004		
		Approximate Number of Employees	Rank	Percent of Total City Employment	Approximate Number of Employees	Rank	Percent of Total City Employment
John Deere Des Moines Works	Farm implements	1,953	1	7.66%	950	1	5.52%
Des Moines Area Community College	Education	1,584	2	6.21%	700	3	4.07%
Ankeny Community Schools	Education	1,202	3	4.71%	710	2	4.13%
Casey's General Stores	Corporate headquarters/distribution	1,139	4	4.47%	370	6	2.15%
City of Ankeny	Government	638	5	2.50%	243	8	1.41%
Perishable Distributors of Iowa	Wholesale meat/bakery distributor	547	6	2.15%	490	5	2.85%
ACH Food Companies, Inc. <sup>(3)</sup>	Spice manufacturing/distribution	462	7	1.81%	560	4	3.26%
SYSCO Food Services of Iowa	Wholesale distribution	243	8	0.95%	275	7	1.60%
Accumold	Plastic micro-molding	168	9	0.66%			
Praxair	Industrial gases/welding equipment	157	10	0.62%	135	10	0.78%
Snyder & Associates	Engineering and surveying				140	9	0.81%
Total		<u>8,093</u>		<u>31.74%</u>	<u>4,573</u>		<u>26.59%</u>

<sup>(1)</sup> City of Ankeny Economic Development Department

<sup>(2)</sup> Does not include retail employers

<sup>(3)</sup> Formerly Tone Brothers, Inc.

City of Ankeny, Iowa

Number of Permanent City Employees by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Public Safety:										
Police:										
Police Administration	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Operations	45.00	44.00	44.00	45.00	42.00	39.00	36.00	31.00	29.00	28.00
Special Services	-	-	-	-	-	-	-	9.00	8.00	8.00
Support Services	15.50	15.50	15.50	14.50	14.50	14.00	14.00	6.50	8.50	8.30
Fire:										
Fire Support	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00
Fire Suppression	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	1.00	1.00
Ambulance & Rescue	23.00	23.00	14.00	14.00	8.00	7.50	7.00	3.00	3.00	3.00
Code Enforcement	8.00	8.00	8.00	8.00	8.00	9.00	10.00	9.00	8.00	6.00
Total Public Safety	97.50	96.50	88.50	88.50	79.50	77.50	75.00	65.50	62.50	59.30
Health and social services:										
Public Relations	-	3.00	3.00	3.00	3.00	3.00	1.00	-	-	-
Culture and Recreation:										
Library	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Parks and Recreation:										
Park Administration	2.50	2.00	2.00	2.00	2.00	2.00	1.75	2.75	2.00	2.00
Park Maintenance	6.00	7.00	7.00	6.00	7.00	7.00	6.00	5.00	4.00	4.00
Recreation Programs	3.00	3.00	3.00	4.00	4.00	4.00	4.00	3.00	2.00	2.00
Prairie Ridge Sports Complex	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total Culture and Recreation	19.50	20.00	20.00	21.00	22.00	22.00	20.75	19.75	17.00	17.00
Public Works:										
Engineering	-	-	-	-	-	3.00	3.00	2.00	2.00	2.00
Street Cleaning	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Traffic Safety	3.00	3.00	3.00	3.00	3.00	3.00	-	-	-	-
Roadway Administration	6.25	6.25	6.25	6.25	6.25	6.25	5.25	5.25	4.50	3.70
Roadway Maintenance	11.00	11.00	11.00	11.00	11.00	12.00	14.00	14.00	13.00	12.00
Central Garage	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00
Total Public Works	25.25	25.25	25.25	25.25	25.25	29.25	26.25	25.25	23.50	21.70
Community and Economic Development:										
Development and Promotion	-	-	-	-	-	-	-	-	1.00	1.00
Development Engineering	3.00	3.00	3.00	3.00	3.00	-	-	-	-	-
Planning & Zoning	5.00	4.00	4.00	4.50	5.50	5.50	5.50	4.50	4.50	4.50
Community Development	-	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.80	2.80
Economic Development	2.00	2.00	3.00	3.00	3.00	3.00	3.00	2.80	-	-
Total Community and Economic Development:	10.00	11.00	12.00	12.50	13.50	10.50	10.50	9.30	8.30	8.30
General Government:										
Human Resources	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75
Communications	2.00	-	-	-	-	-	-	-	-	-
Policy & Administration	4.00	3.00	4.00	4.00	4.00	4.00	5.00	4.00	4.00	4.00
City Clerk	4.50	4.50	4.50	4.50	4.50	4.50	4.00	4.00	3.50	3.00
Finance	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00
Information Systems	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00
Total General Government	20.50	17.50	18.50	18.50	18.50	18.25	17.75	15.75	15.25	14.75
Water										
Water Administration	2.50	3.50	3.50	7.50	7.50	7.50	3.50	3.50	3.50	2.50
Water Maintenance	7.00	7.00	7.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00
Total Water	9.50	10.50	10.50	15.50	15.50	15.50	11.50	10.50	10.50	9.50
Sewer:										
Wastewater Administration	6.50	6.50	6.50	3.50	3.50	3.50	3.50	3.50	3.00	2.50
Wastewater Operations	10.00	10.00	10.00	10.00	11.00	11.00	11.00	10.00	10.00	10.00
Total Sewer	16.50	16.50	16.50	13.50	14.50	14.50	14.50	13.50	13.00	12.50
Storm water:										
Stormwater Administration	1.50	1.50	1.50	1.50	1.00	1.00	1.00	1.00	-	-
Otter Creek Golf Course:										
Golf Course Maintenance	3.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Golf Course Club House	2.00	2.00	2.00	1.00	1.00	1.00	1.50	1.50	1.50	1.50
Golf Course Banquet Services	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
Total Otter Creek Golf Course	6.50	6.00	6.00	5.00	5.00	4.00	4.50	4.50	4.50	4.50
<b>Total</b>	<b>206.75</b>	<b>207.75</b>	<b>201.75</b>	<b>204.25</b>	<b>197.75</b>	<b>195.50</b>	<b>182.75</b>	<b>165.05</b>	<b>154.55</b>	<b>147.55</b>

Source: City Records

City of Ankeny, Iowa

Operating Indicators by Function  
Last Ten Years

Function	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Public safety:										
Police:										
Calls for service <sup>(2)</sup>	36,583	36,265	39,385	37,573	35,668	34,127	30,130	31,756	35,219	28,715
Yearly miles logged by patrol <sup>(2)</sup>	370,718	358,316	351,843	371,026	332,686	319,438	288,976	310,234	345,187	319,918
Fire:										
Fire calls <sup>(2)</sup>	760	667	702	636	678	709	743	773	724	600
Ambulance calls <sup>(2)</sup>	2,538	2,355	2,209	2,123	2,092	1,964	1,875	1,640	1,676	1,498
Code Enforcement:										
Residential permits issued <sup>(2)</sup>	1,031	580	523	422	372	581	845	1,311	1,085	1,042
Commercial permits issued <sup>(2)</sup>	33	15	17	11	21	26	30	30	27	30
Culture and recreation:										
Library:										
Circulation <sup>(1)</sup>	579,524	562,556	550,541	501,223	498,583	447,912	367,723	350,213	320,910	316,217
Program attendance <sup>(1)</sup>	34,297	37,129	38,351	33,831	32,630	26,615	21,825	21,840	19,109	11,647
Parks and Recreation:										
Aquatic center attendance <sup>(2)</sup>	140,284	153,000	122,059	70,703	72,500	77,238	73,555	85,776	55,421	66,756
Public works:										
Street Cleaning:										
Tons of debris cleared <sup>(1)</sup>	334	292	374	457	657	443	227	391	649	670
Community and economic development:										
Planning and Building:										
Number of plats recorded <sup>(2)</sup>	37	18	12	13	19	29	31	35	44	42
Acres final platted <sup>(2)</sup>	549	290	153	167	639	464	719	555	823	582
General government:										
Human resources:										
Number of applications managed <sup>(2)</sup>	1,044	1,350	844	892	2,084	1,353	1,547	1,308	940	964
Water:										
Avg daily water consumption-gallons <sup>(1)</sup>	4,788,776	3,938,331	3,479,154	3,945,293	3,900,000	3,793,000	3,879,000	4,227,000	3,693,000	4,170,000
Avg number of meters <sup>(1)</sup>	17,461	16,898	16,175	15,673	15,641	15,255	14,311	14,140	12,259	11,160
Sewer:										
Avg daily sewer treatment-gallons <sup>(1)</sup>	4,824,667	4,207,083	6,387,000	6,381,500	6,080,000	5,863,000	5,192,000	3,652,000	4,008,000	3,784,000
Otter Creek golf course:										
Number of rounds played <sup>(2)(3)</sup>	27,630	29,104	28,817	22,252	-	29,636	33,591	36,123	38,695	38,081

<sup>(1)</sup> Fiscal Year

<sup>(2)</sup> Calendar Year

<sup>(3)</sup> Otter Creek Golf Course was closed during calendar year 2008 for reconstruction. The golf course reopened on June 1, 2009.

Source: City Records

City of Ankeny, Iowa

Capital Asset Statistics by Function  
Last Ten Fiscal Years

Function	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Public safety:										
Police:										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Number of fire stations	2	2	2	2	1	1	1	1	1	1
Health and social services:										
Mosquito control:										
Mosquito sprayers	4	4	4	4	3	3	3	2	1	1
Culture and recreation:										
Library:										
Number of branches	1	1	1	1	1	1	1	1	1	1
Titles	71,335	70,889	66,994	64,311	75,457	89,506	86,273	82,955	78,697	75,411
Parks and Recreation:										
Community centers	3	3	2	2	2	2	2	2	2	2
Sports complexes	2	2	2	2	2	2	2	2	2	2
Park acres developed	776	755	671	629	503	467	425	415	403	400
Public works:										
Miles of streets	223	216	214	211	211	197	182	175	163	148
General government:										
Data Processing:										
Number of personal computers	350	328	335	322	325	319	312	225	190	170
Water:										
Above ground storage-gallons	8,000,000	8,000,000	8,000,000	8,000,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Miles of water main	259 <sup>(1)</sup>	330	299	258	252	241	230	196	163	160
Sewer:										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of lift stations	3	3	3	4	5	5	5	5	5	5
Miles of sanitary sewer	247	243	222	219	230	211	201	200	186	170
Otter Creek golf course:										
Number of municipal golf courses	1	1	1	1	1	1	1	1	1	1

<sup>(1)</sup> Updated to reflect only city owned, active water mains

Source: City Records

**City of Ankeny, Iowa**

**Insurance Schedule <sup>(1)</sup>  
June 30, 2013**

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

<sup>(1)</sup> City of Ankeny City Clerk's Office and Human Resources Office

N/A - Not applicable.

Liability Limits	Deductible	Policy Expiration
		7/15/2012
\$10,000,000	\$0	
\$10,000,000	\$0	
\$10,000,000	\$2,500	
\$10,000,000	\$5,000	
Unlimited	\$0	
Unlimited	\$0	
\$10,000,000	\$0	
\$1,000,000	\$1,000	
\$10,000,000	\$0	
\$10,000,000 each	\$0	
\$50,000	15%	
\$10,000,000	\$0	
10,000	\$0	
Unlimited	\$0	
\$10,000,000	\$0	
\$500,000	\$0	
\$25,000 each, \$25,000 Aggregate	25%	
\$10,000 Aggregate	25%	
\$10,000,000	\$0	
\$500,000	\$0	
\$250,000 each, \$250,000 aggregate	\$0	
\$50,000 each, \$50,000 aggregate	\$0	
\$50,000 each, \$50,000 aggregate	\$0	
\$1,000,000	\$0	
\$92,505,093	\$25,000 per occurrence	
\$7,373,867	\$25,000 per occurrence	
\$2,000,000	\$25,000 per occurrence	
\$1,000,000	\$25,000 per occurrence	
\$8,346,545	\$25,000 per occurrence	
\$4,803,595	\$25,000 per occurrence	
\$1,482,713	\$25,000 per occurrence	
\$101,133,960	\$25,000 per occurrence	
\$20,000,000	10% of loss	
\$50,000	\$25,000	
Statutory	N/A	6/30/2013
Unlimited	\$55,000	6/30/2013
	\$2,264,114	

## **Single Audit Section**

**City of Ankeny, Iowa**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2013**

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Other Identification Number</u>	<u>Program Expenditures</u>
Direct:			
U.S. Department of Justice Bulletproof Vest Partnership Program 2011	16.607		\$ 4,120
U.S. Department of Justice Office of Community Oriented Policing Services	16.710	2011UMWX0051	49,615
Total Direct			<u>53,735</u>
Indirect:			
U.S. Department of Justice Office of Community Oriented Policing Services	16.710	10 HotSpots Interdiction	393
U.S. Department of Transportation Federal Highway Administration Highway Construction Planning and Recovery	20.205	STP-U-0187(625)--70-77	1,414,550
U.S. Department of Transportation National Highway Traffic Safety Administration Alcohol Impaired Driving Countermeasures Incentive	20.601	PAP 12-410, Task 03	8,055
U.S. Department of Transportation National Highway Traffic Safety Administration Alcohol Impaired Driving Countermeasures Incentive	20.601	PAP 13-04, Task 04	42,270
U.S. Department of Energy Energy Efficiency and Conservation Block Grant Program	81.128	EE002411	240
Total Indirect			<u>1,465,508</u>
<b>TOTAL FEDERAL AWARDS EXPENDED</b>			<b><u>\$ 1,519,243</u></b>

See accompanying independent auditor's report.

**City of Ankeny, Iowa**

**Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2013**

Note 1. Basis of Presentation

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

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

Honorable Mayor and  
Members of the City Council  
Ankeny, Iowa

We have audited, 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, the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of Ankeny, Iowa (the City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Ankeny, Iowa's basic financial statements, and have issued our report thereon dated December 17, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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*.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2013 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
DENMAN & COMPANY, LLP

West Des Moines, Iowa  
December 17, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Honorable Mayor and  
Members of the City Council  
Ankeny, Iowa

**Report on Compliance for Each Major Federal Program**

We have audited the City of Ankeny, Iowa's (the City) compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2013. The City's major federal program is identified in the summary of the independent auditor's results section of the accompanying schedule of findings.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the City of Ankeny, Iowa complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2013.

## **Report on Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



**DENMAN & COMPANY, LLP**

West Des Moines, Iowa  
December 17, 2013

**City of Ankeny, Iowa  
SCHEDULE OF FINDINGS  
Year ended June 30, 2013**

**Part I. Summary of the Independent Auditor's Results**

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

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

Instances of Non-compliance  
No matters were noted.

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

**Part III—Findings and Questioned Costs for Federal Awards**

Instances of Non-compliance  
No matters were noted.

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

**City of Ankeny, Iowa  
SCHEDULE OF FINDINGS  
Year ended June 30, 2013**

**Part IV—Findings Related to Required Statutory Reporting**

**13-IV-A CERTIFIED BUDGET**

City disbursements during the year ended June 30, 2013 did not exceed the amount budgeted in any functional area.

**13-IV-B QUESTIONABLE EXPENDITURES**

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

**13-IV-C TRAVEL EXPENSE**

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

**13-IV-D BUSINESS TRANSACTIONS**

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

**13-IV-E BOND COVERAGE**

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

**13-IV-F COUNCIL MINUTES**

We noted no transactions requiring Council approval which had not been approved in the Council minutes.

**13-IV-G DEPOSITS AND INVESTMENTS**

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

**13-IV-H WATER AND SEWER REVENUE BONDS/NOTES**

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

**13-IV-I URBAN RENEWAL ANNUAL REPORT**

The urban renewal annual report was properly approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.



Ankeny City Hall • 410 West First Street • Ankeny, Iowa 50023  
515.965.6400 • [www.ankenyiowa.gov](http://www.ankenyiowa.gov)