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

### FOR THE FISCAL YEAR ENDED JUNE 30, 2013

# Comprehensive Annual Financial Report

of the

# City of Des Moines, Iowa

For the Fiscal Year Ended June 30, 2013

Prepared by the
Department of Finance

CITY OF DES MOINES

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CITY OF DES MOINES

# INTRODUCTORY SECTION

CITY OF DES MOINES

CITY OF DES MOINES
OFFICE OF THE CITY MANAGER

December 31, 2013

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

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2013.

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

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

## Profile of the Government

The City of Des Moines, Iowa was incorporated as a town in 1851 and as a city in 1857 under the laws of the State of Iowa, later amended in 1975 under the Home Rule Act. Extending over 80 square miles, it is home to 203,433 people and the central city of a metropolitan area of approximately 580,000. It is a river city, intersected by the Des Moines and Raccoon Rivers.

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

The City of Des Moines provides a full range of services, including police and fire protection, sanitation services, park and recreational programs and facilities; construction and maintenance of infrastructure, including streets, roads, bridges, and a storm water utility; enforcement of building code regulations; traffic control and parking; operation and maintenance of an international airport; housing and other community improvements and social services; economic development and six public libraries. The Des Moines Independent Community School District, the Des Moines Water Works, Des Moines Area Regional Transit, the Wastewater Reclamation Authority and Metro Waste Authority — while providing other services to the citizens of Des Moines—do not meet the established criteria for component entities of the City, and thus, are excluded from this report. The City benefits from strong and diverse neighborhoods and a citizenry deeply involved in its government. The development of 57 recognized neighborhood associations and the participation of more than 300 residents who voluntarily serve on boards and commissions strengthen the basic framework of the City's governmental structure.

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

## Local Economy and Living Conditions

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

The City of Des Moines has continued to receive accolades from many publications over the past year. Distinctions in 2012 included #2 Best City for Jobs by Forbes, #1 Best City for Families by Kiplinger, #4 Best Place for Business and Careers by Forbes, and #6 Best City to

Grow Old In by MSN Money. The awards continued in 2013 with an improvement to #1 Best Place for Business and Careers by Forbes, #2 Strongest Local Economy by Politicom, #1 Best Midwest City for Young Adults, and #3 Top City Emerging Downtown.

While Iowa is an agricultural state, the City's economic diversification insulates it from the farm economy. Further, as many of the state's rural communities experience population decreases, the Des Moines metropolitan area continues to grow, with much of the expansion resulting from the relocation of residents to Des Moines from rural areas. The variety of components contributing to the City's economy creates a stability that is apparent from unemployment figures. The City has historically enjoyed a relatively low unemployment rate for each of the last three calendar years: 4.9 percent June 30, 2013, 6.0 percent June 30, 2012, and 6.0 percent June 30, 2011.

The recent recession did cause a slight decline in Des Moines' property values and an unemployment rate that peaked at 6.2% in 2010. However, the overall strength of the local economy has allowed the City to improve its unemployment rates significantly and property valuations have rebounded the last three years. Additional background data is included in the statistical section of this report. Des Moines' underlying economic base remains strong and calendar year 2013 permit activity illustrates that the City has returned to pre-recession levels for new construction.

## Long-term Financial Planning

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

## 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 City Council recently reaffirmed their policy that the General Fund unassigned fund balance be maintained at a minimum of 10% of expenditures. The June 30, 2013 balance is 12.0% of expenditures, up from 11.03% in 2012. The City Council took necessary actions to adopt a balanced FY14 budget and mid-year estimates indicate a small surplus is likely by year-end. The City is currently

preparing the FY15 and FY16 budget plan with a focus on making adjustments that will maintain the strong fund balance. Enterprise funds are monitored regularly and user fees adjusted to maintain required revenue bond coverage and sufficient working capital balances.

## Major Initiatives

Several major projects designed to enhance the city's quality of life have been completed. Those projects include the construction of a new Fire Station in the downtown area and the completion of The Principal Riverwalk. Additional improvements remain in the early stages of development for the Riverpoint West area. The extension of Martin Luther King /Southeast Connector eastward across SE 14th Street to SE 30th Street has reached its midpoint of construction.

The downtown housing stock remains strong for rental units and owner-occupied condominiums. Desire for downtown residential living continues to increase, turning the downtown into a vibrant "24/7" location. The Botanical Center is nearing completion of major renovations and two new hotels being constructed along the river south of Court Avenue will open for business this spring. New construction projects and a relocation of a historical building in the East Village assure continued revitalization of the area just west of the State Capitol.

## Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Des Moines for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2012. This was the 36th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government has to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

Richard Clark
City Manager

Scott E. Sanders
Finance Director/Treasurer

CITY OF DES MOINES

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## City of Des Moines

## Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

## June 30, 2012

Executive Director/CEO

CITY OF DES MOINES

# City of Des Moines, Iowa
# Table of Organization

**Citizens of Des Moines**

ELECT

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

APPOINTS

- City Attorney
- City Manager
  - Aviation
  - Community Development
  - Engineering
  - Finance
  - Fire
  - Housing Services
  - Human Resources
  - Information Technology
  - Park and Recreation
  - Police
  - Public Works
- City Clerk
- Boards, Commissions and Committeees
  - Access Advisory Board
  - Airport Board
  - Citizen Odor Board
  - Civil Service Commission
  - Enterprise Community Steering Committee
  - Historic Preservation Commission
  - Housing Appeals Board
  - Human Rights Commission
  - Board of Library Trustees
  - Licensing and Appeals Board
  - Metro Advisory Council
  - Des Moines Area Regional Transit
  - Neighborhood Revitalization Board
  - Park and Recreation Board
  - Plan and Zoning Commission
  - Power Engineers Examining Board
  - Public Housing Advisory Board
  - Sister City Commission
  - Skywalk Committee
  - Strategic Planning Commission
  - Traffic Safety Commission
  - Urban Design Review Board
  - Water Works Board of Trustees
  - Youth Advisory Board
  - Zoning Board of Adjustment

As of 6/30/13

CITY OF DES MOINES

**CITY OF DES MOINES, IOWA**
**ELECTED AND APPOINTED OFFICIALS**
**For the Fiscal Year Ended June 30, 2013**

| Elected Officials: | | Term Expires |
|---|---|---|
| Frank Cownie | Mayor | 1/1/2016 |
| Chris Coleman | Council Member, At-Large | 1/1/2016 |
| Skip Moore | Council Member, At-Large | 1/1/2014 |
| Halley Griess | Council Member, Ward I | 1/1/2014 |
| Bob Mahaffey | Council Member, Ward II | 1/1/2016 |
| Christine Hensley | Council Member, Ward III | 1/1/2014 |
| Brian Meyer | Council Member, Ward IV | 1/1/2016 |

Council-Appointed Officials:

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

CITY OF DES MOINES

# FINANCIAL SECTION

CITY OF DES MOINES

McGladrey

**Independent Auditor's Report**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Des Moines, 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'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 did not audit the financial statements of the discretely presented component units, the Des Moines Airport Authority and the Des Moines Public Library Foundation, which collectively represent 100 percent of the assets, net position and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Des Moines Airport Authority and the Des Moines Public Library Foundation is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Des Moines Public Library Foundation were not audited in accordance with *Government Auditing Standards*.

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.



Member of the RSM International network of independent accounting, tax and consulting firms.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, 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 on pages 3 through 19, other postemployment benefit plan schedule on page 96 and budgetary comparison schedules on pages 93 through 95 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's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules and the accompanying schedule of federal awards as required by the U.S. Office of Management and Budget Circular A-133 Audits of State, Local Governments and Nonprofit Organizations, listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

McGladrey LLP

Des Moines, Iowa
December 20, 2013

## Management's Discussion and Analysis

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

### Financial Highlights

- The assets and deferred outflows of resources of the City of Des Moines exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $904,975,287 (*net position*). Of this amount, none may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted net position of the City totals ($2,447,337.)

- The government's total net position increased by $16,799,874.

- At the close of this current fiscal year, the City of Des Moines' governmental funds reported combined ending fund balances of $69,373,234 a decrease of $61,267,031 in comparison with the prior year. This decrease was attributable primarily to debt proceeds held in escrow in the debt service fund being used to pay down debt and also the decrease in the capital project fund where proceeds from the prior year were used to pay for capital projects in the current year.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $17,057,774 or 12.0 percent of total General Fund expenditures.

### Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the City of Des Moines' assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between the assets/deferred outflows of resources and liabilities/deferred outflows of resources 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 Des Moines 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 of Des Moines that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Des Moines include public safety, public works, health and social services, culture and recreation, community and economic development, and general government. The business-type activities of the City of Des Moines include the municipal housing agency, parking facilities system, sanitary sewer system, golf courses, solid waste system, and stormwater utility. November 1, 2011 the City transferred the assets and liabilities of the City's Airport to the Des Moines Airport Authority, so at the 2012 fiscal year end, this business-type activity no longer existed for the City.

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

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

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

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

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

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

functions, they have been included within *governmental activities* in the government-wide financial statements.

The City of Des Moines maintained six enterprise funds in fiscal year 2013. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Parking Fund, Sewer System Fund, Storm Water Utility Fund, and Municipal Housing Fund as these are considered to be major funds of the City of Des Moines. Data from the other two enterprise funds (Golf Fund and Solid Waste Fund) are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of *combining statements* elsewhere in this report. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

***Fiduciary funds***. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Des Moines' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has only one type of fiduciary funds: agency funds. The total assets held in the fiduciary funds at June 30, 2013 were $53,612,130 of which $52,657,456 belonged to the Wastewater Reclamation Authority (WRA), an agency fund.

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

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

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Des Moines, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $904,975,287, at the close of the fiscal year ended June 30, 2013.

By far the largest portion of the City of Des Moines' net assets (97.5 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Des Moines uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Des Moines' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Des Moines' Net Position**

| | Governmental Activities 2013 | Business-type Activities 2013 | Total 2013 | Governmental Activities 2012 | Business-type Activities 2012 | Total 2012 |
|---|---|---|---|---|---|---|
| Current and other assets | $ 285,997,917 | $ 44,632,579 | $ 330,630,496 | $ 343,296,431 | $ 30,228,569 | $ 373,525,000 |
| Capital assets | 949,882,861 | 344,898,414 | $ 1,294,781,275 | 927,045,622 | 342,832,849 | $ 1,269,878,471 |
| Total assets | 1,235,880,778 | 389,530,993 | 1,625,411,771 | 1,270,342,053 | 373,061,418 | 1,643,403,471 |
| Noncurrent liabilities | 367,832,717 | 84,135,020 | 451,967,737 | 437,890,742 | 68,088,585 | 505,979,327 |
| Other liabilities | 110,752,674 | 12,807,016 | 123,559,690 | 92,492,566 | 15,256,975 | 107,749,541 |
| Total liabilities | 478,585,391 | 96,942,036 | 575,527,427 | 530,383,308 | 83,345,560 | 613,728,868 |
| Deferred inflows of resources: | | | | | | |
| Unavailable revenue-property taxes | 144,909,057 | - | 144,909,057 | 141,499,190 | - | 141,499,190 |
| Net position: | | | | | | |
| Net investment in capital assets | 627,843,052 | 254,919,414 | 882,762,466 | 594,193,590 | 268,716,677 | 862,910,267 |
| Restricted | 10,225,282 | 14,434,876 | 24,660,158 | 11,180,084 | 17,575,425 | 28,755,509 |
| Unrestricted | (25,682,004) | 23,234,667 | (2,447,337) | (6,914,119) | 3,423,756 | (3,490,363) |
| Total net position | $ 612,386,330 | $ 292,588,957 | $ 904,975,287 | $ 598,459,555 | $ 289,715,858 | $ 888,175,413 |

An additional portion of the City of Des Moines' net position, $24,660,158 (2.7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* is a deficit balance ($2,447,337). In the business-type activities there is a positive net position balance of $23,234,667 that may be used to meet the ongoing obligations to citizens and creditors of the business-type activities. Governmental activities had a deficit balance of ($25,682,004) which will need to be covered by future revenues of the City.

At the end of the current fiscal year, the City of Des Moines is able to a report positive balances in the business-type activities 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.

The City's total net position increased by $16,799,874 during the current fiscal year. The governmental activities net position increased by $13,926,775. The total business-type activities' net position increased by $2,873,099.

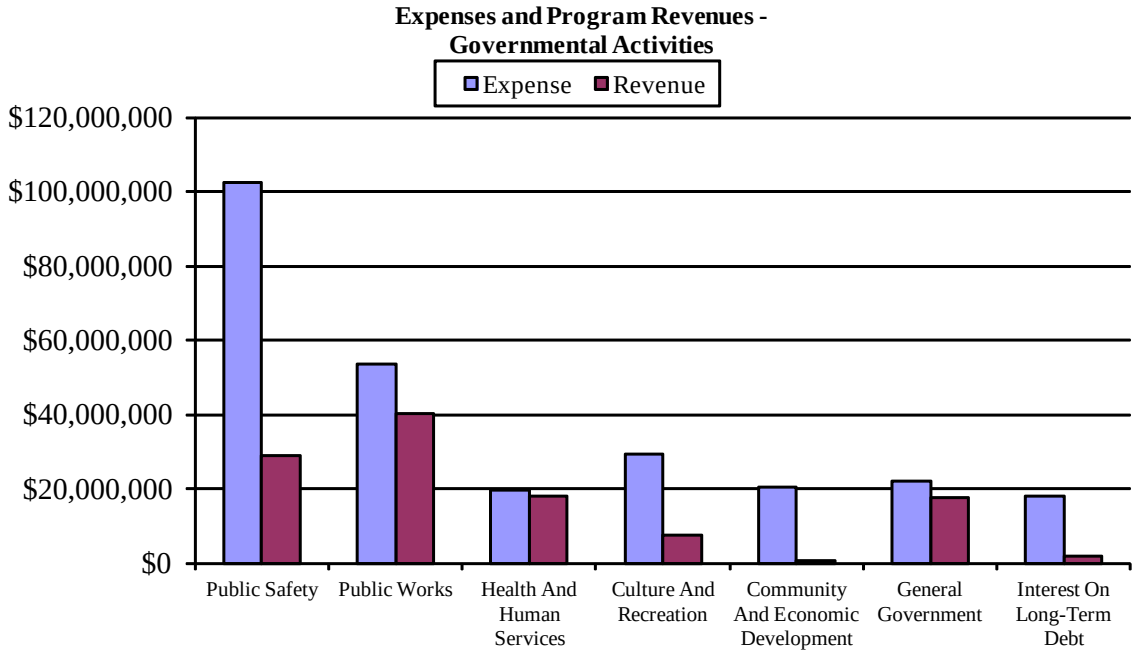
**Governmental activities.** A summary of the City's changes in net position follows:

**City of Des Moines' Changes in Net Position**

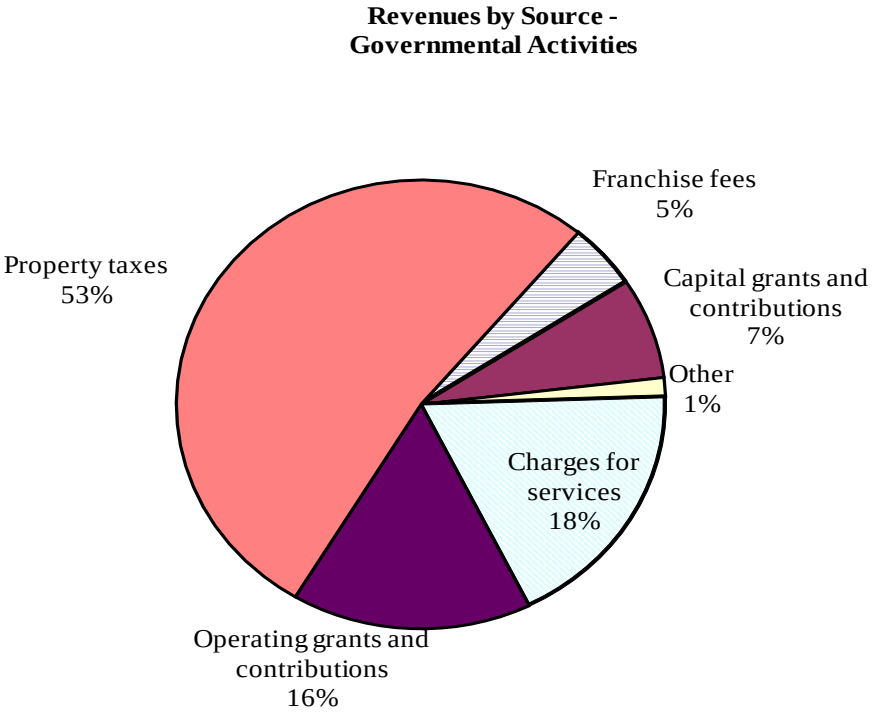
| | Governmental Activities 2013 | Business-type Activities 2013 | Total 2013 | Governmental Activities 2012 | Business-type Activities 2012 | Total 2012 |
|---|---|---|---|---|---|---|
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | $ 50,680,868 | $ 74,670,628 | $ 125,351,496 | $ 59,119,618 | $ 88,957,348 | $ 148,076,966 |
| Operating grants and contributions | 44,139,633 | 18,677,807 | 62,817,440 | 97,074,290 | 19,000,397 | 116,074,687 |
| Capital grants and contributions | 20,200,086 | 3,492,993 | 23,693,079 | 18,939,022 | 16,563,113 | 35,502,135 |
| General revenues: | | | | | | - |
| Property taxes | 145,929,673 | --- | 145,929,673 | 141,295,150 | --- | 141,295,150 |
| Other taxes | 13,063,992 | --- | 13,063,992 | 11,966,544 | --- | 11,966,544 |
| Other | 3,881,378 | 457,899 | 4,339,277 | 3,577,472 | 245,844 | 3,823,316 |
| Total revenues | 277,895,630 | 97,299,327 | 375,194,957 | 331,972,096 | 124,766,702 | 456,738,798 |
| Expenses: | | | | | | |
| Public safety | 102,611,418 | --- | 102,611,418 | 98,465,997 | --- | 98,465,997 |
| Public works | 53,399,991 | --- | 53,399,991 | 49,340,265 | --- | 49,340,265 |
| Health and social services | 19,585,129 | --- | 19,585,129 | 17,316,619 | --- | 17,316,619 |
| Culture and recreation | 29,227,384 | --- | 29,227,384 | 28,981,404 | --- | 28,981,404 |
| Community and economic development | 20,399,479 | --- | 20,399,479 | 19,585,102 | --- | 19,585,102 |
| General government | 21,991,537 | --- | 21,991,537 | 66,299,402 | --- | 66,299,402 |
| Interest on long-term debt | 17,870,953 | --- | 17,870,953 | 16,348,496 | --- | 16,348,496 |
| Airport | --- | --- | - | --- | 250,444,292 | 250,444,292 |
| Parking facilities system | --- | 11,361,604 | 11,361,604 | --- | 11,903,920 | 11,903,920 |
| Sewer system | --- | 33,024,065 | 33,024,065 | --- | 32,547,541 | 32,547,541 |
| Stormwater utility | --- | 13,795,476 | 13,795,476 | --- | 13,062,830 | 13,062,830 |
| Golf | --- | 224,460 | 224,460 | --- | 224,339 | 224,339 |
| Solid waste | --- | 11,046,303 | 11,046,303 | --- | 11,212,320 | 11,212,320 |
| Municipal Housing Agency | --- | 23,857,284 | 23,857,284 | --- | 26,255,903 | 26,255,903 |
| Total expenses | 265,085,891 | 93,309,192 | 358,395,083 | 296,337,285 | 345,651,145 | 641,988,430 |
| Increase/(decrease) in net position before transfers | 12,809,739 | 3,990,135 | 16,799,874 | 35,634,811 | (220,884,443) | (185,249,632) |
| Transfers | 1,117,036 | (1,117,036) | --- | 14,002,737 | (14,002,737) | --- |
| Increase/(decrease) in net position | 13,926,775 | 2,873,099 | 16,799,874 | 49,637,548 | (234,887,180) | (185,249,632) |
| Net position - beginning | 598,459,555 | 289,715,858 | 888,175,413 | 548,822,007 | 524,603,038 | 1,073,425,045 |
| Net position - ending | $ 612,386,330 | $ 292,588,957 | $ 904,975,287 | $ 598,459,555 | $ 289,715,858 | $ 888,175,413 |

Total governmental activities' revenue for the fiscal year was $277,895,630 compared to $331,972,096 in 2012. The largest single revenue source for the City was property taxes of $145,929,673. Property taxes increased by $4,634,523 (3.2 percent) from 2012. This increase is the result primarily of an increase to the residential rollback and the associated increase to taxable valuation (2.3 percent increase).

Certain revenues are generated that are specific to governmental program activities. These totaled $115,020,587 in 2013 and $175,132,930 in 2012. The graph below shows a comparison between the expenditures by governmental activity type and the revenues generated that are specific to those activities.

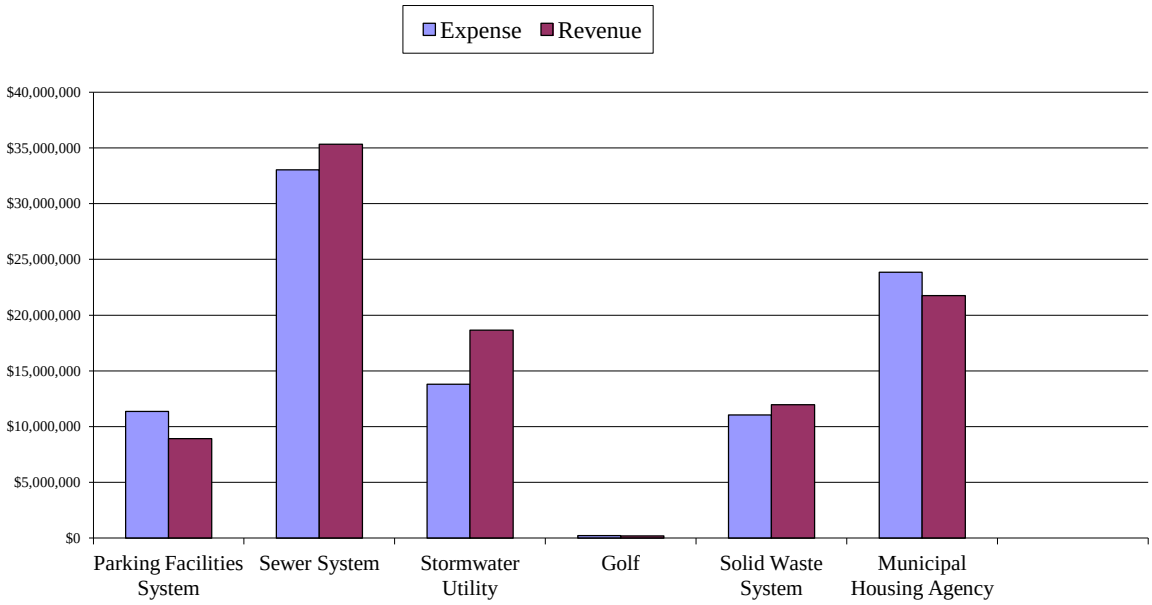


The graph below shows the percentage of the total governmental revenues allocated by each revenue type.

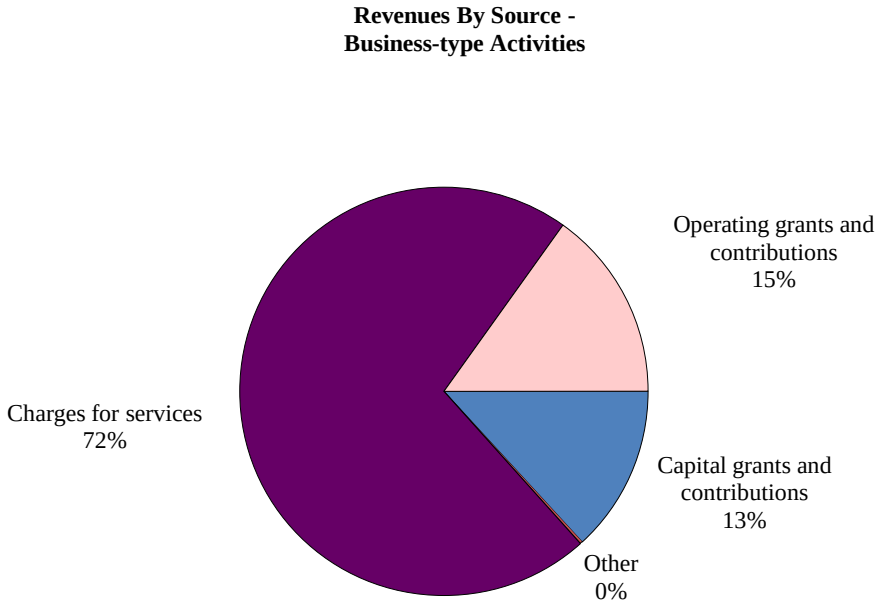



Total business-type activities' revenue for the fiscal year was $97,229,327 compared to $124,766,702 in 2012. All but $457,899 and $245,844 of this revenue was generated for specific business-type activity expenses in 2013 and 2012, respectively. The graph on the following page shows a comparison between the business-type activity expenditures and program revenues.

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



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




**Business-type activities.** Business-type activities increased the City of Des Moines' net position by $2,873,099, accounting for the increase, in total, in the government's net postion. Key elements of this increase are as follows:

- The Stormwater Utility increased by $4,906,625 and the Solid Waste increased by $993,256.

- The increase was partially offset by decreases in net position of the Parking System (decrease of $945,805) and the Municipal Housing Agency (decrease of $2,147,504).

**Financial Analysis of the Government's Funds**

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

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

As of the end of the current fiscal year, the City of Des Moines' governmental funds reported combined ending fund balances of $69,373,234, a decrease of $61,267,031 in comparison with the prior year. The decrease was related to a decrease of fund balance of $21,423,820 in the debt service fund that was a result of funds that were held in escrow at June 30, 2012 being used to pay refunding of 2005B. There were also decreases in ending fund balance in the other government funds and the capital projects fund. The decrease for the fiscal year was partially offset by an increase in fund balance in the general fund, tax increment fund, and the benefits tax account fund. Fund balance identified as nonspendable totaled $11,714,011. There were restrictions of $8,389,753 on the governmental fund balance. Committed fund balance totaled $38,769,303, and unassigned fund balance totaled $10,500,167. See footnote 19 for a further breakdown of the classifications of the governmental fund balance.

The General Fund is the chief operating fund of the City of Des Moines. At the end of the current fiscal year, unassigned fund balance of the General Fund was $17,057,774, while total fund balance was $26,267,735. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 12.0 percent of total General Fund expenditures, while total fund balance represents 18.4 percent of that same amount.

The fund balance of the City of Des Moines' General Fund increased by $664,909 during the current fiscal year.

The Debt Service Fund has a total fund balance of $415,784. The net decrease in fund balance during the current year in the Debt Service Fund was $21,839,604. This decrease was attributable primarily to debt proceeds that were held in escrow in the Debt Service Fund at June 30, 2012 being used to refund the Series 2005B general obligation bonds on June 1, 2013.

The Tax Increment Fund (TIF) has a total fund balance of ($425,246). The net increase in fund balance during the current year in the Tax Increment Fund was $869,922, which partially covered the prior year's deficit. The prior year's deficit was due to the timing of planned developer payments preceding available tax increment revenue that will be collect in the following fiscal years.

The Capital Projects Fund has a total fund balance of $37,562,896. The net decrease in fund balance during the current year in the Capital Projects Fund was $37,309,784. This decrease was due to the timing and rate of expenditures for capital projects during the construction season that spans primarily from May through October. The unspent fund balance will be expended in projects in the subsequent year.

The Benefit Tax Accounts Special Revenue Fund had a total fund balance of $449,984 at the end of 2013.

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

Unrestricted net position of the Stormwater Utility were $12,505,863; those for the Parking Facility System were $3,594,211; the Sewer System were $8,341,350; and those for the Municipal Housing Agency were $135,789. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Des Moines' business-type activities.

**Budgetary Highlights**

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

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

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

The total original FY2013 revenue budget of $378,357,545 was increased through an amendment to $402,060,974 (an increase of $23,703,429).

- The total original FY2013 expenditure budget of $454,814,462 was increased through an amendment to $468,595,346 (an increase of $13,780,884). Of this increase, $5,099,393 related to public safety, $7,458,770 related to health and human services, and $8,919,936 related to capital outlay. These increases were partially offset by the decrease in debt service which decreased $9,765,719.

- The total original FY2013 budget for net transfers in of $52,010,383 was increased through an amendment to $57,736,293 (an increase of $5,725,910).

Revenues were less than revised budget projections by $34,700,073. The underage was primarily attributable to the underage in miscellaneous revenue of $20,465,833 and the underage in charges for sales and services of $21,647,994. These underages were partially offset by overage in intergovernmental of $9,573,150 as well as smaller overages in franchise fees and licenses and permits.

Expenditures were under the revised budget in total by $15,366,253. This underage was primarily due to expenditures that were under in business-type ($8,666,023), general government ($3,912,636), public safety ($3,131,261), and health and social services expenditures ($2,525,955). These underages were partially offset by over budget amounts in debt service ($29,379,497), public works ($3,907,968), and culture and recreation expenditures ($1,315,969).

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

**Capital Asset and Debt Administration**

**Capital assets.** The City of Des Moines' investment in capital assets for its governmental and business-type activities as of June 30, 2013, amounts to $1,294,781,275 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the City of Des Moines' investment in capital assets for the current fiscal year was 1.9 percent (a 2.4 percent increase for governmental activities, and a .6 percent increase for business-type activities).

Major capital asset events during FY2013 included the following:

- Completed construction of the new $7.1 million Central Fire Station, and the $10.6 million Fire Maintenance / Logistics & Training Facility. The latter project was made possible due to a $3 million I-Jobs Grant.

- Renovated the parking lot at the South Branch Library making it ADA compliant and greatly improving drainage.

- Began implementation Tyler - MUNIS, the City's new Enterprise Resource Planning (ERP) software (Financial and Human Resource/Payroll). This is a $3.5 million project that is expected to be fully implemented by the end of FY14.

- Completed the $4.1 million Voice Radio Interoperability project. This project created four new interoperability channels (permanent patches) for public safety use in the greater Polk County area.

- Completed $950,000 of improvements to city buildings and parks to help bring them into compliance with ADA regulations. Spent an additional $1.01 million worth of improvements to curb ramps throughout the City. When this project is completed, the City expects to have spent more than $16.5 million – including $10 million towards accessible sidewalk ramps.

- Spent more than $4.8 million toward completion of the $24 million first phase of the Municipal Service Center. This first phase is anticipated to be completed in early FY2015.

- Substantially completed the phase 1 of the Des Moines River Trail at a cost of over $1.7 millions

- Substantially completed the renovation of the locker rooms at Principal Park (home of the Iowa Cubs) at a cost of just of $1.5 million.

- Spent more than $3 million lining sanitary sewers throughout the City.

- Completed $2.5 million of asphalted overlay projects using gaming funds.

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

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Land | $ 135,530 | $ 128,949 | $ 16,757 | $ 16,505 | $ 152,287 | $ 145,454 |
| Buildings | 159,405 | 154,423 | 99,035 | 98,372 | 258,440 | 252,795 |
| Improvements other than buildings | 993,052 | 961,025 | 267,298 | 264,523 | 1,260,350 | 1,225,548 |
| Machinery and equipment | 70,861 | 69,445 | 26,937 | 26,514 | 97,798 | 95,959 |
| Construction in progress | 124,631 | 115,429 | 97,869 | 89,328 | 222,500 | 204,757 |
| Accumulated depreciation | (533,596) | (502,225) | (162,998) | (152,409) | (696,594) | (654,634) |
| Total | $ 949,883 | $ 927,046 | $ 344,898 | $ 342,833 | $ 1,294,781 | $ 1,269,879 |

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

**Long-term debt.** At the end of the current fiscal year, the City of Des Moines had total bonded debt outstanding of $444,675,000. Of this amount, $361,860,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Des Moines' debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

**City of Des Moines' Outstanding Debt**
General Obligation and Revenue Bonds

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| General obligation bonds | $ 325,770,000 | $ 377,035,000 | $ 36,090,000 | $ - | $ 361,860,000 | $ 377,035,000 |
| Revenue bonds | 33,505,000 | 34,995,000 | 49,310,000 | 68,898,000 | 82,815,000 | 103,893,000 |
| Total | $ 359,275,000 | $ 412,030,000 | $ 85,400,000 | $ 68,898,000 | $ 444,675,000 | $ 480,928,000 |

The City of Des Moines' total bonded debt decreased by $36,253,000 (7.5%) during the current fiscal year. The key factor in this decrease was that annual financing used in meeting the City's capital improvement plan was not issued until after the fiscal year end.

The City issued refunding general obligation bonds in 2011. Proceeds from these refunding bonds were placed in escrow and were used were used to refund the Series

2005B general obligation bonds on June 1, 2013. The City issued taxable general obligation bonds in 2013 to refund the Series 2000A Parking System Revenue Bonds on September 4, 2012. Additional general obligation bonds were issued in the fall of 2012 for the Stormwater Utility and Sanitary Sewer Enterprise.

The City of Des Moines maintained its debt rating of Aa1 from Moody's Investors Service and an AAA rating from Standard & Poor's during the fiscal year. In November, 2013 Standard & Poor's downgraded the City's Debt rating to AA+ solely based on new criteria being established and not the recent fiscal performance of the City which they state has been "very strong".

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total assessed valuation. The current debt limitation for the City of Des Moines is $541,844,172, which is significantly in excess of the City of Des Moines' outstanding general obligation debt ($361,860,000).

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

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

The City completed a process to resolve budget deficits for the next two fiscal years (2012-13 and 2013-14) in one cycle of budget cuts and revenue enhancements.

- Property taxes provide 50 percent of General Fund revenues. Citywide assessed values rose through 2010 then abruptly fell in 2011 due to the recession. In January, 2012, citywide assessed values increased. Taxable valuation fluctuations mirrored that of the assessed values with the exception that the growth in 2012 was more dramatic given the increase in the residential rollback. The fiscal year 2014 budget reflects property tax revenue growth of 2.4 percent.

- Valuation growth in the downtown area has experienced a decline. Over the previous five years, through fiscal year 2011, downtown taxable values have risen 4.4 percent. From fiscal year 2011 to fiscal year 2014 valuations for downtown office buildings decreased on average by 28 percent. Indications are that the small decline in valuations downtown for fiscal year 2014 will be the last and that real total growth will return for fiscal year 2015.

- Personnel costs make up a significant portion of City operating costs. Wage increases identified in contractual bargaining agreements for fiscal year 2014 ranged from 2.25 percent to 2.75 percent.

- On July 1st, 2011 the City converted to a self-funded health care program with a third-party administrator for processing claims. The self-funded costs were low enough in the first year for the City to pay claims and build a reserve fund sufficient to meet State self-funded health insurance reserve requirements. The costs of employee health care has grown at a rate of less that 3% in fiscal years 2012 and 2013 allowing for the contribution rates to remain the same over that period and for fiscal year 2014.

- Stormwater Utility fees will increase 4 percent and Sanitary Sewer fees are scheduled for a 9 percent fee increase in fiscal year 2014.

**Requests for Information**

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

# CITY OF DES MOINES, IOWA
# STATEMENT OF NET POSITION
# June 30, 2013

| | PRIMARY GOVERNMENT | | | COMPONENT UNITS | |
|---|---|---|---|---|---|
| | GOVERN-MENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL | LIBRARY FOUNDATION | AIRPORT AUTHORITY |
| **ASSETS** | | | | | |
| Current assets: | | | | | |
| Unrestricted current assets: | | | | | |
| Cash and investments | $ 57,791,546 | $ 39,005,470 | $ 96,797,016 | $ 637,391 | $ 24,922,055 |
| Taxes receivable | 151,387,319 | --- | 151,387,319 | --- | --- |
| Special assessments receivable | 31,645 | 111,873 | 143,518 | --- | --- |
| Accounts receivable | 6,152,330 | 1,129,862 | 7,282,192 | --- | 4,260,907 |
| Loans receivable, current portion | 600,000 | --- | 600,000 | --- | --- |
| Accrued interest receivable | 61,795 | --- | 61,795 | --- | 8,309 |
| Other receivables | --- | --- | --- | 6,900 | --- |
| Internal balances | 11,986,793 | (11,986,793) | --- | --- | --- |
| Due from other governmental units | 18,287,658 | 872,151 | 19,159,809 | --- | --- |
| Due from component unit | 1,525,000 | --- | 1,525,000 | --- | --- |
| Inventory | 306,392 | 67,148 | 373,540 | --- | 146,690 |
| Prepaid items | 817,064 | 22,434 | 839,498 | --- | 168,364 |
| Total unrestricted current assets | 248,947,542 | 29,222,145 | 278,169,687 | 644,291 | 29,506,325 |
| Restricted assets: | | | | | |
| Cash and investments | --- | 835,625 | 835,625 | 1,471,119 | 4,951,996 |
| Interest receivable | --- | 1,970 | 1,970 | --- | --- |
| Total restricted current assets | --- | 837,595 | 837,595 | 1,471,119 | 4,951,996 |
| Total current assets | 248,947,542 | 30,059,740 | 279,007,282 | 2,115,410 | 34,458,321 |
| Noncurrent assets: | | | | | |
| Cash and investments | --- | --- | --- | --- | 3,746,890 |
| Loans receivable, net of allowance for doubtful accounts of $4,726,382 | 2,687,874 | --- | 2,687,874 | --- | --- |
| Special assessment receivables | 2,639,595 | --- | 2,639,595 | --- | --- |
| Due from component unit | 31,722,906 | --- | 31,722,906 | --- | --- |
| Restricted cash and investments | --- | 14,570,739 | 14,570,739 | --- | --- |
| Restricted interest receivable | --- | 2,100 | 2,100 | --- | --- |
| Capital assets: | | | | | |
| Land | 135,529,911 | 16,757,333 | 152,287,244 | --- | --- |
| Construction in progress | 124,630,589 | 97,868,945 | 222,499,534 | --- | 22,776,625 |
| Buildings | 159,405,299 | 99,034,582 | 258,439,881 | --- | 213,780,751 |
| Improvements other than buildings | 993,051,504 | 267,298,108 | 1,260,349,612 | --- | 141,491,392 |
| Machinery and equipment | 70,861,353 | 26,937,174 | 97,798,527 | --- | 17,859,255 |
| Accumulated depreciation | (533,595,795) | (162,997,728) | (696,593,523) | --- | (179,541,428) |
| Total capital assets | 949,882,861 | 344,898,414 | 1,294,781,275 | --- | 216,366,595 |
| Total noncurrent assets | 986,933,236 | 359,471,253 | 1,346,404,489 | --- | 220,113,485 |
| **Total assets** | $ 1,235,880,778 | $ 389,530,993 | $ 1,625,411,771 | $ 2,115,410 | $ 254,571,806 |
| **Deferred Outflows of Resources** | | | | | |
| Loss on refunding debt | --- | --- | --- | --- | 146,993 |

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

| | PRIMARY GOVERNMENT | | | COMPONENT UNITS | |
|---|---|---|---|---|---|
| | GOVERN-MENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL | LIBRARY FOUNDATION | AIRPORT AUTHORITY |
| **LIABILITIES** | | | | | |
| Liabilities: | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | $ 9,475,502 | $ 1,612,301 | $ 11,087,803 | $ --- | $ 1,285,848 |
| Contracts payable | 3,386,584 | 1,033,076 | 4,419,660 | --- | 879,205 |
| Accrued wages payable | 2,951,588 | 310,320 | 3,261,908 | 37,589 | 250,371 |
| Accrued employee benefits | 20,094,714 | 1,074,246 | 21,168,960 | --- | 173,828 |
| Due to other governmental units | 135,332 | --- | 135,332 | --- | --- |
| Due to signatory airlines | --- | --- | --- | --- | 3,294,973 |
| Good faith, tenant, security deposits | 1,251,027 | 95,194 | 1,346,221 | --- | 629,628 |
| Accrued interest payable | 1,357,918 | 181,795 | 1,539,713 | --- | 188,108 |
| Due to primary government | --- | --- | --- | --- | 1,490,000 |
| Other liabilities, claims and judgments | 40,129,642 | --- | 40,129,642 | --- | --- |
| Notes payable | 715,856 | 752,832 | 1,468,688 | --- | 9,812 |
| Revenue bonds payable | 1,525,000 | 4,736,349 | 6,261,349 | --- | --- |
| General obligation bonds payable | 29,615,000 | 2,785,000 | 32,400,000 | --- | --- |
| Section 108 loan payable | 24,000 | --- | 24,000 | --- | --- |
| Unearned revenue | 90,511 | 15,210 | 105,721 | --- | 27,972 |
| Capital leases payable | --- | --- | --- | --- | 87,708 |
| Total | 110,752,674 | 12,596,323 | 123,348,997 | 37,589 | 8,317,453 |
| Current liabilities payable from restricted assets: | | | | | |
| Revenue bonds payable | --- | 154,651 | 154,651 | --- | --- |
| Accrued interest payable | --- | 56,042 | 56,042 | --- | --- |
| Total current liabilities payable from restricted assets | --- | 210,693 | 210,693 | --- | --- |
| Total current liabilities | 110,752,674 | 12,807,016 | 123,559,690 | 37,589 | 8,317,453 |
| Noncurrent liabilities: | | | | | |
| Accrued employee benefits | 10,988,997 | 1,691,310 | 12,680,307 | --- | 342,340 |
| Other post retirement benefits | 4,396,000 | 668,689 | 5,064,689 | --- | 257,521 |
| Other liabilities, claims and judgments | --- | 224,853 | 224,853 | --- | --- |
| Due to primary government | --- | --- | --- | --- | 34,241,530 |
| Notes payable | 3,473,131 | 1,358,028 | 4,831,159 | --- | 7,359 |
| General obligation bonds payable, net | 308,775,683 | 34,819,556 | 343,595,239 | --- | --- |
| Revenue bonds payable, net | 31,722,906 | 45,372,584 | 77,095,490 | --- | 10,945,000 |
| Section 108 loan payable | 8,476,000 | --- | 8,476,000 | --- | --- |
| Total noncurrent liabilities | 367,832,717 | 84,135,020 | 451,967,737 | --- | 45,793,750 |
| **Total liabilities** | 478,585,391 | 96,942,036 | 575,527,427 | 37,589 | 54,111,203 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Unavailable revenue - property taxes | 144,909,057 | --- | 144,909,057 | --- | --- |
| **NET POSITION** | | | | | |
| Net investment in capital assets | 627,843,052 | 254,919,414 | 882,762,466 | --- | 169,594,713 |
| Restricted | 10,225,282 | 14,434,876 | 24,660,158 | 1,594,078 | 8,698,886 |
| Unrestricted | (25,682,004) | 23,234,667 | (2,447,337) | 483,743 | 22,313,997 |
| **Total net position** | $ 612,386,330 | $ 292,588,957 | $ 904,975,287 | $ 2,077,821 | $ 200,607,596 |

## CITY OF DES MOINES
## STATEMENT OF ACTIVITIES
## For the Fiscal Year Ended June 30, 2013

| FUNCTIONS/PROGRAMS | EXPENSES | PROGRAM REVENUES: CHARGES FOR SALES AND SERVICES | PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS | PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS |
|---|---|---|---|---|
| **Primary government:** | | | | |
| Governmental activities: | | | | |
| Public safety | $ 102,611,418 | $ 19,101,131 | $ 4,216,793 | $ 5,683,249 |
| Public works | 53,399,991 | 8,671,944 | 19,702,584 | 11,846,672 |
| Health and social services | 19,585,129 | 12,196 | 17,965,653 | 187,401 |
| Culture and recreation | 29,227,384 | 5,234,705 | (99,510) | 2,417,417 |
| Community and economic development | 20,399,479 | 412,254 | 370,881 | --- |
| General government | 21,991,537 | 17,248,638 | 266,767 | 65,347 |
| Interest on long-term debt | 17,870,953 | --- | 1,716,465 | --- |
| Total governmental activities | 265,085,891 | 50,680,868 | 44,139,633 | 20,200,086 |
| Business-type activities: | | | | |
| Parking facilities system | 11,361,604 | 8,915,654 | --- | --- |
| Sewer system | 33,024,065 | 33,606,796 | --- | 1,731,558 |
| Stormwater utility | 13,795,476 | 18,564,737 | --- | 96,589 |
| Golf | 224,460 | 200,151 | --- | --- |
| Solid waste system | 11,046,303 | 11,975,569 | --- | --- |
| Municipal Housing Agency | 23,857,284 | 1,407,721 | 18,677,807 | 1,664,846 |
| Total business-type activities | 93,309,192 | 74,670,628 | 18,677,807 | 3,492,993 |
| Total primary government | $ 358,395,083 | $ 125,351,496 | $ 62,817,440 | $ 23,693,079 |
| **Component unit**, Des Moines Public Library Foundation | $ 487,011 | $ --- | $ 196,191 | $ --- |
| **Component unit**, Des Moines Airport Authority | $ 17,732,059 | $ 15,022,111 | $ 2,843,308 | $ 15,943,007 |
| General revenues: | | | | |
| Taxes: | | | | |
| Property taxes, levied for general purposes | | | | |
| Property taxes, levied for debt service | | | | |
| Franchise taxes | | | | |
| Investment earnings | | | | |
| Miscellaneous | | | | |
| Gain on disposal of capital assets | | | | |
| Transfers - internal activities | | | | |
| Total general revenues and transfers | | | | |
| Change in net position | | | | |
| Net position, beginning | | | | |
| Net position, ending | | | | |

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

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION

| PRIMARY GOVERNMENT | | | COMPONENT UNIT | |
|---|---|---|---|---|
| GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL | LIBRARY FOUNDATION | AIRPORT AUTHORITY |
| $ (73,610,245) | $ --- | $ (73,610,245) | $ --- | $ --- |
| (13,178,791) | --- | (13,178,791) | --- | --- |
| (1,419,879) | --- | (1,419,879) | --- | --- |
| (21,674,772) | --- | (21,674,772) | --- | --- |
| (19,616,344) | --- | (19,616,344) | --- | --- |
| (4,410,785) | --- | (4,410,785) | --- | --- |
| (16,154,488) | --- | (16,154,488) | --- | --- |
| (150,065,304) | --- | (150,065,304) | --- | --- |
| --- | (2,445,950) | (2,445,950) | --- | --- |
| --- | 2,314,289 | 2,314,289 | --- | --- |
| --- | 4,865,850 | 4,865,850 | --- | --- |
| --- | (24,309) | (24,309) | --- | --- |
| --- | 929,266 | 929,266 | --- | --- |
| --- | (2,106,910) | (2,106,910) | --- | --- |
| --- | 3,532,236 | 3,532,236 | --- | --- |
| $ (150,065,304) | $ 3,532,236 | $ (146,533,068) | $ --- | $ --- |
| $ --- | $ --- | $ --- | $ (290,820) | |
| | | | | $ 16,076,367 |
| 115,885,137 | --- | 115,885,137 | --- | --- |
| 30,044,536 | --- | 30,044,536 | --- | --- |
| 13,063,992 | --- | 13,063,992 | --- | --- |
| 2,732,385 | 367,897 | 3,100,282 | 149,626 | --- |
| 487,835 | --- | 487,835 | 57,687 | --- |
| 661,158 | 90,002 | 751,160 | --- | 14,802 |
| 1,117,036 | (1,117,036) | --- | --- | --- |
| 163,992,079 | (659,137) | 163,332,942 | 207,313 | 14,802 |
| 13,926,775 | 2,873,099 | 16,799,874 | (83,507) | 16,091,169 |
| 598,459,555 | 289,715,858 | 888,175,413 | 2,161,328 | 184,516,427 |
| $ 612,386,330 | $ 292,588,957 | $ 904,975,287 | $ 2,077,821 | $ 200,607,596 |

**CITY OF DES MOINES, IOWA**
**BALANCE SHEET**
**GOVERNMENTAL FUNDS**
**June 30, 2013**

| | GENERAL | DEBT SERVICE | TAX INCREMENT |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and investments | $ 13,823,153 | $ 577,744 | $ --- |
| Taxes receivable | 57,403,960 | 30,488,253 | 29,508,337 |
| Accounts receivable | 4,908,406 | --- | --- |
| Loans receivable, net of allowance for doubtful accounts | --- | --- | --- |
| Accrued interest receivable | 32,037 | --- | --- |
| Due from other funds | 3,014,105 | --- | 489,381 |
| Due from other governmental units | 1,127,242 | --- | --- |
| Advance to other funds | 7,494,157 | --- | --- |
| Special assessment receivables | 21,396 | --- | --- |
| Inventory | --- | --- | --- |
| Prepaid items | 715,804 | --- | --- |
| **Total assets** | $ 88,540,260 | $ 31,065,997 | $ 29,997,718 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)** | | | |
| Liabilities: | | | |
| Accounts payable | $ 2,928,164 | $ --- | $ --- |
| Contracts payable | --- | --- | --- |
| Accrued wages payable | 2,565,063 | --- | --- |
| Accrued employee benefits | --- | --- | --- |
| Due to other funds | 98,465 | 489,381 | 1,106,126 |
| Due to other governmental units | 135,332 | --- | --- |
| Good faith, security deposits | 1,125,660 | --- | --- |
| Unearned revenue | 2,940 | --- | --- |
| Total liabilities | 6,855,624 | 489,381 | 1,106,126 |
| Deferred inflows of resources: | | | |
| Unavailable revenue - property taxes | 55,416,901 | 30,160,832 | 29,316,838 |
| Unavailable revenue - intergovernmental | --- | --- | --- |
| Unavailable revenue - special assessments | --- | --- | --- |
| Total deferred inflows of resources | 55,416,901 | 30,160,832 | 29,316,838 |
| Fund balances (deficits): | | | |
| Nonspendable | 8,209,961 | --- | --- |
| Restricted | 750,000 | 415,784 | --- |
| Committed | 250,000 | --- | --- |
| Unassigned | 17,057,774 | --- | (425,246) |
| Total fund balances (deficits) | 26,267,735 | 415,784 | (425,246) |
| **Total liabilities, deferred inflows of resources and fund balances (deficits)** | $ 88,540,260 | $ 31,065,997 | $ 29,997,718 |

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

| BENEFIT TAX ACCOUNTS | CAPITAL PROJECTS | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---|---|---|---|
| $ 242,018 | $ 26,419,496 | $ 5,760,161 | $ 46,822,572 |
| 20,969,742 | --- | 13,001,776 | 151,372,068 |
| --- | 233,959 | 974,806 | 6,117,171 |
| --- | --- | 3,287,874 | 3,287,874 |
| --- | 182 | 29,576 | 61,795 |
| --- | 13,684,867 | 348,938 | 17,537,291 |
| --- | 4,616,790 | 12,541,831 | 18,285,863 |
| --- | --- | --- | 7,494,157 |
| --- | 2,640,239 | 9,605 | 2,671,240 |
| --- | --- | 55,910 | 55,910 |
| --- | 4,032 | 57,073 | 776,909 |
| $ 21,211,760 | $ 47,599,565 | $ 36,067,550 | $ 254,482,850 |

| | | | |
|---|---|---|---|
| $ --- | $ 2,808,373 | $ 2,515,149 | $ 8,251,686 |
| --- | 3,386,584 | --- | 3,386,584 |
| --- | 91,720 | 215,768 | 2,872,551 |
| --- | --- | 487,370 | 487,370 |
| --- | --- | 15,117,746 | 16,811,718 |
| --- | --- | --- | 135,332 |
| --- | --- | 125,367 | 1,251,027 |
| --- | --- | 79,194 | 82,134 |
| --- | 6,286,677 | 18,540,594 | 33,278,402 |
| 20,761,776 | --- | 9,252,710 | 144,909,057 |
| --- | 1,110,397 | 3,172,165 | 4,282,562 |
| --- | 2,639,595 | --- | 2,639,595 |
| 20,761,776 | 3,749,992 | 12,424,875 | 151,831,214 |
| --- | 4,032 | 3,500,018 | 11,714,011 |
| 449,984 | 865,663 | 5,908,322 | 8,389,753 |
| --- | 36,693,201 | 1,826,102 | 38,769,303 |
| --- | --- | (6,132,361) | 10,500,167 |
| 449,984 | 37,562,896 | 5,102,081 | 69,373,234 |
| $ 21,211,760 | $ 47,599,565 | $ 36,067,550 | $ 254,482,850 |

CITY OF DES MOINES

## CITY OF DES MOINES, IOWA
## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
## June 30, 2013

| | |
|---|---|
| Total governmental fund balances | $ 69,373,234 |
| 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. | 945,041,402 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the governmental funds balance sheet. | 6,922,157 |
| Long-term receivables are not available to pay for current-period expenditures, and therefore, are not reported in the funds; Due from component unit. | 33,247,906 |
| Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | |
| Capital assets, net of accumulated depreciation | 4,841,459 |
| Other current assets | 11,409,975 |
| Other current liabilities | (3,250,100) |
| Noncurrent liabilities | (478,236) |
| | 12,523,098 |
| Internal service funds allocated to business-type activities | 3,750,160 |
| Long-term liabilities including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. | |
| Unamortized premium cost | (12,784,690) |
| Unamortized discount | 164,007 |
| Accrued employee benefits | (28,415,659) |
| Other accrued post retirement benefits | (4,240,832) |
| Accrued interest payable | (1,357,918) |
| Notes payable | (4,188,987) |
| Section 108 loans payable | (8,500,000) |
| General obligation bonds payable | (325,770,000) |
| Other liabilities, claims and judgments | (40,129,642) |
| Revenue bonds payable, net of discount of $257,094 | (33,247,906) |
| | (458,471,627) |
| Net position of governmental activities | $ 612,386,330 |

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

## CITY OF DES MOINES, IOWA
## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
## GOVERNMENTAL FUNDS
## For the Fiscal Year Ended June 30, 2013

| | GENERAL | DEBT SERVICE | TAX INCREMENT |
|---|---|---|---|
| Revenues: | | | |
| Taxes | $ 58,721,984 | $ 30,044,536 | $ 28,860,621 |
| Franchise fees | 13,063,992 | --- | --- |
| Licenses and permits | 3,380,366 | --- | --- |
| Fines and forfeitures | 5,562,993 | --- | --- |
| Charges for sales and services | 16,936,738 | --- | --- |
| Use of money and property | 1,306,936 | 92,201 | 12,277 |
| Miscellaneous | 16,924,722 | 310,710 | --- |
| Intergovernmental | 1,797,411 | 3,196,634 | --- |
| Total revenue | 117,695,142 | 33,644,081 | 28,872,898 |
| Expenditures: | | | |
| Current: | | | |
| Public safety | 92,490,031 | --- | --- |
| Public works | 8,613,275 | --- | --- |
| Health and social services | 376,392 | --- | --- |
| Culture and recreation | 20,215,110 | --- | --- |
| Community and economic development | 5,294,635 | --- | 10,048,844 |
| General government | 14,826,046 | --- | --- |
| Capital outlay | 186,944 | --- | --- |
| Debt service: | | | |
| Principal retirement | --- | 53,086,268 | 659,433 |
| Interest and fiscal charges | --- | 17,387,622 | 439,749 |
| Total expenditures | 142,002,433 | 70,473,890 | 11,148,026 |
| Excess (deficiency) of revenues over expenditures | (24,307,291) | (36,829,809) | 17,724,872 |
| Other financing sources (uses): | | | |
| Transfers in | 33,327,127 | 15,405,989 | 443,419 |
| Loan proceeds | --- | --- | --- |
| Transfers out | (8,585,514) | --- | (17,298,369) |
| Proceeds from damage claims | 44,096 | --- | --- |
| Proceeds from capital asset sale | 186,491 | --- | --- |
| Total other financing sources (uses) | 24,972,200 | 15,405,989 | (16,854,950) |
| Net change in fund balances | 664,909 | (21,423,820) | 869,922 |
| Fund balances (deficits), beginning of year | 25,602,826 | 21,839,604 | (1,295,168) |
| Fund balances (deficits), end of year | $ 26,267,735 | $ 415,784 | $ (425,246) |

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

| BENEFIT TAX ACCOUNTS | CAPITAL PROJECTS | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---|---|---|---|
| $ 18,299,901 | $ --- | $ 10,002,631 | $ 145,929,673 |
| --- | --- | --- | 13,063,992 |
| --- | --- | 150,025 | 3,530,391 |
| --- | --- | 31,230 | 5,594,223 |
| --- | 124,176 | 1,670,424 | 18,731,338 |
| --- | 368,184 | 952,787 | 2,732,385 |
| --- | 1,558,339 | 2,167,082 | 20,960,853 |
| --- | 13,255,469 | 45,578,311 | 63,827,825 |
| 18,299,901 | 15,306,168 | 60,552,490 | 274,370,680 |
| --- | 73,935 | 7,025,465 | 99,589,431 |
| --- | 4,154,866 | 20,737,597 | 33,505,738 |
| --- | --- | 18,926,561 | 19,302,953 |
| --- | 955,037 | 687,681 | 21,857,828 |
| --- | 24,325 | 4,925,331 | 20,293,135 |
| 1,482 | 8 | 3,277,516 | 18,105,052 |
| --- | 52,202,047 | 3,810,333 | 56,199,324 |
| --- | --- | --- | 53,745,701 |
| --- | --- | --- | 17,827,371 |
| 1,482 | 57,410,218 | 59,390,484 | 340,426,533 |
| 18,298,419 | (42,104,050) | 1,162,006 | (66,055,853) |
| --- | 5,813,097 | 6,615,235 | 61,604,867 |
| --- | 1,880,000 | --- | 1,880,000 |
| (17,700,000) | (3,951,418) | (12,952,530) | (60,487,831) |
| --- | 43,697 | 8,456 | 96,249 |
| --- | 1,008,890 | 500,156 | 1,695,537 |
| (17,700,000) | 4,794,266 | (5,828,683) | 4,788,822 |
| 598,419 | (37,309,784) | (4,666,677) | (61,267,031) |
| (148,435) | 74,872,680 | 9,768,758 | 130,640,265 |
| $ 449,984 | $ 37,562,896 | $ 5,102,081 | $ 69,373,234 |

## CITY OF DES MOINES, IOWA
## RECONCILIATION OF THE CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
## For the Fiscal Year Ended June 30, 2013

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

| | |
|---|---|
| Net change in fund balances: Total governmental funds | $ (61,267,031) |

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

| | |
|---|---|
| Capital outlay | 56,199,325 |
| Depreciation | (32,573,588) |
| | 23,625,737 |

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

| | |
|---|---|
| Proceeds from the sale of capital assets | (1,695,537) |
| Gain from sale of capital assets | 524,758 |
| Capital assets contributed by private sources | 164,840 |
| | (1,005,939) |

Repayment on long-term receivable (due from component unit) is recognized in the governmental funds in the current year. Revenue related to the long-term receivable was recognized in the Statement of Activities at the inception of the agreement and thereby the revenue recognized in the governmental funds is reversed.

| | |
|---|---|
| Current period payments | (1,490,000) |
| Amortization of discount on receivable | 9,831 |
| | (1,480,169) |

| | |
|---|---|
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 1,980,487 |

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

| | |
|---|---|
| Amortization of premium | 2,833,975 |
| Other long-term debt issued | (1,880,000) |
| Repayment of long-term debt principal | 53,745,701 |
| Interest | 81,644 |
| Write-off of issuance costs | (2,926,891) |
| Amortization of discount on general obligation bonds | (22,479) |
| Amortization of discount on revenue bonds | (9,831) |
| | 51,822,119 |

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

| | |
|---|---|
| Accrued employee benefits | (2,560,160) |
| Other accrued post retirement benefits | (792,208) |
| Claims and judgments | 330,000 |
| | (3,022,368) |

Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net income of certain activities of internal service funds is reported with governmental activities. 3,325,157

Change in internal service fund allocations to business-type activities (51,218)

Change in net position of governmental activities $ 13,926,775

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

**CITY OF DES MOINES, IOWA**
**STATEMENT OF NET POSITION**
**PROPRIETARY FUNDS**
**June 30, 2013**

| | BUSINESS-TYPE ACTIVITIES - | | |
|---|---|---|---|
| | PARKING | SEWER SYSTEM | STORMWATER UTILITY |
| **ASSETS** | | | |
| Current assets: | | | |
| Unrestricted current assets: | | | |
| Cash and investments | $ 8,678,638 | $ 9,356,904 | $ 13,148,218 |
| Taxes receivable | --- | --- | --- |
| Accounts receivable | 18,767 | 279,650 | 454,165 |
| Special assessments receivable | --- | 38,502 | 29,847 |
| Due from other funds | --- | --- | --- |
| Due from other governmental units | 9,695 | 39,671 | 14,589 |
| Inventory | --- | --- | --- |
| Prepaid items | 298 | 938 | 973 |
| Total unrestricted current assets | 8,707,398 | 9,715,665 | 13,647,792 |
| Restricted current assets: | | | |
| Cash and investments | --- | 239,558 | 303,543 |
| Interest receivable | --- | 1,970 | --- |
| Total restricted current assets | --- | 241,528 | 303,543 |
| Total current assets | 8,707,398 | 9,957,193 | 13,951,335 |
| Noncurrent assets: | | | |
| Restricted cash and investments | --- | 1,908,913 | 3,705,164 |
| Restricted interest receivable | --- | --- | 2,100 |
| Capital assets | | | |
| Land | 12,970,647 | 1,311,076 | 884,553 |
| Construction in progress | 1,395,155 | 43,918,240 | 51,030,950 |
| Buildings | 65,353,025 | 573,492 | --- |
| Improvements other than buildings | 34,740,555 | 139,145,246 | 84,082,511 |
| Machinery and equipment | 1,154,243 | 6,430,026 | 3,741,587 |
| Accumulated depreciation | (59,251,227) | (49,952,443) | (11,900,514) |
| Total capital assets, net of accumulated depreciation | 56,362,398 | 141,425,637 | 127,839,087 |
| Total noncurrent assets | 56,362,398 | 143,334,550 | 131,546,351 |
| **Total assets** | $ 65,069,796 | $ 153,291,743 | $ 145,497,686 |

| ENTERPRISE FUNDS | | | GOVERNMENTAL ACTIVITIES |
|---|---|---|---|
| MUNICIPAL HOUSING AGENCY | OTHER ENTERPRISE FUNDS | TOTAL ENTERPRISE FUNDS | INTERNAL SERVICE FUNDS |
| $ 991,315 | $ 6,797,003 | $ 38,972,078 | $ 10,968,974 |
| --- | --- | --- | 15,251 |
| 40,725 | 336,555 | 1,129,862 | 35,159 |
| --- | 43,524 | 111,873 | --- |
| --- | --- | --- | 98,159 |
| 800,305 | 7,891 | 872,151 | 1,795 |
| 67,148 | --- | 67,148 | 250,482 |
| 19,914 | 311 | 22,434 | 40,155 |
| 1,919,407 | 7,185,284 | 41,175,546 | 11,409,975 |
| 629,459 | --- | 1,172,560 | --- |
| --- | --- | 1,970 | --- |
| 629,459 | --- | 1,174,530 | --- |
| 2,548,866 | 7,185,284 | 42,350,076 | 11,409,975 |
| 8,653,119 | --- | 14,267,196 | --- |
| --- | --- | 2,100 | --- |
| 1,467,560 | 123,497 | 16,757,333 | --- |
| 1,524,600 | --- | 97,868,945 | --- |
| 31,633,846 | 1,474,219 | 99,034,582 | --- |
| 5,846,153 | 3,483,643 | 267,298,108 | --- |
| 1,434,585 | 14,176,733 | 26,937,174 | 34,757,589 |
| (29,522,000) | (12,371,544) | (162,997,728) | (29,916,130) |
| 12,384,744 | 6,886,548 | 344,898,414 | 4,841,459 |
| 21,037,863 | 6,886,548 | 359,167,710 | 4,841,459 |
| $ 23,586,729 | $ 14,071,832 | $ 401,517,786 | $ 16,251,434 |

(continued)

**CITY OF DES MOINES, IOWA**
**STATEMENT OF NET POSITION (CONTINUED)**
**PROPRIETARY FUNDS**
**June 30, 2013**

| | PARKING | SEWER SYSTEM | STORMWATER UTILITY |
|---|---|---|---|
| **LIABILITIES** | | | |
| Liabilities: | | | |
| Current liabilities: | | | |
| Accounts payable | $ 476,311 | $ 99,286 | $ 181,752 |
| Contracts payable | 135,053 | 463,301 | 434,722 |
| Accrued wages payable | 20,306 | 65,687 | 101,210 |
| Accrued employee benefits | 68,806 | 239,640 | 359,952 |
| Due to other funds | 372,041 | --- | --- |
| Tenant security deposits | --- | --- | --- |
| Notes payable | --- | 155,099 | 219,222 |
| Accrued interest payable | 21,717 | 68,291 | 89,697 |
| Revenue bonds payable | --- | 2,014,871 | 2,721,478 |
| General obligation bonds payable | 1,780,000 | 555,000 | 450,000 |
| Unearned revenue | --- | | |
| Total | 2,874,234 | 3,661,175 | 4,558,033 |
| Current liabilities payable from restricted assets: | | | |
| Revenue bonds payable | --- | 66,129 | 88,522 |
| Accrued interest payable | --- | 30,963 | 25,079 |
| Total current liabilities payable from restricted | --- | 97,092 | 113,601 |
| Total current liabilities | 2,874,234 | 3,758,267 | 4,671,634 |
| Noncurrent liabilities: | | | |
| Accrued employee benefits | 111,815 | 389,427 | 584,938 |
| Other postemployment benefits | 48,777 | 163,913 | 142,938 |
| Advance from other funds | 3,858,361 | --- | --- |
| Notes payable | --- | 754,934 | 222,918 |
| Revenue bonds payable, net | --- | 16,170,256 | 29,202,328 |
| General obligation bonds payable, net | 11,672,727 | 12,642,471 | 10,504,358 |
| Other liabilities | --- | --- | 150 |
| Total noncurrent liabilities | 15,691,680 | 30,121,001 | 40,657,630 |
| **Total liabilities** | 18,565,914 | 33,879,268 | 45,329,264 |
| **NET POSITION** | | | |
| Net investment in capital assets | 42,909,671 | 109,066,877 | 84,430,261 |
| Restricted: | | | |
| Public housing program | --- | --- | --- |
| Housing assistance payments | --- | --- | --- |
| Debt retirement | --- | 1,920,000 | 3,232,298 |
| Unrestricted | 3,594,211 | 8,425,598 | 12,505,863 |
| **Total net position** | $ 46,503,882 | $ 119,412,475 | $ 100,168,422 |

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

| ENTERPRISE FUNDS | | | GOVERNMENTAL ACTIVITIES |
|---|---|---|---|
| MUNICIPAL HOUSING AGENCY | OTHER ENTERPRISE FUNDS | TOTAL ENTERPRISE FUNDS | INTERNAL SERVICE FUNDS |
| $ 569,834 | $ 285,118 | $ 1,612,301 | $ 1,223,816 |
| --- | --- | 1,033,076 | --- |
| 45,009 | 78,108 | 310,320 | 79,037 |
| 157,699 | 248,149 | 1,074,246 | 1,857,614 |
| 339,500 | 30,935 | 742,476 | 81,256 |
| 95,194 | --- | 95,194 | --- |
| --- | 378,511 | 752,832 | --- |
| --- | 2,090 | 181,795 | --- |
| --- | --- | 4,736,349 | --- |
| --- | --- | 2,785,000 | --- |
| 15,210 | --- | 15,210 | 8,377 |
| 1,222,446 | 1,022,911 | 13,338,799 | 3,250,100 |
| --- | --- | 154,651 | --- |
| --- | --- | 56,042 | --- |
| --- | --- | 210,693 | --- |
| 1,222,446 | 1,022,911 | 13,549,492 | 3,250,100 |
| 201,875 | 403,255 | 1,691,310 | 323,068 |
| 134,594 | 178,467 | 668,689 | 155,168 |
| --- | 3,635,796 | 7,494,157 | --- |
| --- | 380,176 | 1,358,028 | --- |
| --- | --- | 45,372,584 | --- |
| | | 34,819,556 | |
| 224,703 | --- | 224,853 | --- |
| 561,172 | 4,597,694 | 91,629,177 | 478,236 |
| 1,783,618 | 5,620,605 | 105,178,669 | 3,728,336 |
| 12,384,744 | 6,127,861 | 254,919,414 | 4,841,459 |
| 8,653,119 | --- | 8,653,119 | --- |
| 629,459 | --- | 629,459 | --- |
| --- | --- | 5,152,298 | --- |
| 135,789 | 2,323,366 | 26,984,827 | 7,681,639 |
| $ 21,803,111 | $ 8,451,227 | $ 296,339,117 | $ 12,523,098 |

CITY OF DES MOINES

## CITY OF DES MOINES, IOWA
## RECONCILIATION OF ENTERPRISE FUNDS NET POSITION
## TO THE STATEMENT OF NET POSITION
## June 30, 2013

| | |
|---|---|
| Total enterprise funds net position | $ 296,339,117 |
| Amounts reported for enterprise activities in the statement of net position are different because: | |
| Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | (3,750,160) |
| Net position of business-type activities | $ 292,588,957 |

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

**CITY OF DES MOINES, IOWA**
**STATEMENT OF REVENUES, EXPENSES,**
**AND CHANGES IN FUND NET POSITION**
**PROPRIETARY FUNDS**
**For the Fiscal Year Ended June 30, 2013**

| | BUSINESS-TYPE ACTIVITIES - | | |
|---|---|---|---|
| | PARKING | SEWER SYSTEM | STORMWATER UTILITY |
| Operating revenues: | | | |
| Charges for sales and services | $ 8,913,222 | $ 33,499,597 | $ 17,815,275 |
| Operating grants | --- | --- | --- |
| Miscellaneous | --- | 107,137 | 749,462 |
| Total operating revenues | 8,913,222 | 33,606,734 | 18,564,737 |
| Operating expenses: | | | |
| Personal services | 1,158,774 | 4,403,200 | 5,666,176 |
| Contractual services | 5,780,155 | 18,594,886 | 2,152,728 |
| Commodities | 84,128 | 371,690 | 369,902 |
| Depreciation | 3,616,464 | 3,149,462 | 1,969,045 |
| Other charges | 288,875 | 4,979,648 | 2,796,833 |
| Total operating expenses | 10,928,396 | 31,498,886 | 12,954,684 |
| Operating income (loss) | (2,015,174) | 2,107,848 | 5,610,053 |
| Non-operating revenues (expenses): | | | |
| Gain/(loss) on disposal of capital assets | --- | 90,002 | (28,514) |
| Investment earnings | 47,594 | 162,666 | 135,351 |
| Proceeds from damage claims | 2,432 | 62 | --- |
| Housing assistance provided | --- | --- | --- |
| Interest expense and fiscal charges | (446,083) | (1,548,154) | (833,633) |
| Total nonoperating revenues (expenses) | (396,057) | (1,295,424) | (726,796) |
| Income (loss) before capital grants, contributions and transfers | (2,411,231) | 812,424 | 4,883,257 |
| Capital grants and contributions | --- | 1,731,558 | 96,589 |
| Transfers in | 1,465,426 | 2,065,759 | 1,292,820 |
| Transfers out | --- | (4,575,000) | (1,366,041) |
| Change in net position | (945,805) | 34,741 | 4,906,625 |
| Total net position - beginning | 47,449,687 | 119,377,734 | 95,261,797 |
| Total net position - ending | $ 46,503,882 | $ 119,412,475 | $ 100,168,422 |

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

| ENTERPRISE FUNDS | | | GOVERNMENTAL ACTIVITIES |
|---|---|---|---|
| MUNICIPAL HOUSING AGENCY | OTHER ENTERPRISE FUNDS | TOTAL ENTERPRISE FUNDS | INTERNAL SERVICE FUNDS |
| $ 1,407,721 | $ 12,065,440 | $ 73,701,255 | $ 39,795,569 |
| 18,677,807 | --- | 18,677,807 | --- |
| --- | 110,280 | 966,879 | 132,723 |
| 20,085,528 | 12,175,720 | 93,345,941 | 39,928,292 |
| 3,965,809 | 4,645,335 | 19,839,294 | 4,903,823 |
| 17,485,820 | 4,691,432 | 48,705,021 | 24,166,906 |
| --- | 327,144 | 1,152,864 | 6,275,583 |
| 1,703,122 | 997,840 | 11,435,933 | 1,318,982 |
| --- | 496,445 | 8,561,801 | 74,241 |
| 23,154,751 | 11,158,196 | 89,694,913 | 36,739,535 |
| (3,069,223) | 1,017,524 | 3,651,028 | 3,188,757 |
| (52,799) | (5,229) | 3,460 | 136,400 |
| 9,672 | 12,614 | 367,897 | --- |
| --- | --- | 2,494 | --- |
| (700,000) | --- | (700,000) | --- |
| --- | (51,085) | (2,878,955) | --- |
| (743,127) | (43,700) | (3,205,104) | 136,400 |
| (3,812,350) | 973,824 | 445,924 | 3,325,157 |
| 1,664,846 | --- | 3,492,993 | --- |
| --- | --- | 4,824,005 | --- |
| --- | --- | (5,941,041) | --- |
| (2,147,504) | 973,824 | 2,821,881 | 3,325,157 |
| 23,950,615 | 7,477,403 | 293,517,236 | 9,197,941 |
| $ 21,803,111 | $ 8,451,227 | $ 296,339,117 | $ 12,523,098 |

CITY OF DES MOINES

## CITY OF DES MOINES, IOWA
## RECONCILIATION OF THE CHANGE IN NET POSITION OF ENTERPRISE FUNDS TO THE STATEMENT OF ACTIVITIES
## For the Fiscal Year Ended June 30, 2013

| | | |
|---|---|---|
| Net changes in net position in enterprise funds | $ | 2,821,881 |
| Amounts reported for proprietary activities in the statement of activities are different because: | | |
| Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with business-type | | 51,218 |
| Change in net position of business-type activities | $ | 2,873,099 |

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

**CITY OF DES MOINES, IOWA**
**STATEMENT OF CASH FLOWS**
**PROPRIETARY FUNDS**
**For the Fiscal Year Ended June 30, 2013**

| | BUSINESS-TYPE ACTIVITIES - | | |
|---|---|---|---|
| | PARKING | SEWER SYSTEM | STORMWATER UTILITY |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Receipts from customers and users | $ 8,923,192 | $ 34,623,222 | $ 17,842,317 |
| Receipts from interfund services provided | --- | --- | --- |
| Payments to suppliers | (5,878,769) | (23,742,617) | (4,797,216) |
| Payments to employees | (1,133,742) | (4,296,469) | (5,631,844) |
| Receipts from miscellaneous revenue | --- | 107,137 | 749,462 |
| Proceeds from damage claims | 2,432 | 62 | --- |
| Payments for interfund services used | --- | --- | --- |
| Net cash provided (used) by operating activities | 1,913,113 | 6,691,335 | 8,162,719 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | |
| Proceeds from interfund accounts | 49,364 | --- | --- |
| Payments to interfund accounts | (369,598) | --- | --- |
| Housing assistance provided | --- | --- | --- |
| Transfers In | 1,465,426 | 2,065,759 | 1,292,820 |
| Transfers Out | --- | (4,575,000) | (1,366,041) |
| Intergovernmental receipts | --- | --- | --- |
| Intergovernmental disbursements | --- | --- | --- |
| Net cash provided (used) by capital and related financing activities | 1,145,192 | (2,509,241) | (73,221) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | |
| Proceeds from intergovernmental and capital grants | --- | 1,588,981 | 38,935 |
| Interest paid on capital debt | (531,369) | (1,661,397) | (2,031,647) |
| Principal paid on long-term debt and leases | (14,855,000) | (3,531,727) | (3,764,773) |
| Proceeds from issuance of long-term debt, including premiums of $1,665,621 | 13,529,842 | 13,879,918 | 11,320,861 |
| Proceeds from sale of capital assets | --- | 90,002 | 16,140 |
| Acquisition and construction of capital assets | (485,877) | (6,729,304) | (6,757,011) |
| Net cash provided (used) by capital and related financing activities | (2,342,404) | 3,636,473 | (1,177,495) |

| MUNICIPAL HOUSING AGENCY | OTHER ENTERPRISE FUNDS | TOTALS | GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS |
|---|---|---|---|
| $ 19,927,352 | $ 12,461,592 | $ 93,777,675 | $ 5,257,208 |
| --- | --- | --- | 34,629,845 |
| (17,347,826) | (5,341,677) | (57,108,105) | (30,101,296) |
| (3,967,883) | (4,570,910) | (19,600,848) | (4,859,169) |
| --- | - | 856,599 | --- |
| --- | --- | 2,494 | --- |
| --- | --- | --- | (298,280) |
| (1,388,357) | 2,549,005 | 17,927,815 | 4,628,308 |
| --- | --- | 49,364 | 2,550 |
| --- | (332,738) | (702,336) | (76) |
| (700,000) | --- | (700,000) | --- |
| --- | --- | 4,824,005 | --- |
| --- | --- | (5,941,041) | --- |
| --- | --- | --- | 25,658 |
| --- | --- | --- | (1,143) |
| (700,000) | (332,738) | (2,470,008) | 26,989 |
| 1,664,846 | --- | 3,292,762 | --- |
| --- | (52,128) | (4,276,541) | --- |
| --- | (376,872) | (22,528,372) | --- |
| --- | --- | 38,730,621 | --- |
| 293,251 | --- | 399,393 | 171,608 |
| (1,894,745) | --- | (15,866,937) | (1,571,631) |
| 63,352 | (429,000) | (249,074) | (1,400,023) |

(continued)

**CITY OF DES MOINES, IOWA**
**STATEMENT OF CASH FLOWS**
**PROPRIETARY FUNDS**
**For the Fiscal Year Ended June 30, 2013**

| | BUSINESS-TYPE ACTIVITIES - | | |
|---|---|---|---|
| | PARKING | SEWER SYSTEM | STORMWATER UTILITY |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Proceeds from sales and maturities of investments | 1,954,500 | $ --- | $ 5,093,344 |
| Purchase of investments | --- | --- | (3,249,931) |
| Interest and dividends received | 51,915 | 172,571 | 166,147 |
| Net cash provided by investing activities | 2,006,415 | 172,571 | 2,009,560 |
| Net increase (decrease) in cash and cash equivalents | 2,722,316 | 7,991,138 | 8,921,563 |
| Cash and cash equivalents, beginning of year | 5,956,322 | 1,605,324 | 5,042,845 |
| Cash and cash equivalents, end of year | $ 8,678,638 | $ 9,596,462 | $ 13,964,408 |
| **Reconciliation of operating income (loss) to net cash provided (used) by operating activities:** | | | |
| Operating income (loss) | $ (2,015,174) | $ 2,107,848 | $ 5,610,053 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation expense | 3,616,464 | 3,149,462 | 1,969,045 |
| Amortization/Accretion | --- | 151,383 | 382,536 |
| Proceeds from damage claims | 2,432 | 62 | --- |
| (Increase) decrease in accounts and taxes receivable | 8,964 | 306 | (335,925) |
| (Increase) decrease in special assessments receivable | --- | 26,834 | 6,051 |
| (Increase) decrease in due from other governmental units | 1,006 | 1,096,485 | 356,916 |
| (Increase) decrease in inventories | --- | --- | --- |
| (Increase) decrease in prepaid items | --- | 6,314 | 17,187 |
| (Increase) decrease in accounts and contracts payable | 275,269 | 45,910 | 122,524 |
| Increase (decrease) in accrued wages payable | 3,124 | (34,132) | (72,760) |
| Increase (decrease) in accrued employee benefits and other postemployment benefits | 21,908 | 140,863 | 107,092 |
| Increase (decrease) in other liabilities, self-sufficiency participation and tenant security deposits | (880) | --- | --- |
| Increase (decrease) in unearned revenue | --- | --- | --- |
| Total adjustments | 3,928,287 | 4,583,487 | 2,552,666 |
| Net cash provided (used) by operating activities | $ 1,913,113 | $ 6,691,335 | $ 8,162,719 |
| **Schedule of noncash investing and financing activities:** | | | |
| Increase (decrease) in fair value of investments | 2,234 | 11,115 | 28,545 |
| **Schedule of noncash capital and related financing activities:** | | | |
| Gain (loss) on disposal of capital assets | --- | 90,002 | (28,514) |
| Capitalized Interest | --- | --- | 1,090,867 |
| Payments (proceeds) on contracts payable for acquisition of capital assets | --- | (1,074,700) | (2,185,904) |
| Capital assets contributed | --- | 142,577 | 57,654 |

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

| MUNICIPAL HOUSING AGENCY | OTHER ENTERPRISE FUNDS | TOTALS | GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS |
|---|---|---|---|
| $ --- | $ --- | $ 7,047,844 | $ --- |
| --- | --- | (3,249,931) | --- |
| 9,672 | 12,614 | 412,919 | --- |
| 9,672 | 12,614 | 4,210,832 | --- |
| (2,015,333) | 1,799,881 | 19,419,565 | 3,255,274 |
| 12,289,226 | 4,997,122 | 29,890,839 | 7,713,700 |
| $ 10,273,893 | $ 6,797,003 | $ 49,310,404 | $ 10,968,974 |
| $ (3,069,223) | $ 1,017,524 | $ 3,651,028 | $ 3,188,757 |
| 1,703,122 | 997,840 | 11,435,933 | 1,318,982 |
| --- | --- | 533,919 | --- |
| --- | --- | 2,494 | --- |
| (7,508) | 242,846 | (91,317) | (30,125) |
| --- | 43,003 | 75,888 | --- |
| (161,941) | 23 | 1,292,489 | --- |
| --- | --- | - | (41,558) |
| (1,010) | 88 | 22,579 | 2,014 |
| 139,004 | 173,256 | 755,963 | 156,698 |
| (14,051) | 4,146 | (113,673) | 2,527 |
| 11,977 | 70,279 | 352,119 | 42,127 |
| 11,943 | --- | 11,063 | --- |
| (670) | --- | (670) | (11,114) |
| 1,680,866 | 1,531,481 | 14,276,787 | 1,439,551 |
| $ (1,388,357) | $ 2,549,005 | $ 17,927,815 | $ 4,628,308 |
| --- | --- | 41,894 | --- |
| (52,799) | (5,229) | 3,460 | 136,400 |
| --- | --- | 1,090,867 | --- |
| --- | --- | (3,260,604) | --- |
| --- | --- | 200,231 | --- |

**CITY OF DES MOINES, IOWA**
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**
**FIDUCIARY FUNDS**
**June 30, 2013**

| | AGENCY FUNDS |
|---|---|
| **ASSETS** | |
| Cash and investments | $ 52,676,309 |
| Accounts receivable | 935,821 |
| Total assets | $ 53,612,130 |
| **LIABILITIES** | |
| Accounts payable | $ 53,603,731 |
| Good faith/earnest deposits | 8,399 |
| Total liabilities | $ 53,612,130 |

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

## 1. Summary of Significant Accounting Policies

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

### A. Reporting Entity

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

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

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

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

The Des Moines Airport Authority (the Authority) has changed its fiscal year-end from June 30 to December 31. The financial information included is for the six months ended December 31, 2012. The Authority is responsible for the operation of the Des Moines International Airport and was established on November 1, 2011 pursuant to Section 330A of Iowa Code. A five-member board governs the Authority and is appointed by

the Des Moines City Council. Upon dissolution of the Authority, all assets, deferred outflows of resources, liabilities and deferred inflows of resources would revert back to the City. The Authority publishes its own annual financial report, which is available at their office at 5800 Fleur Drive, Des Moines, Iowa 50321.

**B. Government-wide and Fund Financial Statements**

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

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

The City adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* in the current year. The adoption of these Statements changed the presentation of the basic financial statements to a statement of net position format, reclassified certain assets and liabilities to deferred outflows/inflows of resources and wrote-off bond issuance costs that were immaterial to the financial statements and had previously been capitalized.

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

**C. Fund Accounting**

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

**(1) Governmental Fund Types**

Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which

they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities and deferred inflows of resources, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following comprise the City's major governmental funds:

**(a) General Fund**

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Many of the more important activities of the City, including operation of the City's general service departments; street and highway maintenance; public safety, parks, cemetery, library, and recreation programs, are accounted for in this fund.

The following accounts are included in this fund:

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

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

**Other General –** To account for several minor general fund activities not material enough to disclose separately (i.e. Benchmarking and City-wide Training, City match of Federal Police grant, and Employee Wellness Program).

**(b) Tax Increment Fund**

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

**(c) Debt Service Fund**

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

**(d) Capital Projects Fund**

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

The following accounts are included in this fund:

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

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

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

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

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

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

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

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

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

**(e) Benefit Tax Accounts Fund**

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

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

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

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

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

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

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

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

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

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

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

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

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

**(2) Proprietary Fund Types**

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

**Enterprise funds** are used to finance and account for the acquisition, operation, and maintenance of the City's facilities and services which are supported primarily by user charges. The following comprise the City's major enterprise funds:

**(a) Stormwater Utility Fund –** To account for the operation and maintenance of the City's Stormwater Utility.

**(b) Parking Facilities System Fund –** To account for the operation and maintenance of the City's on and off street public parking facilities, except for those facilities operated by the Des Moines Airport Authority.

**(c) Sewer System Fund –** To account for the operation and maintenance of the City's Sanitary Sewer System.

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

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

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

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

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

The following funds are included in this fund type:

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

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

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

Forestry **–** To provide ground maintenance to other departments.

Group Health Insurance **–** Accounts for City contributions, employee contributions, and self insurance and health care cost of various health benefit plans.

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

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

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

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

**Agency Funds**

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

The following funds are included in this fund type:

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

Corporation for Economic Development – Accounts for the reimbursement of City staff charges incurred doing Corporation business.

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

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

**D. Measurement Focus and Basis of Accounting**

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period, with the exception of property taxes which is 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

Property taxes are recognized as a receivable at the time an enforceable legal claim is established. This is determined to occur when the budget is certified. The current tax receivable represents the 2013 levy certified on February 25, 2013, based on the 2012 assessed valuations. The tax lien date is January 1, 2012. As the levy is intended for use in the 2014 fiscal year, the revenue has been recorded as deferred inflow of resources. Taxes are levied on July 1 and are payable in two installments on September 30 and March 31. Tax payments become delinquent on October 1 and April 1. The County Treasurer bills and collects property taxes for the City. Property taxes are considered available if received within 60 days of year-end.

The City is permitted by the *Code of Iowa* to levy taxes up to $8.10 per $1,000 of assessed valuation for General Fund purposes, $.27 per $1,000 of assessed valuation for an Emergency Fund to assist in the funding of General Fund activities, and unlimited amounts for the payment of principal and interest on general obligation bonds, judgments awarded against the City, trust and agency accounts for pension and related employee benefit funds, and to pay the premium costs on tort liability insurance. The combined tax rate for the collection year ended June 30, 2013 was $16.92 per $1,000 of assessed valuation.

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

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

**E. Budgetary and Legal Appropriation and Amendment Policies**

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

**F. Encumbrances**

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

**G. Cash and Pooled Cash Investments**

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

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

**H. Investments**

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

**I. Statement of Cash Flows**

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

**J. Loans Receivable**

Loans receivable consist primarily of low and non interest bearing loans. The City receives federal funds from the U.S. Department of Housing and Urban Development as part of the Community Development Block Grant, which allows the City to provide loans at below-market-rates to eligible corporations and individuals to finance urban and community development. Loans are carried at the amount of unpaid principal. Management records allowances for estimated uncollectible amounts based on historic information and review of outstanding amounts. Loans which, due to the terms and nature of the agreements, are expected to be forgiven in the future are not recorded in the statement of net position but are expensed at the time of disbursement.

**K. Inventories and Prepaid Items**

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

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

**L. Capital Assets**

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Capitalized interest was $1,090,867 in the Stormwater Utility fund.

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

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

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

**M. Deferred Inflows/Outflows of Resources**

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable

revenues from three sources: property taxes, special assessments and intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the City's government-wide statements, only the property tax revenues remain under the full accrual basis of accounting and will become an inflow in the year for which the taxes are levied and budgeted for.

**Deferred outflows of resources:** In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority, a discretely presented component unit, has one item that qualified for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**N. Inter-fund Transactions**

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

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

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

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

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

**O. Compensated Absences**

City employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination, death, or retirement. Sick leave is payable when used, or upon death or retirement. If paid upon death or retirement, the total accumulated hours

are paid at one-half of the then effective hourly rate for that employee, with a maximum of 750 hours per employee.

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

**P. Fund Balance**

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

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

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

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

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

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

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

**Q. Net Position**

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. 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. The portion of the debt related to unspent proceeds is included in the same net position component as the

unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted through enabling legislation consists of $415,785 for debt service.

As of June 30, 2013, the governmental activities had unspent bond proceeds of $29,039,861. The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**R. Use of Estimates**

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

**S. Accounts Receivable**

Accounts receivable result primarily from miscellaneous services provided to citizens in the General Fund, Capital Projects Fund, and other nonmajor governmental funds. Accounts receivable in the proprietary funds result from providing services specific to the operations of the fund. At June 30, 2013, there was no allowance for doubtful accounts and the City had no significant write offs during the year then ended.

**T. Long-Term Obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financial sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Bond issuance costs are an expenditure at the time of debt issuance.

## 2. Individual Fund Disclosures

The following is a summary of deficit fund balances/net position of individual funds at June 30, 2013:

| FUND TYPE | INDIVIDUAL FUND | DEFICIT FUND BALANCES | DEFICIT NET POSITION |
|---|---|---|---|
| Governmental | Special Revenue, CDBG | 1,583,769 | |
| Governmental | Special Revenue, Community Services | 105,046 | |
| Governmental | Special Revenue, Tax Increment | 425,246 | |
| Proprietary | Enterprise, Golf | | 1,213,062 |
| Proprietary | Internal Service, Radio Communications | | 66,404 |

The individual fund balance deficits will be eliminated by future taxes, intergovernmental revenue and fees for services.

## 3. Cash and Pooled Cash Investments and Investments

The City maintains a cash and investment pool that is available for use by all funds, where the resources have been pooled in order to maximize investment opportunities. Each fund type's portion of this pool is included on the balance sheet in the cash and investments line. Investment income is allocated to the various funds based on their respective participation and in accordance with accounting principles generally accepted in the United States of America. In addition, investments are separately held by several of the City's funds.

The Library Foundation has an endowment fund. As of December 31, 2012, the balance of $1,539,337 is in money market funds, U.S. government agencies and mutual funds.

### A. Authorized Investments

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

## B. Interest Rate Risk

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

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

| | | Investment Maturities (in Years) | | |
|---|---|---|---|---|
| **Security Description** | **Current Market Value** | **Less Than 1** | **1 - 5** | **6 - 10** |
| Commercial Paper Total | 8,996,992 | 8,996,992 | --- | --- |
| Federal Farm Credit Total | 10,743,732 | 3,999,960 | 6,743,772 | --- |
| FHLB Total | 22,805,091 | 2,999,370 | 19,805,721 | --- |
| FHLB Disc Total | 3,997,080 | 3,997,080 | --- | --- |
| FHLMC Total | 5,956,558 | --- | 5,956,558 | --- |
| FHLMC Disc Total | 3,998,760 | 3,998,760 | --- | --- |
| FNMA Total | 11,841,257 | --- | 11,841,257 | --- |
| **Grand Total** | **68,339,470** | **23,992,162** | **44,347,308** | --- |

The above table includes the investments of the WRA of $19,556,319.

## C. Credit Risk

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

As of June 30, 2013, the City's investments were rated as follows:

| **Security Description** | **Moody's** | **Standard & Poor's** |
|---|---|---|
| Commercial Paper | Prime-1 | A-1 |
| Federal Farm Credit | Aaa | AA+ |
| FHLB | Aaa | AA+ |
| FHLB Disc | Aaa | AA+ |
| FHLMC | Aaa | AA+ |
| FHLMC Disc | Aaa | AA+ |
| FNMA | Aaa | AA+ |

### D. Concentration of Credit Risk

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

### E. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Chapter 12C of the Code of Iowa requires all City funds be deposited into an approved depository and be either insured or collateralized. At June 30, 2013, the City's deposits were held in banks within the state of Iowa and covered by the state sinking fund per Section 12C.25 of the Code of Iowa. At June 30, 2013, $68,339,470 of City investments were uninsured and unregistered securities held by the counterparty's trust department in the City's name.

## 4. Joint Venture

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

The City retains an ongoing financial responsibility to the WRA since it is obligated in some manner for the debts of the joint venture. Although the debt of the WRA is to be paid solely and only from WRA revenues, the participating communities in the joint venture cannot withdraw from the joint venture while any of bonds issued during the time the entity was a

participating community are still outstanding. The WRA Sewer Revenue Bonds Series 2004B, 2006, and 2013B include provisions that place the WRA debt service requirements on the same parity and rank as other debts of the participating communities.

The WRA Sewer Revenue Bonds Series 2004B bonds were issued for capital expansion. The WRA Agreement requires the debt service on these bonds to be allocated to the participating communities based on the WRA flows of the core communities and expansion communities of each calendar year. As of June 30, 2013, the Series 2004B bonds had a balance of $1,310,000 and the City of Des Moines' estimated future allocation based on the WRA flows is currently $445,068. The WRA Sewer Revenue Bonds Series 2006 bonds were issued for capital expansion. The WRA Agreement requires the debt service on these bonds to be allocated to the participating communities based on the WRA flows of the core communities and expansion communities of each calendar year. As of June 30, 2013, the Series 2006 bonds had a balance of $34,145,000 and the City of Des Moines' estimated future allocation based on the WRA flows is currently $10,524,649. The WRA Revenue Bonds Series 2013B were issued to partially refund Series 2004B. As of June 30, 2013, the Series 2013B bonds had a balance of $56,420,000 and the City of Des Moines' estimated future allocation based on the WRA flows is currently $19,168,478 . The State Revolving Loans are to be paid by the participating communities based on the existing allocations under the prior I.C.A. agreement. As of June 30, 2013, the WRA had $224,723,118 in State Revolving Loans of which $82,891,246 future principal debt service is a commitment to the City of Des Moines. The WRA issued $21,105,000 of Sewer Revenue Bonds during FY09, of which $20,811,208 has been drawn at June 30, 2013. The WRA issued $39,000,000 of Sewer Revenue Bonds during FY10, of which $31,257,671 has been drawn at June 30, 2013. The WRA issued $85,600,000 of Sewer Revenue Bonds during FY11, of which $60,649,805 has been drawn at June 30, 2013. The WRA issued $42,372,000 of Sewer Revenue Bonds during FY12, of which $20,445,077 has been drawn at June 30, 2013.

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

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

Condensed financial information of the joint venture as of June 30, 2013 is as follows:

Statement of Net Position

| | | |
|---|---|---|
| Current assets | $ | 50,129,985 |
| Noncurrent assets | | 569,204,923 |
| Total Assets | $ | 619,334,908 |
| | | |
| Deferred outflow of resources | $ | 1,186,672 |
| Current liabilities | | 26,615,936 |
| Noncurrent liabilities | | 314,413,458 |
| Total liabilities | $ | 341,029,394 |
| | | |
| Net position: | | |
| Net investment in capital assets | $ | 239,201,658 |
| Restricted | $ | 28,302,425 |
| Unrestricted | $ | 11,988,103 |

Statement of Revenues, Expenses and Changes in Net Position

| | | |
|---|---|---|
| Operating revenues | $ | 38,074,851 |
| Operating expenses | | 29,271,333 |
| Operating income | | 8,803,518 |
| Nonoperating, net | | (3,529,822) |
| Capital grants and contributions | | 290,457 |
| Change in net position | | 5,564,153 |

Statement of Cash Flows

| | | |
|---|---|---|
| Cash provided by operating activities | $ | 16,506,963 |
| Cash provided by investing activities | | 10,237,174 |
| Cash used in capital and related financing activities | | (29,425,456) |
| Decrease in cash and investments | | (2,681,319) |

## 5. Operating Lease Rentals

The City, as lessor, has various operating lease agreements for the use of land and facilities. The following is a schedule by year of minimum future rentals required under operating leases having initial or remaining noncancelable lease terms in excess of one year as of June 30, 2013:

| | | | | ENTERPRISE FUNDS | | |
|---|---|---|---|---|---|---|
| | GENERAL FUND | SPECIAL REVENUE FUNDS | CAPITAL PROJECTS | PARKING FACILITIES SYSTEM | NONMAJOR ENTERPRISE FUNDS | TOTAL |
| Year ending June 30, | | | | | | |
| 2014 | 161,844 | 74,100 | 80,470 | 70,435 | 40,000 | 426,849 |
| 2015 | 158,964 | 74,100 | 80,470 | 19,065 | 40,000 | 372,599 |
| 2016 | 83,916 | 74,100 | 16,000 | 9,000 | 40,000 | 223,016 |
| 2017 | 78,466 | 74,100 | 16,000 | 9,000 | 40,000 | 217,566 |
| 2018 | 78,466 | 74,100 | 16,000 | --- | 40,000 | 208,566 |
| 2019-2023 | 392,328 | 148,200 | 56,000 | --- | 80,000 | 676,528 |
| 2024-2028 | 332,328 | --- | --- | --- | --- | 332,328 |
| 2029-2033 | 92,328 | --- | --- | --- | --- | 92,328 |
| 2034-2038 | 92,328 | --- | --- | --- | --- | 92,328 |
| 2039-2043 | 92,328 | --- | --- | --- | --- | 92,328 |
| 2044-2048 | 92,328 | --- | --- | --- | --- | 92,328 |
| Total minimum future rentals | $ 1,655,624 | $ 518,700 | $ 264,940 | $ 107,500 | $ 280,000 | $ 2,826,764 |

At June 30, 2013, the net book value of leased property is as follows:

| | | |
|---|---|---|
| Cost of Leased Land | $ | 80,674 |
| Cost of Leased Buildings | | 21,246,634 |
| Accumulated Depreciation of Leased Buildings | | (8,601,630) |
| Net book value of Leased Fixed Assets | $ | 12,725,678 |

## 6. Changes in Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2013:

| | ENDING BALANCE 6/30/2012 | ADDITIONS | DELETIONS & TRANSFERS | ENDING BALANCE 6/30/2013 |
|---|---|---|---|---|
| **GOVERNMENTAL ACTIVITIES** | | | | |
| Capital Assets, not being depreciated: | | | | |
| Land | $ 128,948,777 | $ 7,498,541 | $ (917,407) | $ 135,529,911 |
| Construction in Progress | 115,428,687 | 15,366,017 | (6,164,115) | 124,630,589 |
| Total capital assets not being depreciated | 244,377,464 | 22,864,558 | (7,081,522) | 260,160,500 |
| Capital Assets, being depreciated: | | | | |
| Buildings | 154,423,307 | 4,981,992 | - | 159,405,299 |
| Improvements Other than Buildings | 961,024,549 | 32,026,955 | - | 993,051,504 |
| Machinery and Equipment | 69,445,081 | 4,226,406 | (2,810,134) | 70,861,353 |
| Total capital assets being depreciated | 1,184,892,937 | 41,235,353 | (2,810,134) | 1,223,318,156 |
| Less accumulated depreciation for: | | | | |
| Buildings | 77,555,132 | 4,374,682 | - | 81,929,814 |
| Improvements Other than Buildings | 370,438,100 | 26,091,561 | - | 396,529,661 |
| Machinery and Equipment | 54,231,547 | 3,426,327 | (2,521,554) | 55,136,320 |
| Total accumulated depreciation | 502,224,779 | 33,892,570 | (2,521,554) | 533,595,795 |
| Total capital assets, being depreciated, net | 682,668,158 | 7,342,783 | (288,580) | 689,722,361 |
| Governmental activities capital assets, net | $ 927,045,622 | $ 30,207,341 | $ (7,370,102) | $ 949,882,861 |
| **BUSINESS-TYPE ACTIVITIES** | | | | |
| Capital Assets, not being depreciated: | | | | |
| Land | $ 16,505,307 | $ 280,126 | $ (28,100) | $ 16,757,333 |
| Construction in Progress | 89,327,972 | 10,914,534 | (2,373,561) | $ 97,868,945 |
| Total capital assets not being depreciated | 105,833,279 | 11,194,660 | (2,401,661) | 114,626,278 |
| Capital Assets, being depreciated: | | | | |
| Buildings | 98,372,256 | 1,382,157 | (719,831) | 99,034,582 |
| Improvements Other than Buildings | 264,522,172 | 2,775,936 | - | 267,298,108 |
| Machinery and Equipment | 26,514,062 | 918,239 | (495,127) | 26,937,174 |
| Total capital assets being depreciated | 389,408,490 | 5,076,332 | (1,214,958) | 393,269,864 |
| Less accumulated depreciation for: | | | | |
| Buildings | 58,659,042 | 4,119,345 | (373,781) | 62,404,606 |
| Improvements Other than Buildings | 75,924,539 | 5,719,981 | - | 81,644,520 |
| Machinery and Equipment | 17,825,339 | 1,596,607 | (473,344) | 18,948,602 |
| Total accumulated depreciation | 152,408,920 | 11,435,933 | (847,125) | 162,997,728 |
| Total capital assets, being depreciated, net | 236,999,570 | (6,359,601) | (367,833) | 230,272,136 |
| Business-Type activities capital assets, net | $ 342,832,849 | $ 4,835,059 | $ (2,769,494) | $ 344,898,414 |

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

| | | |
|---|---|---|
| **GOVERNMENTAL ACTIVITIES** | | |
| Public Safety | $ | 3,178,477 |
| General Government | | 1,672,838 |
| Public Works | | 19,936,840 |
| Culture and Recreation | | 7,621,495 |
| Community and Economic Development | | 163,938 |
| Internal service assets are charged to the various functions based on their useage of the assets | | 1,318,982 |
| Total Depreciation Expense - Governmental Activities | $ | 33,892,570 |
| **BUSINESS-TYPE ACTIVITIES** | | |
| Parking Facilities System | | 3,616,464 |
| Sewer System | | 3,149,462 |
| Stormwater Utility | | 1,969,045 |
| Municipal Housing Agency | | 1,703,122 |
| Solid Waste System | | 931,333 |
| Golf | | 66,507 |
| Total Depreciation Expense - Business-type Activities | $ | 11,435,933 |

## 7. Employee Retirement Systems

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

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

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

Plan members were required to contribute 5.78 and 5.38 percent, respectively, of their annual covered salary, and the City was required to contribute 8.67 and 8.07 percent, respectively, of annual covered payroll for the years ended June 30, 2013 and 2012. Contribution requirements are established by state statute. The City's contribution to IPERS for the years ended June 30, 2013; 2012; and 2011 were $5,590,585; $5,605,331; and $4,847,268, respectively, equal to the required contributions for each year.

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

The City contributes to the Municipal Fire and Police Retirement System of Iowa (MFPRSI), which is a cost-sharing, multiple-employer, defined benefit pension plan. MFPRSI provides retirement, disability, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statute, and vest after four

years of credited service. MFPRSI issues publicly available financial reports, which include financial statements and required supplementary information for the plan. The reports may be obtained by contacting the MFPRSI, 2836 104th Street, Urbandale, IA 50322.

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

The contribution rates for plan members and the City in fiscal years 2013, 2012, and 2011 were as follows:

| MFPRSI | PLAN MEMBER CONTRIBUTION | CITY CONTRIBUTION |
|---|---|---|
| Fiscal Year 2013 | 9.40 % | 26.12 % |
| Fiscal Year 2012 | 9.40 % | 24.76 % |
| Fiscal Year 2011 | 9.40 % | 19.90 % |

The City's contributions to MFPRSI for the years ending June 30, 2013; 2012; and 2011, were equal to the required contributions for each year as follows:

| | 2013 | 2012 | 2011 |
|---|---|---|---|
| MFPRSI | $ 11,874,300 | $ 11,548,981 | $ 8,772,090 |

## 8. Deferred Compensation

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

In accordance with federal legislation (the Small Business and Wage Protection Act of 1996), the City has confirmed or established trust arrangements for all of the assets in the plan, to ensure those assets are protected and used exclusively for plan participants and beneficiaries. As a result of these arrangements, the deferred compensation plan is not reported in the City's financial statements.

## 9. Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2013:

| | BALANCE JUNE 30, 2012 | ADDITIONS | RETIREMENTS | BALANCE JUNE 30, 2013 | DUE WITHIN ONE YEAR | RANGE OF INTEREST RATES |
|---|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | | |
| General Obligation Bonds | $ 377,035,000 | $ – | $ (51,265,000) | $ 325,770,000 | $ 29,615,000 | 0.55% to 5.9% |
| Less discounts | (186,486) | – | 22,479 | (164,007) | – | |
| Add premiums | 15,618,665 | – | (2,833,975) | 12,784,690 | – | |
| Net General Obligation Bonds | 392,467,179 | – | (54,076,496) | 338,390,683 | 29,615,000 | |
| Revenue Bonds | $ 34,995,000 | $ – | $ (1,490,000) | $ 33,505,000 | $ 1,525,000 | 2.10% to 5.75% |
| Less discounts | (266,925) | – | 9,831 | (257,094) | – | |
| Net Revenue Bonds | 34,728,075 | – | (1,480,169) | 33,247,906 | 1,525,000 | |
| Section 108 Loans payable | 8,500,000 | – | – | 8,500,000 | 24,000 | 5.09% to 6.84% |
| Notes Payable | 3,299,688 | 1,880,000 | (990,701) | 4,188,987 | 715,856 | 0.0% to 4.75% |
| Accrued Employee Benefits | 29,019,761 | 45,820,518 | (43,756,568) | 31,083,711 | 20,094,714 | NA |
| Liability for Claims/Judgments | 40,459,642 | 217,879 | (547,879) | 40,129,642 | 40,129,642 | NA |
| | $ 508,474,345 | $ 47,918,397 | $ (100,851,813) | $ 455,540,929 | $ 92,104,212 | |
| **Business-type Activities** | | | | | | |
| General Obligation Bonds | $ – | $ 37,065,000 | $ (975,000) | 36,090,000 | $ 2,785,000 | 2.00% to 3.00% |
| Add premiums | – | 1,665,621 | (151,065) | 1,514,556 | – | |
| Net General Obligation Bonds | – | 38,730,621 | (1,126,065) | 37,604,556 | 2,785,000 | |
| Revenue Bonds | $ 68,898,000 | $ – | $ (19,588,000) | 49,310,000 | $ 4,891,000 | 2.00% to 6.00% |
| Add premiums | 1,141,940 | – | (188,356) | 953,584 | – | |
| Net Revenue Bonds | 70,039,940 | – | (19,776,356) | 50,263,584 | 4,891,000 | |
| Notes Payable | 4,076,232 | – | (1,965,372) | 2,110,860 | 752,832 | 0.00% to 4.23% |
| Accrued Employee Benefits | 2,532,264 | 3,977,836 | (3,744,544) | 2,765,556 | 1,074,246 | NA |
| | $ 76,648,436 | $ 42,708,457 | $ (26,612,337) | $ 92,744,556 | $ 9,503,078 | |

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

Net positon of certain enterprise funds of $5,152,298 are restricted for debt service and the payment of certain liabilities pursuant to the requirements of the revenue bond ordinances.

Proceeds from the Series 2012D General Obligation Sewer Bonds totaled $13,210,000 and were allocated to certain sewer capital improvement projects.

Proceeds from the Series 2012E General Obligation Stormwater Bonds totaled $10,825,000 and were allocated to certain stormwater and flood mitigation capital improvement projects.

Proceeds from the Series 2012F General Obligation Parking Bonds totaled $13,030,000 and were used to current refund the Series 2000A Parking Facility Revenue Bonds dated June 1, 2000.

Outstanding bonds at June 30, 2013 mature as follows:

**General Obligation Debt Service**

| | GENERAL OBLIGATION BONDS | |
|---|---|---|
| YEAR | PRINCIPAL | INTEREST |
| 2014 | $ 18,206,000 | $ 9,605,858 |
| 2015 | 17,197,000 | 8,931,738 |
| 2016 | 17,071,000 | 8,279,252 |
| 2017 | 16,533,000 | 7,634,765 |
| 2018 | 16,377,000 | 6,985,852 |
| 2019-2023 | 73,541,000 | 24,900,116 |
| 2024-2028 | 52,500,000 | 10,092,228 |
| 2029-2032 | 15,885,000 | 1,441,484 |
| Totals | $ 227,310,000 | $ 77,871,293 |

**Tax Increment Debt Service**

| | GENERAL OBLIGATION BONDS | |
|---|---|---|
| YEAR | PRINCIPAL | INTEREST |
| 2014 | $ 11,409,000 | $ 3,767,751 |
| 2015 | 9,313,000 | 3,394,806 |
| 2016 | 9,364,000 | 3,057,491 |
| 2017 | 9,562,000 | 2,717,264 |
| 2018 | 9,528,000 | 2,356,253 |
| 2019-2023 | 38,534,000 | 6,464,365 |
| 2024-2028 | 10,750,000 | 907,989 |
| Totals | $ 98,460,000 | $ 22,665,919 |

Revenue Bonds, Governmental Activities:

On December 7, 2010, the City issued $36,445,000 of Aviation System Revenue Bonds (Series 2010 A, B, C, D). The bonds are special obligations payable solely from and secured by a pledge of the net revenues of the airport, subject to the prior lien on the net revenues of the Airport Revenue Capital Loan Notes. Payment of the principal and interest on the bonds is guaranteed by a municipal bond insurance policy. Principal is payable annually, with interest paid semi-annually on June 1st and December 1st. Interest rates range from 2.10% to 5.75%. Total principal and interest remaining to be paid on the bonds is $54,967,492. There

were principal and interest payments of $3,196,634 made on the Series 2010 bonds during the current period with the June 30, 2013 balance due totaling $33,505,000.

These revenue bonds have been assigned to the Des Moines Airport Authority (the Authority), a discretely presented component unit, for the payment of principal and interest. The City has a long-term receivable from the component unit for the principal balance due, net of discounts in the Statement of Net Position governmental activities of $33,247,906 at June 30, 2013.

**Governmental Activities**

| | REVENUE BONDS | |
|---|---|---|
| YEAR | PRINCIPAL | INTEREST |
| 2014 | $ 1,525,000 | $ 1,668,087 |
| 2015 | 1,580,000 | 1,615,795 |
| 2016 | 1,630,000 | 1,556,877 |
| 2017 | 1,705,000 | 1,486,135 |
| 2018 | 1,790,000 | 1,407,876 |
| 2019-2023 | 5,710,000 | 5,984,456 |
| 2024-2028 | 5,965,000 | 4,645,865 |
| 2029-2033 | 9,170,000 | 2,754,026 |
| 2034-2035 | 4,430,000 | 343,375 |
| Totals | $ 33,505,000 | $ 21,462,492 |

General Obligation Bonds, Parking Enterprise Fund: The City has issued the following general obligation bonds that are obligations of the Parking Enterprise Fund:

| Series | June 30, 2013 Balance | Maturity Fiscal Year | Purpose |
|---|---|---|---|
| General Obligation 2012F | $ 13,030,000 | 2020 | Refunding |

The bonds are intended to be paid by parking facilities customers net revenues, however the bonds are secured by the City's property owners. Total principal and interest remaining to be paid on the bonds is $14,089,500. Principal and interest paid for the current year was $193,278.

General Obligation Bonds, Sewer Enterprise Fund: The City has issued the following general obligation bonds that are obligations of the Sewer Enterprise Fund:

| Series | June 30, 2013 Balance | Maturity Fiscal Year | Purpose |
|---|---|---|---|
| General Obligation 2012D | $ 12,570,000 | 2032 | Capital Improvements |

The bonds are intended to be paid by sewer customers net revenues, however the bonds are secured by the City's property owners. Total principal and interest remaining to be paid on the bonds is $16,783,950. Principal and interest paid for the current year was $925,060.

General Oblication bonds, Stormwater Management Utility Enterprise Fund: The City has issued the following general obligation bonds that are obligations of the Stormwater Management Utility Enterprise Fund:

| Series | June 30, 2013 Balance | Maturity Fiscal Year | Purpose |
|---|---|---|---|
| General Obligation 2012E | $ 10,490,000 | 2032 | Capital Improvements |

The bonds are intended to be paid by sewer customers net revenues, however the bonds are secured by the City's property owners. Total principal and interest remaining to be paid on the bonds is $13,853,250. Principal and interest paid for the current year was $563,174.

**Business Type Activities**

| | General Obligation Bonds | |
|---|---|---|
| YEAR | PRINCIPAL | INTEREST |
| 2014 | $ 2,785,000 | $ 933,100 |
| 2015 | 2,360,000 | 877,400 |
| 2016 | 2,390,000 | 829,200 |
| 2017 | 2,425,000 | 780,400 |
| 2018 | 2,465,000 | 726,200 |
| 2019-2023 | 11,335,000 | 2,561,400 |
| 2024-2028 | 6,405,000 | 1,476,900 |
| 2029-2033 | 5,925,000 | 452,100 |
| Totals | $ 36,090,000 | $ 8,636,700 |

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

| Series | June 30, 2013 Balance | Maturity Fiscal Year | Purpose |
|---|---|---|---|
| Sewer Revenue 2004I | $ 3,990,000 | 2025 | Capital Improvements |
| Sewer Revenue 2004G | 3,390,000 | 2019 | Capital Improvements |
| Sewer Revenue Refunding, 2004H | 10,520,000 | 2020 | Refunding |

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay the revenue bonds. The bonds are payable solely from the sewer customer net revenues. Annual principal and interest payments on the bonds are expected to require less

than 80% of net revenues. Total principal and interest remaining to be paid on the bonds is $21,484,720. Principal and interest paid for the current year and total customer net revenues were $2,874,003 and $17,717,279, respectively.

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

| Series | June 30, 2013 Balance | Maturity Fiscal Year | Purpose |
|---|---|---|---|
| Series 2006D | $ 11,675,000 | 2023 | Capital Improvements |
| Series 2010F | 15,990,000 | 2030 | Refund & Capital Improvements |
| Series 2010G | 3,745,000 | 2018 | Refund & Capital Improvements |

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay the revenue bonds. The bonds are payable solely from the stormwater utility customer net revenues. Annual principal and interest payments on the bonds are expected to require less than 80% of net revenues. Total principal and interest remaining to be paid on the bonds is $39,291,950. Principal and interest paid for the current year and total customer net revenues were $3,873,169 and $9,866,268, respectively.

Future principal and interest payments on the Enterprise Funds Revenue Bonds of June 30, 2013 is summarized as follows:

**Enterprise Funds**

| | REVENUE BONDS | |
|---|---|---|
| YEAR | PRINCIPAL | INTEREST |
| 2014 | $ 4,891,000 | $ 1,855,819 |
| 2015 | 5,075,000 | 1,689,839 |
| 2016 | 5,243,000 | 1,516,976 |
| 2017 | 5,447,000 | 1,327,686 |
| 2018 | 5,661,000 | 1,126,020 |
| 2019-2023 | 16,366,000 | 2,936,450 |
| 2024-2028 | 4,762,000 | 901,080 |
| 2029-2030 | 1,865,000 | 112,800 |
| Totals | $ 49,310,000 | $ 11,466,670 |

Section 108 Loans Payable: On November 15, 2007, the City closed a $17,500,000 Section 108 loan to make a loan for the benefit of River Point West LLC, for the purpose of financing the acquisition and clearance of properties in the River Point West area for sale and subsequent redevelopment, and the construction of supporting public infrastructure improvements to serve the developed properties. The balance of the loan as of June 30, 2013 is $8,500,000 and is payable through fiscal year 2028. The loan is not a general obligation of the City. The principal and interest is initially payable from a federal grant during the development phase. Thereafter, principal and interest is payable solely from the tax increment revenues of the Metro Center Urban Renewal Area of the City. Tax increment revenues are projected

to produce 100% of the debt service requirements over the life of the bonds. Total interest paid in the current year and grant and TIF revenues were $439,749, $175,355, and $24,724,799 respectively.

Notes Payable, Governmental Activities: On August 2, 2012, the City closed on the third Supplement of the Lease-Purchase Master Agreement. The funds were used to purchase eight trucks. The balance at June 30, 2013 was $1,880,000. This note is payable through fiscal year 2022. The principal and interest are payable from the Debt Service Levy. Notes payable also include $700,256 Supplement WF1; $165,563 Supplement DLL5; $155,282 Supplement DLL D-1A, and $162,886 Supplement DLL D-1B. These notes are payable through fiscal year 2015. The principal and interest is payable from the debt service levy. Annual principal and interest on the bonds are expected to require 80% of the revenue. Total principal and interest remaining to be paid on the notes payable is $4,554,415. Principal and interest paid in the current year and the debt service levy were $621,179 and $28,275,000, respectively.

Notes payable also include a $1,875,000 loan from Polk County. This loan is for an economic development grant to be paid to Nelson Development 14, LLC. The balance of the note payable is $1,125,000 and is payable through fiscal year 2019. The principal and interest is payable from tax increment finance levy. Annual principal and interest on the bonds are expected to require 100% of the revenue. Total principal and interest remaining to be paid on the notes payable is $1,125,000. Principal paid in the current year and TIF revenues were $187,500 and $24,724,799, respectively.

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

| FISCAL YEAR | CDBG SECTION 108 LOANS | | NOTES PAYABLE GOVERNMENTAL ACTIVITIES | |
|---|---|---|---|---|
| | PRINCIPAL | INTEREST | PRINCIPAL | INTEREST |
| 2014 | $ 24,000 | $ 439,269 | $ 715,856 | $ 96,424 |
| 2015 | 27,000 | 438,230 | 730,700 | 77,834 |
| 2016 | 29,000 | 437,043 | 577,625 | 58,686 |
| 2017 | 29,000 | 435,766 | 536,870 | 45,693 |
| 2018 | 31,000 | 434,406 | 549,710 | 32,869 |
| 2019-2023 | 3,164,000 | 1,862,653 | 1,078,226 | 53,924 |
| 2024-2028 | 5,196,000 | 737,610 | – | – |
| Totals | $ 8,500,000 | $ 4,784,977 | $ 4,188,987 | $ 365,430 |

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

The notes payable financed the purchase of nine recycling trucks, twenty-two refuse trucks, ten pickup trucks, 55,000 refuse carts, and 32,000 toters in the Solid Waste Enterprise Fund. The balance of the notes payable is $758,687 and is payable through Fiscal Year 2015. The

principal and interest is payable from the operating revenues of the Solid Waste Enterprise. Annual principal and interest on the notes payable are expected to require 63% of the revenue. Total principal and interest remaining to be paid on the notes payable is $801,378. Principal and interest paid in the current year and the operating revenues of the Solid Waste Enterprise were $419,458 and $2,307,319, respectively.

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

| | NOTES PAYABLE ENTERPRISE | |
|---|---|---|
| YEAR | PRINCIPAL | INTEREST |
| 2014 | $ 378,511 | $ 28,443 |
| 2015 | 380,176 | 14,248 |
| Totals | $ 758,687 | $ 42,691 |

The Stormwater Utility Fund entered into Supplement #DLL D-2 of the City's Governmental-Lease Purchase Master Agreement during Fiscal Year 2010 to purchase seven street sweeper vehicles, this is in addition to Supplement #DLL2. The balance as of June 30, 2013 is $442,140 and will be paid as follows:

| | NOTES PAYABLE ENTERPRISE | |
|---|---|---|
| YEAR | PRINCIPAL | INTEREST |
| 2014 | $ 219,222 | $ 14,912 |
| 2015 | 222,918 | 7,519 |
| Totals | $ 442,140 | $ 22,431 |

The Sanitary Sewer Fund entered into Wells Fargo Supplement #2 of the City's Governmental-Lease Purchase Master Agreement during Fiscal Year 2012 to purchase three vactor trucks. The balance as of June 30, 2013 is $910,033 and will be paid as follows:

| | NOTES PAYABLE ENTERPRISE | |
|---|---|---|
| YEAR | PRINCIPAL | INTEREST |
| 2014 | 155,099 | 24,838 |
| 2015 | 159,551 | 20,386 |
| 2016 | 164,130 | 15,807 |
| 2017 | 168,841 | 11,096 |
| 2018 | 173,687 | 6,249 |
| 2019-2023 | 88,725 | 1,264 |
| Totals | $ 910,033 | $ 79,640 |

The payments on the bonds payable that pertain to the City's governmental activities are made by the debt service fund. The payments on the tax increment notes, the RISE loan, the Section 108 CDBG loans, and the notes payable that pertain to the City's governmental activities are made by the Tax Increment and the Economic Development Special Revenue Fund within the Other Special Revenue Funds. The accrued employee benefits, claims and judgments, and arbitrage liabilities attributable to the governmental activities are generally liquidated by the General Fund.

**Discretely presented component units**

Long-term debt activity for the Des Moines Airport Authority (the Authority) for the six months ended December 31, 2012, was as follows:

**Capitalized Lease Notes Payable**

The Authority entered a Governmental-Lease Purchase Master Agreement used to finanace airport runway and maintenance equipment.

The balance of the capital leases payable for the Authority is $87,708 and is payable through fiscal year 2013. The principal and interest is payable from the operating revenues of the Authority. Total principal and interest remaining to be paid on the capital leases is $89,417.

The net book value of the equipment purchased with capitalized lease notes payable was none as of December 31,2012.

**Long-Term Debt**

A summary of the Authority’s long-term debt for the six months ended December 31, 2012, is as follows:

| | Authority Revenue Bonds | Due to Primary Government | SWAP Loan | Total |
|---|---|---|---|---|
| Balance July 1, 2012 | $ 10,945,000 | $ 34,995,000 | $ 22,078 | $ 45,962,078 |
| Issuances | – | – | – | – |
| Retirements | – | – | (4,907) | (4,907) |
| Balance December 31, 2012 | 10,945,000 | 34,995,000 | 17,171 | 45,957,171 |
| Less: Current portion | – | (1,490,000) | (9,812) | (1,499,812) |
| Non-current portion | $ 10,945,000 | $ 33,505,000 | $ 7,359 | $ 44,457,359 |

**A.** The Authority has a due to primary government (the City of Des Moines, Iowa) related to the Aviation System Revenue Bonds, Series 1998B, 2010A, 2010B, 2010C, and 2010D that were assigned to the Authority upon the creation of the Authority.

**B.** On February 22, 2012, the Authority issued $10,945,000 of Revenue Refunding Capital Loan Notes (Series 2012). The bonds are special obligations payable solely from and secured by a pledge of the net revenues of the Airport, subject to the prior lien on the net revenues of the Airport Revenue Capital Loan Notes. Principal is payable annually with interest paid semi-annually on June 1st and December 1st with an interest rate of 5%. Total principal and interest remaining to be paid on the bonds is $17,688,250. There were interest payments of $273,625 made on the Series 2012 bonds during the six months ended December 31, 2012 and a balance due totaling $10,945,000.

As of December 31, 2012, the Authority restricted $3,746,890 for debt service reserve; $3,836,948 for the operations and maintenance fund reserve; and $1,115,048 for bond principal and interest. Annual principal and interest payments on all revenue bonds are expected to require roughly 37% of the Authority net revenues. The bonds also require the net revenues of the Authority be 125 percent or greater than the debt service requirements of the bonds.

**C.** In October 2009, the City entered into a contract with the State of Iowa Department of Natural Resources ("DNR") to begin a recycling program under the agency's Solid Waste Alternatives Program ("SWAP"). Under terms of the contract, the DNR provided the Authority with a zero-interest loan of $39,250 and a forgivable loan of $20,000 to cover the costs of starting the recycling program. Quarterly payments are due from October 15, 2010 through July 15, 2014. As of December 31, 2012, the Authority is in compliance with all terms and conditions of the contract with the balance due totaling $17,171.

As of December 31, 2012, the Authority's long-term debt matures as follows:

| | Airport Revenue Bonds | | Due to Primary Government | | SWAP Loan |
|---|---|---|---|---|---|
| | Principal | Interest | Principal | Interest | Principal |
| 2013 | $ — | $ 547,250 | $ 1,490,000 | $ 1,687,361 | $ 9,812 |
| 2014 | — | 547,250 | 1,525,000 | 1,641,941 | 7,359 |
| 2015 | — | 547,250 | 1,580,000 | 1,586,036 | — |
| 2016 | — | 547,250 | 1,630,000 | 1,521,506 | — |
| 2017 | — | 547,250 | 1,705,000 | 1,447,005 | — |
| 2018-2022 | 3,135,000 | 2,584,500 | 6,465,000 | 6,142,416 | — |
| 2023-2027 | 6,345,000 | 1,349,250 | 5,695,000 | 4,785,636 | — |
| 2028-2032 | 1,465,000 | 73,250 | 8,430,000 | 2,989,388 | — |
| 2033-2036 | — | — | 6,475,000 | 514,219 | — |
| Total | $ 10,945,000 | $ 6,743,250 | $ 34,995,000 | $ 22,315,508 | $ 17,171 |

**Accrued Employee Benefits**

Future benefits payable are recorded for the Authority's accrued employee benefits and accrued post-retirement benefits. Below is a calculation of the accrued employee benefits for all Authority employees as of December 31, 2012:

| | |
|---|---|
| Balance July 1, 2012 | $ 584,905 |
| Additions | 278,760 |
| Payments | (347,497) |
| Balance December 31, 2012 | 516,168 |
| Less: current portion | 173,828 |
| Non-current portion | $ 342,340 |

## 10. Revenue Bond Resolution Requirements

The revenue bond resolutions contain significant limitations and restrictions on annual debt service requirements, require minimum amounts to be maintained in various restricted accounts to provide for payment of principal and interest, and require minimum revenue bond coverage. In the Sewer System Fund, $1,920,000 of net position is restricted for bond reserves. In the Stormwater Utility Fund, $3,232,298 of net position is restricted for bond reserves.

## 11. Debt Extinguishment

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

On September 4, 2012, the City issued $13,030,000 in General Obligation Parking Bonds (Series 2012F) with an average interest rate of 2.00 percent to refund $14,855,000 of Series 2000A Parking Revenue Bonds with an average interest rate of 5.91 percent. The Debt Service Reserve funds being held as part of the requirements of the Series 2000A parking Revenue bonds were liquidated to assist in refunding this debt. The refunding was done to reduce aggregate debt service payments by $4,608,175 over the next eight years and obtain an economic gain (difference between the present values of the old debt and new debt service payments) of $4,453,430.

## 12. Conduit Debt

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

As of June 30, 2013, there were nine series of industrial revenue bonds outstanding. The aggregate principal amount payable for the four series issued after July 1, 1995 was $14.82 million. The aggregate principal amount payable for the series issued prior to July 1, 1995 could not be determined; however, their original issue amounts totaled $53.9 million.

### Cooperative Financing Agreement

On May 21, 2007, the Des Moines City Council approved a cooperative financing agreement between the City and an Airport-based tenant, Elliott Aviation of Des Moines, Inc. ("Elliott"), to issue 20-year industrial revenue bonds for the purpose of financing a new

building facility for Elliott. Under the terms of the agreement (as authorized under Iowa Code Chapter 419), on August 2, 2007, the City issued Special Facility Revenue Bonds in the amount of $6,000,000 and immediately lent the proceeds to Elliott for the construction of this facility. Elliott is responsible for all principal and interest payments and other fees associated with the bonds.

The bonds are secured by the property financed, and are payable solely from payments received on the underlying mortgage loans. The City, or any political subdivisions thereof bear no obligation in any way for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the City's financial statements. As of June 30, 2013, the principal amount outstanding is $4,910,000.

## 13. Interfund Receivables and Payables

The individual fund interfund receivable and payable balances include both Due to/from Other Funds and Advances to/from Other Funds. These balances at June 30, 2013 were:

| | INTERFUND RECEIVABLE | INTERFUND PAYABLE |
|---|---|---|
| General | $ 3,014,105 | $ 98,465 |
| Capital Projects | 13,684,867 | — |
| Debt Service | — | 489,381 |
| Tax Increment, Special Revenue | 489,381 | 1,106,126 |
| Other Nonmajor Governmental Funds | 348,938 | 15,117,746 |
| Parking, Enterprise | — | 372,041 |
| Municipal Housing Agency, Enterprise | — | 339,500 |
| Other Nonmajor Enterprise Funds | — | 30,935 |
| Health Insurance, Internal Service | 98,083 | 78,706 |
| Other Nonmajor Internal Service | 76 | 2,550 |
| Total | $ 17,635,450 | $ 17,635,450 |

| | ADVANCES RECEIVABLE | ADVANCES PAYABLE |
|---|---|---|
| General | $ 7,494,157 | $ — |
| Parking, enterprise | — | 3,858,361 |
| Other Nonmajor Enterprise Funds | — | 3,635,796 |
| Total | $ 7,494,157 | $ 7,494,157 |

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

## 14. Fund Transfer Reconciliation

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

| | TRANSFERS IN | TRANSFERS OUT |
|---|---|---|
| Capital Projects | $ 5,813,097 | $ 3,951,418 |
| Debt Service | 15,405,989 | — |
| Parking, enterprise | 1,465,426 | — |
| Sanitary Sewer, enterprise | 2,065,759 | 4,575,000 |
| Stormwater, enterprise | 1,292,820 | 1,366,041 |
| General | 33,327,127 | 8,585,514 |
| Tax Increment, special revenue | 443,419 | 17,298,369 |
| Benefit tax accounts, special revenue | — | 17,700,000 |
| Other Nonmajor Governmental Funds | 6,615,235 | 12,952,530 |
| | $ 66,428,872 | $ 66,428,872 |

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

## 15. Post Employment Benefits

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

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

Funding policy: The City of Des Moines establishes and amends contribution requirements.

The current funding policy of the City is to pay health insurance premiums as they occur. This arrangement does not qualify as other post employment benefits (OPEB) plan assets

under Governmental Accounting Standards Board (GASB) Statement No. 45 for current GASB reporting.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2013, the City contributed $781,005.

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

| | | |
|---|---|---|
| Annual required contribution | $ | 1,725,533 |
| Interest on net OPEB obligation | | 185,806 |
| Adjustment to annual required contribution | | (194,676) |
| Annual OPEB cost (expense) | | 1,716,663 |
| Contributions and payments made | | 781,005 |
| Increase in net OPEB obligation | | 935,658 |
| Net OPEB obligation - July 1, 2012 | | 4,129,031 |
| Net OPEB obligation - June 30, 2013 | $ | 5,064,689 |

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2013 and the two preceding years were as follows:

| Fiscal Year Ended | | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | | Net OPEB Obligation |
|---|---|---|---|---|---|
| June 30, 2011 | $ | 1,584,065 | 41.0% | $ | 3,391,032 |
| June 30, 2012 | $ | 1,729,931 | 43.3% | $ | 4,129,031 |
| June 30, 2013 | $ | 1,716,663 | 45.5% | $ | 5,064,689 |

Funded status and funding progress: As of July 1, 2011, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was $15,910,966 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of $(15,910,966). The covered payroll (annual payroll of active employees covered by the plan) was $94,988,560 and the ratio of the UAAL to the covered payroll was 16.8%.

Subsequent to the actuary calculation, the Airport fund of the City became a separate Airport Authority. The amount of actuarial accrued liability above includes $489,543 related to the Airport Authority, a discretely presented component unit of the City.

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

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

In the July 1, 2011 actuarial valuation, project unit credit method was used. The actuarial assumptions included a 4.5 percent discount rate, an annual health care cost trend rate of 9.0 percent reduced by decrements of .5 percent annually to an ultimate rate of 5 percent. The UAAL is being amortized as an open level dollar. The amortization of UAAL is done over a period of 30 years.

## 16. Commitments and Contingent Liabilities

### A. Grants

The City has received financial assistance from numerous federal and state agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, liabilities resulting from disallowed claims, if any, will not have a material effect on the City's financial position as of June 30, 2013.

### B. Litigation

The City Attorney reported that as of June 30, 2013, various claims and lawsuits were on file against the City, and estimated that the potential settlements against the City not covered by insurance would not materially affect the financial position of the City. The City has authority to levy additional taxes (outside the regular limit) to cover uninsured judgments against the City.

On November 27, 2013 the District Court entered judgment in favor of the plaintiff class in the amount of $39,929,062.24, along with court costs of $74,867.37, in the Franchise Fee Litigation. The City expects to pay the judgment in full early in January of 2014 from

bond proceeds associated with the General Obligation Bonds, Series 2014A. The payment will be to the third-party class administrator appointed by the District Court that will be responsible for issuing refunds to class members. Following payment of the judgment by the City, the class administrator will mail notices to the class members of their right to file a claim for their share of the judgment proceeds. To be eligible for payment, a completed claim form must be returned to the class administrator within a period of 150 days following the mailing of the class administrator's notice. Once all of the claims submitted during the notice period are approved and paid by the class administrator, the District Court will determine whether any unclaimed judgment proceeds should be paid by the class administrator to the City or to the State of Iowa, those being the two alternatives available to the District Court under Iowa Law. Any such unclaimed judgment proceeds that are paid to the City may be used by the City to affect an extraordinary optional redemption of the Series 2014A Bonds.

**C. Self-insurance**

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

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

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

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

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

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

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

Liabilities are reported when it is probable that a loss will occur, and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering recent claim settlement trends, including frequency and amount of payouts and other economic and social factors. The following is a summary of estimated claims liability for the year ended June 30, 2013 (with comparative amounts for 2012):

| | WORKERS COMPENSATION | |
|---|---|---|
| | 2013 | 2012 |
| Balance at beginning of year | $ 7,538,780 | $ 5,937,212 |
| Current year claims and changes in estimate | 7,476,227 | 3,698,126 |
| Claim payments | (5,407,554) | (2,096,558) |
| Balance at end of year | $ 9,607,453 | $ 7,538,780 |

| | LEGAL SETTLEMENTS | |
|---|---|---|
| | 2013 | 2012 |
| Balance at beginning of year | $ 40,459,642 | $ 735,000 |
| Current year claims and changes in estimate | 217,879 | 40,107,469 |
| Claim payments | (547,879) | (382,827) |
| Balance at end of year | $ 40,129,642 | $ 40,459,642 |

The City became self-insured for medical claims and prescription coverage in fiscal year 2012. All claim handling procedures are performed by an independent claims administrator. Dental insurance is self-funded and administered by Delta Dental of Iowa. Liabilities are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The aggregate liability for claims for the year ended June 30, 2013 (with comparative amounts for 2012) is as follows:

| | 2013 | 2012 |
|---|---|---|
| Claims payable, beginning of the year | $ 1,829,000 | $ — |
| Current year claims and changes in estimate | 22,743,357 | 21,758,070 |
| Claim payments | (22,892,357) | (19,929,070) |
| Claims payable, end of the year | $ 1,680,000 | $ 1,829,000 |

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

### D. Construction Contracts

The City has recognized as a liability only that portion of construction contracts representing construction completed through June 30, 2013. The City has additional commitments for signed construction contracts of approximately $29.95 million as of June 30, 2013. Of these commitments, approximately $19.74 million will be funded by general obligation and revenue bonds, $9.19 million by federal and state grants, $466,000 from operating revenues, and $558,000 from private contributions.

### E. Arbitrage

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

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

For the bond issues that have not yet been reviewed, management believes that the rebate amounts, if any, will not be material to the financial statements.

### F. Developer Commitments

In order to encourage development within designated TIF districts, the City Council has approved developer grants to 37 different projects. The grants are to be paid only after certain conditions have been met by each project developer, and are to be paid over many years in the form of a rebate of a predetermined percentage of future property taxes generated by the property. Currently, it is estimated that outstanding commitments totaling about $153.9 million exist, of which $12.4 million may be eligible to be paid in the next fiscal year. These items are expensed in the period in which they are paid. No liability is recognized due to the fact that the agreements are conditional and the payments are to be funded by future property taxes receivable on the project and are subject to the City Council's right of non-appropriation each fiscal year.

## 17. New Pronouncements

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

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 this statement will have on the City's financial statements.

## 18. Subsequent Events

On August 28, 2013, the City issued $37,090,000 of General Obligation Bonds Series 2013A, which will be used to fund a portion of the City's annual capital improvements program. Principal payments on the General Obligation Bonds begin on June 1, 2014 and continue annually until maturity on June 1, 2033. Interest rates on this issuance range from 2.0% to 4.5%.

On August 28, 2013, the City issued $21,050,000 of General Obligation Refunding Bonds Series 2013B, which will be used to crossover refund Series 2006A and Series 2006B on June 1, 2014. Principal payments on the General Obligation Refunding Bonds begin on June 1, 2015 and continue annually until maturity on June 1, 2026. Interest rate on this issuance is 4.0%.

On December 4, 2013, the City sold $40,950,000 of General Obligation Bonds, which will be used to pay costs of the judgment associated with the franchise fee lawsuit. Payments on the General Obligation Bonds begin December 1, 2014 and continue annually until maturity on June 1, 2022. Interest rates on this issuance range from 3.0% to 5.0%.

In November, Standard and Poor's (S&P) downgraded the City's rating for General Obligation bond issuances by one step from AAA to AA+. The change in rating was a result of S&P establishing new criteria for all municipal issuers that emphasizes factors such as income per capita and valuation per capita. Fiscal performance and financial management credit measurements for the City continue to receive S&P's highest scores allowing the City to obtain an overall rating of AA+.

## 19. Fund Balances

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

| **Fund Balances (deficits):** | GENERAL | DEBT SERVICE | TAX INCREMENT |
|---|---|---|---|
| **Nonspendable:** | | | |
| Advances | $ 7,494,157 | $ --- | $ --- |
| Inventories | --- | --- | --- |
| Prepaids | 715,804 | --- | --- |
| Corpus for permanent funds | --- | --- | --- |
| **Total nonspendable** | 8,209,961 | --- | --- |
| **Restricted:** | | | |
| Federal, state, and local grants | 750,000 | --- | --- |
| Road Use | --- | --- | --- |
| Maintenance on public land, cemetery | --- | --- | --- |
| Debt Service | --- | 415,784 | --- |
| Capital improvements and maintenance | --- | --- | --- |
| Employee benefits | --- | --- | --- |
| Police department | --- | --- | --- |
| Fire department | --- | --- | --- |
| SSMID districts | --- | --- | --- |
| Community projects | --- | --- | --- |
| Library gift fund | --- | --- | --- |
| Scholarship | --- | --- | --- |
| **Total restricted** | 750,000 | 415,784 | --- |
| **Committed** | | | |
| Capital improvements and maintenance | --- | --- | --- |
| Maintenance on public land, cemetery | --- | --- | --- |
| Municipal Housing Agency | 250,000 | --- | --- |
| Economic development | --- | --- | --- |
| Community projects | --- | --- | --- |
| **Total committed** | 250,000 | --- | --- |
| **Unassigned** | 17,057,774 | --- | (425,246) |
| **Total fund balances (deficits)** | $ 26,267,735 | $ 415,784 | $ (425,246) |

| BENEFIT TAX ACCOUNTS | CAPITAL PROJECTS | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---|---|---|---|
| $ --- | $ --- | $ --- | $ 7,494,157 |
| --- | --- | 55,910 | 55,910 |
| --- | 4,032 | 57,073 | 776,909 |
| --- | --- | 3,387,035 | 3,387,035 |
| --- | 4,032 | 3,500,018 | 11,714,011 |
| --- | --- | 1,542,788 | 2,292,788 |
| --- | --- | 819,683 | 819,683 |
| --- | --- | 1,248,613 | 1,248,613 |
| --- | --- | --- | 415,784 |
| --- | 865,663 | --- | 865,663 |
| 449,984 | --- | 685,738 | 1,135,722 |
| --- | --- | 604,923 | 604,923 |
| --- | --- | 35,006 | 35,006 |
| --- | --- | 252,928 | 252,928 |
| --- | --- | 95,085 | 95,085 |
| --- | --- | 622,345 | 622,345 |
| --- | --- | 1,213 | 1,213 |
| 449,984 | 865,663 | 5,908,322 | 8,389,753 |
| --- | 36,693,201 | --- | 36,693,201 |
| --- | --- | 215,638 | 215,638 |
| --- | --- | | 250,000 |
| --- | --- | 1,576,209 | 1,576,209 |
| --- | --- | 34,255 | 34,255 |
| --- | 36,693,201 | 1,826,102 | 38,769,303 |
| --- | --- | (6,132,361) | 10,500,167 |
| $ 449,984 | $ 37,562,896 | $ 5,102,081 | $ 69,373,234 |

## 20. Restricted Net Position

The restricted net position of the City and its component units is as follows:

| | PRIMARY GOVERNMENT | | | COMPONENT UNITS | |
|---|---|---|---|---|---|
| | GOVERN-MENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL | LIBRARY FOUNDATION | AIRPORT AUTHORITY |
| Restricted net position: | | | | | |
| Capital Projects | 865,663 | – | 865,663 | – | – |
| Public housing program | – | 9,282,578 | 9,282,578 | – | – |
| Debt retirement | – | 5,152,298 | 5,152,298 | – | 8,698,886 |
| Corpus non-expendable/ Permanently restricted | 3,387,035 | – | 3,387,035 | 1,111,820 | – |
| Donor restricted purposes - corpus expendable/Temporarily restricted | 917,034 | – | 917,034 | 482,258 | – |
| Public safety | 1,642,857 | – | 1,642,857 | – | – |
| Public works | 819,683 | – | 819,683 | – | – |
| Health and social services | 201,268 | – | 201,268 | – | – |
| Culture and recreation | 953,924 | – | 953,924 | – | – |
| Community and economic development | 1,437,818 | – | 1,437,818 | – | – |
| **Total restricted net position** | $ 10,225,282 | $ 14,434,876 | $ 24,660,158 | $ 1,594,078 | $ 8,698,886 |

# REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DES MOINES

**CITY OF DES MOINES, IOWA**
**BUDGETARY COMPARISON SCHEDULE**
**BUDGETARY BASIS -- ALL GOVERNMENTAL FUNDS**
**AND ENTERPRISE FUNDS**
**REQUIRED SUPPLEMENTARY INFORMATION**
**For the Fiscal Year Ended June 30, 2013**

| | GOVERNMENTAL FUND TYPES BASIS ACTUAL AMOUNTS | ENTERPRISE FUND TYPES BASIS ACTUAL AMOUNTS | NET | BUDGETED AMOUNTTS ORIGINAL | BUDGETED AMOUNTTS FINAL | FINAL TO ACTUAL |
|---|---|---|---|---|---|---|
| Revenue: | | | | | | |
| Taxes | $ 145,929,673 | $ --- | $ 145,929,673 | $ 144,899,189 | $ 146,162,441 | $ (232,768) |
| Franchise fees | 13,063,992 | --- | 13,063,992 | 13,130,000 | 12,410,000 | 653,992 |
| Licenses and permits | 3,530,391 | --- | 3,530,391 | 3,093,300 | 3,311,200 | 219,191 |
| Fines and forfeitures | 5,594,223 | --- | 5,594,223 | 3,755,500 | 5,880,900 | (286,677) |
| Charges for sales and services | 18,731,338 | 73,701,255 | 92,432,593 | 109,130,336 | 114,080,587 | (21,647,994) |
| Use of money and property | 1,888,658 | 408,287 | 2,296,945 | 5,411,689 | 4,810,079 | (2,513,134) |
| Miscellaneous | 20,960,853 | 902,859 | 21,863,712 | 27,025,777 | 42,329,545 | (20,465,833) |
| Intergovernmental | 60,631,191 | 22,018,181 | 82,649,372 | 71,911,754 | 73,076,222 | 9,573,150 |
| Total revenue | 270,330,319 | 97,030,582 | 367,360,901 | 378,357,545 | 402,060,974 | (34,700,073) |
| Expenditure: | | | | | | |
| Current: | | | | | | |
| Public safety | 99,589,431 | --- | 99,589,431 | 97,621,299 | 102,720,692 | 3,131,261 |
| Public works | 33,505,738 | --- | 33,505,738 | 29,014,805 | 29,597,770 | (3,907,968) |
| Health and social services | 19,302,953 | --- | 19,302,953 | 14,370,138 | 21,828,908 | 2,525,955 |
| Culture and recreation | 21,857,828 | --- | 21,857,828 | 19,608,457 | 20,541,859 | (1,315,969) |
| Community and economic development | 17,434,450 | --- | 17,434,450 | 17,276,679 | 18,121,585 | 687,135 |
| General government | 18,105,052 | --- | 18,105,052 | 20,728,859 | 22,017,688 | 3,912,636 |
| Business-type | --- | 78,719,398 | 78,719,398 | 88,967,019 | 87,385,421 | 8,666,023 |
| Capital outlay | 54,394,310 | 10,711,586 | 65,105,896 | 87,232,637 | 96,152,573 | 31,046,677 |
| Debt service | 68,376,438 | 31,231,909 | 99,608,347 | 79,994,569 | 70,228,850 | (29,379,497) |
| Total expenditure | 332,566,200 | 120,662,893 | 453,229,093 | 454,814,462 | 468,595,346 | 15,366,253 |
| Excess (deficiency) of revenue over expenditure | (62,235,881) | (23,632,311) | (85,868,192) | (76,456,917) | (66,534,372) | (19,333,820) |
| Other financing sources (uses): | | | | | | |
| Transfers in | 61,604,867 | 4,824,005 | 66,428,872 | 52,010,383 | 57,736,293 | 8,692,579 |
| Other financing sources | 3,671,786 | 38,211,423 | 41,883,209 | 34,694,450 | 38,773,826 | 3,109,383 |
| Transfers out | (60,487,831) | (5,941,041) | (66,428,872) | (52,010,383) | (57,736,293) | (8,692,579) |
| Total other financing sources (uses) | 4,788,822 | 37,094,387 | 41,883,209 | 34,694,450 | 38,773,826 | 3,109,383 |
| Net change in fund balances | (57,447,059) | 13,462,076 | (43,984,983) | $ (41,762,467) | $ (27,760,546) | $ (16,224,437) |
| Fund balances, beginning of year | 178,291,317 | (52,632,440) | 125,658,877 | | | |
| Fund balances, end of year | $ 120,844,258 | $ (39,170,364) | $ 81,673,894 | | | |

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

**CITY OF DES MOINES, IOWA**
**BUDGETARY COMPARISON SCHEDULE --**
**BUDGET TO GAAP RECONCILIATION**
**REQUIRED SUPPLEMENTARY INFORMATION**
**For the Fiscal Year Ended June 30, 2013**

| | GOVERNMENTAL FUND TYPES | | |
|---|---|---|---|
| | BUDGET MODIFIED ACCRUAL BASIS | ACCRUAL ADJUSTMENTS | MODIFIED ACCRUAL BASIS |
| Revenues | $ 270,330,319 | $ 4,040,361 | $ 274,370,680 |
| Expenditures | 332,566,200 | 7,860,333 | 340,426,533 |
| Net | (62,235,881) | (3,819,972) | (66,055,853) |
| Other financing sources (uses) | 4,788,822 | --- | 4,788,822 |
| Beginning fund balances | 178,291,317 | (47,651,052) | 130,640,265 |
| Ending fund balances | $ 120,844,258 | $ (51,471,024) | $ 69,373,234 |

| | ENTERPRISE FUND TYPES | | |
|---|---|---|---|
| | BUDGET MODIFIED ACCRUAL BASIS | ACCRUAL ADJUSTMENTS | ACCRUAL BASIS |
| Revenues | $ 97,030,582 | $ 182,203 | $ 97,212,785 |
| Expenditures | 120,662,893 | (27,389,025) | 93,273,868 |
| Net | (23,632,311) | 27,571,228 | 3,938,917 |
| Other financing sources (uses) | 37,094,387 | (38,211,423) | (1,117,036) |
| Beginning fund balances | (52,632,440) | 346,149,676 | 293,517,236 |
| Ending fund balances | $ (39,170,364) | $ 335,509,481 | $ 296,339,117 |

See notes to required supplementary information.

**CITY OF DES MOINES, IOWA**
**REQUIRED SUPPLEMENTARY INFORMATION**
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION --**
**BUDGETARY REPORTING**
**June 30, 2013**

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

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. These ten functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, business-type and non-program. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, budget amendments increased budgeted disbursements, including tranfers out by $19,506,794. These budget amendments are reflected in the final budgeted amounts.

During the year ended June 30, 2013, disbursements exceeded the amounts budgeted in the public works function, culture and recreation function, and the debt service function.

**CITY OF DES MOINES, IOWA**
**OTHER POSTEMPLOYMENT BENEFIT PLAN**
**REQUIRED SUPPLEMENTARY INFORMATION**
**For the Fiscal Year Ended June 30, 2013**

SCHEDULE OF FUNDING PROGRESS

| Fiscal Year Ended | Actuarial Valuation Date | Actuarial Value of Net Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded (Over-funded) AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|---|---|---|---|---|---|---|---|
| 2013 | 7/1/2011 | $ --- | $ 15,910,966 | * $ 15,910,966 | $ --- | $ 94,988,560 | 16.8% |
| 2012 | 7/1/2011 | $ --- | $ 15,910,966 | $ 15,910,966 | $ --- | $ 100,771,238 | 15.8% |
| 2011 | 7/1/2009 | $ --- | $ 14,269,349 | $ 14,269,349 | $ --- | $ 152,549,355 | 9.4% |

The information presented in the required supplementary schedule was determined as part of the actuarial valuation as of July 1, 2011. Additional information follows:

1. The cost method used to determine the ARC is the Projected Unit Credit Actuarial Cost method.
2. There are no plan assets.
3. Economic assumptions are as follows: health care cost trend rates of 5.0-9.0 percent.
4. The amortization method is open, level dollar.

* Subsequent to the actuary calculation, the Airport Fund of the City became a separate Airport Authority. The amount of actuarial accrued liability above includes $489,543 related to the Airport Authority, a discretely presented coponent unit of the City.

# COMBINING STATEMENTS, INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF DES MOINES

CITY OF DES MOINES

# CITY OF DES MOINES, IOWA
# COMBINING BALANCE SHEET SCHEDULE
# ALL GENERAL FUND ACCOUNTS
# June 30, 2013

| | GENERAL | TORT LIABILITY | OTHER | TOTALS |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and investments | $ 11,643,018 | $ 31,218 | $ 2,148,917 | $ 13,823,153 |
| Taxes receivable | 55,468,109 | 1,935,851 | --- | 57,403,960 |
| Accounts receivable | 4,908,406 | --- | --- | 4,908,406 |
| Accrued interest receivable | 32,037 | --- | --- | 32,037 |
| Due from other funds | 3,014,105 | --- | --- | 3,014,105 |
| Due from other governmental units | 1,127,242 | --- | --- | 1,127,242 |
| Advance to other funds | 7,494,157 | --- | --- | 7,494,157 |
| Special assessments receivable | 21,396 | --- | --- | 21,396 |
| Prepaid items | 704,137 | --- | 11,667 | 715,804 |
| **Total assets** | $ 84,412,607 | $ 1,967,069 | $ 2,160,584 | $ 88,540,260 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (Deficit)** | | | | |
| Liabilities: | | | | |
| Accounts payable | $ 2,874,235 | $ 5,966 | $ 47,963 | $ 2,928,164 |
| Accrued wages payable | 2,491,378 | 73,685 | --- | 2,565,063 |
| Due to other funds | 98,465 | --- | --- | 98,465 |
| Due to other governmental units | 135,332 | --- | --- | 135,332 |
| Good faith, security deposits | 1,125,660 | --- | --- | 1,125,660 |
| Unearned revenue | 2,940 | --- | --- | 2,940 |
| Total liabilities | 6,728,010 | 79,651 | 47,963 | 6,855,624 |
| Deferred inflows of resources: | | | | |
| Unavailable revenue - property taxes | 53,502,211 | 1,914,690 | --- | 55,416,901 |
| Total deferred inflows of resources | 53,502,211 | 1,914,690 | --- | 55,416,901 |
| Fund balance (deficit): | | | | |
| Nonspendable | 8,198,294 | --- | 11,667 | 8,209,961 |
| Restricted | --- | --- | 750,000 | 750,000 |
| Committed | 250,000 | --- | --- | 250,000 |
| Unassigned | 15,734,092 | (27,272) | 1,350,954 | 17,057,774 |
| Total fund balance (deficit) | 24,182,386 | (27,272) | 2,112,621 | 26,267,735 |
| **Total liabilities, deferred inflows of resources and fund balance (deficit)** | $ 84,412,607 | $ 1,967,069 | $ 2,160,584 | $ 88,540,260 |

## CITY OF DES MOINES, IOWA
## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT)
## ALL GENERAL FUND ACCOUNTS
## For the Fiscal Year Ended June 30, 2013

| | GENERAL | TORT LIABILITY | OTHER | TOTALS |
|---|---|---|---|---|
| Revenues: | | | | |
| Taxes | $ 56,844,926 | $ 1,863,327 | $ 13,731 | $ 58,721,984 |
| Franchise fees | 13,063,992 | --- | --- | 13,063,992 |
| Licenses and permits | 3,380,166 | 200 | --- | 3,380,366 |
| Fines and forfeitures | 5,562,993 | --- | --- | 5,562,993 |
| Charges for sales and services | 16,933,288 | --- | 3,450 | 16,936,738 |
| Use of money and property | 1,306,936 | --- | --- | 1,306,936 |
| Miscellaneous | 16,833,265 | 8,500 | 82,957 | 16,924,722 |
| Intergovernmental | 1,797,411 | --- | --- | 1,797,411 |
| Total revenues | 115,722,977 | 1,872,027 | 100,138 | 117,695,142 |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 92,272,478 | 200,725 | 16,828 | 92,490,031 |
| Public works | 8,613,275 | --- | --- | 8,613,275 |
| Health and social services | 376,392 | --- | --- | 376,392 |
| Culture and recreation | 20,215,110 | --- | --- | 20,215,110 |
| Community and economic development | 5,294,635 | --- | --- | 5,294,635 |
| General governmental | 13,184,946 | 1,476,464 | 164,636 | 14,826,046 |
| Capital outlay | 186,944 | --- | --- | 186,944 |
| Total expenditures | 140,143,780 | 1,677,189 | 181,464 | 142,002,433 |
| Excess (deficiency) of revenues over expenditures | (24,420,803) | 194,838 | (81,326) | (24,307,291) |
| Other financing sources (uses): | | | | |
| Transfers in | 32,853,328 | --- | 473,799 | 33,327,127 |
| Transfers out | (6,737,550) | (200,000) | (1,647,964) | (8,585,514) |
| Proceeds from damage claims | 44,096 | --- | --- | 44,096 |
| Proceeds from capital asset sale | 17,128 | --- | 169,363 | 186,491 |
| Total other financing sources (uses) | 26,177,002 | (200,000) | (1,004,802) | 24,972,200 |
| Net changes in fund balance | 1,756,199 | (5,162) | (1,086,128) | 664,909 |
| Fund balance (deficit), beginning of year | 22,426,187 | (22,110) | 3,198,749 | 25,602,826 |
| **Fund balance (deficit), end of year** | $ 24,182,386 | $ (27,272) | $ 2,112,621 | $ 26,267,735 |

# CITY OF DES MOINES, IOWA
# COMBINING BALANCE SHEET SCHEDULE
# ALL CAPITAL PROJECTS ACCOUNTS
# June 30, 2013

| | BRIDGE PROJECTS | MUNICIPAL BUILDINGS PROJECTS | STREET PROJECTS | PARK IMPROVEMENT PROJECTS |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and investments | $ 6,432,538 | $ 3,419,203 | $ 5,193,041 | $ 1,750,674 |
| Accounts receivable | --- | --- | 184,959 | 49,000 |
| Accrued interest receivable | --- | --- | --- | --- |
| Due from other funds | --- | 7,184,867 | 6,500,000 | --- |
| Due from other governmental units | 150,398 | 646,545 | 3,587,333 | 224,806 |
| Prepaid items | --- | --- | --- | --- |
| Special assessment receivables | --- | --- | --- | --- |
| **Total assets** | $ 6,582,936 | $ 11,250,615 | $ 15,465,333 | $ 2,024,480 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE** | | | | |
| Liabilities: | | | | |
| Accounts payable | $ 24,624 | $ 119,907 | $ 233,838 | $ 186,738 |
| Contracts payable | 324,324 | 1,126,256 | 1,304,912 | 349,717 |
| Accrued wages payable | 7,319 | 16,314 | 44,498 | 21,117 |
| Total liabilities | 356,267 | 1,262,477 | 1,583,248 | 557,572 |
| Deferred inflows of resources: | | | | |
| Unavailable revenue - intergovernmental | 150,398 | --- | 938,673 | 21,326 |
| Unavailable revenue - special assessment | --- | --- | --- | --- |
| Total deferred inflows of resources | 150,398 | --- | 938,673 | 21,326 |
| Fund balance: | | | | |
| Nonspendable | --- | --- | --- | --- |
| Restricted | --- | --- | --- | --- |
| Committed | 6,076,271 | 9,988,138 | 12,943,412 | 1,445,582 |
| Total fund balance | 6,076,271 | 9,988,138 | 12,943,412 | 1,445,582 |
| **Total liabilities, deferred inflows of resources and fund balance** | $ 6,582,936 | $ 11,250,615 | $ 15,465,333 | $ 2,024,480 |

| FIRE PROTECTION PROJECTS | LIBRARY PROJECTS | SPECIAL ASSESSMENT PROJECTS | URBAN RENEWAL PROJECTS | OTHER CAPITAL PROJECTS | TOTALS |
|---|---|---|---|---|---|
| $ 2,913,028 | $ 943,121 | $ 864,837 | $ 845,361 | $ 4,057,693 | $ 26,419,496 |
| --- | --- | --- | --- | --- | 233,959 |
| --- | --- | 182 | --- | --- | 182 |
| --- | --- | --- | --- | --- | 13,684,867 |
| --- | --- | --- | --- | 7,708 | 4,616,790 |
| --- | 4,032 | --- | --- | --- | 4,032 |
| --- | --- | 2,640,239 | --- | --- | 2,640,239 |
| $ 2,913,028 | $ 947,153 | $ 3,505,258 | $ 845,361 | $ 4,065,401 | $ 47,599,565 |
| | | | | | |
| $ 98,387 | $ 38,106 | $ --- | $ 1,188 | $ 2,105,585 | $ 2,808,373 |
| 263,988 | 6,412 | --- | 435 | 10,540 | 3,386,584 |
| 392 | 1,073 | --- | 269 | 738 | 91,720 |
| 362,767 | 45,591 | --- | 1,892 | 2,116,863 | 6,286,677 |
| | | | | | |
| --- | --- | --- | --- | --- | 1,110,397 |
| --- | --- | 2,639,595 | --- | --- | 2,639,595 |
| --- | --- | 2,639,595 | --- | --- | 3,749,992 |
| | | | | | |
| --- | 4,032 | --- | --- | --- | 4,032 |
| --- | --- | 865,663 | --- | --- | 865,663 |
| 2,550,261 | 897,530 | --- | 843,469 | 1,948,538 | 36,693,201 |
| 2,550,261 | 901,562 | 865,663 | 843,469 | 1,948,538 | 37,562,896 |
| | | | | | |
| $ 2,913,028 | $ 947,153 | $ 3,505,258 | $ 845,361 | $ 4,065,401 | $ 47,599,565 |

## CITY OF DES MOINES, IOWA
## COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
## ALL CAPITAL PROJECTS ACCOUNTS
## For the Fiscal Year Ended June 30, 2013

| | BRIDGE PROJECTS | MUNICIPAL BUILDINGS PROJECTS | STREET PROJECTS | PARK IMPROVEMENT PROJECTS |
|---|---|---|---|---|
| Revenues: | | | | |
| Charges for sales and services | $ --- | $ --- | $ 8,473 | $ 115 |
| Use of money and property | 8,171 | 32,227 | 89,894 | 90,538 |
| Miscellaneous | 82,714 | 39,869 | 444,909 | 565,635 |
| Intergovernmental | 2,189,889 | 1,149,285 | 7,182,567 | 1,770,872 |
| Total revenue | 2,280,774 | 1,221,381 | 7,725,843 | 2,427,160 |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | --- | --- | --- | --- |
| Public works | 3,247 | --- | 680,641 | --- |
| Culture and recreation | --- | --- | --- | 4 |
| Community and economic development | --- | --- | --- | --- |
| General government | --- | 8 | --- | --- |
| Capital outlay | 3,251,720 | 6,919,550 | 21,850,353 | 11,042,088 |
| Total expenditures | 3,254,967 | 6,919,558 | 22,530,994 | 11,042,092 |
| Excess (deficiency) of revenues over expenditures | (974,193) | (5,698,177) | (14,805,151) | (8,614,932) |
| Other financing sources (uses): | | | | |
| Loan proceeds | --- | --- | --- | --- |
| Transfers in | --- | 600,000 | 4,926,272 | 37,405 |
| Transfers out | --- | (49,420) | (2,533,579) | --- |
| Proceeds from damage claims | 1,197 | --- | --- | --- |
| Proceeds from capital asset sale | --- | --- | 236,390 | 172,500 |
| Total other financing sources (uses) | 1,197 | 550,580 | 2,629,083 | 209,905 |
| Net changes in fund balance | (972,996) | (5,147,597) | (12,176,068) | (8,405,027) |
| Fund balance, beginning of year | 7,049,267 | 15,135,735 | 25,119,480 | 9,850,609 |
| Fund balance, end of year | $ 6,076,271 | $ 9,988,138 | $ 12,943,412 | $ 1,445,582 |

| FIRE PROTECTION PROJECTS | LIBRARY PROJECTS | SPECIAL ASSESSMENT PROJECTS | URBAN RENEWAL PROJECTS | OTHER CAPITAL PROJECTS | TOTALS |
|---|---|---|---|---|---|
| $ 246 | $ 112,759 | $ 1,033 | $ --- | $ 1,550 | $ 124,176 |
| 41,029 | 11,607 | 618 | 64,800 | 29,300 | 368,184 |
| 142,256 | 240,718 | 14,088 | 1,000 | 27,150 | 1,558,339 |
| --- | --- | --- | --- | 962,856 | 13,255,469 |
| 183,531 | 365,084 | 15,739 | 65,800 | 1,020,856 | 15,306,168 |
| | | | | | |
| 73,935 | --- | --- | --- | --- | 73,935 |
| --- | --- | --- | --- | 3,470,978 | 4,154,866 |
| --- | 955,033 | --- | --- | --- | 955,037 |
| --- | | --- | 24,325 | --- | 24,325 |
| --- | --- | --- | --- | --- | 8 |
| 5,418,698 | 525,887 | --- | 20,819 | 3,172,932 | 52,202,047 |
| 5,492,633 | 1,480,920 | --- | 45,144 | 6,643,910 | 57,410,218 |
| (5,309,102) | (1,115,836) | 15,739 | 20,656 | (5,623,054) | (42,104,050) |
| --- | --- | --- | --- | 1,880,000 | 1,880,000 |
| --- | 49,420 | --- | --- | 200,000 | 5,813,097 |
| (600,000) | --- | --- | (768,419) | --- | (3,951,418) |
| --- | 32,500 | --- | --- | 10,000 | 43,697 |
| 600,000 | --- | --- | --- | --- | 1,008,890 |
| --- | 81,920 | --- | (768,419) | 2,090,000 | 4,794,266 |
| (5,309,102) | (1,033,916) | 15,739 | (747,763) | (3,533,054) | (37,309,784) |
| 7,859,363 | 1,935,478 | 849,924 | 1,591,232 | 5,481,592 | 74,872,680 |
| $ 2,550,261 | $ 901,562 | $ 865,663 | $ 843,469 | $ 1,948,538 | $ 37,562,896 |

# CITY OF DES MOINES, IOWA
# COMBINING BALANCE SHEET
# NONMAJOR GOVERNMENTAL FUNDS
# June 30, 2013

| | SPECIAL REVENUE | | |
|---|---|---|---|
| | CDBG | COMMUNITY SERVICES | OTHER EMPLOYEE BENEFITS |
| **ASSETS** | | | |
| Cash and investments | $ --- | $ --- | $ 748,226 |
| Taxes receivable | --- | --- | 8,527,811 |
| Accounts receivable | 15,588 | 133,735 | 318,345 |
| Loans receivable, net of allowance for doubtful accounts | 874,443 | --- | --- |
| Accrued interest receivable | 3,544 | --- | --- |
| Due from other funds | --- | --- | --- |
| Due from other governmental units | 7,550,260 | 1,201,589 | --- |
| Special assessments receivable | 8,796 | --- | --- |
| Inventory | --- | --- | --- |
| Prepaid items | 849 | 125 | 19,130 |
| **Total assets** | $ 8,453,480 | $ 1,335,449 | $ 9,613,512 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)** | | | |
| Liabilities: | | | |
| Accounts payable | $ 673,799 | $ 857,395 | $ --- |
| Accrued wages payable | 36,541 | 10,711 | --- |
| Accrued employee benefits | --- | --- | 487,370 |
| Good faith, security deposits | --- | --- | --- |
| Due to other funds | 6,626,409 | 63,994 | --- |
| Unearned revenue | --- | 79,194 | --- |
| Total liabilities | 7,336,749 | 1,011,294 | 487,370 |
| Deferred inflows of resources: | | | |
| Unavailable revenue - property taxes | --- | --- | 8,421,274 |
| Unavailable revenue - intergovernmental | 2,700,500 | 429,201 | --- |
| Total deferred inflows of resources | 2,700,500 | 429,201 | 8,421,274 |
| Fund balances (deficits): | | | |
| Nonspendable | 849 | 125 | 19,130 |
| Restricted | --- | --- | 685,738 |
| Committed | --- | --- | --- |
| Unassigned | (1,584,618) | (105,171) | --- |
| Total fund balances (deficits) | (1,583,769) | (105,046) | 704,868 |
| **Total liabilities, deferred inflows of resources and fund balances (deficits)** | $ 8,453,480 | $ 1,335,449 | $ 9,613,512 |

| SPECIAL REVENUE | | PERMANENT | | | |
|---|---|---|---|---|---|
| ROAD USE TAX | OTHER SPECIAL REVENUE | PERMANENT CEMETERY MAINTENANCE | SWARTZELL ENDOWMENT | WEISE BIRD HABITATS | TOTALS |
| $ 144,417 | $ 563,907 | $ 3,905,792 | $ 395,169 | $ 2,650 | $ 5,760,161 |
| 3,638,604 | 835,361 | --- | --- | --- | 13,001,776 |
| 241,575 | 265,105 | 458 | --- | --- | 974,806 |
| --- | 2,413,431 | --- | --- | --- | 3,287,874 |
| --- | 26,032 | --- | --- | --- | 29,576 |
| --- | 348,938 | --- | --- | --- | 348,938 |
| --- | 3,789,982 | --- | --- | --- | 12,541,831 |
| 809 | --- | --- | --- | --- | 9,605 |
| 55,910 | --- | --- | --- | --- | 55,910 |
| 1,868 | 35,101 | --- | --- | --- | 57,073 |
| $ 4,083,183 | $ 8,277,857 | $ 3,906,250 | $ 395,169 | $ 2,650 | $ 36,067,550 |
| $ 550,603 | $ 433,352 | $ --- | $ --- | $ --- | $ 2,515,149 |
| 145,314 | 23,202 | --- | --- | --- | 215,768 |
| --- | --- | --- | --- | --- | 487,370 |
| --- | 125,367 | --- | --- | --- | 125,367 |
| 2,509,805 | 5,917,538 | --- | --- | --- | 15,117,746 |
| --- | --- | --- | --- | --- | 79,194 |
| 3,205,722 | 6,499,459 | --- | --- | --- | 18,540,594 |
| --- | 831,436 | --- | --- | --- | 9,252,710 |
| --- | 42,464 | --- | --- | --- | 3,172,165 |
| --- | 873,900 | --- | --- | --- | 12,424,875 |
| 57,778 | 35,101 | 3,039,276 | 347,759 | --- | 3,500,018 |
| 819,683 | 3,485,867 | 866,974 | 47,410 | 2,650 | 5,908,322 |
| --- | 1,826,102 | --- | --- | --- | 1,826,102 |
| --- | (4,442,572) | --- | --- | --- | (6,132,361) |
| 877,461 | 904,498 | 3,906,250 | 395,169 | 2,650 | 5,102,081 |
| $ 4,083,183 | $ 8,277,857 | $ 3,906,250 | $ 395,169 | $ 2,650 | $ 36,067,550 |

# CITY OF DES MOINES, IOWA
# COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
# NONMAJOR GOVERNMENTAL FUNDS
## For the Fiscal Year Ended June 30, 2013

| | SPECIAL REVENUE | | | |
|---|---|---|---|---|
| | CDBG | COMMUNITY SERVICES | OTHER EMPLOYEE BENEFITS | ROAD USE TAX |
| Revenues: | | | | |
| Taxes | $ --- | $ --- | $ 9,396,027 | $ --- |
| Licenses and permits | --- | 420 | --- | 149,605 |
| Fines and forfeitures | 9,384 | --- | --- | 21,846 |
| Charges for sales and services | --- | 7,325 | --- | 1,504,529 |
| Use of money and property | 37,086 | 133,120 | --- | --- |
| Miscellaneous | 222,676 | 382,870 | 502,068 | 63,195 |
| Intergovernmental | 6,669,177 | 8,869,023 | --- | 21,822,856 |
| Total revenues | 6,938,323 | 9,392,758 | 9,898,095 | 23,562,031 |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | --- | --- | --- | --- |
| Public works | --- | --- | --- | 20,737,597 |
| Health and social services | 9,385,612 | 9,532,794 | --- | --- |
| Culture and recreation | --- | --- | --- | --- |
| Community and economic development | 37,390 | --- | --- | --- |
| General government | --- | --- | 2,786,870 | --- |
| Capital outlay | 78,390 | --- | --- | --- |
| Total expenditures | 9,501,392 | 9,532,794 | 2,786,870 | 20,737,597 |
| Excess (deficiency) of revenues over expenditures | (2,563,069) | (140,036) | 7,111,225 | 2,824,434 |
| Other financing sources (uses): | | | | |
| Transfers in | --- | --- | 5,879,809 | 6,878 |
| Transfers out | --- | --- | (9,673,000) | (2,628,972) |
| Proceeds from damage claims | --- | --- | --- | 8,456 |
| Proceeds from capital asset sale | 43,400 | --- | --- | --- |
| Total other financing sources (uses) | 43,400 | --- | (3,793,191) | (2,613,638) |
| Net changes in fund balances | (2,519,669) | (140,036) | 3,318,034 | 210,796 |
| Fund balances (deficits), beginning of year | 935,900 | 34,990 | (2,613,166) | 666,665 |
| Fund balances (deficits), end of year | $ (1,583,769) | $ (105,046) | $ 704,868 | $ 877,461 |

| | PERMANENT | | | |
|---|---|---|---|---|
| OTHER SPECIAL REVENUE | PERMANENT CEMETERY MAINTENANCE | SWARTZELL ENDOWMENT | WEISE BIRD HABITATS | TOTALS |
| $ 606,604 | $ --- | $ --- | $ --- | $ 10,002,631 |
| --- | --- | --- | --- | 150,025 |
| --- | --- | --- | --- | 31,230 |
| 58,668 | 99,902 | --- | --- | 1,670,424 |
| 780,948 | 989 | 644 | --- | 952,787 |
| 996,273 | --- | --- | --- | 2,167,082 |
| 8,217,255 | --- | --- | --- | 45,578,311 |
| 10,659,748 | 100,891 | 644 | --- | 60,552,490 |
| 7,025,465 | --- | --- | --- | 7,025,465 |
| --- | --- | --- | --- | 20,737,597 |
| 8,155 | --- | --- | --- | 18,926,561 |
| 687,681 | --- | --- | --- | 687,681 |
| 4,887,941 | --- | --- | --- | 4,925,331 |
| 490,646 | --- | --- | --- | 3,277,516 |
| 3,731,943 | --- | --- | --- | 3,810,333 |
| 16,831,831 | --- | --- | --- | 59,390,484 |
| (6,172,083) | 100,891 | 644 | --- | 1,162,006 |
| 728,548 | --- | --- | --- | 6,615,235 |
| (650,558) | --- | --- | --- | (12,952,530) |
| --- | --- | --- | --- | 8,456 |
| 456,756 | --- | --- | --- | 500,156 |
| 534,746 | --- | --- | --- | (5,828,683) |
| (5,637,337) | 100,891 | 644 | --- | (4,666,677) |
| 6,541,835 | 3,805,359 | 394,525 | 2,650 | 9,768,758 |
| $ 904,498 | $ 3,906,250 | $ 395,169 | $ 2,650 | $ 5,102,081 |

**CITY OF DES MOINES, IOWA**
**COMBINING STATEMENT OF NET POSITION SCHEDULE**
**ALL PARKING ACCOUNTS**
**June 30, 2013**

| | PARKING | PARK AND RIDE | TOTALS |
|---|---|---|---|
| **ASSETS** | | | |
| Current assets: | | | |
| Unrestricted current assets: | | | |
| Cash and investments | $ 3,277,430 | $ 5,401,208 | $ 8,678,638 |
| Accounts receivable | 15,892 | 2,875 | 18,767 |
| Due from other governmental units | 9,695 | --- | 9,695 |
| Prepaid items | 298 | --- | 298 |
| Total current assets | 3,303,315 | 5,404,083 | 8,707,398 |
| Noncurrent assets: | | | |
| Capital assets | | | |
| Land | 9,045,667 | 3,924,980 | 12,970,647 |
| Construction in progress | 1,368,663 | 26,492 | 1,395,155 |
| Buildings | 64,755,271 | 597,754 | 65,353,025 |
| Improvements other than buildings | 16,924,550 | 17,816,005 | 34,740,555 |
| Machinery and equipment | 1,154,243 | --- | 1,154,243 |
| Accumulated depreciation | (50,899,969) | (8,351,258) | (59,251,227) |
| Total capital assets, net of accumulated depreciation | 42,348,425 | 14,013,973 | 56,362,398 |
| Total noncurrent assets | 42,348,425 | 14,013,973 | 56,362,398 |
| **Total assets** | $ 45,651,740 | $ 19,418,056 | $ 65,069,796 |

| | PARKING | PARK AND RIDE | TOTALS |
|---|---|---|---|
| **LIABILITIES** | | | |
| Liabilities: | | | |
| Current liabilities: | | | |
| Accounts payable | $ 391,742 | $ 84,569 | $ 476,311 |
| Contracts payable | 110,789 | 24,264 | 135,053 |
| Accrued wages payable | 20,306 | --- | 20,306 |
| Accrued employee benefits | 68,806 | --- | 68,806 |
| Due to other funds | 372,041 | --- | 372,041 |
| Accrued interest payable | 21,717 | --- | 21,717 |
| General obligation bonds payable, net | 1,780,000 | --- | 1,780,000 |
| Total current liabilities | 2,765,401 | 108,833 | 2,874,234 |
| Noncurrent liabilities: | | | |
| Accrued employee benefits | 111,815 | --- | 111,815 |
| Other postemployment benefits | 48,777 | --- | 48,777 |
| Advance from other funds | 3,858,361 | --- | 3,858,361 |
| General obligation bonds payable, net | 11,672,727 | --- | 11,672,727 |
| Total noncurrent liabilities | 15,691,680 | --- | 15,691,680 |
| **Total liabilities** | 18,457,081 | 108,833 | 18,565,914 |
| **NET POSITION** | | | |
| Net investment in capital assets | 28,895,698 | 14,013,973 | 42,909,671 |
| Restricted: | | | |
| Unrestricted | (1,701,039) | 5,295,250 | 3,594,211 |
| **Total net position** | $ 27,194,659 | $ 19,309,223 | $ 46,503,882 |

CITY OF DES MOINES

## CITY OF DES MOINES, IOWA
## COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
## ALL PARKING ACCOUNTS
## For the Fiscal Year Ended June 30, 2013

| | PARKING | PARK AND RIDE | TOTALS |
|---|---|---|---|
| Operating revenues: | | | |
| Charges for sales and services | $ 7,517,069 | $ 1,396,153 | $ 8,913,222 |
| Total operating revenues | 7,517,069 | 1,396,153 | 8,913,222 |
| Operating expenses: | | | |
| Personal services | 1,158,774 | --- | 1,158,774 |
| Contractual services | 4,590,739 | 1,189,416 | 5,780,155 |
| Commodities | 84,128 | --- | 84,128 |
| Depreciation | 2,976,544 | 639,920 | 3,616,464 |
| Other charges | 104,133 | 184,742 | 288,875 |
| Total operating expenses | 8,914,318 | 2,014,078 | 10,928,396 |
| Operating income (loss) | (1,397,249) | (617,925) | (2,015,174) |
| Non-operating revenues (expenses): | | | |
| Investment earnings | 37,894 | 9,700 | 47,594 |
| Proceeds from damage claims | 2,432 | --- | 2,432 |
| Interest expense and fiscal charges | (446,083) | --- | (446,083) |
| Total nonoperating revenues (expenses) | (405,757) | 9,700 | (396,057) |
| Income (loss) before transfers | (1,803,006) | (608,225) | (2,411,231) |
| Transfers in | 800,000 | 665,426 | 1,465,426 |
| Change in net position | (1,003,006) | 57,201 | (945,805) |
| Total net position - beginning | 28,197,665 | 19,252,022 | 47,449,687 |
| Total net position - ending | $ 27,194,659 | $ 19,309,223 | $ 46,503,882 |

## CITY OF DES MOINES, IOWA
## COMBINING SCHEDULE OF CASH FLOWS
## ALL PARKING ACCOUNTS
## For the Fiscal Year Ended June 30, 2013

| | PARKING | PARK AND RIDE | TOTALS |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Receipts from customers and users | $ 7,529,914 | $ 1,393,278 | $ 8,923,192 |
| Payments to suppliers | (4,550,215) | (1,328,554) | (5,878,769) |
| Payments to employees | (1,133,742) | --- | (1,133,742) |
| Proceeds from damage claims | 2,432 | --- | 2,432 |
| Net cash provided by operating activities | 1,848,389 | 64,724 | 1,913,113 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | |
| Proceeds from interfund accounts | 49,364 | --- | 49,364 |
| Payments to interfund accounts | (369,598) | --- | (369,598) |
| Transfers In | 800,000 | 665,426 | 1,465,426 |
| Net cash provided by noncapital and related financing activities | 479,766 | 665,426 | 1,145,192 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | |
| Interest paid on capital debt | (531,369) | --- | (531,369) |
| Principal paid on long-term debt | (14,855,000) | --- | (14,855,000) |
| Proceeds from issuance of long-term debt, including premium of $499,842 | 13,529,842 | --- | 13,529,842 |
| Acquisition and construction of capital assets | (485,877) | --- | (485,877) |
| Net cash (used) by capital and related financing activities | (2,342,404) | - | (2,342,404) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Proceeds from sales and maturities of investments | 1,954,500 | --- | 1,954,500 |
| Interest and dividends received | 42,215 | 9,700 | 51,915 |
| Net cash provided by investing activities | 1,996,715 | 9,700 | 2,006,415 |
| Net increase in cash and cash equivalents | 1,982,466 | 739,850 | 2,722,316 |

| | PARKING | PARK AND RIDE | TOTALS |
|---|---|---|---|
| Cash and cash equivalents, beginning of year | $ 1,294,964 | $ 4,661,358 | $ 5,956,322 |
| Cash and cash equivalents, end of year | $ 3,277,430 | $ 5,401,208 | $ 8,678,638 |
| **Reconciliation of operating (loss) to net cash provided (used) by operating activities:** | | | |
| Operating (loss) | $ (1,397,249) | $ (617,925) | $ (2,015,174) |
| Adjustments to reconcile operating (loss) to net cash provided by operating activities: | | | |
| Depreciation expense | 2,976,544 | 639,920 | 3,616,464 |
| Proceeds from damage claims | 2,432 | --- | 2,432 |
| (Increase) decrease in accounts receivable | 11,839 | (2,875) | 8,964 |
| Decrease in due from other governmental units | 1,006 | --- | 1,006 |
| Increase in accounts payable | 229,665 | 45,604 | 275,269 |
| Increase in accrued wages payable | 3,124 | --- | 3,124 |
| Increase in accrued employee benefits and other postemployment benefits | 21,908 | --- | 21,908 |
| (Decrease) in other liabilities | (880) | --- | (880) |
| Total adjustments | 3,245,638 | 682,649 | 3,928,287 |
| Net cash provided by operating activities | $ 1,848,389 | $ 64,724 | $ 1,913,113 |
| **Schedule of noncash investing and financing activities:** | | | |
| Increase in fair value of investments | $ 2,234 | $ --- | $ 2,234 |

**CITY OF DES MOINES, IOWA**
**COMBINING STATEMENT OF NET POSITION (DEFICIT)**
**NONMAJOR ENTERPRISE FUNDS**
**June 30, 2013**

| | GOLF COURSES | SOLID WASTE SYSTEM | TOTALS |
|---|---|---|---|
| **ASSETS** | | | |
| Current assets: | | | |
| Unrestricted current assets: | | | |
| Cash and investments | $ 4,500 | $ 6,792,503 | $ 6,797,003 |
| Accounts receivable | 134,734 | 201,821 | 336,555 |
| Special assessments receivable | --- | 43,524 | 43,524 |
| Due from other governmental units | --- | 7,891 | 7,891 |
| Prepaid items | --- | 311 | 311 |
| Total current assets | 139,234 | 7,046,050 | 7,185,284 |
| Noncurrent assets, capital assets: | | | |
| Land | 123,497 | --- | 123,497 |
| Buildings | 330,339 | 1,143,880 | 1,474,219 |
| Improvements other than buildings | 3,222,054 | 261,589 | 3,483,643 |
| Machinery and equipment | 651,707 | 13,525,026 | 14,176,733 |
| Accumulated depreciation | (2,011,944) | (10,359,600) | (12,371,544) |
| Total capital assets (net of accumulated depreciation) | 2,315,653 | 4,570,895 | 6,886,548 |
| **Total assets** | $ 2,454,887 | $ 11,616,945 | $ 14,071,832 |
| **LIABILITIES** | | | |
| Liabilities: | | | |
| Current liabilities: | | | |
| Accounts payable | $ 1,218 | $ 283,900 | $ 285,118 |
| Accrued wages payable | --- | 78,108 | 78,108 |
| Accrued employee benefits | --- | 248,149 | 248,149 |
| Due to other funds | 30,935 | --- | 30,935 |
| Notes payable | --- | 378,511 | 378,511 |
| Accrued interest payable | --- | 2,090 | 2,090 |
| Total current liabilities | 32,153 | 990,758 | 1,022,911 |
| Noncurrent liabilities: | | | |
| Accrued employee benefits | --- | 403,255 | 403,255 |
| Other postemployment benefits | --- | 178,467 | 178,467 |
| Advance from other funds | 3,635,796 | --- | 3,635,796 |
| Notes payable | --- | 380,176 | 380,176 |
| Total noncurrent liabilities | 3,635,796 | 961,898 | 4,597,694 |
| **Total liabilities** | 3,667,949 | 1,952,656 | 5,620,605 |
| **NET POSITION (DEFICIT)** | | | |
| Net investment in capital assets | 2,315,653 | 3,812,208 | 6,127,861 |
| Unrestricted | (3,528,715) | 5,852,081 | 2,323,366 |
| **Total net position (deficit)** | $ (1,213,062) | $ 9,664,289 | $ 8,451,227 |

## CITY OF DES MOINES, IOWA
## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION (DEFICIT)
## NONMAJOR ENTERPRISE FUNDS
## For the Fiscal Year Ended June 30, 2013

| | GOLF COURSES | SOLID WASTE SYSTEM | TOTALS |
|---|---|---|---|
| Operating revenues: | | | |
| Charges for sales and services | $ 89,871 | $ 11,975,569 | $ 12,065,440 |
| Miscellaneous | 110,280 | --- | 110,280 |
| Total operating revenues | 200,151 | 11,975,569 | 12,175,720 |
| Operating expenses: | | | |
| Personal services | --- | 4,645,335 | 4,645,335 |
| Contractual services | 100,798 | 4,590,634 | 4,691,432 |
| Commodities | 690 | 326,454 | 327,144 |
| Depreciation | 66,507 | 931,333 | 997,840 |
| Other charges | 36,818 | 459,627 | 496,445 |
| Total operating expenses | 204,813 | 10,953,383 | 11,158,196 |
| Operating income (loss) | (4,662) | 1,022,186 | 1,017,524 |
| Non-operating revenues (expenses): | | | |
| Gain (loss) on disposal of capital assets | (5,229) | --- | (5,229) |
| Investment earnings | --- | 12,614 | 12,614 |
| Interest expense and fiscal charges | (9,541) | (41,544) | (51,085) |
| Total nonoperating revenues (expenses) | (14,770) | (28,930) | (43,700) |
| Change in net position | (19,432) | 993,256 | 973,824 |
| Total net position (deficit) - beginning | (1,193,630) | 8,671,033 | 7,477,403 |
| Total net position (deficit) - ending | $ (1,213,062) | $ 9,664,289 | $ 8,451,227 |

## CITY OF DES MOINES, IOWA
## COMBINING STATEMENT OF CASH FLOWS
## NONMAJOR ENTERPRISE FUNDS
## For the Fiscal Year Ended June 30, 2013

| | GOLF COURSES | SOLID WASTE SYSTEM | TOTALS |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Receipts from customers and users | $ 487,976 | $ 11,973,616 | $ 12,461,592 |
| Payments to suppliers | (145,697) | (5,195,980) | (5,341,677) |
| Payments to employees | --- | (4,570,910) | (4,570,910) |
| Net cash provided by operating activities | 342,279 | 2,206,726 | 2,549,005 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | |
| Payments to interfund accounts | (332,738) | --- | (332,738) |
| Net cash (used) by noncapital and related financing activities | (332,738) | --- | (332,738) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | |
| Interest paid on capital debt | (9,541) | (42,587) | (52,128) |
| Principal paid on long-term debt | --- | (376,872) | (376,872) |
| Net cash (used) by capital and related financing activities | (9,541) | (419,459) | (429,000) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Interest and dividends received | --- | 12,614 | 12,614 |
| Net cash provided by investing activities | --- | 12,614 | 12,614 |
| Net increase in cash and cash equivalents | --- | 1,799,881 | 1,799,881 |

| | GOLF COURSES | SOLID WASTE SYSTEM | TOTALS |
|---|---|---|---|
| Cash and cash equivalents, beginning of year | $ 4,500 | $ 4,992,622 | $ 4,997,122 |
| Cash and cash equivalents, end of year | $ 4,500 | $ 6,792,503 | $ 6,797,003 |
| **Reconciliation of operating income (loss) to net cash provided (used) by operating activities:** | | | |
| Operating income (loss) | $ (4,662) | $ 1,022,186 | $ 1,017,524 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation expense | 66,507 | 931,333 | 997,840 |
| (Increase) decrease in accounts receivable | 287,825 | (44,979) | 242,846 |
| Decrease in special assessments receivable | --- | 43,003 | 43,003 |
| Decrease in due from other governmental units | --- | 23 | 23 |
| Decrease in prepaid items | --- | 88 | 88 |
| Increase (decrease) in accounts payable | (7,391) | 180,647 | 173,256 |
| Increase in accrued wages payable | --- | 4,146 | 4,146 |
| Increase in accrued employee benefits and other postemployment benefits | --- | 70,279 | 70,279 |
| Total adjustments | 346,941 | 1,184,540 | 1,531,481 |
| Net cash provided by operating activities | $ 342,279 | $ 2,206,726 | $ 2,549,005 |
| Schedule of noncash capital and related financing activities: | | | |
| Gain (loss) on disposal of capital assets | $ (5,229) | $ --- | $ (5,229) |

**CITY OF DES MOINES, IOWA**
**COMBINING STATEMENT OF NET POSITION (DEFICIT)**
**INTERNAL SERVICE FUNDS**
**June 30, 2013**

| | EQUIPMENT SERVICE CENTER | FORESTRY | CENTRAL SERVICES | RADIO COMMUNI-CATIONS |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Current assets: | | | | |
| Cash and investments | $ 700,115 | $ 146,542 | $ 197,176 | $ 74,688 |
| Taxes receivable | 15,251 | --- | --- | --- |
| Accounts receivable | 6,623 | 27 | --- | --- |
| Due from other funds | --- | 76 | --- | --- |
| Due from other governmental units | 1,795 | --- | --- | --- |
| Prepaid items | 4,344 | --- | 35,259 | 552 |
| Inventory | 139,594 | --- | 110,888 | --- |
| Total current assets | 867,722 | 146,645 | 343,323 | 75,240 |
| Noncurrent assets, capital assets: | | | | |
| Machinery and equipment | 86,200 | --- | 1,114,041 | 30,770 |
| Accumulated depreciation | (66,823) | --- | (1,087,084) | (30,444) |
| Total capital assets, net of accumulated depreciation | 19,377 | --- | 26,957 | 326 |
| **Total assets** | $ 887,099 | $ 146,645 | $ 370,280 | $ 75,566 |
| **LIABILITIES** | | | | |
| Liabilities: | | | | |
| Current liabilities: | | | | |
| Accounts payable | $ 386,687 | $ 6,446 | $ 4,688 | $ 10,697 |
| Accrued wages payable | 48,352 | 17,851 | 2,014 | 10,820 |
| Accrued employee benefits | 105,167 | 27,385 | 7,264 | 37,798 |
| Due to other funds | --- | --- | --- | --- |
| Unearned revenue | --- | --- | --- | --- |
| Total current liabilities | 540,206 | 51,682 | 13,966 | 59,315 |
| Noncurrent liabilities: | | | | |
| Accrued employee benefits | 188,707 | 50,788 | 13,471 | 70,102 |
| Other postemployment benefits | 108,489 | 34,126 | --- | 12,553 |
| Total noncurrent liabilities | 297,196 | 84,914 | 13,471 | 82,655 |
| **Total liabilities** | 837,402 | 136,596 | 27,437 | 141,970 |
| **NET POSITION (DEFICIT)** | | | | |
| Net investment in capital assets | 19,377 | --- | 26,957 | 326 |
| Unrestricted | 30,320 | 10,049 | 315,886 | (66,730) |
| **Total net position (deficit)** | $ 49,697 | $ 10,049 | $ 342,843 | $ (66,404) |

| EQUIPMENT REPLACEMENT | RADIO REPLACEMENT | GROUP HEALTH INSURANCE | TOTALS |
|---|---|---|---|
| $ 812,726 | $ 182,484 | $ 8,855,243 | $ 10,968,974 |
| --- | --- | --- | 15,251 |
| 25,881 | --- | 2,628 | 35,159 |
| --- | --- | 98,083 | 98,159 |
| --- | --- | --- | 1,795 |
| --- | --- | --- | 40,155 |
| --- | --- | --- | 250,482 |
| 838,607 | 182,484 | 8,955,954 | 11,409,975 |
| 31,052,880 | 2,473,698 | --- | 34,757,589 |
| (26,259,906) | (2,471,873) | --- | (29,916,130) |
| 4,792,974 | 1,825 | --- | 4,841,459 |
| $ 5,631,581 | $ 184,309 | $ 8,955,954 | $ 16,251,434 |
| $ --- | $ 72 | $ 815,226 | $ 1,223,816 |
| --- | --- | --- | 79,037 |
| --- | --- | 1,680,000 | 1,857,614 |
| 2,550 | --- | 78,706 | 81,256 |
| --- | --- | 8,377 | 8,377 |
| 2,550 | 72 | 2,582,309 | 3,250,100 |
| --- | --- | --- | 323,068 |
| --- | --- | --- | 155,168 |
| --- | --- | --- | 478,236 |
| 2,550 | 72 | 2,582,309 | 3,728,336 |
| 4,792,974 | 1,825 | --- | 4,841,459 |
| 836,057 | 182,412 | 6,373,645 | 7,681,639 |
| $ 5,629,031 | $ 184,237 | $ 6,373,645 | $ 12,523,098 |

## CITY OF DES MOINES, IOWA
## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION (DEFICIT)
## INTERNAL SERVICE FUNDS
## For the Fiscal Year Ended June 30, 2013

| | EQUIPMENT SERVICE CENTER | FORESTRY | CENTRAL SERVICES | RADIO COMMUN-ICATIONS |
|---|---|---|---|---|
| Operating revenues: | | | | |
| Charges for sales and services | $ 10,089,263 | $ 1,350,072 | $ 586,456 | $ 651,140 |
| Miscellaneous | --- | 835 | --- | 350 |
| Total operating revenue | 10,089,263 | 1,350,907 | 586,456 | 651,490 |
| Operating expenses: | | | | |
| Personal services | 3,123,274 | 1,069,789 | 114,498 | 596,262 |
| Contractual services | 754,972 | 205,673 | 388,161 | 74,743 |
| Commodities | 6,122,228 | 19,069 | 73,527 | 41,274 |
| Depreciation | 9,466 | --- | 34,053 | 653 |
| Other charges | 24,530 | 49,711 | --- | --- |
| Total operating expenses | 10,034,470 | 1,344,242 | 610,239 | 712,932 |
| Operating income (loss) | 54,793 | 6,665 | (23,783) | (61,442) |
| Non-operating revenues: | | | | |
| Gain (loss) on disposal of capital assets | --- | 978 | --- | --- |
| Total nonoperating revenues | --- | 978 | --- | --- |
| Change in net position | 54,793 | 7,643 | (23,783) | (61,442) |
| **Total net position (deficit) - beginning** | (5,096) | 2,406 | 366,626 | (4,962) |
| **Total net position (deficit) - ending** | $ 49,697 | $ 10,049 | $ 342,843 | $ (66,404) |

| EQUIPMENT REPLACEMENT | RADIO REPLACEMENT | GROUP HEALTH INSURANCE | TOTALS |
|---|---|---|---|
| $ 1,007,597 | $ 105,820 | $ 26,005,221 | $ 39,795,569 |
| 131,538 | --- | --- | 132,723 |
| 1,139,135 | 105,820 | 26,005,221 | 39,928,292 |
| --- | --- | --- | 4,903,823 |
| --- | --- | 22,743,357 | 24,166,906 |
| 5,663 | 13,822 | --- | 6,275,583 |
| 1,273,593 | 1,217 | --- | 1,318,982 |
| --- | --- | --- | 74,241 |
| 1,279,256 | 15,039 | 22,743,357 | 36,739,535 |
| (140,121) | 90,781 | 3,261,864 | 3,188,757 |
| 135,422 | --- | --- | 136,400 |
| 135,422 | --- | --- | 136,400 |
| (4,699) | 90,781 | 3,261,864 | 3,325,157 |
| 5,633,730 | 93,456 | 3,111,781 | 9,197,941 |
| $ 5,629,031 | $ 184,237 | $ 6,373,645 | $ 12,523,098 |

## CITY OF DES MOINES, IOWA
## COMBINING STATEMENT OF CASH FLOWS
## ALL INTERNAL SERVICE FUNDS
## For the Fiscal Year Ended June 30, 2013

| | EQUIPMENT SERVICE CENTER | FORESTRY | CENTRAL SERVICES | RADIO COMMUNI-CATIONS |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Receipts from customers and users | $ 592,905 | $ 1,638 | $ 32,400 | $ 14,610 |
| Receipts from interfund services provided | 9,491,992 | 1,350,072 | 554,056 | 636,880 |
| Payments to suppliers | (6,788,876) | (93,419) | (472,420) | (96,768) |
| Payments to employees | (3,099,106) | (1,063,384) | (111,999) | (584,680) |
| Payments for interfund services used | (101,980) | (179,884) | (480) | (15,936) |
| Net cash provided (used) by operating activities | 94,935 | 15,023 | 1,557 | (45,894) |
| **CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES** | | | | |
| Proceeds from interfund accounts | --- | --- | --- | --- |
| Payments to interfund accounts | --- | (76) | --- | --- |
| Intergovernmental receipts | --- | --- | 161 | 25,497 |
| Intergovernmental disbursements | (1,143) | --- | --- | --- |
| Net cash provided (used) by noncapital and related financing activities | (1,143) | (76) | 161 | 25,497 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | |
| Acquisition and construction of capital assets | --- | --- | --- | --- |
| Proceeds from sale of capital assets | --- | 978 | --- | --- |
| Net cash used in capital and related financing activities | --- | 978 | --- | --- |
| Net increase (decrease) in cash and cash equivalents | 93,792 | 15,925 | 1,718 | (20,397) |

| EQUIPMENT REPLACEMENT | RADIO REPLACEMENT | GROUP HEALTH INSURANCE | TOTALS |
|---|---|---|---|
| $ 105,657 | $ 39,320 | $ 4,470,678 | $ 5,257,208 |
| 1,007,597 | 66,500 | 21,522,748 | 34,629,845 |
| (5,663) | (13,750) | (22,630,400) | (30,101,296) |
| --- | --- | --- | (4,859,169) |
| --- | --- | --- | (298,280) |
| 1,107,591 | 92,070 | 3,363,026 | 4,628,308 |
| 2,550 | --- | --- | 2,550 |
| --- | --- | --- | (76) |
| --- | --- | --- | 25,658 |
| --- | --- | --- | (1,143) |
| 2,550 | --- | --- | 26,989 |
| (1,571,631) | --- | --- | (1,571,631) |
| 170,630 | --- | --- | 171,608 |
| (1,401,001) | --- | --- | (1,400,023) |
| (290,860) | 92,070 | 3,363,026 | 3,255,274 |

(continued)

**CITY OF DES MOINES, IOWA**
**COMBINING STATEMENT OF CASH FLOWS (CONTINUED)**
**ALL INTERNAL SERVICE FUNDS**
**For the Fiscal Year Ended June 30, 2013**

| | EQUIPMENT SERVICE CENTER | FORESTRY | CENTRAL SERVICES | RADIO COMMUNI-CATIONS |
|---|---|---|---|---|
| Cash and cash equivalents, beginning of year | $ 606,323 | $ 130,617 | $ 195,458 | $ 95,085 |
| Cash and cash equivalents, end of year | $ 700,115 | $ 146,542 | $ 197,176 | $ 74,688 |
| **Reconciliation of operating income (loss) to net cash provided (used) by operating activities:** | | | | |
| Operating income (loss) | 54,793 | 6,665 | (23,783) | (61,442) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Depreciation expense | 9,466 | --- | 34,053 | 653 |
| (Increase) decrease in accounts and taxes receivable | (4,366) | 803 | --- | --- |
| (Increase) decrease in inventories | (50,630) | --- | 9,072 | --- |
| (Increase) decrease in prepaid items | 1,583 | --- | 983 | (552) |
| Increase (decrease) in accounts payable and other liabilities | 59,921 | 1,150 | (21,267) | 3,865 |
| Increase in accrued wages payable | 479 | 1,738 | 73 | 237 |
| Increase in accrued employee benefits and other postemployment benefits | 23,689 | 4,667 | 2,426 | 11,345 |
| (Decrease) in deferred revenue | --- | --- | --- | --- |
| Total adjustments | 40,142 | 8,358 | 25,340 | 15,548 |
| Net cash provided (used) by operating activities | $ 94,935 | $ 15,023 | $ 1,557 | $ (45,894) |
| Schedule of noncash capital and related financing activities: | | | | |
| Gain (Loss) on sale of capital asset | --- | 978 | --- | --- |

| EQUIPMENT REPLACEMENT | RADIO REPLACEMENT | GROUP HEALTH INSURANCE | TOTALS |
|---|---|---|---|
| $ 1,103,586 | $ 90,414 | $ 5,492,217 | $ 7,713,700 |
| $ 812,726 | $ 182,484 | $ 8,855,243 | $ 10,968,974 |
| (140,121) | 90,781 | 3,261,864 | 3,188,757 |
| 1,273,593 | 1,217 | --- | 1,318,982 |
| (25,881) | --- | (681) | (30,125) |
| --- | --- | --- | (41,558) |
| --- | --- | --- | 2,014 |
| --- | 72 | 112,957 | 156,698 |
| --- | --- | --- | 2,527 |
| --- | --- | --- | 42,127 |
| --- | --- | (11,114) | (11,114) |
| 1,247,712 | 1,289 | 101,162 | 1,439,551 |
| $ 1,107,591 | $ 92,070 | $ 3,363,026 | $ 4,628,308 |
| 135,422 | --- | --- | 136,400 |

## CITY OF DES MOINES, IOWA
## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
## AGENCY FUNDS
## For the Fiscal Year Ended June 30, 2013

| | BALANCE JULY 1, 2012 | ADDITIONS | DEDUCTIONS | BALANCE JUNE 30, 2013 |
|---|---|---|---|---|
| **WRA** | | | | |
| **ASSETS** | | | | |
| Cash and investments | $ 64,462,492 | $ 220,888,724 | $ 233,615,685 | $ 51,735,531 |
| Accounts receivable | 708,876 | 38,439,848 | 38,226,799 | 921,925 |
| **Total assets** | $ 65,171,368 | $ 259,328,572 | $ 271,842,484 | $ 52,657,456 |
| **LIABILITIES** | | | | |
| Accounts payable | $ 65,171,368 | $ 236,693,927 | $ 249,207,839 | $ 52,657,456 |
| **Total liabilities** | $ 65,171,368 | $ 236,693,927 | $ 249,207,839 | $ 52,657,456 |
| **Employees' Payroll Withholding** | | | | |
| **ASSETS** | | | | |
| Cash and investments | $ 311,392 | $ 142,355,212 | $ 141,974,757 | $ 691,847 |
| Accounts receivable | 32,860 | --- | 32,860 | --- |
| **Total assets** | $ 344,252 | $ 142,355,212 | $ 142,007,617 | $ 691,847 |
| **LIABILITIES** | | | | |
| Accounts payable | $ 338,381 | $ 142,009,376 | $ 141,664,309 | $ 683,448 |
| Good faith/earnest deposits | 5,871 | 2,528 | --- | 8,399 |
| **Total liabilities** | $ 344,252 | $ 142,011,904 | $ 141,664,309 | $ 691,847 |
| **Corporation for Economic Development** | | | | |
| **ASSETS** | | | | |
| Cash and investments | $ 221,886 | $ 88,815 | $ 61,770 | $ 248,931 |
| Accounts receivable | 9,550 | 1,770 | --- | 11,320 |
| **Total assets** | $ 231,436 | $ 90,585 | $ 61,770 | $ 260,251 |
| **LIABILITIES** | | | | |
| Accounts payable | $ 231,436 | $ 60,000 | $ 31,185 | $ 260,251 |
| **Total liabilities** | $ 231,436 | $ 60,000 | $ 31,185 | $ 260,251 |
| **Other Agency** | | | | |
| **ASSETS** | | | | |
| Cash and investments | $ --- | $ 119,833 | $ 119,833 | $ --- |
| Accounts receivable | $ --- | $ 2,576 | $ --- | $ 2,576 |
| **Total assets** | $ --- | $ 122,409 | $ 119,833 | $ 2,576 |
| **LIABILITIES** | | | | |
| Accounts payable | $ --- | $ 122,409 | $ 119,833 | $ 2,576 |
| **Total liabilities** | $ --- | $ 122,409 | $ 119,833 | $ 2,576 |

| | BALANCE JULY 1, 2012 | ADDITIONS | DEDUCTIONS | BALANCE JUNE 30, 2013 |
|---|---|---|---|---|
| **TOTAL ASSETS** | | | | |
| Cash and investments | $ 64,995,770 | $ 363,452,584 | $ 375,772,045 | $ 52,676,309 |
| Accounts receivable | 751,286 | 38,444,194 | 38,259,659 | 935,821 |
| **Total assets** | $ 65,747,056 | $ 401,896,778 | $ 414,031,704 | $ 53,612,130 |
| **TOTAL LIABILITIES** | | | | |
| Accounts payable | $ 65,741,185 | $ 378,885,712 | $ 391,023,166 | $ 53,603,731 |
| Good faith/earnest deposits | 5,871 | 2,528 | --- | 8,399 |
| **Total liabilities** | $ 65,747,056 | $ 378,888,240 | $ 391,023,166 | $ 53,612,130 |

**CITY OF DES MOINES, IOWA**
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**
**SCHEDULE OF CHANGES BY FUNCTION**
**For the Fiscal Year Ended June 30, 2013**

| Function | GOVERNMENTAL FUNDS CAPITAL ASSETS JULY 1, 2012 | ADDITIONS | DELETIONS | GOVERNMENTAL FUNDS CAPITAL ASSETS JUNE 30, 2013 |
|---|---|---|---|---|
| Public safety | $ 78,842,578 | $ 5,518,721 | $ (678,711) | $ 83,682,588 |
| General government | 299,583,144 | 13,279,606 | (669,117) | 312,193,633 |
| Public works | 805,648,499 | 30,927,830 | (6,608) | 836,569,721 |
| Culture and recreation | 204,501,151 | 6,445,192 | (142,230) | 210,804,113 |
| Community and economic development | 5,792,102 | 192,816 | (513,906) | 5,471,012 |
| **Total Governmental Funds Capital Assets** | **$ 1,394,367,474** | **$ 56,364,165** | **$ (2,010,572)** | **$ 1,448,721,067** |

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

## CITY OF DES MOINES, IOWA
## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS*
## SCHEDULE OF CAPITAL ASSETS BY SOURCE
## June 30, 2013

| Governmental Funds Capital Assets: | June 30, 2013 BALANCE |
|---|---|
| Land and Land Improvements | $ 142,413,911 |
| Buildings | 159,405,299 |
| Improvements | 986,167,506 |
| Machinery and Equipment | 36,103,762 |
| Construction in Progress | 124,630,589 |
| **Total Governmental Funds Capital Assets** | $ 1,448,721,067 |

| Investment in Governmental Funds Capital Assets: | June 30, 2013 BALANCE |
|---|---|
| Investments in property acquired prior to January 1, 1964 | $ 31,348,037 |
| Investments in property acquired after January 1, 1964 from: | |
| Capital Improvement Funds: | |
| General Obligation Bonds | 586,523,235 |
| Federal & State Grants | 367,908,765 |
| Federal Revenue Sharing | 22,041,477 |
| Contributions | 35,717,765 |
| Hotel/Motel Tax | 55,005 |
| General Fund | 101,694,683 |
| Enterprise Fund | 67,881,968 |
| Special Revenue Funds | 47,136,668 |
| Special Assessments Funds | 84,904,141 |
| Contributions from Private Sources and Other Funds | 101,393,916 |
| Confiscated Funds | 2,115,407 |
| **Total Governmental Funds Capital Assets** | $ 1,448,721,067 |

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

**CITY OF DES MOINES, IOWA**
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**
**SCHEDULE BY FUNCTION**
**June 30, 2013**

| Function | LAND AND LAND IMPROVEMENTS | BUILDINGS AND BLDG IMPROVEMENTS | IMPROVEMENTS OTHER THAN BUILDINGS | MACHINERY AND EQUIPMENT | CONSTRUCTION IN PROGRESS | TOTAL |
|---|---|---|---|---|---|---|
| Public safety | $ 8,449,244 | $ 22,961,378 | $ 26,177,245 | $ 26,094,721 | $ --- | $ 83,682,588 |
| Human development | --- | --- | --- | --- | --- | --- |
| Home and community environment | --- | --- | --- | --- | --- | --- |
| General government | 112,814,575 | 69,064,726 | 1,217,707 | 4,466,036 | 124,630,589 | 312,193,633 |
| Public works | 14,593,978 | 734,336 | 817,261,265 | 3,980,142 | --- | 836,569,721 |
| Health and social services | --- | --- | --- | --- | --- | --- |
| Culture and recreation | 3,232,314 | 66,636,011 | 139,452,362 | 1,483,426 | --- | 210,804,113 |
| Community and economic development | 3,323,800 | 8,848 | 2,058,927 | 79,437 | --- | 5,471,012 |
| **Total Governmental Funds Capital Assets** | $ 142,413,911 | $ 159,405,299 | $ 986,167,506 | $ 36,103,762 | $ 124,630,589 | $ 1,448,721,067 |

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

CITY OF DES MOINES

# CITY OF DES MOINES, IOWA
# COMBINED SCHEDULE OF BONDS PAYABLE
# June 30, 2013

| | INTEREST | | | FINAL |
|---|---|---|---|---|
| | RATES | DATES | ISSUE DATE | MATURITY DATE |
| **General Obligation Bonds:** | | | | |
| General Obligation 2005C Urban Renewal | 4.00 | JDI | 06-05 | 06-23 |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.10 | | | |
| | 4.20 | | | |
| General Obligation Series 2005E | 5.00 | JDI | 12-05 | 06-20 |
| | 5.00 | | | |
| | 4.50 | | | |
| | 4.50 | | | |
| | 4.50 | | | |
| | 4.50 | | | |
| | 4.50 | | | |
| General Obligation Series 2006A | 4.38 | JDI | 07-06 | 06-26 |
| | 4.38 | | | |
| | 4.38 | | | |
| | 4.38 | | | |
| | 4.50 | | | |
| | 4.50 | | | |
| | 4.50 | | | |
| | 4.50 | | | |
| | 4.50 | | | |
| | 4.50 | | | |
| | 4.63 | | | |
| | 4.63 | | | |
| | 4.63 | | | |
| General Obligation 2006B Urban Renewal | 4.25 | JDI | 07-06 | 06-26 |
| | 4.25 | | | |
| | 4.25 | | | |
| | 4.25 | | | |
| | 4.25 | | | |
| | 4.25 | | | |
| | 4.25 | | | |
| | 4.38 | | | |
| | 4.38 | | | |
| | 4.50 | | | |
| | 4.50 | | | |
| | 4.50 | | | |
| | 4.63 | | | |
| General Obligation Series 2007A | 5.10 | JDI | 04-07 | 06-19 |
| | 5.10 | | | |
| | 5.15 | | | |
| | 5.15 | | | |
| | 5.15 | | | |
| | 5.15 | | | |

| ANNUAL SERIAL PAYMENTS | | BONDS | | | |
|---|---|---|---|---|---|
| AMOUNT | FISCAL YEAR | AUTHORIZED | ISSUED | RETIRED | OUTSTANDING |
| 760,000 | 14 | $10,000,000 | $10,000,000 | $730,000 | $9,270,000 |
| 790,000 | 15 | | | | |
| 825,000 | 16 | | | | |
| 860,000 | 17 | | | | |
| 900,000 | 18 | | | | |
| 940,000 | 19 | | | | |
| 980,000 | 20 | | | | |
| 1,025,000 | 21 | | | | |
| 1,070,000 | 22 | | | | |
| 1,120,000 | 23 | | | | |
| 2,320,000 | 14 | $28,185,000 | $28,185,000 | $10,765,000 | $17,420,000 |
| 2,435,000 | 15 | | | | |
| 2,545,000 | 16 | | | | |
| 2,670,000 | 17 | | | | |
| 2,790,000 | 18 | | | | |
| 2,915,000 | 19 | | | | |
| 1,745,000 | 20 | | | | |
| 905,000 | 14 | $20,295,000 | $20,295,000 | $4,695,000 | $15,600,000 |
| 945,000 | 15 | | | | |
| 985,000 | 16 | | | | |
| 1,030,000 | 17 | | | | |
| 1,075,000 | 18 | | | | |
| 1,125,000 | 19 | | | | |
| 1,180,000 | 20 | | | | |
| 1,235,000 | 21 | | | | |
| 1,295,000 | 22 | | | | |
| 1,355,000 | 23 | | | | |
| 1,420,000 | 24 | | | | |
| 1,490,000 | 25 | | | | |
| 1,560,000 | 26 | | | | |
| 440,000 | 14 | $9,210,000 | $9,210,000 | $1,680,000 | $7,530,000 |
| 455,000 | 15 | | | | |
| 475,000 | 16 | | | | |
| 500,000 | 17 | | | | |
| 520,000 | 18 | | | | |
| 545,000 | 19 | | | | |
| 570,000 | 20 | | | | |
| 595,000 | 21 | | | | |
| 625,000 | 22 | | | | |
| 655,000 | 23 | | | | |
| 685,000 | 24 | | | | |
| 715,000 | 25 | | | | |
| 750,000 | 26 | | | | |
| 395,000 | 14 | $4,635,000 | $4,635,000 | $1,955,000 | $2,680,000 |
| 415,000 | 15 | | | | |
| 435,000 | 16 | | | | |
| 455,000 | 17 | | | | |
| 480,000 | 18 | | | | |
| 500,000 | 19 | | | | |

# CITY OF DES MOINES, IOWA
# COMBINED SCHEDULE OF BONDS PAYABLE
# June 30, 2013

| | INTEREST | | | FINAL |
|---|---|---|---|---|
| | RATES | DATES | ISSUE DATE | MATURITY DATE |
| General Obligation Series 2007B | 4.25 | JDI | 06-07 | 06-27 |
| | 4.25 | | | |
| | 4.25 | | | |
| | 4.25 | | | |
| | 4.25 | | | |
| | 4.25 | | | |
| | 4.25 | | | |
| | 4.38 | | | |
| | 4.38 | | | |
| | 4.38 | | | |
| | 4.50 | | | |
| | 4.50 | | | |
| | 4.50 | | | |
| | 4.50 | | | |
| General Obligation 2007C Urban Renewal | 4.00 | JDI | 06-07 | 06-22 |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.13 | | | |
| | 4.13 | | | |
| | 4.13 | | | |
| | 4.25 | | | |
| | 4.25 | | | |
| General Obligation Series 2008D | 3.50 | JDI | 06-08 | 06-28 |
| | 3.75 | | | |
| | 3.75 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.13 | | | |
| | 4.13 | | | |
| | 4.25 | | | |
| | 4.25 | | | |
| | 4.38 | | | |
| | 4.38 | | | |
| General Obligation 2008E Urban Renewal | 3.25 | JDI | 06-08 | 06-23 |
| | 3.50 | | | |
| | 3.50 | | | |
| | 3.75 | | | |
| | 3.75 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.10 | | | |
| Taxable General Obligation Bonds 2009A | 2.75 | JDI | 03-09 | 06-14 |
| General Obligation 2009B Urban Renewal | 2.50 | JDI | 03-09 | 06-21 |

| ANNUAL SERIAL PAYMENTS | | BONDS | | | |
|---|---|---|---|---|---|
| AMOUNT | FISCAL YEAR | AUTHORIZED | ISSUED | RETIRED | OUTSTANDING |
| 800,000 | 14 | $18,415,000 | $18,415,000 | $3,430,000 | $14,985,000 |
| 835,000 | 15 | | | | |
| 870,000 | 16 | | | | |
| 910,000 | 17 | | | | |
| 945,000 | 18 | | | | |
| 985,000 | 19 | | | | |
| 1,030,000 | 20 | | | | |
| 1,075,000 | 21 | | | | |
| 1,120,000 | 22 | | | | |
| 1,170,000 | 23 | | | | |
| 1,225,000 | 24 | | | | |
| 1,280,000 | 25 | | | | |
| 1,340,000 | 26 | | | | |
| 1,400,000 | 27 | | | | |
| 950,000 | 14 | $15,045,000 | $15,045,000 | $4,925,000 | $10,120,000 |
| 990,000 | 15 | | | | |
| 1,035,000 | 16 | | | | |
| 1,075,000 | 17 | | | | |
| 1,125,000 | 18 | | | | |
| 1,170,000 | 19 | | | | |
| 1,220,000 | 20 | | | | |
| 1,275,000 | 21 | | | | |
| 1,280,000 | 22 | | | | |
| 995,000 | 14 | $24,055,000 | $24,055,000 | $3,520,000 | $20,535,000 |
| 1,035,000 | 15 | | | | |
| 1,075,000 | 16 | | | | |
| 1,115,000 | 17 | | | | |
| 1,165,000 | 18 | | | | |
| 1,215,000 | 19 | | | | |
| 1,270,000 | 20 | | | | |
| 1,325,000 | 21 | | | | |
| 1,390,000 | 22 | | | | |
| 1,460,000 | 23 | | | | |
| 1,530,000 | 24 | | | | |
| 1,610,000 | 25 | | | | |
| 1,695,000 | 26 | | | | |
| 1,780,000 | 27 | | | | |
| 1,875,000 | 28 | | | | |
| 380,000 | 14 | $6,325,000 | $6,325,000 | $1,705,000 | $4,620,000 |
| 395,000 | 15 | | | | |
| 410,000 | 16 | | | | |
| 425,000 | 17 | | | | |
| 445,000 | 18 | | | | |
| 465,000 | 19 | | | | |
| 490,000 | 20 | | | | |
| 510,000 | 21 | | | | |
| 535,000 | 22 | | | | |
| 565,000 | 23 | | | | |
| 215,000 | 14 | $1,155,000 | $1,155,000 | $940,000 | $215,000 |
| 225,000 | 14 | $2,870,000 | $2,870,000 | $835,000 | $2,035,000 |

# CITY OF DES MOINES, IOWA
# COMBINED SCHEDULE OF BONDS PAYABLE
# June 30, 2013

| | INTEREST | | | FINAL |
|---|---|---|---|---|
| | RATES | DATES | ISSUE DATE | MATURITY DATE |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.25 | | | |
| | 3.38 | | | |
| General Obligation Series 2009C | 2.25 | JDI | 03-09 | 06-19 |
| | 2.25 | | | |
| | 2.50 | | | |
| | 2.75 | | | |
| | 3.00 | | | |
| | 3.25 | | | |
| Taxable General Obligation Bonds 2009E | 3.63 | JDI | 06-09 | 06-29 |
| | 3.88 | | | |
| | 4.50 | | | |
| | 4.50 | | | |
| | 4.65 | | | |
| | 4.80 | | | |
| | 5.00 | | | |
| | 5.20 | | | |
| | 5.35 | | | |
| | 5.45 | | | |
| | 5.60 | | | |
| | 5.70 | | | |
| | 5.75 | | | |
| | 5.80 | | | |
| | 5.85 | | | |
| | 5.90 | | | |
| General Obligation 2009F Urban Renewal | 2.50 | JDI | 06-09 | 06-17 |
| | 2.50 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| Taxable General Obligation Bonds 2009G | 3.50 | JDI | 06-09 | 06-19 |
| | 3.88 | | | |
| | 4.38 | | | |
| | 4.75 | | | |
| | 4.75 | | | |
| | 5.00 | | | |
| General Obligation Series 2010A | 2.00 | JDI | 01-10 | 06-24 |
| | 2.50 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.25 | | | |
| | 3.50 | | | |
| | 3.50 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |

| ANNUAL SERIAL PAYMENTS | | BONDS | | | |
|---|---|---|---|---|---|
| AMOUNT | FISCAL YEAR | AUTHORIZED | ISSUED | RETIRED | OUTSTANDING |
| 230,000 | 15 | | | | |
| 240,000 | 16 | | | | |
| 250,000 | 17 | | | | |
| 260,000 | 18 | | | | |
| 270,000 | 19 | | | | |
| 275,000 | 20 | | | | |
| 285,000 | 21 | | | | |
| | | | | | |
| 3,815,000 | 14 | $31,255,000 | $31,255,000 | $17,425,000 | $13,830,000 |
| 1,880,000 | 15 | | | | |
| 1,930,000 | 16 | | | | |
| 1,995,000 | 17 | | | | |
| 2,065,000 | 18 | | | | |
| 2,145,000 | 19 | | | | |
| | | | | | |
| 605,000 | 14 | $19,605,000 | $19,605,000 | $1,905,000 | $17,700,000 |
| 620,000 | 15 | | | | |
| 635,000 | 16 | | | | |
| 655,000 | 17 | | | | |
| 675,000 | 18 | | | | |
| 700,000 | 19 | | | | |
| 1,130,000 | 20 | | | | |
| 1,175,000 | 21 | | | | |
| 1,225,000 | 22 | | | | |
| 1,275,000 | 23 | | | | |
| 1,335,000 | 24 | | | | |
| 1,395,000 | 25 | | | | |
| 1,460,000 | 26 | | | | |
| 1,530,000 | 27 | | | | |
| 1,605,000 | 28 | | | | |
| 1,680,000 | 29 | | | | |
| | | | | | |
| 385,000 | 14 | $3,055,000 | $3,055,000 | $1,455,000 | $1,600,000 |
| 395,000 | 15 | | | | |
| 405,000 | 16 | | | | |
| 415,000 | 17 | | | | |
| | | | | | |
| 310,000 | 14 | $3,115,000 | $3,115,000 | $1,055,000 | $2,060,000 |
| 320,000 | 15 | | | | |
| 335,000 | 16 | | | | |
| 350,000 | 17 | | | | |
| 365,000 | 18 | | | | |
| 380,000 | 19 | | | | |
| | | | | | |
| 1,725,000 | 14 | $15,990,000 | $15,990,000 | $4,955,000 | $11,035,000 |
| 810,000 | 15 | | | | |
| 830,000 | 16 | | | | |
| 855,000 | 17 | | | | |
| 875,000 | 18 | | | | |
| 905,000 | 19 | | | | |
| 935,000 | 20 | | | | |
| 965,000 | 21 | | | | |
| 1,005,000 | 22 | | | | |
| 1,045,000 | 23 | | | | |
| 1,085,000 | 24 | | | | |

# CITY OF DES MOINES, IOWA
# COMBINED SCHEDULE OF BONDS PAYABLE
# June 30, 2013

| | INTEREST | | | FINAL |
|---|---|---|---|---|
| | RATES | DATES | ISSUE DATE | MATURITY DATE |
| General Obligation 2010B Urban Renewal | 3.00 | JDI | 01-10 | 06-24 |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| General Obligation Capital Loan Notes 2010C | 5.00 | JDI | 03-10 | 06-16 |
| | 5.00 | | | |
| | 5.00 | | | |
| General Obligation Bonds 2010D | 2.00 | JDI | 06-10 | 06-30 |
| | 2.00 | | | |
| | 2.38 | | | |
| | 2.63 | | | |
| | 2.75 | | | |
| | 3.00 | | | |
| | 3.25 | | | |
| | 3.25 | | | |
| | 3.25 | | | |
| | 3.25 | | | |
| | 3.38 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.13 | | | |
| General Obligation Refunding Capital Loan Notes 2010H | 5.00 | JDI | 12-10 | 06-25 |
| | 5.00 | | | |
| | 5.00 | | | |
| | 5.00 | | | |
| | 5.00 | | | |
| | 5.00 | | | |
| | 5.00 | | | |
| | 5.00 | | | |
| | 5.00 | | | |
| | 5.00 | | | |
| | 5.00 | | | |
| General Obligation Bonds 2011A | 2.00 | JDI | 06-11 | 06-31 |
| | 2.00 | | | |
| | 2.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |

| ANNUAL SERIAL PAYMENTS | | BONDS | | | |
|---|---|---|---|---|---|
| AMOUNT | FISCAL YEAR | AUTHORIZED | ISSUED | RETIRED | OUTSTANDING |
| 970,000 | 14 | $13,440,000 | $13,440,000 | $300,000 | $13,140,000 |
| 1,000,000 | 15 | | | | |
| 1,050,000 | 16 | | | | |
| 1,050,000 | 17 | | | | |
| 1,100,000 | 18 | | | | |
| 1,190,000 | 19 | | | | |
| 1,245,000 | 20 | | | | |
| 1,300,000 | 21 | | | | |
| 1,350,000 | 22 | | | | |
| 1,410,000 | 23 | | | | |
| 1,475,000 | 24 | | | | |
| 3,300,000 | 14 | $22,630,000 | $22,630,000 | $16,110,000 | $6,520,000 |
| 2,220,000 | 15 | | | | |
| 1,000,000 | 16 | | | | |
| 1,500,000 | 14 | $25,330,000 | $25,330,000 | $1,965,000 | $23,365,000 |
| 1,530,000 | 15 | | | | |
| 1,570,000 | 16 | | | | |
| 1,615,000 | 17 | | | | |
| 1,670,000 | 18 | | | | |
| 1,725,000 | 19 | | | | |
| 1,015,000 | 20 | | | | |
| 1,055,000 | 21 | | | | |
| 1,095,000 | 22 | | | | |
| 1,140,000 | 23 | | | | |
| 1,185,000 | 24 | | | | |
| 1,235,000 | 25 | | | | |
| 1,290,000 | 26 | | | | |
| 1,345,000 | 27 | | | | |
| 1,400,000 | 28 | | | | |
| 1,465,000 | 29 | | | | |
| 1,530,000 | 30 | | | | |
| 4,715,000 | 14 | $65,360,000 | $65,360,000 | $4,095,000 | $61,265,000 |
| 4,975,000 | 15 | | | | |
| 5,245,000 | 16 | | | | |
| 5,530,000 | 17 | | | | |
| 5,830,000 | 18 | | | | |
| 6,150,000 | 19 | | | | |
| 6,490,000 | 20 | | | | |
| 6,850,000 | 21 | | | | |
| 7,235,000 | 22 | | | | |
| 4,235,000 | 23 | | | | |
| 1,960,000 | 24 | | | | |
| 2,050,000 | 25 | | | | |
| 2,855,000 | 14 | $45,520,000 | $45,520,000 | $5,405,000 | $40,115,000 |
| 2,900,000 | 15 | | | | |
| 2,970,000 | 16 | | | | |
| 3,050,000 | 17 | | | | |
| 3,145,000 | 18 | | | | |

# CITY OF DES MOINES, IOWA
# COMBINED SCHEDULE OF BONDS PAYABLE
# June 30, 2013

| | INTEREST | | | FINAL |
|---|---|---|---|---|
| | RATES | DATES | ISSUE DATE | MATURITY DATE |
| | 3.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
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| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.13 | | | |
| General Obligation Bonds 2012A | 2.00 | JDI | 06-12 | 06-32 |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
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| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.75 | | | |
| | 4.75 | | | |
| | 4.75 | | | |
| | 4.75 | | | |
| | 4.75 | | | |
| General Obligation Bonds 2012B, Urban Renewal | 2.00 | JDI | 06-12 | 06-28 |
| | 2.00 | | | |
| | 2.50 | | | |
| | 2.50 | | | |
| | 2.50 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| Taxable General Obligation Bonds 2012C | 0.65 | JDI | 06-12 | 06-22 |
| | 0.80 | | | |
| | 1.00 | | | |
| | 1.20 | | | |
| | 1.45 | | | |
| | 1.70 | | | |

| ANNUAL SERIAL PAYMENTS | | BONDS | | | |
|---|---|---|---|---|---|
| AMOUNT | FISCAL YEAR | AUTHORIZED | ISSUED | RETIRED | OUTSTANDING |
| 1,850,000 | 19 | | | | |
| 1,880,000 | 20 | | | | |
| 1,960,000 | 21 | | | | |
| 2,060,000 | 22 | | | | |
| 2,145,000 | 23 | | | | |
| 2,225,000 | 24 | | | | |
| 2,315,000 | 25 | | | | |
| 2,405,000 | 26 | | | | |
| 1,535,000 | 27 | | | | |
| 1,595,000 | 28 | | | | |
| 1,660,000 | 29 | | | | |
| 1,755,000 | 30 | | | | |
| 1,810,000 | 31 | | | | |
| | | | | | |
| 255,000 | 14 | $19,965,000 | $19,965,000 | $170,000 | $19,795,000 |
| 430,000 | 15 | | | | |
| 640,000 | 16 | | | | |
| 340,000 | 17 | | | | |
| 100,000 | 18 | | | | |
| 100,000 | 19 | | | | |
| 1,085,000 | 20 | | | | |
| 1,100,000 | 21 | | | | |
| 100,000 | 22 | | | | |
| 1,570,000 | 23 | | | | |
| 1,615,000 | 24 | | | | |
| 1,665,000 | 25 | | | | |
| 1,715,000 | 26 | | | | |
| 1,775,000 | 27 | | | | |
| 1,320,000 | 28 | | | | |
| 1,390,000 | 29 | | | | |
| 1,465,000 | 30 | | | | |
| 1,540,000 | 31 | | | | |
| 1,590,000 | 32 | | | | |
| | | | | | |
| 115,000 | 14 | $6,090,000 | $6,090,000 | -$615,000 | $6,705,000 |
| 220,000 | 15 | | | | |
| 220,000 | 16 | | | | |
| 220,000 | 17 | | | | |
| 220,000 | 18 | | | | |
| 220,000 | 19 | | | | |
| 300,000 | 20 | | | | |
| 300,000 | 21 | | | | |
| 310,000 | 22 | | | | |
| 200,000 | 23 | | | | |
| 655,000 | 24 | | | | |
| 805,000 | 25 | | | | |
| 830,000 | 26 | | | | |
| 1,025,000 | 27 | | | | |
| 1,065,000 | 28 | | | | |
| | | | | | |
| 680,000 | 14 | $4,275,000 | $4,275,000 | $645,000 | $3,630,000 |
| 685,000 | 15 | | | | |
| 710,000 | 16 | | | | |
| 730,000 | 17 | | | | |
| 155,000 | 18 | | | | |
| 160,000 | 19 | | | | |

# CITY OF DES MOINES, IOWA
# COMBINED SCHEDULE OF BONDS PAYABLE
# June 30, 2013

| | INTEREST | | | FINAL |
|---|---|---|---|---|
| | RATES | DATES | ISSUE DATE | MATURITY DATE |
| | 2.00 | | | |
| | 2.35 | | | |
| | 2.55 | | | |
| General Obligation Sewer Bonds 2012D | 2.00 | JDI | 06-12 | 06-32 |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
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| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| General Obligation Stormwater Bonds 2012E | 2.00 | JDI | 06-12 | 06-32 |
| | 2.00 | | | |
| | 2.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
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| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| General ObligationParking Bonds, Taxable 2012F | 2.00 | JDI | 06-12 | 06-22 |
| | 2.00 | | | |
| | 2.00 | | | |
| | 2.00 | | | |
| | 2.00 | | | |
| | 2.00 | | | |
| | 2.00 | | | |
| Total General Obligation Bonds | | | | |

| ANNUAL SERIAL PAYMENTS | | BONDS | | | |
|---|---|---|---|---|---|
| AMOUNT | FISCAL YEAR | AUTHORIZED | ISSUED | RETIRED | OUTSTANDING |
| 165,000 | 20 | | | | |
| 170,000 | 21 | | | | |
| 175,000 | 22 | | | | |
| | | | | | |
| 555,000 | 14 | $13,210,000 | $13,210,000 | $640,000 | $12,570,000 |
| 100,000 | 15 | | | | |
| 100,000 | 16 | | | | |
| 100,000 | 17 | | | | |
| 100,000 | 18 | | | | |
| 1,505,000 | 19 | | | | |
| 1,535,000 | 20 | | | | |
| 605,000 | 21 | | | | |
| 620,000 | 22 | | | | |
| 640,000 | 23 | | | | |
| 655,000 | 24 | | | | |
| 675,000 | 25 | | | | |
| 695,000 | 26 | | | | |
| 720,000 | 27 | | | | |
| 740,000 | 28 | | | | |
| 765,000 | 29 | | | | |
| 790,000 | 30 | | | | |
| 820,000 | 31 | | | | |
| 850,000 | 32 | | | | |
| | | | | | |
| 450,000 | 14 | $10,825,000 | $10,825,000 | $335,000 | $10,490,000 |
| 460,000 | 15 | | | | |
| 465,000 | 16 | | | | |
| 470,000 | 17 | | | | |
| 480,000 | 18 | | | | |
| 485,000 | 19 | | | | |
| 495,000 | 20 | | | | |
| 510,000 | 21 | | | | |
| 520,000 | 22 | | | | |
| 535,000 | 23 | | | | |
| 550,000 | 24 | | | | |
| 565,000 | 25 | | | | |
| 585,000 | 26 | | | | |
| 600,000 | 27 | | | | |
| 620,000 | 28 | | | | |
| 640,000 | 29 | | | | |
| 665,000 | 30 | | | | |
| 685,000 | 31 | | | | |
| 710,000 | 32 | | | | |
| | | | | | |
| 1,780,000 | 14 | $13,030,000 | $13,030,000 | $0 | $13,030,000 |
| 1,800,000 | 15 | | | | |
| 1,825,000 | 16 | | | | |
| 1,855,000 | 17 | | | | |
| 1,885,000 | 18 | | | | |
| 1,920,000 | 19 | | | | |
| 1,965,000 | 20 | | | | |
| | | $452,885,000 | $452,885,000 | $91,025,000 | $361,860,000 |

# CITY OF DES MOINES, IOWA
# COMBINED SCHEDULE OF BONDS PAYABLE
# June 30, 2013

| | INTEREST | | | FINAL |
|---|---|---|---|---|
| | RATES | DATES | ISSUE DATE | MATURITY DATE |
| **Revenue Bonds:** | | | | |
| ***Sewer Revenue Bonds:*** | | | | |
| Sewer Revenue of 2004I (State Revolving Fund - Loan 8) | 3.00 | JDI | 11-04 | 06-25 |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| Sewer Revenue Bonds 2004G | 4.00 | JDI | 11-04 | 06-19 |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 5.00 | | | |
| | 5.00 | | | |
| Sewer Revenue Refunding Bonds 2004H | 5.00 | JDI | 11-04 | 06-20 |
| | 5.00 | | | |
| | 5.00 | | | |
| | 5.00 | | | |
| | 5.00 | | | |
| | 5.00 | | | |
| | 5.00 | | | |
| Total Sewer Revenue Bonds | | | | |

| ANNUAL SERIAL PAYMENTS | | BONDS | | | |
|---|---|---|---|---|---|
| AMOUNT | FISCAL YEAR | AUTHORIZED | ISSUED | RETIRED | OUTSTANDING |
| 281,000 | 14 | $5,965,000 | $5,965,000 | $1,975,000 | $3,990,000 |
| 290,000 | 15 | | | | |
| 298,000 | 16 | | | | |
| 307,000 | 17 | | | | |
| 316,000 | 18 | | | | |
| 326,000 | 19 | | | | |
| 336,000 | 20 | | | | |
| 346,000 | 21 | | | | |
| 356,000 | 22 | | | | |
| 367,000 | 23 | | | | |
| 378,000 | 24 | | | | |
| 389,000 | 25 | | | | |
| 510,000 | 14 | $5,160,000 | $5,160,000 | $1,770,000 | $3,390,000 |
| 530,000 | 15 | | | | |
| 550,000 | 16 | | | | |
| 575,000 | 17 | | | | |
| 600,000 | 18 | | | | |
| 625,000 | 19 | | | | |
| 1,290,000 | 14 | $14,040,000 | $14,040,000 | $3,520,000 | $10,520,000 |
| 1,360,000 | 15 | | | | |
| 1,425,000 | 16 | | | | |
| 1,495,000 | 17 | | | | |
| 1,570,000 | 18 | | | | |
| 1,650,000 | 19 | | | | |
| 1,730,000 | 20 | | | | |
| | | $25,165,000 | $25,165,000 | $7,265,000 | $17,900,000 |

# CITY OF DES MOINES, IOWA
# COMBINED SCHEDULE OF BONDS PAYABLE
# June 30, 2013

| | INTEREST | | | FINAL |
|---|---|---|---|---|
| | RATES | DATES | ISSUE DATE | MATURITY DATE |
| ***Stormwater Revenue Bonds:*** | | | | |
| Stormwater Management Utility Revenue Bonds, Series 2006D | 3.75 | JDI | 12-06 | 06-23 |
| | 3.75 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| Stormwater Management Utility Revenue Capital Loan Notes, Series 2010F | 2.00 | JDI | 10-10 | 06-30 |
| | 2.00 | | | |
| | 2.00 | | | |
| | 2.38 | | | |
| | 2.50 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| | 4.00 | | | |
| Stormwater Management Utility Revenue Capital Loan Notes, Series 2010G | 2.00 | | | |
| | 2.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| | 3.00 | | | |
| Total Stormwater Revenue Bonds | | | | |
| ***Airport Revenue Bonds:*** | | | | |
| Aviation System Revenue Capital Loan Notes Series 2010A | 4.50 | JDI | 12-10 | 06-28 |
| | 5.00 | | | |
| Aviation System Revenue Capital Loan Notes Series 2010B | 4.00 | JDI | 12-10 | 06-33 |
| | 5.00 | | | |
| | 5.00 | | | |
| | 5.00 | | | |
| | 5.13 | | | |
| | 5.63 | | | |

| ANNUAL SERIAL PAYMENTS | | BONDS | | | |
|---|---|---|---|---|---|
| AMOUNT | FISCAL YEAR | AUTHORIZED | ISSUED | RETIRED | OUTSTANDING |
| 940,000 | 14 | $16,750,000 | $16,750,000 | $5,075,000 | $11,675,000 |
| 975,000 | 15 | | | | |
| 1,015,000 | 16 | | | | |
| 1,045,000 | 17 | | | | |
| 1,080,000 | 18 | | | | |
| 1,205,000 | 19 | | | | |
| 1,260,000 | 20 | | | | |
| 1,320,000 | 21 | | | | |
| 1,385,000 | 22 | | | | |
| 1,450,000 | 23 | | | | |
| 1,165,000 | 14 | $19,300,000 | $19,300,000 | $3,310,000 | $15,990,000 |
| 1,195,000 | 15 | | | | |
| 1,215,000 | 16 | | | | |
| 1,255,000 | 17 | | | | |
| 1,290,000 | 18 | | | | |
| 1,360,000 | 19 | | | | |
| 625,000 | 20 | | | | |
| 650,000 | 21 | | | | |
| 675,000 | 22 | | | | |
| 700,000 | 23 | | | | |
| 730,000 | 24 | | | | |
| 765,000 | 25 | | | | |
| 795,000 | 26 | | | | |
| 835,000 | 27 | | | | |
| 870,000 | 28 | | | | |
| 910,000 | 29 | | | | |
| 955,000 | 30 | | | | |
| 705,000 | 14 | $5,100,000 | $5,100,000 | $1,355,000 | $3,745,000 |
| 725,000 | 15 | | | | |
| 740,000 | 16 | | | | |
| 770,000 | 17 | | | | |
| 805,000 | 18 | | | | |
| | | $41,150,000 | $41,150,000 | $9,740,000 | $31,410,000 |
| 1,485,000 | 25 | $5,225,000 | $5,225,000 | $0 | $5,225,000 |
| 3,740,000 | 28 | | | | |
| 840,000 | 18 | $15,990,000 | $15,990,000 | $0 | $15,990,000 |
| 1,860,000 | 19 | | | | |
| 895,000 | 20 | | | | |
| 935,000 | 21 | | | | |
| 2,760,000 | 24 | | | | |
| 3,370,000 | 30 | | | | |

# CITY OF DES MOINES, IOWA
# COMBINED SCHEDULE OF BONDS PAYABLE
# June 30, 2013

| | INTEREST | | | FINAL |
|---|---|---|---|---|
| | RATES | DATES | ISSUE DATE | MATURITY DATE |
| | 5.75 | | | |
| Aviation System Revenue Capital Loan Notes Series 2010C | 3.73<br>4.34<br>4.59<br>4.98 | JDI | 12-10 | 06-18 |
| Aviation System Revenue Capital Loan Notes Series 2010D | 5.13 | JDI | 12-10 | 06-35 |
| Total Airport Revenue Bonds | | | | |
| Total Revenue Bonds | | | | |
| **Total General Obligation and Revenue Bonds** | | | | |

| ANNUAL SERIAL PAYMENTS | | BONDS | | | |
|---|---|---|---|---|---|
| AMOUNT | FISCAL YEAR | AUTHORIZED | ISSUED | RETIRED | OUTSTANDING |
| 5,330,000 | 33 | | | | |
| 1,525,000 | 14 | $10,330,000 | $10,330,000 | $2,940,000 | $7,390,000 |
| 1,580,000 | 15 | | | | |
| 1,630,000 | 16 | | | | |
| 1,705,000 | 17 | | | | |
| 950,000 | 18 | | | | |
| 4,900,000 | 35 | $4,900,000 | $4,900,000 | $0 | $4,900,000 |
| | | $36,445,000 | $36,445,000 | $2,940,000 | $33,505,000 |
| | | $102,760,000 | $102,760,000 | $19,945,000 | $82,815,000 |
| | | $555,645,000 | $555,645,000 | $110,970,000 | $444,675,000 |

CITY OF DES MOINES

# STATISTICAL SECTION

CITY OF DES MOINES

# STATISTICAL SECTION

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

**Contents** **Page**


Financial Trends 156

*These schedules contain trend information to help the reader understand how the City of Des Moines' financial performance and well-being have changed over time.*

Revenue Capacity 175

*These schedules contain information to help the reader assess the City of Des Moines' most significant local revenue source, the property tax.*

Debt Capacity 184

*These schedules present information to help the reader assess the affordability of the City of Des Moines' current levels of outstanding debt and the City of Des Moines' ability to issue additional debt in the future.*

Demographic and Economic Information 193

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the City of Des Moines' financial activities take place.*

Operating Information 198

*These schedules contain service and infrastructure data to help the reader understand how the information in the City of Des Moines' financial report relates to the services the City of Des Moines provides and the activities in performs.*


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

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

| | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| Governmental activities: | | | | |
| Net investment in capital assets | $627,843,052 | $ 594,193,590 | $ 466,931,679 | $ 486,181,597 |
| Restricted: | | | | |
| Capital projects | 865,663 | 849,924 | 3,356,372 | 6,548,534 |
| Debt retirement | - | 622,330 | 51,749,947 | 1,418,451 |
| Corpus/Endowments/permanently restricted | 3,387,035 | 3,387,035 | 3,288,277 | 3,290,927 |
| Donor restricted purposes/temporarily restricted | 917,034 | 815,499 | - | - |
| Tax increment | - | - | - | 4,939,242 |
| Public safety | 1,642,857 | 1,488,697 | 3,079,649 | - |
| Public works | 819,683 | 155,266 | 1,539,523 | - |
| Health and social services | 201,268 | 1,724,384 | 2,872,173 | - |
| Culture and recreation | 953,924 | 1,139,051 | 1,439,971 | - |
| Community and economic development | 1,437,818 | 997,898 | 1,015,341 | - |
| Unrestricted | (25,682,004) | (6,914,119) | 13,549,075 | 12,531,402 |
| **Total governmental activities net position** | $612,386,330 | $ 598,459,555 | $ 548,822,007 | $ 514,910,153 |
| Business-type activities: | | | | |
| Net investment in capital assets | $254,919,414 | $ 268,716,677 | $ 464,887,533 | $ 460,045,625 |
| Restricted: | | | | |
| Capital projects | - | - | - | - |
| Public housing program | 9,282,578 | 10,468,627 | 14,087,504 | 14,184,972 |
| Debt retirement | 5,152,298 | 7,106,798 | 12,134,723 | 13,238,421 |
| Bond proceeds | - | - | - | - |
| Unrestricted | 23,234,667 | 3,423,756 | 33,493,278 | 26,299,450 |
| **Total business-type activities net position** | $292,588,957 | $ 289,715,858 | $ 524,603,038 | $ 513,768,468 |
| Primary government: | | | | |
| Net investment in capital assets | $882,762,466 | $ 862,910,267 | $ 931,819,212 | $ 946,227,222 |
| Restricted: | | | | |
| Capital projects | 865,663 | 849,924 | 3,356,372 | 6,548,534 |
| Public housing program | 9,282,578 | 10,468,627 | 14,087,504 | 14,184,972 |
| Debt retirement | 5,152,298 | 7,729,128 | 63,884,670 | 14,656,872 |
| Endowments/permanently restricted | 3,387,035 | 3,387,035 | 3,288,277 | 3,290,927 |
| Donor restricted purposes/temporarily restricted | 917,034 | 815,499 | - | - |
| Public safety | 1,642,857 | 1,488,697 | 3,079,649 | - |
| Public works | 819,683 | 155,266 | 1,539,523 | - |
| Health and social services | 201,268 | 1,724,384 | 2,872,173 | - |
| Culture and recreation | 953,924 | 1,139,051 | 1,439,971 | - |
| Community and economic development | 1,437,818 | 997,898 | 1,015,341 | - |
| Tax increment | - | - | - | 4,939,242 |
| Bond proceeds | - | - | - | - |
| Unrestricted | (2,447,337) | (3,490,363) | 47,042,353 | 38,830,852 |
| **Total primary government net position** | $904,975,287 | $ 888,175,413 | $1,073,425,045 | $1,028,678,621 |

**Table 1**

| 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| $ 440,586,015 | $ 426,382,213 | $ 392,270,393 | $ 378,108,106 | $ 341,478,239 | $ 283,051,413 |
| 29,207,892 | 3,589,269 | 24,194,587 | - | - | - |
| 553,233 | - | 16,776,784 | 1,323,588 | 3,183,118 | 35,085,535 |
| 3,290,927 | 3,290,927 | 3,290,927 | 3,315,718 | 3,315,718 | 3,198,213 |
| - | - | - | 74,992 | 74,992 | 70,943 |
| 4,100,018 | 6,208,887 | 901,380 | 267,348 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 16,598,697 | 25,561,312 | 29,858,916 | 64,928,149 | 95,513,873 | 85,874,449 |
| $ 494,336,782 | $ 465,032,608 | $ 467,292,987 | $ 448,017,901 | $ 443,565,940 | $ 407,280,553 |
| $ 438,254,866 | $ 426,139,390 | $ 389,752,986 | $ 387,871,130 | $ 366,495,501 | $ 304,593,891 |
| 1,466,998 | 426,932 | 4,206,726 | 2,638,618 | 2,611,377 | 12,977,017 |
| 15,279,740 | 11,602,131 | 8,898,800 | 4,018,535 | 1,173,665 | - |
| 13,276,232 | 14,120,681 | 13,933,351 | 8,006,505 | 9,969,544 | 15,330,012 |
| - | - | - | - | - | - |
| 33,326,841 | 46,321,403 | 37,878,037 | 31,601,920 | 28,644,175 | 199,624,746 |
| $ 501,604,677 | $ 498,610,537 | $ 454,669,900 | $ 434,136,708 | $ 408,894,262 | $ 532,525,666 |
| $ 878,840,881 | $ 852,521,603 | $ 782,023,379 | $ 765,979,236 | $ 707,973,740 | $ 587,645,304 |
| 30,674,890 | 4,016,201 | 28,401,313 | 2,638,618 | 2,611,377 | 12,977,017 |
| 15,279,740 | 11,602,131 | 8,898,800 | 4,018,535 | 1,173,665 | - |
| 13,829,465 | 14,120,681 | 30,710,135 | 9,330,093 | 13,152,662 | 50,415,547 |
| 3,290,927 | 3,290,927 | 3,290,927 | 3,315,718 | 3,315,718 | 3,198,213 |
| - | - | - | 74,992 | 74,992 | 70,943 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 4,100,018 | 6,208,887 | 901,380 | 267,348 | - | - |
| - | - | - | - | - | - |
| 49,925,538 | 71,882,715 | 67,736,953 | 96,530,069 | 124,158,048 | 285,499,195 |
| $ 995,941,459 | $ 963,643,145 | $ 921,962,887 | $ 882,154,609 | $ 852,460,202 | $ 939,806,219 |

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

| | 2013 | 2012 | 2011 |
|---|---|---|---|
| Expenses: | | | |
| Governmental activities: | | | |
| Public safety | $ 102,611,418 | $ 98,465,997 | $ 93,375,900 |
| Public works | 53,399,991 | 49,340,265 | 46,184,974 |
| Health and social services | 19,585,129 | 17,316,619 | 22,007,150 |
| Culture and recreation | 29,227,384 | 28,981,404 | 26,293,968 |
| Community and economic development | 20,399,479 | 19,585,102 | 17,054,115 |
| General Government | 21,991,537 | 66,299,402 | 31,732,926 |
| Interest on long-term debt | 17,870,953 | 16,348,496 | 13,733,718 |
| **Total governmental activities expenses** | 265,085,891 | 296,337,285 | 250,382,751 |
| Business-type activities: | | | |
| Airport | - | 250,444,292 | 36,610,641 |
| Parking facilities system | 11,361,604 | 11,903,920 | 12,667,634 |
| Sewer system | 33,024,065 | 32,547,541 | 32,492,636 |
| Stormwater utility | 13,795,476 | 13,062,830 | 14,124,721 |
| Golf | 224,460 | 224,339 | 246,620 |
| Solid waste system | 11,046,303 | 11,212,320 | 11,410,969 |
| Municipal Housing Agency | 23,857,284 | 26,255,903 | 24,451,364 |
| **Total business-type activities expenses** | 93,309,192 | 345,651,145 | 132,004,585 |
| **Total primary government expenses** | 358,395,083 | 641,988,430 | 382,387,336 |
| Program revenue: | | | |
| Governmental activities: | | | |
| Charges for services: | | | |
| Public safety | 19,101,131 | 17,034,087 | 12,550,995 |
| Public works | 8,671,944 | 11,786,989 | 9,750,204 |
| Health and social services | 12,196 | 1,284,516 | 1,849,824 |
| Culture and recreation | 5,234,705 | 5,531,829 | 3,916,141 |
| Community and economic development | 412,254 | 630,461 | 850,016 |
| General Government | 17,248,638 | 22,851,736 | 16,881,970 |

**Table 2**

| 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|---|
| $ 92,779,497 | $ 92,546,848 | $ 91,316,811 | $ 86,971,119 | $ 85,488,230 | $ 76,007,247 | $ 77,898,044 |
| 46,828,147 | 43,987,100 | 43,983,358 | 40,778,570 | 41,698,546 | 39,815,992 | 30,089,959 |
| 23,095,540 | 18,530,235 | 612,374 | 1,082,618 | 17,998,463 | 15,543,088 | 15,291,731 |
| 28,165,552 | 29,408,262 | 29,941,632 | 27,443,217 | 26,819,161 | 24,773,016 | 27,995,911 |
| 13,713,121 | 15,946,402 | 34,806,759 | 24,176,152 | 9,810,740 | 3,268,445 | 2,841,744 |
| 23,827,266 | 23,848,042 | 24,651,764 | 22,278,473 | 20,267,299 | 22,096,917 | 28,103,460 |
| 14,918,745 | 16,783,385 | 16,109,167 | 15,162,124 | 15,599,765 | 17,000,955 | 14,867,034 |
| 243,327,868 | 241,050,274 | 241,421,865 | 217,892,273 | 217,682,204 | 198,505,660 | 197,087,883 |
| 31,367,882 | 32,236,235 | 31,729,902 | 30,093,735 | 27,180,459 | 25,928,471 | 24,488,333 |
| 12,792,295 | 13,355,475 | 12,574,941 | 11,531,196 | 11,365,271 | 10,591,438 | 11,524,834 |
| 29,798,616 | 26,699,082 | 26,295,060 | 25,574,852 | 27,327,334 | 28,457,627 | 34,337,998 |
| 11,450,883 | 10,608,975 | 10,177,919 | 9,137,184 | 9,211,130 | 7,301,443 | 7,005,266 |
| 1,045,624 | 1,959,299 | 2,147,095 | 2,117,251 | 2,767,320 | 2,512,672 | 2,664,606 |
| 10,813,656 | 11,523,915 | 10,642,771 | 9,915,661 | 10,326,717 | 10,155,156 | 9,985,786 |
| 22,236,664 | 21,603,703 | 22,618,089 | 21,918,453 | 20,016,007 | 19,609,363 | 19,379,135 |
| 119,505,620 | 117,986,684 | 116,185,777 | 110,288,332 | 108,194,238 | 104,556,170 | 109,385,958 |
| 362,833,488 | 359,036,958 | 357,607,642 | 328,180,605 | 325,876,442 | 303,061,830 | 306,473,841 |
| 12,028,692 | 11,550,038 | 11,621,311 | 10,862,428 | 8,806,757 | 12,276,259 | 4,434,416 |
| 9,500,432 | 8,692,534 | 7,856,632 | 7,848,887 | 7,712,217 | 7,764,645 | 7,516,436 |
| 1,278,361 | 31,588 | 341,329 | - | 588,692 | 71,219 | 848 |
| 4,083,803 | 3,214,343 | 5,161,409 | 3,890,583 | 3,765,233 | 3,795,487 | 3,736,797 |
| 172,646 | 63,640 | 1,214,545 | 384,052 | 4,630,036 | 165,179 | 160,887 |
| 13,678,772 | 12,309,518 | 11,019,958 | 10,326,678 | 12,223,751 | 8,325,418 | 1,151,837 |

(Continued)

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

| | 2013 | 2012 | 2011 |
|---|---|---|---|
| Operating grants and contributions: | | | |
| Public safety | 4,216,793 | 8,648,949 | 6,104,119 |
| Public works | 19,702,584 | 22,469,564 | 20,665,865 |
| Health and social services | 17,965,653 | 15,335,824 | 20,645,749 |
| Culture and recreation | (99,510) | 75,331 | 5,019,386 |
| Community and economic development | 370,881 | 702,261 | 458,449 |
| General Government | 266,767 | 48,105,538 | 1,785,185 |
| Interest on long-term debt | 1,716,465 | 1,736,823 | - |
| Capital grants and contributions | | | |
| Public safety | 5,683,249 | 3,367,430 | 2,575,741 |
| Public works | 11,846,672 | 9,510,431 | 21,159,074 |
| Health and social services | 187,401 | 1,641,705 | 765,414 |
| Culture and recreation | 2,417,417 | 4,347,444 | 4,023,726 |
| Community and economic development | - | - | 838,102 |
| General Government | 65,347 | 72,012 | 1,033 |
| **Total governmental activities program revenue** | 115,020,587 | 175,132,930 | 129,840,993 |
| | | | |
| Business-type activities: | | | |
| Charges for services: | | | |
| Airport | - | 16,984,284 | 31,264,963 |
| Parking facilities system | 8,915,654 | 8,863,630 | 9,636,890 |
| Sewer system | 33,606,796 | 31,434,033 | 30,679,167 |
| Stormwater utility | 18,564,737 | 17,713,463 | 16,381,613 |
| Golf | 200,151 | 435,266 | 364,126 |
| Solid waste system | 11,975,569 | 12,230,965 | 12,082,415 |
| Municipal Housing Agency | 1,407,721 | 1,295,707 | 2,221,927 |
| Operating grants and contributions: | | | |
| Parking facilities system | - | 282,117 | - |
| Sewer system | - | - | - |
| Stormwater utility | - | - | - |
| Golf | - | - | - |
| Solid waste system | - | - | - |
| Municipal Housing Agency | 18,677,807 | 18,718,280 | 18,484,739 |

**Table 2 (Continued)**

| 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|---|
| 5,495,311 | 7,790,821 | 4,866,238 | 3,752,324 | 6,347,328 | 1,483,907 | 1,685,679 |
| 19,690,770 | 14,016,080 | 20,713,297 | 17,239,250 | 17,141,123 | 19,123,902 | 1,594,797 |
| 21,914,206 | 16,690,859 | 12,369,341 | 425,241 | 16,684,540 | 14,968,291 | 12,317,678 |
| 640,803 | 1,122,090 | 1,793,974 | 688,511 | 329,223 | 218,470 | 801,235 |
| 515,273 | 2,044,207 | 780,682 | 12,879,555 | 1,209,854 | 520,233 | 178,804 |
| 434,899 | 977,698 | 420,191 | 363,205 | 594,938 | 296,895 | 561,979 |
| - | - | - | - | - | - | - |
| 410,420 | - | 50,115 | 126,235 | 454,356 | 400,004 | 1,968,535 |
| 21,588,804 | 24,363,365 | 9,591,981 | 11,583,356 | 21,913,153 | 20,409,238 | 26,668,120 |
| - | - | - | - | 269,995 | - | - |
| 5,357,084 | 6,052,582 | 4,706,964 | 5,258,907 | 12,852,652 | 8,368,656 | 622,758 |
| - | - | - | - | (8,243) | 1,763,492 | 232,042 |
| 197,444 | 504,000 | 9,632 | 421,603 | 1,029,372 | 19,962 | 4,510 |
| 116,987,720 | 109,423,363 | 92,517,599 | 86,050,815 | 116,544,977 | 99,971,257 | 63,637,358 |
| 29,022,719 | 29,663,246 | 28,215,193 | 28,084,082 | 28,124,274 | 26,116,503 | 26,722,224 |
| 10,660,243 | 11,948,806 | 12,510,227 | 10,546,668 | 9,699,607 | 9,029,823 | 8,328,278 |
| 30,189,874 | 29,380,321 | 29,075,690 | 26,877,068 | 25,329,811 | 27,725,289 | 26,817,685 |
| 15,092,393 | 13,995,575 | 13,020,598 | 11,811,325 | 11,281,225 | 10,160,148 | 9,536,919 |
| 866,679 | 1,841,293 | 1,591,191 | 1,729,333 | 2,093,168 | 1,979,032 | 2,179,135 |
| 11,836,783 | 11,454,420 | 11,302,442 | 11,056,904 | 10,950,607 | 10,596,888 | 10,468,137 |
| 2,136,151 | 979,547 | 2,239,360 | 1,538,970 | 1,191,564 | 1,322,175 | 1,538,323 |
| - | - | - | - | - | 600 | - |
| - | - | - | 969 | - | 299,949 | 37,983 |
| - | - | - | 2,240 | 21,443 | 6,079 | 31,077 |
| 25,000 | - | 181 | 1,393 | - | - | - |
| - | 22 | 1,371 | 1,540 | - | 4,500 | - |
| 16,815,446 | 15,256,554 | 18,038,868 | 16,945,764 | 16,367,517 | 15,001,366 | 15,686,776 |

(Continued)

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

| | 2013 | 2012 | 2011 |
|---|---|---|---|
| Capital grants and contributions: | | | |
| Airport | - | 2,205,972 | 4,707,342 |
| Parking facilities system | - | - | - |
| Sewer system | 1,731,558 | 6,809,139 | 2,694,218 |
| Stormwater utility | 96,589 | 6,537,700 | 14,005,894 |
| Golf | - | - | - |
| Solid waste system | - | - | - |
| Municipal Housing Agency | 1,664,846 | 1,010,302 | 1,535,583 |
| **Total business-type activities program revenues** | 96,841,428 | 124,520,858 | 144,058,877 |
| **Total primary government program revenues** | 211,862,015 | 299,653,788 | 273,899,870 |
| Net (expense) revenue: | | | |
| Governmental activities | (150,065,304) | (121,204,355) | (120,541,758) |
| Business-type activities | 3,532,236 | (221,130,287) | 12,054,292 |
| **Total primary government net expense** | (146,533,068) | (342,334,642) | (108,487,466) |

**Table 2 (Continued)**

| 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|---|
| 3,147,565 | 7,507,754 | 8,811,037 | 10,446,717 | 12,342,156 | 10,889,646 | 17,314,903 |
| - | 1,069 | 493,293 | 75,299 | 36,452 | 604,649 | - |
| 690,222 | 246,116 | 13,530,334 | 799,437 | 5,995,750 | 2,554,997 | 8,819,865 |
| 1,293,411 | 186,230 | 8,299,287 | 678,240 | 3,658,856 | 2,500,849 | 222,686 |
| - | - | - | - | - | - | 35,535 |
| - | 54,466 | 767,818 | 36,500 | - | 150,210 | 137,000 |
| 2,422,325 | 2,022,197 | 2,425,757 | 3,779,226 | 3,184,738 | 1,690,722 | 1,513,883 |
| 124,198,811 | 124,537,616 | 150,322,647 | 124,411,675 | 130,277,168 | 120,633,425 | 129,390,409 |
| 241,186,531 | 233,960,979 | 242,840,246 | 210,462,490 | 246,822,145 | 220,604,682 | 193,027,767 |
| (126,340,148) | (131,626,911) | (148,904,266) | (131,841,458) | (101,137,227) | (98,534,403) | (133,450,525) |
| 4,693,191 | 6,550,932 | 34,136,870 | 14,123,343 | 22,082,930 | 16,077,255 | 20,004,451 |
| (121,646,957) | (125,075,979) | (114,767,396) | (117,718,115) | (79,054,297) | (82,457,148) | (113,446,074) |

(Continued)

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

| | 2013 | 2012 | 2011 |
|---|---|---|---|
| General revenues and other changes in net position: | | | |
| Governmental activities: | | | |
| Taxes: | | | |
| Property taxes, levied for general purposes | 115,885,137 | 113,134,537 | 109,225,167 |
| Property taxes, levied for debt service | 30,044,536 | 28,160,613 | 28,411,455 |
| Franchise taxes | 13,063,992 | 11,966,544 | 13,101,045 |
| Other taxes | - | - | - |
| Grants and contribitions not restricted to specific programs | - | - | - |
| Investment earnings | 2,732,385 | 2,400,126 | 1,794,452 |
| Gain on sale of capital asset | 661,158 | 721,566 | 61,817 |
| Miscellaneous | 487,835 | 455,780 | 171,160 |
| Transfers--internal activities | 1,117,036 | 14,002,737 | 1,688,516 |
| **Total governmental activities** | 163,992,079 | 170,841,903 | 154,453,612 |
| Business-type activities: | | | |
| Investment earnings | 367,897 | 316,323 | 421,876 |
| Miscellaneous | - | 1,252 | 36,066 |
| Gain (Loss) on sale of capital asset | 90,002 | (71,731) | 10,852 |
| Special item--contributions to WRA | - | - | - |
| Special item, cululative adjustment for depreciation application | - | - | - |
| Transfers--internal activities | (1,117,036) | (14,002,737) | (1,688,516) |
| **Total business-type activities** | (659,137) | (13,756,893) | (1,219,722) |
| **Total primary government** | 163,332,942 | 157,085,010 | 153,233,890 |
| Changes in net position: | | | |
| Governmental activities | 13,926,775 | 49,637,548 | 33,911,854 |
| Business-type activities | 2,873,099 | (234,887,180) | 10,834,570 |
| **Total primary government** | $ 16,799,874 | $ (185,249,632) | $ 44,746,424 |

**Table 2 (Continued)**

| 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|---|
| 106,998,776 | 103,139,105 | 99,304,723 | 99,727,601 | 92,491,207 | 95,923,545 | 88,204,681 |
| 28,782,683 | 27,580,755 | 24,994,324 | 22,779,494 | 20,487,081 | 20,570,145 | 19,646,538 |
| 12,816,420 | 13,385,310 | 15,032,935 | 14,070,843 | 14,826,329 | 8,465,369 | 4,193,232 |
| - | - | - | - | - | - | 16,712,002 |
| - | - | - | - | - | - | 292,799 |
| 2,337,212 | 3,612,331 | 5,260,767 | 5,953,778 | 4,313,515 | 6,709,621 | 2,746,351 |
| - | - | - | - | - | - | 47,401 |
| 3,051,363 | 6,921,847 | 6,784,213 | 9,484,828 | 7,294,506 | 3,394,030 | 24,915,770 |
| (7,072,935) | 6,291,737 | (4,733,075) | (900,000) | 168,458 | (242,920) | 307,777 |
| 146,913,519 | 160,931,085 | 146,643,887 | 151,116,544 | 139,581,096 | 134,819,790 | 157,066,551 |
| 473,427 | 1,747,988 | 5,070,692 | 5,509,849 | 3,327,974 | 2,264,666 | 985,381 |
| (75,762) | 986,957 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | (142,216,245) | - |
| - | - | - | - | - | - | - |
| 7,072,935 | (6,291,737) | 4,733,075 | 900,000 | (168,458) | 242,920 | (307,777) |
| 7,470,600 | (3,556,792) | 9,803,767 | 6,409,849 | 3,159,516 | (139,708,659) | 677,604 |
| 154,384,119 | 157,374,293 | 156,447,654 | 157,526,393 | 142,740,612 | (4,888,869) | 157,744,155 |
| 20,573,371 | 29,304,174 | (2,260,379) | 19,275,086 | 139,581,096 | 36,285,387 | 23,616,026 |
| 12,163,791 | 2,994,140 | 43,940,637 | 20,533,192 | 3,159,516 | (123,631,404) | 20,682,055 |
| $ 32,737,162 | $ 32,298,314 | $ 41,680,258 | $ 39,808,278 | $ 142,740,612 | $ (87,346,017) | $ 44,298,081 |

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

| | 2013 | 2012 | 2011 |
|---|---|---|---|
| Governmental activities: | | | |
| Charges for services: | | | |
| Public safety | $ 19,101,131 | $ 17,034,087 | $ 12,550,995 |
| Public works | 8,671,944 | 11,786,989 | 9,750,204 |
| Health and social services | 12,196 | 1,284,516 | 1,849,824 |
| Culture and recreation | 5,234,705 | 5,531,829 | 3,916,141 |
| Community and economic development | 412,254 | 630,461 | 850,016 |
| General Government | 17,248,638 | 22,851,736 | 16,881,970 |
| Operating grants and contributions: | | | |
| Public safety | 4,216,793 | 8,648,949 | 6,104,119 |
| Public works | 19,702,584 | 22,469,564 | 20,665,865 |
| Health and social services | 17,965,653 | 15,335,824 | 20,645,749 |
| Culture and recreation | (99,510) | 75,331 | 5,019,386 |
| Community and economic development | 370,881 | 702,261 | 458,449 |
| General Government | 266,767 | 48,105,538 | 1,785,185 |
| Interest on long-term debt | 1,716,465 | 1,736,823 | |
| Capital grants and contributions | | | |
| Public safety | 5,683,249 | 3,367,430 | 2,575,741 |
| Public works | 11,846,672 | 9,510,431 | 21,159,074 |
| Health and social services | 187,401 | 1,641,705 | 765,414 |
| Culture and recreation | 2,417,417 | 4,347,444 | 4,023,726 |
| Community and economic development | - | - | 838,102 |
| General Government | 65,347 | 72,012 | 1,033 |
| **Total governmental activities program revenue** | 115,020,587 | 175,132,930 | 129,840,993 |
| | | | |
| Business-type activities: | | | |
| Charges for services: | | | |
| Airport | - | 16,984,284 | 31,264,963 |
| Parking facilities system | 8,915,654 | 8,863,630 | 9,636,890 |
| Sewer system | 33,606,796 | 31,434,033 | 30,679,167 |
| Stormwater utility | 18,564,737 | 17,713,463 | 16,381,613 |
| Golf | 200,151 | 435,266 | 364,126 |
| Solid waste system | 11,975,569 | 12,230,965 | 12,082,415 |
| Municipal Housing Agency | 1,407,721 | 1,295,707 | 2,221,927 |

**Table 3**

| 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|---|
| $ 12,028,692 | $ 11,550,038 | $ 11,621,311 | $ 10,862,428 | $ 8,806,757 | $ 12,276,259 | $ 4,434,416 |
| 9,500,432 | 8,692,534 | 7,856,632 | 7,848,887 | 7,712,217 | 7,764,645 | 7,516,436 |
| 1,278,361 | 31,588 | 341,329 | - | 588,692 | 71,219 | 848 |
| 4,083,803 | 3,214,343 | 5,161,409 | 3,890,583 | 3,765,233 | 3,795,487 | 3,736,797 |
| 172,646 | 63,640 | 1,214,545 | 384,052 | 4,630,036 | 165,179 | 160,887 |
| 13,678,772 | 12,309,518 | 11,019,958 | 10,326,678 | 12,223,751 | 8,325,418 | 1,151,837 |
| | | | | | | |
| 5,495,311 | 7,790,821 | 4,866,238 | 3,752,324 | 6,347,328 | 1,483,907 | 1,685,679 |
| 19,690,770 | 14,016,080 | 20,713,297 | 17,239,250 | 17,141,123 | 19,123,902 | 1,594,797 |
| 21,914,206 | 16,690,859 | 12,369,341 | 425,241 | 16,684,540 | 14,968,291 | 12,317,678 |
| 640,803 | 1,122,090 | 1,793,974 | 688,511 | 329,223 | 218,470 | 801,235 |
| 515,273 | 2,044,207 | 780,682 | 12,879,555 | 1,209,854 | 520,233 | 178,804 |
| 434,899 | 977,698 | 420,191 | 363,205 | 594,938 | 296,895 | 561,979 |
| | | | | | | |
| 410,420 | - | 50,115 | 126,235 | 454,356 | 400,004 | 1,968,535 |
| 21,588,804 | 24,363,365 | 9,591,981 | 11,583,356 | 21,913,153 | 20,409,238 | 26,668,120 |
| - | - | - | - | 269,995 | - | - |
| 5,357,084 | 6,052,582 | 4,706,964 | 5,258,907 | 12,852,652 | 8,368,656 | 622,758 |
| - | - | - | - | (8,243) | 1,763,492 | 232,042 |
| 197,444 | 504,000 | 9,632 | 421,603 | 1,029,372 | 19,962 | 4,510 |
| 116,987,720 | 109,423,363 | 92,517,599 | 86,050,815 | 116,544,977 | 99,971,257 | 63,637,358 |
| | | | | | | |
| 29,022,719 | 29,663,246 | 28,215,193 | 28,084,082 | 28,124,274 | 26,116,503 | 26,722,224 |
| 10,660,243 | 11,948,806 | 12,510,227 | 10,546,668 | 9,699,607 | 9,029,823 | 8,328,278 |
| 30,189,874 | 29,380,321 | 29,075,690 | 26,877,068 | 25,329,811 | 27,725,289 | 26,817,685 |
| 15,092,393 | 13,995,575 | 13,020,598 | 11,811,325 | 11,281,225 | 10,160,148 | 9,536,919 |
| 866,679 | 1,841,293 | 1,591,191 | 1,729,333 | 2,093,168 | 1,979,032 | 2,179,135 |
| 11,836,783 | 11,454,420 | 11,302,442 | 11,056,904 | 10,950,607 | 10,596,888 | 10,468,137 |
| 2,136,151 | 979,547 | 2,239,360 | 1,538,970 | 1,191,564 | 1,322,175 | 1,538,323 |

(Continued)

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

| | 2013 | 2012 | 2011 |
|---|---|---|---|
| Operating grants and contributions: | | | |
| Parking facilities system | - | 282,117 | - |
| Sewer system | - | - | - |
| Stormwater utility | - | - | - |
| Golf | - | - | - |
| Solid waste system | - | - | - |
| Municipal Housing Agency | 18,677,807 | 18,718,280 | 18,484,739 |
| Capital grants and contributions: | | | |
| Airport | - | 2,205,972 | 4,707,342 |
| Parking facilities system | - | - | - |
| Sewer system | 1,731,558 | 6,809,139 | 2,694,218 |
| Stormwater utility | 96,589 | 6,537,700 | 14,005,894 |
| Golf | - | - | - |
| Solid waste system | - | - | - |
| Municipal Housing Agency | 1,664,846 | 1,010,302 | 1,535,583 |
| **Total business-type activities program revenues** | 96,841,428 | 124,520,858 | 144,058,877 |
| **Total primary government program revenues** | $ 211,862,015 | $ 299,653,788 | $ 273,899,870 |

**Table 3 (Continued)**

| 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|---|
| - | - | - | - | - | 600 | - |
| - | - | - | 969 | - | 299,949 | 37,983 |
| - | - | - | 2,240 | 21,443 | 6,079 | 31,077 |
| 25,000 | - | 181 | 1,393 | - | - | - |
| - | 22 | 1,371 | 1,540 | - | 4,500 | - |
| 16,815,446 | 15,256,554 | 18,038,868 | 16,945,764 | 16,367,517 | 15,001,366 | 15,686,776 |
| | | | | | | |
| 3,147,565 | 7,507,754 | 8,811,037 | 10,446,717 | 12,342,156 | 10,889,646 | 17,314,903 |
| - | 1,069 | 493,293 | 75,299 | 36,452 | 604,649 | - |
| 690,222 | 246,116 | 13,530,334 | 799,437 | 5,995,750 | 2,554,997 | 8,819,865 |
| 1,293,411 | 186,230 | 8,299,287 | 678,240 | 3,658,856 | 2,500,849 | 222,686 |
| - | - | - | - | - | - | 35,535 |
| - | 54,466 | 767,818 | 36,500 | - | 150,210 | 137,000 |
| 2,422,325 | 2,022,197 | 2,425,757 | 3,779,226 | 3,184,738 | 1,690,722 | 1,513,883 |
| 124,198,811 | 124,537,616 | 150,322,647 | 124,411,675 | 130,277,168 | 120,633,425 | 129,390,409 |
| $ 241,186,531 | $ 233,960,979 | $ 242,840,246 | $ 210,462,490 | $ 246,822,145 | $ 220,604,682 | $ 193,027,767 |

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

| | 2013 | 2012 | 2011 |
|---|---|---|---|
| General Fund: | | | |
| Nonspendable | $ 8,209,961 | $ 9,489,312 | $ 4,340,097 |
| Restricted | 750,000 | 500,000 | 250,000 |
| Committed | 250,000 | - | - |
| Unassigned | 17,057,774 | 15,613,514 | 13,554,759 |
| Reserved: | | | |
| Reserved for inventory | - | - | - |
| Reserved for advances | - | - | - |
| Reserved for encumbrances | - | - | - |
| Reserved for prepaid items | - | - | - |
| Unreserved | - | - | - |
| **Total General Fund** | $ 26,267,735 | $ 25,602,826 | $ 18,144,856 |
| | | | |
| All Other Governmental Funds: | | | |
| Nonspendable | $ 3,504,050 | $ 3,991,588 | $ 3,685,491 |
| Restricted | 7,639,753 | 27,995,476 | 62,006,128 |
| Committed | 38,519,303 | 79,926,261 | 93,898,793 |
| Unassigned | (6,557,607) | (6,875,886) | (6,465,652) |
| Reserved: | | | |
| Reserved for debt service | - | - | - |
| Reserved for loans receivable | - | - | - |
| Reserved for property held for sale | - | - | - |
| Reserved for inventory | - | - | - |
| Reserved for prepaid items | - | - | - |
| Reserved for endowments | - | - | - |
| Reserved for donor restricted purposes | - | - | - |
| Unreserved, reported in: | | | |
| Debt service funds | - | - | - |
| Special revenue funds | - | - | - |
| Capital projects funds | - | - | - |
| Permanent funds | - | - | - |
| **Total all other government funds** | $ 43,105,499 | $ 105,037,439 | $ 153,124,760 |

**Table 4**

| 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|---|
| $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 13,361 | 6,929 | 13,123 | 14,602 | 41,730 | 25,554 | 18,449 |
| 4,046,951 | 3,882,579 | 3,718,955 | 3,499,154 | 3,039,982 | 2,571,712 | 2,231,615 |
| 60,716 | 138,068 | 204,394 | 119,536 | 264,788 | 69,747 | 185,178 |
| 318,668 | 369,683 | 285,381 | 352,062 | 368,360 | 267,290 | 228,400 |
| 9,394,712 | 9,379,823 | 10,942,635 | 11,245,248 | 10,159,280 | 9,268,838 | 8,398,022 |
| $ 13,834,408 | $ 13,777,082 | $ 15,164,488 | $ 15,230,602 | $ 13,874,140 | $ 12,203,141 | $ 11,061,664 |
| $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | 16,776,784 | 29,108,893 | 14,747,035 | 35,085,535 |
| 9,175,535 | 9,645,270 | 10,277,088 | 10,888,010 | 10,349,317 | 9,326,893 | 9,372,411 |
| 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | - | - | - |
| 567,698 | 770,080 | - | - | - | - | - |
| 203,229 | 194,191 | 99,903 | 39,742 | 63,511 | 38,538 | 2,911 |
| 3,290,927 | 3,290,927 | 3,290,927 | 3,290,927 | 3,315,718 | 3,315,718 | 3,198,213 |
| - | - | - | - | 74,992 | 74,992 | 70,943 |
| 1,418,451 | 553,233 | (452,555) | 460,775 | 1,310,088 | 3,183,118 | 2,018,969 |
| 484,871 | 3,918,372 | 6,806,600 | 6,069,638 | 3,963,355 | 2,853,037 | 5,013,078 |
| 76,541,506 | 82,413,929 | 71,006,222 | 76,952,775 | 41,686,829 | 66,334,154 | 67,009,803 |
| 686,634 | 626,284 | 541,184 | 368,154 | 87,831 | - | - |
| $ 94,368,851 | $ 103,412,286 | $ 93,569,369 | $ 116,846,805 | $ 89,960,534 | $ 99,873,485 | $ 121,771,863 |

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

| | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| Revenues: | | | | |
| Taxes | $ 145,929,673 | $ 141,295,150 | $ 137,636,622 | $ 135,781,459 |
| Franchise fees | 13,063,992 | 11,966,544 | 13,101,045 | 12,816,420 |
| Licenses and permits | 3,530,391 | 3,269,769 | 3,000,666 | 2,673,649 |
| Fines and Forfeitures | 5,594,223 | 5,208,910 | 2,774,839 | 2,492,003 |
| Charges for sales and services | 18,731,338 | 18,812,361 | 18,669,410 | 18,148,419 |
| Use of money and property | 2,732,385 | 2,400,126 | 1,781,613 | 2,337,212 |
| Miscellaneous | 20,960,853 | 28,328,520 | 23,478,516 | 24,679,657 |
| Intergovernmental | 63,827,825 | 80,999,710 | 77,495,820 | 67,004,562 |
| **Total revenue** | 274,370,680 | 292,281,090 | 277,938,531 | 265,933,381 |
| Expenditures: | | | | |
| Public safety | 99,589,431 | 95,432,399 | 88,491,836 | 88,705,053 |
| Public works | 33,505,738 | 30,744,446 | 27,836,071 | 29,045,473 |
| Health and social services | 19,302,953 | 17,376,407 | 21,800,804 | 23,053,917 |
| Culture and recreation | 21,857,828 | 21,877,142 | 19,296,846 | 21,180,095 |
| Community and economic development | 20,293,135 | 19,430,143 | 17,017,578 | 13,524,591 |
| General Government | 18,105,052 | 22,942,437 | 23,969,996 | 20,903,330 |
| Capital outlay | 56,199,324 | 61,677,986 | 59,949,268 | 53,452,736 |
| Debt service: | | | | |
| Principal retirement | 53,745,701 | 74,160,314 | 64,063,904 | 60,532,593 |
| Interest and fiscal charges | 17,827,371 | 19,010,017 | 16,589,400 | 16,197,806 |
| **Total expenditures** | 340,426,533 | 362,651,291 | 339,015,703 | 326,595,594 |
| Excess (deficiency) of revenue over expenditures | (66,055,853) | (70,370,201) | (61,077,172) | (60,662,213) |
| Other financing sources (uses): | | | | |
| Transfers in | 61,604,867 | 58,309,686 | 56,619,258 | 50,412,327 |
| General obligation bonds issued | - | 31,135,000 | 110,880,000 | 53,500,000 |
| Other debt issued | 1,880,000 | 942,038 | - | 778,854 |
| Advance refunded debt issuance | - | - | - | 26,150,000 |
| Advance refunded debt retirement | - | - | - | (26,150,000) |
| Payment to refunded bond escrow agent | - | - | - | - |
| Premium on bond issue | - | 2,663,005 | 11,271,865 | 3,898,393 |
| Discount on bond issue | - | - | - | - |
| Proceeds from capital asset sale | 1,695,537 | 917,859 | 189,512 | 301,792 |
| Proceeds from damage claims | 96,249 | 103,105 | 147,677 | - |
| Transfers out | (60,487,831) | (64,329,843) | (54,964,783) | (57,215,262) |
| **Total other financing sources (uses)** | 4,788,822 | 29,740,850 | 124,143,529 | 51,676,104 |
| **Net changes in fund balance** | $ (61,267,031) | $ (40,629,351) | $ 63,066,357 | $ (8,986,109) |
| Debt service as a percentage of noncapital expenditures | 25.2% | 31.0% | 29.6% | 26.5% |

**Table 5**

| 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| $ 130,719,860 | $ 124,299,047 | $ 121,611,902 | $ 112,978,288 | $ 116,493,690 | $ 107,851,219 |
| 13,385,310 | 15,032,935 | 14,070,843 | 14,826,329 | 8,465,369 | 4,193,232 |
| 3,305,916 | 3,352,394 | 3,880,861 | 3,719,456 | 3,598,952 | 2,959,063 |
| 2,415,834 | 2,675,875 | 2,654,209 | 2,610,187 | 2,359,832 | 2,692,081 |
| 17,450,617 | 16,074,796 | 15,895,692 | 16,217,987 | 15,485,843 | 17,060,010 |
| 3,612,331 | 6,027,254 | 5,953,778 | 4,313,515 | 3,809,621 | 2,746,351 |
| 29,242,200 | 26,364,050 | 27,619,889 | 35,036,126 | 29,971,941 | 16,227,061 |
| 64,089,967 | 41,054,696 | 42,759,176 | 59,469,733 | 48,944,156 | 58,578,519 |
| 264,222,035 | 234,881,047 | 234,446,350 | 249,171,621 | 229,129,404 | 212,307,536 |
| | | | | | |
| 87,767,338 | 86,456,547 | 81,911,969 | 80,859,282 | 71,721,854 | 66,035,861 |
| 28,276,159 | 28,952,001 | 26,724,957 | 28,914,351 | 27,421,998 | 26,384,762 |
| 18,457,082 | 602,172 | 1,000,260 | 17,959,003 | 15,484,198 | 13,519,817 |
| 22,869,422 | 23,672,112 | 22,216,125 | 22,256,463 | 20,734,462 | 25,774,437 |
| 15,753,434 | 34,639,274 | 23,992,661 | 9,665,102 | 3,103,362 | 2,731,542 |
| 20,935,354 | 21,432,950 | 18,423,006 | 18,232,138 | 18,839,200 | 18,593,807 |
| 52,391,576 | 37,345,948 | 42,996,476 | 58,149,989 | 81,078,701 | 53,862,014 |
| | | | | | |
| 65,124,045 | 43,612,306 | 38,670,289 | 37,143,823 | 66,242,304 | 48,822,094 |
| 16,585,315 | 16,844,138 | 16,251,331 | 16,156,548 | 17,713,332 | 15,106,044 |
| 328,159,725 | 293,557,448 | 272,187,074 | 289,336,699 | 322,339,411 | 270,830,378 |
| | | | | | |
| (63,937,690) | (58,676,401) | (37,740,724) | (40,165,078) | (93,210,007) | (58,522,842) |
| | | | | | |
| 52,008,731 | 52,208,569 | 37,686,123 | 32,198,540 | 42,922,267 | 58,132,549 |
| 61,055,000 | 30,380,000 | 64,149,218 | 28,185,000 | 70,891,133 | 96,515,000 |
| 1,582,164 | 8,937,500 | 2,190,555 | 692,978 | - | 51,500 |
| - | - | 4,620,782 | - | - | - |
| - | - | (4,875,000) | - | - | - |
| - | - | - | - | - | - |
| 626,117 | 34,048 | 126,176 | 1,245,531 | 1,659,207 | 3,433,760 |
| - | (94,216) | (211,854) | - | - | - |
| 2,338,183 | 808,594 | 883,580 | 1,631,159 | 145,686 | 1,188,698 |
| 500,000 | - | - | - | - | - |
| (45,716,994) | (56,941,644) | (38,586,123) | (32,030,082) | (43,165,187) | (57,803,070) |
| 72,393,201 | 35,332,851 | 65,983,457 | 31,923,126 | 72,453,106 | 101,518,437 |
| | | | | | |
| $ 8,455,511 | $ (23,343,550) | $ 28,242,733 | $ (8,241,952) | $ (20,756,901) | $ 42,995,595 |
| | | | | | |
| 29.6% | 23.1% | 34.7% | 29.5% | 25.1% | 15.9% |

CITY OF DES MOINES

**CITY OF DES MOINES, IOWA** **Table 6**
**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS**
**LAST TEN FISCAL YEARS**
***(Modified accrual basis of accounting)***
**(Unaudited)**

| FISCAL YEAR | GENERAL PROPERTY TAXES | MONIES AND CREDITS TAX | MOBILE HOME TAX | HOTEL/MOTEL TAX | SPECIAL UTILITY EXCISE TAX | TOTAL TAXES |
|---|---|---|---|---|---|---|
| 2012-13 | 137,153,184 | 32,532 | 114,851 | 4,758,396 | 3,870,710 | 145,929,673 |
| 2011-12 | 132,970,699 | 24,800 | 120,644 | 4,366,762 | 3,812,245 | 141,295,150 |
| 2010-11 | 129,977,076 | 29,317 | 122,097 | 3,889,790 | 3,618,342 | 137,636,622 |
| 2009-10 | 128,142,798 | 45,717 | 120,092 | 3,700,761 | 3,772,091 | 135,781,459 |
| 2008-09 | 123,124,847 | 16,587 | 118,189 | 3,720,368 | 3,739,869 | 130,719,860 |
| 2007-08 | 116,396,207 | 17,140 | 120,577 | 4,200,778 | 3,564,345 | 124,299,047 |
| 2006-07 | 113,947,563 | 16,340 | 123,113 | 3,848,692 | 3,676,194 | 121,611,902 |
| 2005-06 | 105,522,405 | 19,199 | 126,168 | 3,659,431 | 3,651,085 | 112,978,288 |
| 2004-05 | 109,191,193 | 20,337 | 131,800 | 3,247,730 | 3,907,277 | 116,498,337 |
| 2003-04 | 100,257,983 | 15,778 | 139,534 | 3,409,509 | 4,028,415 | 107,851,219 |
| Change 2003-2013 | 136.800% | 206.186% | 82.310% | 139.563% | 96.085% | 135.306% |

Source: City records.

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

| Valuation Year | Residential Property | Commercial Property | Industrial Property | Farm Property | Railway Property |
|---|---|---|---|---|---|
| 2012 | $ 7,316,677,770 | $ 3,009,375,580 | $ 190,078,540 | $ 10,324,900 | $ 16,509,244 |
| 2011 | 7,263,391,920 | 2,999,787,340 | 188,487,690 | 10,057,750 | 15,154,668 |
| 2010 | 7,500,758,350 | 3,095,405,840 | 194,779,860 | 8,270,550 | 12,966,428 |
| 2009 | 7,370,107,010 | 3,129,490,830 | 194,168,000 | 8,241,560 | 10,228,649 |
| 2008 | 7,123,448,010 | 3,048,959,390 | 193,397,790 | 3,342,380 | 9,540,299 |
| 2007 | 6,963,088,460 | 3,020,661,560 | 194,107,730 | 2,979,540 | 9,046,322 |
| 2006 | 6,262,344,300 | 2,926,850,350 | 183,555,680 | 2,747,265 | 8,530,839 |
| 2005 | 6,176,602,000 | 2,858,531,890 | 185,469,950 | 2,738,740 | 7,757,764 |
| 2004 | 5,514,536,820 | 2,695,476,615 | 176,594,260 | 2,816,090 | 7,808,752 |
| 2003 | 5,471,665,090 | 2,699,787,130 | 178,947,040 | 2,849,830 | 7,642,805 |

**Source**:
State of Iowa Department of Management

**Table 7**

| Machinery/ Equipment Property | Utilities Property | Total Taxable Assessed Value | Total Direct Tax Rate | Percent Growth | Actual Taxable Value | Value as a Percentage of Actual Value |
|---|---|---|---|---|---|---|
| $ - | $ 389,559,024 | 10,932,525,058 | 16.92001 | 1.08% | $ 7,331,444,442 | 67% |
| - | 338,306,985 | 10,815,186,353 | 16.58000 | (3.26)% | 7,146,015,644 | 66% |
| - | 367,913,783 | 11,180,094,811 | 16.57613 | 1.01% | 7,195,887,806 | 64% |
| - | 356,474,377 | 11,068,710,426 | 16.57614 | 3.20% | 7,032,688,268 | 64% |
| - | 347,054,081 | 10,725,741,950 | 16.57606 | 2.12% | 6,751,877,052 | 63% |
| - | 313,110,998 | 10,502,994,610 | 16.59028 | 8.23% | 6,533,913,362 | 62% |
| - | 320,020,548 | 9,704,048,982 | 16.45083 | 1.72% | 6,210,510,617 | 64% |
| - | 308,830,443 | 9,539,930,787 | 16.52000 | 9.83% | 6,120,705,460 | 64% |
| - | 289,170,524 | 8,686,403,061 | 17.05539 | 0.57% | 5,776,063,229 | 66% |
| - | 275,926,144 | 8,636,818,039 | 17.04806 | 11.21% | 5,781,046,642 | 67% |

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

| | City Direct Rates | | | | | | | Overlapping Rates | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Tax Year Levied | General Fund | Transit Fund | Insurance Fund | Emergency Fund | Employee Benefits Fund | Debt Service Fund | Total Direct | Polk County | Broadlawns County Hospital | Ag Extension District |
| 2012-2013 | 8.10000 | 0.00000 | 0.29000 | 0.00000 | 4.31000 | 4.21982 | 16.91982 | 6.80992 | 2.97819 | 0.03866 |
| 2011-2012 | 8.10000 | 0.00000 | 0.30122 | 0.00000 | 4.24945 | 3.92933 | 16.58000 | 6.80992 | 2.92193 | 0.03696 |
| 2010-2011 | 8.10000 | 0.00000 | 0.30345 | 0.00000 | 4.10538 | 4.06730 | 16.57613 | 6.81833 | 2.92111 | 0.03631 |
| 2009-2010 | 8.10000 | 0.00000 | 0.29425 | 0.00000 | 3.90745 | 4.27444 | 16.57614 | 6.82855 | 2.80423 | 0.03752 |
| 2008-2009 | 8.10000 | 0.00000 | 0.30804 | 0.00000 | 3.93100 | 4.23702 | 16.57606 | 6.83696 | 2.92408 | 0.03717 |
| 2007-2008 | 8.10000 | 0.00000 | 0.31407 | 0.00000 | 4.13701 | 4.03920 | 16.59028 | 6.84207 | 2.96959 | 0.03703 |
| 2006-2007 | 8.10000 | 0.00000 | 0.27892 | 0.00000 | 4.33096 | 3.74095 | 16.45083 | 6.34845 | 3.49157 | 0.03771 |
| 2005-2006 | 8.10000 | 0.46951 | 0.36352 | 0.00000 | 4.03248 | 3.55449 | 16.52000 | 6.34845 | 3.20245 | 0.03791 |
| 2004-2005 | 8.10000 | 0.46940 | 0.33829 | 0.00000 | 4.59394 | 3.55376 | 17.05539 | 6.35281 | 3.25699 | 0.03735 |
| 2003-2004 | 8.10000 | 0.50354 | 0.33977 | 0.00000 | 4.49172 | 3.61303 | 17.04806 | 6.34845 | 3.05863 | 0.03803 |

**Source**: Polk County Auditor and Polk County Treasurer

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

**Table 8**

| Overlapping Rates | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Polk County Assessor | State of Iowa | Area XI Community College | Regional Transit | Des Moines Community School District | Carlisle Community School District | SE Polk Community School District | Saydel Community School District | Johnston Community Schools District | WDM Community School Disrtict |
| 0.24382 | 0.0033 | 0.58466 | 0.5940 | 18.34845 | 18.57766 | 21.65866 | 13.47994 | 17.35008 | 13.30184 |
| 0.24628 | 0.0032 | 0.59018 | 0.4440 | 18.34848 | 20.65059 | 21.65866 | 13.97969 | 17.34599 | 13.84954 |
| 0.27848 | 0.003 | 0.56008 | 0.4443 | 17.64347 | 20.97493 | 21.80667 | 13.97723 | 17.34506 | 13.94266 |
| 0.30104 | 0.003 | 0.56778 | 0.46232 | 17.64277 | 19.46621 | 21.83221 | 13.98315 | 17.34738 | 13.9441 |
| 0.32711 | 0.0035 | 0.56386 | 0.60079 | 17.78888 | 19.86337 | 21.84708 | 13.67722 | 17.34353 | 13.69179 |
| 0.31349 | 0.0035 | 0.60276 | 0.59997 | 17.93709 | 20.00427 | 21.96487 | 13.62992 | 17.34813 | 13.70031 |
| 0.29738 | 0.00400 | 0.68688 | 0.59998 | 18.01713 | 17.21211 | 20.98804 | 13.38621 | 17.34623 | 13.70060 |
| 0.35437 | 0.00400 | 0.68408 | 0.00000 | 18.01394 | 18.36826 | 17.98848 | 13.12949 | 17.34748 | 13.50341 |
| 0.31745 | 0.00400 | 0.59856 | 0.00000 | 18.02657 | 18.36820 | 17.28014 | 14.67175 | 17.21053 | 13.50200 |
| 0.31715 | 0.00400 | 0.58184 | 0.00000 | 17.36358 | 18.88304 | 17.36978 | 14.79933 | 16.72967 | 13.50422 |

CITY OF DES MOINES

**CITY OF DES MOINES, IOWA** **Table 9**
**PROPERTY TAX LEVIES AND COLLECTIONS**
**LAST TEN FISCAL YEARS**
**(Unaudited)**

| Fiscal Year Ended June 30 | Tax Year | Taxes Levied for the Tax Year | Collected Within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---|---|---|---|---|---|---|---|
| | | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2013 | 2012 | $ 137,005,743 | $ 137,153,184 | 100.11% | $ - | 137,153,184 | 100.11% |
| 2012 | 2011 | 137,113,954 | 136,716,970 | 99.71% | 88,502 | 136,805,472 | 99.78% |
| 2011 | 2010 | 134,998,095 | 133,512,630 | 98.90% | 18,244 | 133,523,178 | 98.91% |
| 2010 | 2009 | 132,446,684 | 131,938,293 | 99.62% | 22,416 | 131,960,709 | 99.63% |
| 2009 | 2008 | 127,597,827 | 124,458,527 | 97.54% | 53,171 | 124,511,698 | 97.58% |
| 2008 | 2007 | 120,533,667 | 119,875,076 | 99.45% | 65,735 | 119,940,811 | 99.51% |
| 2007 | 2006 | 118,629,762 | 115,357,229 | 97.24% | 114,502 | 115,471,731 | 97.34% |
| 2006 | 2005 | 109,692,331 | 106,282,565 | 96.89% | 2,424,308 | 108,706,873 | 99.10% |
| 2005 | 2004 | 114,202,783 | 112,775,249 | 98.75% | 2,173,223 | 114,948,472 | 100.65% |
| 2004 | 2003 | 105,337,109 | 104,534,389 | 99.24% | 1,373,327 | 105,907,716 | 100.54% |

Source:
Polk County, City Records

CITY OF DES MOINES

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

**Table 10**

| | 2013 | | | 2004 | | |
|---|---|---|---|---|---|---|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Principal Financial Group | $200,090,200 | 1 | 2.80% | $214,643,000 | 1 | 3.68% |
| Nationwide Mutual Insurance | 173,946,600 | 2 | 2.44% | 82,334,700 | 3 | 1.41% |
| Mercy Medical Plaza | 156,563,000 | 3 | 2.19% | 91,976,200 | 2 | 1.58% |
| Wellmark, Inc. | 126,790,000 | 4 | 1.78% | | | |
| Wells Fargo Financial Inc. | 96,811,700 | 5 | 1.36% | 50,464,920 | 4 | 0.87% |
| Employers Mutual Casualty Co. | 54,607,770 | 6 | 0.77% | 46,519,500 | 6 | 0.80% |
| Iowa Methodist Medical Plaza | 48,360,000 | 7 | 0.68% | 46,616,690 | 5 | 0.80% |
| Meredith Corporation | 30,990,900 | 8 | 0.43% | 44,208,560 | 7 | 0.76% |
| LB Properties XLLC | 28,950,000 | 9 | 0.41% | | | |
| Lexington TNI Des Moines LP | 26,857,000 | 10 | 0.38% | | | |
| Hubbell Realty Co. | - | | - | 43,768,600 | 8 | 0.75% |
| Ruan Center | - | | - | 41,523,000 | 9 | 0.71% |
| Merle Hay Mall | - | | - | 38,116,000 | 10 | 0.65% |
| Total | $943,967,170 | | 13.24% | $700,171,170 | | 12.01% |

Source: Polk County Assessor/ Auditor

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

| | Governmental Activities | | | | | Governmental Activities | |
|---|---|---|---|---|---|---|---|
| Fiscal Year | General Obligation Bonds | Less Amount Available in Debt Service | Net General Bonded Debt | Percentage of Actual Property Value | Debt Per Capita(1) | Loans Payable | Notes Payable |
| 2013 | $ 338,390,683 | $ 415,784 | 337,974,899 | 3.12% | $ 1,661 | $ 8,500,000 | $ 4,188,987 |
| 2012 | 392,467,179 | 21,217,274 | 371,249,905 | 3.43% | 1,825 | 8,500,000 | 3,299,688 |
| 2011 | 419,413,600 | 50,373,536 | 369,040,064 | 3.41% | 1,798 | 9,925,000 | 3,427,964 |
| 2010 | 355,574,000 | 1,418,451 | 354,155,549 | 3.52% | 1,859 | 10,040,000 | 5,187,868 |
| 2009 | 359,762,000 | 553,233 | 359,208,767 | 3.59% | 1,895 | 10,155,000 | 7,138,607 |
| 2008 | 361,203,000 | (452,555) | 361,655,555 | 3.62% | 1,913 | 10,270,000 | 8,069,488 |
| 2007 | 371,821,000 | 17,237,559 | 354,583,441 | 3.78% | 1,845 | 1,885,000 | 10,131,294 |
| 2006 | 342,280,000 | 30,432,481 | 311,847,519 | 3.42% | 1,643 | 2,000,000 | 12,492,505 |
| 2005 | 349,226,000 | 17,931,361 | 331,294,639 | 3.92% | 1,714 | 2,000,000 | 7,164,606 |
| 2004 | 344,026,808 | 37,104,504 | 306,922,304 | 3.67% | 1,594 | 2,120,000 | 7,594,969 |

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

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

**Table 11**

| | Business-Type Activities | | | | | | |
|---|---|---|---|---|---|---|---|
| Revenue Bonds | Notes Payable | General Obligation Bonds | Revenue Bonds | Capital Leases | Total Primary Government | Percentage of Per Capita Income(1) | Per Capita(1) |
| $ 33,247,906 | $ 2,110,860 | $ 37,604,556 | $ 50,263,584 | $ - | $ 474,306,576 | 10.17% | $ 2,332 |
| 34,728,075 | 4,076,232 | - | 70,039,940 | - | 513,111,114 | 11.00% | 2,522 |
| - | 9,341,049 | - | 124,448,475 | 4,637,740 | 555,144,753 | 11.90% | 2,729 |
| - | 10,100,107 | 21,000 | 103,760,000 | 6,300,425 | 490,983,400 | 12.56% | 2,471 |
| - | 16,485,120 | 278,000 | 108,710,000 | 8,060,816 | 510,589,543 | 13.06% | 2,570 |
| - | 14,858,830 | 547,000 | 114,233,000 | 9,502,899 | 518,684,217 | 13.27% | 2,611 |
| - | 2,262,225 | 814,000 | 118,768,885 | 11,204,648 | 516,887,052 | 13.22% | 2,602 |
| - | 3,203,442 | 1,180,000 | 105,077,418 | 11,480,377 | 477,713,742 | 12.22% | 2,404 |
| - | 3,669,791 | 1,574,000 | 106,110,292 | 3,129,730 | 472,874,419 | 12.10% | 2,380 |
| - | 4,308,936 | 1,966,000 | 141,463,196 | 2,135,710 | 503,615,619 | 12.88% | 2,535 |

CITY OF DES MOINES

**CITY OF DES MOINES, IOWA** **Table 12**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

**CURRENT YEAR**

**(Unaudited)**

| NAME OF GOVERNMENTAL UNIT | NET GENERAL OBLIGATION DEBT OUTSTANDING * | PERCENTAGE APPLICABLE TO THIS GOVERNMENTAL UNIT | CITY OF DES MOINES SHARE OF DEBT |
|---|---|---|---|
| City of Des Moines | $ 374,548,987 | 100.00 % | $ 374,548,987 |
| Polk County | 99,320,296 | 34.66% | 344,269 |
| School Districts: | | | |
| Carlisle | 18,085,000 | 5.33 | 963,931 |
| Des Moines | 131,860,000 | 96.40 | 127,113,040 |
| Johnston | 40,620,000 | 1.92 | 779,904 |
| Saydel | 8,580,000 | 10.23 | 877,734 |
| Southeast Polk | 88,537,745 | 0.49 | 433,835 |
| Area XI Community College | 66,390 | 23.38 | 15,522 |
| Total overlapping | 387,069,431 | | 130,528,234 |
| Total direct and overlapping | $ 761,618,418 | | $ 505,077,221 |

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

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

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 Des Moines. This process recognizes that, when considering the city'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 DES MOINES, IOWA
# LEGAL DEBT MARGIN INFORMATION
# LAST TEN FISCAL YEARS
## *(Dollars in thousands)*
## (Unaudited)

| | |
|---|---|
| Legal Debt Margin Calculation for Fiscal Year 2013 | |
| Assessed value | **$ 10,836,883,434** |
| Debt limit (5% of assessed value) | **541,844,172** |
| Debt applicable to limit: | |
| General obligation bonds | **361,860,000** |
| Other Legal Indebtedness (TIF Rebates and Leases) | **14,653,284** |
| Total net debt applicable to limit | **376,513,284** |
| Legal debt margin | **$ 165,330,888** |

| | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| Debt limit | $ 541,844,172 | $ 558,198,015 | $ 552,597,489 | $ 535,264,366 |
| Total net debt applicable to limit | 376,513,284 | 356,554,826 | 353,891,464 | 355,595,000 |
| Legal debt margin | $ 165,330,888 | $ 185,289,346 | $ 204,306,551 | $ 197,002,489 |
| **Total net debt applicable to the limit as a percentage of debt limit** | 69.49% | 63.88% | 64.04% | 66.43% |

**Table 13**

| 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| $ 524,284,217 | $ 484,288,145 | $ 476,601,639 | $ 434,211,844 | $ 431,367,371 | $ 387,795,444 |
| 361,695,000 | 363,520,000 | 357,825,000 | 316,570,000 | 338,700,000 | 348,112,808 |
| $ 173,569,366 | $ 160,764,217 | $ 126,463,145 | $ 160,031,639 | $ 95,511,844 | $ 83,254,563 |
| 68.99% | 75.06% | 75.08% | 72.91% | 78.52% | 89.77% |

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

| | Sanitary Sewer Bonds | | | | | |
|---|---|---|---|---|---|---|
| Fiscal Year | Operating Revenues | Less Operating Expenses | Net Available Revenue | Debt Service Principal | Debt Service Interest | Coverage |
| 2013 | $ 33,585,154 | $ 15,867,875 | $ 17,717,279 | $ 4,510,011 | $ 4,436,786 | 1.98 |
| 2012 | $ 31,372,051 | $ 16,455,238 | 14,916,813 | $ 4,465,544 | $ 4,746,394 | 1.62 |
| 2011 | 30,750,844 | 15,775,023 | 14,975,821 | 5,111,637 | 4,594,187 | 1.54 |
| 2010 | 29,106,079 | 14,459,147 | 14,646,932 | 4,720,956 | 3,011,545 | 1.89 |
| 2009 | 28,280,923 | 12,980,555 | 15,300,368 | 4,421,532 | 3,096,163 | 2.04 |
| 2008 | 28,221,011 | 13,163,260 | 15,057,751 | 3,226,244 | 4,233,696 | 2.02 |
| 2007 | 26,776,600 | 13,096,158 | 13,680,442 | 4,129,342 | 3,622,779 | 1.76 |
| 2006 | 25,157,528 | 14,793,686 | 10,363,842 | 4,000,305 | 3,259,999 | 1.43 |
| 2005 | 22,983,744 | 12,474,475 | 10,509,269 | 4,927,000 | 1,276,183 | 1.69 |
| 2004 | 26,311,824 | 12,067,837 | 14,243,987 | 6,902,000 | 3,085,414 | 1.43 |

**Table 14**

Stormwater Bonds

| Operating Revenues | Less Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
|---|---|---|---|---|---|
| | | | Principal | Interest | |
| $ 18,283,969 | $ 8,417,701 | $ 9,866,268 | $ 2,955,587 | $ 1,148,870 | 2.40 |
| $ 17,957,553 | $ 8,803,865 | 9,153,688 | $ 2,892,012 | $ 1,225,294 | 2.22 |
| 17,831,457 | 9,083,973 | 8,747,484 | 1,915,000 | 987,792 | 3.01 |
| 15,154,464 | 6,808,744 | 8,345,720 | 2,146,674 | 1,160,892 | 2.52 |
| 14,514,329 | 6,481,887 | 8,032,442 | 1,896,400 | 1,201,748 | 2.59 |
| 14,529,733 | 5,934,060 | 8,595,673 | 1,800,000 | 1,259,895 | 2.81 |
| 13,543,675 | 5,697,603 | 7,846,072 | 1,000,000 | 987,978 | 3.95 |
| 11,844,126 | 5,421,968 | 6,422,158 | 970,000 | 669,140 | 3.92 |
| 10,922,485 | 5,436,157 | 5,486,328 | 573,294 | 671,769 | 4.41 |
| 9,622,910 | 5,504,372 | 4,118,538 | 499,877 | 419,954 | 4.48 |

CITY OF DES MOINES

**CITY OF DES MOINES, IOWA** **Table 15**
**DEMOGRAPHIC AND ECONOMIC STATISTICS**
**LAST TEN FISCAL YEARS**
**(Unaudited)**

| Fiscal Year Ended June 30, | Population(1) | Median Family Income(1) | Per Capita Income (State of Iowa) | Median Age(1) | School Enrollment (3) | Unemployment Rate(2) |
|---|---|---|---|---|---|---|
| 2013 | 203,443 | $51,851 | $26,280 | 33.5 | 32,062 | 4.9% |
| 2012 | 203,443 | $51,851 | $26,280 | 33.5 | 31,275 | 5.3% |
| 2011 | 203,443 | 51,851 | 26,280 | 33.5 | 32,438 | 6.0% |
| 2010 | 198,682 | 44,022 | 24,357 | 34.6 | 31,924 | 6.4% |
| 2009 | 198,682 | 44,022 | 24,357 | 34.6 | 30,783 | 6.2% |
| 2008 | 198,682 | 44,022 | 24,357 | 34.6 | 32,043 | 4.5% |
| 2007 | 198,682 | 44,022 | 24,357 | 34.6 | 31,549 | 3.4% |
| 2006 | 198,682 | 44,022 | 24,357 | 34.6 | 31,598 | 3.6% |
| 2005 | 198,682 | 44,022 | 24,357 | 34.6 | 31,851 | 4.1% |
| 2004 | 198,682 | 56,674 | 19,674 | 34.6 | 32,150 | 3.6% |

**Sources**:
1. 2010, 2000 US Census.
2. FY2013 through FY2006 information from Iowa Workforce Development.
   Other years from Metropolitan Statistical Area. (Polk, Dallas and Warren Counties).
3. Des Moines Public Schools information from the Iowa Department of Education website.

**Notes**: The demographic statistic is being added to the report.
Personal Income data is not available.

CITY OF DES MOINES

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

**Table 16**

| | 2013 | | | 2004 | |
|---|---|---|---|---|---|
| Employer | Number of Employees* | Rank | Percentage of Total City Employment | Number of Employees | Rank |
| Wells Fargo | 13,500 | 1 | 4.9% | - | 8 |
| Mercy Hospital Medical Center | 7,100 | 2 | 2.6% | - | 3 |
| Principal Financial Group | 6,131 | 3 | 2.2% | - | 1 |
| Unity Point Health (Iowa Health System) | 5,505 | 4 | 2.0% | - | 2 |
| Nationwide/Allied Insurance | 5,000 | 5 | 1.8% | - | 10 |
| Des Moines Public Schools | 4,967 | 6 | 1.8% | - | |
| John Deere Companies | 3,100 | 7 | 1.1% | - | 9 |
| Dupont Pioneer | 2,849 | 8 | 1.0% | - | |
| HyVee Food Stores | 2,100 | 9 | 0.8% | - | |
| Kum and Go | 1,820 | 10 | 0.7% | - | |
| Bridgestone American Tire (Firestone) | | - | | | 7 |
| HP Enterprise Services (CDS) | | - | | | 5 |
| Blank Childrens Pediatric (part of Unity Po | - | - | | | 4 |
| Des Moines Register | | | | | 6 |
| Total employment** | 275,000 | | | | |

Source:

*Greater Des Moines Partnership

**Bureau of Labor Statistics, US Dept Labor

**Source**: Greater Des Moines Partnership.

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

2000 numbers used as 2002 not readily available.

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

| FUNCTIONS/PROGRAMS | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| GOVERNMENTAL FUND TYPES | | | | |
| Public safety | | | | |
| Police Department | 452.0 | 460.0 | 449.0 | 455.0 |
| Fire Department | 283.0 | 283.0 | 290.0 | 307.0 |
| Community Development--inspections | 35.6 | 36.6 | 37.6 | 40.0 |
| **Total public safety** | 770.6 | 779.6 | 776.6 | 802.0 |
| Public works | | | | |
| Engineering | 88.5 | 92.0 | 92.0 | 93.0 |
| Public Works Department | 90.0 | 94.0 | 94.0 | 112.0 |
| **Total public works** | 178.5 | 186.0 | 186.0 | 205.0 |
| Health and social services | | | | |
| Community Development Grants | 28.5 | 30.6 | 31.5 | 36.1 |
| Human Rights | 3.0 | 3.0 | 3.0 | 3.0 |
| **Total health and social services** | 31.5 | 33.6 | 34.5 | 39.1 |
| Culture and recreation | | | | |
| Parks Department | 75.5 | 86.8 | 87.0 | 89.5 |
| Public Libraries | 55.0 | 63.0 | 63.0 | 67.0 |
| **Total culture and recreation** | 130.5 | 149.8 | 150.0 | 156.5 |
| Community and economic development | | | | |
| City Manager--Economic Development | 5.0 | 5.0 | 5.0 | 6.0 |
| **Total Community and economic development** | 5.0 | 5.0 | 5.0 | 6.0 |
| General government | | | | |
| City Clerk | 6.4 | 6.0 | 6.0 | 6.0 |
| City Manager | 10.0 | 10.0 | 10.0 | 11.0 |
| Community Development | 11.0 | 11.8 | 12.0 | 11.0 |
| Finance Department | 24.0 | 23.0 | 22.0 | 21.0 |
| Human Resources | 10.0 | 10.0 | 10.0 | 10.0 |
| Information Technology | 29.0 | 29.0 | 29.0 | 29.0 |
| Legal | 18.0 | 19.0 | 19.0 | 20.0 |
| Mayor and Council | 7.0 | 8.0 | 8.0 | 8.0 |
| Parks Department | 11.2 | 10.0 | 10.0 | 11.5 |
| Total general government | 126.6 | 126.8 | 126.0 | 127.5 |
| **Total governmental fund types** | 1242.7 | 1280.7 | 1278.1 | 1336.1 |
| PROPRIETARY FUNDS | | | | |
| Airport | 21.0 | 0.0 | 100.0 | 95.0 |
| Parking facilities system | 14.5 | 14.5 | 15.0 | 14.0 |
| Sewer system | 48.5 | 52.8 | 53.8 | 54.8 |
| Stormwater utility | 68.5 | 67.2 | 67.2 | 63.2 |
| Golf | 0.0 | 0.0 | 0.0 | 0.0 |
| Solid waste system | 50.0 | 50.0 | 50.0 | 51.0 |
| Municipal Housing Agency | 60.0 | 59.0 | 61.0 | 52.0 |
| Internal service funds | 60.0 | 59.0 | 59.0 | 61.0 |
| **Total proprietary funds** | 322.5 | 302.5 | 406.0 | 391.0 |
| **Total City employment** | 1565.2 | 1583.2 | 1684.1 | 1727.1 |

Source: City records. FY2008 budgeted positions, other years, actuals.

**Table 17**

| 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| 469.0 | 470.0 | 466.0 | 461.0 | 461.0 | 454.0 |
| 310.0 | 311.0 | 310.0 | 310.0 | 298.0 | 286.0 |
| 40.0 | 37.0 | 36.0 | 36.0 | 35.2 | 41.5 |
| 819.0 | 818.0 | 812.0 | 807.0 | 794.2 | 781.5 |
| 96.0 | 94.0 | 94.0 | 92.0 | 92.0 | 92.0 |
| 112.0 | 117.0 | 117.0 | 117.0 | 118.0 | 114.0 |
| 208.0 | 211.0 | 211.0 | 209.0 | 210.0 | 206.0 |
| 35.1 | 36.0 | 35.3 | 35.1 | 37.3 | 32.0 |
| 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| 38.1 | 39.0 | 38.3 | 38.1 | 40.3 | 35.0 |
| 123.6 | 127.8 | 129.0 | 129.4 | 146.0 | 140.0 |
| 76.0 | 76.0 | 76.0 | 75.0 | 62.0 | 59.0 |
| 199.6 | 203.8 | 205.0 | 204.4 | 208.0 | 199.0 |
| 6.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| 6.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| 12.0 | 12.0 | 11.0 | 11.0 | 10.0 | 8.5 |
| 11.9 | 11.0 | 10.8 | 10.8 | 10.5 | 9.5 |
| 21.5 | 21.0 | 21.0 | 23.0 | 22.0 | 23.5 |
| 10.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 |
| 28.0 | 25.0 | 25.0 | 21.0 | 21.0 | 21.0 |
| 22.0 | 22.0 | 22.0 | 22.0 | 21.0 | 21.0 |
| 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| 11.0 | 12.8 | 11.6 | 11.5 | 16.0 | 17.0 |
| 130.4 | 128.8 | 126.4 | 124.3 | 125.5 | 125.5 |
| 1401.1 | 1405.6 | 1397.7 | 1387.7 | 1383.0 | 1352.0 |
| 121.4 | 121.4 | 117.4 | 119.0 | 118.0 | 119.0 |
| 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |
| 54.7 | 53.2 | 50.0 | 49.3 | 78.1 | 77.0 |
| 63.2 | 57.9 | 59.7 | 60.4 | 30.8 | 27.0 |
| 5.0 | 5.0 | 5.0 | 8.0 | 9.0 | 9.0 |
| 50.6 | 56.6 | 57.0 | 58.0 | 63.0 | 71.0 |
| 56.0 | 61.0 | 61.0 | 66.0 | 67.0 | 64.0 |
| 62.0 | 61.0 | 61.0 | 62.0 | 61.0 | 61.0 |
| 427.9 | 431.1 | 426.1 | 437.7 | 441.9 | 443.0 |
| 1829.0 | 1836.7 | 1823.8 | 1825.3 | 1824.9 | 1795.0 |

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

| | 2013 | 2012 | 2011 |
|---|---|---|---|
| Public safety: | | | |
| Police Department--calls to dispatch | 387,237 | 330,493 | 322,453 |
| Detective bureau--persons offenses assigned | 6,271 | 7,525 | 6,855 |
| Detective Bureau--property offenses assigned | 14,459 | 14,286 | 14,495 |
| Fire Department--total incidents | 21,326 | 20,128 | 19,649 |
| Fire suppression--total fires | 6,043 | 5,050 | 4,865 |
| Emergency medical services--medic calls | 15,283 | 15,078 | 14,784 |
| Emergency medical services--transports | 12,150 | 11,684 | 11,232 |
| Permit and Development Center--number of permits issued | 10,991 | 11,848 | 15,520 |
| Permit and Development Center--number of inspections | 32,764 | 30,814 | 28,716 |
| Permit and Development Center--number of plan reviews | 10,764 | 10,314 | 14,583 |
| Public works: | | | |
| Engineering Department--cost of awarded contracts | $120,961,394 | $122,891,377 | $118,852,698 |
| Public Works Department--snow and ice control-lane miles | 2,207 | 2,207 | 2,207 |
| Health and social services: | | | |
| Low-income energy assistance (number of households) | 6,546 | 6,743 | 7,207 |
| Furnace repair/replacements (number of households) | 173 | 185 | 195 |
| Energy reconnect project (number of households) | 376 | 103 | 47 |
| NCS applications taken | 16 | 49 | 89 |
| Senior Living Program applications taken (households) | 120 | 107 | 136 |
| Culture and recreation: | | | |
| Library usage--annual visits | 1,106,879 | 1,304,080 | 1,335,720 |
| Aquatic center/pools attendance | 113,064 | 144,810 | 131,875 |
| Annuals (plants) distributed to organizations | 190,000 | 356,171 | 104,200 |
| Community center attendance (calendar year) | 488,609 | 168,641 | 175,757 |
| Cemeteries--burials | 608 | 539 | 581 |
| Community and economic development: | | | |
| Assessed valuation increase in tax increment district | $1,210,792,190 | $1,225,945,910 | $1,229,650,820 |
| General government: | | | |
| Animal licenses issued (cat and dog) | 21,760 | 22,841 | 23,036 |
| Legal Department--written legal opinions | 1,160 | 993 | 998 |
| Tort litigation--traffic court trials | 1,113* | 1,113* | 1,113* |
| Enterprise funds: | | | |
| Number of sanitary sewer feet cleaned per year | 2,229,031 | 1,921,251 | 1,094,511 |
| Number of storm sewer feet cleaned per year | 654,568 | 237,498 | 257,387 |
| Solid waste collected annually (lbs) per year | 154,000,000 | 122,000,000 | 121,207,500 |
| Rounds of golf | 89,987 | 95,252 | 86,908 |

Source: City records.

*Current year not available

**Table 18**

| 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|---|
| 320,359 | 324,470 | 340,829 | 396,504 | 386,178 | 256,122 | 234,556 |
| 7,095 | 7,233 | 7,917 | 6,148 | 6,210 | 1,050 | 515 |
| 12,512 | 13,591 | 16,392 | 20,483 | 22,131 | 14,174 | 11,223 |
| 19,375 | 19,508 | 19,594 | 18,620 | 17,662 | 16,802 | 16,107 |
| 4,638 | 4,673 | 4,385 | 4,779 | 4,685 | 999 | 1,011 |
| 14,737 | 15,835 | 15,209 | 13,841 | 12,977 | 12,412 | 11,715 |
| 11,213 | 11,165 | 11,446 | 10,757 | 10,369 | 9,966 | 9,210 |
| 13,479 | 13,234 | 11,054 | 11,474 | 10,860 | 14,878 | 13,138 |
| 30,331 | 28,039 | 32,351 | 25,285 | 22,651 | 23,746 | 26,400 |
| 14,726 | 14,888 | 3,130 | 3,712 | 4,165 | 5,107 | 3,573 |
| | | | | | | |
| $137,105,722 | $48,639,208 | $84,757,631 | $44,449,946 | $56,515,585 | $79,066,963 | $62,542,252 |
| 2,207 | 2,117 | 2,117 | 2,065 | 2,065 | 2,065 | 2,065 |
| | | | | | | |
| 8,298 | 7,700 | 6,995 | 6,853 | 6,537 | 6,520 | 6,531 |
| 207 | 189 | 246 | 146 | 213 | 288 | 180 |
| 806 | 214 | 503 | 285 | 282 | 230 | 202 |
| 108 | 65 | 62 | 73 | 58 | 54 | 73 |
| 146 | 173 | 315 | 192 | 190 | 438 | 743 |
| | | | | | | |
| 1,344,334 | 1,451,930 | 1,376,298 | 1,389,530 | 1,024,154 | 967,364 | 896,190 |
| 133,423 | 142,724 | 126,931 | 126,569 | 110,954 | 112,042 | 107,962 |
| 105,000 | 98,376 | 96,000 | 88,944 | 85,056 | 210,000 | 150,000 |
| 235,405 | 236,954 | 227,313 | 224,250 | 229,920 | 215,216 | 191,166 |
| 546 | 597 | 687 | 674 | 637 | 719 | 737 |
| | | | | | | |
| $1,149,037,530 | $1,074,553,965 | $994,015,625 | $941,740,355 | $869,900,005 | $872,591,225 | $743,870,475 |
| | | | | | | |
| 22,480 | 22,365 | 21,830 | 21,223 | 20,521 | 20,813 | 18,359 |
| 954 | 1,080 | 909 | 947 | 814 | 1,484 | 1,583 |
| 1,113 | 1,411 | 1,706 | 2,418 | 1,159 | 252 | 231 |
| | | | | | | |
| 1,255,200 | 1,089,149 | 1,061,280 | 1,059,130 | 1,252,300 | 1,613,315 | 1,968,880 |
| 310,000 | 385,694 | 258,720 | 69,164 | 92,165 | 305,337 | 350,338 |
| 118,901,034 | 151,800,000 | 120,286,400 | 122,000,000 | 13,310,000 | 9,403,537 | 15,152,400 |
| 168,341 | 155,321 | 94,545 | 168,722 | 161,665 | 112,042 | 97,030 |

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

| | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| **Function/Program** | | | | |
| **Public Safety:** | | | | |
| Police: | | | | |
| Number of Stations | 1 | 1 | 1 | 1 |
| Fire: | | | | |
| Number of Stations | 10 | 10 | 10 | 10 |
| Stations with EMS transport capability | 8 | 7 | 8 | 8 |
| **Public Works:** | | | | |
| Streets paved lane miles | 2,076 | 2,073 | 2,070 | 2,069 |
| Streets unpaved lane miles | 76 | 77 | 78 | 78 |
| Sanitary sewer miles | 935 | 935 | 935 | 884 |
| Storm sewer miles | 493 | 494 | 493 | 282 |
| Number of street lights | 25,500 | 25,500 | 25,400 | 24,200 |
| Area--number of city square miles | 91 | 91 | 91 | 91 |
| **Culture and Recreation:** | | | | |
| Parks-number of park areas | 76 | 76 | 73 | 73 |
| Total park acres | 3,875 | 3,875 | 3,560 | 3,560 |
| Number of boulevards | 9 | 9 | 9 | 6 |
| Number of playgrounds | 65 | 68 | 78 | 78 |
| Number of golf courses | 3 | 3 | 3 | 3 |
| Number of soccer fields | 12 | 12 | 12 | 12 |
| Number of aquatic centers/pools | 5 | 5 | 5 | 5 |
| Number of tennis courts | 61 | 61 | 52 | 50 |
| Number of softball diamonds | 9 | 9 | 9 | 9 |
| Number of baseball diamonds | 8 | 8 | 8 | 8 |
| Number of community centers | 3 | 3 | 4 | 4 |
| Miles of bike trails | 45 | 42 | 42 | 40 |
| Cemeteries: | | | | |
| Number of facilities | 7 | 7 | 7 | 7 |
| Number of acres | 345 | 345 | 345 | 345 |
| Library: | | | | |
| Number of Facilities | 6 | 6 | 6 | 6 |
| Number of Volumes | 590,242 | 596,718 | 571,476 | 570,271 |

**Source**: City Records

**Table 19**

| 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| 1 | 1 | 1 | 1 | 1 | 1 |
| 10 | 10 | 10 | 10 | 10 | 10 |
| 7 | 7 | 7 | 7 | 7 | 7 |
| 2,067 | 2,023 | 1,897 | 1,897 | 1,895 | 1,856 |
| 80 | 94 | 76 | 76 | 76 | 93 |
| 889 | 889 | 861 | 861 | 857 | 851 |
| 472 | 472 | 458 | 458 | 453 | 442 |
| 23,630 | 23,614 | 23,376 | 23,376 | 23,376 | 23,376 |
| 91 | 82 | 82 | 82 | 81 | 80 |
| 73 | 73 | 72 | 72 | 70 | 69 |
| 3,226 | 3,226 | 3,223 | 3,213 | 3,210 | 3,208 |
| 6 | 6 | 6 | 6 | 6 | 6 |
| 58 | 58 | 58 | 58 | 58 | 57 |
| 3 | 3 | 3 | 3 | 3 | 3 |
| 12 | 12 | 12 | 12 | 12 | 12 |
| 5 | 5 | 5 | 5 | 5 | 5 |
| 59 | 57 | 59 | 59 | 59 | 59 |
| 9 | 9 | 13 | 13 | 14 | 14 |
| 9 | 9 | 5 | 5 | 5 | 5 |
| 4 | 4 | 5 | 5 | 5 | 5 |
| 37 | 37 | 29 | 29 | 29 | 16 |
| 7 | 7 | 5 | 5 | 5 | 5 |
| 450 | 332 | 460 | 460 | 460 | 460 |
| 6 | 6 | 6 | 6 | 6 | 6 |
| 589,547 | 563,917 | 548,272 | 526,735 | 562,702 | 580,240 |

**CITY OF DES MOINES, IOWA**
**SCHEDULE OF INSURANCE IN FORCE**
**June 30, 2013**
**(Unaudited)**

| TYPE OF INSURANCE / INSURANCE COMPANY | POLICY NUMBER | POLICY PERIOD |
|---|---|---|
| PROPERTY INSURANCE | | |
| The Travelers Indemnity Company | KTK-CMB-6867N33-9-11 | 7-1-12/13 |
| Federal Insurance Company | 3597-17-24 ILL | 7-1-12/13 |
| Federal Insurance Company | 7643-39-17 ILL | 7-1-12/13 |
| Housing Authority Property Insurance | HAPI-342-108376-2012 | 1-1-12/13 |
| FLOOD INSURANCE | | |
| National Flood Insurance Progam (N.F.I.P.) | Various | 7-1-12/13 |
| EXCESS FLOOD INSURANCE | | |
| Westchester Surplus Lines Insurance Company | D37387873002 | 7-1-12/13 |
| Westchester Surplus Lines Insurance Company | D37387861002 | 7-1-12/13 |
| CRIME INSURANCE | | |
| Travelers Property Casualty Insurance Co. | 105645396 | 7-1-12/13 |
| | 105645396 | 7-1-12/13 |
| SPECIAL EXCESS LIABILITY INSURANCE | | |
| Starr Indemnity & Liability Company | SISCPEL01860412 | 7-1-12/13 |
| GENERAL LIABILITY INSURANCE | | |
| Housing Authority Retention Group | HARRG-342-108377-2012 | 1-1-12/13 |
| American Alternative Insurance Corporation | GPPA-PF-6055032-00/000 | 7-1-12/13 |
| AUTO LIABILITY INSURANCE | | |
| St. Paul Travelers | H-810-9160P789-TCT-12 | 7-1-12/13 |
| American Alternative Insurance Corporation | GPPA-PF-6055032-00/000 | 7-1-12/13 |
| PUBLIC OFFICIALS LIABILITY | | |
| American Alternative Insurance Corporation | GPPA-PF-6055032-00/000 | 7-1-12/13 |
| POLLUTION LIABILITY INSURANCE | | |
| American Alternative Insurance Corporation | GPPA-PF-6055032-00/000 | 7-1-12/13 |
| WORKERS COMPENSATION INSURANCE | | |
| Volunteer Firemen's Insurance | CFP-5516-0076D-3 | 7-1-12/13 |
| National Union Fire Insurance Company | SRG-0009103048-A | 7-1-12/13 |
| Mutual of Omaha | T5MP-P-052502 | 7-1-12/13 |
| EXCESS WORKERS COMPENSATION INSURANCE | | |
| Safety National Casualty Corp | SP4044459 | 7-1-12/13 |

**Table 20**

| NAMED INSURED / DETAILS OF COVERAGE | POLICY LIMITS | ANNUAL PREMIUM |
|---|---|---|
| *City of Des Moines* | | |
| Buildings & Contents | $ 607,816,840 | $ 385,957 |
| Per Occurrence Replacement Value | 250,000,000 | |
| Business Interruption & Extra Expense | 9,000,000 | Included |
| Boiler & Machinery | 100,000,000 | Included |
| Earthquake | 20,000,000 | Included |
| Flood | 5,000,000 | Included |
| *Wastewater Reclamation Authority* | | |
| Buildings & Contents | $ 250,000 | $ 161,334 |
| Per Occurrence Replacement Value | $ 150,000,000 | |
| Business Interruption & Extra Expense | $ 5,000,000 | Included |
| Earthquake | $ 20,000,000 | Included |
| Flood | $ 2,500,000 | Included |
| Equipment Breakdown (Boiler & Machinery) | $ 150,000,000 | $ 19,142 |
| *Municipal Housing Agency* | | |
| Buildings & Contents | $ 44,002,145 | $ 53,862 |
| *City of Des Moines* | | |
| (6 buildings in Flood Zone "A") | Various per building | $ 28,833 |
| *Wastewater Reclamation Authority* | | |
| WRA - 2 locations | $ 2,500,000 | $ 39,450 |
| WRA - 2 locations | $ 5,000,000 | $ 47,725 |
| *Shared: City, WRA & DMMHA* | | |
| Public Employee Dishonesty and Computer Fraud | $ 2,000,000 | $ 6,650 |
| Required for State of Iowa IJOBS Projects | $ 10,000,000 | $ 11,379 |
| *Shared: City, RWA & DMMHA* | | |
| Citywide General, Automobile, Law | $ 10,000,000 | $ 185,500 |
| Enforcement, Public Officials Liability, etc | $ 2,000,000 SIR | |
| *Municipal Housing Agency* | | |
| General Liability | $ 2,000,000 | $ 28,111 |
| *Wastewater Reclamation Authority* | | |
| General Liability | $ 10,000,000 | $ 16,909 |
| *Shared: City & DMMHA* | | |
| Following enterpise fund activities included: | $ 2,000,000 | $ 42,469 |
| Curbside Recycling Pickup Program | | Included |
| Sanitary/Storm Sewer | | Included |
| Solid Waste Collection | | Included |
| Municipal Housing Agency | | Included |
| *Wastewater Reclamation Authority* | | |
| Automobile liability | $ 2,000,000 | $ 34,980 |
| *Wastewater Reclamation Authority* | | |
| Primary | $ 2,000,000 | $ 3,104 |
| *Wastewater Reclamation Authority* | | |
| Pollution Liability | $ 3,000,000 | $ 15,065 |
| *City - HazMat Team/Fire Dept Mutual Aid* | | |
| Primary Occupational Medical | $ 100,000 | $ 12,596 |
| Excess Occupational Medical | $ 500,000 | $ 9,493 |
| Excess Occupational Medical | $ 400,000 | $ 11,475 |
| *City of Des Moines (including WRA Operations)* | | |
| Excess Workers Compensation | Statutory | $ 293,384 |

CITY OF DES MOINES

# SINGLE AUDIT SECTION

CITY OF DES MOINES

## CITY OF DES MOINES, IOWA
## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
## For the Year Ended June 30, 2013

| FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR | FEDERAL PROGRAM NUMBER | TOTAL EXPENDITURES (7/1/12 - 6/30/13) |
|---|---|---|
| **U.S. Department of Health and Human Services** | | |
| **Community Services Block Grant:** | | |
| (Passed through the Iowa Department of Human Rights) | | |
| Program Year: 2012 | | |
| Contract Number: CSBG-12-07-CJ | | |
| October 1, 2011 - September 30, 2012 | 93.569 | $ 157,798 |
| Program Year: 2013 | | |
| Contract Number: CSBG-13-07-CJ | | |
| October 1, 2012 - September 30, 2013 | 93.569 | 406,982 |
| **Low-income Home Energy Assistance Block Grant:** | | |
| (Passed through the Iowa Department of Human Rights) | | |
| Program Year: 2012 | | |
| Contract Number: 2206-12J | | |
| October 1, 2011 - September 30, 2012 | 93.568 | 401,950 |
| Program Year: 2013 | | |
| Contract Number: 2206-13J | | |
| October 1, 2012 - September 30, 2013 | 93.568 | 3,310,317 |
| **Total U.S. Department of Health and Human Services** | | **$ 4,277,047** |
| **U.S. Department of Housing and Urban Development** | | |
| **Community Development Block Grant Program Entitlement:** | | |
| Entitlement Years: 2012 - 2013 | 14.218 | $ 2,754,348 |
| Riverpoint West Phase 1 | | |
| B-01-BD-190019 | 14.246 | 175,355 |
| **ARRA** - Homeless Prevention and Rapid Re-Housing Program | | |
| Grant #S09-MY-19-0001 | 14.257 | 23,538 |
| (Passed through the Iowa Economic Development Authority) | | |
| Rehab Assistance #2 | | |
| Grant # 08-DRH-209 | 14.228 | 6,056,051 |
| Neighborhood Stabilization Program | | |
| Grant #08-NSP-023 | 14.228 | 309,516 |
| Infrastructure Assistance | | |
| Grant #08-DRI-032 | 14.228 | 32,240 |
| Infrastructure Assistance | | |
| Grant #08-DRI-033 | 14.228 | 871,690 |
| Infrastructure Assistance | | |
| Grant #08-DRIEF-098 | 14.228 | 717,291 |
| (Passed through the Iowa Economic Development Authority) | | |
| Flood Relief | | |
| Contract #08-DRHB-221 | 14.228 | 2,228,260 |
| (Passed through the Iowa Economic Development Authority) | | |
| NSP | | |
| Contract #11-NSP-023 | 14.264 | 506,832 |

(Continued)

## CITY OF DES MOINES, IOWA
## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
## For the Year Ended June 30, 2013

| FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR | FEDERAL PROGRAM NUMBER | TOTAL EXPENDITURES (7/1/12 - 6/30/13) |
|---|---|---|
| **U.S. Department of Housing and Urban Development** (continued) | | |
| **Supportive Housing Program:** | | |
| Primary Health Care Street Outreach #IA0042B7D021104 | | |
| July 1, 2012 - June 30, 2013 | 14.235 | 82,131 |
| West Des Moines Human Services #IA0043B7D021002 | | |
| August 1, 2011 - July 31, 2012 | 14.235 | 1,346 |
| West Des Moines Human Services #IA0043B7D021103 | | |
| August 1, 2012 - July 31, 2013 | 14.235 | 73,342 |
| Primary Health Care Enhancement #IA0036B7D021104 | | |
| July 1, 2012 - June 30, 2013 | 14.235 | 252,442 |
| Buchanan Transitional Living Center #IA0039B7D021002 | | |
| December 1, 2011 - November 30, 2012 | 14.235 | 42,102 |
| Buchanan Transitional Living Center #IA0039B7D021103 | | |
| December 1, 2012 - November 30, 2013 | 14.235 | 59,115 |
| YMCA Permanent Housing Program #IA0033B7D020801 | | |
| May 1, 2010 - April 30, 2013 | 14.235 | 64,726 |
| Lighthouse Host Home #IA0040B7D021104 | | |
| March 1, 2012 - February 28, 2013 | 14.235 | 188,896 |
| Lighthouse Host Home #IA0040L7D021205 | | |
| March 1, 2013 - February 28, 2014 | 14.235 | 89,795 |
| House of Mercy #IA0038B7D021104 | | |
| May 1, 2012 - April 30, 2013 | 14.235 | 242,593 |
| House of Mercy #IA0038B7D0 | | |
| May 1, 2013 - April 30, 2014 | 14.235 | 45,877 |
| House of Mercy - Capitol Park #IA0037B7D021104 | | |
| March 1, 2012 - February 28, 2013 | 14.235 | 153,450 |
| House of Mercy - Capitol Park #IA0037B7D0 | | |
| March 1, 2013 - February 28, 2014 | 14.235 | 72,586 |
| HMIS #IA0041B7D021003 | | |
| November 1, 2011 - October 31, 2012 | 14.235 | 24,282 |
| HMIS #IA0041B7D021104 | | |
| November 1, 2012 - October 31, 2013 | 14.235 | 72,980 |
| West Des Moines Transitional Hsg 2 #IA0032B7D021001 | | |
| December 21, 2011 - December 20, 2012 | 14.235 | 12,046 |
| West Des Moines Transitional Hsg 2 #IA0032B7D021102 | | |
| December 21, 2012 - December 20, 2013 | 14.235 | 15,991 |
| Shelter Plus Care - Anawim Housing #IA0034C7D021104 | | |
| April 20, 2012 - April 19, 2013 | 14.238 | 686,424 |
| Shelter Plus Care - Anawim Housing #IA0034C7D02 | | |
| April 20, 2013 - April 19, 2014 | 14.238 | 139,715 |
| Shelter Plus Care - Anawim Housing #IA0035C7D021104 | | |
| April 5, 2012 - April 4, 2013 | 14.238 | 207,820 |
| Shelter Plus Care - Anawim Housing #IA0035C7D02 | | |
| April 5, 2013 - April 4, 2014 | 14.238 | 47,065 |
| Shelter Plus Care - Anawim Housing #IA0057C7D021000 | | |
| December 12, 2011 - December 11, 2016 | 14.238 | 36,729 |

(Continued)

## CITY OF DES MOINES, IOWA
## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
## For the Year Ended June 30, 2013

| FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR | FEDERAL PROGRAM NUMBER | TOTAL EXPENDITURES (7/1/12 - 6/30/13) |
|---|---|---|
| **U.S. Department of Housing and Urban Development** (continued) | | |
| Shelter Plus Care - Anawim Housing #IA0058C7D01000 | | |
| December 12, 2011 - December 11, 2016 | 14.238 | 50,793 |
| Shelter Plus Care - YMCA #IA0050C7D020900 | | |
| April 25, 2011 - April 24, 2016 | 14.238 | 35,418 |
| Shelter Plus Care - YMCA #IA0068C7D021100 | | |
| April 1, 2013 - March 31, 2018 | 14.238 | 9,279 |
| **Emergency Shelter Grant Program:** | | |
| Program Year: 2012 | | |
| Contract Number: S-12-MC-19-0001 | | |
| January 1, 2012 - December 31, 2012 | 14.231 | 307,516 |
| (Passed through the Iowa Economic Development Authority) | | |
| Program Year: 2012 | | |
| Homeless Prevention January 1, 2012 - December 31, 2012 | 14.231 | 11,536 |
| **Home Investment in Affordable Housing:** | | |
| Program Year: 2010 | | |
| Contract Number: M-10-MC-19-0201 | | |
| March 31, 2010 - March 31, 2015 | 14.239 | 310,103 |
| Program Year: 2011 | | |
| Contract Number: M-11-MC-19-0201 | | |
| March 31, 2011 - March 31, 2016 | 14.239 | 687,239 |
| Program Year: 2012 | | |
| Contract Number: M-12-MC-19-0201 | | |
| March 31, 2012 - March 31, 2017 | 14.239 | 143,646 |
| Program Year: 2013 | | |
| Contract Number: M-13-MC-19-0201 | | |
| March 31, 2013 - March 31, 2018 | 14.239 | 37,787 |
| **Total U.S. Department of Housing and Urban Development** | | **$ 17,879,891** |
| **U.S. Department of Justice** | | |
| **Public Safety and Community Policing Grants:** | | |
| Secure Our Schools | | |
| Grant #2010CKWX0727 | 16.710 | $ 299,900 |
| Edward Byrne Memorial Justice Assistance Grant | | |
| Grant #2010DJBX1150 | 16.738 | 114,137 |
| Edward Byrne Memorial Justice Assistance Grant | | |
| Grant #2011DJBX2322 | 16.738 | 60,938 |
| Edward Byrne Memorial Justice Assistance Grant | | |
| Grant #2012DJBX0497 | 16.738 | 63,527 |
| **ARRA** - Edward Byrne Memorial Justice Assistance Grant | | |
| Grant #2009SBB90580 | 16.804 | 194,198 |

(Continued)

## CITY OF DES MOINES, IOWA
## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
## For the Year Ended June 30, 2013

| FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR | FEDERAL PROGRAM NUMBER | TOTAL EXPENDITURES (7/1/12 - 6/30/13) |
|---|---|---|
| **U.S. Department of Justice** (continued) | | |
| Cops Meth Hotspots Grant | | |
| Grant #10-HotSpots/Interdiction-1 | 16.710 | 35,590 |
| Cops Interoperable Communications Technology Program | | |
| Grant #2005INWX0005 | 16.710 | 569,257 |
| **ARRA** - COPS Hiring Recover Program | | |
| Grant #2009RJWX0041 | 16.710 | 823,548 |
| **State and Community Highway Safety Program:** | | |
| Community Prosecution and Project Safe Neighborhoods | | |
| Anti-Gang Initiative #11PSN-SD07 | 16.609 | 7,121 |
| **Total U.S. Department of Justice** | | **$ 2,168,216** |
| **U.S. Department of Transportation** | | |
| **Governor's Traffic Safety Program:** | | |
| (Passed through the Iowa Department of Public Safety) | | |
| Governor's Traffic Safety Program | | |
| Contract Number: PAP 12-410 | | |
| October 1, 2011 - September 30, 2012 | 20.600 | $ 79,398 |
| Governor's Traffic Safety Program | | |
| Contract Number: PAP 13-410 | | |
| October 1, 2012 - September 30, 2013 | 20.600 | 107,303 |
| **Highway Research, Planning, and Construction:** | | |
| (Passed through the Iowa Department of Transportation) | | |
| Merle Hay Road Traffic Signal Interconnect | | |
| STP-A-1945(767)--86-77 | 20.205 | 10,576 |
| E Indianola Ave Widening - SE 16th Ct to E McKinley Ave | | |
| STP-U-1945(745)--70-77 | 20.205 | 466,771 |
| Hubbell Elementary Enhanced School Crossings | | |
| SRTS-U-1945(768)--8U-77 | 20.205 | 33,360 |
| City-Wide Fixed Time Signal Upgrade | | |
| STP-A-1945(781)--86-77 | 20.205 | 53,911 |
| SW 9th St & Dart Way Intersection | | |
| STP-U-1945(782)--2C-77 | 20.205 | 51,187 |
| 6th Ave Over Des Moines River Bridge Rehabilitation | | |
| STP-U-1945(787)--70-77 | 20.205 | 89,035 |
| SE Connector: Environmental Impact | | |
| NHSX-U-1945(202)-8S-77 | 20.205 | 20,168 |
| SE Connector: SE 6th/14th | | |
| NHSX-U-1945(201)--8S-77 | 20.205 | 7,533 |
| SE Connector - DSM River Bridge | | |
| NHSX-U-1945(402)- - 8S-77 | 20.205 | 92,125 |
| SE Connector Paving SE 4th St to SE 9th St | | |
| NHSX-U-1945(406)--8S-77 | 20.205 | 63,086 |
| SE Connector - SE 6th to SE 14th Construction Supp 5 & 7 | | |
| NHSX-U-1945(254)--8S-77 | 20.205 | 21,261 |

(Continued)

## CITY OF DES MOINES, IOWA
## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
## For the Year Ended June 30, 2013

| FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR | FEDERAL PROGRAM NUMBER | TOTAL EXPENDITURES (7/1/12 - 6/30/13) |
|---|---|---|
| **U.S. Department of Transportation** (continued) | | |
| SE Connector - DSM River Bridge | | |
| NHSX-U-1945(405)- - 8S-77 | 20.205 | 3,614 |
| SE Connector Paving SE 4th St to SE 9th St | | |
| NHSX-U-1945(407)--8S-77 | 20.205 | 274,217 |
| SE Connector - ROW Acquisition SE 9th -SE 15th | | |
| NHSX-U-1945(304)--8S-77 | 20.205 | 47,946 |
| Easter Lake Dr. Bridge Over Easter Lake Rehab | | |
| STP-U-1945(777)--70-77 | 20.205 | 245,000 |
| Municipal Service Center Phase I | | |
| NHSX-U-1945(305)--8S-77 | 20.205 | 1,149,285 |
| SE Connector Paving - SE 9th to SE 15th | | |
| NHSX-U-1945(408)--8S-77 | 20.205 | 400,820 |
| **ARRA** - Principal Riverwalk - Walnut/Grand Ave West | | |
| ESL-1945(759)--7S-77 | 20.205 | 57,296 |
| Des Moines River Regional Trail - Phase 1 | | |
| STP-A-1945(773)--86-77 | 20.219 | 174,406 |
| **Airport Improvement Program:** | | |
| Taxiway D Reconstruction | | |
| AIP Number: 3-19-0027-53 | 20.106 | 461,236 |
| **Total U.S. Department of Transportation** | | **$ 3,909,534** |
| **U.S. Department of Homeland Security** | | |
| (Passed through IA Dept of Homeland Security) | | |
| Intelligence & Information Sharing Initiative | | |
| 2010-SS-T9-0034-11A | 97.067 | 15,583 |
| Intelligence & Information Sharing Initiative | | |
| HSGP-12-SHSP-05 | 97.067 | 69,624 |
| Intelligence & Information Sharing Initiative | | |
| 2011-SS-T9-0034-11A | 97.067 | 106,321 |
| Critical Infrastrucure Protection | | |
| 2011-SS-T9-0034-11 | 97.067 | 43,454 |
| 2010 EOD Bomb Homeland Security Grant | | |
| Agreement #2010-SS-T0-0031-21 | 97.067 | 312,787 |
| 2010 SWAT/WMD Homeland Security Grant | | |
| Agreement #2010-SS-T0-0031-22 | 97.067 | 158,073 |
| 2011 SWAT/WMD Homeland Security Grant | | |
| Agreement #EMW-2011-SS-0071-S01-11 | 97.067 | 138,835 |
| 2011 EOD Bomb Homeland Security Grant | | |
| HSGP-11-SHSP-10 | 97.067 | 69,752 |
| 2010 EOD Bomb Homeland Security Grant - Amendment | | |
| Agreement #2010-SS-T0-0031-21 | 97.067 | 54,738 |
| (Passed through Cerro Gordo County) | | |
| Homeland Security Grant Program | | |
| Grant #CZ6HF16086 | 97.067 | 23,940 |

(Continued)

## CITY OF DES MOINES, IOWA
## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
## For the Year Ended June 30, 2013

| FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR | FEDERAL PROGRAM NUMBER | TOTAL EXPENDITURES (7/1/12 - 6/30/13) |
|---|---|---|
| **U.S. Department of Homeland Security** (continued) | | |
| **U.S. Federal Emergency Management Agency** | | |
| (Passed through the IA Dept of Homeland Security) | | |
| Federal Disaster Declaration #1763 | | |
| 1763-DR-IA | 97.036 | 186,373 |
| HMGP-DR-1880-0034 | 97.036 | 1,860,166 |
| **Total U.S. Department of Homeland Security** | | **$ 3,039,646** |
| **Other** | | |
| **Office of National Drug Control Policy** | | |
| (Passed through the Iowa Department of Public Safety) | | |
| High Intensity Drug Traffic Area | | |
| Contract Number: G12WM0002A | | |
| February 1, 2012 - July 31, 2013 | 95.001 | $ 23,488 |
| High Intensity Drug Traffic Area | | |
| Contract Number: G13WM0002A | | |
| February 1, 2013 - July 31, 2014 | 95.001 | 56,634 |
| **Total Other** | | **$ 80,122** |
| **Total All Federal Grants** | | **$ 31,354,456** |

CITY OF DES MOINES

## Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Des Moines, Iowa for the year ended June 30, 2013. The accompanying schedule of expenditures of federal awards does not include any awards pertaining to the Municipal Housing Agency, an enterprise fund of the City, which is reported under separate cover. All other federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies expended during the year is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

## Note 2. Significant Accounting Policies

Revenue from federal awards is recognized when the City has done everything necessary to establish its right to revenue and in addition for government funds when the revenue is available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred and the eligibility requirements have been met.

## Note 3. Subrecipients

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

| Program Title | Federal CFDA Number | Amount Provided to Subrecipients |
|---|---|---|
| Community Development Block Grant | 14.218 | $ 84,581 |
| Emergency Shelter Grant Program | 14.231 | 301,004 |
| Supportive Housing Program | 14.235 | 1,453,740 |
| Shelter Plus Care | 14.238 | 1,213,243 |
| Home Investment in Affordable Housing | 14.239 | 13,764 |
| ARRA - Homeless Prevention and Rapid Re-Housing Program | 14.257 | 22,780 |
| Community Policing Grants | 16.710 | 348,646 |
| Edward Byrne Memorial Justice Assistance Grant | 16.738 | 15,418 |
| Airport Improvement Program | 20.106 | 461,236 |

**City of Des Moines, Iowa**

**Summary Schedule of Prior Audit Findings**
**Year Ended June 30, 2013**

| Comment Number | Comment | Status | Corrective Action or Other Explanation |
|---|---|---|---|
| **Federal Awards:** | | | |
| 12-III-A | The City did not report subrecipient award details in accordance with the Federal Funding Accountability and Transparency Act. | Corrected | |
| **Statutory Reporting:** | | | |
| 12-IV-A | Expenditures exceeded budget in the public works, health and social services, culture and recreation and general government and debt service functions. | Corrected | |
| 12-IV-G | A certificate of deposit was acquired at a rate lower than the rate established by the public funds historical rates. | Corrected | |

McGladrey

**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***

**Independent Auditor's Report**

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

We have audited, in accordance with the 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Des Moines, 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's basic financial statements, and have issued our report thereon dated December 20, 2013. Our report includes reference to other auditors who audited the financial statements of the Des Moines Airport Authority and the Des Moines Public Library Foundation, which are discretely presented component units, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by the Des Moines Airport Authority auditors. The financial statements of the Des Moines Public Library Foundation were not audited in accordance with *Government Auditing Standards*.

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

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



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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*. However, we noted certain immaterial instances of noncompliance or other matters that are described in Part IV of the accompanying schedule of findings and questioned costs.

**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 City'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.

McGladrey LLP

Des Moines, Iowa
December 20, 2013

McGladrey

**Report on Compliance for Each Major Federal Program; and**
**Report on Internal Control Over Compliance**
**Required by OMB Circular A-133**

**Independent Auditor's Report**

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

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

We have audited the City of Des Moines, 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 programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the financial statements of the Des Moines Airport Authority and the Des Moines Public Library Foundation which were audited by other auditors. The financial statements of the Des Moines Airport Authority is not included in the City's schedule of federal awards during the year ended June 30, 2013. Our audit, as described below, did not include this Organization because it is reported in a separately issued financial and compliance report audited by other auditors. The financial statements of the Des Moines Public Library Foundation were not audited in accordance with the Government Auditing Standards issued by the Comptroller General of the United States or the OMB Circular A-133, Audits of States, Local Governments and Nonprofit Organizations. Accordingly, our audit, described below, does not extend to the discretely presented component unit.

The City's basic financial statements include the operations of the Municipal Housing Agency, an enterprise fund, which is not included in the City's schedule of federal awards during the year ended June 30, 2013. Our audit, described below, did not extend to the operations of the Municipal Housing Agency because it is reported in a separately issued financial and compliance report of the Municipal Housing Agency.

***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.



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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 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular No. A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2013-1. Our opinion on each major federal program is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**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 of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each 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.

McGladrey LLP

Des Moines, Iowa
December 20, 2013

## City of Des Moines, Iowa

## Schedule of Findings and Questioned Costs
## Year Ended June 30, 2013

### I. Summary of Auditor's Results

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

**Federal Awards**

Internal control over major programs:

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

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

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

**Identification of major programs:**

| CFDA Number | Name of Federal Program or Cluster |
|---|---|
| 16.710 | Community Policing Grants and ARRA - Public Safety Partnership |
| 14.228 | Community Development Block Grants/State's Program |
| 97.036 | Disaster Grants - Public Assistance (Presidentially Declared Disasters) |
| 14.239 | HOME Investment In Affordable Housing |
| 14.238 | Shelter Plus Care |
| 97.067 | Homeland Security Grant Program |
| 14.218 | Community Development Block Grants/Entitlement Grants |

Dollar threshold used to distinguish between type A and type B programs: $940,634

Auditee qualified as low-risk auditee? ☑ Yes ☐ No

(Continued)

## II. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

### A. Internal Controls

None reported

### B. Compliance Findings

None reported

## III. Findings and Questioned Costs for Federal Awards

### A. Internal Controls

None reported

### B. Compliance Findings

**2013-1**

**U.S. Department of Housing and Urban Development (Direct)**
**Shelter Plus Care (CFDA 14.238)**
**Award Year: Multiple (2009-2013)**

Finding: The City submitted a required annual progress report one month after the 90-day deadline following the end of the grant's operating year.

Criteria: The HUD, annual progress report is due from each grantee within 90 days after the end of its operating year.

Condition: The City submitted the annual progress report after the 90-day window.

Effect: Noncompliance with federal compliance requirements.

Questioned costs: None

Cause: The City has a process in place to review the submissions of these reports but one report was missed due to an administrative oversight.

Recommendation: We recommend the City submit all required reports before the due date.

Response and corrective action plan: The City will continue their process in place to submit all reports before the required due date.

Context: One of two annual progress reports tested.

## IV. Other Findings Related to Required Statutory Reporting

**IV-A-13**

Certified budget: Expenditures for the year ended June 30, 2013 exceeded the public works, culture and recreation, and debt service functions budgeted amounts. Chapter 384.20 of the Code of Iowa states in part that public monies may not be expended or encumbered except under an accrual or continuing appropriation.

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

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

**IV-B-13**

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

**IV-C-13**

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

**IV-D-13**

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

**IV-E-13**

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

**IV-F-13**

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

**IV-G-13**

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

**IV-H-13**

Revenue notes: No instances of noncompliance with the City's revenue bond provisions were noted.

**IV-I-13**

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.

**City of Des Moines, Iowa**

**Corrective Action Plan**
**Year Ended June 30, 2013**

| Comment Number | Comment | Corrective Action Plan | Contact Person | Anticipated Date of Completion |
|---|---|---|---|---|
| **Federal Awards** | | | | |
| 2013-1 | The City submitted the required annual progress report outside the 90 day window following the end of the City's fical year. | See response and corrective action plan at 2013-1. | Chris Johansen, Deputy Director of Community Development | January 2013 |
| **Statutory Reporting** | | | | |
| IV-A-13 | Expenditures exceeded budget in public works, culture and recreation and debt service functions. | See response and corrective action plan at IV-A-13. | Scott Sanders, Finance Director | June 30, 2014 |

CITY OF DES MOINES