



*city of*  
**Ankeny**

*bringing it all together*

**CITY OF ANKENY, IOWA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2014**



# **City of Ankeny, Iowa**

Comprehensive Annual Financial Report

For the Year Ended June 30, 2014

Prepared By:

Finance Department

## **Introductory Section**

**CITY OF ANKENY, IOWA**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2014**

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December 22, 2014

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

It is our privilege to present the Comprehensive Annual Financial Report (CAFR) of the City of Ankeny, Iowa, for the fiscal year ended June 30, 2014, consistent with the requirements of Chapter 11 of the Code of Iowa that requires the City of Ankeny to publish within nine months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2014.

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

Denman & Company, LLP, a firm of licensed certified public accountants, has issued an unmodified (“clean”) opinion on the City of Ankeny’s financial statements for the fiscal year ended June 30, 2014. The independent auditor’s report is located at the front of the financial section of this report.

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

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

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

Ankeny has a strong educational presence in the state including the Ankeny Community School District, with a student enrollment over 10,200 and a graduation rate of 92.75 percent; Des Moines Area Community College, Iowa’s largest community college, serving a student population of over 24,000; Ankeny Christian Academy; and higher learning opportunities at Faith Baptist Bible College and Theological Seminary.

For the 2014-2015 school year, the Ankeny Community School District opened the district's tenth elementary school, Rock Creek Elementary. There are now a total of 16 elementary, middle school and high school facilities.

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

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

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

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

The annual budget serves as the foundation for the City's financial planning and control. The department directors submit budgets to the City Manager for their respective departments requesting appropriations to fund program, service and capital needs consistent with City Council goals and objectives. Following several months of review and revision, the City Manager submits a recommended budget to the City Council. The budget contains estimates of revenues and expenditures for the coming year, as well as re-estimates of revenues and expenditures for the current year. The six-month preparation process includes a series of public meetings including multiple City Council work sessions and a public information meeting, culminating in March when the City Council, following a public hearing, adopts the annual budget and certifies it to the State of Iowa by March 15.

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

## **Local Economy**

The results of the 2010 Census showed that Ankeny continues to lead Iowa's population growth. The 2010 population of 45,582 represents an increase of 68%, or approximately 18,500 people in the last ten years. Ankeny will be conducting a special census in the latter part of 2014 with expectations that the population has grown to more than 53,000 residents. The benefits of this growth include:

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

Ankeny's unemployment rate stood at 4.6 percent in 2013 which is a decline from the past four years. Several businesses are constructing additional office, manufacturing, and warehouse space and hiring new employees, adding to Ankeny's commercial tax base and job growth efforts.

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

## **Long Term Financial Planning**

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

The long-term improvement of the City's infrastructure is outlined in the five-year capital improvement program (CIP). The approved 2014-2018 Capital

Improvement Program anticipates the expenditure of \$91,738,074. This reflects a \$44.7 million decrease in project expenditures from the previous five-year program. One of the factors contributing to this decrease is the \$5 million annual cap on projects funded by the debt service levy, beginning in the 2015 CIP. Of the \$91,738,074 total, 59 percent is for transportation projects, 16 percent for Prairie Trail projects, 16 percent for municipal utilities projects (water, sewer and storm water), 6 percent for park facilities projects, and 3 percent for sidewalks and trails projects. The first year of the five-year CIP, which the City incorporates into the annual budget, is \$15,281,400 for fiscal year 2015. The major source of funds for the program include general obligation bonds and tax increment financing to support economic development projects. In addition, the City leverages its program with available grants from federal and state governments and private partnerships.

### **Relevant Financial Policies**

The City regards general fund unassigned fund balance as a critical component of fiscal health and criteria for an above average bond rating. The June 30, 2014, unassigned fund balance in the general fund was 57 percent of total general fund expenditures, up from 48 percent as of June 30, 2013. This amount is significantly higher than the policy guideline of 20 percent set by the Council for budgetary and planning purposes. For fiscal year 2015, the City Council has budgeted to maintain adequate fund balance with fund balance in excess of 50 percent being transferred to a capital reserve fund to help offset the cost of future capital projects and reduce long-term debt.

### **Major Initiatives and Accomplishments**

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

- Phase 3 reconstruction of SW Irvinedale Drive from SW 3<sup>rd</sup> Street Place north to West First Street to support the expansion of John Deere Des Moines Works. The scope of this project includes reconstruction as a 4-lane urban roadway with curbs, storm sewers, and all utilities.
- Prairie Trail, a public/private partnership to develop commercial and residential property on approximately 1,100 acres that was formerly owned by Iowa State University as a research farm, is under construction. Prairie Trail is currently home to Ankeny High School, Southview Middle School, Prairie Trail elementary school, Future Farmers of America Headquarters, Iowa Soybean Association and Cascade Falls Aquatic Center. The town center titled "The District" is under construction and will include retail and entertainment destinations, parks and trails, residential neighborhoods, a commercial district and the Vintage Business Park.

- Street and utility improvements to support the latest elementary school. Rock Creek Elementary is located near the northwest quadrant of the intersection of NW 36<sup>th</sup> Street and NW State Street. It opened in August 2014.

The City achieved the following accomplishments during fiscal year 2014:

- Ankeny earned its eighth designation as a Playful City USA from the KaBOOM! Foundation, one of only 14 communities nationwide to receive the designation eight consecutive years, demonstrating the community's commitment to play spaces for unstructured free play. The award is given to communities committed to creating unstructured free play spaces to encourage healthy lifestyles.
- Ankeny was listed by Business Insider on its "50 Best Suburbs in America" list for communities between 5,000 and 100,000 within 40 kilometers of the nearest population area. Also factored in were commute times, median household income, poverty and crime rates, public school ratings and housing affordability.
- For 2014, Ankeny is on the "10 Safest Places in Iowa" list based on the FBI's 2012 Uniform Crime Report for populations over 10,000 by Movato.com
- For 2014, Ankeny is listed in the "10 Best Places to Live in Iowa" based on unemployment rate, cost of living, crime rate, high school diploma attainment rate, median household income, median home value and median rental price for populations over 5,000 by Movato.com
- Ankeny made the "Best Cities for Homeownership in Iowa" list based on home availability, affordability, and growth, compiled by NerdWallet.com

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ankeny for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. This was the twelfth consecutive year that the government has received this prestigious award. In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report that satisfied both the generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the

Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, for the sixteenth consecutive year, the City received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated March 15, 2014. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide and a communications device.

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

Respectfully submitted,



David Jones  
City Manager



Annette Graeve  
Finance Officer



Government Finance Officers Association

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

Presented to

**City of Ankeny  
Iowa**

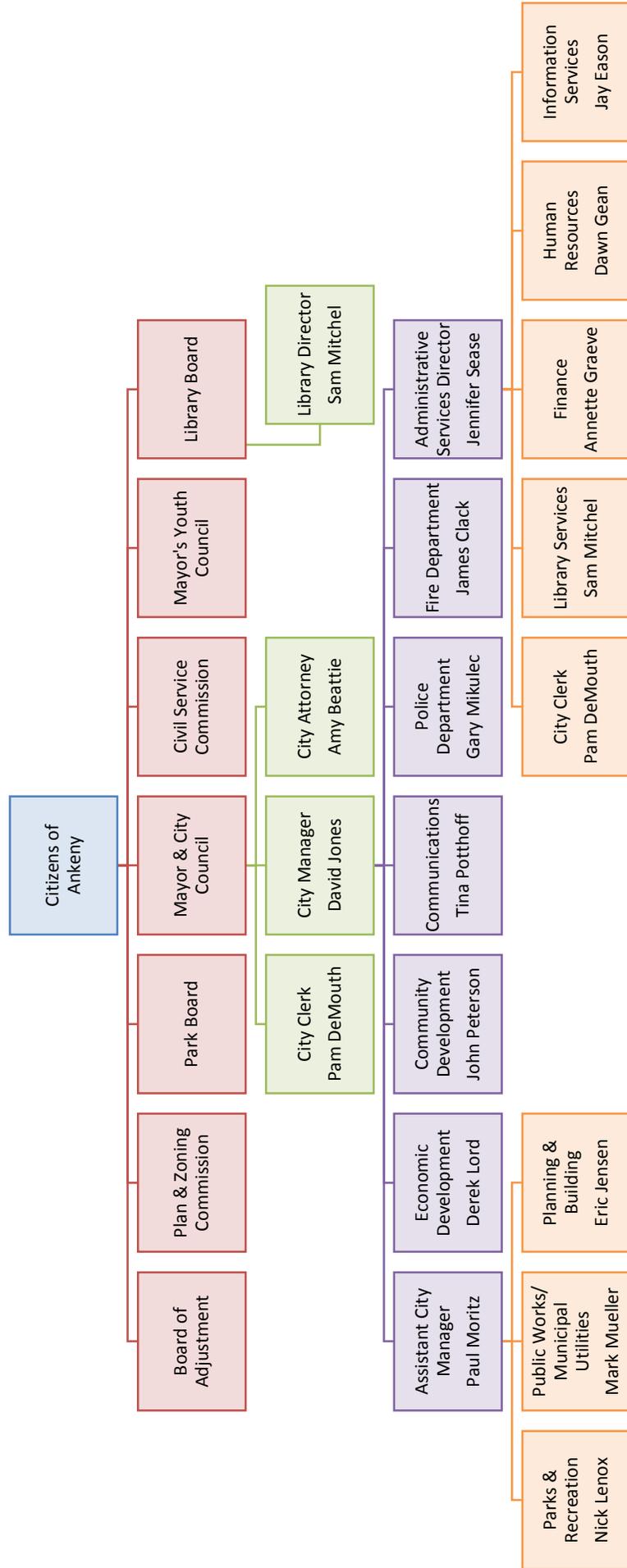
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO



# ORGANIZATIONAL CHART



# CITY OF ANKENY, IOWA

## List of Principal Officials June 30, 2014

### ELECTED OFFICIALS

Mayor  
Council Member  
Council Member  
Council Member  
Council Member  
Council Member

Gary Lorenz  
Mark Holm  
Bobbi Bentz  
Jim McKenna  
Kerry Walter-Ashby  
Wade Steenhoek

### APPOINTED OFFICIALS

City Manager  
Assistant City Manager  
Director of Administrative Services  
City Clerk  
Community Development Director  
Economic Development Director  
Fire Chief  
Library Director  
Parks and Recreation Director  
Planning and Building Director  
Police Chief  
Public Works Director

David A. Jones  
Paul Moritz  
Jennifer Sease  
Pam DeMouth  
John Peterson  
Derek Lord  
James Clack  
Sam Mitchel  
Nick Lenox  
Eric Jensen  
Gary Mikulec  
Mark Mueller

## **Financial Section**



## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Ankeny, Iowa, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ankeny, Iowa, as of June 30, 2014, 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.

## **Emphasis of Matter**

As described in Note 18 to the financial statements, in 2014, the City of Ankeny, Iowa adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress for the retiree health plan and budgetary comparison information on pages 15-28 and 70-75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2014, on our consideration of the City of Ankeny, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Ankeny, Iowa's internal control over financial reporting and compliance.



**DENMAN & COMPANY, LLP**

West Des Moines, Iowa  
December 19, 2014

## Management's Discussion and Analysis

As management of the City of Ankeny, we offer readers of the City of Ankeny's financial statements this narrative overview and analysis of the financial activities of the City of Ankeny for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introductory Section at the front of this report.

### Financial Highlights

- The assets of the City of Ankeny exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$239,819,333 (*net position*). Of this amount, \$26,536,731 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. For the fiscal year ended June 30, 2013, assets exceeded liabilities by \$219,624,656 as restated. Of this amount, \$34,661,538 was unrestricted.
- The government's total net position increased by \$20,194,677 during the fiscal year ended June 30, 2014. Governmental activities increased \$14,532,083 and business-type activities increased \$5,662,594. For fiscal year ended June 30, 2013, total net position increased \$27,217,128. Governmental activities increased \$20,511,029 and business-type activities increased by \$6,706,099.
- As of the close of the current fiscal year, the City of Ankeny's governmental funds reported combined ending fund balances of \$20,464,258, a decrease of \$4,015,809 in comparison with the prior year. As of the close of the fiscal year June 30, 2013, governmental funds reported combined ending fund balances of \$24,480,067.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$12,075,671 or 56 percent of total general fund expenditures. The unassigned fund balance for the general fund as of June 30, 2013 was \$10,035,862 or 49 percent of total general fund expenditures.
- The City of Ankeny's total debt decreased by \$3,577,000 (2 percent) during the current fiscal year. Total debt for fiscal year June 30, 2013, decreased by \$1,228,000 (1 percent).

### Overview of the Financial Statements

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

statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

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

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

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Ankeny, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with

finance-related legal requirements. All of the funds of the City of Ankeny can be divided into two categories: governmental funds and proprietary funds.

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

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

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

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

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

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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 38-69 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Ankeny, including the Budgetary Comparison Schedule and Schedule of Funding Progress. Required supplementary information can be found on pages 70-75 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 77-88 of this report. Statistical information related to the City can be found on pages 93-121.

## **Government-wide Financial Analysis**

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the City of Ankeny, assets exceeded liabilities and deferred inflows by \$239,819,333 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (85 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to the citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current assets	\$ 72,649	\$ 68,707	\$ 35,769	\$ 31,721	\$108,418	\$100,428
Noncurrent assets:						
Restricted cash and cash equivalents	46	58	2,835	2,846	2,881	2,904
Capital assets	228,071	210,801	126,260	123,895	354,331	334,696
Total assets	300,766	279,566	164,864	158,462	465,630	438,028
Current liabilities	25,295	64,464	4,404	3,746	29,699	68,210
Noncurrent liabilities	118,655	106,287	43,623	43,248	162,278	149,535
Total liabilities	143,950	170,751	48,027	46,994	191,977	217,745
Deferred inflows of resources	33,834	-	-	-	33,834	-
Net investment in						
capital assets	102,272	81,319	102,489	96,614	204,761	177,933
Restricted	5,834	4,305	2,687	2,725	8,521	7,030
Unrestricted	14,876	22,827	11,661	11,835	26,537	34,662
Total net position	\$ 122,982	\$108,451	\$ 116,837	\$111,174	\$239,819	\$219,625

An additional portion of the City's net position (4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$26,536,731) may be used to meet the government's ongoing obligations to citizens and creditors.

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

There was a decrease of \$8,782,609 in unrestricted net position reported in connection with the City of Ankeny's government-wide activities. This can be attributed to the decrease in fund balance of the capital projects fund.

The government's net position increased by \$20,194,677 during the current fiscal year, which is a combination of a \$14,532,083 increase in governmental activities net position and an increase of \$5,662,594 in business-type activities net position.

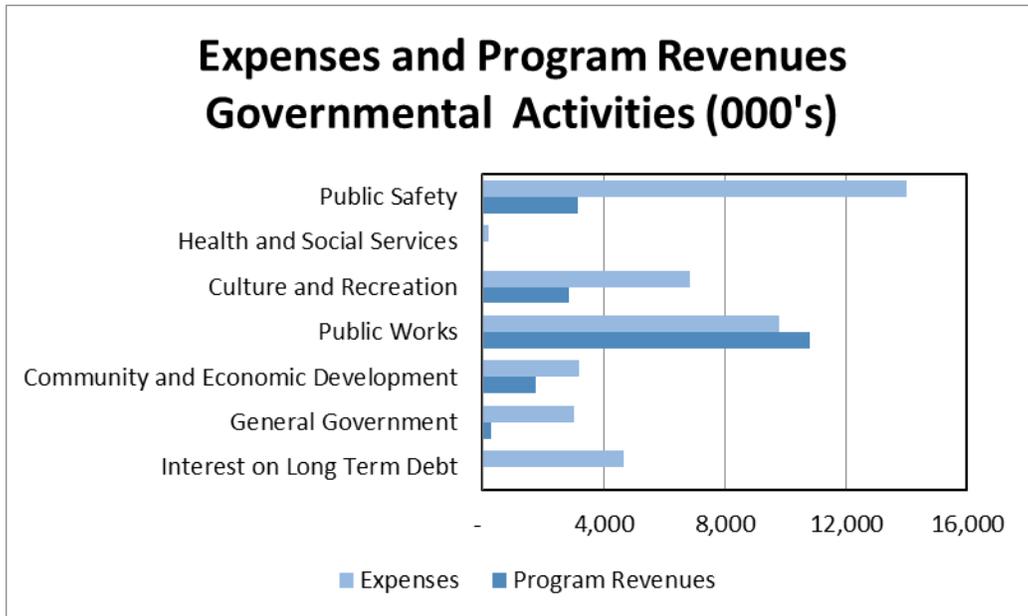
### Changes in Net Position (000's)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 5,833	\$ 5,402	\$ 25,949	\$ 22,345	\$ 31,782	\$ 27,747
Operating grants and contributions	6,446	6,777	-	-	6,446	6,777
Capital grants and contributions	6,595	15,538	3,590	5,118	10,185	20,656
General revenues:						
Property taxes	32,109	30,569	-	-	32,109	30,569
Other taxes	2,977	2,427	-	-	2,977	2,427
Interest	246	252	6	10	252	262
Other	527	(299)	309	753	836	454
Total revenues	54,733	60,666	29,854	28,226	84,587	88,892
Expenses:						
Public safety	14,002	12,860	-	-	14,002	12,860
Health and social services	214	308	-	-	214	308
Culture and recreation	6,858	7,154	-	-	6,858	7,154
Public works	9,805	11,545	-	-	9,805	11,545
Community & economic development	3,208	2,669	-	-	3,208	2,669
General government	3,008	3,158	-	-	3,008	3,158
Interest of long-term debt	4,664	4,098	-	-	4,664	4,098
Solid waste	-	-	631	582	631	582
Water	-	-	8,061	7,675	8,061	7,675
Sewer	-	-	11,433	9,354	11,433	9,354
Storm water	-	-	722	443	722	443
Otter Creek golf course	-	-	1,785	1,828	1,785	1,828
Total expenses	41,759	41,792	22,632	19,882	64,391	61,674
Excess before transfers	12,974	18,874	7,222	8,344	20,196	27,218
Transfers	1,557	1,638	(1,557)	(1,638)	-	-
Changes in net position	14,531	20,511	5,663	6,706	20,196	27,218
Net position, beginning (as restated)	108,451	87,939	111,174	104,468	219,625	192,407
Net position, ending	\$ 122,982	\$ 108,451	\$ 116,837	\$ 111,174	\$ 239,819	\$ 219,625

**Governmental activities.** Governmental activities increased the City's net position by \$14,532,083, thereby accounting for 72 percent of the total improvement in net position. Key elements of this increase are as follows:

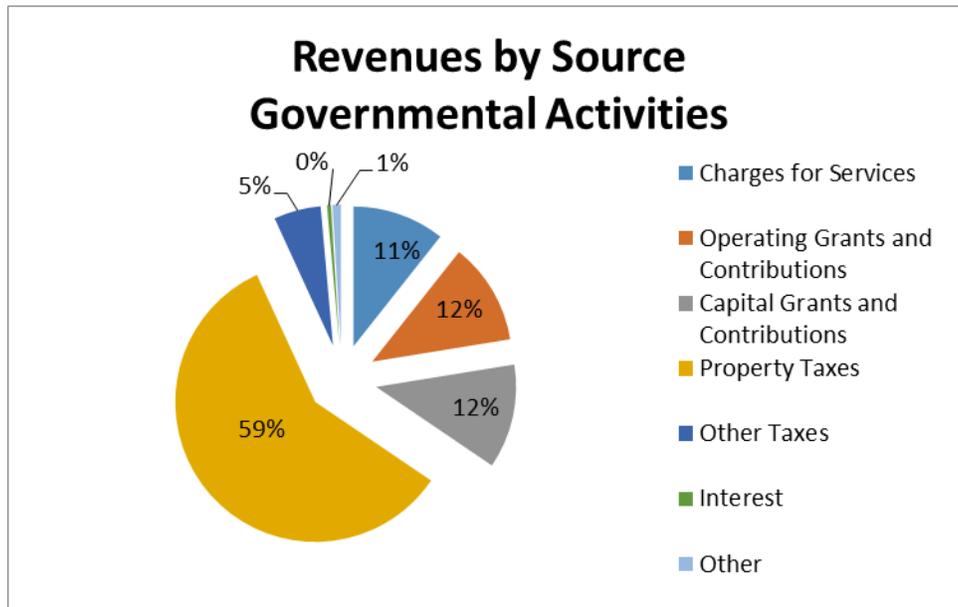
- Property taxes increased by \$1,540,182 (5 percent) during the year. This increase is attributable to property valuation growth of close to 4 percent.
- Other taxes increased by \$549,919 (23 percent) during the year. This increase is primarily due to an increase in utility franchise tax collections as well as a slight increase in hotel/motel tax collections.

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



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

Revenues for the governmental activities are derived as follows:



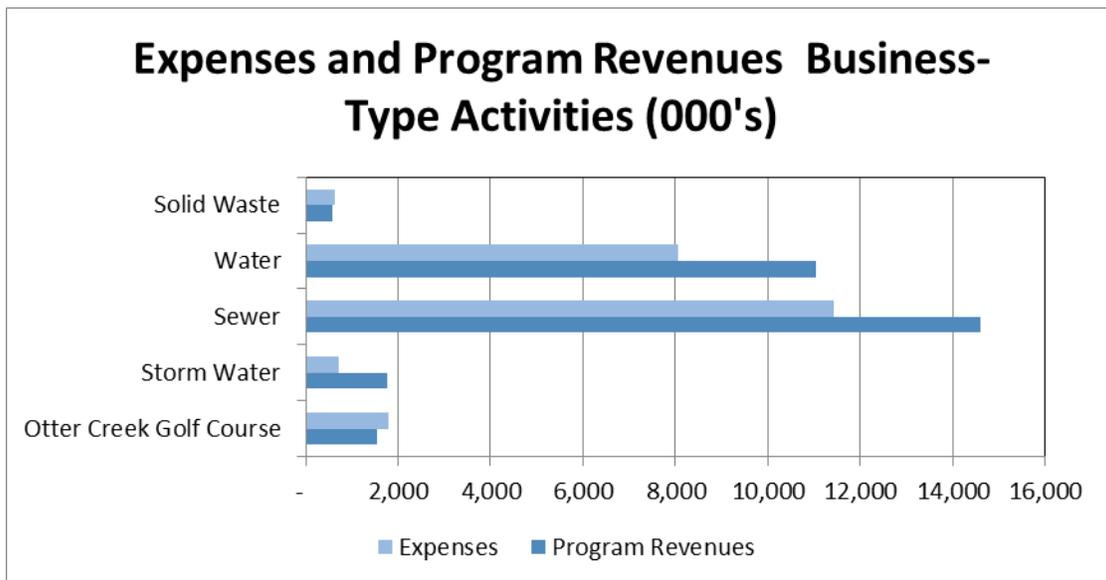
**Business-type activities.** Business-type activities increased the City's net position by \$5,662,594, accounting for 28 percent of the total improvement in the government's net position. Key elements of this increase are as follows:

- Charges for services for business-type activities increased by \$3,604,198, with solid waste increasing 4 percent, water increasing 11 percent, sewer increasing 14 percent, storm water increasing 44 percent and Otter Creek golf course increasing by 61 percent.

The enterprise funds continue to see growth in the number of customers annually, but the majority of the increases are related to rate increases. For sewer the increase was 8 percent and for storm water the increase was \$1.00 per equivalent residential unit. Otter Creek golf course's increase can be attributed to favorable weather conditions.

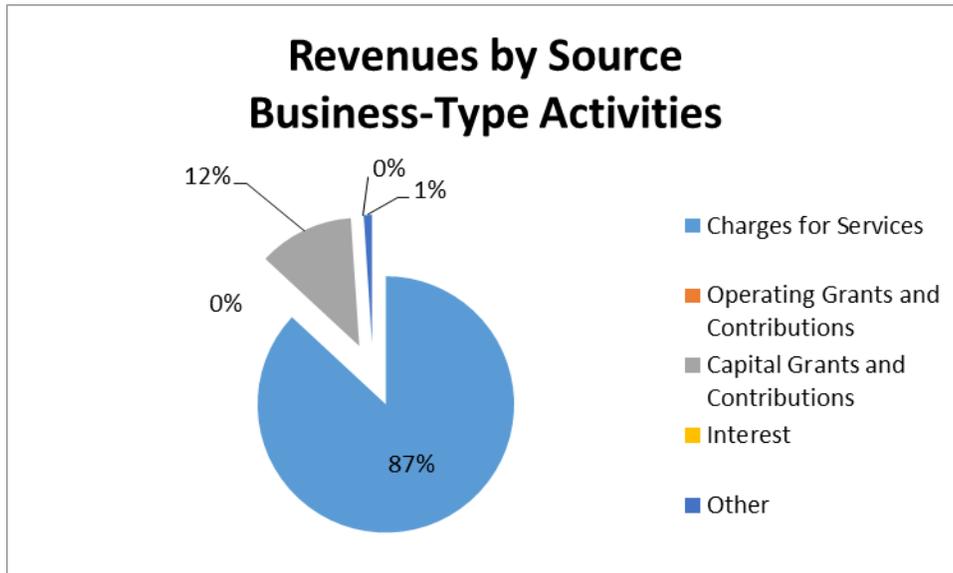
- Sewer expenses increased by \$2,261,475 due in large part to increased monthly contributions to the Wastewater Reclamation Authority (WRA) after the closing of the City's wastewater treatment plant in November 2013. The City is now fully connected to the WRA system.
- Storm water expenses increased by \$314,950 due primarily to spending related to a storm water projects.

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



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

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



### Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$20,464,258, a decrease of \$4,015,809 in comparison with the prior year. Of this total amount, \$2,460 is *nonspendable*, which is inventory in a nonspendable form, and \$12,075,671 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance, \$8,386,127, is *restricted* to indicate that it is not available for spending because it can only be spent for the specific purposes stipulated by external resource providers, by constitution or by enabling legislation.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance reached \$12,078,131. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total

expenditures. Total fund balance represents 56 percent of total general fund expenditures.

The fund balance of the City's general fund increased by \$2,041,065 (20 percent) during the current fiscal year. The general fund saw an increase in all sources of revenue with the exception of licenses and permits and intergovernmental, resulting in a net increase of \$1,404,314. The most significant changes are related to the following:

- The general fund property tax levy rate did not change, but property tax valuations remained strong at close to 4 percent growth, resulting in an increase of \$406,682 in property taxes collected.
- Other taxes and assessments collections increased by \$546,980 due primarily to increased revenue from utility franchise taxes and hotel/motel tax collections.

In comparison to a 6 percent increase in revenues, general fund expenditures increased 5 percent. The most significant increase was in the area of community and economic development due to an organizational realignment that moved the community development department from the general government function to the community and economic development function.

The debt service fund had a total fund balance of \$3,649,020, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year was \$951,001 or 35 percent. This increase is due to lower than anticipated interest costs on bonds issued.

The tax increment financing fund (TIF), a special revenue fund, had a total fund balance of \$859,672, all of which is restricted. The fund had an increase in fund balance of \$317,631 after transfers out of \$4,355,849 to the debt service fund. Property taxes collected in the special financing districts are generally transferred from the tax increment financing fund to other funds to cover bonded debt, other loans, advances and development agreements used to finance infrastructure improvements in the tax increment financing districts.

The capital projects fund had a negative fund balance of \$2,378,377, all of which is restricted. The fund had a decrease in fund balance of \$7,453,637. This decrease was attributable to the timing and scope of capital project expenditures, delay in reimbursement of capital grants and the elimination of general obligation bond anticipation project notes.

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

- Total net position of the water fund at the end of current year was \$33,987,292, with \$28,592,360 net investment in capital assets, \$1,042,394 restricted for debt service and \$4,352,538 in unrestricted net position. This represents an increase in net position of \$2,797,927.
- Total net position of the sewer fund at the end of the current year was \$76,145,673, with \$68,031,233 net investment in capital assets, \$1,644,297 restricted for debt service and \$6,470,143 in unrestricted net position. This represents an increase in net position of \$2,539,608.
- The net position of the storm water fund at the end of the current year was \$1,637,356, of which \$717,442 is net investment in capital assets and \$919,914 in unrestricted net position, an increase of \$389,219.

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

### **Budgetary Highlights**

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

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

- The total original revenue budget of \$74,845,291 was increased to \$78,172,135, an increase of \$3,326,844. Amended revenues included increases in building permits issued due to a strong recovery in development activity. There were also increases in civic trust contributions and foundation contributions for two projects, the Miracle Field and the Ankeny Market Pavilion. Water and sewer sales and hook-up fees also attributed to the increase in revenues.
- The total original expenditure budget of \$101,079,881 was increased to \$117,223,531, an increase of \$16,143,650. Amended expenditures included increases mainly related to the timing of capital project expenditures. The purchase of water also increased due to customer demand.
- The total original budget for other financing sources (uses), net of \$34,211,000 decreased to \$33,320,000, a decrease of \$891,000.

The budgetary comparison schedule and reconciliation to generally accepted accounting principles (GAAP) can be found on pages 70-72.

## Capital Assets and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities was \$467,150,736 in fiscal year 2014 and \$436,712,670 for fiscal year 2013. This amount represents a net increase, including additions and deletions, of \$30,438,063 and \$29,379,146, respectively. The value of these capital assets, net of depreciation at June 30, 2014 and 2013, is depicted below. The investment in capital assets includes land, buildings, other improvements, machinery and equipment, furniture and fixtures, construction in progress and infrastructure. All required infrastructure has been recorded for the governmental and business-type activities.

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 8,112	\$ 7,397	\$ 1,548	\$ 1,548	\$ 9,660	\$ 8,945
Construction in progress	30,810	24,438	14,079	12,812	44,889	37,250
Other improvements	22,091	23,473	109	133	22,200	23,606
Infrastructure	131,594	118,003	105,549	104,156	237,143	222,159
Buildings	31,378	33,062	3,961	4,107	35,339	37,169
Machinery and equipment	3,977	4,295	982	1,100	4,959	5,395
Furniture and fixtures	109	133	32	39	141	172
Total capital assets	\$ 228,071	\$ 210,801	\$ 126,260	\$ 123,895	\$ 354,331	\$ 334,696

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

- Expended over \$4,500,000 on the completion of the second phase and the beginning of the third phase of the reconstruction of SW Irvinedale Drive to accommodate the expansion of John Deere Des Moines Works.
- Expended over to \$1,900,000 for street and utility improvements to support the tenth elementary school located at NW 36<sup>th</sup> Street.
- Expended close to \$7,900,000 for the new interchange located at the intersection of NE 36<sup>th</sup> Street and Interstate 35.
- Expended close to \$1,600,000 towards improvements on various Prairie Trail projects.

Additional information can be found on the City's capital assets in Note 4 on pages 50-51 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Ankeny had total bonded debt outstanding of \$171,233,000. Of this amount, \$146,366,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Ankeny's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 125,501	\$ 129,164	\$ 20,665	\$ 19,141	\$ 146,166	\$ 148,305
Capital loan notes	200	300	380	428	580	728
Revenue bonds	-	-	24,487	25,777	24,487	25,777
Total outstanding debt	\$ 125,701	\$ 129,464	\$ 45,532	\$ 45,346	\$ 171,233	\$ 174,810

The City's total debt decreased by \$3,577,000 (2 percent) during the current fiscal year. The key factor in this decrease was the issuance of less general obligation bonds compared to the prior fiscal year.

Iowa statute limits the amount of general obligation debt a government may issue to five percent of its total assessed valuation of all taxable property in the City of Ankeny. The current debt limitation for the City is \$185,359,610. With outstanding general obligation debt of \$146,366,000 and capital loan notes of \$200,000, the City had utilized 79 percent of the debt limit as of June 30, 2014.

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

Additional information on the City's long-term debt can be found in Note 7 on pages 53-58 of this report.

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

- In calendar year 2013, the City issued 859 residential permits, reflecting a decrease from 1,031 in 2012.
- Commercial construction decreased in calendar year 2013 with 26 permits compared to 33 in 2012.
- The City's taxable valuation has increased at an average of 4.75 percent per year over the last five years, including an increase of 3.92 percent for fiscal year 2013.

All of these factors were considered in preparing the City of Ankeny's budget for fiscal year 2015. The fiscal year 2015 budget included total revenues of \$84,430,965 down from \$109,056,290, representing a 23 percent decrease. The decrease in revenue is attributable to intergovernmental revenues and bond proceeds. In addition, the fiscal year 2015 budget included a decrease in expenditures from \$101,079,881 to \$85,166,247, a decrease of 16 percent. The decrease is primarily attributable to decreases in capital project expenditures.

The City's property tax rate for fiscal year 2015 decreased by 12.746 cents, from \$12.02746 per \$1,000 of assessed property valuation to \$11.90 per \$1,000 of assessed property valuation.

## **Requests for Information**

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

**City of Ankeny, Iowa**  
**Statement of Net Position**  
**June 30, 2014**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 47,627,997	\$ 11,968,239	\$ 59,596,236
Investments	8,036,588	2,416,851	10,453,439
Receivables:			
Interest	6,338	1,636	7,974
Taxes	34,004,858	-	34,004,858
Accounts	744,512	2,476,229	3,220,741
Special assessments	384,135	31,231	415,366
Intergovernmental	458,625	28,153	486,778
Prepaid expenses	10,656	-	10,656
Inventory	141,108	80,765	221,873
Internal balances	(18,765,551)	18,765,551	0
Total current assets	<u>72,649,266</u>	<u>35,768,655</u>	<u>108,417,921</u>
Noncurrent assets:			
Restricted cash and cash equivalents	46,017	2,835,035	2,881,052
Capital assets:			
Land	8,111,522	1,547,944	9,659,466
Construction-in-progress	30,810,288	14,079,163	44,889,451
Depreciable assets, net of accumulated depreciation	189,149,653	110,633,029	299,782,682
Total capital assets	<u>228,071,463</u>	<u>126,260,136</u>	<u>354,331,599</u>
Total noncurrent assets	<u>228,117,480</u>	<u>129,095,171</u>	<u>357,212,651</u>
Total assets	<u>300,766,746</u>	<u>164,863,826</u>	<u>465,630,572</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	10,773,286	594,818	11,368,104
Retainage payable	331,438	-	331,438
Accrued wages	687,384	127,764	815,148
Claims payable	472,979	-	472,979
Customers deposits	46,017	148,344	194,361
Unearned revenue	189,600	2,579	192,179
Bond and capital loan note interest payable	370,944	219,079	590,023
Bonds and capital loan notes payable, net of unamortized discount/premium	11,904,967	3,234,024	15,138,991
Compensated absences payable	518,674	76,929	595,603
Total current liabilities	<u>25,295,289</u>	<u>4,403,537</u>	<u>29,698,826</u>
Noncurrent liabilities:			
Bonds and capital loan notes payable, net of unamortized discount/premium	118,405,311	43,474,391	161,879,702
Other postemployment benefits	155,973	29,752	185,725
Compensated absences payable	94,100	119,361	213,461
Total noncurrent liabilities	<u>118,655,384</u>	<u>43,623,504</u>	<u>162,278,888</u>
Total liabilities	<u>143,950,673</u>	<u>48,027,041</u>	<u>191,977,714</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues:			
Succeeding year property tax	33,833,524	-	33,833,524
Total deferred inflows of resources	<u>33,833,524</u>	<u>-</u>	<u>33,833,524</u>
<b>Net Position</b>			
Net investment in capital assets	102,272,116	102,489,297	204,761,413
Restricted for:			
Debt service	3,649,020	2,686,691	6,335,711
Community and economic development	859,851	-	859,851
Culture and recreation	1,179,929	-	1,179,929
Public safety	145,698	-	145,698
Unrestricted	14,875,935	11,660,796	26,536,731
Total net position	<u>\$ 122,982,549</u>	<u>\$ 116,836,785</u>	<u>\$ 239,819,333</u>

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

**City of Ankeny, Iowa**  
**Statement of Activities**  
**For the Year Ended June 30, 2014**

Programs/Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
<b>Primary government:</b>							
Governmental activities:							
Public safety	\$ 14,002,165	\$ 2,709,058	\$ 414,776	\$ 15,579	\$ (10,862,752)	\$ -	\$ (10,862,752)
Health and social services	213,674	11,329	-	-	(202,345)	-	(202,345)
Culture and recreation	6,857,595	2,011,880	161,854	664,191	(4,019,670)	-	(4,019,670)
Public works	9,805,050	345,032	4,542,569	5,915,512	998,063	-	998,063
Community and economic development	3,207,767	474,309	1,307,219	-	(1,426,239)	-	(1,426,239)
General government	3,007,844	281,471	20,108	-	(2,706,265)	-	(2,706,265)
Interest on long-term debt	4,664,373	-	-	-	(4,664,373)	-	(4,664,373)
<b>Total governmental activities</b>	<b>41,758,468</b>	<b>5,833,079</b>	<b>6,446,526</b>	<b>6,595,282</b>	<b>(22,883,581)</b>	<b>-</b>	<b>(22,883,581)</b>
Business-type activities:							
Solid waste	630,986	587,516	-	-	-	(43,470)	(43,470)
Water	8,061,064	9,722,633	-	1,318,005	-	2,979,574	2,979,574
Sewer	11,433,365	12,337,317	-	2,271,773	-	3,175,725	3,175,725
Storm water	722,840	1,753,929	-	-	-	1,031,089	1,031,089
Otter Creek golf course	1,784,889	1,547,357	-	-	-	(237,532)	(237,532)
<b>Total business-type activities</b>	<b>22,633,144</b>	<b>25,948,752</b>	<b>-</b>	<b>3,589,778</b>	<b>-</b>	<b>6,905,386</b>	<b>6,905,386</b>
<b>Total primary government</b>	<b>\$ 64,391,612</b>	<b>\$ 31,781,831</b>	<b>\$ 6,446,526</b>	<b>\$ 10,185,060</b>	<b>(22,883,581)</b>	<b>6,905,386</b>	<b>(15,978,195)</b>
General revenues:							
Taxes:							
Property taxes					32,109,296	-	32,109,296
Other taxes					2,976,725	-	2,976,725
Interest					245,565	5,390	250,955
Other					527,331	308,565	835,896
Transfers					1,556,747	(1,556,747)	-
<b>Total general revenues and transfers</b>					<b>37,415,664</b>	<b>(1,242,792)</b>	<b>36,172,872</b>
Changes in net position					14,532,083	5,662,594	20,194,677
Net position, beginning, as restated					108,450,466	111,174,190	219,624,656
Net position, ending					<b>\$ 122,982,549</b>	<b>\$ 116,836,784</b>	<b>\$ 239,819,333</b>

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

City of Ankeny, Iowa

Balance Sheet  
Governmental Funds  
June 30, 2014

	General	Debt Service	Tax Increment Financing	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 9,895,763	\$ 3,887,776	\$ 1,032,768	\$ 21,780,022	\$ 6,529,503	\$ 43,125,832
Investments	2,993,667	-	-	5,042,921	-	8,036,588
Receivables:						
Interest	996	-	-	5,287	34	6,317
Taxes	15,626,763	10,421,392	6,715,377	-	1,241,326	34,004,858
Accounts	729,764	-	-	5,671	7,787	743,222
Special assessments	2,107	-	-	-	382,028	384,135
Intergovernmental	61,512	374	-	20,000	364,790	446,676
Inventory	2,460	-	-	-	-	2,460
Due from other funds	9,889	-	-	-	-	9,889
Restricted assets, cash and cash equivalents	46,017	-	-	-	-	46,017
<b>Total assets</b>	<b>\$ 29,368,938</b>	<b>\$ 14,309,542</b>	<b>\$ 7,748,145</b>	<b>\$ 26,853,901</b>	<b>\$ 8,525,468</b>	<b>\$ 86,805,994</b>
<b>Liabilities</b>						
Accounts payable	\$ 424,791	\$ -	\$ -	\$ 10,072,059	\$ 228,036	\$ 10,724,886
Retainage payable	-	-	-	331,438	-	331,438
Accrued wages	605,837	-	-	-	70,909	676,746
Due to other funds	159,600	279,279	-	18,828,401	193,023	19,460,303
Advances from other funds	212,374	-	-	-	196,345	408,719
Customer deposits	46,017	-	-	-	-	46,017
Unearned revenue	-	-	189,600	-	-	189,600
<b>Total liabilities</b>	<b>1,448,619</b>	<b>279,279</b>	<b>189,600</b>	<b>29,231,898</b>	<b>688,313</b>	<b>31,837,709</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenues						
Property taxes	15,564,046	10,381,243	6,698,873	-	1,236,995	33,881,157
Special assessments	1,972	-	-	-	342,078	344,050
Other long-term receivables	276,170	-	-	380	2,270	278,820
<b>Total deferred inflows of resources</b>	<b>15,842,188</b>	<b>10,381,243</b>	<b>6,698,873</b>	<b>380</b>	<b>1,581,343</b>	<b>34,504,027</b>
Nonspendable	2,460	-	-	-	-	2,460
Restricted	-	3,649,020	859,672	(2,378,377)	6,255,812	8,386,127
Unassigned	12,075,671	-	-	-	-	12,075,671
<b>Total fund balances</b>	<b>12,078,131</b>	<b>3,649,020</b>	<b>859,672</b>	<b>(2,378,377)</b>	<b>6,255,812</b>	<b>20,464,258</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 29,368,938</b>	<b>\$ 14,309,542</b>	<b>\$ 7,748,145</b>	<b>\$ 26,853,901</b>	<b>\$ 8,525,468</b>	<b>\$ 86,805,994</b>

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

**City of Ankeny, Iowa**

**Reconciliation of the Balance Sheet to the  
Statement of Net Position  
June 30, 2014**

Fund balances--total governmental funds		\$ 20,464,258
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets:		
Land	\$ 8,111,522	
Construction-in-progress	30,810,288	
Depreciable capital assets	258,359,324	
Accumulated depreciation	<u>(69,209,671)</u>	228,071,463
The assets and liabilities of internal service funds are included in the governmental activities in the statement of net position. Internal service fund net position:		
Current assets	\$ 5,120,949	
Internal balances	717,943	
Current liabilities	(549,295)	
Noncurrent liabilities	<u>(18,309)</u>	5,271,288
Internal service funds allocated to business-type activities		(70,692)
Other long-term assets are not available to pay for current period expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds:		
Various funds - property tax receivable	\$ 47,633	
Various funds - special assessment receivable	344,050	
General fund - accounts receivable	276,170	
Police seizure fund - accounts receivable	2,270	
Capital projects fund - accounts receivable	<u>380</u>	670,503
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
General obligation bonds	\$ (125,701,175)	
Unamortized premium on general obligation bonds	(4,617,938)	
Unamortized discount on general obligation bonds	8,835	
Other postemployment benefits	(152,384)	
Bond interest payable	(370,944)	
Compensated absences	<u>(590,665)</u>	<u>(131,424,271)</u>
Net position of governmental activities		<u>\$ 122,982,548</u>

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

City of Ankeny, Iowa

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2014

	General Fund	Debt Service	Tax Increment Financing	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property taxes	\$ 15,132,243	\$ 9,949,759	\$ 5,966,597	\$ -	\$ 1,055,421	\$ 32,104,020
Other taxes and assessments	2,827,379	134,945	-	5,326	201,202	3,168,852
Licenses and permits	1,718,717	-	-	-	-	1,718,717
Intergovernmental	493,099	-	12,640	1,240,420	4,572,880	6,319,039
Charges for services	2,492,315	-	-	200	14,045	2,506,560
Use of money and property	389,370	10,106	5,248	37,519	3,930	446,173
Miscellaneous	1,059,353	-	-	476,801	2,057,890	3,594,044
Total revenues	24,112,476	10,094,810	5,984,485	1,760,266	7,905,368	49,857,405
<b>Expenditures</b>						
Current operating:						
Public safety	11,223,015	-	-	-	1,329,365	12,552,380
Health and social services	273,765	-	-	-	-	273,765
Culture and recreation	4,723,554	-	-	-	212,967	4,936,521
Public works	514,992	-	-	-	4,245,992	4,760,984
Community and economic development	1,832,652	-	1,311,005	-	25	3,143,682
General government	3,107,383	-	-	-	-	3,107,383
Debt service:						
Principal	-	12,443,547	-	15,450,000	-	27,893,547
Interest and other charges	-	3,986,454	-	154,500	-	4,140,954
Bond issuance costs	-	-	-	153,690	-	153,690
Capital projects	-	-	-	21,175,094	-	21,175,094
Total expenditures	21,675,361	16,430,001	1,311,005	36,933,284	5,788,349	82,138,000
Excess (deficiency) of revenues over (under) expenditures	2,437,115	(6,335,191)	4,673,480	(35,173,018)	2,117,019	(32,280,595)
<b>Other financing sources (uses)</b>						
Issuance of long-term debt	-	-	-	10,374,906	-	10,374,906
Issuance of refunding bonds	-	1,825,943	-	11,930,000	-	13,755,943
Premium on long-term debt	-	-	-	993,882	-	993,882
Premium on refunding bonds	-	-	-	681,307	-	681,307
Debt Forgiven	-	-	-	902,000	-	902,000
Transfers in	518,677	5,460,249	-	2,837,286	500,000	9,316,212
Transfers out	(914,727)	-	(4,355,849)	-	(2,488,888)	(7,759,464)
Total other financing sources (uses)	(396,050)	7,286,192	(4,355,849)	27,719,381	(1,988,888)	28,264,786
Net change in fund balances	2,041,065	951,001	317,631	(7,453,637)	128,131	(4,015,809)
Fund balances, beginning	10,037,066	2,698,019	542,041	5,075,260	6,127,681	24,480,067
Fund balances, ending	\$ 12,078,131	\$ 3,649,020	\$ 859,672	\$ (2,378,377)	\$ 6,255,812	\$ 20,464,258

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

**City of Ankeny, Iowa**

**Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
For the Year Ended June 30, 2014**

Net change in fund balances--total governmental funds		\$ (4,015,809)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlay	\$ 20,771,980	
Depreciation expense	<u>(7,965,873)</u>	12,806,107
Governmental funds do not report capital assets and therefore do not report gains or losses on the disposal of those assets		
		(30,031)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(150,000)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Bond proceeds from issuances	\$ (24,130,849)	
Principal debt payments	27,893,547	
Premium on refunding bonds	(681,307)	
Premium on long-term debt	<u>(993,882)</u>	2,087,509
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The following expenses did not require current financial resources:		
Other postemployment benefits	\$ (20,650)	
Compensated absences	(29,952)	
Early retirement benefits	401,548	
Amortization of bond discounts and premiums	(343,728)	
Adjustment to bond interest payable	<u>(26,001)</u>	(18,783)
Governmental funds do not report capital assets and therefore do not report the contribution of capital assets.		
		4,499,059
Internal service funds are used by management to charge costs of certain activities, such as vehicle and property maintenance, to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental activities.		
		(702,194)
Change in internal service fund allocation to business-type activities.		
		<u>56,225</u>
Change in net position of governmental activities		
		<u>\$ 14,532,083</u>

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

City of Ankeny, Iowa

Statement of Net Position  
Proprietary Funds  
June 30, 2014

	Water	Sewer	Storm Water	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 3,395,658	\$ 7,045,369	\$ 1,300,309	\$ 226,903	\$ 11,968,239	\$ 4,502,165
Investments	882,746	1,534,105	-	-	2,416,851	-
Receivables:						
Interest	649	987	-	-	1,636	21
Accounts	857,778	1,283,155	189,829	145,467	2,476,229	1,290
Special Assessment	2,110	28,393	475	253	31,231	-
Intergovernmental	407	5,427	-	22,319	28,153	11,949
Prepaid expenses	-	-	-	-	-	10,656
Inventory	-	6,202	-	74,563	80,765	138,648
Due from other funds	1,471,430	7,806,988	9,829,262	-	19,107,680	456,220
Total current assets	6,610,778	17,710,626	11,319,875	469,505	36,110,784	5,120,949
Noncurrent assets:						
Restricted cash and cash equivalents	1,190,738	1,644,297	-	-	2,835,035	-
Advances to other funds	-	-	-	-	-	717,943
Capital assets:						
Land	39,764	522,238	-	985,942	1,547,944	-
Construction-in-progress	335,983	9,797,751	3,945,429	-	14,079,163	-
Depreciable assets, net of accumulated depreciation	37,182,343	69,275,615	12,751	4,162,320	110,633,029	54,869
Total capital assets	37,558,090	79,595,604	3,958,180	5,148,262	126,260,136	54,869
Total noncurrent assets	38,748,828	81,239,901	3,958,180	5,148,262	129,095,171	772,812
Total assets	45,359,606	98,950,527	15,278,055	5,617,767	165,205,955	5,893,761
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	355,741	97,730	6,694	134,653	594,818	48,400
Accrued wages	32,382	39,209	8,997	47,176	127,764	10,638
Due to other funds	-	992	-	102,604	103,596	9,889
Claims payable	-	-	-	-	-	472,979
Customer deposits	148,344	-	-	-	148,344	-
Unearned revenue	2,579	-	-	-	2,579	-
Bond and capital loan note interest payable	50,290	138,150	30,639	-	219,079	-
Bonds and capital loan notes payable, net of unamortized discount or premium	1,001,126	1,557,353	675,544	-	3,234,023	-
Compensated absences payable	27,900	26,471	5,610	16,948	76,929	7,389
Total current liabilities	1,618,362	1,859,905	727,484	301,381	4,507,132	549,295
Noncurrent liabilities:						
Bonds and capital loan notes payable, net of unamortized discount or premium	9,703,871	20,870,818	12,899,702	-	43,474,391	-
Early retirement benefit payable	-	-	-	-	-	-
Other postemployment benefits	9,717	13,306	2,243	4,486	29,752	3,589
Compensated absences payable	40,364	55,864	11,270	11,863	119,361	14,720
Advances from other funds	-	4,961	-	304,264	309,225	-
Total noncurrent liabilities	9,753,952	20,944,949	12,913,215	320,613	43,932,729	18,309
Total liabilities	11,372,314	22,804,854	13,640,699	621,994	48,439,861	567,604
<b>Net Position</b>						
Net investment in capital assets	28,592,360	68,031,233	717,442	5,148,262	102,489,297	54,869
Restricted for:						
Debt service	1,042,394	1,644,297	-	-	2,686,691	-
Unrestricted	4,352,538	6,470,143	919,914	(152,489)	11,590,106	5,271,287
Total net position	\$ 33,987,292	\$ 76,145,673	\$ 1,637,356	\$ 4,995,773	116,766,094	\$ 5,326,157
					Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.	70,692
					Net position of business-type activities	\$ 116,836,785

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

City of Ankeny, Iowa

Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2014

	Water	Sewer	Storm Water	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Operating revenues:						
Charges for services	\$ 9,722,633	\$ 12,337,317	\$ 1,753,929	\$ 2,134,873	\$ 25,948,752	\$ 4,387,421
Other	54,877	-	-	253,688	308,565	147,947
Total operating revenues	9,777,510	12,337,317	1,753,929	2,388,561	26,257,317	4,535,368
Operating expenses:						
Personal services	942,281	1,265,266	197,826	882,390	3,287,763	622,274
Contractual services	2,116,019	6,917,654	103,225	827,397	9,964,295	3,819,299
Operating supplies	3,210,795	129,744	37,124	456,227	3,833,890	806,181
Depreciation	1,039,983	1,975,290	25,501	235,204	3,275,978	29,798
Total operating expenses	7,309,078	10,287,954	363,676	2,401,218	20,361,926	5,277,552
Operating income (loss)	2,468,432	2,049,363	1,390,253	(12,657)	5,895,391	(742,184)
Nonoperating revenues (expenses):						
Interest earnings	2,209	(180)	2,977	384	5,390	39,990
Interest expense	(731,641)	(1,122,010)	(354,011)	(7,331)	(2,214,993)	-
Total nonoperating revenues (expenses)	(729,432)	(1,122,190)	(351,034)	(6,947)	(2,209,603)	39,990
Net income (loss) before contributions and transfers	1,739,000	927,173	1,039,219	(19,604)	3,685,788	(702,194)
Capital contributions	1,318,005	2,271,773	-	-	3,589,778	-
Transfers in	260	-	-	11,669	11,929	-
Transfers out	(259,338)	(659,338)	(650,000)	-	(1,568,676)	-
Change in net position	2,797,927	2,539,608	389,219	(7,935)	5,718,819	(702,194)
Total net position, beginning, as restated	31,189,365	73,606,065	1,248,137	5,138,261		6,028,351
Total net position, ending	\$ 33,987,292	\$ 76,145,673	\$ 1,637,356	\$ 5,130,326		\$ 5,326,157
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.					(56,225)	
Change in net position of business-type activities					\$ 5,662,596	

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

City of Ankeny, Iowa

Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2014

	Water	Sewer	Storm Water	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
<b>Cash flows from operating activities</b>						
Receipts from customers	\$ 9,840,412	\$ 12,227,908	\$ 1,714,515	\$ 2,343,479	\$ 26,126,314	\$ 4,536,433
Payments to suppliers	(5,238,079)	(6,043,376)	(139,597)	(1,277,573)	(12,698,625)	(4,807,418)
Payments to employees	(979,011)	(1,396,919)	(195,214)	(913,806)	(3,484,950)	(294,352)
Net cash provided (used) by operating activities	3,623,322	4,787,613	1,379,704	152,100	9,942,739	(565,337)
<b>Cash flows from noncapital financing activities</b>						
Payments received on interfund accounts	246,988	717,338	967,501	-	1,931,827	525,463
Payments made on interfund accounts	-	(992)	(60,000)	(83,956)	(144,948)	-
Loans issued to other funds	(144,151)	(2,315,000)	(2,955,000)	-	(5,414,151)	(122,336)
Loans received from other funds	30,000	30,000	-	27,997	87,997	-
Transfers from other funds	260	-	-	11,669	11,929	-
Transfers to other funds	(259,338)	(659,338)	(650,000)	-	(1,568,676)	-
Net cash provided (used) by noncapital financing activities	(126,241)	(2,227,992)	(2,697,499)	(44,290)	(5,096,022)	403,127
<b>Cash flows from capital and related financing activities</b>						
Proceeds from long-term debt	2,085,102	2,315,000	2,955,000	-	7,355,102	-
Purchase of capital assets	(253,488)	(802,278)	(967,501)	(27,997)	(2,051,264)	(25,265)
Principal paid on long-term debt	(3,762,921)	(1,427,168)	(270,000)	-	(5,460,089)	-
Interest paid on long-term debt	(528,077)	(794,477)	(275,399)	-	(1,597,953)	-
Net cash provided (used) by capital and related financing activities	(2,459,384)	(708,923)	1,442,100	(27,997)	(1,754,204)	(25,265)
<b>Cash flows from investing activities</b>						
Proceeds from investment maturity	996,586	1,992,471	-	-	2,989,057	-
Purchase of investments	(1,383,525)	(2,533,870)	-	-	(3,917,395)	-
Interest received	9,964	9,590	2,977	384	22,915	39,990
Net cash provided by investing activities	(376,975)	(531,809)	2,977	384	(905,423)	39,990
Net increase (decrease) in cash and cash equivalents	660,722	1,318,889	127,282	80,197	2,187,090	(147,485)
Balances, beginning of year	3,925,674	7,370,777	1,173,027	146,706	12,616,184	4,649,650
Balances, end of year	\$ 4,586,396	\$ 8,689,666	\$ 1,300,309	\$ 226,903	\$ 14,803,274	\$ 4,502,165
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>						
Operating income (loss)	\$ 2,468,432	\$ 2,049,363	\$ 1,390,253	\$ (12,657)	\$ 5,895,391	\$ (742,184)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	1,039,983	1,975,290	25,501	235,204	3,275,978	29,798
Changes in assets and liabilities:						
Receivables, net	62,902	(109,409)	(39,415)	(45,081)	(131,003)	1,065
Prepaid expenses	-	-	-	-	-	69,447
Inventory	-	(298)	-	10,982	10,684	31,614
Accounts and other payables	52,005	872,667	3,365	(36,348)	891,689	(61,934)
Claims payable	-	-	-	-	-	106,857
Net cash provided (used) by operating activities	\$ 3,623,322	\$ 4,787,613	\$ 1,379,704	\$ 152,100	\$ 9,942,739	\$ (565,337)
Noncash capital and related financing activities:						
Contribution of capital assets	\$ 1,318,005	\$ 2,271,773	\$ -	\$ 0	\$ 3,589,778	\$ -
Noncash investing activities:						
Net change in unrealized gain on investments	\$ (2,279)	\$ (3,215)	\$ -	\$ -	\$ (5,494)	\$ -

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

**CITY OF ANKENY, IOWA**  
Notes to the Financial Statements  
June 30, 2014

**NOTE 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 Ankeny (the "City") is a political subdivision of the State of Iowa located in Polk County. It was first incorporated in 1903 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council-Manager form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens, including public safety, public works, health and social services, culture and recreation, community and economic development and general government services. It also operates Otter Creek Golf Course and provides water, sewer and storm water utilities.

The financial statements of the City have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board.

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 voting 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 the organization to provide specific benefits to or impose specific financial burdens on the City.

The blended 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 blended component units and are presented as funds of the City.

The Ankeny Community Foundation is a charitable public foundation established for the purpose of improving the quality of life in Ankeny by initiating programs, coordinating resources, and supporting organizations that enhance education, community betterment, arts and culture, and human services. The Ankeny Community Foundation is a blended component unit, because the nature and

significance of their relationship is such that without the Ankeny Community Foundation's financial presentation, the City's financial statements would be incomplete. The Ankeny Community Foundation is presented as a special revenue fund and has a June 30 year-end.

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

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

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

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

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

The City has the following fund types:

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

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

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

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

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

Governmental funds include the following fund types:

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

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

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

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

**Proprietary funds** are accounted for using the flow of economic resources measurement focus and the full accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized at the time the liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating

revenues from the City's proprietary funds are charges to customers for sales, rentals and services. Operating expenses for the proprietary funds include cost of personal services, contractual services, operating supplies, self-insurance claims and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Proprietary funds include the following fund types:

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

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

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

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

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

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

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

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

*Unrestricted net position* consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

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

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

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

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

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

The City has the following major governmental funds:

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

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

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

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

The City has the following major enterprise funds:

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

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

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

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

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

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

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

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

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

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

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

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

### **C. Assets, Liabilities, Deferred Inflows of Resources and Fund Equity**

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

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

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

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

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

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

#### *Property Tax Receivable, Including Tax Increment Financing*

Property taxes, including tax increment financing, in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the City to the County Board of Supervisors. Current year property tax receivable represent taxes collected by the County but not remitted to the City at June 30, 2014 and unpaid taxes. The succeeding year property tax receivable represent taxes certified by the City to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the City is required to certify its budget to the County Auditor by March 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable have been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenues recognized in these funds become due and collectible in September and March of the current fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2012 assessed property valuations; is for the tax accrual period July 1, 2013 through June 30, 2014 and reflects tax asking contained in the budget certified to the County Board of Supervisors in March 2013.

#### *Inventory and Prepaid Items*

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

#### *Interfund Balances*

Transactions between funds that are representative of long-term lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds" to indicate the non-current nature

of the interfund loans. All other outstanding balances between funds are expected to be repaid within one year and reported as “due to/from other funds.”

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

### *Restricted Assets*

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

The City also has restricted assets relating to customer deposits.

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

### *Capital Assets*

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

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

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

Capital assets of the City are depreciated/amortized using the straight-line method with half-year convention over the following estimated useful lives:

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

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

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

#### *Compensated Absences*

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

Accrued vacation and sick leave benefits are reported as a liability in the proprietary funds using the same basis as the activities at the government-wide level. In governmental funds, however, these accrued benefits are not considered due and are not reported as a fund liability. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2014. Compensated absences attributable to governmental activities are generally liquidated by the general fund and the road use tax fund.

#### *Long-Term Liabilities*

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities column in the Statement of Net Position and the proprietary fund Statement of Net Position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### *Deferred Inflows of Resources*

Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within sixty days after year end.

### *Fund Equity*

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

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

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

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

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

**Unassigned** – All amounts not included in the preceding classifications.

### *Net Position*

Net position represents the difference between assets, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets. Net investment in capital assets

excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net position consists of \$639,510 restricted by donors, \$970,469 restricted by other governments, \$575,499 restricted through enabling legislation and \$6,335,711 restricted for debt service.

*Use of Estimates*

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

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

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

**NOTE 3 - DEPOSITS AND INVESTMENTS**

As of June 30, 2014, the City had investments in debt securities with the following maturities:

Security Description	Current Market Value	Investment Maturity (in Years)		
		< 1	1-5	6-10
Commercial paper	\$ 4,491,207	\$ 4,491,207	\$ -	\$ -
FHLB	1,998,520	-	1,998,520	-
FHLMC	2,002,580	-	2,002,580	-
FNMA	1,961,132	-	1,961,132	-
<b>Grant Total</b>	<b>\$ 10,453,439</b>	<b>\$ 4,491,207</b>	<b>\$ 5,962,232</b>	<b>\$ -</b>

The City also held certificates of deposit totaling \$2,300,000. All of these had original maturities of one year.

*Risk Exposure*

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

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

The City manages its exposure to *credit risk* by limiting its purchase of commercial paper and other short-term corporate debt to securities rated in the two highest classifications as established by one of the standard rating services approved by the State of Iowa Superintendent of Banking. Ratings are evaluated at time of purchase. Commercial paper of \$4,491,207 held by the City were rated P1 by Moody's Investors Service and A1 by Standard & Poor's at the time of purchase.

*Custodial credit risk*, in the case of deposits, is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2014, the carrying amount of the City's cash deposits, which include certificates of deposit, totaled \$62,458,277 with bank balances of \$64,744,003. The bank balances are covered entirely by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

#### NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014, is as follows:

	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014
<b>Governmental activities:</b>				
Undepreciated:				
Land	\$ 7,397,460	\$ 714,063	\$ -	\$ 8,111,522
Construction in progress	24,438,329	17,434,410	11,062,452	30,810,286
Total, undepreciated	<u>31,835,789</u>	<u>18,148,473</u>	<u>11,062,452</u>	<u>38,921,808</u>
Depreciated:				
Other improvements	33,742,323	403,220	-	34,145,543
Infrastructure	147,298,166	16,817,976	-	164,116,142
Buildings	42,922,038	-	-	42,922,038
Machinery and equipment	15,213,051	989,088	486,243	15,715,896
Furniture and fixtures	1,459,706	-	-	1,459,706
Total, depreciated	<u>240,635,281</u>	<u>18,210,284</u>	<u>486,243</u>	<u>258,359,325</u>
Accumulated depreciation:				
Other improvements	10,270,160	1,784,464	-	12,054,624
Infrastructure	29,295,223	3,226,666	-	32,521,889
Buildings	9,859,873	1,684,326	-	11,544,199
Machinery and equipment	10,918,562	1,276,240	456,201	11,738,601
Furniture and fixtures	1,326,384	23,976	-	1,350,360
Total accumulated depreciation	<u>61,670,202</u>	<u>7,995,669</u>	<u>456,201</u>	<u>69,209,673</u>
Governmental activities capital assets, net	<u>\$ 210,800,868</u>	<u>\$ 28,363,088</u>	<u>\$ 11,092,494</u>	<u>\$ 228,071,463</u>

	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014
<b>Business-type activities:</b>				
Undepreciated:				
Land	\$ 1,547,944	\$ -	\$ -	\$ 1,547,944
Construction in progress	12,812,087	1,797,158	530,082	14,079,163
Total, undepreciated	<u>14,360,031</u>	<u>1,797,158</u>	<u>530,082</u>	<u>15,627,107</u>
Depreciated:				
Other improvements	531,372	-	-	531,372
Infrastructure	141,475,887	4,254,528	-	145,730,415
Buildings	4,719,660	-	-	4,719,660
Machinery and equipment	3,090,108	119,437	13,040	3,196,505
Furniture and fixtures	64,542	-	-	64,542
Total, depreciated	<u>149,881,569</u>	<u>4,373,965</u>	<u>13,040</u>	<u>154,242,494</u>
Accumulated depreciation:				
Other improvements	397,926	24,896	-	422,822
Infrastructure	37,319,730	2,861,225	-	40,180,955
Buildings	612,272	146,875	-	759,147
Machinery and equipment	1,990,595	236,529	13,040	2,214,084
Furniture and fixtures	26,004	6,453	-	32,457
Total accumulated depreciation	<u>40,346,527</u>	<u>3,275,978</u>	<u>13,040</u>	<u>43,609,465</u>
Business-type activities capital assets, net	<u>\$ 123,895,074</u>	<u>\$ 2,895,145</u>	<u>\$ 530,082</u>	<u>\$ 126,260,136</u>

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

Governmental activities:	
Public safety	\$ 1,907,680
Health and social services	1,742
Culture and recreation	2,016,541
Public works	3,931,573
Community and economic development	17,371
General government	<u>120,761</u>
Total depreciation expense - governmental activities	<u>\$ 7,995,669</u>
Business-type activities:	
Water	\$ 1,039,983
Sewer	1,975,290
Storm water	25,501
Otter Creek golf course	<u>235,204</u>
Total depreciation expense - business-type activities	<u>\$ 3,275,978</u>

## NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due To/From Other Funds:		
Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor, internal service	\$ 9,889
Water	Debt service	211,008
	Capital projects	1,260,422
Sewer	Debt service	68,271
	Capital projects	7,738,717
Storm Water	Capital projects	9,829,262
Nonmajor, internal service	General fund	159,600
	Special revenue, road use tax	193,023
	Enterprise, Sewer	992
	Enterprise, Otter Creek golf course	<u>102,604</u>
		<u>\$19,573,788</u>
Advances To/From Other Funds:		
Receivable Fund	Payable Fund	Amount
Nonmajor, internal service	General fund	\$ 212,374
	Special revenue, road use tax	196,345
	Enterprise, Sewer	4,961
	Enterprise, Otter Creek golf course	<u>304,264</u>
		<u>\$ 717,943</u>

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

Interfund transfers for the year ended June 30, 2014 were as follows:

	Transfers In						Total
	General	Debt Service	Capital Projects	Water	Nonmajor Governmental	Nonmajor Enterprise	
<b>Transfers Out:</b>							
General	\$ -	\$ 104,400	\$ 310,067	\$ 260	\$ 500,000	\$ -	\$ 914,727
Tax Increment Financing	-	4,355,849	-	-	-	-	4,355,849
Capital Projects	-	-	-	-	-	-	-
Water	259,338	-	-	-	-	-	259,338
Sewer	259,338	-	400,000	-	-	-	659,338
Storm Water	-	-	650,000	-	-	-	650,000
Nonmajor governmental	-	1,000,000	1,477,219	-	-	11,669	2,488,888
	<u>\$ 518,676</u>	<u>\$ 5,460,249</u>	<u>\$ 2,837,286</u>	<u>\$ 260</u>	<u>\$ 500,000</u>	<u>\$ 11,669</u>	<u>\$ 9,328,140</u>

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

## NOTE 6 - UNEARNED REVENUE

Under both the accrual and the modified accrual methods of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset with a corresponding liability for unearned revenue. The following funds had unearned revenue at June 30, 2014:

Special Revenue:		
Tax Increment Financing	DART lease agreement	\$189,600
Water	Unearned charges	<u>2,579</u>
		<u>\$192,179</u>

## NOTE 7 - LONG-TERM DEBT

*General Obligation Bonds.* The City issues general obligation bonds to provide funds for the acquisition and construction of infrastructure, major capital facilities, and other major capital assets. General obligation bonds have been issued for both general government and proprietary activities. These bonds are reported in proprietary funds if they are expected to be repaid from proprietary fund revenues. General obligation bonds as of June 30, 2014 consist of the following individual issues:

<u>Debt</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Amount Issued</u>	<u>Interest Rate Range Outstanding</u>	<u>Balance June 30, 2014</u>
Various public improvements	05/30/07	06/01/18	\$ 13,040,000	4.000	\$ 5,865,000
Various public improvements	05/15/08	06/01/19	11,985,000	3.500 - 4.000	6,565,000
Public safety facilities	05/15/08	06/01/28	22,425,000	3.500 - 4.625	20,875,000
Landfill remediation	04/08/09	06/01/28	3,000,000	3.000	2,366,000
Various public improvements	05/15/09	06/01/28	32,010,000	4.000 - 4.375	21,890,000
Refunding	05/15/10	06/01/21	7,920,000	3.000 - 3.250	4,200,000
Refunding	05/15/11	06/01/26	13,250,000	2.000 - 4.000	10,650,000
Sports field lighting	08/15/11	06/01/16	495,000	1.450 - 1.800	200,000
Refunding	05/30/12	06/01/27	11,160,000	1.500 - 3.000	10,205,000
Advance Refunding	05/30/12	06/01/18	6,665,000	3.000 - 4.000	5,415,000
Refunding	05/30/13	06/01/28	18,730,000	2.000 - 3.200	18,035,000
Various public improvements	05/30/13	06/01/28	12,970,000	2.000 - 3.000	12,870,000
Refunding	05/29/14	06/01/29	14,885,000	3.000 - 4.000	14,885,000
Various public improvements	05/29/14	06/01/29	12,345,000	2.000 - 5.000	12,345,000
			<u>\$ 180,880,000</u>		<u>\$ 146,366,000</u>

On May 29, 2014, the City issued General Obligation Refunding Bonds, Series 2014A totaling \$14,885,000 with interest rates ranging from 3.0% to 4.0%. The

proceeds were used to permanently finance the Series 2012C General Obligation Bond Anticipation Notes.

On May 29, 2014, the City issued General Obligation Bonds, Series 2014B totaling \$12,345,000 with interest rates ranging from 2.0% to 5.0%. The proceeds were used to current refund the outstanding \$5,695,000 General Obligation Bonds, Series 2006B, and to construct various capital improvement projects. The current refunding was done to reduce aggregate debt service payments by \$139,234 and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$133,056.

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

<b>Year Ending June 30</b>	<b>General Obligation Principal</b>	<b>General Obligation Interest</b>	<b>Total</b>
2015	\$ 13,219,000	\$ 5,073,763	\$ 18,292,763
2016	14,098,000	4,668,710	18,766,710
2017	14,697,000	4,215,576	18,912,576
2018	14,476,000	3,694,516	18,170,516
2019	11,921,000	3,169,186	15,090,186
2020-2024	43,682,000	10,542,925	54,224,925
2025-2029	34,273,000	3,234,334	37,507,334
	<u>\$ 146,366,000</u>	<u>\$ 34,599,010</u>	<u>\$ 180,965,010</u>

Accumulated fund balances in the Debt Service Fund are legally restricted for the repayment of debt service. The fund balance at June 30, 2014 in the Debt Service Fund is \$3,649,020.

*Sewer revenue bonds.* The City issues sewer revenue bonds to provide for the construction of sewer system infrastructure. These bonds are reported in the sewer fund in the enterprise funds. Sewer revenue bonds as of June 30, 2014 consist of the following issues:

<b>Debt</b>	<b>Issue Date</b>	<b>Final Maturity</b>	<b>Amount Issued</b>	<b>Interest Rate Range Outstanding</b>	<b>Balance June 30, 2014</b>
Various sewer improvements	12/15/08	05/01/15	\$ 6,130,000	4.000	\$ 250,000
Rock Creek lateral sewer	01/20/10	05/01/32	2,878,693	3.000	2,640,000
Landfill remediation	02/03/10	05/01/29	1,012,000	3.000	747,000
Various sewer improvements	12/15/10	05/01/30	3,010,000	2.500 - 4.500	2,640,000
Various sewer improvements	04/04/12	05/01/31	2,965,000	2.000 - 3.375	2,830,000
Various sewer improvements	05/15/14	05/01/26	2,315,000	2.000 - 3.000	2,315,000
Advance Refunding	05/15/14	05/01/28	4,805,000	2.000 - 3.250	4,805,000
			<u>\$ 23,115,693</u>		<u>\$ 16,227,000</u>

On May 15, 2014, the City issued Sewer Revenue Bonds, Series 2014C totaling \$14,885,000 with interest rates ranging from 2.0% to 3.0%. The proceeds were used to pay costs of construction improvements and extensions to the Municipal Sewer Utility of the City.

On May 15, 2014, the City issued Sewer Revenue Refunding Bonds, Series 2014F totaling \$4,805,000 with interest rates ranging from 2.0% to 3.25%. The proceeds were used to crossover advance refund \$4,790,000 Sewer Revenue Bonds, Series 2008D with an average interest rate of 5.76%. The net proceeds related to the refunding (including a \$62,397 premium and after payment of \$93,706 in underwriting and issuance costs) were used to purchase U.S. government securities (SLGS) in an irrevocable trust with an escrow agent. These proceeds will provide the future debt service payments on the Series 2008D until the refunding date of May 1, 2015. The advance refunding was done to reduce aggregate debt service payments by \$1,103,475 and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$764,664.

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

<b>Year ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 665,000	\$ 736,436	\$ 1,401,436
2016	915,000	459,894	1,374,894
2017	946,000	438,744	1,384,744
2018	970,000	416,864	1,386,864
2019	985,000	394,414	1,379,414
2020-2024	5,412,000	1,560,635	6,972,635
2025-2029	5,147,000	679,072	5,826,072
2030-2032	1,187,000	64,586	1,251,586
	<u>\$ 16,227,000</u>	<u>\$ 4,750,645</u>	<u>\$ 20,977,645</u>

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$23,115,693 in sewer revenue bonds. Proceeds from the bonds provided financing for various sewer improvement projects. The bonds are payable solely from sewer customer net revenues and are payable through 2032. Annual principal and interest payments on the bonds are expected to require less than 90 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$20,977,645. Principal and interest paid for the current year and total customer net revenues were \$1,208,028 and \$5,013,653, respectively.

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

Cash from the Sewer Fund shall be transferred monthly into the Sewer Sinking Fund to pay the interest on, and to redeem the principal amount of,

the bonds at maturity. The monthly transfers must be equal to one-sixth of the interest due on the next payment date plus one-twelfth of the principal maturing on the next retirement date.

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

The amount restricted in the Sewer Fund as of June 30, 2014 relating to these provisions is \$1,644,297.

*Water revenue bonds/capital loan notes.* The City issues water revenue bonds and capital loan notes to provide for the construction of water system infrastructure. This debt is reported in the water fund in the enterprise funds. Water revenue bonds and capital loan notes as of June 30, 2014 consist of the following issues:

<b>Debt</b>	<b>Issue Date</b>	<b>Final Maturity</b>	<b>Amount Issued</b>	<b>Interest Rate Range Outstanding</b>	<b>Balance June 30, 2014</b>
Eastside Rual Water Phase 1	10/19/01	06/01/21	\$ 908,000	1.750	\$ 380,000
Various water improvements	11/21/05	06/01/15	4,025,000	4.000	190,000
Various water improvements	12/15/08	06/01/15	4,400,000	4.000	180,000
Refunding	05/15/14	06/01/23	1,890,000	2.000 - 3.000	1,890,000
Advance Refunding	05/15/14	06/01/28	6,000,000	2.000 - 3.250	6,000,000
			<u>\$ 17,223,000</u>		<u>\$ 8,640,000</u>

On May 15, 2014, the City issued Water Revenue Refunding Bonds, Series 2014D totaling \$1,890,000 with interest rates ranging from 2.0% to 3.0%. The proceeds were used to current refund \$2,820,000 Water Revenue Bonds, Series 2006C, maturing 2015 through 2026. The City plans on using \$860,000 of Water Fund cash on hand to pre-pay the 2024-2026 maturities. The current refunding was done to reduce aggregate debt service payments by \$1,501,746 and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$346,313.

On May 15, 2014, the City issued Water Revenue Refunding Bonds, Series 2014E totaling \$6,000,000 with interest rates ranging from 2.0% to 3.25%. The proceeds were used to crossover advance refund \$2,425,000 Water Revenue Bonds, Series 2005C, maturing 2016 through 2025, and \$3,435,000 Water Revenue Bonds, Series 2008E, maturing 2016 through 2028, with an average interest rate of 5.29%. The net proceeds related to the refunding (including a \$102,387 premium and after payment of \$99,909 in underwriting and issuance costs) were used to purchase U.S. government securities (SLGS) in an irrevocable trust with an

escrow agent. These proceeds will provide the future debt service payments on the Series 2005C and the Series 2008E until the refunding date of June 1, 2015. The current refunding was done to reduce aggregate debt service payments by \$883,504 and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$722,048.

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

<b>Year ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 605,000	\$ 529,249	\$ 1,134,249
2016	696,000	204,519	900,519
2017	708,000	190,726	898,726
2018	719,000	176,699	895,699
2019	746,000	162,454	908,454
2020-2024	3,621,000	541,432	4,162,432
2025-2028	1,545,000	110,020	1,655,020
	<u>\$ 8,640,000</u>	<u>\$ 1,915,099</u>	<u>\$ 10,555,099</u>

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$17,223,000 in water revenue bonds and capital loan notes. Proceeds from the bonds and notes provided financing for various water improvement projects. The bonds and notes are payable solely from water customer net revenues and are payable through 2028. Annual principal and interest payments on the bonds and notes are expected to require less than 90 percent of net revenues. The total principal and interest remaining to be paid on the bonds and notes is \$10,555,099. Principal and interest paid for the current year and total customer net revenues were \$851,590 and \$3,508,415, respectively.

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

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

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

The amount restricted in the Water Fund as of June 30, 2014 relating to these provisions is \$1,042,394.

*Changes in Long-term Debt.* The following is a summary of the changes in the long-term debt of the City for the year ended June 30, 2014.

	June 30, 2013	Additions	Retirements	June 30, 2014	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 129,163,873	\$ 24,130,849	\$ 27,793,548	\$ 125,501,174	\$ 11,331,356
Capital loan notes	300,000	-	100,000	200,000	100,000
Other postemployment benefits	134,875	21,098	-	155,973	-
Compensated absences	575,702	527,524	490,451	612,775	518,674
Early retirement	401,548	-	401,548	-	-
<b>Total governmental activities</b>	<b>\$ 130,575,998</b>	<b>\$ 24,679,471</b>	<b>\$ 28,785,547</b>	<b>\$ 126,469,922</b>	<b>\$ 11,950,030</b>
Business-type activities:					
General obligation bonds	\$ 19,141,127	\$ 3,099,151	\$ 1,575,452	\$ 20,664,826	\$ 1,787,644
Water revenue bonds	9,575,000	7,890,000	9,205,000	8,260,000	555,000
Sewer revenue bonds	16,202,000	7,120,000	7,095,000	16,227,000	665,000
Capital loan notes	428,000	-	48,000	380,000	50,000
Other postemployment benefits	27,486	2,266	-	29,752	-
Compensated absences	201,000	80,454	85,165	196,289	76,929
Early retirement	196,067	-	196,067	-	-
<b>Total business-type activities</b>	<b>\$ 45,770,680</b>	<b>\$ 18,191,871</b>	<b>\$ 18,204,684</b>	<b>\$ 45,757,867</b>	<b>\$ 3,134,573</b>
<b>Total long-term debt</b>	<b>\$ 176,346,678</b>	<b>\$ 42,871,342</b>	<b>\$ 46,990,231</b>	<b>\$ 172,227,789</b>	<b>\$ 15,084,603</b>

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

	Governmental Activities	Business-type Activities
Discounts:		
Current	\$ 631	\$ 4,785
Noncurrent	8,204	2,846
<b>Total</b>	<b>\$ 8,835</b>	<b>\$ 7,631</b>
Premiums:		
Current	\$ 474,242	\$ 181,165
Noncurrent	4,143,696	1,003,054
<b>Total</b>	<b>\$ 4,617,938</b>	<b>\$ 1,184,219</b>

## **NOTE 8 - DEFICIT FUND EQUITY**

The following fund has a deficit fund balance or net assets as of June 30, 2014:

Capital projects fund	(\$ 2,378,377)
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The capital project fund deficit will be eliminated by future grant revenues and other revenues.

## **NOTE 9 - RETIREMENT SYSTEMS**

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

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

Plan members are required to contribute 5.95% of their annual covered salary and the City is required to contribute 8.93% of annual covered payroll, except covered firefighters who contribute 6.76% and the City contributes 10.14%. Contribution requirements are established by State statute. The City's contribution to IPERS for the years ended June 30, 2014, 2013, and 2012 were \$878,731, \$824,171, and \$736,889, respectively, equal to the required contributions for each year.

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

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

Plan members are required to contribute 9.40% of their earnable compensation and the City's contribution rate is 30.12% of earnable compensation. Contribution requirements are established by State statute. The City's contributions to the Plan for the years ended June 30, 2014, 2013, and 2012 were \$1,277,740, \$1,040,737, and \$941,093, respectively, which met the required minimum contributions for each year.

## **NOTE 10 - RISK MANAGEMENT AND INSURANCE**

The City is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 700 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials' liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis rate or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

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

The City's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The City's contributions to the Pool for the year ended June 30, 2014 were \$259,289.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$150,000 each occurrence, each location. Property risks exceeding \$150,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City's risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the City's risk-sharing certificate, or in the event that a series of casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any reinsurance and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred. The City does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly at June 30, 2014, no liability has been recorded in the City's financial statements. As of June 30, 2014, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

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

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

#### *Health Insurance*

The City operates a health insurance pool for the benefit of its employees that is self-funded through contributions in the form of employee premiums. The City is liable as to medical and dental claims made by the participants in the plan. The pool is self insured with an annual stop loss deductible of \$55,000 per member and an aggregate stop loss deductible of \$2,346,337. Coverage from a private insurance company is maintained for losses in excess of both the individual and the aggregate stop loss deductibles. The City had no individual stop loss claims and no outstanding aggregate stop loss claims as of June 30, 2014. An independent claims administrator performs the handling of all claims and procedures. Liabilities are reported when it is probable that a loss has occurred

and the amount of the loss can be reasonably estimated. Claims payable includes all known claims and an amount for claims that have been incurred but not reported (IBNR). Changes in the balances of claims payable are as follows:

	2014	2013
Claims payable, beginning of year	\$ 373,242	\$ 275,214
Incurred claims (including IBNR)	2,565,241	2,264,993
Claims payments	<u>(2,465,504)</u>	<u>(2,166,965)</u>
Claims payable, end of year	<u>\$ 472,979</u>	<u>\$ 373,242</u>

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

#### **NOTE 11 - JOINTLY GOVERNED ORGANIZATIONS**

The City participates in the Polk County Aviation Authority (PCAA) that operates the Ankeny Regional Airport. The City, along with Polk County, Altoona, and Bondurant, form the PCAA. The City appoints two board members of the seven-member board. In addition, the City levies a property tax of \$.14821 per thousand dollars of taxable valuation for the Authority. The City paid \$320,888 to the PCAA in fiscal year 2014.

The City participates in the Metro Waste Authority (MWA). The MWA is responsible for the management of the metro landfill, transfer station, compost center, and recycling center and operates the Curb It! recycling program. The MWA has 17 members, including Ankeny, with each appointing one representative. The City charges residents a monthly fee to help recover the City's cost of the Curb It! recycling program. The City paid fees totaling \$487,818 in fiscal year 2014.

The City is a member of the Des Moines Metro Area Planning Organization (MPO) that is responsible for transportation planning and federal grants allocation within the area. The MPO is comprised of 16 cities, DART, three associate non-voting cities, unincorporated portions of three counties in central Iowa and one associate non-voting county that appoint 43 voting representatives. The City appoints three representatives. The City paid \$45,582 in membership dues for fiscal year 2014.

The City is a full member of the Des Moines Area Regional Transportation Authority (DART). DART has 18 member cities and Polk County, which are represented by nine board members. In fiscal year 2007, DART no longer charged member cities for annual contributions, but instead levied a property tax through Polk County. In addition, the City received \$316,000 in fiscal year 2004 from DART for prepayment of a 25-year lease for a Park-and-Ride lot that started on July 1, 2004. The balance remaining on the lease is \$189,600 as of June 30, 2014.

The City is a member of the Des Moines Metropolitan Wastewater Reclamation Authority (WRA), which is a separate entity created by agreement in accordance with Chapter 28E of the Code of Iowa. The purpose of the organization is for the planning, construction, operation, and management of sewer related facilities. The WRA has 17 member governments with a governing board of 21 representatives of which the City appoints 2 representatives. The City paid membership and participation fees during fiscal year 2014 of \$4,310,101.

**NOTE 12 – OPERATING LEASES**

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

<u>Fiscal Year</u>	<u>Amount</u>
2015	66,000
2016	44,000
Total remaining payments	<u>\$ 110,000</u>

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

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

<u>Fiscal Year</u>	<u>Amount</u>
2015	186,540
2016	186,540
2017	93,270
Total remaining payments	<u>\$ 466,350</u>

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

The City has a long-term lease agreement with the Des Moines Waterworks (DMWW) for the production and supply of drinking water. Under the terms of the agreement, the City agrees to pay DMWW for the cost of the debt that was issued to build the infrastructure and facilities necessary to make the water

available to the City. The remaining reimbursements are scheduled until December 1, 2025 and with payments scheduled as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2015	858,796
2016	856,418
2017	929,252
2018	932,898
2019	938,323
2020 - 2024	4,699,012
2025 - 2026	1,512,729
Total remaining payments	<u>\$ 10,727,426</u>

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

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

<u>Fiscal Year</u>	<u>Amount</u>
2015	\$ 322,131
2016	322,131
2017	322,131
2019	322,131
2019	322,131
2020 - 2024	1,610,655
Total remaining payments	<u>\$ 3,221,310</u>

**NOTE 13 - CONDUIT DEBT OBLIGATIONS**

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

The following summarizes the outstanding issues in which the City assisted at June 30, 2014:

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

**NOTE 14 - COMMITMENTS AND CONTINGENCIES**

The City has outstanding commitments for purchase orders that have been issued to various vendors. For budgetary purposes, these commitments are considered encumbrances. The City’s encumbrances at June 30, 2014, in the General Fund, Capital Projects Fund, Internal Service Funds and nonmajor governmental funds were \$279,112, \$662,574, \$70,611 and \$592,550, respectively. The City also had encumbrances in the Water Fund, Sewer Fund, Storm Water Fund and nonmajor enterprise funds of \$101,988, \$22,000, \$4,854 and \$7,102, respectively.

The City has outstanding commitments for construction projects including street improvements, park improvements, utility improvements and other construction and engineering projects. The City’s commitment to these contracts at June 30, 2014 is \$9,931,850.

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

**NOTE 15 - OTHER POST EMPLOYMENT BENEFITS**

Plan Description - The City operates a single-employer health care plan which provides medical, prescription drug and dental benefits for retirees and their spouses. There are 192 active and 9 retired members in the plan. Retired participants must be age 55 or older at retirement.

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

Funding Policy - The contribution requirements of plan members are established and may be amended by the City. The current funding policy of the City is to pay health insurance premiums as they occur.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2014, the City contributed \$25,434.

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

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

The following table shows the components of the City’s annual OPEB cost for the year ended June 30, 2014, the amount actually contributed to the plan and changes in the City’s net OPEB obligation:

Annual required contribution	\$ 51,693
Interest on net OPEB obligation	6,494
Adjustment to annual required contribution	<u>(9,389)</u>
Annual OPEB cost (expense)	48,798
Contributions made	<u>(25,434)</u>
Increase in net OPEB obligation	23,364
Net OPEB obligation – July 1, 2013	<u>162,361</u>
Net OPEB obligation – June 30, 2014	<u><u>\$ 185,725</u></u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$ 31,800	10.06%	\$ 28,600
June 30, 2010	33,000	16.97	56,000
June 30, 2011	39,388	24.76	85,639
June 30, 2012	38,859	0.80	124,189
June 30, 2013	38,172	0.00	162,361
June 30, 2014	48,798	52.12	185,725

Funded Status and Funding Progress – As of July 1, 2013, the most recent actuarial valuation date, the actuarial accrued liability was \$451,994, with no actuarial assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$451,994. The covered payroll (annual payroll of active employees covered by the plan) was \$12,772,968 and the ratio of the UAAL to covered payroll was 3.5%.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment, mortality and the health care cost trend.

Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as Required Supplementary Information in the section following the Notes to the Financial Statements, will present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

As of the July 1, 2013 actuarial valuation, projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment return and a projected annual health care cost trend rate of 5.0%. The projected dental claim costs were assumed to be equal to the premiums.

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

Projected claims costs of the healthcare plan are approximately \$9,420 for retirees. The salary increase rate was assumed to be 4.0% per year. The UAAL is being amortized as a level percentage of pay on an open basis over a period of 30 years.

#### **NOTE 16 - TERMINATION BENEFITS**

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

Early retirement benefits equal 60% of the employee's salary in effect at the time of retirement and the value of any unused paid time off that would normally be paid at retirement.

As of June 30, 2014, the City has no future obligations. Actual early retirement expenditures for the year June 30, 2014 totaled \$597,615.

## NOTE 17 – LANDFILL CLOSURE AND POSTCLOSURE CARE

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

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

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

At June 30, 2014, the ending fund balance of the landfill postclosure fund was \$162,348.

## NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLE

The net position of the governmental activities, business-type activities (Water Fund, Sewer Fund, and Storm Water Fund) were restated to reflect the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* which require that bond issuance costs be recognized as an expense in the period incurred.

The restatement of the beginning of the year net position is as follows:

	Governmental Activities	Business-type Activities	
Net position at July 1, 2013	\$ 108,814,664	\$ 111,467,794	
Removal of bond issuance costs	(364,198)	(293,604)	
Net position at July 1, 2013, as restated	<u>\$ 108,450,466</u>	<u>\$ 111,174,190</u>	
	Water Fund	Sewer Fund	Storm Water Fund
Net position at July 1, 2013	\$ 31,267,160	\$ 73,787,556	\$ 1,282,455
Removal of bond issuance costs	(77,795)	(181,491)	(34,318)
Net position at July 1, 2013, as restated	<u>\$ 31,189,365</u>	<u>\$ 73,606,065</u>	<u>\$ 1,248,137</u>

## **NOTE 19 – UPCOMING ACCOUNTING PRONOUNCEMENT**

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.

## **Required Supplementary Information**

City of Ankeny, Iowa

Required Supplementary Information  
 Budgetary Comparison Schedule (Cash Basis) - All Governmental and Proprietary Funds  
 For the Year Ended June 30, 2014

	Governmental Fund Types Actual	Proprietary Fund Types Actual	Total All Budgeted Funds Actual	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
Property taxes	\$ 26,105,711	\$ -	\$ 26,105,711	\$ 26,189,702	\$ 26,189,703	\$ (83,992)
Tax increment financing	5,967,227	-	5,967,227	5,985,825	6,017,807	(50,580)
Other city taxes	2,923,291	-	2,923,291	2,585,277	2,927,878	(4,587)
Licenses and permits	1,718,821	17,760	1,736,581	1,124,100	1,352,000	384,581
Use of money and property	442,876	110,182	553,058	449,920	549,017	4,041
Intergovernmental	6,311,665	-	6,311,665	10,783,727	10,154,135	(3,842,470)
Charges for services	2,505,801	24,153,126	26,658,927	23,971,672	25,579,770	1,079,157
Special assessments	166,617	-	166,617	8,000	86,326	80,291
Miscellaneous	3,814,042	1,868,161	5,682,203	3,747,068	5,315,499	366,704
Total revenues	49,956,051	26,149,229	76,105,280	74,845,291	78,172,135	(2,066,855)
Expenditures/Expenses:						
Public safety	12,652,199	-	12,652,199	13,273,356	13,234,785	582,586
Public works	4,604,317	-	4,604,317	4,783,946	4,985,628	381,311
Health and social services	21,128	-	21,128	30,700	30,700	9,572
Culture and recreation	5,485,783	-	5,485,783	5,561,752	5,714,337	228,554
Community and economic development	2,780,738	-	2,780,738	2,517,670	3,268,973	488,235
General government	3,085,586	-	3,085,586	3,401,570	3,355,691	270,105
Debt service	18,904,614	-	18,904,614	16,887,969	18,905,115	501
Capital projects	32,986,344	-	32,986,344	35,425,500	45,350,500	12,364,156
Business-type	-	21,403,077	21,403,077	19,197,418	22,377,802	974,725
Total expenditures/expenses	80,520,709	21,403,077	101,923,786	101,079,881	117,223,531	15,299,745
Excess (deficiency) of revenues over (under) expenditures/expenses	(30,564,658)	4,746,152	(25,818,506)	(26,234,590)	(39,051,396)	13,232,890
Other financing sources (uses), net	34,841,304	(1,630,723)	33,210,581	34,211,000	33,320,000	(109,419)
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing sources (uses)	4,276,646	3,115,429	7,392,075	7,976,410	(5,731,396)	13,123,471
Beginning fund balance, July 1	46,894,602	14,110,190	61,004,792	48,027,100	61,004,792	-
Ending fund balance, June 30	\$ 51,171,248	\$ 17,225,619	\$ 68,396,867	\$ 56,003,510	\$ 55,273,396	\$ 13,123,471

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

City of Ankeny, Iowa

**Explanation of Differences Between Budgetary Basis and  
Generally Accepted Accounting Principles (GAAP) Basis  
Revenues and Expenditures for the Governmental Funds  
For the Year Ended June 30, 2014**

**Revenues and other financing sources:**

Actual amount of "total revenues and other financing sources" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 92,366,772
On a budgetary basis, the City does not record revenues until the cash has been received. This differs from GAAP, which records revenues as they are earned and available.	62,880
Investments are recorded at their market value on a GAAP basis while on a budget basis, investments are recorded at their net cost including accrued interest	(8,829)
On a budgetary basis, capital projects for water, sewer, and storm water construction are recorded in the capital projects fund. On a GAAP basis, this activity is recorded in the related enterprise fund as assets. Related bond proceeds are recorded as enterprise fund debt and an interfund liability. Fund transfers between the capital projects fund and the enterprise funds are eliminated.	(4,689,434)
Transfers from enterprise funds to the debt service fund for bond principal and interest payments are reported as transfers on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis.	<u>(2,003,424)</u>
Total GAAP basis revenues and other financing sources for the governmental funds	<u><u>\$ 85,727,965</u></u>

**Expenditures and other financing uses:**

Actual amount of "expenditures and other financing uses" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 88,280,173
On a budgetary basis, the City does not record expenditures until the cash has been paid. This differs from GAAP, which records expenditures as the liability is incurred.	7,411,508
Purchases related to loans from the equipment reserve and sustainability revolving loan funds are reported in those funds on a budgetary basis. On a GAAP basis, the borrowing funds record a liability and corresponding expenditure for the equipment purchase.	104,228
On a budgetary basis, the City does not record debt activity from advanced refundings.	231,327
On a budgetary basis, capital projects for water, sewer, and storm water construction are recorded in the capital projects fund. On a GAAP basis, this activity is recorded in the related enterprise fund as assets. Related bond proceeds are recorded as enterprise fund debt and an interfund liability. Fund transfers between the capital projects fund and the enterprise funds are eliminated.	(3,683,134)
Transfers from enterprise funds to the debt service fund for bond principal and interest payments are reported as transfers in on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis	(2,152,481)
Repayments of loans to the equipment reserve fund and the sustainability revolving loan fund are recorded as an expenditure on a budget basis. No expenditure is recorded for loan repayments on a GAAP basis.	<u>(447,847)</u>
Total GAAP basis expenditures and other financing uses for the governmental funds	<u><u>\$ 89,743,774</u></u>

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

**City of Ankeny, Iowa**

**Explanation of Differences Between Budgetary  
Basis and GAAP Basis Revenues and Expenses  
for the Proprietary Funds  
For the Year Ended June 30, 2014**

**Revenues and other financing sources:**

Actual amount of "total revenues and other financing sources" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 26,161,158
On a budgetary basis, the City does not record revenues until the cash has been received. This differs from GAAP, which records revenues as they are earned and available.	154,799
Investments are not reported at market value on a budgetary basis. The change in market value is recorded on a GAAP basis.	(11,347)
Customer deposits and unearned revenue are recorded as revenue on a budgetary basis. On a GAAP basis, these deposits are reported as a liability.	<u>(29,974)</u>
Total GAAP basis revenues, nonoperating revenues, and transfers in	<u><u>\$ 26,274,636</u></u>

**Expenses and other financing uses:**

Actual amount of "expenditures and other financing uses" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 24,975,177
On a budgetary basis, the City does not record expenditures until the cash has been paid. This differs from GAAP, which records expenses as the liability is incurred.	935,798
Principal payments on indebtedness are recorded as an expenditure on a budgetary basis, but are not expensed on a GAAP basis.	(4,033,693)
Bond premiums and discounts are not recorded on a budgetary basis. These are recorded and amortized under GAAP.	587,789
Depreciation and losses on capital assets are reported on a GAAP basis but are not recorded on a budgetary basis	3,275,978
Purchases of capital assets are reported as an expense on a budget basis but are capitalized and depreciated on a GAAP basis	(91,440)
Transfers from enterprise funds to the debt service fund for bond principal and interest payments are reported as transfers in on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis.	(1,426,396)
Repayments of loans to the equipment reserve fund and sustainability revolving loan fund are recorded as an expenditure on a budget basis. No expenditure is recorded for loan repayments on a GAAP basis.	<u>(77,618)</u>
Total GAAP basis expenses, nonoperating expenses, and transfers out	<u><u>\$ 24,145,595</u></u>

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

**CITY OF ANKENY, IOWA**  
Notes to the Required Supplementary Information  
June 30, 2014

**I. BUDGETARY INFORMATION**

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

After the initial budget is adopted, the budget may be amended for specific purposes. Budget amendments are required for budget transfers between funds as well as between programs. Management is not authorized to amend the budget without the approval of City Council. The City filed two budget amendments for the fiscal year ended June 30, 2014. The amendments increased estimated revenues by \$3,326,844 and increased expenditures by \$16,143,650. The City's budget amendments were essentially a complete re-estimate of the original budget. The amendments accounted for many changes in estimates and did not represent just a few specific activities or outlays; however, the increase in revenues and expenditures are primarily related to additional utility revenues, civic and foundation contributions and the timing of capital improvement projects.

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

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

The legal level of control (the level at which expenditures may not legally exceed appropriations) is the program level for all funds combined rather than at the individual fund level. The nine programs mandated by the State are: (1) public safety, (2) public works, (3) health and social services, (4) culture and recreation, (5) community and economic development, (6) general government, (7) debt service, (8) capital projects and (9) business type/enterprise. Since the City maintains its budgets at the individual fund level, it is necessary to aggregate the expenditures of the budgeted activities within the individual funds on a program basis and to compare such program totals with the program budgeted totals in order to demonstrate legal compliance with the budget. During the year ended June 30, 2014, expenditures did not exceed budgeted amounts in any of the nine programs. Budgetary compliance is demonstrated in the required supplementary information.

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

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

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

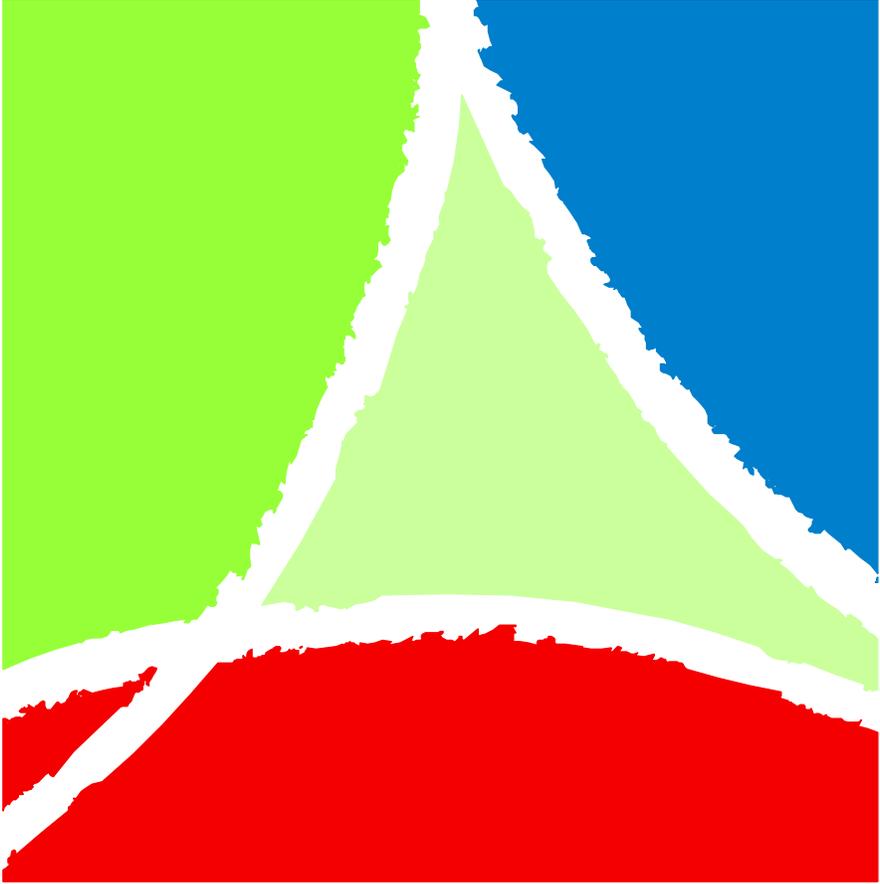
All funds are budgeted on a cash basis method of accounting. Expenditures are recognized when cash is disbursed and revenues are recognized when cash is received. This is an accounting method not in conformance with accounting principles generally accepted in the United States of America. Budgetary basis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

**City of Ankeny, Iowa**

**Required Supplementary Information  
Schedule of Funding Progress  
For the Year Ended June 30, 2014**

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2009	7/1/2007	\$ -	\$ 203,600	\$ 203,600	0.00%	\$ 10,673,526	1.9%
6/30/2010	7/1/2007	\$ -	\$ 203,600	\$ 203,600	0.00%	\$ 11,554,485	1.8%
6/30/2011	7/1/2010	\$ -	\$ 320,328	\$ 320,328	0.00%	\$ 11,309,005	2.8%
6/30/2012	7/1/2010	\$ -	\$ 320,328	\$ 320,328	0.00%	\$ 12,019,979	2.7%
6/30/2013	7/1/2010	\$ -	\$ 320,328	\$ 320,328	0.00%	\$ 12,542,793	2.6%
6/30/2014	7/1/2013	\$ -	\$ 451,994	\$ 451,994	0.00%	\$ 12,772,968	3.5%

See Note 15 in the accompanying Notes to the Financial Statements for the plan description, funding policy, annual OPEB cost and net OPEB obligation, funded status and funding progress.



## **Nonmajor Governmental Funds**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**City of Ankeny, Iowa**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2014**

	<b>Special Revenue</b>						
	<b>Fire Gift</b>	<b>Hawkeye Park</b>	<b>Police Gift</b>	<b>Road Use Tax</b>	<b>Police Seizure</b>	<b>Police/Fire Pension</b>	<b>Landfill Postclosure</b>
<b>Assets</b>							
Cash and cash equivalents	\$ 32,641	\$ 27,868	\$ 2,260	\$ 3,185,150	\$ 100,280	\$ 1,397,558	\$ 162,348
Receivables:							
Interest	-	-	-	-	-	34	-
Taxes	-	-	-	-	-	1,241,326	-
Accounts	-	-	-	-	2,787	-	-
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	-	351,682	10,000	3,108	-
<b>Total assets</b>	<b>\$ 32,641</b>	<b>\$ 27,868</b>	<b>\$ 2,260</b>	<b>\$ 3,536,832</b>	<b>\$ 113,067</b>	<b>\$ 2,642,026</b>	<b>\$ 162,348</b>
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ 226,960	\$ -	\$ 883	\$ -
Accrued wages	-	-	-	70,909	-	-	-
Due to other funds	-	-	-	193,023	-	-	-
Advances from other funds	-	-	-	196,345	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>687,237</b>	<b>-</b>	<b>883</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>							
Unavailable revenues							
Property taxes	-	-	-	-	-	1,236,995	-
Special assessments	-	-	-	-	-	-	-
Other long-term receivables	-	-	-	-	2,270	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,270</b>	<b>1,236,995</b>	<b>-</b>
<b>Fund balances</b>							
Restricted	32,641	27,868	2,260	2,849,595	110,797	1,404,148	162,348
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 32,641</b>	<b>\$ 27,868</b>	<b>\$ 2,260</b>	<b>\$ 3,536,832</b>	<b>\$ 113,067</b>	<b>\$ 2,642,026</b>	<b>\$ 162,348</b>

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

Library Foundation	Park Dedication	Sports Complex Foundation	Ankeny Garden Club	Recreation Events	Dog Park	Civic	Ankeny Community Foundation	Capital Project Special Assessments	Total Nonmajor Governmental Funds
\$ 18,403	\$ 379,583	\$ 25,425	\$ 6,771	\$ 8,675	\$ 334	\$ 179	\$ 525,822	\$ 656,206	\$ 6,529,503
-	-	-	-	-	-	-	-	-	34
-	-	-	-	-	-	-	-	-	1,241,326
-	-	-	-	5,000	-	-	-	-	7,787
-	-	-	-	-	-	-	-	382,028	382,028
-	-	-	-	-	-	-	-	-	364,790
<u>\$ 18,403</u>	<u>\$ 379,583</u>	<u>\$ 25,425</u>	<u>\$ 6,771</u>	<u>\$ 13,675</u>	<u>\$ 334</u>	<u>\$ 179</u>	<u>\$ 525,822</u>	<u>\$ 1,038,234</u>	<u>\$ 8,525,468</u>
\$ 193	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 228,036
-	-	-	-	-	-	-	-	-	70,909
-	-	-	-	-	-	-	-	-	193,023
-	-	-	-	-	-	-	-	-	196,345
193	-	-	-	-	-	-	-	-	688,313
-	-	-	-	-	-	-	-	-	1,236,995
-	-	-	-	-	-	-	-	342,078	342,078
-	-	-	-	-	-	-	-	-	2,270
-	-	-	-	-	-	-	-	342,078	1,581,343
18,210	379,583	25,425	6,771	13,675	334	179	525,822	696,156	6,255,812
<u>\$ 18,403</u>	<u>\$ 379,583</u>	<u>\$ 25,425</u>	<u>\$ 6,771</u>	<u>\$ 13,675</u>	<u>\$ 334</u>	<u>\$ 179</u>	<u>\$ 525,822</u>	<u>\$ 1,038,234</u>	<u>\$ 8,525,468</u>

City of Ankeny, Iowa

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2014

	Special Revenue						
	Fire Gift	Hawkeye Park	Police Gift	Road Use Tax	Police Seizure	Police/Fire Pension	Landfill Postclosure
<b>Revenues</b>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,055,421	\$ -
Other taxes and assessments	-	-	-	-	-	15,394	-
Intergovernmental	-	-	-	4,529,929	42,951	-	-
Charges for services	-	9,850	-	-	-	-	-
Use of money and property	56	42	4	-	160	2,008	290
Miscellaneous	1,585	366	-	-	3,273	16,634	-
Total revenues	1,641	10,258	4	4,529,929	46,384	1,089,457	290
<b>Expenditures</b>							
Current operating:							
Public safety	2,706	-	-	-	37,450	1,289,209	-
Culture and recreation	-	3,958	-	-	-	-	-
Public works	-	-	-	4,245,992	-	-	-
Community and economic development	-	-	-	-	-	-	-
Total expenditures	2,706	3,958	-	4,245,992	37,450	1,289,209	-
Excess (deficiency) of revenues over (under) expenditures	(1,065)	6,300	4	283,937	8,934	(199,752)	290
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	-	500,000	-
Transfers out	-	-	-	-	-	-	(11,669)
Total other financing sources (uses)	-	-	-	-	-	500,000	(11,669)
Net change in fund balances	(1,065)	6,300	4	283,937	8,934	300,248	(11,379)
Fund balances, beginning	33,706	21,568	2,256	2,565,658	101,863	1,103,900	173,727
Fund balances, ending	\$ 32,641	\$ 27,868	\$ 2,260	\$ 2,849,595	\$ 110,797	\$ 1,404,148	\$ 162,348

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

Library Foundation	Park Dedication	Sports Complex Foundation	Ankeny Garden Club	Recreation Events	Dog Park	Civic	Ankeny Community Foundation	Capital Project Special Assessments	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,055,421
-	-	-	-	-	-	-	-	185,808	201,202
-	-	-	-	-	-	-	-	-	4,572,880
-	-	4,195	-	-	-	-	-	-	14,045
38	604	40	12	22	-	-	654	-	3,930
10,761	26,341	3,100	1,497	20,000	10	1,307,220	667,103	-	2,057,890
10,799	26,945	7,335	1,509	20,022	10	1,307,220	667,757	185,808	7,905,368
-	-	-	-	-	-	-	-	-	1,329,365
16,362	-	160	5,505	25,000	-	-	161,982	-	212,967
-	-	-	-	-	-	-	-	-	4,245,992
-	-	-	-	-	-	25	-	-	25
16,362	-	160	5,505	25,000	-	25	161,982	-	5,788,349
(5,563)	26,945	7,175	(3,996)	(4,978)	10	1,307,195	505,775	185,808	2,117,019
-	-	-	-	-	-	-	-	-	500,000
-	-	-	-	-	-	(1,307,219)	(170,000)	(1,000,000)	(2,488,888)
-	-	-	-	-	-	(1,307,219)	(170,000)	(1,000,000)	(1,988,888)
(5,563)	26,945	7,175	(3,996)	(4,978)	10	(24)	335,775	(814,192)	128,131
23,773	352,638	18,250	10,767	18,653	324	203	190,047	1,510,348	6,127,681
\$ 18,210	\$ 379,583	\$ 25,425	\$ 6,771	\$ 13,675	\$ 334	\$ 179	\$ 525,822	\$ 696,156	\$ 6,255,812

## **Nonmajor Enterprise Funds**

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

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

City of Ankeny, Iowa

Combining Statement of Net Position  
Nonmajor Enterprise Funds  
June 30, 2014

	Enterprise Funds		
	Solid Waste	Otter Creek Golf Course	Totals
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 67,933	\$ 158,970	\$ 226,903
Receivables:			
Accounts	65,922	79,545	145,467
Special Assessment	253	-	253
Intergovernmental	-	22,319	22,319
Inventory	-	74,563	74,563
Total current assets	134,108	335,397	469,505
Noncurrent assets:			
Capital assets:			
Land	-	985,942	985,942
Depreciable assets, net of accumulated depreciation	-	4,162,320	4,162,320
Total capital assets	-	5,148,262	5,148,262
Total noncurrent assets	-	5,148,262	5,148,262
Total assets	134,108	5,483,659	5,617,767
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	59,193	75,460	134,653
Accrued wages	1,417	45,759	47,176
Due to other funds	-	102,604	102,604
Compensated absences payable	-	16,948	16,948
Total current liabilities	60,610	240,771	301,381
Noncurrent liabilities:			
Early retirement benefit payable	-	-	-
Other postemployment benefits	-	4,486	4,486
Compensated absences payable	-	11,863	11,863
Advances from other funds	-	304,264	304,264
Total noncurrent liabilities	-	320,613	320,613
Total liabilities	60,610	561,384	621,994
<b>Net Position</b>			
Net investment in capital assets	-	5,148,262	5,148,262
Unrestricted	73,498	(225,987)	(152,489)
Total net position	\$ 73,498	\$ 4,922,275	\$ 4,995,773

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

**City of Ankeny, Iowa**

**Combining Statement of Revenues, Expenses, and Changes in Net Position  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2014**

	<b>Enterprise Funds</b>		
	<b>Solid Waste</b>	<b>Otter Creek Golf Course</b>	<b>Totals</b>
Operating revenues:			
Charges for services	\$ 587,516	\$ 1,547,357	\$ 2,134,873
Other	-	253,688	253,688
<b>Total operating revenues</b>	<b>587,516</b>	<b>1,801,045</b>	<b>2,388,561</b>
Operating expenses:			
Personal services	34,896	847,494	882,390
Contractual services	591,460	235,937	827,397
Operating supplies	3,870	452,357	456,227
Depreciation	-	235,204	235,204
<b>Total operating expenses</b>	<b>630,226</b>	<b>1,770,992</b>	<b>2,401,218</b>
<b>Operating (loss)</b>	<b>(42,710)</b>	<b>30,053</b>	<b>(12,657)</b>
Nonoperating (expenses):			
Interest earnings	115	269	384
Interest expense	-	(7,331)	(7,331)
<b>Total nonoperating (expenses)</b>	<b>115</b>	<b>(7,062)</b>	<b>(6,947)</b>
<b>Net (loss) before contributions and transfers</b>	<b>(42,595)</b>	<b>22,991</b>	<b>(19,604)</b>
Capital contributions	-	-	0
Transfers in	11,669	-	11,669
<b>Change in net position</b>	<b>(30,926)</b>	<b>22,991</b>	<b>(7,935)</b>
<b>Total net position, beginning</b>	<b>104,424</b>	<b>4,899,284</b>	<b>5,003,708</b>
<b>Total net position, ending</b>	<b>\$ 73,498</b>	<b>\$ 4,922,275</b>	<b>\$ 4,995,773</b>

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

City of Ankeny, Iowa

Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2014

	Enterprise Funds		
	Solid Waste	Otter Creek Golf Course	Totals
<b>Cash flows from operating activities</b>			
Receipts from customers	\$ 586,412	\$ 1,757,067	\$ 2,343,479
Payments to suppliers	(590,556)	(687,017)	(1,277,573)
Payments to employees	(36,026)	(877,780)	(913,806)
Net cash (used) by operating activities	(40,170)	192,270	152,100
<b>Cash flows from noncapital financing activities</b>			
Payments made on interfund accounts	-	(83,956)	(83,956)
Loans received from other funds	-	27,997	27,997
Transfers from other funds	11,669	-	11,669
Net cash provided (used) by noncapital financing activities	11,669	(55,959)	(44,290)
<b>Cash flows from capital and related financing activities</b>			
Proceeds from long-term debt, net of bond issue costs	-	-	-
Purchase of capital assets	-	(27,997)	(27,997)
Net cash (used) by capital and related financing activities	-	(27,997)	(27,997)
<b>Cash flows from investing activities:</b>			
Interest received	115	269	384
Net cash provided (used) by investing activities	115	269	384
Net (decrease) in cash and cash equivalents	(28,386)	108,583	80,197
Balances, beginning of year	96,319	50,387	146,706
Balances, end of year	\$ 67,933	\$ 158,970	\$ 226,903
<b>Reconciliation of operating (loss) to net cash (used) by operating activities</b>			
Operating (loss)	\$ (42,710)	\$ 30,053	\$ (12,657)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:			
Depreciation	-	235,204	235,204
Changes in assets and liabilities:			
Receivables, net	(1,103)	(43,978)	(45,081)
Inventory	-	10,982	10,982
Accounts and other payables	3,643	(39,991)	(36,348)
Net cash (used) by operating activities	\$ (40,170)	\$ 192,270	\$ 152,100
Noncash capital and related financing activities:			
Contribution of capital assets	\$ -	\$ -	\$ -

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

## **Internal Service Funds**

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

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

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

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

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

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

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

City of Ankeny, Iowa

Combining Statement of Net Position  
Internal Service Funds  
June 30, 2014

	Central Garage	Risk Management	Equipment Reserve	Sustainability Revolving Loan	Economic Development Revolving	Health Insurance	Total
<b>Assets</b>							
Current assets:							
Cash and cash equivalents	\$ 277,831	\$ 661,920	\$ 1,245,966	\$ 11,395	\$ 251,731	\$ 2,053,322	\$ 4,502,165
Receivables:							
Interest	-	-	21	-	-	-	21
Accounts	-	-	-	-	-	1,290	1,290
Intergovernmental	11,936	13	-	-	-	-	11,949
Prepaid expenses	-	10,656	-	-	-	-	10,656
Inventory	138,648	-	-	-	-	-	138,648
Due from other funds	-	-	453,835	2,385	-	-	456,220
Total current assets	428,415	672,589	1,699,822	13,780	251,731	2,054,612	5,120,949
Noncurrent assets:							
Advances to other funds	-	-	703,386	14,557	-	-	717,943
Capital Asset							
Depreciable assets, net of accumulated depreciation	14,783	40,086	-	-	-	-	54,869
Total capital assets	14,783	40,086	-	-	-	-	54,869
Total noncurrent assets	14,783	40,086	703,386	14,557	-	-	772,812
Total assets	443,198	712,675	2,403,208	28,337	251,731	2,054,612	5,893,761
<b>Liabilities</b>							
Current liabilities:							
Accounts payable	29,483	16,050	-	-	-	2,867	48,400
Accrued wages	10,638	-	-	-	-	-	10,638
Claims payable	-	-	-	-	-	472,979	472,979
Due to other funds	-	-	9,889	-	-	-	9,889
Compensated absences payable	7,389	-	-	-	-	-	7,389
Total current liabilities	47,510	16,050	9,889	-	-	475,846	549,295
Noncurrent liabilities:							
Other post employment benefits	3,589	-	-	-	-	-	3,589
Compensated absences payable	14,720	-	-	-	-	-	14,720
Total noncurrent liabilities	18,309	-	-	-	-	-	18,309
Total liabilities	65,819	16,050	9,889	-	-	475,846	567,604
<b>Net Position</b>							
Net investment in capital assets	14,783	40,086	-	-	-	-	54,869
Unrestricted	362,596	656,539	2,393,319	28,337	251,731	1,578,766	5,271,287
Total net position	\$ 377,379	\$ 696,625	\$ 2,393,319	\$ 28,337	\$ 251,731	\$ 1,578,766	\$ 5,326,157

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

**City of Ankeny, Iowa**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2014**

	<b>Central Garage</b>	<b>Risk Management</b>	<b>Equipment Reserve</b>	<b>Sustainability Revolving Loan</b>	<b>Economic Development Revolving</b>	<b>Health Insurance</b>	<b>Total</b>
Operating revenues:							
Charges for services	\$ 1,072,313	\$ 868,000	\$ -	\$ -	\$ -	\$ 2,447,108	\$ 4,387,421
Other	16,175	122,189	-	-	-	9,583	147,947
<b>Total operating revenues</b>	<b>1,088,488</b>	<b>990,189</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,456,691</b>	<b>4,535,368</b>
Operating expenses:							
Personal services	298,362	318,562	-	-	-	5,350	622,274
Contractual services	15,591	545,292	-	-	430,118	2,828,298	3,819,299
Operating supplies	806,080	-	-	-	-	101	806,181
Depreciation	19,738	10,060	-	-	-	-	29,798
<b>Total operating expenses</b>	<b>1,139,771</b>	<b>873,914</b>	<b>-</b>	<b>-</b>	<b>430,118</b>	<b>2,833,749</b>	<b>5,277,552</b>
<b>Operating income (loss)</b>	<b>(51,283)</b>	<b>116,275</b>	<b>-</b>	<b>-</b>	<b>(430,118)</b>	<b>(377,058)</b>	<b>(742,184)</b>
Nonoperating revenues:							
Interest earnings	415	764	33,999	12	1,113	3,687	39,990
<b>Total nonoperating revenues</b>	<b>415</b>	<b>764</b>	<b>33,999</b>	<b>12</b>	<b>1,113</b>	<b>3,687</b>	<b>39,990</b>
<b>Change in net position</b>	<b>(50,868)</b>	<b>117,039</b>	<b>33,999</b>	<b>12</b>	<b>(429,005)</b>	<b>(373,371)</b>	<b>(702,194)</b>
Total net position, beginning	428,247	579,586	2,359,320	28,325	680,736	1,952,137	6,028,351
<b>Total net position, ending</b>	<b>\$ 377,379</b>	<b>\$ 696,625</b>	<b>\$ 2,393,319</b>	<b>\$ 28,337</b>	<b>\$ 251,731</b>	<b>\$ 1,578,766</b>	<b>\$ 5,326,157</b>

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

City of Ankeny, Iowa

Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2014

	Central Garage	Risk Management	Equipment Reserve	Sustainability Revolving Loan	Economic Development Revolving	Health Insurance	Total
<b>Cash flows from operating activities</b>							
Cash received from customers	\$ 1,085,920	\$ 994,456	\$ -	\$ -	\$ -	\$ 2,456,057	\$ 4,536,433
Payments to suppliers	(791,054)	(851,525)	-	-	(430,118)	(2,734,721)	(4,807,418)
Payments to employees	(289,459)	-	-	-	-	(4,893)	(294,352)
Net cash provided (used) by operating activities	5,407	142,931	-	-	(430,118)	(283,557)	(565,337)
<b>Cash flows from noncapital financing activities</b>							
Payments received on interfund accounts	-	-	521,938	3,525	-	-	525,463
Loans issued to other funds	-	-	(122,336)	-	-	-	(122,336)
Net cash provided (used) by noncapital financing activities	-	-	399,602	3,525.00	-	-	403,127
<b>Cash flows from capital and related financing activities</b>							
Purchase of capital assets	-	(25,265)	-	-	-	-	(25,265)
<b>Cash flows from investing activities</b>							
Interest received	415	764	33,998	13	1,113	3,687	39,990
Net cash provided by investing activities	415	764	33,998	13	1,113	3,687	39,990
Net increase (decrease) in cash and cash equivalents	5,822	118,430	433,600	3,538	(429,005)	(279,870)	(147,485)
Cash and cash equivalents, beginning	272,009	543,490	812,366	7,857	680,736	2,333,192	4,649,650
Cash and cash equivalents, ending	\$ 277,831	\$ 661,920	\$ 1,245,966	\$ 11,395	\$ 251,731	\$ 2,053,322	\$ 4,502,165
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>							
Operating income (loss)	\$ (51,283)	\$ 116,275	\$ -	\$ -	\$ (430,118)	\$ (377,058)	\$ (742,184)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	19,738	10,060	-	-	-	-	29,798
Changes in assets and liabilities:							
Receivables, net	(2,568)	4,267	-	-	-	(634)	1,065
Prepaid expenses	-	69,447	-	-	-	-	69,447
Inventory	31,614	-	-	-	-	-	31,614
Accounts and other payables	786	(57,118)	-	-	-	(5,602)	(61,934)
Claims payable	7,120	-	-	-	-	99,737	106,857
Net cash provided (used) by operating activities	\$ 5,407	\$ 142,931	\$ -	\$ -	\$ (430,118)	\$ (283,557)	\$ (565,337)

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

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

**City of Ankeny, Iowa**

**Capital Assets Used in the Operation of Governmental Funds  
Comparative Schedules By Source  
June 30, 2014 and 2013**

	<u><b>2014</b></u>	<u><b>2013</b></u>
Governmental funds capital assets:		
Land	\$ 8,111,523	\$ 7,397,460
Other improvements	34,145,543	33,742,323
Infrastructure	164,116,142	147,298,163
Buildings	42,922,038	42,922,038
Machinery and equipment	15,715,896	15,213,051
Furniture and fixtures	1,459,706	1,459,706
Construction in progress	<u>30,810,287</u>	<u>24,438,329</u>
 Total governmental funds capital assets	 <u><u>\$ 297,281,134</u></u>	 <u><u>\$ 272,471,070</u></u>
 Investment in governmental funds capital assets by source:		
General fund	\$ 21,194,349	\$ 20,824,217
Special revenue funds	6,715,467	6,582,755
Capital project funds	175,888,166	156,080,006
Local, state, and federal grants and donations	<u>93,483,151</u>	<u>88,984,092</u>
 Total investment in governmental funds capital assets by source	 <u><u>\$ 297,281,134</u></u>	 <u><u>\$ 272,471,070</u></u>

**City of Ankeny, Iowa**

**Comparative Schedule By Function and Activity  
June 30, 2014**

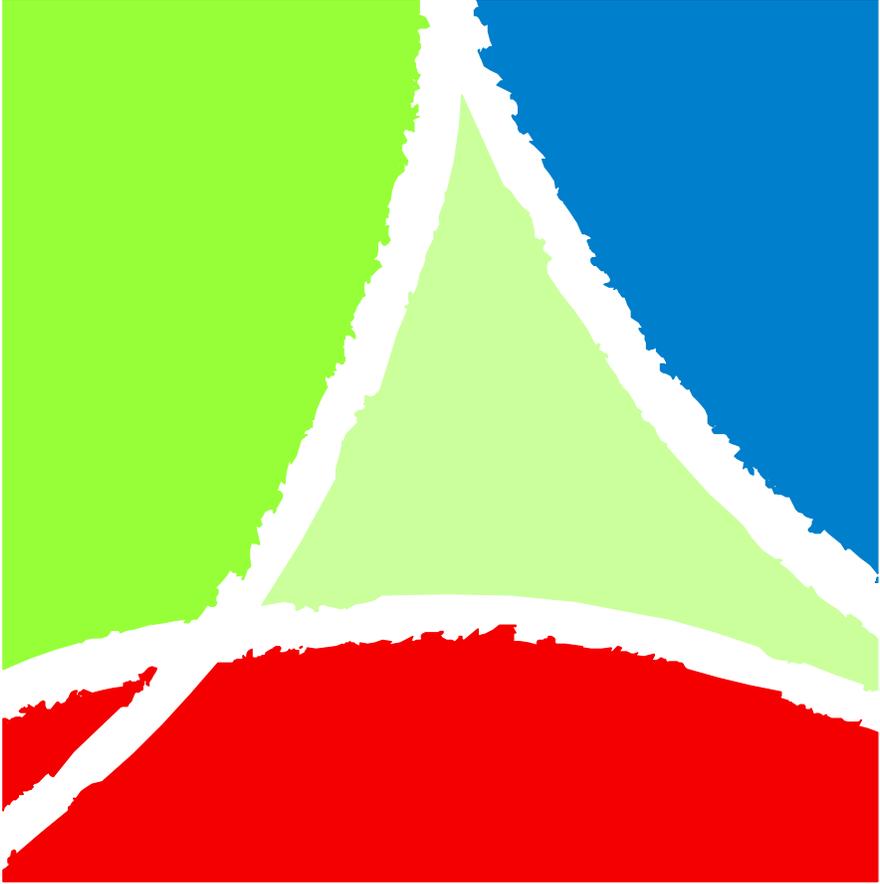
	<u>Land</u>	<u>Other Improvements</u>	<u>Infrastructure</u>
Public safety:			
Police	\$ 29,212	\$ -	\$ -
Fire and ambulance	669,620	-	-
Code enforcement	-	-	-
Total public safety	<u>698,832</u>	<u>-</u>	<u>-</u>
Health and social services:			
Mosquito control	-	-	-
Public relations	-	-	-
Total health and social services	<u>-</u>	<u>-</u>	<u>-</u>
Culture and recreation:			
Library	14,361	94,657	-
Parks and recreation	4,009,704	32,073,646	1,050,502
Total culture and recreation	<u>4,024,065</u>	<u>32,168,303</u>	<u>1,050,502</u>
Public works:			
Public works	<u>3,289,095</u>	<u>1,923,999</u>	<u>163,065,640</u>
Community and economic development:			
Planning and zoning	-	-	-
General government:			
Council and management	<u>99,531</u>	<u>53,241</u>	<u>-</u>
Total general capital assets	<u>\$ 8,111,523</u>	<u>\$ 34,145,543</u>	<u>\$ 164,116,142</u>

<b>Buildings</b>	<b>Machinery and Equipment</b>	<b>Furniture and Fixtures</b>	<b>Construction in Progress</b>	<b>Total</b>
\$ 17,600,265	\$ 2,264,985	\$ 239,757	\$ -	\$ 20,134,219
9,950,397	4,984,989	48,316	-	15,653,322
-	117,450	-	-	117,450
<u>27,550,662</u>	<u>7,367,424</u>	<u>288,073</u>	<u>-</u>	<u>35,904,991</u>
-	34,130	-	-	34,130
-	18,802	-	-	18,802
-	52,932	-	-	52,932
3,149,085	579,861	619,879	910,673	5,368,516
5,032,888	1,267,980	45,220	4,734,669	48,214,608
<u>8,181,973</u>	<u>1,847,841</u>	<u>665,099</u>	<u>5,645,342</u>	<u>53,583,124</u>
<u>3,551,665</u>	<u>5,161,415</u>	<u>-</u>	<u>25,164,945</u>	<u>202,156,759</u>
-	25,126	-	-	25,126
3,637,738	1,261,158	506,534	-	5,558,202
<u>\$ 42,922,038</u>	<u>\$ 15,715,896</u>	<u>\$ 1,459,706</u>	<u>\$ 30,810,287</u>	<u>\$ 297,281,134</u>

**City of Ankeny, Iowa**

**Capital Assets Used in the Operation of Governmental Funds  
Schedule of Changes By Function and Activity  
Year Ended June 30, 2014**

	<b>Governmental Funds Capital Assets June 30, 2013</b>	<b>Additions</b>	<b>Deductions</b>	<b>Governmental Funds Capital Assets June 30, 2014</b>
Public safety:				
Police	\$ 20,103,263	\$ 276,955	\$ 245,999	\$ 20,134,219
Fire and ambulance	15,444,735	232,565	23,978	15,653,322
Code enforcement	117,450	-	-	117,450
<b>Total public safety</b>	<b>35,665,448</b>	<b>509,520</b>	<b>269,977</b>	<b>35,904,991</b>
Health & social services:				
Mosquito control	34,130	-	-	34,130
Public relations	18,802	-	-	18,802
<b>Total health &amp; social services</b>	<b>52,932</b>	<b>-</b>	<b>-</b>	<b>52,932</b>
Culture and recreation:				
Library	5,358,275	10,241	-	5,368,516
Parks and recreation	45,528,877	2,748,955	63,224	48,214,608
<b>Total culture and recreation</b>	<b>50,887,152</b>	<b>2,759,196</b>	<b>63,224</b>	<b>53,583,124</b>
Public works:				
Public works	180,400,180	32,960,770	11,204,191	202,156,759
Community & economic development:				
Planning & zoning	25,126	-	-	25,126
General government:				
Council and management	5,440,233	129,272	11,303	5,558,202
<b>Total general capital assets</b>	<b>\$ 272,471,070</b>	<b>\$ 36,358,758</b>	<b>\$11,548,695</b>	<b>\$ 297,281,134</b>



## **Statistical Section**

## City of Ankeny, Iowa

### Statistical Section Contents

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

Contents	Page
<b>Financial Trends</b> These schedules contain information to help the reader understand how the City's financial performance and well being have changed over time.	94
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	102
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	108
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment with which the City's financial activities take place.	115
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	118

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

City of Ankeny, Iowa

**Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	Fiscal Year				
	2014 <sup>(2)</sup>	2013	2012	2011	2010
Governmental activities:					
Net investment in capital assets	\$ 102,272,116	\$ 81,318,637	\$ 61,719,171	\$ 60,286,690	\$ 59,847,130
Restricted:					
Debt service	3,649,020	2,698,019	2,214,278	2,551,310	2,896,848
Enabling legislation	575,499	852,320	764,803	574,140	494,812
Restricted by other governments	970,469	643,904	718,745	524,789	663,182
Donor restrictions	639,510	110,847	433,272	1,365,322	644,531
Unrestricted	14,875,935	23,190,937	21,946,490	9,390,782	3,429,607
Total governmental activities net position	<u>122,982,549</u>	<u>108,814,664</u>	<u>87,796,759</u>	<u>74,693,032</u>	<u>67,976,110</u>
Business-type activities:					
Net investment in capital assets	102,489,297	96,614,000	89,543,803	85,278,077	83,083,098
Restricted:					
Debt service	2,686,691	2,725,391	2,953,164	2,967,095	3,017,297
Unrestricted	11,660,796	12,128,403	11,971,124	7,878,667	7,794,808
Total business-type activities net position	<u>116,836,785</u>	<u>111,467,794</u>	<u>104,468,091</u>	<u>96,123,839</u>	<u>93,895,203</u>
Primary government:					
Net investment in capital assets	204,761,413	177,932,637	151,262,974	145,564,767	142,930,228
Restricted: <sup>(1)</sup>					
Debt service	6,335,711	5,423,410	5,167,442	5,518,405	5,914,145
Enabling legislation	575,499	852,320	764,803	574,140	494,812
Restricted by other governments	970,469	643,904	718,745	524,789	663,182
Donor restrictions	639,510	110,847	433,272	1,365,322	644,531
Unrestricted	26,536,731	35,319,340	33,917,614	17,269,448	11,224,415
Total primary government net position	<u>\$ 239,819,333</u>	<u>\$ 220,282,458</u>	<u>\$ 192,264,850</u>	<u>\$ 170,816,871</u>	<u>\$ 161,871,313</u>

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

2009	2008	2007	2006	2005
\$ 51,005,350	\$ 59,457,512	\$ 65,059,807	\$ 60,796,555	\$ 30,124,884
2,009,317	3,033,897	953,844	277,845	76,043
416,696	417,300	475,654	443,893	344,685
354,817	201,617	550,532	973,642	1,387,052
1,317,881	5,438,401	176,481	659,074	111,512
17,019,598	8,171,093	6,884,490	7,446,042	4,851,785
<u>72,123,659</u>	<u>76,719,820</u>	<u>74,100,808</u>	<u>70,597,051</u>	<u>36,895,961</u>
82,762,686	77,349,435	71,526,488	69,831,317	57,574,412
2,614,509	1,553,787	1,579,500	1,256,848	950,134
9,440,764	9,501,662	10,007,638	10,393,160	9,134,709
<u>94,817,959</u>	<u>88,404,884</u>	<u>83,113,626</u>	<u>81,481,325</u>	<u>67,659,255</u>
133,768,036	136,806,947	136,586,295	130,627,872	87,699,296
4,623,826	4,587,684	2,533,344	1,534,693	1,026,177
416,696	417,300	475,654	443,893	344,685
354,817	201,617	550,532	973,642	1,387,052
1,317,881	5,438,401	176,481	659,074	111,512
26,460,362	17,672,755	16,892,128	17,839,202	13,986,494
<u>\$ 166,941,619</u>	<u>\$ 165,124,704</u>	<u>\$ 157,214,434</u>	<u>\$ 152,078,376</u>	<u>\$ 104,555,216</u>

City of Ankeny, Iowa

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

	Fiscal Year				
	2014 <sup>(1)</sup>	2013	2012	2011	2010
<b>Expenses</b>					
Governmental activities:					
Public safety	\$ 14,002,165	\$ 12,860,105	\$ 12,020,771	\$ 9,421,395	\$ 10,444,061
Health and social services	213,674	307,809	318,200	299,558	274,970
Culture and recreation	6,857,595	7,153,442	6,268,871	6,584,196	5,733,048
Public works	9,805,050	11,545,237	13,151,367	10,933,113	18,930,726
Community and economic development	3,207,767	2,668,602	3,191,753	2,530,503	2,843,641
General government	3,007,844	3,157,581	3,133,067	2,615,502	2,709,554
Interest on long-term debt	4,664,373	3,735,351	3,966,374	4,089,033	4,309,579
Total governmental activities expenses	<u>41,758,468</u>	<u>41,428,127</u>	<u>42,050,403</u>	<u>36,473,300</u>	<u>45,245,579</u>
Business-type activities:					
Solid waste	630,986	582,002	553,677	534,144	432,925
Water	8,061,064	7,597,352	6,896,336	6,426,365	6,736,767
Sewer	11,433,365	9,171,890	8,559,386	6,921,235	7,703,774
Storm water	722,840	407,890	470,710	274,327	276,041
Otter Creek golf course	1,784,889	1,828,281	1,708,377	1,672,404	1,685,539
Total business-type activities expenses	<u>22,633,144</u>	<u>19,587,415</u>	<u>18,188,486</u>	<u>15,828,475</u>	<u>16,835,046</u>
Total primary government expenses	<u>64,391,612</u>	<u>61,015,542</u>	<u>60,238,889</u>	<u>52,301,775</u>	<u>62,080,625</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services:					
Public safety	2,709,058	2,807,114	2,066,539	1,766,256	1,702,101
Culture and recreation	2,011,880	1,900,545	2,007,595	1,880,188	1,171,357
Other activities	1,112,141	694,253	794,333	660,970	613,791
Operating grants and contributions	6,446,526	6,776,919	4,902,587	4,474,097	6,297,936
Capital grants and contributions	6,595,282	15,538,101	12,568,192	3,615,374	3,328,808
Total governmental activities program revenues	<u>18,874,887</u>	<u>27,716,932</u>	<u>22,339,246</u>	<u>12,396,885</u>	<u>13,113,993</u>
Business-type activities:					
Charges for services:					
Water	9,722,633	8,770,876	8,281,518	6,301,828	5,611,334
Sewer	12,337,317	10,826,754	9,750,899	8,525,607	7,197,284
Other activities	3,888,802	2,746,924	2,723,003	2,595,534	2,595,623
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	3,589,778	5,117,635	5,388,700	1,156,857	267,803
Total business-type activities program revenues	<u>29,538,530</u>	<u>27,462,189</u>	<u>26,144,120</u>	<u>18,579,826</u>	<u>15,672,044</u>
Total primary government program revenues	<u>48,413,417</u>	<u>55,179,121</u>	<u>48,483,366</u>	<u>30,976,711</u>	<u>28,786,037</u>
<b>Net (expense) revenue</b>					
Governmental activities	(22,883,581)	(13,711,195)	(19,711,157)	(24,076,415)	(32,131,586)
Business-type activities	6,905,386	7,874,774	7,955,634	2,751,351	(1,163,001)
Total primary government net (expense) revenue	<u>(15,978,195)</u>	<u>(5,836,421)</u>	<u>(11,755,523)</u>	<u>(21,325,064)</u>	<u>(33,294,588)</u>
<b>General revenues and other changes in net position</b>					
Governmental activities:					
Taxes:					
Property taxes	32,109,296	30,569,114	29,205,370	27,367,573	25,799,170
Other taxes	2,976,725	2,426,806	2,815,350	1,660,528	1,178,864
Interest	245,565	251,805	279,326	387,829	465,691
Other	527,331	(299,359)	102,639	93,680	90,312
Transfers	1,556,747	1,638,056	412,199	1,283,727	450,000
Total governmental activities	<u>37,415,664</u>	<u>34,586,422</u>	<u>32,814,884</u>	<u>30,793,337</u>	<u>27,984,037</u>
Business-type activities:					
Interest	5,390	9,531	31,933	34,270	54,878
Other	308,565	753,454	768,884	726,742	635,366
Transfers	(1,556,747)	(1,638,056)	(412,199)	(1,283,727)	(450,000)
Total business-type activities	<u>(1,242,792)</u>	<u>(875,071)</u>	<u>388,618</u>	<u>(522,715)</u>	<u>240,244</u>
Total primary government	<u>36,172,872</u>	<u>33,711,351</u>	<u>33,203,502</u>	<u>30,270,622</u>	<u>28,224,281</u>
<b>Changes in net position</b>					
Governmental activities	14,532,083	20,875,227	13,103,727	6,716,922	(4,147,549)
Business-type activities	5,662,594	6,999,703	8,344,252	2,228,636	(922,757)
Total primary government changes in net position	<u>\$ 20,194,677</u>	<u>\$ 27,874,930</u>	<u>\$ 21,447,979</u>	<u>\$ 8,945,558</u>	<u>\$ (5,070,306)</u>

2009	2008	2007	2006	2005
\$ 8,709,303	\$ 8,765,732	\$ 7,740,691	\$ 7,119,401	\$ 6,563,401
277,745	236,134	115,375	59,113	95,944
5,402,688	5,144,408	4,760,072	4,569,428	4,039,270
17,964,501	14,066,397	11,685,977	5,383,612	4,065,180
2,340,606	2,152,310	2,739,944	2,312,740	1,513,129
5,794,576	2,530,968	2,356,261	2,159,580	2,008,601
4,549,323	3,633,724	2,652,376	2,208,212	1,762,124
<u>45,038,742</u>	<u>36,529,673</u>	<u>32,050,696</u>	<u>23,812,086</u>	<u>20,047,649</u>
572,728	479,368	446,051	387,949	277,336
5,889,478	5,728,375	5,857,555	4,259,984	3,992,676
6,001,810	5,321,560	5,000,540	4,701,184	3,999,585
245,983	100,140	72,075	19,425	3,500
845,236	845,387	1,061,638	1,082,932	1,108,882
<u>13,555,235</u>	<u>12,474,830</u>	<u>12,437,859</u>	<u>10,451,474</u>	<u>9,381,979</u>
<u>58,593,978</u>	<u>49,004,503</u>	<u>44,488,555</u>	<u>34,263,560</u>	<u>29,429,628</u>
887,876	2,006,097	1,768,328	2,233,436	1,771,657
1,073,883	897,808	834,055	805,189	650,012
384,441	369,195	2,130,411	605,952	1,228,247
8,700,935	3,844,341	4,154,440	4,331,282	2,898,819
4,525,314	5,865,048	4,071,240	11,943,414	8,417,503
<u>15,572,449</u>	<u>12,982,489</u>	<u>12,958,474</u>	<u>19,919,273</u>	<u>14,966,238</u>
5,411,574	5,494,332	5,433,073	5,654,906	4,382,184
6,986,331	5,926,481	5,641,090	4,795,246	4,221,821
806,458	920,086	1,319,077	1,355,074	1,233,294
-	-	27,930	-	-
6,226,553	7,257,728	1,577,633	12,453,517	5,155,227
<u>19,430,916</u>	<u>19,598,627</u>	<u>13,998,803</u>	<u>24,258,743</u>	<u>14,992,526</u>
<u>35,003,365</u>	<u>32,581,116</u>	<u>26,957,277</u>	<u>44,178,016</u>	<u>29,958,764</u>
(29,466,292)	(23,547,184)	(19,092,222)	(3,892,813)	(5,081,411)
5,875,681	7,123,797	1,560,944	13,807,269	5,610,547
<u>(23,590,611)</u>	<u>(16,423,387)</u>	<u>(17,531,278)</u>	<u>9,914,456</u>	<u>529,136</u>
22,608,951	20,434,441	18,753,563	16,493,129	15,240,675
1,371,558	1,244,208	1,232,323	1,144,786	1,082,129
1,115,169	2,225,590	2,216,659	1,514,889	778,632
57,794	187,500	183,348	83,898	227,433
(283,341)	2,074,457	210,086	224,000	65,413
<u>24,870,131</u>	<u>26,166,196</u>	<u>22,595,979</u>	<u>19,460,702</u>	<u>17,394,282</u>
72,825	189,703	196,466	184,429	83,974
181,230	52,215	84,977	54,372	52,943
283,341	(2,074,457)	(210,086)	(224,000)	(65,413)
<u>537,395</u>	<u>(1,832,539)</u>	<u>71,357</u>	<u>14,801</u>	<u>71,504</u>
<u>25,407,526</u>	<u>24,333,657</u>	<u>22,667,336</u>	<u>19,475,503</u>	<u>17,465,786</u>
(4,596,161)	2,619,012	3,503,757	15,567,889	12,312,871
6,413,076	5,291,258	1,632,301	13,822,070	5,682,051
<u>\$ 1,816,915</u>	<u>\$ 7,910,270</u>	<u>\$ 5,136,058</u>	<u>\$ 29,389,959</u>	<u>\$ 17,994,922</u>

**City of Ankeny, Iowa**

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

	Fiscal Year				
	2014	2013	2012	2011	2010
General fund:					
Unreserved	N/A	N/A	N/A	N/A	\$ 5,255,100
Nonspendable	2,460	1,204	1,127	-	-
Assigned	-	-	-	139,671	N/A
Unassigned	12,075,671	10,035,862	8,192,665	7,064,005	N/A
Total general fund	<u>\$ 12,078,131</u>	<u>\$ 10,037,066</u>	<u>\$ 8,193,792</u>	<u>\$ 7,203,676</u>	<u>\$ 5,255,100</u>
All other governmental funds:					
Reserved	N/A	N/A	N/A	N/A	\$ 2,896,848
Unreserved, reported in:					
Debt service funds	N/A	N/A	N/A	N/A	-
Special revenue funds	N/A	N/A	N/A	N/A	1,955,382
Capital project funds	N/A	N/A	N/A	N/A	2,838,206
Restricted	8,386,127	14,443,001	13,207,898	16,201,069	N/A
Unassigned	-	-	-	(49)	N/A
Total all other governmental funds	<u>\$ 8,386,127</u>	<u>\$ 14,443,001</u>	<u>\$ 13,207,898</u>	<u>\$ 16,201,020</u>	<u>\$ 7,690,436</u>

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

N/A - Not applicable.

2009	2008	2007	2006	2005
\$ 4,993,929	\$ 4,715,926	\$ 4,596,769	\$ 3,760,757	\$ 2,953,483
-	-	-	-	-
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
<u>\$ 4,993,929</u>	<u>\$ 4,715,926</u>	<u>\$ 4,596,769</u>	<u>\$ 3,760,757</u>	<u>\$ 2,953,483</u>
\$ 2,009,317	\$ 3,033,897	\$ 953,844	\$ 277,845	\$ 76,043
-	-	-	-	-
1,970,149	6,032,229	1,607,459	2,659,219	2,520,269
14,519,678	31,263,350	38,064,035	24,464,550	30,077,141
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
<u>\$ 18,499,144</u>	<u>\$ 40,329,476</u>	<u>\$ 40,625,338</u>	<u>\$ 27,401,614</u>	<u>\$ 32,673,453</u>

City of Ankeny, Iowa

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

	Fiscal Year				
	2014	2013	2012	2011	2010
<b>Revenues:</b>					
Property taxes	\$ 32,104,020	\$ 30,726,040	\$ 29,073,634	\$ 27,322,318	\$ 25,818,107
Other taxes and assessments	3,168,852	2,513,070	3,023,406	1,810,304	1,483,931
Licenses and permits	1,718,717	1,782,043	1,153,239	971,042	887,353
Intergovernmental	6,319,039	12,124,770	8,881,901	6,007,077	6,214,220
Charges for services	2,506,560	2,416,771	2,167,888	2,361,050	1,626,908
Use of money and property	446,173	444,938	425,785	503,883	576,364
Miscellaneous	3,594,044	4,396,936	1,161,456	2,438,614	3,302,244
<b>Total revenues</b>	<b>49,857,405</b>	<b>54,404,568</b>	<b>45,887,309</b>	<b>41,414,288</b>	<b>39,909,127</b>
<b>Expenditures:</b>					
<b>Current operating:</b>					
Public safety	12,552,380	11,575,134	11,234,795	9,877,600	9,626,447
Health and social services	273,765	264,654	310,995	287,278	264,653
Culture and recreation	4,936,521	5,205,203	4,657,997	4,866,728	4,700,831
Public works	4,760,984	4,471,755	4,478,092	4,194,438	3,843,624
Community and economic development	3,143,682	2,673,689	3,212,794	2,490,001	2,619,002
General government	3,107,383	3,010,877	3,015,084	2,440,504	2,488,046
<b>Debt service:</b>					
Principal	27,893,547	9,992,389	8,470,740	8,286,449	5,798,945
Interest and other charges	4,140,954	4,089,038	4,199,996	4,234,484	4,457,119
Bond issuance costs	153,690	-	-	-	-
<b>Capital projects</b>	<b>21,175,094</b>	<b>18,672,990</b>	<b>20,832,387</b>	<b>14,959,038</b>	<b>27,175,373</b>
<b>Total expenditures</b>	<b>82,138,000</b>	<b>59,955,729</b>	<b>60,412,880</b>	<b>51,636,520</b>	<b>60,974,040</b>
(Deficiency) of revenues (under) expenditures	(32,280,595)	(5,551,161)	(14,525,571)	(10,222,232)	(21,064,913)
<b>Other financing sources (uses):</b>					
Issuance of long-term debt	10,374,906	10,990,000	15,945,000	19,920,000	11,055,000
Issuance of refunding bonds	13,755,943	14,565,000	13,036,254	15,088,178	6,825,640
Premium on long-term debt	1,675,189	1,213,804	667,432	453,278	111,736
Debt Forgiven	902,000	-	-	-	-
Payment of refunded bonds	-	(19,920,000)	(17,538,321)	(16,063,791)	(7,925,000)
Transfers in	9,316,212	8,494,408	6,049,205	6,042,039	8,391,781
Transfers out	(7,759,464)	(6,856,352)	(5,637,006)	(4,758,312)	(7,941,781)
<b>Total other financing sources (uses)</b>	<b>28,264,786</b>	<b>8,486,860</b>	<b>12,522,564</b>	<b>20,681,392</b>	<b>10,517,376</b>
<b>Net change in fund balances</b>	<b>\$ (4,015,809)</b>	<b>\$ 2,935,699</b>	<b>\$ (2,003,007)</b>	<b>\$ 10,459,160</b>	<b>\$ (10,547,537)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>0.52</b>	<b>31.83%</b>	<b>28.42%</b>	<b>32.29%</b>	<b>22.45%</b>

2009	2008	2007	2006	2005
\$ 22,690,861	\$ 20,114,119	\$ 18,794,111	\$ 16,514,753	\$ 15,165,093
1,349,516	1,620,228	1,531,956	1,443,778	1,769,012
783,144	873,022	1,101,473	1,494,933	1,157,466
6,988,555	4,132,078	7,808,298	4,723,686	5,224,090
1,456,300	1,684,319	1,378,617	1,125,569	982,051
1,213,802	2,402,016	2,299,353	1,593,597	884,232
4,805,303	6,264,216	730,474	1,945,994	618,522
<u>39,287,483</u>	<u>37,089,998</u>	<u>33,644,282</u>	<u>28,842,310</u>	<u>25,800,466</u>
9,024,964	8,762,449	8,017,872	7,245,549	6,601,587
272,534	241,908	106,535	66,687	88,979
4,563,000	4,680,218	4,430,748	3,535,146	3,121,200
3,534,165	4,469,736	3,770,657	3,354,035	3,170,707
2,351,754	2,179,236	2,767,813	2,323,059	1,522,821
5,594,008	2,357,372	2,273,884	2,153,257	1,779,191
40,505,421	17,340,988	5,580,852	4,977,420	4,772,488
4,495,158	4,224,025	1,624,323	1,586,200	1,237,928
-	-	-	-	-
<u>35,808,040</u>	<u>34,159,265</u>	<u>32,331,256</u>	<u>25,211,102</u>	<u>28,328,883</u>
<u>106,149,045</u>	<u>78,415,197</u>	<u>60,903,940</u>	<u>50,452,455</u>	<u>50,623,784</u>
<u>(66,861,562)</u>	<u>(41,325,199)</u>	<u>(27,259,658)</u>	<u>(21,610,145)</u>	<u>(24,823,318)</u>
44,647,082	40,072,037	41,291,341	16,890,189	26,452,303
-	-	-	-	-
1,095,239	-	17,967	31,391	59,728
-	-	-	-	-
-	-	-	-	-
10,427,812	8,218,219	5,467,030	5,741,353	5,232,637
<u>(10,711,153)</u>	<u>(7,143,762)</u>	<u>(5,456,944)</u>	<u>(5,517,353)</u>	<u>(5,167,224)</u>
<u>45,458,980</u>	<u>41,146,494</u>	<u>41,319,394</u>	<u>17,145,580</u>	<u>26,577,444</u>
<u>\$ (21,402,582)</u>	<u>\$ (178,705)</u>	<u>\$ 14,059,736</u>	<u>\$ (4,464,565)</u>	<u>\$ 1,754,126</u>
<u>54.97%</u>	<u>43.30%</u>	<u>15.26%</u>	<u>20.31%</u>	<u>16.20%</u>

City of Ankeny, Iowa

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

Actual Valuation

	As of January 1:				
	2012	2011	2010	2009	2008
Residential	\$ 2,828,507,923	\$ 2,783,244,740	\$ 2,769,055,320	\$ 2,673,211,940	\$ 2,596,530,510
Agricultural	7,003,860	6,829,650	6,092,180	6,339,650	3,732,830
Commercial	586,870,942	590,069,450	607,693,640	600,996,510	571,523,700
Industrial	52,356,270	59,495,960	62,080,920	61,474,170	60,403,000
Personal/Real estate	-	-	-	-	-
Utilities	52,762,672	49,901,818	48,318,830	46,596,775	45,083,718
Gross valuation	3,527,501,667	3,489,541,618	3,493,240,890	3,388,619,045	3,277,273,758
Less: Military exemption	3,568,989	3,498,538	3,477,414	3,434,778	3,368,056
Net valuation	3,523,932,678	3,486,043,080	3,489,763,476	3,385,184,267	3,273,905,702
Incremental value	183,259,525	157,507,600	166,005,600	171,913,600	156,056,000
Actual valuation	<u>\$ 3,707,192,203</u>	<u>\$ 3,643,550,680</u>	<u>\$ 3,655,769,076</u>	<u>\$ 3,557,097,867</u>	<u>\$ 3,429,961,702</u>
Percent change	1.747%	-0.334%	2.774%	3.707%	5.787%

Taxable Valuation

	As of January 1:				
	2012	2011	2010	2009	2008
Residential	\$ 1,466,503,337	\$ 1,395,090,900	\$ 1,325,849,350	\$ 1,236,013,400	\$ 1,167,749,680
Agricultural	4,197,806	3,929,850	4,204,540	4,201,450	3,503,500
Commercial	586,870,942	590,069,450	607,693,640	600,996,510	571,523,700
Industrial	52,356,270	59,495,960	62,080,920	61,474,170	60,403,000
Personal/Real estate	-	-	-	-	-
Utilities	37,092,421	36,289,968	36,097,110	33,857,524	34,751,309
Gross valuation	2,147,020,776	2,084,876,128	2,035,925,560	1,936,543,054	1,837,931,189
Less: Military exemption	3,568,989	3,498,538	3,477,414	3,434,778	3,368,056
Net valuation	2,143,451,787	2,081,377,590	2,032,448,146	1,933,108,276	1,834,563,133
Incremental value	183,259,525	157,507,600	166,005,600	171,913,600	156,056,000
Taxable valuation	<u>\$ 2,326,711,312</u>	<u>\$ 2,238,885,190</u>	<u>\$ 2,198,453,746</u>	<u>\$ 2,105,021,876</u>	<u>\$ 1,990,619,133</u>
Percent change	3.923%	1.839%	4.439%	5.747%	7.789%

Total Direct Tax Rate

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

2007	2006	2005	2004	2003
\$ 2,454,017,210	\$ 2,190,161,260	\$ 1,917,419,643	\$ 1,604,885,354	\$ 1,429,751,281
3,710,470	2,582,650	2,085,460	2,215,860	2,365,790
532,071,600	472,035,700	435,008,427	373,093,369	353,213,009
59,473,590	60,236,410	58,750,920	57,205,307	64,404,580
-	-	-	-	-
40,123,838	41,807,652	40,205,954	35,528,211	33,382,236
3,089,396,708	2,766,823,672	2,453,470,404	2,072,928,101	1,883,116,896
3,260,660	3,153,956	2,946,532	2,753,924	2,598,646
3,086,136,048	2,763,669,716	2,450,523,872	2,070,174,177	1,880,518,250
156,191,910	139,675,000	137,270,000	122,335,000	110,200,000
<u>\$ 3,242,327,958</u>	<u>\$ 2,903,344,716</u>	<u>\$ 2,587,793,872</u>	<u>\$ 2,192,509,177</u>	<u>\$ 1,990,718,250</u>
11.676%	12.194%	18.029%	10.137%	16.438%

2007	2006	2005	2004	2003
\$ 1,066,470,820	\$ 985,221,470	\$ 870,781,373	\$ 759,608,294	\$ 685,089,321
3,343,130	2,582,650	2,085,460	2,215,860	2,365,790
530,311,700	472,035,700	430,373,567	373,093,369	349,881,059
59,473,590	60,236,410	58,750,920	57,205,307	64,404,580
-	-	-	-	-
34,238,011	33,262,313	35,229,249	32,955,571	34,094,357
1,693,837,251	1,553,338,543	1,397,220,569	1,225,078,401	1,135,835,107
3,260,660	3,153,956	2,946,532	2,753,924	2,598,646
1,690,576,591	1,550,184,587	1,394,274,037	1,222,324,477	1,133,236,461
156,191,910	139,675,000	137,270,000	122,335,000	110,200,000
<u>\$ 1,846,768,501</u>	<u>\$ 1,689,859,587</u>	<u>\$ 1,531,544,037</u>	<u>\$ 1,344,659,477</u>	<u>\$ 1,243,436,461</u>
9.285%	10.337%	13.898%	8.141%	10.857%

<u>\$ 10.52956</u>	<u>\$ 10.28956</u>	<u>\$ 10.33956</u>	<u>\$ 10.38956</u>	<u>\$ 10.38956</u>
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**City of Ankeny, Iowa**

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

Fiscal Year	City Direct Rates					Total Direct
	General Fund	Aviation Authority	Debt Service	Police & Fire Retirement		
Ankeny Community School District:						
2005	7.05501	0.14821	2.93010	0.25624		10.38956
2006	7.05501	0.14821	2.93010	0.25624		10.38956
2007	6.85501	0.14821	2.93010	0.40624		10.33956
2008	6.80501	0.14821	2.93010	0.40624		10.28956
2009	7.19501	0.14821	2.78010	0.40624		10.52956
2010	7.13301	0.14821	3.49900	0.39624		11.17646
2011	7.13301	0.14821	3.49900	0.39624		11.17646
2012	7.08301	0.14821	3.49900	0.44624		11.17646
2013	7.03301	0.14821	4.35000	0.49624		12.02746
2014	7.03301	0.14821	4.35000	0.49624		12.02746
Saydel Community School District <sup>(2)</sup> :						
2005	7.05501	0.14821	2.93010	0.25624		10.38956
2006	7.05501	0.14821	2.93010	0.25624		10.38956
2007	6.85501	0.14821	2.93010	0.40624		10.33956
2008	6.80501	0.14821	2.93010	0.40624		10.28956
2009	7.19501	0.14821	2.78010	0.40624		10.52956
2010	7.13301	0.14821	3.49900	0.39624		11.17646
2011	7.13301	0.14821	3.49900	0.39624		11.17646
2012	7.08301	0.14821	3.49900	0.44624		11.17646
2013	7.03301	0.14821	4.35000	0.49624		12.02746
2014	7.03301	0.14821	4.35000	0.49624		12.02746
North Polk Community School District <sup>(3)</sup> :						
2005	7.05501	0.14821	2.93010	0.25624		10.38956
2006	7.05501	0.14821	2.93010	0.25624		10.38956
2007	6.85501	0.14821	2.93010	0.40624		10.33956
2008	6.80501	0.14821	2.93010	0.40624		10.28956
2009	7.19501	0.14821	2.78010	0.40624		10.52956
2010	7.13301	0.14821	3.49900	0.39624		11.17646
2011	7.13301	0.14821	3.49900	0.39624		11.17646
2012	7.08301	0.14821	3.49900	0.44624		11.17646
2013	7.03301	0.14821	4.35000	0.49624		12.02746
2014	7.03301	0.14821	4.35000	0.49624		12.02746

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

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

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

N/A - Not applicable.

School District	Overlapping Rates				Total Direct and Overlapping Rates
	County and Assessor	Regional Transit	Community College	State	
16.90251	9.96460	N/A	0.59856	0.00400	37.85923
16.70201	9.94318	N/A	0.68408	0.00400	37.72283
16.70575	10.17511	0.08789	0.68688	0.00400	37.99919
17.90637	10.16218	0.10939	0.60276	0.00350	39.07376
19.58053	10.12532	0.12117	0.56386	0.00350	40.92394
19.84290	9.97134	0.22946	0.56778	0.00300	41.79094
22.34576	10.05423	0.24290	0.56008	0.00340	44.38283
21.07036	10.01509	0.25900	0.59018	0.00320	43.11429
20.59177	10.07059	0.40900	0.58466	0.00330	43.68678
20.33221	10.25715	0.48900	0.69120	0.00330	43.80032
14.67175	9.96460	N/A	0.59856	0.00400	35.62847
13.12949	9.94318	N/A	0.68408	0.00400	34.15031
13.38621	10.17511	0.08789	0.68688	0.00400	34.67965
13.62992	10.16218	0.10939	0.60276	0.00350	34.79731
13.67722	10.12532	0.12117	0.56386	0.00350	35.02063
13.98315	9.97134	0.22946	0.56778	0.00300	35.93119
13.97723	10.05423	0.24290	0.56008	0.00340	36.01430
13.97969	10.01509	0.25900	0.59018	0.00320	36.02362
13.47994	10.07059	0.40900	0.58466	0.00330	36.57495
12.87971	10.25715	0.48900	0.69120	0.00330	36.34782
N/A	9.96460	N/A	0.59856	0.00400	N/A
N/A	9.94318	N/A	0.68408	0.00400	N/A
N/A	10.17511	0.08789	0.68688	0.00400	N/A
17.46387	10.16218	0.10939	0.60276	0.00350	38.63126
17.77387	10.12532	0.12117	0.56386	0.00350	39.11728
17.39071	9.97134	0.22946	0.56778	0.00300	39.33875
18.26638	10.05423	0.24290	0.56008	0.00340	40.30345
19.85396	10.01509	0.25900	0.59018	0.00320	41.89789
19.99983	10.07059	0.40900	0.58466	0.00330	43.09484
19.99999	10.25715	0.48900	0.69120	0.00330	43.46810

City of Ankeny, Iowa

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

Taxpayer	Type of Business	Fiscal Year 2014			Fiscal Year 2005		
		January 1, 2012 Taxable Valuation	Rank	Percent of Total Taxable Value	January 1, 2003 Taxable Valuation	Rank	Percent of Total Taxable Value
Casey's General Stores	Corporate headquarters/distribution	\$ 33,500,300	1	1.44%	16,077,060	4	1.29%
MidAmerican Energy	Utility	29,079,129	2	1.25%			
Deere & Company	Farm & construction equipment	23,544,000	3	1.01%	29,063,030	1	2.34%
Denny Elwell Family, LC	Real estate development	22,838,673	4	0.98%	14,520,440	5	1.17%
ACH Food Companies, Inc. <sup>(3)</sup>	Spice manufacturing/distribution	19,500,000	5	0.84%	24,910,000	2	2.00%
DLE Seven LLC	Real estate development	17,519,151	6	0.75%			
Perishable Distributors of Iowa	Food distribution	16,831,619	7	0.72%	18,343,090	3	1.48%
Ankeny North MOB, LLC <sup>(2)</sup>	Real estate development	15,530,000	8	0.67%			
Karl Chevrolet	Automobile sales	14,930,000	9	0.64%	9,843,320	8	0.79%
Wal-Mart	Retail merchandise/grocery	14,830,000	10	0.64%	13,336,170	6	1.07%
Target	Retail merchandise/grocery				11,211,080	7	0.90%
Menards, Inc.	Retail home improvement store				9,049,260	9	0.73%
Sun Secured Financial	Mobile home park				8,658,020	10	0.70%
		<u>\$ 208,102,872</u>		<u>8.94%</u>	<u>\$ 155,011,470</u>		<u>12.47%</u>

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

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

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

**City of Ankeny, Iowa**

**Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year	Total Property Tax Levy	Current Property Tax Collections	Percent of Property Taxes Collected	Delinquent Property Tax Collections	Total Property Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
2005	15,248,211	15,163,074	99.44%	2,019	15,165,093	99.45%
2006	16,529,809	16,512,978	99.90%	5	16,512,983	99.90%
2007	18,815,615	18,791,243	99.87%	100	18,791,343	99.87%
2008	20,427,095	20,303,603	99.40%	634	20,304,237	99.40%
2009	22,717,538	22,823,558	100.47% <sup>(1)</sup>	17	22,823,576	100.47% <sup>(2)</sup>
2010	25,664,841	25,675,450	100.04% <sup>(1)</sup>	372	25,675,822	100.04% <sup>(2)</sup>
2011	27,355,294	27,799,160	101.62% <sup>(1)</sup>	136	27,799,295	101.62% <sup>(2)</sup>
2012	28,760,314	28,465,728	98.98%	1,482	28,467,210	98.98%
2013	30,765,354	30,631,053	99.56%	680	30,631,733	99.57%
2014	32,175,526	32,004,259	99.47%	63	32,004,323	99.47%

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

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

City of Ankeny, Iowa

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Debt Per Capita <sup>(1)</sup>
	General Obligation Bonds	Bond Anticipation Notes	Tax Increment Revenue Notes	Capital Loan Notes	General Obligation Bonds	Capital Loan Notes	Revenue Bonds			
2005	41,219,289	18,230,000	345,000	-	2,710,711	6,411,000	-	68,916,000	366.11%	2,541
2006	41,852,058	24,505,000	-	-	2,892,942	5,533,000	3,890,000	78,673,000	398.34%	2,176
2007	46,062,547	43,125,000	-	-	5,822,453	4,747,000	7,640,000	107,397,000	507.93%	2,970
2008	74,437,094	37,200,000	-	-	5,777,906	3,954,000	7,360,000	128,729,000	573.22%	3,560
2009	96,993,520	18,900,000	-	-	10,801,480	3,252,000	17,600,000	147,547,000	636.50%	4,080
2010	95,931,129	24,255,000	-	-	11,074,871	2,541,000	23,425,000	157,227,000	668.37%	4,348
2011	99,874,069	30,975,000	-	-	11,033,931	1,821,000	24,700,000	168,404,000	694.39%	3,695
2012	98,051,262	35,370,000	-	400,000	14,164,738	1,249,000	26,803,000	176,038,000	674.71%	3,862
2013	113,713,872	15,450,000	-	300,000	19,141,128	428,000	25,777,000	174,810,000	634.82%	3,835
2014	125,501,173	-	-	200,000	20,664,827	380,000	24,487,000	171,233,000	599.62%	3,757

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

City of Ankeny, Iowa

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

Fiscal Year	Actual Property Valuation <sup>(1)</sup>	General Obligation Bonded Debt <sup>(2)</sup>	Less Debt Service Fund	Net	Percentage of Actual Property Valuation	Per Capita <sup>(3)</sup>
2005	1,990,718,250	62,505,000	76,043	62,428,957	3.14%	2,302
2006	2,192,509,177	69,250,000	277,845	68,972,155	3.15%	1,907
2007	2,587,793,872	95,010,000	953,844	94,056,156	3.63%	2,601
2008	2,903,344,716	117,415,000	3,033,897	114,381,103	3.94%	3,163
2009	3,242,327,958	126,695,000	2,009,317	124,685,683	3.85%	3,448
2010	3,429,961,702	131,261,000	2,896,848	128,364,152	3.74%	3,550
2011	3,557,097,867	141,883,000	2,551,310	139,331,691	3.92%	3,057
2012	3,655,769,076	147,986,000	2,214,278	145,771,722	3.99%	3,198
2013	3,643,550,680	148,605,000	2,698,019	145,906,981	4.00%	3,201
2014	3,707,192,203	146,366,000	3,649,020	142,716,980	3.85%	3,131

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

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

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

**City of Ankeny, Iowa**

**Computation of Direct and Overlapping Bonded Debt  
General Obligation Bonded Debt  
June 30, 2014**

	General Obligation Debt June 30, 2014	Percent Applicable to City	Direct and Overlapping General Obligation Debt	Underlying General Obligation Debt
Polk County	\$ 249,791,566	11.71%	\$ 29,250,592	\$ 220,540,974
Des Moines Area Community College	56,755,000	6.27%	3,558,539	53,196,461
North Polk Community School District	7,585,000	3.15%	238,928	7,346,072
Saydel Community School District	14,660,000	0.18%	26,388	14,633,612
Ankeny Community School District	<u>95,255,000</u>	90.83%	<u>86,520,117</u>	<u>8,734,883</u>
Subtotal overlapping debt	\$ 424,046,566		\$ 119,594,564	\$ 304,452,002
City of Ankeny	<u>125,701,173</u>	100.00%	<u>125,701,173</u>	<u>-</u>
Total direct and overlapping debt	<u>\$ 549,747,739</u>		<u>\$ 245,295,737</u>	<u>\$ 304,452,002</u>

Source: Bond Official Statement April 2014

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



**City of Ankeny, Iowa**

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

	2014	2013	2012	2011	2010
Actual property valuation <sup>(1)</sup>	\$ 3,707,192,203	\$ 3,643,550,680	\$ 3,655,769,076	\$ 3,557,097,867	\$ 3,429,961,702
Debt limit - 5% of assessed valuation	185,359,610	182,177,534	182,788,454	177,854,893	171,498,085
Amount of debt applicable to limit:					
General obligation bonds	146,166,000	132,855,000	112,216,000	110,908,000	107,006,000
Bond anticipation notes	-	14,450,000	35,370,000	30,975,000	24,255,000
Capital loan notes	200,000	300,000	400,000	-	-
Total debt applicable to limit	146,366,000	148,605,000	147,986,000	141,883,000	131,261,000
Legal debt margin	<u>\$ 38,993,610</u>	<u>\$ 33,572,534</u>	<u>\$ 34,802,454</u>	<u>\$ 35,971,893</u>	<u>\$ 40,237,085</u>
Percent of debt limit	21.04%	18.43%	19.04%	20.23%	23.46%

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

2009	2008	2007	2006	2005
\$ 3,242,327,958	\$ 2,903,344,716	\$ 2,587,793,872	\$ 2,192,509,177	\$ 1,990,718,250
162,116,398	145,167,236	129,389,694	109,625,459	99,535,913
107,795,000	80,215,000	51,885,000	44,745,000	43,930,000
18,900,000	37,200,000	43,125,000	24,505,000	18,230,000
-	-	-	-	-
126,695,000	117,415,000	95,010,000	69,250,000	62,160,000
<u>\$ 35,421,398</u>	<u>\$ 27,752,236</u>	<u>\$ 34,379,694</u>	<u>\$ 40,375,459</u>	<u>\$ 37,375,913</u>
21.85%	19.12%	26.57%	36.83%	37.55%

**City of Ankeny, Iowa**

**Revenue Bond Coverage  
Last Ten Fiscal Years**

Fiscal Year	Sewer Fund					Coverage
	Gross Revenues	Operating Expenses <sup>(1)</sup>	Net Revenue Available For Debt Service	Maximum Debt Service Requirements <sup>(2)</sup>		
2005	N/A	N/A	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	7,013,732	4,113,010	2,900,722	878,924		3
2010	7,223,096	5,392,605	1,830,491	1,354,951		1
2011	8,544,496	5,448,198	3,096,298	1,298,460		2.3846
2012	9,770,350	5,992,735	3,777,615	1,544,066		2.4465
2013	10,833,241	6,410,346	4,422,895	1,364,019		3.2425
2014	12,337,137	8,312,664	4,024,473	1,401,436		2.8717

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

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

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

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

N/A - Not applicable.

Water Fund				
Gross Revenues	Operating Expenses <sup>(1)</sup>	Net Revenue Available For Debt Service	Annual Debt Service Requirements <sup>(2)</sup>	Coverage
N/A	N/A	N/A	N/A	N/A
5,771,431	3,470,469	2,300,962	285,843	8
5,587,391	4,839,031	748,360	436,744	2
5,662,041	4,581,601	1,080,440	653,994	1.6521
5,508,623	4,591,946	916,677	759,451	1.2070
5,693,969	5,173,705	520,264	1,026,250	0.5070
6,372,678	4,882,507	1,490,171	1,023,595	1.4558
8,354,480	5,404,880	2,949,600	1,030,325	2.8628
8,846,173	6,124,636	2,721,537	1,032,055	2.6370
9,779,719	6,269,095	3,510,624	1,134,249	3.0951

**City of Ankeny, Iowa**

**Historical Economic Data  
Last Ten Years**

Employment				Personal Income <sup>(3)</sup>			Retail Sales <sup>(4)</sup>		
Calendar Year	Population <sup>(1)</sup>	Labor Force <sup>(2)</sup>	Unemployment Rate <sup>(2)</sup>	Calendar Year	Personal Income (000's)	Per Capita	Fiscal Year	Number of Businesses	Taxable Sales
2004	27,117	294,500	4.4%	2004	18,824,000	36,724	2004	2,909	415,484,756
2005	36,161	301,300	4.2%	2005	19,750,000	37,737	2005	3,070	466,908,168
2006	36,161	307,500	3.3%	2006	21,144,000	39,579	2006	3,179	514,316,083
2007	36,161	376,000	3.7%	2007	22,457,000	41,085	2007	3,591	538,000,263
2008	36,161	313,600	3.9%	2008	23,181,000	41,676	2008	3,844	562,967,614
2009	36,161	316,400	5.6%	2009	23,524,000	41,790	2009	4,203	601,447,180
2010	45,582	315,900	6.0%	2010	24,252,000	42,234	2010	4,287	622,122,041
2011	45,582	313,200	5.9%	2011	26,091,000	44,966	2011	4,215	658,098,454
2012	45,582	311,500	5.3%	2012	27,537,000	46,753	2012	4,303	682,910,249
2013	45,582	323,300	4.6%	2013	28,557,000	47,612	2013	4,408	714,824,490

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

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

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

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

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

Building Permits <sup>(5)</sup>				
Calendar Year	Commercial Permits Issued	Dollar Value of Permits Issued	Residential Permits Issued	Dollar Value of Permits Issued
2004	27	24,623,712	1,085	130,039,464
2005	30	21,570,268	1,311	203,434,307
2006	30	29,709,708	845	136,156,818
2007	26	38,933,191	581	107,924,995
2008	21	42,473,891	372	68,646,221
2009	11	12,251,100	422	82,430,948
2010	17	10,060,900	523	106,078,166
2011	15	19,062,235	580	107,047,822
2012	33	73,674,050	1,031	178,308,459
2013	26	34,233,742	859	191,833,192

**City of Ankeny, Iowa**

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

Employer <sup>(2)</sup>	Type of Business	Fiscal Year 2013			Fiscal Year 2004		
		Approximate Number of Employees	Rank	Percent of Total City Employment	Approximate Number of Employees	Rank	Percent of Total City Employment
John Deere Des Moines Works	Farm equipment	1,952	1	7.02%	950	1	5.52%
Casey's General Stores	Corporate headquarters/distribution	1,478	2	5.32%	370	6	2.15%
Ankeny Community Schools	Education	1,255	3	4.51%	710	2	4.13%
Des Moines Area Community College	Higher education	1,114	4	4.01%	700	3	4.07%
City of Ankeny	Government	653	5	2.35%	243	8	1.41%
Perishable Distributors of Iowa	Wholesale meat/bakery distributor	562	6	2.02%	492	5	2.86%
ACH Food Companies, Inc. <sup>(3)</sup>	Spice manufacturing/distribution	478	7	1.72%	510	4	2.97%
SYSCO Food Services of Iowa	Wholesale distribution	243	8	0.87%	275	7	1.60%
Accumold	Plastic micro-molding	182	9	0.65%			
Praxair	Industrial gases/welding equipment	155	10	0.56%	135	10	0.78%
Snyder & Associates	Engineering and surveying				140	9	0.81%
Total		<u>8,072</u>		<u>29.04%</u>	<u>4,525</u>		<u>26.31%</u>

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

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

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

City of Ankeny, Iowa

Number of Permanent City Employees by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Public Safety:										
Police:										
Police Administration	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Operations	46.00	45.00	44.00	44.00	45.00	42.00	39.00	36.00	31.00	29.00
Special Services	-	-	-	-	-	-	-	-	9.00	8.00
Support Services	15.50	15.50	15.50	15.50	14.50	14.50	14.00	14.00	6.50	8.50
Fire:										
Fire Support	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00
Fire Suppression	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	1.00
Ambulance & Rescue	23.00	23.00	23.00	14.00	14.00	8.00	7.50	7.00	3.00	3.00
Code Enforcement	9.00	8.00	8.00	8.00	8.00	8.00	9.00	10.00	9.00	8.00
Total Public Safety	99.50	97.50	96.50	88.50	88.50	79.50	77.50	75.00	65.50	62.50
Health and social services:										
Public Relations	-	-	3.00	3.00	3.00	3.00	3.00	1.00	-	-
Culture and Recreation:										
Library	6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00
Parks and Recreation:										
Park Administration	2.00	2.50	2.00	2.00	2.00	2.00	2.00	1.75	2.75	2.00
Park Maintenance	6.00	6.00	7.00	7.00	6.00	7.00	7.00	6.00	5.00	4.00
Recreation Programs	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	3.00	2.00
Prairie Ridge Sports Complex	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total Culture and Recreation	19.00	19.50	20.00	20.00	21.00	22.00	22.00	20.75	19.75	17.00
Public Works:										
Engineering	-	-	-	-	-	-	3.00	3.00	2.00	2.00
Street Cleaning	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Traffic Safety	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	-	-
Roadway Administration	6.34	6.25	6.25	6.25	6.25	6.25	6.25	5.25	5.25	4.50
Roadway Maintenance	11.00	11.00	11.00	11.00	11.00	11.00	12.00	14.00	14.00	13.00
Central Garage	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00
Total Public Works	25.34	25.25	25.25	25.25	25.25	25.25	29.25	26.25	25.25	23.50
Community and Economic Development:										
Development and Promotion	-	-	-	-	-	-	-	-	-	1.00
Development Engineering	3.00	3.00	3.00	3.00	3.00	3.00	-	-	-	-
Planning & Zoning	5.00	5.00	4.00	4.00	4.50	5.50	5.50	5.50	4.50	4.50
Community Development	2.00	-	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.80
Economic Development	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	2.80	-
Total Community and Economic Development:	12.00	10.00	11.00	12.00	12.50	13.50	10.50	10.50	9.30	8.30
General Government:										
Human Resources	2.00	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75
Communications	2.00	2.00	-	-	-	-	-	-	-	-
Policy & Administration	3.00	4.00	3.00	4.00	4.00	4.00	4.00	5.00	4.00	4.00
City Clerk	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.00	4.00	3.50
Finance	3.50	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00
Information Systems	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00
Total General Government	19.00	20.50	17.50	18.50	18.50	18.50	18.25	17.75	15.75	15.25
Water										
Water Administration	2.83	2.50	3.50	3.50	7.50	7.50	7.50	3.50	3.50	3.50
Water Maintenance	8.00	7.00	7.00	7.00	8.00	8.00	8.00	8.00	7.00	7.00
Total Water	10.83	9.50	10.50	10.50	15.50	15.50	15.50	11.50	10.50	10.50
Sewer:										
Wastewater Administration	5.83	6.50	6.50	6.50	3.50	3.50	3.50	3.50	3.50	3.00
Wastewater Operations	9.00	10.00	10.00	10.00	10.00	11.00	11.00	11.00	10.00	10.00
Total Sewer	14.83	16.50	16.50	16.50	13.50	14.50	14.50	14.50	13.50	13.00
Storm water:										
Stormwater Administration	1.50	1.50	1.50	1.50	1.50	1.00	1.00	1.00	1.00	-
Otter Creek Golf Course:										
Golf Course Maintenance	2.00	3.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Golf Course Club House	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.50	1.50	1.50
Golf Course Banquet Services	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-	-
Total Otter Creek Golf Course	5.00	6.50	6.00	6.00	5.00	5.00	4.00	4.50	4.50	4.50
<b>Total</b>	<b>207.00</b>	<b>206.75</b>	<b>207.75</b>	<b>201.75</b>	<b>204.25</b>	<b>197.75</b>	<b>195.50</b>	<b>182.75</b>	<b>165.05</b>	<b>154.55</b>

Source: City Records

City of Ankeny, Iowa

Operating Indicators by Function  
Last Ten Years

Function	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Public safety:</b>										
Police:										
UCR reportable crimes <sup>(2)</sup>	NA	678	725	751	740	NA	NA	NA	NA	NA
Calls for service <sup>(2)</sup>	36,591	36,583	36,265	39,385	37,573	35,668	34,127	30,130	31,756	35,219
Yearly miles logged by patrol <sup>(2)</sup>	365,434	370,718	358,316	351,843	371,026	332,686	319,438	288,976	310,234	345,187
Traffic accidents per 1,000 population <sup>(2)</sup>	24.27	25.58	25.82	29.40	29.05	NA	NA	NA	NA	NA
Total training hours, including academy-Operations <sup>(2)</sup>	2,836	5,644	6,380	5,502	5,922	NA	NA	NA	NA	NA
Fire:										
Fire calls <sup>(2)</sup>	760	667	702	636	678	709	743	773	724	600
Ambulance calls <sup>(2)</sup>	2,538	2,355	2,209	2,123	2,092	1,964	1,875	1,640	1,676	1,498
Training hours <sup>(2)</sup>	7,686	7,767	7,837	7,229	NA	NA	NA	NA	NA	NA
Fire inspections performed <sup>(2)</sup>	273	226	230	194	NA	NA	NA	NA	NA	NA
Code Enforcement:										
Building permits issued <sup>(2)</sup>	2,082	2,082	1,575	1,567	1,345	1,317	1,561	1,870	2,240	1,954
Code enforcement cases <sup>(2)</sup>	711	612	601	1,006	962	NA	NA	NA	NA	NA
<b>Health and social services:</b>										
Special Populations:										
Number of special population events	28	21	21	24	41	NA	NA	NA	NA	NA
Number of event participants	1,850	1,894	1,984	2,152	2,472	NA	NA	NA	NA	NA
<b>Culture and recreation:</b>										
Library:										
Circulation <sup>(1)</sup>	633,456	579,524	562,556	550,541	501,223	498,583	447,912	367,723	350,213	320,910
Number of library visitors <sup>(1)</sup>	268,631	275,843	259,142	260,613	NA	NA	NA	NA	NA	NA
Number of special programs/events <sup>(1)</sup>	934	986	1,003	1,147	1,085	1,035	NA	NA	NA	NA
Program attendance <sup>(1)</sup>	33,719	37,552	37,129	38,351	37,829	32,630	26,615	21,825	21,840	19,109
Parks and Recreation:										
Recreation program and event participants <sup>(2)</sup>	25,823	NA	NA	24,130	22,774	NA	NA	NA	NA	NA
Community center rentals <sup>(2)</sup>	431	NA	376	384	NA	NA	NA	NA	NA	NA
Aquatic center attendance (85 day season) <sup>(2)</sup>	140,284	153,000	140,000	122,059	70,703	72,500	77,238	73,555	85,776	55,421
Sports complex events (224 days season) <sup>(2)</sup>	11,186	9,304	NA							
<b>Community and economic development:</b>										
Planning and Building:										
Additional acres platted <sup>(2)</sup>	482	549	290	153	167	639	464	719	555	823
Economic Development										
Number of development agreements executed <sup>(1)</sup>	3	3	5	3	NA	NA	NA	NA	NA	NA
Business retention calls <sup>(1)</sup>	15	30	30	NA						
Community Development										
Number of public & committee meetings <sup>(1)</sup>	186	NA								
Number of CDBG projects <sup>(1)(4)</sup>	-	NA								
Number of cultural arts projects <sup>(1)</sup>	-	NA								
<b>General government:</b>										
Communications										
Number of press releases <sup>(5)</sup>	167	398	441	445	557	NA	NA	NA	NA	NA
Number of social media followers	8,903	6,905	4,644	2,637	1,472	NA	NA	NA	NA	NA
Number of individual users of the Ankeny website	249,686	289,442	278,099	216,613	NA	NA	NA	NA	NA	NA
Human resources:										
Number of employment applications received <sup>(2)</sup>	1,745	1,044	1,350	844	892	2,084	1,353	1,547	1,308	940
Number of W-2's issued <sup>(2)</sup>	653	634	604	557	517	NA	NA	NA	NA	NA
Number of paychecks issued <sup>(2)</sup>	10,351	10,521	10,205	9,790	9,349	NA	NA	NA	NA	NA
City Clerk's Office										
Number of meeting agendas/minutes prepared <sup>(2)</sup>	64	59	34	35	35	NA	NA	NA	NA	NA
Number of council actions managed <sup>(2)</sup>	1,085	NA								
Number of license/permit applications received <sup>(2)</sup>	2,222	2,245	2,697	2,293	1,682	NA	NA	NA	NA	NA
Finance Office										
Number of accounts payable claims <sup>(2)</sup>	16,429	17,325	17,293	17,014	17,515	NA	NA	NA	NA	NA
Average number of utility billing accounts <sup>(1)</sup>	18,188	17,461	16,898	16,415	15,932	15,325	NA	NA	NA	NA
<b>Road Use Tax</b>										
Planned value of CIP (in millions)	40.148	19.085	31.005	43.717	33.378	NA	NA	NA	NA	NA
<b>Water:</b>										
Avg daily water consumption-gallons <sup>(1)</sup>	4,864,411	4,632,405	4,838,548	3,867,518	3,924,443	3,900,000	3,793,000	3,879,000	4,227,000	3,693,000
Number of water main breaks <sup>(1)</sup>	52	39	38	22	16	23	NA	NA	NA	NA
Number of service work orders <sup>(1)</sup>	5,932	5,307	5,146	5,637	5,472	5,212	NA	NA	NA	NA
Number of system repairs <sup>(1)</sup>	56	59	53	49	37	37	NA	NA	NA	NA
<b>Sewer:</b>										
Avg daily sewer treatment-MGD <sup>(1)</sup>	5.455	4.825	4.370	6.387	6.409	6.080	5.863	5.192	3.652	4.008
Number of service work orders <sup>(1)</sup>	69	54	49	135	61	NA	NA	NA	NA	NA
Miles of sanitary sewer cleaned <sup>(1)</sup>	24.7	29.5	16.6	76.4	25.5	NA	NA	NA	NA	NA
Miles of sanitary sewer televised <sup>(1)</sup>	15.2	16.8	24.7	43.6	16.9	NA	NA	NA	NA	NA
<b>Storm Water:</b>										
Number of public education programs <sup>(1)</sup>	8	8	5	2	1	NA	NA	NA	NA	NA
Tons of debris cleared <sup>(1)</sup>	419	334	292	374	457	657	443	227	391	649
Number of storm sewer intakes cleared <sup>(1)</sup>	111	421	605	1,229	425	NA	NA	NA	NA	NA
Number of COSESCO permits inspected <sup>(1)</sup>	235	238	183	188	NA	NA	NA	NA	NA	NA
<b>Otter Creek Golf Course:</b>										
Number of rounds played <sup>(2)(3)</sup>	28,910	27,630	27,630	29,104	28,817	22,252	-	29,636	33,591	36,123
Number of days open <sup>(2)</sup>	221	212	235	235	NA	NA	NA	NA	NA	NA
<b>Risk Management:</b>										
Number of risk management claims handled <sup>(2)</sup>	41	25	19	50	27	NA	NA	NA	NA	NA
Days off due to work comp injuries <sup>(2)</sup>	73	580	140	35	38	NA	NA	NA	NA	NA
<b>Health Insurance:</b>										
Number of employees in the health plan <sup>(1)</sup>	203	196	204	202	196	NA	NA	NA	NA	NA
Total amount of claims paid <sup>(1)</sup>	2,353,241	2,066,993	1,995,555	1,831,016	1,644,658	NA	NA	NA	NA	NA

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

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

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

<sup>(4)</sup> The Ankeny City Council elected not to participate in the CDBG Entitlement Program

<sup>(5)</sup> Beginning in FY 2014, only reporting press releases, previously included press releases and event reminders

Source: City Records

City of Ankeny, Iowa

Capital Asset Statistics by Function  
Last Ten Fiscal Years

Function	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Public safety:										
Police:										
Sworn officers per 1,000 population	1.02	1.07	1.11	1.14	1.17	NA	NA	NA	NA	NA
Number of police stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Number of fire stations	2	2	2	2	2	1	1	1	1	1
Number of outdoor warning sirens	19	19	17	17	15	NA	NA	NA	NA	NA
Health and social services:										
Mosquito control:										
Mosquito sprayers	2	4	4	4	4	3	3	3	2	1
Culture and recreation:										
Library:										
Number of branches	1	1	1	1	1	1	1	1	1	1
Items in the collection	126,366	106,539	98,349	82,572	85,025	93,307	NA	NA	NA	NA
Parks and Recreation:										
Park acres developed	787	776	755	671	629	503	467	425	415	403
Community centers	3	3	3	2	2	2	2	2	2	2
Sports complexes	2	2	2	2	2	2	2	2	2	2
Public works:										
Lane miles of streets	474	472	474	458	454	448	424.93	414.31	395.82	370.36
Number of cul-de-sacs	331	325	297	281	278	275	272.00	272.00	268.00	257.00
Number of traffic signals	59	59	56	NA						
Number of street lights	5,174	NA	NA	NA	NA	NA	NA	NA	NA	NA
General government:										
Data Processing										
Number of personal computers	349	350	328	335	322	325	319	312	225	190
Number of printers	88	119	121	NA						
Number of VoIP phone sets	296	297	297	295	295	NA	NA	NA	NA	NA
Water:										
Miles of water main	278	259 <sup>(1)</sup>	330	299	258	252	241	230	196	163
Above ground storage-gallons	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Number of fire hydrants	3,698	3,456	NA							
Number of water valves	3,888	NA	NA	NA	NA	NA	NA	NA	NA	NA
Sewer:										
Miles of sanitary sewer	247	243	222	219	230	211	201	200	186	170
Number of sanitary sewer manholes	5,173	5,035	4,619	4,566	4,534	NA	NA	NA	NA	NA
Storm Water:										
Miles of storm sewer	39	37	49	69	NA	NA	NA	NA	NA	NA
# of storm sewer intakes, manholes & outlets	10,856	NA	NA	NA	NA	NA	NA	NA	NA	NA
Otter Creek golf course:										
Number of municipal golf courses	1	1	1	1	1	1	1	1	1	1

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

Source: City Records

City of Ankeny, Iowa

Insurance Schedule <sup>(1)</sup>  
June 30, 2014

Insurance Company	Policy Number	Type of Coverage	Liability Limits	Deductible	Policy Expiration
Iowa Communities Assurance Pool	408	Liability:			7/1/2014
		Legal Liability/3rd Party	\$10,000,000	\$0	
		Automotive Liability	\$10,000,000	\$0	
		Wrongful Acts	\$10,000,000	\$2,500	
		Law Enforcement Liability	\$10,000,000	\$5,000	per claim
		Appeal, Bail, Property Release Bonds	Unlimited	\$0	
		Claim and Defense Expenses	Unlimited	\$0	
		Covered Pollution Cost or Expense for Automobiles	\$10,000,000	\$0	
		Employee Benefit	\$1,000,000	\$1,000	
		Employment Expense	\$10,000,000	\$0	
		Good Samaritan, each	\$10,000,000	\$0	
		Injunctive Relief	\$25,000	15%	
		Medical Malpractice	\$10,000,000	\$0	
		Member Expenses	\$10,000	\$0	
		Post-judgement/Pre-judgment Interest	Unlimited	\$0	
		Stop Gap	\$10,000,000	\$0	
		Underinsured/Uninsured Motorist	\$500,000	\$0	
		Broad Legal Defense Fund, each/aggregate	\$5,000 / \$5,000	25%	
		Moral Obligation to Pay, aggregate	\$2,500	25%	
		Cyber Breach Notification, each/aggregate	\$50,000 / \$50,000	\$0	
		Pollution Liability:			
		Chlorine, Pesticides, Anti-Skid Materials	\$10,000,000	\$0	
		Fire Department and Fire Department Training	\$500,000	\$0	
		Sewer Back-up, each/aggregate	\$250,000 / \$250,000	\$0	
		Wastewater Treatment Plant-3rd Party Liability	\$50,000 / \$50,000	\$0	
		Wastewater Treatment Plant-Clean Up Expense	\$50,000 / \$50,000	\$0	
		Liquor Liability	\$1,000,000	\$0	
		Property:			
		Buildings	\$92,505,093	\$25,000	per occurrence
		Personal Property	\$7,373,867	\$25,000	per occurrence
		Newly Acquired/Newly Constructed Buildings	\$2,000,000	\$25,000	per occurrence
		Book Collection	\$1,000,000	\$25,000	per occurrence
		Vehicles	\$8,647,736	\$25,000	per occurrence
		Miscellaneous Property	\$4,815,853	\$25,000	per occurrence
		EDP Hardware/Software	\$1,482,713	\$25,000	per occurrence
		Boiler	\$101,133,960	\$2,500	per occurrence
		Earthquake	\$20,000,000	10%	of loss
Old Republic Surety Company	RCB537396	Employee dishonesty	\$50,000	\$25,000	
Iowa Municipal Workers Compensation Association	0643	Worker's compensation	Statutory	N/A	6/30/2014
Wellmark BCBS of Iowa	038	Employee health insurance (per member) Minimum Aggregate Deductible	Unlimited	\$55,000 \$2,264,114	6/30/2014

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

N/A - Not applicable.

## **Single Audit Section**

**City of Ankeny, Iowa**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2014**

Grantor/Program	CFDA Number	Other Identification Number	Program Expenditures
Direct:			
U.S. Department of Justice Bulletproof Vest Partnership Program 2011	16.607		\$ 3,375
U.S. Department of Justice Office of Community Oriented Policing Services	16.710	2011UMWX0051	66,508
Total Direct			<u>69,883</u>
Indirect:			
U.S. Department of Transportation Federal Highway Administration Highway Construction Planning and Recovery	20.205	STP-A-0187(627)--8V-77	36,971
U.S. Department of Transportation Federal Highway Administration Highway Construction Planning and Recovery	20.205	STP-U-0187(625)--70-77	74,450
U.S. Department of Transportation Federal Highway Administration Highway Construction Planning and Recovery	20.205	12-STPE-132	FY13 232,626 FY14 352,624
U.S. Department of Transportation National Highway Traffic Safety Administration Alcohol Impaired Driving Countermeasures Incentive	20.601	PAP 13-04, Task 04	8,739
U.S. Department of Transportation National Highway Traffic Safety Administration Alcohol Impaired Driving Countermeasures Incentive	20.601	14-402-MOPT, Task 02-00-00	14,500
Total Indirect			<u>719,910</u>
<b>TOTAL FEDERAL AWARDS EXPENDED</b>			<b><u>\$ 789,794</u></b>

See accompanying independent auditor's report.

**City of Ankeny, Iowa**

**Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2014**

Note 1. Basis of Presentation

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



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

Honorable Mayor and  
Members of the City Council  
Ankeny, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of Ankeny, Iowa (the City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Ankeny, Iowa's basic financial statements, and have issued our report thereon dated December 19, 2014.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2014 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

### **City of Ankeny, Iowa's Response to the Finding**

The City's response to the finding regarding statutory and other legal matters identified in our audit is described in the accompanying schedule of findings. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

  
DENMAN & COMPANY, LLP

West Des Moines, Iowa  
December 19, 2014

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

Honorable Mayor and  
Members of the City Council  
Ankeny, Iowa

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

We have audited the City of Ankeny, Iowa's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2014. The City's major federal program is identified in the summary of the independent auditor's results section of the accompanying schedule of findings.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, the City of Ankeny, Iowa complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2014.

## Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings as item 2014-001 that we consider to be a significant deficiency.

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

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

  
DENMAN & COMPANY, LLP

West Des Moines, Iowa  
December 19, 2014

**City of Ankeny, Iowa**  
**SCHEDULE OF FINDINGS**  
**Year ended June 30, 2014**

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

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

**City of Ankeny, Iowa**  
**SCHEDULE OF FINDINGS (continued)**  
**Year ended June 30, 2014**

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

**Instances of Noncompliance**

No matters were noted.

**Internal Control Deficiencies**

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

**City of Ankeny, Iowa**  
**SCHEDULE OF FINDINGS (continued)**  
**Year ended June 30, 2014**

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

**Instances of Noncompliance**

No matters were noted.

**Internal Control Deficiencies**

**2014-001 SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS**

The City recorded \$352,624 in fiscal year 2013 expenditures related to the highway construction and planning grant to the fiscal year 2014 Schedule of Expenditures and Federal Awards, resulting in the understatement of the fiscal year ended June 30, 2013 schedule and a corresponding overstatement of the fiscal year ended June 30, 2014 schedule.

**Recommendation**

The City should implement procedures to ensure all federal expenditures are properly accounted for and recorded to the correct fiscal year.

**Response**

We have implemented procedures to record all federal expenditures in the correct fiscal year.

**Conclusion**

Response accepted.

**City of Ankeny, Iowa**  
**SCHEDULE OF FINDINGS (continued)**  
**Year ended June 30, 2014**

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

**IV-A-14 CERTIFIED BUDGET**

City disbursements during the year ended June 30, 2014 did not exceed the amount budgeted in any functional area.

**IV-B-14 QUESTIONABLE EXPENDITURES**

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

**IV-C-14 TRAVEL EXPENSE**

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

**IV-D-14 BUSINESS TRANSACTIONS**

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

**IV-E-14 BOND COVERAGE**

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

**IV-F-14 COUNCIL MINUTES**

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

**IV-G-14 DEPOSITS AND INVESTMENTS**

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

**IV-H-14 WATER AND SEWER REVENUE BONDS/NOTES**

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

**IV-I-14 URBAN RENEWAL ANNUAL REPORT**

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

City of Ankeny, Iowa  
SCHEDULE OF FINDINGS (continued)  
Year ended June 30, 2014

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

**IV-J-14 FINANCIAL CONDITION**

The Capital Projects Fund had a deficit balance of \$2,378,377 as of June 30, 2014.

**Recommendation**

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

**Response**

The deficit will be eliminated through transfers and proceeds from the issuance of bonds.

**Conclusion**

Response accepted.



city of  
**Ankeny**

*bringing it all together*

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