



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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

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

For the Fiscal Year Ended June 30, 2014

Prepared by the
Department of Finance



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CITY OF **DES MOINES**

INTRODUCTORY SECTION





December 5, 2014

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

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2014.

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

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

Profile of the Government

The City of Des Moines, Iowa was incorporated as a town in 1851 and as a city in 1857. Extending over 80 square miles, it is home to over 200,000 people and the central city of a metropolitan area of approximately 570,000. It is a river city, intersected by the Des Moines and Raccoon Rivers.

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

The City of Des Moines provides a full range of services, including police and fire protection, sanitation services, park and recreational programs and facilities; construction and maintenance of infrastructure including streets, roads, bridges, and a storm water utility; enforcement of building code regulations; traffic control and parking; housing and other community improvements and social services; economic development and library services. The Public Library of Des Moines Foundation, which raises funds for the benefit of the City's libraries, and the Des Moines Airport Authority, which runs the airport that serves central Iowa, are discretely presented component units in this report. The Des Moines Independent Community School District, Des Moines Water Works, Des Moines Area Regional Transit, Wastewater Reclamation Authority and Metro Waste Authority – while providing other services to the citizens of Des Moines – do not meet the established criteria for component entities of the City, and thus, are excluded from this report.

The City benefits from strong and diverse neighborhoods and a citizenry deeply involved in its government. The development of 58 recognized neighborhood associations and 20 active boards and commissions strengthen the basic framework of the City's governmental structure. The City Council is required by Chapter 384 of the Code of Iowa to adopt an annual budget on or before March 15 of each year. This annual budget serves as the foundation for the City of Des Moines's financial planning and control. The adopted budget provides appropriations (authority to spend) for program operations for the fiscal year that begins on July 1 and ends on June 30 of the following year. Budget amendments (revisions to the adopted budget) must be prepared and adopted in the same manner as the original budget. State law requires that expenditures be controlled at the program level. The budget is also prepared by department, fund and sub activity levels.

Local Economy and Living Conditions

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

The City of Des Moines has continued to receive accolades from many publications over the past year. Distinctions in calendar year 2014 include #1 Wealthiest City by The TODAY

Show, Top Midwest Economy by Business Record, #6 Best Cities for Raising a Family by Forbes, Top Ten City for Homebuyers by MarketWatch, #1 City with Up-and-Coming Downtown by Fortune, #2 Best Places for Business and Careers by Forbes, and #1 America's 15 Best Cities for Young Professionals. .

While Iowa is an agricultural state, the City's economic diversification insulates it from the farm economy. Further, as many of the state's rural communities experience population decreases, the Des Moines metropolitan area continues to grow, with much of the expansion resulting from the relocation of residents to Des Moines from rural areas. The variety of components contributing to the City's economy creates a stability that is apparent from unemployment figures. The City has historically enjoyed a relatively low unemployment rate for each of the last three calendar years: 4.9 percent June 30, 2014, 5.6 percent June 30, 2013, and 6.3 percent June 30, 2012.

The recent recession did cause a slight decline in Des Moines property values and an unemployment rate that peaked at 7.4% in 2010. However, the overall strength of the local economy has allowed the City to improve its unemployment rates and property valuations have rebounded. Additional background data is included in the statistical section of this report. Des Moines' underlying economic base remains strong and calendar year 2013 permit activity illustrates that the City has returned to pre-recession levels for new construction.

Long-term Financial Planning

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

- Flood Mitigation projects - \$20 million in improvements
- Emerald Ash Borer Response Plan - \$5.16 for treatment or removal of the 7,100 ash trees
- Planning - professional studies under way or completed for future replacement, construction, and operation planning for City pools, libraries, fire services, and municipal building needs
- Enterprise Resource Planning - new financial software and human resource modules have been implemented and continue to be over the next several years

Relevant Financial Policies

The City regards General Fund unassigned fund balance as a critical component of fiscal health and improves the credit metric to continue strong bond rating. City policy is for the General Fund unassigned fund balance be maintained at a minimum of 10% of annual expenditures. The June 30, 2014 balance is 14.2% of expenditures, up from 12.0% in 2013.

Enterprise funds are monitored regularly and user fees adjusted to maintain required revenue bond coverage and sufficient working capital balances. The policy for the major enterprise funds is a working capital balance of 15% of annual expenditures

The City investment policy is to invest public funds not currently needed in a manner which will provide protection of principal, meet the daily cash flow demands of the city and provide market returns. The primary objectives in priority order are, safety of principal, liquidity, and return on investments.

The City Council took necessary actions to adopt a balanced FY15 budget and mid-year estimates indicate a small surplus is likely by year-end.

Major Initiatives

Pursuit of Council established goals has resulted in the City successfully moving forward in facilitating downtown development, neighborhood improvements, and environmental sustainability projects. Several corporations have started or have plans in place for headquarters renovations, new building projects, or plans to locate their headquarters in downtown Des Moines. The extension of Martin Luther King /Southeast Connector eastward across SE 14th Street to SE 30th Street has reached its midpoint of construction. Along that route the City completed the construction of a new Municipal Service Center. Other new development has started along the connector: commercial, residential, and hotels.

The downtown housing stock remains strong for rental units and owner-occupied condominiums. Desire for downtown residential living continues to increase, turning the downtown into a vibrant “24/7” location. The Botanical Center is nearing completion of major renovations. New construction projects and a relocation of a historical building in the East Village assure continued revitalization of the area just west of the State Capitol.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Des Moines for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This was the 37th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government has to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Scott E. Sanders
City Manager



Dan Ritter
Interim Finance Director/Treasurer



CITY OF **DES MOINES**



Government Finance Officers Association

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

Presented to

**City of Des Moines
Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



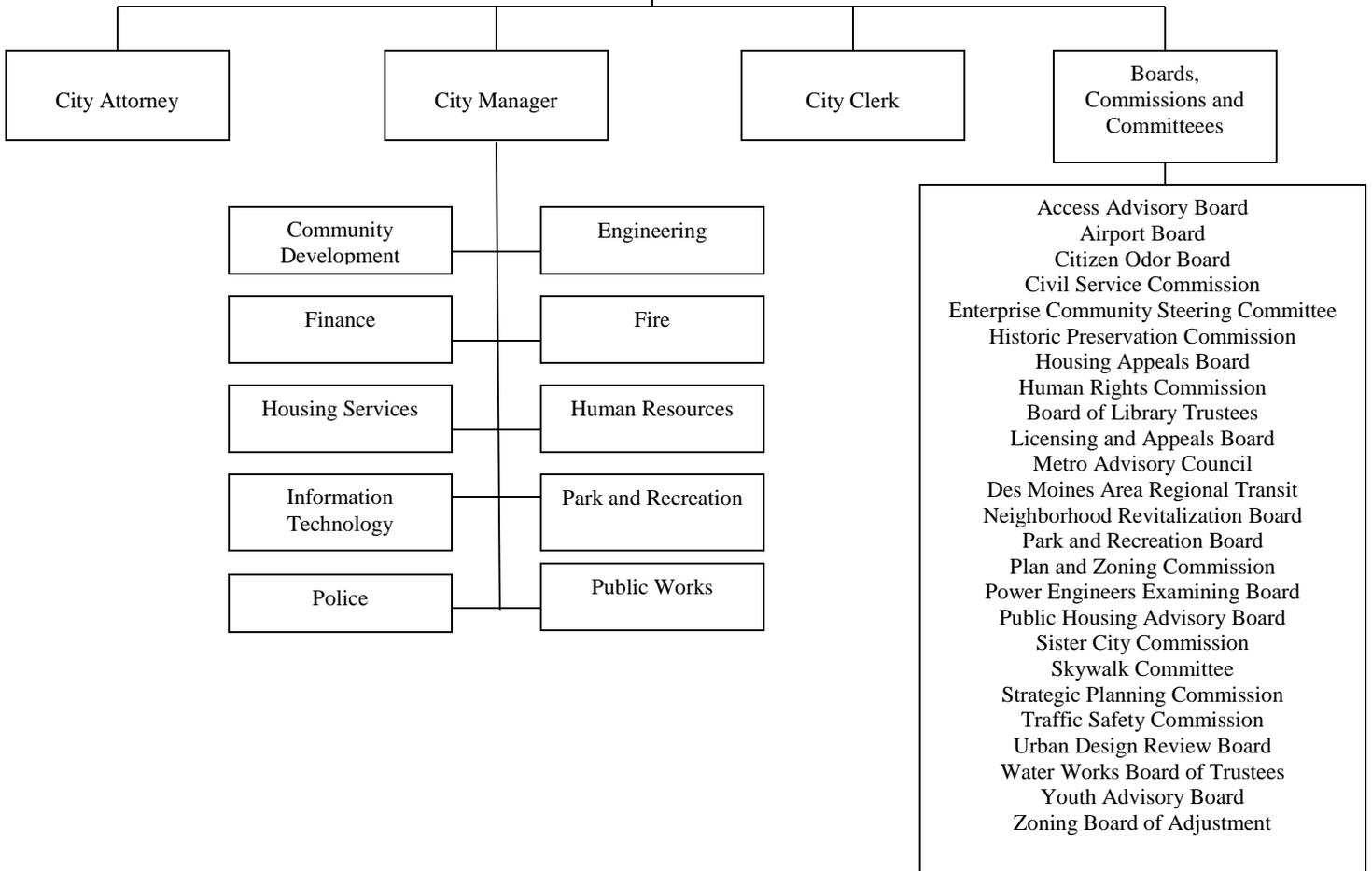
City of Des Moines, Iowa Table of Organization

Citizens of Des Moines

ELECT

Des Moines City Council
 Frank Cownie, Mayor
 Chris Coleman, At-Large
 Skip Moore, At-Large
 Bill Gray, Ward I
 Bob Mahaffey, Ward II
 Christine Hensley, Ward III
 Joe Gatto, Ward IV

APPOINTS





**CITY OF DES MOINES, IOWA
ELECTED AND APPOINTED OFFICIALS
For the Fiscal Year Ended June 30, 2014**

Elected Officials:

Term Expires

Frank Cownie	Mayor	1/1/2016
Chris Coleman	Council Member, At-Large	1/1/2016
Skip Moore	Council Member, At-Large	1/1/2018
Bill Gray	Council Member, Ward I	1/1/2018
Bob Mahaffey	Council Member, Ward II	1/1/2016
Christine Hensley	Council Member, Ward III	1/1/2018
Joe Gatto	Council Member, Ward IV	1/1/2016

Council-Appointed Officials:

Larry Hulse	Interim City Manager
Jeffrey D. Lester	City Attorney
Diane Rauh	City Clerk



FINANCIAL SECTION





Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Des Moines, Iowa, (the City) as of and for the year ended June 30, 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 did not audit the financial statements of the discretely presented component units, the Des Moines Airport Authority and the Des Moines Public Library Foundation, which collectively represent 100 percent of the assets, net position and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Des Moines Airport Authority and the Des Moines Public Library Foundation is based on the report of the other auditors.

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

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, 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 explained in Note 1 to the basic financial statements, the City restated the General Fund and aggregate remaining fund beginning fund balances due to the implementation of GASB 66, *Technical Correction – 2012*. Our opinion was not modified.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 19, other postemployment benefit plan schedule on page 96 and budgetary comparison schedules on pages 93 through 95 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules and the accompanying schedule of federal awards as required by the U.S. Office of Management and Budget Circular A-133 Audits of State, Local Governments and Nonprofit Organizations, listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Des Moines, Iowa
December 5, 2014

Management's Discussion and Analysis

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

Financial Highlights

- The assets and deferred outflows of resources of the City of Des Moines exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$947,508,091 (*net position*). Of this amount, \$36,749,548 represents the unrestricted net position of the City and may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$42,532,804.
- At the close of this current fiscal year, the City of Des Moines' governmental funds reported combined ending fund balances of \$74,527,463 an increase of \$5,154,229 in comparison with the prior year. This increase was attributable primarily to an increase in the general fund and debt proceeds held in escrow in the debt service fund being held to pay down debt.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$20,525,072 or 14.2 percent of total General Fund expenditures.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

The City of Des Moines maintains 15 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Tax Increment Fund, Capital Projects Fund, and Benefit Tax Accounts Special Revenue Fund and Franchise Fee Court Settlement Fund, all of which are considered to be major funds. Data from the other 9 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The City of Des Moines maintained six enterprise funds in fiscal year 2014. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Des Moines' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has only one type of fiduciary funds: agency funds. The total assets held in the fiduciary funds at June 30, 2014 were \$43,193,735 of which \$41,906,408 belonged to the Wastewater Reclamation Authority (WRA), an agency fund.

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Des Moines, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$947,508,091, at the close of the fiscal year ended June 30, 2014.

By far the largest portion of the City of Des Moines' net assets, \$887,926,155 or 93.71 percent, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Des Moines uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of

Des Moines' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Des Moines' Net Position

	Governmental Activities 2014	Business-type Activities 2014	Total 2014	Governmental Activities 2013	Business-type Activities 2013	Total 2013
Current and other assets	\$ 292,672,681	\$ 49,836,437	\$ 342,509,118	\$ 285,997,917	\$ 44,632,579	\$ 330,630,496
Capital assets	986,071,474	343,690,522	\$ 1,329,761,996	949,882,861	344,898,414	\$ 1,294,781,275
Total assets	<u>1,278,744,155</u>	<u>393,526,959</u>	<u>1,672,271,114</u>	<u>1,235,880,778</u>	<u>389,530,993</u>	<u>1,625,411,771</u>
Noncurrent liabilities	413,244,801	80,685,290	493,930,091	367,832,717	84,135,020	451,967,737
Other liabilities	74,432,095	12,133,387	86,565,482	110,752,674	12,807,016	123,559,690
Total liabilities	<u>487,676,896</u>	<u>92,818,677</u>	<u>580,495,573</u>	<u>478,585,391</u>	<u>96,942,036</u>	<u>575,527,427</u>
Deferred inflows of resources:						
Unavailable revenue-property taxes	<u>144,267,450</u>	<u>-</u>	<u>144,267,450</u>	<u>144,909,057</u>	<u>-</u>	<u>144,909,057</u>
Net position:						
Net investment in capital assets	614,177,213	273,748,942	887,926,155	627,843,052	254,919,414	882,762,466
Restricted	10,597,933	12,234,455	22,832,388	10,225,282	14,434,876	24,660,158
Unrestricted	22,024,663	14,724,885	36,749,548	(25,682,004)	23,234,667	(2,447,337)
Total net position	<u>\$ 646,799,809</u>	<u>\$ 300,708,282</u>	<u>\$ 947,508,091</u>	<u>\$ 612,386,330</u>	<u>\$ 292,588,957</u>	<u>\$ 904,975,287</u>

An additional portion of the City of Des Moines' net position, \$22,832,388 (2.4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* is a positive net position balance of \$36,749,548 (3.9 percent). In the business-type activities there is a positive net position balance of \$14,724,885 that may be used to meet the ongoing obligations to citizens and creditors of the business-type activities. The governmental activities funds have a positive net position balance of \$22,024,663 that may be used to meet the ongoing obligations to citizens and creditors of the governmental-type activities.

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

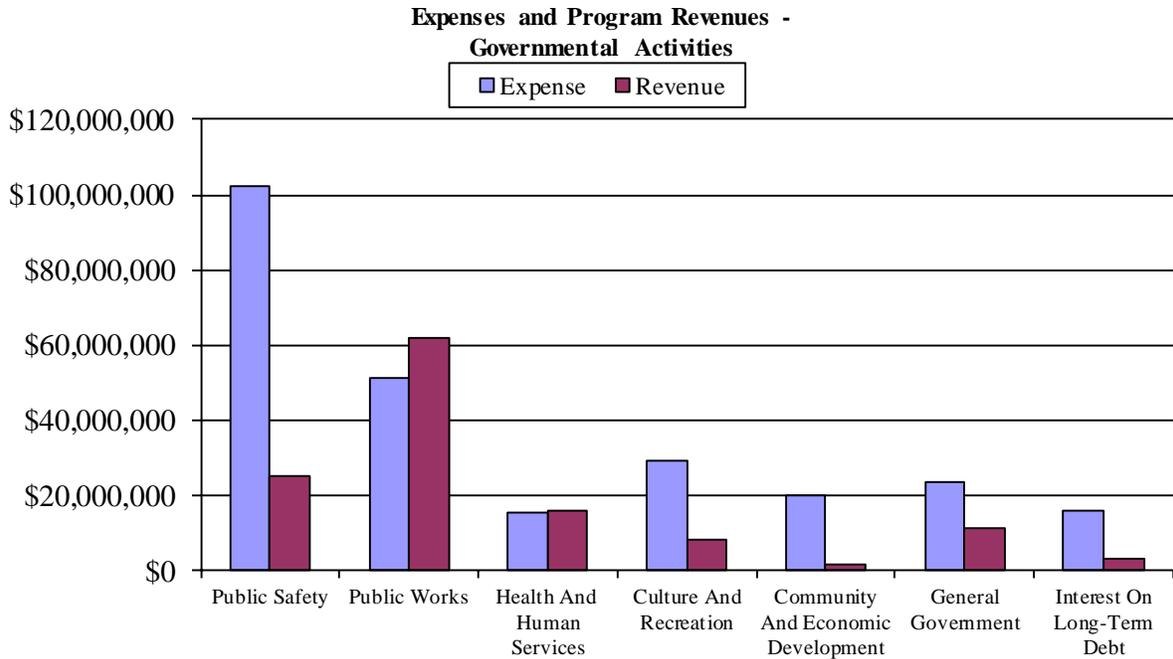
The City's total net position increased by \$42,532,804 during the current fiscal year. The governmental activities net position increased by \$34,413,479. The total business-type activities' net position increased by \$8,119,325.

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

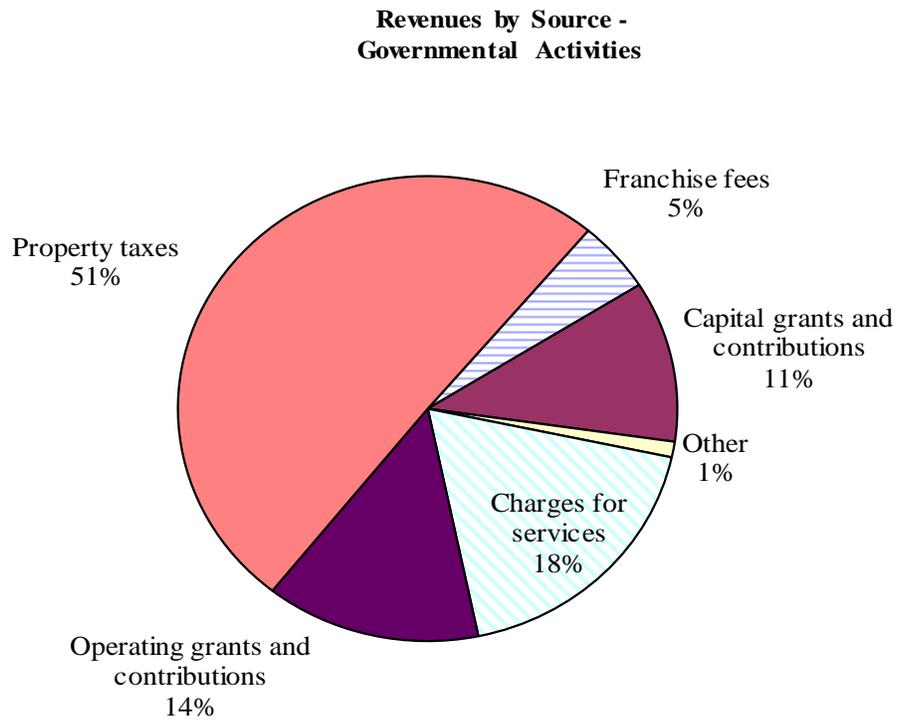
City of Des Moines' Changes in Net Position						
	Governmental Activities 2014	Business-type Activities 2014	Total 2014	Governmental Activities 2013	Business-type Activities 2013	Total 2013
Revenues:						
Program revenues:						
Charges for services	\$ 53,943,883	\$ 76,897,088	\$ 130,840,971	\$ 50,680,868	\$ 74,670,628	\$ 125,351,496
Operating grants and	40,877,195	17,901,651	58,778,846	44,139,633	18,677,807	62,817,440
Capital grants and	32,886,615	3,284,088	36,170,703	20,200,086	3,492,993	23,693,079
General revenues:						-
Property taxes	147,979,356	---	147,979,356	145,929,673	---	145,929,673
Other taxes	14,581,925	---	14,581,925	13,063,992	---	13,063,992
Other	3,126,745	761,491	3,888,236	3,881,378	457,899	4,339,277
Total revenues	<u>293,395,719</u>	<u>98,844,318</u>	<u>392,240,037</u>	<u>277,895,630</u>	<u>97,299,327</u>	<u>375,194,957</u>
Expenses:						
Public safety	102,583,945	---	102,583,945	102,611,418	---	102,611,418
Public works	51,344,028	---	51,344,028	53,399,991	---	53,399,991
Health and social services	15,696,523	---	15,696,523	19,585,129	---	19,585,129
Culture and recreation	29,431,057	---	29,431,057	29,227,384	---	29,227,384
Community and economic	19,849,605	---	19,849,605	20,399,479	---	20,399,479
General government	23,630,372	---	23,630,372	21,991,537	---	21,991,537
Interest on long-term debt	16,179,088	---	16,179,088	17,870,953	---	17,870,953
Parking facilities system	---	11,229,564	11,229,564	---	11,361,604	11,361,604
Sewer system	---	32,738,830	32,738,830	---	33,024,065	33,024,065
Stormwater utility	---	13,253,946	13,253,946	---	13,795,476	13,795,476
Golf	---	318,933	318,933	---	224,460	224,460
Solid waste	---	11,122,261	11,122,261	---	11,046,303	11,046,303
Municipal Housing Agency	---	22,329,081	22,329,081	---	23,857,284	23,857,284
Total expenses	<u>258,714,618</u>	<u>90,992,615</u>	<u>349,707,233</u>	<u>265,085,891</u>	<u>93,309,192</u>	<u>358,395,083</u>
Increase/(decrease) in net	34,681,101	7,851,703	42,532,804	12,809,739	3,990,135	16,799,874
Transfers	(267,622)	267,622	---	1,117,036	(1,117,036)	---
Increase/(decrease) in net	34,413,479	8,119,325	42,532,804	13,926,775	2,873,099	16,799,874
Net position - beginning	612,386,330	292,588,957	904,975,287	598,459,555	289,715,858	888,175,413
Net position - ending	<u>\$ 646,799,809</u>	<u>\$ 300,708,282</u>	<u>\$ 947,508,091</u>	<u>\$ 612,386,330</u>	<u>\$ 292,588,957</u>	<u>\$ 904,975,287</u>

Total governmental activities' revenue for the fiscal year was \$293,395,719 compared to \$277,895,630 in 2013. The largest single revenue source for the City was property taxes of \$147,979,356. Property taxes increased by \$2,049,683 (1.4 percent) from 2013. This increase is primarily the result of an increase to the residential rollback and the associated increase to taxable valuation (2.3 percent increase).

Certain revenues are generated that are specific to governmental program activities. These totaled \$127,707,693 in 2014 compared to \$115,020,587 in 2013. The graph below shows a comparison between the expenditures by governmental activity type and the revenues generated that are specific to those activities:

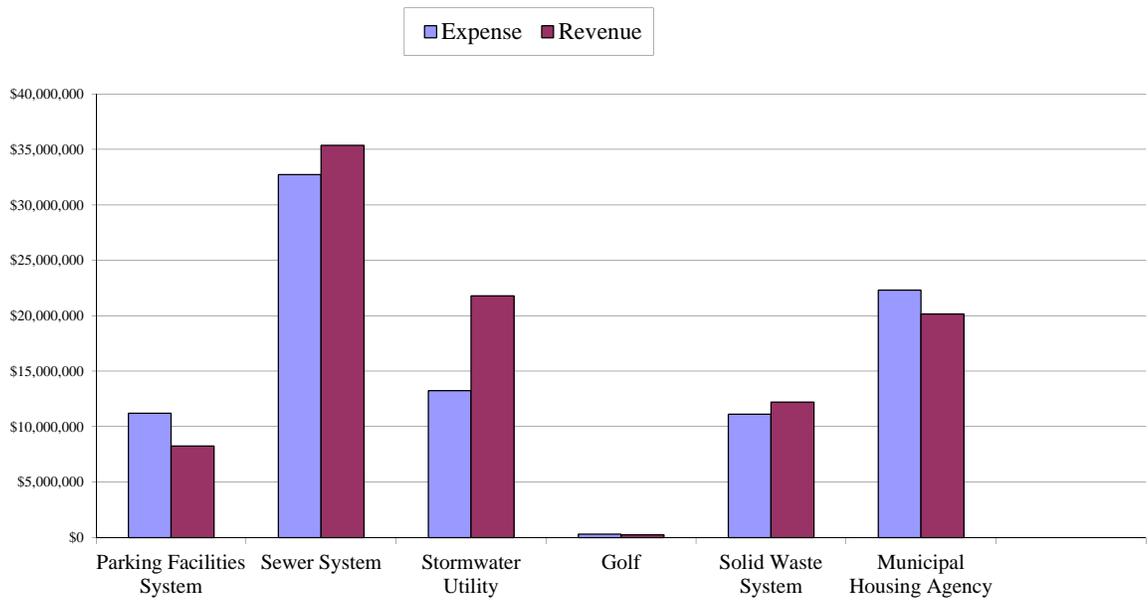


The graph below shows the percentage of the total governmental revenues allocated by each revenue type.



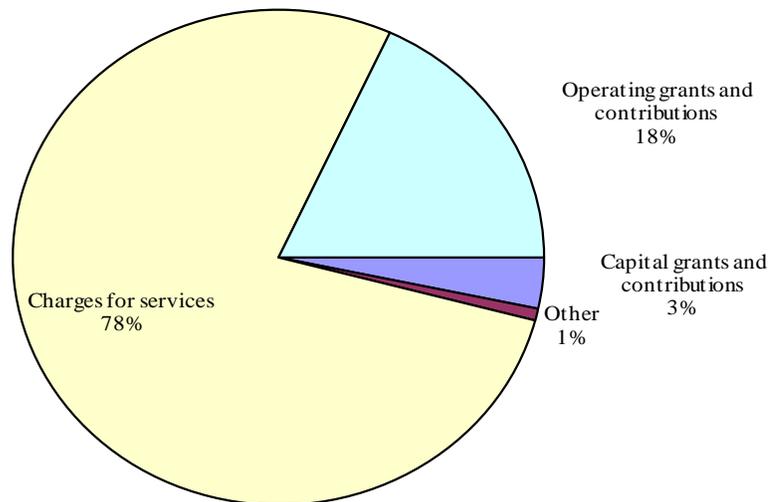
Total business-type activities' revenue for the fiscal year was \$98,844,318 compared to \$97,229,327 in 2013. All but \$761,491 and \$457,899 of this revenue was generated for specific business-type activity expenses in 2014 and 2013, respectively. The graph on the following page shows a comparison between the business-type activity expenditures and program revenues.

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



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

**Revenues By Source -
Business-type Activities**



Business-type activities. Business-type activities increased the City of Des Moines' net position by \$8,119,325, accounting for the increase, in total, in the government's net position. Key elements of this increase are as follows:

- The Stormwater Utility increased by \$7,653,076 and the Sewer System increased by \$3,418,089.
- The increase was partially offset by decreases in net position of the Parking System (decrease of \$1,895,352) and the Municipal Housing Agency (decrease of \$1,989,199).

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of Des Moines' governmental funds reported combined ending fund balances of \$74,527,463, an increase of \$5,154,229 in comparison with the prior year. The increase was related to an increase of fund balance in the general fund of \$2,608,465, an increase of fund balance in the debt service fund of \$915,061, an increase of fund balance in the tax increment fund of \$513,018, and an increase of \$6,500,223 in the other governmental funds. These increases for the fiscal year was partially offset by a decrease of fund balance in the capital projects fund and the benefits tax account fund. Fund balance identified as nonspendable totaled \$12,268,674. There were restrictions of \$8,997,706 on the governmental fund balance. Committed fund balance totaled \$32,883,290, and unassigned fund balance totaled \$20,377,793. See footnote 19 for a further breakdown of the classifications of the governmental fund balance.

The General Fund is the chief operating fund of the City of Des Moines. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$20,525,072, while total fund balance was \$28,903,472. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 14.2 percent of total General Fund expenditures, while total fund balance represents 20 percent of that same amount.

The fund balance of the City of Des Moines' General Fund increased by \$2,608,465 during the current fiscal year.

The Debt Service Fund has a total fund balance of \$1,330,845. The net increase in fund balance during the current year in the Debt Service Fund was \$915,061.

The Tax Increment Fund (TIF) has a total fund balance of \$87,772. The net increase in fund balance during the current year in the Tax Increment Fund was \$513,018, which covered the prior year's deficit. The prior year's deficit was due to the timing of planned developer payments preceding available tax increment revenue that was collected in the following fiscal year.

The Capital Projects Fund has a total fund balance of \$32,165,903. The net decrease in fund balance during the current year in the Capital Projects Fund was \$5,396,993. This decrease was due to the timing and rate of expenditures for capital projects during the construction season that spans primarily from May through October. The unspent fund balance will be expended in projects in the subsequent year.

The Benefit Tax Accounts Special Revenue Fund had a total fund balance of \$119,158 at the end of 2014.

A new special revenue fund, Franchise Fee Court Settlement fund, was set up in fiscal 2014 to account for City transactions related to a court ruling. A lawsuit, which became a class action suit, was made against the City for charging franchise fees. The court ruled a portion of the utility fee received by Des Moines between September 2004 and May 2009 had to be returned to those who paid the fee because the City's costs of regulating the gas and electrical utilities were less than the amount collected. To pay the judgment, the City issued general obligation bonds. On March 4, 2014 Des Moines voters approved a referendum to raise the franchise fee by 2.5% for about a 7 year period to pay the debt. At the end of the fiscal year, there was a fund balance in this fund of \$107,907. The fund balance at June 30, 2014 will also be used to pay down the debt.

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

Unrestricted net position of the Stormwater Utility were \$4,499,510; those for the Parking Facility System were \$2,695,711; the Sewer System were \$6,830,961; and those for the Municipal Housing Agency were \$819,626. Other factors concerning the

finances of these funds have already been addressed in the discussion of the City of Des Moines' business-type activities.

Capital Asset and Debt Administration

Capital assets. The City of Des Moines' investment in capital assets for its governmental and business-type activities as of June 30, 2014, amounts to \$1,329,761,996 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the City of Des Moines' investment in capital assets for the current fiscal year was 2.7 percent (a 3.8 percent increase for governmental activities, and a .4 percent decrease for business-type activities).

Major capital asset events during FY2014 included the following:

- Essentially completed the reconstruction of the Grand Avenue Bridge over the Walnut Creek at a total cost of just over \$4.5 million.
- Completed over \$1.35 million of improvements to city buildings and parks to help bring them into compliance with ADA regulations. Spent an additional \$1.38 million worth of improvements to curb ramps throughout the City. When this project is completed, the City expects to have spent more than \$16.5 million – including \$10 million towards accessible sidewalk ramps.
- Essentially completed the first phase of the Municipal Service Center at a cost of \$24 million.
- Completed construction of a 2,640 square foot, police identification processing and evidence storage facility at the Police Station at a cost of \$1.75 million.
- Substantially completed a \$2.3 million Storm Water pump station improvement project at SE 4th Street to help protect the Maury storm water sub basin.
- Spent more than \$1.8 million lining sanitary sewers throughout the City.
- Completed \$2.4 million of asphalted overlay projects using gaming funds.
- Spent more than \$20 million toward the completion of the SE Connector.

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 135,914	\$ 135,530	\$ 16,822	\$ 16,757	\$ 152,736	\$ 152,287
Buildings	161,837	159,405	98,996	99,035	260,833	258,440
Improvements other than buildings	1,049,473	993,052	337,385	267,298	1,386,858	1,260,350
Machinery and equipment	74,207	70,861	27,032	26,937	101,239	97,798
Construction in progress	130,455	124,631	37,326	97,869	167,781	222,500
Accumulated depreciation	(565,815)	(533,596)	(173,870)	(162,998)	(739,685)	(696,594)
Total	<u>\$ 986,071</u>	<u>\$ 949,883</u>	<u>\$ 343,691</u>	<u>\$ 344,898</u>	<u>\$ 1,329,762</u>	<u>\$ 1,294,781</u>

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

Long-term debt. At the end of the current fiscal year, the City of Des Moines had total bonded debt outstanding of \$483,854,000. Of this amount, \$403,325,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Des Moines' debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 370,020,000	\$ 325,770,000	\$ 33,305,000	\$ 36,090,000	\$ 403,325,000	\$ 361,860,000
Revenue bonds	31,980,000	33,505,000	48,549,000	49,310,000	80,529,000	82,815,000
Total	<u>\$ 402,000,000</u>	<u>\$ 359,275,000</u>	<u>\$ 81,854,000</u>	<u>\$ 85,400,000</u>	<u>\$ 483,854,000</u>	<u>\$ 444,675,000</u>

The City of Des Moines' total bonded debt increased by \$39,179,000 (8.8%) during the current fiscal year. The key factor in this increase was the issuance of bonds to pay the judgment levied against the City in the class action lawsuit involving the unlawful collection of franchise fees.

The City issued refunding general obligation bonds in 2014 to refund Series 2006A General Obligation Bonds and 2006B Urban Renewal General Obligation Bonds on June 1, 2014. Additional general obligation bonds were issued in the summer of 2013 to finance capital improvements.

As part of the application of a new methodology for ratings of cities by ratings agencies, the city ratings were downgraded from Aa1 to Aa2 from Moody's, and from AAA to AA+ by Standard & Poor's during the fiscal year. The action was based on new criteria and not recent performance which was stated to be strong. The ratings still reflect a high grade designation and had a stable outlook notation added. City Council's adherence to a debt management policy and proven record to address budget issues contribute to a strong rating.

The City issued Sewer Revenue Capital Loan Notes in 2014. The proceeds refunded the Series 2004G Sewer Revenue Bonds and 2004H Sewer Revenue Bonds on June 1, 2014. The Des Moines sanitary sewer system received a rating of Aa2 from Moody's Investor Services.

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total assessed valuation. The current debt limitation for the City of Des Moines is \$545,879,527, which is significantly in excess of the City of Des Moines' outstanding general obligation debt (\$403,325,000).

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

Budgetary Highlights

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

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

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

The total original FY2014 revenue budget of \$382,765,067 was decreased through an amendment to \$382,452,958 (a decrease of \$312,109). The total other financing sources and transfers original budget of \$95,821,966 was increased to \$165,459,584 an increase of \$69,637,618. This increase was mostly attributed to \$22,633,489 in estimated bond proceeds for the 2013B bond refunding and the \$40,311,022 in estimated bond proceeds for the franchise fee court settlement.

Actual revenues for FY2014 were \$384,063,305 compared to the revised budget projection of \$382,452,958, a difference of only \$1,610,347, or 0.4%.

The total original FY2014 expenditure budget of \$432,515,702 was increased through an amendment to \$512,235,599 (an increase of \$79,719,897). Estimated expenditures were increased to reflect the estimated franchise fee court settlement payment of \$40,105,722, the refunding of the outstanding general obligation bond Series 2006A and 2006B for \$21,785,000, and the re-appropriation of unspent capital project funds due to various project delays and completion timing.

Expenditures were under the revised budget in total by \$45,001,019. This underage was primary due to expenditures that were under in business-type (\$9,706,634), general government (\$2,604,870), public safety (\$6,637,608) and capital outlay (\$20,929,177). These underages were partially offset by the over budget amount in community and economic development expenditures (\$2,006,480).

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

Economic Factors and Next Year's Budgets and Rates

The outlook on the economy in Des Moines and the surrounding metropolitan area remains positive with continued growth in commercial and industrial activity. The City, in conjunction with the regional Corporation for Economic Development, the Des Moines Partnership and the Convention and Visitors Bureau, continues to work diligently to spur economic development activity within the City of Des Moines. Building permit valuations increased to \$368.4 million for the fiscal year ended June 30, 2014, compared to \$290.1 million during the previous fiscal year ended June 30, 2013. In 2014, Des Moines received many accolades including #1 “Best City for Young Professionals” from Forbes, #1 “Strongest Local Economy” from Policom, #1

“Wealthiest City in America” from the Today Show, and #1 “Best Medium-Sized Metro Area for Homeownership” from Nerdwallet.

The City of Des Moines has experienced marginal growth to the tax base in recent years. Taxable valuations in Des Moines have increased an average of 1.34% annually over the last five years but there are positive indicators of future growth. Several corporations have announced renovations, new construction, or relocation to downtown Des Moines. Several residential, mixed used, commercial, and hotel projects have just been completed, with more planned for 2015 and beyond.

As the result of state legislation, beginning in fiscal year 2015, commercial, industrial and railroad classes of property will now be subject to a rollback, at 95 percent for FY 2015, meaning a 5 percent loss in taxable valuations for commercial, industrial and railroad classes of property. The state legislature created a standing appropriation, beginning in fiscal year 2015, to reimburse local governments for the property tax reductions resulting from the new rollback for commercial and industrial property. Multi-residential property was previously taxed the same as commercial property but will now be phased down to the same rates as residential property over the next 8 years. All of this has been taken into account for the FY 2015 and for FY 2016 budget cycles.

Approximately 50 percent of all General Fund revenues are derived from property taxes. Continuous efforts are being made to both diversify revenues and implement strategic expense reductions.

The fiscal year ending June 30, 2015 Operating Budget plan includes:

- Expenditure reductions of \$681,000 from restructuring and eliminating 10 positions
- Use \$1 million in gaming revenue to pay for debt service associated with street projects
- Fee increases of \$826,000 to recover more of the actual costs associated with street excavation, cemetery, library, fire inspection, and other fees
- Allocating additional automated traffic enforcement revenues available to help pay city portion of Cops grant, school resources officer program, and special crime or investigation details.

These budget actions resulted in no change to the property tax rate of \$16.92 per \$1,000 of taxable valuation for the fiscal year ending June 30, 2015.

As part of the budget discussions in 2012, the City Council approved multi-year rate increases for the Sanitary Sewer Enterprise and the Storm Water Utility. A 9% Sanitary Sewer fee increase was approved and is scheduled for July 1, 2014 to address ongoing sewer separation requirements mandated by the federal government. A 6% Storm Water fee increase was approved and is scheduled for July 1, 2014 to address flood protection improvements. One additional year of Sanitary and Storm Water fee increases have already been approved by the Council beginning July 1, 2015 to accommodate the Federal and State mandates and critical flood mitigation improvements. No rate changes for the Parking System or the Solid Waste Enterprise were recommended as part of the fiscal year 2015 budget.

On July 1st, 2011 the City converted to a self-funded health care program with a third-party administrator for processing claims. The self-funded program has allowed the City to pay claims and build a reserve fund sufficient to meet State self-funded health insurance reserve requirements. The costs of claims has grown at a rate of less than 3% allowing for the contribution rates to remain the same over that period and for fiscal year 2015 contribution rates to decline.

Requests for Information

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

CITY OF DES MOINES, IOWA
STATEMENT OF NET POSITION
June 30, 2014

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	LIBRARY FOUNDATION	AIRPORT AUTHORITY
ASSETS					
Current assets:					
Unrestricted current assets:					
Cash and investments	\$ 71,380,044	\$ 45,357,319	\$ 116,737,363	\$ 618,677	\$ 29,077,109
Taxes receivable	147,304,831	---	147,304,831	---	---
Special assessments receivable	64,886	109,073	173,959	---	---
Accounts receivable	5,757,307	1,114,540	6,871,847	---	3,606,348
Loans receivable, current portion	425,000	---	425,000	---	---
Accrued interest receivable	52,434	---	52,434	---	---
Other receivables	---	---	---	5,000	---
Internal balances	11,701,905	(11,701,905)	---	---	---
Due from other governmental units	16,666,038	1,322,598	17,988,636	---	---
Due from component unit	1,580,000	---	1,580,000	---	---
Inventory	646,537	67,148	713,685	---	137,697
Prepaid items	1,407,363	22,322	1,429,685	---	39,102
Total unrestricted current assets	256,986,345	36,291,095	293,277,440	623,677	32,860,256
Restricted assets:					
Cash and investments	---	1,615,395	1,615,395	1,701,753	4,530,427
Interest receivable	---	1,607	1,607	---	---
Total restricted current assets	---	1,617,002	1,617,002	1,701,753	4,530,427
Total current assets	256,986,345	37,908,097	294,894,442	2,325,430	37,390,683
Noncurrent assets:					
Restricted cash and investments	---	11,924,112	11,924,112	---	3,714,191
Restricted interest receivable	---	4,228	4,228	---	---
Loans receivable, net of allowance for doubtful accounts of \$4,888,893	2,892,765	---	2,892,765	---	---
Special assessment receivables	2,622,693	---	2,622,693	---	---
Due from component unit	30,170,878	---	30,170,878	---	---
Capital assets:					
Land	135,914,453	16,822,333	152,736,786	---	---
Construction in progress	130,454,684	37,325,897	167,780,581	---	9,243,480
Buildings	161,836,865	98,995,910	260,832,775	---	218,961,121
Improvements other than buildings	1,049,472,802	337,384,991	1,386,857,793	---	159,810,290
Machinery and equipment	74,207,496	27,031,472	101,238,968	---	17,187,615
Accumulated depreciation	(565,814,826)	(173,870,081)	(739,684,907)	---	(191,259,647)
Total capital assets	986,071,474	343,690,522	1,329,761,996	---	213,942,859
Total noncurrent assets	1,021,757,810	355,618,862	1,377,376,672	---	217,657,050
Total assets	\$ 1,278,744,155	\$ 393,526,959	\$ 1,672,271,114	\$ 2,325,430	\$ 255,047,733
Deferred Outflows of Resources					
Loss on refunding debt	---	---	---	---	134,559

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

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	LIBRARY FOUNDATION	AIRPORT AUTHORITY
LIABILITIES					
Liabilities:					
Current liabilities:					
Accounts payable	\$ 7,204,222	\$ 959,781	\$ 8,164,003	\$ ---	\$ 1,118,550
Contracts payable	6,815,606	561,899	7,377,505	---	390,804
Accrued wages payable	3,372,706	364,365	3,737,071	52,817	36,631
Accrued employee benefits	21,971,752	1,181,864	23,153,616	---	158,973
Due to signatory airlines	---	---	---	---	3,421,086
Good faith, tenant, security deposits	1,392,631	103,223	1,495,854	---	276,757
Accrued interest payable	1,983,416	231,827	2,215,243	---	184,611
Due to primary government	---	---	---	---	1,525,000
Notes payable	730,700	762,645	1,493,345	---	7,359
Revenue bonds payable	1,580,000	5,078,333	6,658,333	---	---
General obligation bonds payable	29,340,000	2,360,000	31,700,000	---	---
Section 108 loan payable	27,000	---	27,000	---	---
Unearned revenue	14,062	13,416	27,478	---	---
Capital leases payable	---	---	---	---	---
Total	74,432,095	11,617,353	86,049,448	52,817	7,119,771
Current liabilities payable from restricted assets:					
Revenue bonds payable	---	461,667	461,667	---	---
Accrued interest payable	---	54,367	54,367	---	---
Total current liabilities payable from restricted assets	---	516,034	516,034	---	---
Total current liabilities	74,432,095	12,133,387	86,565,482	52,817	7,119,771
Noncurrent liabilities:					
Accrued employee benefits	11,397,663	1,704,716	13,102,379	---	313,083
Other post retirement benefits	5,393,246	774,369	6,167,615	---	293,897
Other liabilities, claims and judgments	283,000	204,182	487,182	---	---
Due to primary government	---	---	---	---	32,651,920
Notes payable	2,665,656	595,378	3,261,034	---	---
General obligation bonds payable, net	354,885,358	32,258,703	387,144,061	---	---
Revenue bonds payable, net	30,170,878	45,147,942	75,318,820	---	10,945,000
Section 108 loan payable	8,449,000	---	8,449,000	---	---
Total noncurrent liabilities	413,244,801	80,685,290	493,930,091	---	44,203,900
Total liabilities	487,676,896	92,818,677	580,495,573	52,817	51,323,671
DEFERRED INFLOWS OF RESOURCES					
Property taxes	144,267,450	---	144,267,450	---	---
NET POSITION					
Net investment in capital assets	614,177,213	273,748,942	887,926,155	---	168,818,492
Restricted:					
Public housing program	---	7,215,809	7,215,809	---	---
Debt retirement	---	5,018,646	5,018,646	---	8,244,618
Corpus non-expendable permanent	3,481,043	---	3,481,043	1,117,774	---
Donor restricted temporary	932,213	---	932,213	700,879	---
Capital projects	888,328	---	888,328	---	---
Public works	1,817,452	---	1,817,452	---	---
Culture and recreation	1,815,120	---	1,815,120	---	---
Other restricted assets	1,663,777	---	1,663,777	---	---
Unrestricted	22,024,663	14,724,885	36,749,548	453,960	26,795,511
Total net position	\$ 646,799,809	\$ 300,708,282	\$ 947,508,091	\$ 2,272,613	\$ 203,858,621

CITY OF DES MOINES
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2014

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SALES AND SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Primary government:				
Governmental activities:				
Public safety	\$ 102,583,945	\$ 19,420,273	\$ 1,244,125	\$ 4,355,332
Public works	51,344,028	16,278,364	20,621,045	25,284,550
Health and social services	15,696,523	861,606	15,336,088	6,329
Culture and recreation	29,431,057	5,284,120	111,905	2,931,224
Community and economic development	19,849,605	1,285,139	66,074	250,000
General government	23,630,372	10,814,381	304,870	59,180
Interest on long-term debt	16,179,088	---	3,193,088	---
Total governmental activities	<u>258,714,618</u>	<u>53,943,883</u>	<u>40,877,195</u>	<u>32,886,615</u>
Business-type activities:				
Parking facilities system	11,229,564	8,256,025	---	---
Sewer system	32,738,830	34,874,030	---	498,357
Stormwater utility	13,253,946	19,624,449	---	2,172,789
Golf	318,933	251,752	---	6,000
Solid waste system	11,122,261	12,222,678	---	---
Municipal Housing Agency	22,329,081	1,668,154	17,901,651	606,942
Total business-type activities	<u>90,992,615</u>	<u>76,897,088</u>	<u>17,901,651</u>	<u>3,284,088</u>
Total primary government	<u>\$ 349,707,233</u>	<u>\$ 130,840,971</u>	<u>\$ 58,778,846</u>	<u>\$ 36,170,703</u>
Component unit, Des Moines Public Library Foundation				
	<u>\$ 336,378</u>	<u>\$ ---</u>	<u>\$ 254,498</u>	<u>\$ ---</u>
Component unit, Des Moines Airport Authority				
	<u>\$ 38,038,237</u>	<u>\$ 30,482,852</u>	<u>\$ 6,198,594</u>	<u>\$ 4,607,816</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Franchise taxes				
Investment earnings				
Miscellaneous				
Gain on disposal of capital assets				
Transfers - internal activities				
Total general revenues and transfers				
Change in net position				
Net position, beginning				
Net position, ending				

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

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION

PRIMARY GOVERNMENT			COMPONENT UNIT	
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	LIBRARY FOUNDATION	AIRPORT AUTHORITY
\$ (77,564,215)	\$ ---	\$ (77,564,215)	\$ ---	\$ ---
10,839,931	---	10,839,931	---	---
507,500	---	507,500	---	---
(21,103,808)	---	(21,103,808)	---	---
(18,248,392)	---	(18,248,392)	---	---
(12,451,941)	---	(12,451,941)	---	---
(12,986,000)	---	(12,986,000)	---	---
<u>(131,006,925)</u>	<u>---</u>	<u>(131,006,925)</u>	<u>---</u>	<u>---</u>
---	(2,973,539)	(2,973,539)	---	---
---	2,633,557	2,633,557	---	---
---	8,543,292	8,543,292	---	---
---	(61,181)	(61,181)	---	---
---	1,100,417	1,100,417	---	---
---	(2,152,334)	(2,152,334)	---	---
<u>---</u>	<u>7,090,212</u>	<u>7,090,212</u>	<u>---</u>	<u>---</u>
\$ (131,006,925)	\$ 7,090,212	\$ (123,916,713)	\$ ---	\$ ---
			<u>\$ (81,880)</u>	
				<u>\$ 3,251,025</u>
118,165,946	---	118,165,946	---	---
29,813,410	---	29,813,410	---	---
14,581,925	---	14,581,925	---	---
2,328,387	621,051	2,949,438	230,816	---
21,343	---	21,343	45,856	---
777,015	140,440	917,455	---	---
(267,622)	267,622	---	---	---
<u>165,420,404</u>	<u>1,029,113</u>	<u>166,449,517</u>	<u>276,672</u>	<u>---</u>
34,413,479	8,119,325	42,532,804	194,792	3,251,025
<u>612,386,330</u>	<u>292,588,957</u>	<u>904,975,287</u>	<u>2,077,821</u>	<u>200,607,596</u>
<u>\$ 646,799,809</u>	<u>\$ 300,708,282</u>	<u>\$ 947,508,091</u>	<u>\$ 2,272,613</u>	<u>\$ 203,858,621</u>

CITY OF DES MOINES, IOWA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

<u>ASSETS</u>	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>TAX INCREMENT</u>
Cash and investments	\$ 18,095,239	\$ 1,023,274	\$ ---
Taxes receivable	56,382,942	29,035,122	27,595,028
Accounts receivable	5,110,102	22,230	---
Loans receivable, net of allowance for doubtful accounts	---	---	---
Accrued interest receivable	19,272	---	---
Due from other funds	468,951	239,753	---
Due from other governmental units	1,129,988	---	---
Advance to other funds	7,021,547	---	---
Special assessment receivables	28,668	---	---
Inventory	---	---	---
Prepaid items	1,071,375	---	---
Total assets	\$ 89,328,084	\$ 30,320,379	\$ 27,595,028
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,304,302	\$ ---	\$ ---
Contracts payable	---	---	---
Accrued wages payable	2,571,235	---	---
Accrued employee benefits	---	---	---
Due to other funds	100,512	---	143,623
Due to other governmental units	---	---	---
Good faith, security deposits	969,125	297,450	---
Total liabilities	5,945,174	297,450	143,623
Deferred inflows of resources:			
Unavailable revenue - property taxes	54,269,348	28,692,084	27,363,633
Unavailable revenue - intergovernmental	210,090	---	---
Unavailable revenue - special assessments	---	---	---
Total deferred inflows of resources	54,479,438	28,692,084	27,363,633
Fund balances:			
Nonspendable	8,092,922	---	---
Restricted	285,478	1,330,845	87,772
Committed	---	---	---
Unassigned	20,525,072	---	---
Total fund balances	28,903,472	1,330,845	87,772
Total liabilities, deferred inflows of resources and fund balances	\$ 89,328,084	\$ 30,320,379	\$ 27,595,028

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

<u>BENEFIT TAX ACCOUNTS</u>	<u>FRANCHISE FEE COURT SETTLEMENT</u>	<u>CAPITAL PROJECTS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ ---	\$ 107,907	\$ 31,313,606	\$ 7,618,661	\$ 58,158,687
23,278,351	---	---	10,997,786	147,289,229
---	---	30,164	587,591	5,750,087
---	---	---	3,317,765	3,317,765
---	---	---	33,162	52,434
118,687	---	4,641,118	305,448	5,773,957
---	---	6,602,765	8,933,285	16,666,038
---	---	---	---	7,021,547
---	---	2,622,693	36,218	2,687,579
---	---	---	409,011	409,011
---	---	73,747	211,951	1,357,073
<u>\$ 23,397,038</u>	<u>\$ 107,907</u>	<u>\$ 45,284,093</u>	<u>\$ 32,450,878</u>	<u>\$ 248,483,407</u>
\$ ---	\$ ---	\$ 1,973,387	\$ 1,885,098	\$ 6,162,787
---	---	6,815,606	---	6,815,606
---	---	121,157	579,382	3,271,774
---	---	---	458,532	458,532
243,837	---	---	4,612,900	5,100,872
---	---	---	---	---
---	---	1,000	125,056	1,392,631
<u>243,837</u>	<u>---</u>	<u>8,911,150</u>	<u>7,660,968</u>	<u>23,202,202</u>
23,034,043	---	---	10,867,965	144,227,073
---	---	1,584,347	2,109,539	3,903,976
---	---	2,622,693	---	2,622,693
<u>23,034,043</u>	<u>---</u>	<u>4,207,040</u>	<u>12,977,504</u>	<u>150,753,742</u>
---	---	73,747	4,102,005	12,268,674
119,158	107,907	888,328	6,178,218	8,997,706
---	---	31,203,828	1,679,462	32,883,290
---	---	---	(147,279)	20,377,793
<u>119,158</u>	<u>107,907</u>	<u>32,165,903</u>	<u>11,812,406</u>	<u>74,527,463</u>
<u>\$ 23,397,038</u>	<u>\$ 107,907</u>	<u>\$ 45,284,093</u>	<u>\$ 32,450,878</u>	<u>\$ 248,483,407</u>



CITY OF DES MOINES, IOWA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2014

Total governmental fund balances \$ 74,527,463

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. 981,958,504

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the governmental funds balance sheet. 6,486,292

Long-term receivables are not available to pay for current-period expenditures, and therefore, are not reported in the funds; Due from component unit. 31,750,878

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

Capital assets, net of accumulated depreciation	4,112,970
Other current assets	13,630,078
Other current liabilities	(2,941,360)
Noncurrent liabilities	(530,810)
	<u>14,270,878</u>

Internal service funds allocated to business-type activities 3,987,896

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

Unamortized premium cost	(14,348,080)
Unamortized discount	142,722
Accrued employee benefits	(30,858,692)
Other accrued post retirement benefits	(5,208,402)
Accrued interest payable	(1,983,416)
Notes payable	(3,396,356)
Section 108 loans payable	(8,476,000)
General obligation bonds payable	(370,020,000)
Other liabilities, claims and judgments	(283,000)
Revenue bonds payable, net of discount of \$229,122	(31,750,878)
	<u>(466,182,102)</u>

Net position of governmental activities \$ 646,799,809

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

CITY OF DES MOINES, IOWA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2014

	GENERAL	DEBT SERVICE	TAX INCREMENT
Revenues:			
Taxes	\$ 58,217,747	\$ 29,813,410	\$ 28,284,271
Franchise fees	14,581,925	---	---
Licenses and permits	3,745,833	---	---
Fines and forfeitures	5,729,891	---	---
Charges for sales and services	17,347,529	---	399
Use of money and property	1,169,228	22,230	472,042
Miscellaneous	16,067,487	306,187	---
Intergovernmental	1,679,599	3,193,088	250,000
Total revenue	<u>118,539,239</u>	<u>33,334,915</u>	<u>29,006,712</u>
Expenditures:			
Current:			
Public safety	95,900,032	---	---
Public works	8,300,553	---	---
Health and social services	364,434	---	---
Culture and recreation	19,982,841	---	---
Community and economic development	5,345,271	---	10,808,725
General government	13,911,869	344,511	---
Capital outlay	622,918	---	---
Debt service:			
Principal retirement	---	54,774,799	211,500
Interest and fiscal charges	---	16,883,404	439,269
Total expenditures	<u>144,427,918</u>	<u>72,002,714</u>	<u>11,459,494</u>
Excess (deficiency) of revenues over expenditures	<u>(25,888,679)</u>	<u>(38,667,799)</u>	<u>17,547,218</u>
Other financing sources (uses):			
Transfers in	31,490,120	15,589,632	444,218
General obligation bonds issued	---	58,140,000	---
Premium on bond issue	---	1,998,228	---
Transfers out	(3,105,200)	(36,145,000)	(17,658,418)
Proceeds from damage claims	33,037	---	---
Proceeds from capital asset sale	79,187	---	180,000
Total other financing sources (uses)	<u>28,497,144</u>	<u>39,582,860</u>	<u>(17,034,200)</u>
Net change in fund balances	2,608,465	915,061	513,018
Fund balances (deficits), beginning of year, as restated	<u>26,295,007</u>	<u>415,784</u>	<u>(425,246)</u>
Fund balances, end of year	<u>\$ 28,903,472</u>	<u>\$ 1,330,845</u>	<u>\$ 87,772</u>

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

<u>BENEFIT TAX ACCOUNTS</u>	<u>FRANCHISE FEE COURT SETTLEMENT</u>	<u>CAPITAL PROJECTS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 20,569,927	\$ ---	\$ ---	\$ 11,094,001	\$ 147,979,356
---	---	---	---	14,581,925
---	---	---	141,666	3,887,499
---	---	---	65,357	5,795,248
---	---	189,240	1,798,886	19,336,054
---	127	98,973	565,787	2,328,387
---	---	1,381,410	1,945,162	19,700,246
---	---	26,284,843	42,985,334	74,392,864
<u>20,569,927</u>	<u>127</u>	<u>27,954,466</u>	<u>58,596,193</u>	<u>288,001,579</u>
---	---	45,684	2,440,880	98,386,596
---	---	560,539	21,003,073	29,864,165
---	---	---	15,322,781	15,687,215
---	---	697,811	606,080	21,286,732
---	---	2,165,477	1,397,503	19,716,976
---	40,105,722	325,366	4,034,659	58,722,127
---	---	67,175,579	501,731	68,300,228
---	---	75,332	---	55,061,631
---	361,979	---	---	17,684,652
---	<u>40,467,701</u>	<u>71,045,788</u>	<u>45,306,707</u>	<u>384,710,322</u>
<u>20,569,927</u>	<u>(40,467,574)</u>	<u>(43,091,322)</u>	<u>13,289,486</u>	<u>(96,708,743)</u>
---	---	37,462,140	3,092,953	88,079,063
---	38,830,000	---	---	96,970,000
---	1,745,481	---	---	3,743,709
(20,900,753)	---	(49,562)	(10,487,752)	(88,346,685)
---	---	281,751	53,310	368,098
---	---	---	789,600	1,048,787
<u>(20,900,753)</u>	<u>40,575,481</u>	<u>37,694,329</u>	<u>(6,551,889)</u>	<u>101,862,972</u>
<u>(330,826)</u>	<u>107,907</u>	<u>(5,396,993)</u>	<u>6,737,597</u>	<u>5,154,229</u>
<u>449,984</u>	<u>---</u>	<u>37,562,896</u>	<u>5,074,809</u>	<u>69,373,234</u>
<u>\$ 119,158</u>	<u>\$ 107,907</u>	<u>\$ 32,165,903</u>	<u>\$ 11,812,406</u>	<u>\$ 74,527,463</u>

CITY OF DES MOINES, IOWA
RECONCILIATION OF THE CHANGE IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2014

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

Net change in fund balances: Total governmental funds \$ 5,154,229

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

Capital outlay	68,297,572
Depreciation	(34,755,591)
	33,541,981

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

Proceeds from the sale of capital assets	(1,048,787)
Gain from sale of capital assets	708,481
Capital assets contributed by private sources	3,715,427
	3,375,121

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

Current period payments	(1,525,000)
Amortization of discount on receivable	27,972
	(1,497,028)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (435,865)

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

Amortization of premium	2,180,319
Long-term debt issued, including premiums of \$3,743,709	(100,713,709)
Repayment of long-term debt principal	55,061,631
Interest	(625,498)
Amortization of discount on general obligation bonds	(21,285)
Amortization of discount on revenue bonds	(27,972)
	<u>(44,146,514)</u>

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

Accrued employee benefits	(2,443,033)
Other accrued post retirement benefits	(967,570)
Claims and judgments	<u>39,846,642</u>
	36,436,039

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

Change in internal service fund allocations to business-type activities	1,747,780
	<u>237,736</u>

Change in net position of governmental activities	<u><u>\$ 34,413,479</u></u>
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The notes to the financial statements are an integral part of this statement.

CITY OF DES MOINES, IOWA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

<u>ASSETS</u>	<u>PARKING</u>	<u>SEWER SYSTEM</u>	<u>STORMWATER UTILITY</u>
Current assets:			
Unrestricted current assets:			
Cash and investments	\$ 7,191,770	\$ 14,555,347	\$ 13,868,518
Taxes receivable	---	---	---
Accounts receivable	51,938	431,475	227,097
Special assessments receivable	---	28,986	24,872
Due from other funds	---	---	---
Due from other governmental units	11,344	83,332	683,693
Inventory	---	---	---
Prepaid items	---	642	1,918
Total unrestricted current assets	<u>7,255,052</u>	<u>15,099,782</u>	<u>14,806,098</u>
Restricted current assets:			
Cash and investments	---	540,783	323,719
Interest receivable	---	1,607	---
Total restricted current assets	<u>---</u>	<u>542,390</u>	<u>323,719</u>
Total current assets	<u>7,255,052</u>	<u>15,642,172</u>	<u>15,129,817</u>
Noncurrent assets:			
Restricted cash and investments	---	1,785,758	3,673,438
Restricted interest receivable	---	---	4,228
Capital assets			
Land	12,970,647	1,311,076	949,553
Construction in progress	2,007,584	14,601,426	19,006,803
Buildings	65,353,025	573,492	---
Improvements other than buildings	34,740,555	172,123,581	121,191,059
Machinery and equipment	1,148,917	6,426,830	3,821,975
Accumulated depreciation	<u>(62,739,158)</u>	<u>(53,487,100)</u>	<u>(14,223,097)</u>
Total capital assets, net of accumulated depreciation	<u>53,481,570</u>	<u>141,549,305</u>	<u>130,746,293</u>
Total noncurrent assets	<u>53,481,570</u>	<u>143,335,063</u>	<u>134,423,959</u>
Total assets	<u>\$ 60,736,622</u>	<u>\$ 158,977,235</u>	<u>\$ 149,553,776</u>

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
\$ 1,653,476	\$ 8,088,208	\$ 45,357,319	\$ 13,221,357
---	---	---	15,602
97,478	306,552	1,114,540	7,220
---	55,215	109,073	---
---	---	---	98,083
544,229	---	1,322,598	---
67,148	---	67,148	237,526
19,762	---	22,322	50,290
<u>2,382,093</u>	<u>8,449,975</u>	<u>47,993,000</u>	<u>13,630,078</u>
750,893	---	1,615,395	---
---	---	1,607	---
<u>750,893</u>	<u>---</u>	<u>1,617,002</u>	<u>---</u>
<u>3,132,986</u>	<u>8,449,975</u>	<u>49,610,002</u>	<u>13,630,078</u>
6,464,916	---	11,924,112	---
---	---	4,228	---
1,467,560	123,497	16,822,333	---
1,710,084	---	37,325,897	---
31,595,174	1,474,219	98,995,910	---
5,846,153	3,483,643	337,384,991	---
1,439,164	14,194,586	27,031,472	34,649,320
<u>(30,279,658)</u>	<u>(13,141,068)</u>	<u>(173,870,081)</u>	<u>(30,536,350)</u>
<u>11,778,477</u>	<u>6,134,877</u>	<u>343,690,522</u>	<u>4,112,970</u>
<u>18,243,393</u>	<u>6,134,877</u>	<u>355,618,862</u>	<u>4,112,970</u>
<u>\$ 21,376,379</u>	<u>\$ 14,584,852</u>	<u>\$ 405,228,864</u>	<u>\$ 17,743,048</u>

(continued)

CITY OF DES MOINES, IOWA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
June 30, 2014

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>PARKING</u>	<u>SEWER SYSTEM</u>	<u>STORMWATER UTILITY</u>
LIABILITIES			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 360,812	\$ 120,468	\$ 81,633
Contracts payable	24,264	47,087	490,548
Accrued wages payable	24,597	79,783	120,685
Accrued employee benefits	82,574	241,850	363,758
Due to other funds	374,499	---	---
Tenant security deposits	---	---	---
Notes payable	---	159,551	222,918
Accrued interest payable	18,750	128,795	83,095
Revenue bonds payable	---	2,424,583	2,653,750
General obligation bonds payable	1,800,000	100,000	460,000
Unearned revenue	---	---	---
Total	2,685,496	3,302,117	4,476,387
Current liabilities payable from restricted assets:			
Revenue bonds payable	---	220,417	241,250
Accrued interest payable	---	30,038	24,329
Total current liabilities payable from restricted assets	---	250,455	265,579
Total current liabilities	2,685,496	3,552,572	4,741,966
Noncurrent liabilities:			
Accrued employee benefits	133,175	390,057	586,673
Other postemployment benefits	56,808	194,036	180,223
Advance from other funds	3,483,862	---	---
Notes payable	---	595,378	---
Revenue bonds payable, net	---	18,927,482	26,220,460
General obligation bonds payable, net	9,768,751	12,487,146	10,002,806
Other liabilities	---	---	150
Total noncurrent liabilities	13,442,596	32,594,099	36,990,312
Total liabilities	16,128,092	36,146,671	41,732,278
NET POSITION			
Net investment in capital assets	41,912,819	114,213,255	100,089,690
Restricted:			
Public housing program	---	---	---
Housing assistance payments	---	---	---
Debt retirement	---	1,786,348	3,232,298
Unrestricted	2,695,711	6,830,961	4,499,510
Total net position	\$ 44,608,530	\$ 122,830,564	\$ 107,821,498

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

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
MUNICIPAL	OTHER	TOTAL	ACTIVITIES
HOUSING	ENTERPRISE	ENTERPRISE	INTERNAL
AGENCY	FUNDS	FUNDS	SERVICE
			FUNDS
\$ 314,386	\$ 82,482	\$ 959,781	\$ 1,041,435
---	---	561,899	---
43,672	95,628	364,365	100,932
234,937	258,745	1,181,864	1,706,225
317,963	---	692,462	78,706
103,223	---	103,223	---
---	380,176	762,645	---
---	1,187	231,827	---
---	---	5,078,333	---
---	---	2,360,000	---
13,416	---	13,416	14,062
<u>1,027,597</u>	<u>818,218</u>	<u>12,309,815</u>	<u>2,941,360</u>
---	---	461,667	---
---	---	54,367	---
---	---	516,034	---
<u>1,027,597</u>	<u>818,218</u>	<u>12,825,849</u>	<u>2,941,360</u>
177,504	417,307	1,704,716	345,966
153,334	189,968	774,369	184,844
---	3,537,685	7,021,547	---
---	---	595,378	---
---	---	45,147,942	---
---	---	32,258,703	---
204,032	---	204,182	---
<u>534,870</u>	<u>4,144,960</u>	<u>87,706,837</u>	<u>530,810</u>
<u>1,562,467</u>	<u>4,963,178</u>	<u>100,532,686</u>	<u>3,472,170</u>
11,778,477	5,754,701	273,748,942	4,112,970
6,464,916	---	6,464,916	---
750,893	---	750,893	---
---	---	5,018,646	---
819,626	3,866,973	18,712,781	10,157,908
<u>\$ 19,813,912</u>	<u>\$ 9,621,674</u>	<u>\$ 304,696,178</u>	<u>\$ 14,270,878</u>



CITY OF DES MOINES, IOWA
RECONCILIATION OF ENTERPRISE FUNDS NET POSITION
TO THE STATEMENT OF NET POSITION
June 30, 2014

Total enterprise funds net position \$ 304,696,178

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

Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. (3,987,896)

Net position of business-type activities \$ 300,708,282

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

CITY OF DES MOINES, IOWA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2014

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>PARKING</u>	<u>SEWER SYSTEM</u>	<u>STORMWATER UTILITY</u>
Operating revenues:			
Charges for sales and services	\$ 8,250,946	\$ 34,728,116	\$ 19,473,957
Operating grants	---	---	---
Miscellaneous	---	145,914	150,492
Total operating revenues	<u>8,250,946</u>	<u>34,874,030</u>	<u>19,624,449</u>
Operating expenses:			
Personal services	1,177,959	4,291,866	5,519,809
Contractual services	5,863,311	18,744,442	2,189,648
Commodities	347,099	426,591	299,075
Depreciation	3,502,155	3,549,993	2,307,248
Other charges	157,003	5,444,590	2,613,245
Total operating expenses	<u>11,047,527</u>	<u>32,457,482</u>	<u>12,929,025</u>
Operating income (loss)	<u>(2,796,581)</u>	<u>2,416,548</u>	<u>6,695,424</u>
Non-operating revenues (expenses):			
Gain/(loss) on disposal of capital assets	1,925	---	---
Investment earnings	13,237	442,177	148,483
Proceeds from damage claims	5,079	---	---
Interest expense and fiscal charges	(181,617)	(255,133)	(252,497)
Total nonoperating revenues (expenses)	<u>(161,376)</u>	<u>187,044</u>	<u>(104,014)</u>
Income (loss) before capital grants, contributions and transfers	(2,957,957)	2,603,592	6,591,410
Capital grants and contributions	---	498,357	2,172,789
Transfers in	1,082,605	316,140	34,562
Transfers out	(20,000)	---	(1,145,685)
Change in net position	(1,895,352)	3,418,089	7,653,076
Total net position - beginning	<u>46,503,882</u>	<u>119,412,475</u>	<u>100,168,422</u>
Total net position - ending	<u>\$ 44,608,530</u>	<u>\$ 122,830,564</u>	<u>\$ 107,821,498</u>

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

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	ACTIVITIES INTERNAL SERVICE FUNDS
\$ 1,668,154	\$ 12,376,106	\$ 76,497,279	\$ 39,666,261
17,901,651	---	17,901,651	---
---	98,324	394,730	20,007
<u>19,569,805</u>	<u>12,474,430</u>	<u>94,793,660</u>	<u>39,686,268</u>
3,733,963	4,698,827	19,422,424	5,046,081
16,908,518	5,005,534	48,711,453	25,056,287
---	241,919	1,314,684	6,447,582
1,688,801	816,829	11,865,026	1,385,491
---	504,442	8,719,280	71,581
<u>22,331,282</u>	<u>11,267,551</u>	<u>90,032,867</u>	<u>38,007,022</u>
<u>(2,761,477)</u>	<u>1,206,879</u>	<u>4,760,793</u>	<u>1,679,246</u>
159,276	(20,761)	140,440	68,534
6,060	11,094	621,051	---
---	---	5,079	---
---	(32,765)	(722,012)	---
<u>165,336</u>	<u>(42,432)</u>	<u>44,558</u>	<u>68,534</u>
(2,596,141)	1,164,447	4,805,351	1,747,780
606,942	6,000	3,284,088	---
---	---	1,433,307	---
---	---	(1,165,685)	---
<u>(1,989,199)</u>	<u>1,170,447</u>	<u>8,357,061</u>	<u>1,747,780</u>
<u>21,803,111</u>	<u>8,451,227</u>	<u>296,339,117</u>	<u>12,523,098</u>
<u>\$ 19,813,912</u>	<u>\$ 9,621,674</u>	<u>\$ 304,696,178</u>	<u>\$ 14,270,878</u>



CITY OF DES MOINES, IOWA
RECONCILIATION OF THE CHANGE IN NET POSITION OF
ENTERPRISE FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2014

Net changes in net position in enterprise funds \$ 8,357,061

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

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

(237,736)

Change in net position of business-type activities \$ 8,119,325

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

CITY OF DES MOINES, IOWA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2014

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	<u>PARKING</u>	<u>SEWER SYSTEM</u>	<u>STORMWATER UTILITY</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 8,216,126	\$ 34,542,146	\$ 19,036,896
Receipts from interfund services provided	---	---	---
Payments to suppliers	(6,593,217)	(24,594,145)	(5,203,032)
Payments to employees	(1,130,695)	(4,244,807)	(5,457,508)
Receipts from miscellaneous revenue	---	145,914	150,492
Proceeds from damage claims	5,079	---	---
Payments for interfund services used	---	---	---
Net cash provided by (used in) operating activities	<u>497,293</u>	<u>5,849,108</u>	<u>8,526,848</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Proceeds from interfund accounts	---	---	---
Payments to interfund accounts	(372,041)	---	---
Transfers In	1,082,605	316,140	34,562
Transfers Out	(20,000)	---	(1,145,685)
Intergovernmental receipts	---	---	---
Net cash provided by (used in) capital and related financing activities	<u>690,564</u>	<u>316,140</u>	<u>(1,111,123)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from intergovernmental and capital grants	---	258,294	2,074,748
Interest paid on capital debt	(288,560)	(195,554)	(259,849)
Principal paid on long-term debt and leases	(1,780,000)	(14,901,104)	(3,479,222)
Proceeds from issuance of long-term debt, including premiums of \$1,623,482	---	17,863,482	---
Proceeds from sale of capital assets	1,925	---	---
Acquisition and construction of capital assets	(621,327)	(3,849,812)	(5,060,587)
Net cash (used in) capital and related financing activities	<u>(2,687,962)</u>	<u>(824,694)</u>	<u>(6,724,910)</u>

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
<u>MUNICIPAL HOUSING AGENCY</u>	<u>OTHER ENTERPRISE FUNDS</u>	<u>TOTALS</u>	<u>INTERNAL SERVICE FUNDS</u>
\$ 19,733,155	\$ 12,500,633	\$ 94,028,956	\$ 5,440,863
---	---	---	34,278,678
(17,163,814)	(5,954,220)	(59,508,428)	(31,605,816)
(3,663,693)	(4,645,158)	(19,141,861)	(4,967,001)
---	-	296,406	---
---	---	5,079	---
---	---	---	(302,537)
<u>(1,094,352)</u>	<u>1,901,255</u>	<u>15,680,152</u>	<u>2,844,187</u>
---	---	-	76
---	(129,046)	(501,087)	(2,550)
---	---	1,433,307	---
---	---	(1,165,685)	---
---	---	---	1,795
<u>-</u>	<u>(129,046)</u>	<u>(233,465)</u>	<u>(679)</u>
606,942	6,000	2,945,984	---
---	(33,668)	(777,631)	---
---	(378,511)	(20,538,837)	---
---	---	17,863,482	---
496,819	5,656	504,400	122,335
<u>(1,420,077)</u>	<u>(91,575)</u>	<u>(11,043,378)</u>	<u>(713,460)</u>
<u>(316,316)</u>	<u>(492,098)</u>	<u>(11,045,980)</u>	<u>(591,125)</u>

(continued)

CITY OF DES MOINES, IOWA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2014

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

	PARKING	SEWER SYSTEM	STORMWATER UTILITY
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	\$ ---	\$ 19,712,892	\$ ---
Purchase of investments	---	(19,579,240)	(493,355)
Interest and dividends received	13,237	25,462	30,369
Net cash provided by (used in) investing activities	13,237	159,114	(462,986)
Net increase (decrease) in cash and cash equivalents	(1,486,868)	5,499,668	227,829
Cash and cash equivalents, beginning of year	8,678,638	9,596,462	13,964,408
Cash and cash equivalents, end of year	\$ 7,191,770	\$ 15,096,130	\$ 14,192,237
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (2,796,581)	\$ 2,416,548	\$ 6,695,424
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	3,502,155	3,549,993	2,307,248
Write-off of capital asset salvage values	---	---	---
Proceeds from damage claims	5,079	---	---
(Increase) decrease in accounts and taxes receivable	(33,171)	(151,825)	227,068
(Increase) decrease in special assessments receivable	---	9,516	4,975
(Increase) decrease in due from other governmental units	(1,649)	(43,661)	(669,104)
Decrease in inventories	---	---	---
(Increase) decrease in prepaid items	298	296	(945)
(Increase) decrease in accounts and contracts payable	(226,288)	21,182	(100,119)
Increase (decrease) in accrued wages payable	4,291	14,096	19,475
Increase in accrued employee benefits and other postemployment benefits	43,159	32,963	42,826
(Decrease) in other liabilities, self-sufficiency participation and tenant security deposits	---	---	---
Increase (decrease) in unearned revenue	---	---	---
Total adjustments	3,293,874	3,432,560	1,831,424
Net cash provided by (used in) operating activities	\$ 497,293	\$ 5,849,108	\$ 8,526,848
Schedule of noncash investing and financing activities:			
Increase (decrease) in fair value of investments	---	(10,497)	12,434
Schedule of noncash capital and related financing activities:			
Gain (loss) on disposal of capital assets	1,925	---	---
Capitalized Interest	---	1,106,051	1,118,281
Payments (proceeds) on contracts payable for acquisition of capital assets	---	(416,214)	55,826
Capital assets contributed	---	240,063	98,041

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

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
\$ ---	\$ ---	\$ 19,712,892	\$ ---
---	---	(20,072,595)	---
6,060	11,094	86,222	---
6,060	11,094	(273,481)	---
(1,404,608)	1,291,205	4,127,226	2,252,383
10,273,893	6,797,003	49,310,404	10,968,974
<u>\$ 8,869,285</u>	<u>\$ 8,088,208</u>	<u>\$ 53,437,630</u>	<u>\$ 13,221,357</u>
\$ (2,761,477)	\$ 1,206,879	\$ 4,760,793	\$ 1,679,246
1,688,801	816,829	11,865,026	1,385,490
---	---	-	2,658
---	---	5,079	---
(56,753)	30,003	15,322	27,588
---	(11,691)	2,800	---
234,539	7,891	(471,984)	---
---	---	-	12,956
152	311	112	(10,135)
(255,448)	(202,636)	(763,309)	(182,381)
(1,337)	17,520	54,045	21,895
71,607	36,149	226,704	(98,815)
(12,642)	---	(12,642)	---
(1,794)	---	(1,794)	5,685
1,667,125	694,376	10,919,359	1,164,941
<u>\$ (1,094,352)</u>	<u>\$ 1,901,255</u>	<u>\$ 15,680,152</u>	<u>\$ 2,844,187</u>
---	---	1,937	---
159,276	(20,761)	140,440	68,534
---	---	2,224,332	---
---	---	(360,388)	---
---	---	338,104	---

CITY OF DES MOINES, IOWA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2014

	<u>AGENCY FUNDS</u>
ASSETS	
<u>Cash and investments</u>	\$ 42,454,747
Accounts receivable	738,988
Total assets	<u>\$ 43,193,735</u>
LIABILITIES	
<u>Accounts payable</u>	\$ 43,178,422
Good faith/earnest deposits	15,313
Total liabilities	<u>\$ 43,193,735</u>

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

CITY OF DES MOINES, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

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

The Des Moines Airport Authority (the Authority) has a December 31 year-end. The Authority is responsible for the operation of the Des Moines International Airport and was established on November 1, 2011 pursuant to Section 330A of Iowa Code. A five-member board governs the Authority and is appointed by the Des Moines City Council. Upon dissolution of the Authority, all assets, deferred outflows of resources, liabilities

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

B. Government-wide and Fund Financial Statements

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

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

The City adopted GASB Statement No. 66, *Technical Correction - 2012*, in the current year. With the adoption of this statement, the City determined the nature of the activity within the risk financing Tort Liability account included in the General Fund to meet the criteria of a Special Revenue fund. As such, the Tort Liability fund was moved out of the General Fund accounts to a separate Special Revenue fund during the year ended June 30, 2014 resulting in a restatement of the General Fund and aggregate remaining funds fund balance of \$27,272 and \$(27,272), respectively.

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

C. Fund Accounting

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

(1) Governmental Fund Types

Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid;

and the difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following comprise the City's major governmental funds:

(a) General Fund

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

The following accounts are included in this fund:

General - To account for those resources funding traditional government functions not related to minor other activity detailed below.

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

(b) Tax Increment Fund

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

(c) Debt Service Fund

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

(d) Capital Projects Fund

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

The following accounts are included in this fund:

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

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

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

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

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

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

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

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

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

(e) Benefit Tax Accounts Fund

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

(f) Franchise Fee Court Settlement Fund

Franchise Fee Court Settlement Fund, a special revenue fund, is used to account for the receipt and disbursement of voter approved franchise fee supplement receipts. The purpose of the supplement is to retire the general obligation bonds, whose proceeds were used to settle the judgment entered by the district court on November 27, 2013.

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) Proprietary Fund Types

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

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

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

- (b) **Parking Facilities System Fund** - To account for the operation and maintenance of the City's on and off street public parking facilities, except for those facilities operated by the Des Moines Airport Authority.
- (c) **Sewer System Fund** - To account for the operation and maintenance of the City's Sanitary Sewer System.
- (d) **Municipal Housing Agency Fund** - To account for operations of the Federal Section 8 Rent Payment Assistance Program and low-income housing projects.

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

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

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

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

The following funds are included in this fund type:

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

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

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

Forestry - To provide ground maintenance to other departments.

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

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

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

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

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

Agency Funds

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

The following funds are included in this fund type:

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

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

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

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

D. Measurement Focus and Basis of Accounting

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

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

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure, and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

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

Property taxes are recognized as a receivable at the time an enforceable legal claim is established. This is determined to occur when the budget is certified. The current tax receivable represents the 2014 levy certified on March 10, 2014, based on the 2013 assessed valuations. The tax lien date is January 1, 2013. As the levy is intended for use in the 2015 fiscal year, the revenue has been recorded as deferred inflow of resources. Taxes are levied on July 1 and are payable in two installments on September 30 and March 31. Tax payments become delinquent on October 1 and April 1. The County Treasurer bills and collects property taxes for the City. Property taxes are considered available if received within 60 days of year-end.

The City is permitted by the *Code of Iowa* to levy taxes up to \$8.10 per \$1,000 of assessed valuation for General Fund purposes, \$.27 per \$1,000 of assessed valuation for an Emergency Fund to assist in the funding of General Fund activities, and unlimited amounts for the payment of principal and interest on general obligation bonds, judgments awarded against the City, trust and agency accounts for pension and related employee benefit funds, and to pay the premium costs on tort liability insurance. The combined tax rate for the collection year ended June 30, 2014 was \$16.92 per \$1,000 of assessed valuation.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services and housing operating grants. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital

assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

E. Budgetary and Legal Appropriation and Amendment Policies

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

F. Encumbrances

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

G. Cash and Pooled Cash Investments

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

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

H. Investments

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

I. Statement of Cash Flows

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

J. Loans Receivable

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

K. Inventories and Prepaid Items

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

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

L. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Capitalized interest was \$1,118,281 in the Stormwater Utility fund and \$1,106,051 in the Sanitary Sewer Enterprise fund.

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

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

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

M. Deferred Inflows/Outflows of Resources

Deferred inflows of resources: In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from three sources: property taxes, special assessments and intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the City's government-wide statements, only the property tax revenues remain under the modified accrual basis of accounting and will become an inflow in the year for which the taxes are levied and budgeted for.

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

N. Inter-fund Transactions

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

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

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

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

Noncurrent portions of long-term inter-fund loan receivables are reported as advances within the governmental funds and enterprise funds, and in the governmental funds, are offset equally by a fund balance nonspendable account which indicates that they do not

constitute expendable financial resources, and therefore, are not available for appropriation.

O. Compensated Absences

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

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

P. Fund Balance

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

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

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

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

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

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

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

Q. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. The portion of the debt related to unspent proceeds is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted through enabling legislation consists of \$1,330,845 for debt service.

As of June 30, 2014, the governmental activities had unspent bond proceeds of \$24,203,453. The City also had unspent bond proceeds of \$7,578,507 in the Sanitary Sewer Enterprise fund and \$9,144,581 in the Stormwater Utility fund. The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

R. Use of Estimates

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

S. Accounts Receivable

Accounts receivable result primarily from miscellaneous services provided to citizens in the General Fund, Capital Projects Fund, and other nonmajor governmental funds. Accounts receivable in the proprietary funds result from providing services specific to the operations of the fund. At June 30, 2014, there was no allowance for doubtful accounts and the City had no significant write offs during the year then ended.

T. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financial sources. Premiums received on debt issuances are reported as other

financing sources while discounts on debt issuances are reported as other financing uses. Bond issuance costs are an expenditure at the time of debt issuance.

2. Individual Fund Disclosures

The following is a summary of deficit fund balances/net position of individual funds at June 30, 2014:

<u>FUND TYPE</u>	<u>INDIVIDUAL FUND</u>	<u>DEFICIT FUND BALANCES</u>	<u>DEFICIT NET POSITION</u>
Governmental	Special Revenue, CDBG	147,279	
Proprietary	Enterprise, Golf		1,269,462

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

3. Cash and Pooled Cash Investments and Investments

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

The Library Foundation has an endowment fund. As of December 31, 2013, the balance of \$1,701,753 is in money market funds, U.S. government agencies and mutual funds.

A. Authorized Investments

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

no more than 5% of the investment portfolio shall be invested in the securities of a single issuer.

B. Interest Rate Risk

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

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

Security Description	Current Market Value	Investment Maturities (in Years)		
		Less Than 1	1 - 5	6 - 10
Commercial Paper Total	\$ 11,987,761	\$ 11,987,761	\$ —	\$ —
Federal Farm Credit Total	14,565,334	3,049,980	11,515,354	—
FHLB Total	17,052,220	8,199,194	8,853,026	—
FHLB Disc Total	23,998,640	23,998,640	—	—
FHLMC Total	15,919,906	—	15,919,906	—
FNMA Total	2,762,415	1,261,550	1,500,865	—
FNMA Disc Total	19,996,760	19,996,760	—	—
Grand Total	\$ 106,283,036	\$ 68,493,885	\$ 37,789,151	\$ —

The above table includes the investments of the WRA, an agency fund, of \$22,483,465.

C. Credit Risk

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

As of June 30, 2014, the City's investments were rated as follows:

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

D. Concentration of Credit Risk

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

E. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Chapter 12C of the Code of Iowa requires all City funds be deposited into an approved depository and be either insured or collateralized. At June 30, 2014, the City's deposits were held in banks within the state of Iowa and covered by the state sinking fund per Section 12C.25 of the Code of Iowa. At June 30, 2014, \$106,283,036 of City investments were uninsured and unregistered securities held by the counterparty's trust department in the City's name.

4. Joint Venture

The City is a participating community in the Des Moines Metropolitan Wastewater Reclamation Authority joint venture. This joint venture provides primary and secondary treatment of the sewer flows of the participating communities. The Amended and Restated Agreement for the Des Moines Metropolitan Wastewater Reclamation Authority (WRA) was effective on July 1, 2004. This agreement amended and restated the previous Integrated

Community Area (I.C.A.) Agreement to provide continued operation, improvements and expansion. The WRA Agreement establishes the WRA as a separate legal entity with its own Board. The WRA Agreement creates an independent governance structure, establishes an independent bonding authority for the WRA, and provides a framework for additional communities to participate.

The City retains an ongoing financial responsibility to the WRA since it is obligated in some manner for the debts of the joint venture. Although the debt of the WRA is to be paid solely and only from WRA revenues, the participating communities in the joint venture cannot withdraw from the joint venture while any of bonds issued during the time the entity was a participating community are still outstanding. The WRA Sewer Revenue Bonds Series 2006 and 2013B include provisions that place the WRA debt service requirements on the same parity and rank as other debts of the participating communities.

The WRA Sewer Revenue Bonds Series 2004B were issued for capital expansion. The WRA Agreement requires the debt service on these bonds to be allocated to the participating communities based on the WRA flows of the core communities and expansion communities of each calendar year. The Series 2004B bonds were retired in 2014. The WRA Sewer Revenue Bonds Series 2006 were issued for capital expansion. The WRA Agreement requires the debt service on these bonds to be allocated to the participating communities based on the WRA flows of the core communities and expansion communities of each calendar year. As of June 30, 2014, the Series 2006 bonds had a balance of \$33,275,000 and the City of Des Moines' estimated future allocation based on the WRA flows is currently \$10,425,718. The WRA Revenue Bonds Series 2013B were issued to partially refund Series 2004B. As of June 30, 2014, the Series 2013B bonds had a balance of \$55,880,000 and the City of Des Moines' estimated future allocation based on the WRA flows is currently \$17,508,314. The State Revolving Loans are to be paid by the participating communities based on the existing allocations under the prior I.C.A. agreement. As of June 30, 2014, the WRA had \$252,831,074 in State Revolving Loans of which \$88,944,879 future principal debt service is a commitment of the City of Des Moines. The WRA issued \$21,105,000 of Sewer Revenue Bonds during FY09, of which \$20,787,000 has been drawn at June 30, 2014. The WRA issued \$39,000,000 of Sewer Revenue Bonds during FY10, of which \$37,198,972 has been drawn at June 30, 2014. The WRA issued \$85,600,000 of Sewer Revenue Bonds during FY11, of which \$84,769,536 has been drawn at June 30, 2014. The WRA issued \$42,372,000 of Sewer Revenue Bonds during FY12, of which \$42,197,040 has been drawn at June 30, 2014. The WRA issued \$43,428,000 of Sewer Revenue Bonds during FY13, of which \$41,404,498 has been drawn at June 30, 2014. The WRA issued \$13,200,000 of Sewer Revenue Bonds during FY14, of which \$9,804,043 has been drawn at June 30, 2014.

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

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

Condensed financial information of the joint venture as of June 30, 2014 is as follows:

Statement of Net Position

Current assets	\$ 36,803,338
Noncurrent assets	604,840,755
Total Assets	<u>\$ 641,644,093</u>
Deferred outflow of resources	<u>\$ 1,099,708</u>
Current liabilities	19,589,030
Noncurrent liabilities	338,026,865
Total liabilities	<u>\$ 357,615,895</u>
Net position:	
Net investment in capital assets	\$ 250,774,589
Restricted	28,443,675
Unrestricted	5,909,642
	<u>\$ 285,127,906</u>

Statement of Revenues, Expenses and Changes in Net Position

Operating revenues	\$ 40,827,063
Operating expenses	32,043,863
Operating income	<u>8,783,200</u>
Nonoperating, net	(3,191,656)
Capital grants and contributions	44,176
Change in net position	<u>\$ 5,635,720</u>

Statement of Cash Flows

Cash provided by operating activities	\$ 23,462,137
Cash (used in) investing activities	(2,770,309)
Cash (used in) capital and related financing activities	<u>(34,175,347)</u>
Decrease in cash and investments	<u>\$ (13,483,519)</u>

5. Operating Lease Rentals

The City, as lessor, has various operating lease agreements for the use of land and facilities. The following is a schedule by year of minimum future rentals required under operating leases having initial or remaining noncancelable lease terms in excess of one year as of June 30, 2014:

	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS	ENTERPRISE FUNDS		TOTAL
				PARKING FACILITIES SYSTEM	NONMAJOR ENTERPRISE FUNDS	
Year ending June 30,						
2015	336,457	74,100	75,352	24,245	40,000	550,154
2016	251,211	74,100	16,000	9,000	40,000	390,311
2017	223,105	74,100	16,000	9,000	40,000	362,205
2018	224,952	74,100	16,000	---	40,000	355,052
2019	224,447	74,100	16,000	---	40,000	354,547
2020-2024	1,196,330	74,100	40,000	---	40,000	1,350,430
2025-2029	1,038,663	---	---	---	---	1,038,663
2030-2034	251,317	---	---	---	---	251,317
2035-2039	66,768	---	---	---	---	66,768
2040-2044	66,768	---	---	---	---	66,768
2045-2048	53,414	---	---	---	---	53,414
Total minimum future rentals	<u>\$ 3,933,432</u>	<u>\$ 444,600</u>	<u>\$ 179,352</u>	<u>\$ 42,245</u>	<u>\$ 240,000</u>	<u>\$ 4,839,629</u>

At June 30, 2014, the net book value of leased property is as follows:

Cost of Leased Land	\$	80,674
Cost of Leased Buildings		21,246,634
Accumulated Depreciation of Leased Buildings		(9,335,436)
Net book value of Leased Fixed Assets	<u>\$</u>	<u>11,991,872</u>

6. Changes in Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2014:

	ENDING BALANCE 6/30/2013	ADDITIONS	DELETIONS & TRANSFERS	ENDING BALANCE 6/30/2014
GOVERNMENTAL ACTIVITIES				
Capital Assets, not being depreciated:				
Land	\$ 135,529,911	\$ 454,517	\$ (69,975)	\$ 135,914,453
Construction in Progress	124,630,589	20,377,561	(14,553,466)	130,454,684
Total capital assets not being depreciated	260,160,500	20,832,078	(14,623,441)	266,369,137
Capital Assets, being depreciated:				
Buildings	159,405,299	2,431,566	-	161,836,865
Improvements Other than Buildings	993,051,504	56,421,298	-	1,049,472,802
Machinery and Equipment	70,861,353	7,594,983	(4,248,840)	74,207,496
Total capital assets being depreciated	1,223,318,156	66,447,847	(4,248,840)	1,285,517,163
Less accumulated depreciation for:				
Buildings	81,929,814	4,495,689	-	86,425,503
Improvements Other than Buildings	396,529,661	27,528,699	-	424,058,360
Machinery and Equipment	55,136,320	4,116,694	(3,922,051)	55,330,963
Total accumulated depreciation	533,595,795	36,141,082	(3,922,051)	565,814,826
Total capital assets, being depreciated, net	689,722,361	30,306,765	(326,789)	719,702,337
Governmental activities capital assets, net	<u>\$ 949,882,861</u>	<u>\$ 51,138,843</u>	<u>\$ (14,950,230)</u>	<u>\$ 986,071,474</u>
BUSINESS-TYPE ACTIVITIES				
Capital Assets, not being depreciated:				
Land	\$ 16,757,333	\$ 65,000	\$ -	\$ 16,822,333
Construction in Progress	97,868,945	8,570,711	(69,113,759)	37,325,897
Total capital assets not being depreciated	114,626,278	8,635,711	(69,113,759)	54,148,230
Capital Assets, being depreciated:				
Buildings	99,034,582	1,230,014	(1,268,686)	98,995,910
Improvements Other than Buildings	267,298,108	70,086,883	-	337,384,991
Machinery and Equipment	26,937,174	182,245	(87,947)	27,031,472
Total capital assets being depreciated	393,269,864	71,499,142	(1,356,633)	463,412,373
Less accumulated depreciation for:				
Buildings	62,404,606	4,194,737	(931,143)	65,668,200
Improvements Other than Buildings	81,644,520	6,258,443	-	87,902,963
Machinery and Equipment	18,948,602	1,411,846	(61,530)	20,298,918
Total accumulated depreciation	162,997,728	11,865,026	(992,673)	173,870,081
Total capital assets, being depreciated, net	230,272,136	59,634,116	(363,960)	289,542,292
Business-Type activities capital assets, net	<u>\$ 344,898,414</u>	<u>\$ 68,269,827</u>	<u>\$ (69,477,719)</u>	<u>\$ 343,690,522</u>

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

GOVERNMENTAL ACTIVITIES

Public Safety	\$ 3,305,619
General Government	2,221,460
Public Works	21,022,512
Culture and Recreation	8,040,623
Community and Economic Development	165,377
Internal service assets are charged to the various functions based on their usage of the assets	1,385,491
Total Depreciation Expense - Governmental Activities	<u>\$ 36,141,082</u>

BUSINESS-TYPE ACTIVITIES

Parking Facilities System	3,502,155
Sewer System	3,549,993
Stormwater Utility	2,307,248
Municipal Housing Agency	1,688,801
Solid Waste System	642,907
Golf	173,922
Total Depreciation Expense - Business-type Activities	<u>\$ 11,865,026</u>

7. Employee Retirement Systems

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

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

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

Plan members were required to contribute 5.95, 5.78 and 5.38 percent, respectively, of their annual covered salary, and the City was required to contribute 8.93, 8.67 and 8.07 percent, respectively, of annual covered payroll for the years ended June 30, 2014, 2013 and 2012. Contribution requirements are established by state statute. The City's contribution to IPERS for the years ended June 30, 2014; 2013; and 2012 were \$5,782,471; \$5,590,585; and \$5,605,331, respectively, equal to the required contributions for each year.

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

The City contributes to the Municipal Fire and Police Retirement System of Iowa (MFPRSI), which is a cost-sharing, multiple-employer, defined benefit pension plan. MFPRSI provides retirement, disability, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statute, and vest after four years of credited service. MFPRSI issues publicly available financial reports, which include financial statements and required supplementary information for the plan. The reports may be obtained by contacting the MFPRSI, 2836 104th Street, Urbandale, IA 50322.

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

The contribution rates for plan members and the City in fiscal years 2014, 2013, and 2012 were as follows:

<u>MFPRSI</u>	<u>PLAN MEMBER CONTRIBUTION</u>	<u>CITY CONTRIBUTION</u>
Fiscal Year 2014	9.40 %	30.12 %
Fiscal Year 2013	9.40 %	26.12 %
Fiscal Year 2012	9.40 %	24.76 %

The City's contributions to MFPRSI for the years ending June 30, 2014; 2013; and 2012, were equal to the required contributions for each year as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
MFPRSI	\$ 13,965,577	\$ 11,874,300	\$ 11,548,981

8. Deferred Compensation

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

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

9. Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2014:

	BALANCE JUNE 30, 2013	ADDITIONS	RETIREMENTS	BALANCE JUNE 30, 2014	DUE WITHIN ONE YEAR	RANGE OF INTEREST RATES
Governmental Activities:						
General Obligation Bonds	\$ 325,770,000	\$ 96,970,000	\$ (52,720,000)	\$ 370,020,000	\$ 29,340,000	0.8% to 5.9%
Less discounts	(164,007)	—	21,285	(142,722)	—	
Add premiums	12,784,690	3,743,709	(2,180,319)	14,348,080	—	
Net General Obligation Bonds	338,390,683	100,713,709	(54,879,034)	384,225,358	29,340,000	
Revenue Bonds	\$ 33,505,000	\$ —	\$ (1,525,000)	\$ 31,980,000	\$ 1,580,000	3.73% to 5.75%
Less discounts	(257,094)	—	27,972	(229,122)	—	
Net Revenue Bonds	33,247,906	—	(1,497,028)	31,750,878	1,580,000	
Section 108 Loans payable	8,500,000	—	(24,000)	8,476,000	27,000	4.14% to 5.38%
Notes Payable	4,188,987	—	(792,631)	3,396,356	730,700	0.0% to 4.75%
Accrued Employee Benefits	31,083,711	41,369,605	(39,083,901)	33,369,415	21,971,752	NA
Liability for Claims/Judgments	40,129,642	740,317	(40,586,959)	283,000	—	NA
	<u>\$ 455,540,929</u>	<u>\$ 142,823,631</u>	<u>\$ (136,863,553)</u>	<u>\$ 461,501,007</u>	<u>\$ 53,649,452</u>	
Business-type Activities						
General Obligation Bonds	\$ 36,090,000	\$ —	\$ (2,785,000)	33,305,000	\$ 2,360,000	2.00% to 3.00%
Add premiums	1,514,556	—	(200,853)	1,313,703	—	
Net General Obligation Bonds	37,604,556	—	(2,985,853)	34,618,703	2,360,000	
Revenue Bonds	\$ 49,310,000	\$ 16,240,000	\$ (17,001,000)	48,549,000	\$ 5,540,000	2.00% to 5.75%
Add premiums	953,584	1,623,482	(438,124)	2,138,942	—	
Net Revenue Bonds	50,263,584	17,863,482	(17,439,124)	50,687,942	5,540,000	
Notes Payable	2,110,860	—	(752,837)	1,358,023	762,645	2.85% to 3.963%
Accrued Employee Benefits	2,765,556	2,972,151	(2,851,127)	2,886,580	1,181,864	NA
	<u>\$ 92,744,556</u>	<u>\$ 20,835,633</u>	<u>\$ (24,028,941)</u>	<u>\$ 89,551,248</u>	<u>\$ 9,844,509</u>	

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

Net position of certain enterprise funds of \$5,018,646 are restricted for debt service and the payment of certain liabilities pursuant to the requirements of the revenue bond ordinances.

Proceeds from the Series 2013A General Obligation Bonds totaled \$37,090,000 and were allocated to certain sewer capital improvement projects.

Proceeds from the Series 2013B General Obligation Refunding Bonds totaled \$21,050,000 and were used to crossover refund the Series 2006A General Obligation Bonds dated June 28, 2006

and the Series 2006B General Obligation Urban Renewal Bonds dated June 28, 2006 with the crossover date of June 1, 2014.

Proceeds from the Series 2014A General Obligation Bonds totaled \$38,830,000 and were used to fund an escrow account in full settlement of the franchise fee legal indebtedness of the City, with regards to the judgment entered by the Iowa District Court for Polk County. This activity is accounted for in the Franchise Fee Court Settlement fund.

Proceeds from the Series 2014B Sewer Revenue Capital Loan Notes totaled \$16,240,000 and were used to current refund the Series 2004G Sewer Revenue Bonds dated November 17, 2004 and the Series 2004H Sewer Revenue Bonds dated November 17, 2004, with additional funds allocated to certain sewer capital improvement projects.

General Obligation Bonds, Governmental Activities:

General Obligation Debt Service		
YEAR	GENERAL OBLIGATION BONDS	
	PRINCIPAL	INTEREST
2015	\$ 19,747,000	\$ 11,775,346
2016	20,461,000	10,521,952
2017	19,393,000	9,777,858
2018	18,697,000	9,019,358
2019	18,201,000	8,240,149
2020-2024	100,670,000	28,397,108
2025-2029	53,600,000	11,945,401
2030-2033	22,990,000	2,237,726
Totals	\$ 273,759,000	\$ 91,914,898

Tax Increment Debt Service		
YEAR	GENERAL OBLIGATION BONDS	
	PRINCIPAL	INTEREST
2015	\$ 9,593,000	\$ 3,743,962
2016	9,624,000	3,402,285
2017	9,832,000	3,058,245
2018	9,793,000	2,693,284
2019	9,909,000	2,315,833
2020-2024	33,675,000	6,387,677
2025-2029	9,505,000	1,878,918
2030-2032	4,330,000	392,231
Totals	\$ 96,261,000	\$ 23,872,435

Revenue Bonds, Governmental Activities:

On December 7, 2010, the City issued \$36,445,000 of Aviation System Revenue Bonds (Series 2010 A, B, C, D). The bonds are special obligations payable solely from and secured by a pledge of the net revenues of the airport, subject to the prior lien on the net revenues of the Airport Revenue Capital Loan Notes. Payment of the principal and interest on the bonds is

guaranteed by a municipal bond insurance policy. Principal is payable annually, with interest paid semi-annually on June 1st and December 1st. Interest rates range from 2.10% to 5.75%. Total principal and interest remaining to be paid on the bonds is \$51,432,717. There were principal and interest payments of \$3,193,087 made on the Series 2010 bonds during the current period with the June 30, 2014 balance due totaling \$31,980,000.

These revenue bonds have been assigned to the Des Moines Airport Authority (the Authority), a discretely presented component unit, for the payment of principal and interest. The City has a long-term receivable from the component unit for the principal balance due, net of discounts in the Statement of Net Position governmental activities of \$31,750,878 at June 30, 2014.

Governmental Activities		
REVENUE BONDS		
YEAR	PRINCIPAL	INTEREST
2015	\$ 1,580,000	\$ 1,615,795
2016	1,630,000	1,556,877
2017	1,705,000	1,486,135
2018	1,790,000	1,407,876
2019	1,860,000	1,326,938
2020-2024	4,935,000	5,696,431
2025-2029	6,520,000	4,354,115
2030-2034	9,690,000	1,892,212
2035	2,270,000	116,338
Totals	\$ 31,980,000	\$ 19,452,717

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

Series	June 30, 2014 Balance	Maturity Fiscal Year	Purpose
General Obligation 2012F	\$ 11,250,000	2020	Refunding

The bonds are intended to be paid by parking facilities customers net revenues, however the bonds are secured by the City's property owners. Total principal and interest remaining to be paid on the bonds is \$12,048,900. Principal and interest paid for the current year was \$2,040,000.

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

Series	June 30, 2014 Balance	Maturity Fiscal Year	Purpose
General Obligation 2012D	\$ 12,015,000	2032	Capital Improvements

The bonds are intended to be paid by sewer customers net revenues, however the bonds are secured by the City’s property owners. Total principal and interest remaining to be paid on the bonds is \$15,857,400. Principal and interest paid for the current year was \$926,550.

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

Series	June 30, 2014 Balance	Maturity Fiscal Year	Purpose
General Obligation 2012E	\$ 10,040,000	2032	Capital Improvements

The bonds are intended to be paid by sewer customers net revenues, however the bonds are secured by the City’s property owners. Total principal and interest remaining to be paid on the bonds is \$13,102,300. Principal and interest paid for the current year was \$750,950.

Business Type Activities		
General Obligation Bonds		
YEAR	PRINCIPAL	INTEREST
2015	\$ 2,360,000	\$ 877,400
2016	2,390,000	829,200
2017	2,425,000	780,400
2018	2,465,000	726,200
2019	3,910,000	671,100
2020-2024	8,630,000	2,260,200
2025-2029	6,605,000	1,284,750
2030-2033	4,520,000	274,350
Totals	\$ 33,305,000	\$ 7,703,600

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

Series	June 30, 2014 Balance	Maturity Fiscal Year	Purpose
Sewer Revenue 2004I	\$ 3,709,000	2025	Capital Improvements
Sewer Revenue 2014B	16,240,000	2023	Capital Improvements

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay the revenue bonds. The bonds are payable solely from the sewer customer net revenues. Annual principal and interest payments on the bonds are expected to require less than 80% of net revenues. Total principal and interest remaining to be paid on the bonds is \$23,428,935. Principal and interest paid for the current year and total customer net revenues were \$14,994,525 and \$11,883,397, respectively.

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

Series	June 30, 2014 Balance	Maturity Fiscal Year	Purpose
Series 2006D	\$ 10,735,000	2023	Capital Improvements
Series 2010F	14,825,000	2030	Refund & Capital Improvements
Series 2010G	3,040,000	2018	Refund & Capital Improvements

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay the revenue bonds. The bonds are payable solely from the stormwater utility customer net revenues. Annual principal and interest payments on the bonds are expected to require less than 80% of net revenues. Total principal and interest remaining to be paid on the bonds is \$35,419,681. Principal and interest paid for the current year and total customer net revenues were \$3,872,269 and \$12,544,003, respectively.

Future principal and interest payments on the Enterprise Funds Revenue Bonds of June 30, 2014 is summarized as follows:

Enterprise Funds		
REVENUE BONDS		
YEAR	PRINCIPAL	INTEREST
2015	\$ 5,540,000	\$ 1,789,954
2016	5,178,000	1,569,851
2017	5,957,000	1,397,411
2018	6,176,000	1,190,295
2019	5,136,000	946,965
2020-2024	15,043,000	2,648,670
2025-2029	4,564,000	718,270
2030	955,000	38,200
Totals	\$ 48,549,000	\$ 10,299,616

Section 108 Loans Payable: On November 15, 2007, the City closed a \$17,500,000 Section 108 loan to make a loan for the benefit of River Point West LLC, for the purpose of financing the acquisition and clearance of properties in the River Point West area for sale and subsequent redevelopment, and the construction of supporting public infrastructure improvements to serve the developed properties. The balance of the loan as of June 30, 2014 is \$8,476,000 and is payable through fiscal year 2028. The loan is not a general obligation of the City. The principal and interest is payable solely from the tax increment revenues of the Metro Center Urban Renewal Area of the City. Tax increment revenues are projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest paid in the current year and TIF revenues were \$463,269 and \$23,617,103 respectively.

Notes Payable, Governmental Activities: Notes payable include \$1,615,655 Supplement WF3; \$573,100 Supplement WF1; \$83,444 Supplement DLL5; \$104,497 Supplement DLL D-1A, and \$82,160 Supplement DLL D-1B. The balance of these notes payable is \$2,458,856 payable through fiscal year 2015. The principal and interest is payable from the debt service levy. The principal and interest is payable from the debt service levy. Annual principal and interest on the bonds are expected to require 80% of the revenue. Total principal and interest remaining to be paid on the notes payable is \$2,727,869. Principal and interest paid in the current year and the debt service levy were \$605,131 and \$28,043,463, respectively.

Notes payable also include a \$1,875,000 loan from Polk County. This loan is for an economic development grant to be paid to Nelson Development 14, LLC. The balance of the note payable is \$937,500 and is payable through fiscal year 2019. The principal and interest is payable from tax increment finance levy. Annual principal and interest on the bonds are expected to require 100% of the revenue. Total principal and interest remaining to be paid on the notes payable is \$937,500. Principal paid in the current year and TIF revenues were \$187,500 and \$23,617,103, respectively.

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

FISCAL YEAR	CDBG SECTION 108 LOANS		NOTES PAYABLE GOVERNMENTAL ACTIVITIES	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2015	\$ 27,000	\$ 438,230	\$ 730,700	\$ 77,834
2016	29,000	437,043	577,625	58,686
2017	29,000	435,766	536,870	45,693
2018	31,000	434,409	549,710	32,869
2019	34,000	432,917	401,466	22,196
2020-2024	4,033,000	1,681,660	599,985	31,735
2025-2028	4,293,000	485,687	—	—
Totals	<u>\$ 8,476,000</u>	<u>\$ 4,345,712</u>	<u>\$ 3,396,356</u>	<u>\$ 269,013</u>

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

The notes payable financed the purchase of trucks and toters in the Solid Waste Enterprise Fund. The balance of the notes payable is \$380,176 and is payable through Fiscal Year 2015. The principal and interest is payable from the operating revenues of the Solid Waste Enterprise. Annual principal and interest on the notes payable are expected to require 63% of the revenue. Total principal and interest remaining to be paid on the notes payable is \$394,424. Principal and interest paid in the current year and the net operating revenues of the Solid Waste Enterprise were \$406,954 and \$1,934,501, respectively.

Future principal and interest requirements on these notes payable as of June 30, 2014 are summarized as follows:

NOTES PAYABLE ENTERPRISE		
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2015	380,176	14,248
Totals	<u>\$ 380,176</u>	<u>\$ 14,248</u>

The Stormwater Utility Fund entered into Supplement #DLL D-2 of the City's Governmental-Lease Purchase Master Agreement during Fiscal Year 2010 to purchase seven street sweeper vehicles, this is in addition to Supplement #DLL2. The balance as of June 30, 2014 is \$222,918 and will be paid as follows:

NOTES PAYABLE ENTERPRISE		
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2015	222,918	7,519
Totals	<u>\$ 222,918</u>	<u>\$ 7,519</u>

The Sanitary Sewer Fund entered into Wells Fargo Supplement #2 of the City's Governmental-Lease Purchase Master Agreement during Fiscal Year 2012 to purchase three vector trucks. The balance as of June 30, 2014 is \$754,929 and will be paid as follows:

YEAR	NOTES PAYABLE	
	ENTERPRISE	
	PRINCIPAL	INTEREST
2015	159,551	20,386
2016	164,130	15,807
2017	168,841	11,096
2018	173,687	6,249
2019	88,720	1,264
Totals	\$ 754,929	\$ 54,802

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

Discretely presented component units

Long-term debt activity for the Des Moines Airport Authority (the Authority) for the year ended December 31, 2013, was as follows:

Long-Term Debt

A summary of the Authority's long-term debt for the year ended December 31, 2013, is as follows:

	Authority Revenue Bonds	Due to Primary Government	SWAP Loan	Total
Balance December 31, 2012	\$ 10,945,000	\$ 34,995,000	\$ 17,172	\$ 45,957,172
Issuances	—	—	—	—
Retirements	—	(1,490,000)	(9,813)	(1,499,813)
Balance December 31, 2013	10,945,000	33,505,000	7,359	44,457,359
Less: Current portion	—	(1,525,000)	(7,359)	(1,532,359)
Non-current portion	\$ 10,945,000	\$ 31,980,000	\$ —	\$ 42,925,000

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

- B. On February 22, 2012, the Authority issued \$10,945,000 of Revenue Refunding Capital Loan Notes (Series 2012). The bonds are special obligations payable solely from and secured by a pledge of the net revenues of the Airport, subject to the prior lien on the net revenues of the Airport Revenue Capital Loan Notes. Principal is payable annually with interest paid semi-annually on June 1st and December 1st with an interest rate of 5%. Total principal and interest remaining to be paid on the bonds is \$17,141,000. There were interest payments of \$547,250 made on the Series 2012 bonds during the twelve months ended December 31, 2013 and a balance due totaling \$10,945,000.

As of December 31, 2012, the Authority restricted \$3,714,191 in revenue bond reserve cash funds and for all revenue bonds and \$3,361,254 is restricted for the operations and maintenance fund reserve requirement. Annual principal and interest payments on all revenue bonds are expected to require roughly 46% of the Authority net revenues. The bonds also require the net revenues of the Authority be 125 percent or greater than the debt service requirements of the bonds.

- C. In October 2009, the City entered into a contract with the State of Iowa Department of Natural Resources (“DNR”) to begin a recycling program under the agency’s Solid Waste Alternatives Program (“SWAP”). Under terms of the contract, the DNR provided the Authority with a zero-interest loan of \$39,250 and a forgivable loan of \$20,000 to cover the costs of starting the recycling program. Quarterly payments are due from October 15, 2010 through July 15, 2014. As of December 31, 2013, the Authority is in compliance with all terms and conditions of the contract with the balance due totaling \$7,359.

As of December 31, 2013, the Authority’s long-term debt matures as follows:

	Airport Revenue Bonds		Due to Primary Government		SWAP Loan
	Principal	Interest	Principal	Interest	Principal
2014	\$ —	\$ 547,250	\$ 1,525,000	\$ 1,687,361	\$ 7,359
2015	—	547,250	1,580,000	1,641,941	—
2016	—	547,250	1,630,000	1,586,036	—
2017	—	547,250	1,705,000	1,521,506	—
2018	—	547,250	1,790,000	1,447,005	—
2019-2023	4,280,000	2,427,750	5,710,000	6,142,416	—
2024-2028	6,665,000	1,032,000	5,965,000	4,785,636	—
2029-2033	—	—	9,170,000	2,989,388	—
2034-2036	—	—	4,430,000	514,219	—
Total	\$ 10,945,000	\$ 6,196,000	\$ 33,505,000	\$ 22,315,508	\$ 7,359

Accrued Employee Benefits

Future benefits payable are recorded for the Authority's accrued employee benefits and accrued post-retirement benefits. Below is a calculation of the accrued employee benefits for all Authority employees as of December 31, 2013:

Balance December 31, 2012	\$	516,168
Additions		469,611
Payments		<u>(513,723)</u>
Balance December 31, 2013		472,056
Less: current portion		<u>158,973</u>
Non-current portion	\$	<u><u>313,083</u></u>

10. Revenue Bond Resolution Requirements

The revenue bond resolutions contain significant limitations and restrictions on annual debt service requirements, require minimum amounts to be maintained in various restricted accounts to provide for payment of principal and interest, and require minimum revenue bond coverage. In the Sewer System Fund, \$1,786,348 of net position is restricted for bond reserves. In the Stormwater Utility Fund, \$3,232,298 of net position is restricted for bond reserves.

11. Debt Extinguishment

On August 28, 2013, the City issued \$21,050,000 in General Obligation Refunding Bonds (Series 2013B) with an average interest rate of 4.00 percent to crossover refund \$14,695,000 of Series 2006A General Obligation Bonds with an average interest rate of 4.50 percent on June 1, 2014, and crossover refund \$7,090,000 of Series 2006B General Obligation Urban Renewal Bonds with an average interest rate of 4.38 percent on June 1, 2014. The refunding was done to reduce aggregate debt service payments by \$13,337,584 over the next twenty years and obtain an economic gain (difference between the present values of the old debt and new debt service payments) of \$9,476,365.

On April 23, 2014, the City issued \$16,240,000 in Sewer Revenue Capital Loan Notes (Series 2014B) with an average interest rate of 3.84 percent to refund \$2,880,000 of Series 2004G Sewer Revenue Bonds with an average interest rate of 4.36 percent on June 1, 2014, and refund \$9,230,000 in Series 2004H Sewer Revenue Bonds with an average interest rate of 5.00 percent on June 1, 2014. The refunding was done to reduce aggregate debt service payments by \$818,243 over the next six years and obtain an economic gain (difference between the present values of the old debt and new debt service payments) of \$1,538,145.

12. Conduit Debt

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

As of June 30, 2014, there were nine series of industrial revenue bonds outstanding. The aggregate principal amount payable for the four series issued after July 1, 1995 was \$14.82 million. The aggregate principal amount payable for the series issued prior to July 1, 1995 could not be determined; however, their original issue amounts totaled \$53.9 million.

Cooperative Financing Agreement

On May 21, 2007, the Des Moines City Council approved a cooperative financing agreement between the City and an Airport-based tenant, Elliott Aviation of Des Moines, Inc. ("Elliott"), to issue 20-year industrial revenue bonds for the purpose of financing a new building facility for Elliott. Under the terms of the agreement (as authorized under Iowa Code Chapter 419), on August 2, 2007, the City issued Special Facility Revenue Bonds in the amount of \$6,000,000 and immediately lent the proceeds to Elliott for the construction of this facility. Elliott is responsible for all principal and interest payments and other fees associated with the bonds.

The bonds are secured by the property financed, and are payable solely from payments received on the underlying mortgage loans. The City, or any political subdivisions thereof bear no obligation in any way for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the City's financial statements. As of June 30, 2014, the principal amount outstanding is \$4,665,000.

13. Interfund Receivables and Payables

The individual fund interfund receivable and payable balances include both Due to/from Other Funds and Advances to/from Other Funds. These balances at June 30, 2014 were:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General	\$ 468,951	\$ 100,512
Capital Projects	4,641,118	—
Debt Service	239,753	—
Tax Increment, Special Revenue	—	143,623
Benefit Tax Accounts, Special Revenue	118,687	243,837
Other Governmental Funds	305,448	4,612,900
Parking, Enterprise	—	374,499
Municipal Housing Agency, Enterprise	—	317,963
Group Health Insurance, Internal Service	98,083	78,706
Total	<u>\$ 5,872,040</u>	<u>\$ 5,872,040</u>
	<u>ADVANCES RECEIVABLE</u>	<u>ADVANCES PAYABLE</u>
General	\$ 7,021,547	\$ —
Parking, enterprise	—	3,483,862
Other Enterprise Funds	—	3,537,685
Total	<u>\$ 7,021,547</u>	<u>\$ 7,021,547</u>

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

14. Fund Transfer Reconciliation

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

Capital Projects	\$ 37,462,140	\$ 49,562
Debt Service	15,589,632	36,145,000
Parking, enterprise	1,082,605	20,000
Sanitary Sewer, enterprise	316,140	—
Stormwater, enterprise	34,562	1,145,685
General	31,490,120	3,105,200
Tax Increment, special revenue	444,218	17,658,418
Benefit tax accounts, special revenue	—	20,900,753
Other Governmental Funds	3,092,953	10,487,752
	<u>\$ 89,512,370</u>	<u>\$ 89,512,370</u>

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

15. Post Employment Benefits

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

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

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

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2014, the City contributed \$771,417.

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

Annual required contribution	\$ 1,957,361
Interest on net OPEB obligation	227,911
Adjustment to annual required contribution	(310,929)
Annual OPEB cost	<u>1,874,343</u>
Contributions and payments made	<u>771,417</u>
Increase in net OPEB obligation	1,102,926
Net OPEB obligation - July 1, 2013	5,064,689
Net OPEB obligation - June 30, 2014	<u><u>\$ 6,167,615</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2014 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2012	\$ 1,729,931	43.3%	\$ 4,129,031
June 30, 2013	\$ 1,716,663	45.5%	\$ 5,064,689
June 30, 2014	\$ 1,874,343	41.2%	\$ 6,167,615

Funded status and funding progress: As of July 1, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$16,451,197 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$(16,451,197). The covered payroll (annual payroll of active employees covered by the plan) was \$97,555,405 and the ratio of the UAAL to the covered payroll was 16.9%.

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

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

In the July 1, 2013 actuarial valuation, project unit credit method was used. The actuarial assumptions included a 4.5 percent discount rate, an annual health care cost trend rate of 9.0

percent reduced by decrements of .5 percent annually to an ultimate rate of 5 percent. The UAAL is being amortized as an open level dollar. The amortization of UAAL is done over a period of 30 years.

16. Commitments and Contingent Liabilities

A. Grants

The City has received financial assistance from numerous federal and state agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, liabilities resulting from disallowed claims, if any, will not have a material effect on the City's financial position as of June 30, 2014.

B. Litigation

The City Attorney reported that as of June 30, 2014, various claims and lawsuits were on file against the City, and estimated that the potential settlements against the City not covered by insurance would not materially affect the financial position of the City. The City has authority to levy additional taxes (outside the regular limit) to cover uninsured judgments against the City.

C. Self-insurance

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

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

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

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

occurrence of liability on its General Fund operations, and is able to provide this coverage through its taxing process.

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

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

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

Liabilities are reported when it is probable that a loss will occur, and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering recent claim settlement trends, including frequency and amount of payouts and other economic and social factors. The following is a summary of estimated claims liability for the year ended June 30, 2014 (with comparative amounts for 2013):

	WORKERS COMPENSATION	
	2014	2013
Balance at beginning of year	\$ 9,607,453	\$ 7,538,780
Current year claims and changes in estimate	4,987,495	7,476,227
Claim payments	(3,542,454)	(5,407,554)
Balance at end of year	<u>\$ 11,052,494</u>	<u>\$ 9,607,453</u>

	LEGAL SETTLEMENTS	
	2014	2013
Balance at beginning of year	\$ 40,129,642	\$ 40,459,642
Current year claims and changes in estimate	740,317	217,879
Claim payments	(40,586,959)	(547,879)
Balance at end of year	<u>\$ 283,000</u>	<u>\$ 40,129,642</u>

The City became self-insured for medical claims and prescription coverage in fiscal year 2012. All claim handling procedures are performed by an independent claims administrator. Dental insurance is self-funded and administered by Delta Dental of Iowa. Liabilities are recognized when it is probable that a loss has occurred and the amount of

the loss can be reasonably estimated. The aggregate liability for claims for the year ended June 30, 2014 (with comparative amounts for 2013) is as follows:

	<u>2014</u>	<u>2013</u>
Claims payable, beginning of the year	\$ 1,680,000	\$ 1,829,000
Current year claims and changes in estimate	19,779,174	22,743,357
Claim payments	<u>(19,935,174)</u>	<u>(22,892,357)</u>
Claims payable, end of the year	<u>\$ 1,524,000</u>	<u>\$ 1,680,000</u>

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

D. Construction Contracts

The City has recognized as a liability only that portion of construction contracts representing construction completed through June 30, 2014. The City has additional commitments for signed construction contracts of approximately \$41.9 million as of June 30, 2014. Of these commitments, approximately \$12.86 million will be funded by general obligation and revenue bonds, \$23.84 million by federal and state grants, \$1.36 million from operating revenues, and \$3.84 million from private contributions.

E. Arbitrage

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

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

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

F. Developer Commitments

In order to encourage development within designated TIF districts, the City Council has approved developer grants to 43 different projects. The grants are to be paid only after certain conditions have been met by each project developer, and are to be paid over many years in the form of a rebate of a predetermined percentage of future property taxes generated by the property. Currently, it is estimated that outstanding commitments totaling about \$120.6 million exist, of which \$11.4 million may be eligible to be paid in the next fiscal year. These items are expensed in the period in which they are paid. No liability is recognized due to the fact that the agreements are conditional

and the payments are to be funded by future property taxes receivable on the project and are subject to the City Council's right of non-appropriation each fiscal year.

17. New Pronouncements

As of June 30, 2014, the GASB has issued several statements not yet implemented by the City. The statements which might impact the City are as follows:

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

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, issued January 2013, will be effective for the City beginning with its year ending June 30, 2015. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement provides guidance for: determining whether a specific government combination is a government merger, a government acquisition, or a transfer of operations; using carrying values (generally, the amounts recognized in the pre-combination financial statements of the combining governments or operations) to measure the assets, deferred outflows of resources, liabilities, and deferred inflows of resources combined in a government merger or transfer of operations; measuring acquired assets, deferred outflows of resources, liabilities, and deferred inflows of resources based upon their acquisition values in a government acquisition; and reporting the disposal of government operations that have been transferred or sold.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, issued November 2013, will be effective for the City beginning with its year ending June 30, 2015. This Statement eliminates a potential source of understatement of restated beginning net position and expense in a government's first year of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. To correct this potential understatement, Statement 71 requires a state or local government, when transitioning to the new pension standards, to recognize a beginning deferred outflow of resources for its pension contributions made during the time between the measurement date of the beginning net pension liability and the beginning of the initial fiscal year of implementation. This amount will be recognized regardless of whether it is practical to determine the beginning amounts of all other deferred outflows of resources and deferred inflows of resources related to pensions. The

provisions are effective simultaneously with the provisions of Statement 68, which is required to be applied in fiscal years beginning after June 15, 2014.

The City's management has not yet determined the effect these statements will have on the City's financial statements. Although the dollar amount of the net pension liability is not known, the City's management feels that the statements will have a material impact to the City's financial statements upon implementation.

18. Subsequent Events

On August 1, 2014, the City closed Supplement #4 of the Master Lease Agreement with Wells Fargo, in the amount of \$1,200,000 to purchase five tandem-axle dump trucks, one single-axle crew cab dump truck, one truck with aerial platform lift, one tandem-axle semi-tractor, and one rubber-tired loader. Funds from the supplement were deposited into an escrow account with Wells Fargo and will be used as the equipment becomes available. Principal payments on Supplement 4 begin on June 1, 2015 and continue annually until maturity on June 1, 2024. The interest rate on the supplement is 2.85%.

On July 30, 2014, the City issued \$24,945,000 of General Obligation Bonds Series 2014C, which will be used to fund a portion of the City's annual capital improvement program. Principal payments on the General Obligation Bonds begin on June 1, 2016 and continue annually until maturity on June 1, 2024. Interest rates on this issuance range from 2.0% to 5.0%.

On July 30, 2014, the City issued \$2,250,000 of Taxable General Obligation Urban Renewal Bonds Series 2014D, which will be used to fund various urban renewal projects. Principal payments on the General Obligation Urban Renewal Bonds begin on June 1, 2016 and continue annually until maturity on June 1, 2024. Interest rates on this issuance range from 2.00% to 3.05%.

On September 30, 2014, the City issued \$27,465,000 of General Obligation Refunding Capital Loan Notes Series 2014E, which will be used to crossover refund Series 2005C, Series 2007B, and Series 2007C on June 1, 2015. Principal payments on the General Obligation Refunding Capital Loan Notes begin on June 1, 2016 and continue annually until maturity on June 1, 2027. Interest rates on this issuance range from 1.5% to 5.0%.

19. Fund Balances

GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* establishes criteria for reclassifying fund balances into specifically defined classifications and clarified definitions for governmental fund types.

The details for the City of Des Moines' fund balances are the following:

Fund Balances:	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>TAX INCREMENT</u>
Nonspendable:			
Advances	\$ 7,021,547	\$ ---	\$ ---
Inventories	---	---	---
Prepays	1,071,375	---	---
Corpus for permanent funds	---	---	---
Total nonspendable	<u>8,092,922</u>	<u>---</u>	<u>---</u>
Restricted:			
Federal, state, and local grants	285,478	---	---
Road Use	---	---	---
Maintenance on public land, cemetery	---	---	---
Debt Service	---	1,330,845	---
Capital improvements and maintenance	---	---	---
Employee benefits	---	---	---
Police department	---	---	---
Fire department	---	---	---
SSMID districts	---	---	87,772
Community projects	---	---	---
Library gift fund	---	---	---
Tort	---	---	---
Scholarship	---	---	---
Total restricted	<u>285,478</u>	<u>1,330,845</u>	<u>87,772</u>
Committed			
Capital improvements and maintenance	---	---	---
Maintenance on public land, cemetery	---	---	---
Municipal Housing Agency	---	---	---
Economic development	---	---	---
Community projects	---	---	---
Total committed	<u>---</u>	<u>---</u>	<u>---</u>
Unassigned	<u>20,525,072</u>	<u>---</u>	<u>---</u>
Total fund balances	<u>\$ 28,903,472</u>	<u>\$ 1,330,845</u>	<u>\$ 87,772</u>

BENEFIT TAX ACCOUNTS	FRANCHISE FEE COURT SETTLEMENT	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ ---	\$ ---	\$ ---	\$ ---	\$ 7,021,547
---	---	---	409,011	409,011
---	---	73,747	211,951	1,357,073
---	---	---	3,481,043	3,481,043
---	---	73,747	4,102,005	12,268,674
---	---	---	83,948	369,426
---	---	---	1,817,452	1,817,452
---	---	---	1,264,054	1,264,054
---	107,907	---	---	1,438,752
---	---	888,328	---	888,328
119,158	---	---	732,627	851,785
---	---	---	863,147	863,147
---	---	---	32,594	32,594
---	---	---	289,801	377,573
---	---	---	331,074	331,074
---	---	---	551,066	551,066
---	---	---	211,241	211,241
---	---	---	1,214	1,214
119,158	107,907	888,328	6,178,218	8,997,706
---	---	31,203,828	---	31,203,828
---	---	---	145,306	145,306
---	---	---	---	---
---	---	---	1,467,529	1,467,529
---	---	---	66,627	66,627
---	---	31,203,828	1,679,462	32,883,290
---	---	---	(147,279)	20,377,793
\$ 119,158	\$ 107,907	\$ 32,165,903	\$ 11,812,406	\$ 74,527,463



REQUIRED SUPPLEMENTARY INFORMATION



CITY OF **DES MOINES**

**CITY OF DES MOINES, IOWA
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS -- ALL GOVERNMENTAL FUNDS
AND ENTERPRISE FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2014**

	GOVERNMENTAL		ENTERPRISE	BUDGETED AMOUNTS		FINAL TO ACTUAL
	FUND TYPES	FUND TYPES		ORIGINAL	FINAL	
	BASIS ACTUAL AMOUNTS	BASIS ACTUAL AMOUNTS	NET			
Revenue:						
Taxes	\$ 147,979,356		\$ 147,979,356	\$ 148,929,057	\$ 149,313,284	\$ (1,333,928)
Franchise fees	14,581,925		14,581,925	12,570,000	13,050,000	1,531,925
Licenses and permits	3,887,499		3,887,499	3,320,700	3,656,850	230,649
Fines and forfeitures	5,795,248		5,795,248	3,678,000	5,885,800	(90,552)
Charges for sales and services	19,336,054	76,159,175	95,495,229	120,825,946	107,702,337	(12,207,108)
Use of money and property	3,298,120	545,436	3,843,556	4,329,516	3,113,056	730,500
Miscellaneous	16,507,159	394,730	16,901,889	23,084,807	28,236,716	(11,334,827)
Intergovernmental	74,392,864	21,185,739	95,578,603	66,027,041	71,494,915	24,083,688
Total revenue	<u>285,778,225</u>	<u>98,285,080</u>	<u>384,063,305</u>	<u>382,765,067</u>	<u>382,452,958</u>	<u>1,610,347</u>
Expenditure:						
Current:						
Public safety	98,386,596	---	98,386,596	98,247,912	105,024,204	6,637,608
Public works	29,864,165	---	29,864,165	29,665,057	30,194,425	330,260
Health and social services	15,687,215	---	15,687,215	20,024,144	17,617,734	1,930,519
Culture and recreation	21,286,732	---	21,286,732	19,950,931	21,371,083	84,351
Community and economic development	20,062,726	---	20,062,726	16,603,044	18,056,246	(2,006,480)
General government	58,722,127	---	58,722,127	21,929,921	61,326,997	2,604,870
Business-type	---	78,025,603	78,025,603	92,717,744	87,732,237	9,706,634
Capital outlay	68,300,228	6,967,481	75,267,709	72,869,116	96,196,886	20,929,177
Debt service	69,553,196	378,511	69,931,707	60,507,833	74,715,787	4,784,080
Total expenditure	<u>381,862,985</u>	<u>85,371,595</u>	<u>467,234,580</u>	<u>432,515,702</u>	<u>512,235,599</u>	<u>45,001,019</u>
Excess (deficiency) of revenue over expenditure	<u>(96,084,760)</u>	<u>12,913,485</u>	<u>(83,171,275)</u>	<u>(49,750,635)</u>	<u>(129,782,641)</u>	<u>46,611,366</u>
Other financing sources (uses):						
Transfers in	88,079,063	1,413,307	89,492,370	52,972,556	61,748,719	27,743,651
Other financing sources	102,130,594	17,628,837	119,759,431	42,849,410	103,710,865	16,048,566
Transfers out	<u>(88,346,685)</u>	<u>(1,145,685)</u>	<u>(89,492,370)</u>	<u>(52,972,556)</u>	<u>(61,748,719)</u>	<u>(27,743,651)</u>
Total other financing sources (uses)	<u>101,862,972</u>	<u>17,896,459</u>	<u>119,759,431</u>	<u>42,849,410</u>	<u>103,710,865</u>	<u>16,048,566</u>
Net change in fund balances	5,778,212	30,809,944	36,588,156	<u>\$ (6,901,225)</u>	<u>\$ (26,071,776)</u>	<u>\$ 62,659,932</u>
Fund balances, beginning of year	<u>120,844,258</u>	<u>(39,170,364)</u>	<u>81,673,894</u>			
Fund balances, end of year	<u>\$ 126,622,470</u>	<u>\$ (8,360,420)</u>	<u>\$ 118,262,050</u>			

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

CITY OF DES MOINES, IOWA
BUDGETARY COMPARISON SCHEDULE --
BUDGET TO GAAP RECONCILIATION
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2014

	GOVERNMENTAL FUND TYPES		
	BUDGET MODIFIED ACCRUAL BASIS	ACCRUAL ADJUSTMENTS	MODIFIED ACCRUAL BASIS
Revenues	\$ 285,778,225	\$ 2,223,354	\$ 288,001,579
Expenditures	381,862,985	2,847,337	384,710,322
Net	(96,084,760)	(623,983)	(96,708,743)
Other financing sources (uses)	101,862,972	---	101,862,972
Beginning fund balances	120,844,258	(51,471,024)	69,373,234
Ending fund balances	\$ 126,622,470	\$ (52,095,007)	\$ 74,527,463

	ENTERPRISE FUND TYPES		
	BUDGET MODIFIED ACCRUAL BASIS	ACCRUAL ADJUSTMENTS	ACCRUAL BASIS
Revenues	\$ 98,285,080	\$ 559,238	\$ 98,844,318
Expenditures	85,371,595	5,383,284	90,754,879
Net	12,913,485	(4,824,046)	8,089,439
Other financing sources (uses)	17,896,459	(17,628,837)	267,622
Beginning fund balances	(39,170,364)	335,509,481	296,339,117
Ending fund balances	\$ (8,360,420)	\$ 313,056,598	\$ 304,696,178

See notes to required supplementary information.

**CITY OF DES MOINES, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION --
BUDGETARY REPORTING
June 30, 2014**

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

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. These ten functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, business-type and non-program. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, budget amendments increased budgeted disbursements, including transfers out by \$88,496,060. These budget amendments are reflected in the final budgeted amounts.

During the year ended June 30, 2014, disbursements exceeded the amounts budgeted in the community and economic development function.

**CITY OF DES MOINES, IOWA
OTHER POSTEMPLOYMENT BENEFIT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2014**

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2014	7/1/2013	\$ ---	\$ 16,451,197	\$ 16,451,197	\$ ---	\$ 97,555,405	16.9%
2013	7/1/2011	\$ ---	\$ 15,910,966 *	\$ 15,910,966	\$ ---	\$ 94,988,560	16.8%
2012	7/1/2011	\$ ---	\$ 15,910,966	\$ 15,910,966	\$ ---	\$ 100,771,238	15.8%

The information presented in the required supplementary schedule was determined as part of the actuarial valuation as of July 1, 2013. Additional information follows:

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

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



CITY OF **DES MOINES**



CITY OF DES MOINES, IOWA
COMBINING BALANCE SHEET SCHEDULE
ALL GENERAL FUND ACCOUNTS
June 30, 2014

	<u>GENERAL</u>	<u>OTHER</u>	<u>TOTALS</u>
ASSETS			
Cash and investments	\$ 16,406,124	\$ 1,689,115	\$ 18,095,239
Taxes receivable	56,382,942	---	56,382,942
Accounts receivable	5,105,102	5,000	5,110,102
Accrued interest receivable	19,272	---	19,272
Due from other funds	468,951	---	468,951
Due from other governmental units	1,129,988	---	1,129,988
Advance to other funds	7,021,547	---	7,021,547
Special assessments receivable	28,668	---	28,668
Prepaid items	1,069,389	1,986	1,071,375
Total assets	\$ 87,631,983	\$ 1,696,101	\$ 89,328,084
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 2,287,336	\$ 16,966	\$ 2,304,302
Accrued wages payable	2,550,446	20,789	2,571,235
Due to other funds	100,512	---	100,512
Good faith, security deposits	964,125	5,000	969,125
Total liabilities	<u>5,902,419</u>	<u>42,755</u>	<u>5,945,174</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes	54,269,348	---	54,269,348
Unavailable revenue - intergovernmental	210,090	---	210,090
Total deferred inflows of resources	<u>54,479,438</u>	<u>---</u>	<u>54,479,438</u>
Fund balance:			
Nonspendable	8,090,936	1,986	8,092,922
Restricted	---	285,478	285,478
Committed	---	---	---
Unassigned	19,159,190	1,365,882	20,525,072
Total fund balance	<u>27,250,126</u>	<u>1,653,346</u>	<u>28,903,472</u>
Total liabilities, deferred inflows of resources and fund balance	\$ 87,631,983	\$ 1,696,101	\$ 89,328,084

**CITY OF DES MOINES, IOWA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 ALL GENERAL FUND ACCOUNTS
 For the Fiscal Year Ended June 30, 2014**

	<u>GENERAL</u>	<u>OTHER</u>	<u>TOTALS</u>
Revenues:			
Taxes	\$ 58,205,972	\$ 11,775	\$ 58,217,747
Franchise fees	14,581,925	---	14,581,925
Licenses and permits	3,745,833	---	3,745,833
Fines and forfeitures	5,729,891	---	5,729,891
Charges for sales and services	17,345,729	1,800	17,347,529
Use of money and property	1,169,228	---	1,169,228
Miscellaneous	16,061,669	5,818	16,067,487
Intergovernmental	1,679,599	---	1,679,599
Total revenues	<u>118,519,846</u>	<u>19,393</u>	<u>118,539,239</u>
Expenditures:			
Current:			
Public safety	95,172,649	727,383	95,900,032
Public works	8,300,553	---	8,300,553
Health and social services	347,878	16,556	364,434
Culture and recreation	19,982,841	---	19,982,841
Community and economic development	5,345,271	---	5,345,271
General governmental	13,674,271	237,598	13,911,869
Capital outlay	622,918	---	622,918
Total expenditures	<u>143,446,381</u>	<u>981,537</u>	<u>144,427,918</u>
(Deficiency) of revenues over expenditures	<u>(24,926,535)</u>	<u>(962,144)</u>	<u>(25,888,679)</u>
Other financing sources (uses):			
Transfers in	31,045,120	445,000	31,490,120
Transfers out	(3,105,200)	---	(3,105,200)
Proceeds from damage claims	33,037	---	33,037
Proceeds from capital asset sale	21,318	57,869	79,187
Total other financing sources (uses)	<u>27,994,275</u>	<u>502,869</u>	<u>28,497,144</u>
Net changes in fund balance	3,067,740	(459,275)	2,608,465
Fund balance, beginning of year, as restated	<u>24,182,386</u>	<u>2,112,621</u>	<u>26,295,007</u>
Fund balance, end of year	<u><u>\$ 27,250,126</u></u>	<u><u>\$ 1,653,346</u></u>	<u><u>\$ 28,903,472</u></u>

CITY OF DES MOINES, IOWA
COMBINING BALANCE SHEET SCHEDULE
ALL CAPITAL PROJECTS ACCOUNTS
June 30, 2014

	BRIDGE PROJECTS	MUNICIPAL BUILDINGS PROJECTS	STREET PROJECTS	PARK IMPROVEMENT PROJECTS
ASSETS				
Cash and investments	\$ 6,112,634	\$ 4,844,109	\$ 10,857,597	\$ 2,917,750
Accounts receivable	---	---	28,180	---
Due from other funds	---	---	4,641,118	---
Due from other governmental units	90,021	583,043	5,628,306	301,395
Prepaid items	---	---	---	---
Special assessment receivables	---	---	---	---
Total assets	\$ 6,202,655	\$ 5,427,152	\$ 21,155,201	\$ 3,219,145
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 200	\$ 329,480	\$ 324,283	\$ 192,771
Contracts payable	256,952	1,635,012	4,694,393	217,341
Accrued wages payable	7,775	19,693	74,414	16,044
Good faith, security deposits	---	---	---	1,000
Total liabilities	264,927	1,984,185	5,093,090	427,156
Deferred inflows of resources:				
Unavailable revenue - intergovernmental	2,450	583,043	982,528	16,326
Unavailable revenue - special assessment	---	---	---	---
Total deferred inflows of resources	2,450	583,043	982,528	16,326
Fund balance:				
Nonspendable	---	---	---	---
Restricted	---	---	---	---
Committed	5,935,278	2,859,924	15,079,583	2,775,663
Total fund balance	5,935,278	2,859,924	15,079,583	2,775,663
Total liabilities, deferred inflows of resources and fund balance	\$ 6,202,655	\$ 5,427,152	\$ 21,155,201	\$ 3,219,145

<u>FIRE PROTECTION PROJECTS</u>	<u>LIBRARY PROJECTS</u>	<u>SPECIAL ASSESSMENT PROJECTS</u>	<u>URBAN RENEWAL PROJECTS</u>	<u>OTHER CAPITAL PROJECTS</u>	<u>TOTALS</u>
\$ 1,738,728	\$ 917,152	\$ 888,328	\$ 885,951	\$ 2,151,357	\$ 31,313,606
---	1,984	---	---	---	30,164
---	---	---	---	---	4,641,118
---	---	---	---	---	6,602,765
---	10,557	---	---	63,190	73,747
---	---	2,622,693	---	---	2,622,693
<u>\$ 1,738,728</u>	<u>\$ 929,693</u>	<u>\$ 3,511,021</u>	<u>\$ 885,951</u>	<u>\$ 2,214,547</u>	<u>\$ 45,284,093</u>
\$ 75,538	\$ 16,202	\$ ---	\$ ---	\$ 1,034,913	\$ 1,973,387
1,347	10,001	---	---	560	6,815,606
394	344	---	93	2,400	121,157
---	---	---	---	---	1,000
<u>77,279</u>	<u>26,547</u>	<u>---</u>	<u>93</u>	<u>1,037,873</u>	<u>8,911,150</u>
---	---	---	---	---	1,584,347
---	---	2,622,693	---	---	2,622,693
---	---	2,622,693	---	---	4,207,040
---	10,557	---	---	63,190	73,747
---	---	888,328	---	---	888,328
1,661,449	892,589	---	885,858	1,113,484	31,203,828
<u>1,661,449</u>	<u>903,146</u>	<u>888,328</u>	<u>885,858</u>	<u>1,176,674</u>	<u>32,165,903</u>
<u>\$ 1,738,728</u>	<u>\$ 929,693</u>	<u>\$ 3,511,021</u>	<u>\$ 885,951</u>	<u>\$ 2,214,547</u>	<u>\$ 45,284,093</u>

**CITY OF DES MOINES, IOWA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
ALL CAPITAL PROJECTS ACCOUNTS
For the Fiscal Year Ended June 30, 2014**

	BRIDGE PROJECTS	MUNICIPAL BUILDINGS PROJECTS	STREET PROJECTS	PARK IMPROVEMENT PROJECTS
Revenues:				
Charges for sales and services	\$ ---	\$ ---	\$ 7,475	\$ 113
Use of money and property	729	8,650	15,658	10,471
Miscellaneous	78,534	15,171	296,255	676,565
Intergovernmental	2,847,292	3,270,412	19,597,318	315,039
Total revenue	<u>2,926,555</u>	<u>3,294,233</u>	<u>19,916,706</u>	<u>1,002,188</u>
Expenditures:				
Current:				
Public safety	---	---	---	---
Public works	---	---	63,637	---
Culture and recreation	---	---	---	760
Community and economic development	---	---	---	---
General government	---	---	---	---
Capital outlay	4,668,927	19,302,647	34,937,336	4,356,159
Debt service:				
Principal retirement	---	---	---	---
Total expenditures	<u>4,668,927</u>	<u>19,302,647</u>	<u>35,000,973</u>	<u>4,356,919</u>
Excess (deficiency) of revenues over expenditures	<u>(1,742,372)</u>	<u>(16,008,414)</u>	<u>(15,084,267)</u>	<u>(3,354,731)</u>
Other financing sources (uses):				
Transfers in	1,600,000	8,895,200	17,255,000	4,671,940
Transfers out	---	(15,000)	(34,562)	---
Proceeds from damage claims	1,379	---	---	12,872
Total other financing sources (uses)	<u>1,601,379</u>	<u>8,880,200</u>	<u>17,220,438</u>	<u>4,684,812</u>
Net changes in fund balance	(140,993)	(7,128,214)	2,136,171	1,330,081
Fund balance, beginning of year	<u>6,076,271</u>	<u>9,988,138</u>	<u>12,943,412</u>	<u>1,445,582</u>
Fund balance, end of year	<u>\$ 5,935,278</u>	<u>\$ 2,859,924</u>	<u>\$ 15,079,583</u>	<u>\$ 2,775,663</u>

FIRE PROTECTION PROJECTS	LIBRARY PROJECTS	SPECIAL ASSESSMENT PROJECTS	URBAN RENEWAL PROJECTS	OTHER CAPITAL PROJECTS	TOTALS
\$ ---	\$ 157,867	\$ ---	\$ ---	\$ 23,785	\$ 189,240
1,385	648	170	59,352	1,910	98,973
---	36,045	22,495	---	256,345	1,381,410
119,220	66,454	---	---	69,108	26,284,843
<u>120,605</u>	<u>261,014</u>	<u>22,665</u>	<u>59,352</u>	<u>351,148</u>	<u>27,954,466</u>
45,684	---	---	---	---	45,684
---	---	---	---	496,902	560,539
---	697,051	---	---	---	697,811
---	---	---	1,997	2,163,480	2,165,477
---	---	---	---	325,366	325,366
2,413,733	564,879	---	14,966	916,932	67,175,579
---	---	---	---	75,332	75,332
<u>2,459,417</u>	<u>1,261,930</u>	<u>---</u>	<u>16,963</u>	<u>3,978,012</u>	<u>71,045,788</u>
<u>(2,338,812)</u>	<u>(1,000,916)</u>	<u>22,665</u>	<u>42,389</u>	<u>(3,626,864)</u>	<u>(43,091,322)</u>
1,450,000	735,000	---	---	2,855,000	37,462,140
---	---	---	---	---	(49,562)
---	267,500	---	---	---	281,751
<u>1,450,000</u>	<u>1,002,500</u>	<u>---</u>	<u>---</u>	<u>2,855,000</u>	<u>37,694,329</u>
(888,812)	1,584	22,665	42,389	(771,864)	(5,396,993)
<u>2,550,261</u>	<u>901,562</u>	<u>865,663</u>	<u>843,469</u>	<u>1,948,538</u>	<u>37,562,896</u>
<u>\$ 1,661,449</u>	<u>\$ 903,146</u>	<u>\$ 888,328</u>	<u>\$ 885,858</u>	<u>\$ 1,176,674</u>	<u>\$ 32,165,903</u>

**CITY OF DES MOINES, IOWA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014**

	SPECIAL REVENUE		
		COMMUNITY	OTHER
	CDBG	SERVICES	EMPLOYEE BENEFITS
ASSETS			
Cash and investments	\$ ---	\$ ---	\$ 1,461,238
Taxes receivable	---	---	8,139,582
Accounts receivable	---	108,877	---
Loans receivable, net of allowance for doubtful accounts	1,135,348	---	---
Accrued interest receivable	2,923	---	---
Due from other funds	---	---	---
Due from other governmental units	3,071,943	1,271,045	---
Special assessments receivable	35,371	---	---
Inventory	---	---	---
Prepaid items	---	104,967	20,284
Total assets	\$ 4,245,585	\$ 1,484,889	\$ 9,621,104
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities:			
Accounts payable	\$ 44,664	\$ 639,518	\$ 44,748
Accrued wages payable	48,294	10,065	324,375
Accrued employee benefits	---	---	458,532
Good faith, security deposits	---	---	---
Due to other funds	2,708,875	233,562	---
Unearned revenue	---	---	---
Total liabilities	2,801,833	883,145	827,655
Deferred inflows of resources:			
Unavailable revenue - property taxes	---	---	8,040,538
Unavailable revenue - intergovernmental	1,591,031	271,966	---
Total deferred inflows of resources	1,591,031	271,966	8,040,538
Fund balances (deficits):			
Nonspendable	---	104,967	20,284
Restricted	---	224,811	732,627
Committed	---	---	---
Unassigned	(147,279)	---	---
Total fund balances (deficits)	(147,279)	329,778	752,911
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 4,245,585	\$ 1,484,889	\$ 9,621,104

SPECIAL REVENUE			PERMANENT				
ROAD USE TAX	TORT LIABILITY	OTHER SPECIAL REVENUE	PERMANENT CEMETERY MAINTENANCE	SWARTZELL ENDOWMENT	WEISE BIRD HABITATS	TOTALS	
\$ ---	\$ 327,016	\$ 1,419,071	\$ 4,013,233	\$ 395,453	\$ 2,650	\$ 7,618,661	
---	1,964,758	893,446	---	---	---	10,997,786	
210,795	---	265,999	1,920	---	---	587,591	
---	---	2,182,417	---	---	---	3,317,765	
---	---	30,239	---	---	---	33,162	
---	---	305,448	---	---	---	305,448	
4,116,861	---	473,436	---	---	---	8,933,285	
847	---	---	---	---	---	36,218	
409,011	---	---	---	---	---	409,011	
4,550	45,199	36,951	---	---	---	211,951	
<u>\$ 4,742,064</u>	<u>\$ 2,336,973</u>	<u>\$ 5,607,007</u>	<u>\$ 4,015,153</u>	<u>\$ 395,453</u>	<u>\$ 2,650</u>	<u>\$ 32,450,878</u>	
\$ 909,956	\$ 1,724	\$ 244,488	\$ ---	\$ ---	\$ ---	\$ 1,885,098	
174,153	17,892	4,603	---	---	---	579,382	
---	---	---	---	---	---	458,532	
---	---	125,056	---	---	---	125,056	
1,187,482	118,687	364,294	---	---	---	4,612,900	
---	---	---	---	---	---	---	
<u>2,271,591</u>	<u>138,303</u>	<u>738,441</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>7,660,968</u>	
---	1,942,230	885,197	---	---	---	10,867,965	
239,460	---	7,082	---	---	---	2,109,539	
<u>239,460</u>	<u>1,942,230</u>	<u>892,279</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>12,977,504</u>	
413,561	45,199	36,951	3,133,284	347,759	---	4,102,005	
1,817,452	211,241	2,259,874	881,869	47,694	2,650	6,178,218	
---	---	1,679,462	---	---	---	1,679,462	
---	---	---	---	---	---	(147,279)	
<u>2,231,013</u>	<u>256,440</u>	<u>3,976,287</u>	<u>4,015,153</u>	<u>395,453</u>	<u>2,650</u>	<u>11,812,406</u>	
<u>\$ 4,742,064</u>	<u>\$ 2,336,973</u>	<u>\$ 5,607,007</u>	<u>\$ 4,015,153</u>	<u>\$ 395,453</u>	<u>\$ 2,650</u>	<u>\$ 32,450,878</u>	

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2014

	SPECIAL REVENUE		
	CDBG	COMMUNITY SERVICES	OTHER
			EMPLOYEE BENEFITS
Revenues:			
Taxes	\$ ---	\$ ---	\$ 8,388,140
Licenses and permits	---	180	---
Fines and forfeitures	34,782	---	---
Charges for sales and services	113	2,500	---
Use of money and property	28,821	104,064	---
Miscellaneous	237,457	378,028	133,898
Intergovernmental	8,990,444	7,431,881	---
Total revenues	<u>9,291,617</u>	<u>7,916,653</u>	<u>8,522,038</u>
Expenditures:			
Current:			
Public safety	---	---	---
Public works	---	---	---
Health and social services	7,813,127	7,481,829	---
Culture and recreation	---	---	---
Community and economic development	60,000	---	---
General government	---	---	2,560,137
Capital outlay	---	---	---
Total expenditures	<u>7,873,127</u>	<u>7,481,829</u>	<u>2,560,137</u>
Excess of revenues over expenditures	<u>1,418,490</u>	<u>434,824</u>	<u>5,961,901</u>
Other financing sources (uses):			
Transfers in	---	---	2,000,000
Transfers out	---	---	(7,913,858)
Proceeds from damage claims	---	---	---
Proceeds from capital asset sale	18,000	---	---
Total other financing sources (uses)	<u>18,000</u>	<u>---</u>	<u>(5,913,858)</u>
Net changes in fund balances	1,436,490	434,824	48,043
Fund balances (deficits), beginning of year, as restated	<u>(1,583,769)</u>	<u>(105,046)</u>	<u>704,868</u>
Fund balances (deficits), end of year	<u>\$ (147,279)</u>	<u>\$ 329,778</u>	<u>\$ 752,911</u>

SPECIAL REVENUE			PERMANENT			
ROAD USE	TORT	OTHER SPECIAL	PERMANENT	SWARTZELL	WEISE BIRD	TOTALS
TAX	LIABILITY	REVENUE	CEMETERY	ENDOWMENT	HABITATS	
			MAINTENANCE			
\$ ---	\$ 1,899,963	\$ 805,898	\$ ---	\$ ---	\$ ---	\$ 11,094,001
141,486	---	---	---	---	---	141,666
30,575	---	---	---	---	---	65,357
1,630,558	---	71,707	94,008	---	---	1,798,886
---	---	417,723	14,895	284	---	565,787
32,748	53	1,162,978	---	---	---	1,945,162
22,015,925	---	4,547,084	---	---	---	42,985,334
23,851,292	1,900,016	7,005,390	108,903	284	---	58,596,193
---	195,094	2,245,786	---	---	---	2,440,880
21,003,073	---	---	---	---	---	21,003,073
---	---	27,825	---	---	---	15,322,781
---	---	606,080	---	---	---	606,080
---	---	1,337,503	---	---	---	1,397,503
---	1,421,210	53,312	---	---	---	4,034,659
23,301	---	478,430	---	---	---	501,731
21,026,374	1,616,304	4,748,936	---	---	---	45,306,707
2,824,918	283,712	2,256,454	108,903	284	---	13,289,486
---	---	1,092,953	---	---	---	3,092,953
(1,524,676)	---	(1,049,218)	---	---	---	(10,487,752)
53,310	---	---	---	---	---	53,310
---	---	771,600	---	---	---	789,600
(1,471,366)	---	815,335	---	---	---	(6,551,889)
1,353,552	283,712	3,071,789	108,903	284	---	6,737,597
877,461	(27,272)	904,498	3,906,250	395,169	2,650	5,074,809
\$ 2,231,013	\$ 256,440	\$ 3,976,287	\$ 4,015,153	\$ 395,453	\$ 2,650	\$ 11,812,406

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF NET POSITION SCHEDULE
ALL PARKING ACCOUNTS
June 30, 2014

<u>ASSETS</u>	<u>PARKING</u>	<u>PARK AND RIDE</u>	<u>TOTALS</u>
Current assets:			
Unrestricted current assets:			
Cash and investments	\$ 1,747,086	\$ 5,444,684	\$ 7,191,770
Accounts receivable	51,938	---	51,938
Due from other governmental units	11,344	---	11,344
Total current assets	<u>1,810,368</u>	<u>5,444,684</u>	<u>7,255,052</u>
Noncurrent assets:			
Capital assets			
Land	9,045,667	3,924,980	12,970,647
Construction in progress	1,981,092	26,492	2,007,584
Buildings	64,755,271	597,754	65,353,025
Improvements other than buildings	16,924,550	17,816,005	34,740,555
Machinery and equipment	1,148,917	---	1,148,917
Accumulated depreciation	<u>(53,747,980)</u>	<u>(8,991,178)</u>	<u>(62,739,158)</u>
Total capital assets, net of accumulated depreciation	<u>40,107,517</u>	<u>13,374,053</u>	<u>53,481,570</u>
Total noncurrent assets	<u>40,107,517</u>	<u>13,374,053</u>	<u>53,481,570</u>
Total assets	<u>\$ 41,917,885</u>	<u>\$ 18,818,737</u>	<u>\$ 60,736,622</u>

LIABILITIES	PARKING	PARK AND RIDE	TOTALS
Liabilities:			
Current liabilities:			
Accounts payable	\$ 322,194	\$ 38,618	\$ 360,812
Contracts payable	---	24,264	24,264
Accrued wages payable	24,411	186	24,597
Accrued employee benefits	82,574	---	82,574
Due to other funds	374,499	---	374,499
Accrued interest payable	18,750	---	18,750
General obligation bonds payable, net	1,800,000	---	1,800,000
Total current liabilities	<u>2,622,428</u>	<u>63,068</u>	<u>2,685,496</u>
Noncurrent liabilities:			
Accrued employee benefits	133,175	---	133,175
Other postemployment benefits	56,808	---	56,808
Advance from other funds	3,483,862	---	3,483,862
General obligation bonds payable, net	9,768,751	---	9,768,751
Total noncurrent liabilities	<u>13,442,596</u>	<u>---</u>	<u>13,442,596</u>
Total liabilities	<u>16,065,024</u>	<u>63,068</u>	<u>16,128,092</u>
NET POSITION			
Net investment in capital assets	28,538,766	13,374,053	41,912,819
Unrestricted	(2,685,905)	5,381,616	2,695,711
Total net position	<u>\$ 25,852,861</u>	<u>\$ 18,755,669</u>	<u>\$ 44,608,530</u>



CITY OF

DES MOINES

CITY OF DES MOINES, IOWA
COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
ALL PARKING ACCOUNTS
For the Fiscal Year Ended June 30, 2014

	<u>PARKING</u>	<u>PARK AND RIDE</u>	<u>TOTALS</u>
Operating revenues:			
Charges for sales and services	\$ 7,109,042	\$ 1,141,904	\$ 8,250,946
Total operating revenues	<u>7,109,042</u>	<u>1,141,904</u>	<u>8,250,946</u>
Operating expenses:			
Personal services	1,177,959	---	1,177,959
Contractual services	4,552,459	1,310,852	5,863,311
Commodities	347,099	---	347,099
Depreciation	2,862,235	639,920	3,502,155
Other charges	141,424	15,579	157,003
Total operating expenses	<u>9,081,176</u>	<u>1,966,351</u>	<u>11,047,527</u>
Operating (loss)	<u>(1,972,134)</u>	<u>(824,447)</u>	<u>(2,796,581)</u>
Non-operating revenues (expenses):			
Gain on disposal of capital assets	1,925	---	1,925
Investment earnings	4,949	8,288	13,237
Proceeds from damage claims	5,079	---	5,079
Interest expense and fiscal charges	(181,617)	---	(181,617)
Total nonoperating revenues (expenses)	<u>(169,664)</u>	<u>8,288</u>	<u>(161,376)</u>
(Loss) before transfers	(2,141,798)	(816,159)	(2,957,957)
Other financing sources (uses):			
Transfers in	800,000	282,605	1,082,605
Transfers out	---	(20,000)	(20,000)
Total other financing sources (uses)	<u>800,000</u>	<u>262,605</u>	<u>1,062,605</u>
Change in net position	(1,341,798)	(553,554)	(1,895,352)
Total net position - beginning	<u>27,194,659</u>	<u>19,309,223</u>	<u>46,503,882</u>
Total net position - ending	<u>\$ 25,852,861</u>	<u>\$ 18,755,669</u>	<u>\$ 44,608,530</u>

CITY OF DES MOINES, IOWA
COMBINING SCHEDULE OF CASH FLOWS
ALL PARKING ACCOUNTS
For the Fiscal Year Ended June 30, 2014

	<u>PARKING</u>	<u>PARK AND RIDE</u>	<u>TOTALS</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 7,071,347	\$ 1,144,779	\$ 8,216,126
Payments to suppliers	(5,221,021)	(1,372,196)	(6,593,217)
Payments to employees	(1,130,695)	---	(1,130,695)
Proceeds from damage claims	5,079	---	5,079
Net cash provided by (used in) operating activities	<u>724,710</u>	<u>(227,417)</u>	<u>497,293</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Payments to interfund accounts	(372,041)	---	(372,041)
Transfers in	800,000	282,605	1,082,605
Transfers out	---	(20,000)	(20,000)
Net cash provided by noncapital and related financing activities	<u>427,959</u>	<u>262,605</u>	<u>690,564</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest paid on capital debt	(288,560)	---	(288,560)
Principal paid on long-term debt	(1,780,000)	---	(1,780,000)
Proceeds from sale of capital assets	1,925	---	1,925
Acquisition and construction of capital assets	(621,327)	---	(621,327)
Net cash (used in) capital and related financing activities	<u>(2,687,962)</u>	<u>-</u>	<u>(2,687,962)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	---	---	-
Interest and dividends received	4,949	8,288	13,237
Net cash provided by investing activities	<u>4,949</u>	<u>8,288</u>	<u>13,237</u>
Net increase (decrease) in cash and cash equivalents	(1,530,344)	43,476	(1,486,868)

	<u>PARKING</u>	<u>PARK AND RIDE</u>	<u>TOTALS</u>
Cash and cash equivalents, beginning of year	\$ 3,277,430	\$ 5,401,208	\$ 8,678,638
Cash and cash equivalents, end of year	<u>\$ 1,747,086</u>	<u>\$ 5,444,684</u>	<u>\$ 7,191,770</u>
Reconciliation of operating (loss) to net cash provided by (used in) operating activities:			
Operating (loss)	<u>\$ (1,972,134)</u>	<u>\$ (824,447)</u>	<u>\$ (2,796,581)</u>
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	2,862,235	639,920	3,502,155
Proceeds from damage claims	5,079	---	5,079
(Increase) decrease in accounts receivable	(36,046)	2,875	(33,171)
(Increase) in due from other governmental units	(1,649)	---	(1,649)
Decrease in prepaid items	298	---	298
(Decrease) in accounts payable	(180,337)	(45,951)	(226,288)
Increase in accrued wages payable	4,105	186	4,291
Increase in accrued employee benefits and other postemployment benefits	43,159	---	43,159
Total adjustments	<u>2,696,844</u>	<u>597,030</u>	<u>3,293,874</u>
Net cash provided by (used in) operating activities	<u>\$ 724,710</u>	<u>\$ (227,417)</u>	<u>\$ 497,293</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF NET POSITION (DEFICIT)
NONMAJOR ENTERPRISE FUNDS
June 30, 2014

ASSETS	GOLF COURSES	SOLID WASTE SYSTEM	TOTALS
Current assets:			
Unrestricted current assets:			
Cash and investments	\$ 4,500	\$ 8,083,708	\$ 8,088,208
Accounts receivable	125,657	180,895	306,552
Special assessments receivable	---	55,215	55,215
Total current assets	130,157	8,319,818	8,449,975
Noncurrent assets, capital assets:			
Land	123,497	---	123,497
Buildings	330,339	1,143,880	1,474,219
Improvements other than buildings	3,222,054	261,589	3,483,643
Machinery and equipment	651,707	13,542,879	14,194,586
Accumulated depreciation	(2,185,866)	(10,955,202)	(13,141,068)
Total capital assets, net of accumulated depreciation	2,141,731	3,993,146	6,134,877
Total assets	\$ 2,271,888	\$ 12,312,964	\$ 14,584,852
LIABILITIES			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 3,665	\$ 78,817	\$ 82,482
Accrued wages payable	---	95,628	95,628
Accrued employee benefits	---	258,745	258,745
Notes payable	---	380,176	380,176
Accrued interest payable	---	1,187	1,187
Total current liabilities	3,665	814,553	818,218
Noncurrent liabilities:			
Accrued employee benefits	---	417,307	417,307
Other postemployment benefits	---	189,968	189,968
Advance from other funds	3,537,685	---	3,537,685
Total noncurrent liabilities	3,537,685	607,275	4,144,960
Total liabilities	3,541,350	1,421,828	4,963,178
NET POSITION (DEFICIT)			
Net investment in capital assets	2,141,731	3,612,970	5,754,701
Unrestricted	(3,411,193)	7,278,166	3,866,973
Total net position (deficit)	\$ (1,269,462)	\$ 10,891,136	\$ 9,621,674

**CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION (DEFICIT)
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2014**

	GOLF COURSES	SOLID WASTE SYSTEM	TOTALS
Operating revenues:			
Charges for sales and services	\$ 165,115	\$ 12,210,991	\$ 12,376,106
Miscellaneous	86,637	11,687	98,324
Total operating revenues	<u>251,752</u>	<u>12,222,678</u>	<u>12,474,430</u>
Operating expenses:			
Personal services	---	4,698,827	4,698,827
Contractual services	96,618	4,908,916	5,005,534
Commodities	4,028	237,891	241,919
Depreciation	173,922	642,907	816,829
Other charges	34,359	470,083	504,442
Total operating expenses	<u>308,927</u>	<u>10,958,624</u>	<u>11,267,551</u>
Operating income (loss)	<u>(57,175)</u>	<u>1,264,054</u>	<u>1,206,879</u>
Non-operating revenues (expenses):			
Capital grants and contributions	6,000	---	6,000
Loss on sale of capital assets	---	(20,761)	(20,761)
Investment earnings	---	11,094	11,094
Interest expense and fiscal charges	(5,225)	(27,540)	(32,765)
Total nonoperating revenues (expenses)	<u>775</u>	<u>(37,207)</u>	<u>(36,432)</u>
Change in net position	(56,400)	1,226,847	1,170,447
Total net position (deficit) - beginning	<u>(1,213,062)</u>	<u>9,664,289</u>	<u>8,451,227</u>
Total net position (deficit) - ending	<u>\$ (1,269,462)</u>	<u>\$ 10,891,136</u>	<u>\$ 9,621,674</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2014

	GOLF COURSES	SOLID WASTE SYSTEM	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 260,829	\$ 12,239,804	\$ 12,500,633
Payments to suppliers	(132,558)	(5,821,662)	(5,954,220)
Payments to employees	---	(4,645,158)	(4,645,158)
Net cash provided by operating activities	<u>128,271</u>	<u>1,772,984</u>	<u>1,901,255</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Payments to interfund accounts	<u>(129,046)</u>	<u>---</u>	<u>(129,046)</u>
Net cash (used in) noncapital and related financing activities	<u>(129,046)</u>	<u>---</u>	<u>(129,046)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from intergovernmental and capital grants	6,000	-	6,000
Interest paid on capital debt	(5,225)	(28,443)	(33,668)
Principal paid on long-term debt	---	(378,511)	(378,511)
Proceeds from sale of capital assets	---	5,656	5,656
Acquisition and construction of capital assets	<u>---</u>	<u>(91,575)</u>	<u>(91,575)</u>
Net cash provided by (used in) capital and related financing activities	<u>775</u>	<u>(492,873)</u>	<u>(492,098)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	<u>---</u>	<u>11,094</u>	<u>11,094</u>
Net cash provided by investing activities	<u>---</u>	<u>11,094</u>	<u>11,094</u>
Net increase in cash and cash equivalents	<u>---</u>	<u>1,291,205</u>	<u>1,291,205</u>

	<u>GOLF COURSES</u>	<u>SOLID WASTE SYSTEM</u>	<u>TOTALS</u>
Cash and cash equivalents, beginning of year	\$ 4,500	\$ 6,792,503	\$ 6,797,003
Cash and cash equivalents, end of year	<u>\$ 4,500</u>	<u>\$ 8,083,708</u>	<u>\$ 8,088,208</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (57,175)	\$ 1,264,054	\$ 1,206,879
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	173,922	642,907	816,829
Decrease in accounts receivable	9,077	20,926	30,003
(Increase) in special assessments receivable	---	(11,691)	(11,691)
Decrease in due from other governmental units	---	7,891	7,891
Decrease in prepaid items	---	311	311
Increase (decrease) in accounts payable	2,447	(205,083)	(202,636)
Increase in accrued wages payable	---	17,520	17,520
Increase in accrued employee benefits and other postemployment benefits	---	36,149	36,149
Total adjustments	<u>185,446</u>	<u>508,930</u>	<u>694,376</u>
Net cash provided by operating activities	<u>\$ 128,271</u>	<u>\$ 1,772,984</u>	<u>\$ 1,901,255</u>
Schedule of noncash capital and related financing activities:			
(Loss) on disposal of capital assets	\$ ---	\$ (20,761)	\$ (20,761)

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2014

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUNI- CATIONS
ASSETS				
Current assets:				
Cash and investments	\$ 747,359	\$ 168,099	\$ 266,960	\$ 155,557
Taxes receivable	15,602	---	---	---
Accounts receivable	1,311	---	---	---
Due from other funds	---	---	---	---
Prepaid items	9,072	---	41,218	---
Inventory	160,527	---	76,999	---
Total current assets	933,871	168,099	385,177	155,557
Noncurrent assets, capital assets:				
Machinery and equipment	78,363	---	1,114,041	24,249
Accumulated depreciation	(69,373)	---	(1,099,011)	(24,249)
Total capital assets, net of accumulated depreciation	8,990	---	15,030	---
Total assets	\$ 942,861	\$ 168,099	\$ 400,207	\$ 155,557
LIABILITIES				
Liabilities:				
Current liabilities:				
Accounts payable	\$ 440,401	\$ 4,288	\$ 12,088	\$ 4,098
Accrued wages payable	62,656	22,203	2,623	13,450
Accrued employee benefits	103,171	33,009	5,762	40,283
Due to other funds	---	---	---	---
Unearned revenue	---	---	---	---
Total current liabilities	606,228	59,500	20,473	57,831
Noncurrent liabilities:				
Accrued employee benefits	195,877	62,670	10,940	76,479
Other postemployment benefits	130,516	38,436	881	15,011
Total noncurrent liabilities	326,393	101,106	11,821	91,490
Total liabilities	932,621	160,606	32,294	149,321
NET POSITION				
Net investment in capital assets	8,990	---	15,030	---
Unrestricted	1,250	7,493	352,883	6,236
Total net position	\$ 10,240	\$ 7,493	\$ 367,913	\$ 6,236

<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ 1,255,563	\$ 211,788	\$ 10,416,031	\$ 13,221,357
---	---	---	15,602
3,450	---	2,459	7,220
---	---	98,083	98,083
---	---	---	50,290
---	---	---	237,526
<u>1,259,013</u>	<u>211,788</u>	<u>10,516,573</u>	<u>13,630,078</u>
30,971,137	2,461,530	---	34,649,320
(26,882,187)	(2,461,530)	---	(30,536,350)
<u>4,088,950</u>	<u>---</u>	<u>---</u>	<u>4,112,970</u>
<u>\$ 5,347,963</u>	<u>\$ 211,788</u>	<u>\$ 10,516,573</u>	<u>\$ 17,743,048</u>
\$ ---	\$ ---	\$ 580,560	\$ 1,041,435
---	---	---	100,932
---	---	1,524,000	1,706,225
---	---	78,706	78,706
---	---	14,062	14,062
<u>---</u>	<u>---</u>	<u>2,197,328</u>	<u>2,941,360</u>
---	---	---	345,966
---	---	---	184,844
---	---	---	530,810
---	---	2,197,328	3,472,170
4,088,950	---	---	4,112,970
<u>1,259,013</u>	<u>211,788</u>	<u>8,319,245</u>	<u>10,157,908</u>
<u>\$ 5,347,963</u>	<u>\$ 211,788</u>	<u>\$ 8,319,245</u>	<u>\$ 14,270,878</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION (DEFICIT)
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2014

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUN- ICATIONS
Operating revenues:				
Charges for sales and services	\$ 10,164,996	\$ 1,403,098	\$ 656,833	\$ 773,780
Miscellaneous	1,125	4,710	---	591
Total operating revenue	<u>10,166,121</u>	<u>1,407,808</u>	<u>656,833</u>	<u>774,371</u>
Operating expenses:				
Personal services	3,198,313	1,154,233	109,762	583,773
Contractual services	714,469	191,151	406,186	78,686
Commodities	6,265,651	18,107	103,888	38,946
Depreciation	7,729	---	11,927	326
Other charges	19,416	46,873	---	---
Total operating expenses	<u>10,205,578</u>	<u>1,410,364</u>	<u>631,763</u>	<u>701,731</u>
Operating income (loss)	<u>(39,457)</u>	<u>(2,556)</u>	<u>25,070</u>	<u>72,640</u>
Non-operating revenues:				
Gain (loss) on disposal of capital assets	---	---	---	---
Total nonoperating revenues	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Change in net position	<u>(39,457)</u>	<u>(2,556)</u>	<u>25,070</u>	<u>72,640</u>
Total net position (deficit) - beginning	<u>49,697</u>	<u>10,049</u>	<u>342,843</u>	<u>(66,404)</u>
Total net position - ending	<u>\$ 10,240</u>	<u>\$ 7,493</u>	<u>\$ 367,913</u>	<u>\$ 6,236</u>

<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ 1,007,500	\$ 43,367	\$ 25,616,687	\$ 39,666,261
13,581	---	---	20,007
<u>1,021,081</u>	<u>43,367</u>	<u>25,616,687</u>	<u>39,686,268</u>
---	---	---	5,046,081
---	---	23,665,795	25,056,287
7,000	13,991	---	6,447,583
1,364,291	1,217	---	1,385,490
---	---	5,292	71,581
<u>1,371,291</u>	<u>15,208</u>	<u>23,671,087</u>	<u>38,007,022</u>
<u>(350,210)</u>	<u>28,159</u>	<u>1,945,600</u>	<u>1,679,246</u>
69,142	(608)	---	68,534
69,142	(608)	---	68,534
(281,068)	27,551	1,945,600	1,747,780
<u>5,629,031</u>	<u>184,237</u>	<u>6,373,645</u>	<u>12,523,098</u>
<u>\$ 5,347,963</u>	<u>\$ 211,788</u>	<u>\$ 8,319,245</u>	<u>\$ 14,270,878</u>

**CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2014**

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUNI- CATIONS
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 578,454	\$ 4,737	\$ 34,000	\$ 12,471
Receipts from interfund services provided	9,592,628	1,403,098	622,833	761,900
Payments to suppliers	(6,854,030)	(89,543)	(474,744)	(104,683)
Payments to employees	(3,156,808)	(1,128,065)	(112,305)	(569,823)
Payments for interfund services used	(114,795)	(168,746)	---	(18,996)
Net cash provided by operating activities	<u>45,449</u>	<u>21,481</u>	<u>69,784</u>	<u>80,869</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from interfund accounts	---	76	---	---
Payments to interfund accounts	---	---	---	---
Intergovernmental receipts	1,795	---	---	---
Net cash provided by (used in) noncapital and related financing activities	<u>1,795</u>	<u>76</u>	<u>---</u>	<u>---</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	---	---	---	---
Proceeds from sale of capital assets	---	---	---	---
Net cash (used in) capital and related financing activities	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Net increase in cash and cash equivalents	47,244	21,557	69,784	80,869

<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ 36,012	\$ 2,900	\$ 4,772,289	\$ 5,440,863
1,007,500	40,467	20,850,252	34,278,678
(7,000)	(14,063)	(24,061,753)	(31,605,816)
---	---	---	(4,967,001)
---	---	---	(302,537)
<u>1,036,512</u>	<u>29,304</u>	<u>1,560,788</u>	<u>2,844,187</u>
---	---	---	76
(2,550)	---	---	(2,550)
---	---	---	1,795
<u>(2,550)</u>	<u>---</u>	<u>---</u>	<u>(679)</u>
(713,460)	---	---	(713,460)
<u>122,335</u>	<u>---</u>	<u>---</u>	<u>122,335</u>
<u>(591,125)</u>	<u>---</u>	<u>---</u>	<u>(591,125)</u>
442,837	29,304	1,560,788	2,252,383

(continued)

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2014

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUNI- CATIONS
Cash and cash equivalents, beginning of year	\$ 700,115	\$ 146,542	\$ 197,176	\$ 74,688
Cash and cash equivalents, end of year	<u>\$ 747,359</u>	<u>\$ 168,099</u>	<u>\$ 266,960</u>	<u>\$ 155,557</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	<u>(39,457)</u>	<u>(2,556)</u>	<u>25,070</u>	<u>72,640</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	7,729	---	11,927	326
Write-off of capital asset salvage values	2,658	---	---	---
Decrease in accounts and taxes receivable	4,961	27	---	---
(Increase) decrease in inventories	(20,933)	---	33,889	---
(Increase) decrease in prepaid items	(4,728)	---	(5,959)	552
Increase (decrease) in accounts payable	53,714	(2,158)	7,400	(6,599)
Increase in accrued wages payable	14,304	4,352	609	2,630
Increase (decrease) in accrued employee benefits and other postemployment benefits	27,201	21,816	(3,152)	11,320
Increase in deferred revenue	---	---	---	---
Total adjustments	<u>84,906</u>	<u>24,037</u>	<u>44,714</u>	<u>8,229</u>
Net cash provided by operating activities	<u>\$ 45,449</u>	<u>\$ 21,481</u>	<u>\$ 69,784</u>	<u>\$ 80,869</u>
Schedule of noncash capital and related financing activities:				
Gain (loss) on sale of capital asset	\$ ---	\$ ---	\$ ---	\$ ---

<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ 812,726	\$ 182,484	\$ 8,855,243	\$ 10,968,974
<u>\$ 1,255,563</u>	<u>\$ 211,788</u>	<u>\$ 10,416,031</u>	<u>\$ 13,221,357</u>
(350,210)	28,159	1,945,600	1,679,246
1,364,291	1,217	---	1,385,490
---	---	---	2,658
22,431	---	169	27,588
---	---	---	12,956
---	---	---	(10,135)
---	(72)	(234,666)	(182,381)
---	---	---	21,895
---	---	(156,000)	(98,815)
---	---	5,685	5,685
<u>1,386,722</u>	<u>1,145</u>	<u>(384,812)</u>	<u>1,164,941</u>
<u>\$ 1,036,512</u>	<u>\$ 29,304</u>	<u>\$ 1,560,788</u>	<u>\$ 2,844,187</u>
\$ 69,142	\$ (608)	\$ ---	\$ 68,534

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2014

	BALANCE			BALANCE
	JULY 1, 2013	ADDITIONS	DEDUCTIONS	JUNE 30, 2014
WRA ASSETS				
Cash and investments	\$ 51,735,531	\$ 176,458,566	\$ 187,020,178	\$ 41,173,919
Accounts receivable	921,925	36,585,210	36,774,646	732,489
Total assets	\$ 52,657,456	\$ 213,043,776	\$ 223,794,824	\$ 41,906,408
LIABILITIES				
Accounts payable	\$ 52,657,456	\$ 238,054,993	\$ 248,806,041	\$ 41,906,408
Total liabilities	\$ 52,657,456	\$ 238,054,993	\$ 248,806,041	\$ 41,906,408
Employees' Payroll Withholding ASSETS				
Cash and investments	\$ 691,847	\$ 145,303,085	\$ 144,981,618	\$ 1,013,314
Total assets	\$ 691,847	\$ 145,303,085	\$ 144,981,618	\$ 1,013,314
LIABILITIES				
Accounts payable	\$ 683,448	\$ 144,985,232	\$ 144,670,679	\$ 998,001
Good faith/earnest deposits	8,399	6,914	---	15,313
Total liabilities	\$ 691,847	\$ 144,992,146	\$ 144,670,679	\$ 1,013,314
Corporation for Economic Development ASSETS				
Cash and investments	\$ 248,931	\$ 73,390	\$ 54,807	\$ 267,514
Accounts receivable	11,320	3,727	11,320	3,727
Total assets	\$ 260,251	\$ 77,117	\$ 66,127	\$ 271,241
LIABILITIES				
Accounts payable	\$ 260,251	\$ 62,400	\$ 51,410	\$ 271,241
Total liabilities	\$ 260,251	\$ 62,400	\$ 51,410	\$ 271,241
Other Agency ASSETS				
Cash and investments	\$ ---	\$ 118,422	\$ 118,422	\$ ---
Accounts receivable	2,576	2,772	2,576	2,772
Total assets	\$ 2,576	\$ 121,194	\$ 120,998	\$ 2,772
LIABILITIES				
Accounts payable	\$ 2,576	\$ 123,784	\$ 123,588	\$ 2,772
Total liabilities	\$ 2,576	\$ 123,784	\$ 123,588	\$ 2,772

	BALANCE			BALANCE
	<u>JULY 1, 2013</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>JUNE 30, 2014</u>
TOTAL ASSETS				
Cash and investments	\$ 52,676,309	\$ 321,953,463	\$ 332,175,025	\$ 42,454,747
Accounts receivable	935,821	36,591,709	36,788,542	738,988
Total assets	<u>\$ 53,612,130</u>	<u>\$ 358,545,172</u>	<u>\$ 368,963,567</u>	<u>\$ 43,193,735</u>
TOTAL LIABILITIES				
Accounts payable	\$ 53,603,731	\$ 383,226,409	\$ 393,651,718	\$ 43,178,422
Good faith/earnest deposits	8,399	6,914	---	15,313
Total liabilities	<u>\$ 53,612,130</u>	<u>\$ 383,233,323</u>	<u>\$ 393,651,718</u>	<u>\$ 43,193,735</u>

CITY OF DES MOINES, IOWA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION
For the Fiscal Year Ended June 30, 2014

Function	GOVERNMENTAL FUNDS CAPITAL ASSETS			GOVERNMENTAL FUNDS CAPITAL ASSETS
	JULY 1, 2013	ADDITIONS	DELETIONS	JUNE 30, 2014
Public safety	\$ 83,682,588	\$ 3,251,339	\$ (550,735)	\$ 86,383,192
General government	312,193,633	13,251,942	(2,788,373)	322,657,202
Public works	836,569,721	43,082,193	(45,131)	879,606,783
Culture and recreation	210,804,113	12,430,183	(115,505)	223,118,791
Community and economic development	5,471,012	---	---	5,471,012
Total Governmental Funds Capital Assets	\$ 1,448,721,067	\$ 72,015,657	\$ (3,499,744)	\$ 1,517,236,980

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

CITY OF DES MOINES, IOWA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS*
SCHEDULE OF CAPITAL ASSETS BY SOURCE
June 30, 2014

	June 30, 2014
Governmental Funds Capital Assets:	BALANCE
Land and Land Improvements	\$ 147,852,418
Buildings	161,836,865
Improvements	1,037,534,838
Machinery and Equipment	39,558,175
Construction in Progress	130,454,684
Total Governmental Funds Capital Assets	\$ 1,517,236,980

	June 30, 2014
Investment in Governmental Funds Capital Assets:	BALANCE
Investments in property acquired prior to January 1, 1964	\$ 31,348,037
Investments in property acquired after January 1, 1964 from:	
Capital Improvement Funds:	
General Obligation Bonds	620,604,995
Federal & State Grants	390,653,440
Federal Revenue Sharing	22,041,477
Contributions	40,229,368
Hotel/Motel Tax	55,005
General Fund	99,413,588
Enterprise Fund	67,881,968
Special Revenue Funds	47,524,610
Special Assessments Funds	84,904,141
Contributions from Private Sources and Other Funds	110,421,130
Confiscated Funds	2,159,221
Total Governmental Funds Capital Assets	\$ 1,517,236,980

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

CITY OF DES MOINES, IOWA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION
June 30, 2014

Function	LAND AND LAND IMPROVEMENTS	BUILDINGS AND BLDG IMPROVEMENTS	IMPROVEMENTS OTHER THAN BUILDINGS	MACHINERY AND EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
Public safety	\$ 8,715,625	\$ 23,147,603	\$ 26,177,245	\$ 28,342,719	\$ ---	\$ 86,383,192
Human development	---	---	---	---	---	---
Home and community environment	---	---	---	---	---	---
General government	114,476,425	70,748,557	1,217,707	5,759,829	130,454,684	322,657,202
Public works	18,104,254	849,338	856,674,056	3,979,135	---	879,606,783
Health and social services	---	---	---	---	---	---
Culture and recreation	3,232,314	67,082,518	151,406,906	1,397,053	---	223,118,791
Community and economic development	3,323,800	8,849	2,058,924	79,439	---	5,471,012
Total Governmental Funds Capital Assets	\$ 147,852,418	\$ 161,836,865	\$ 1,037,534,838	\$ 39,558,175	\$ 130,454,684	\$ 1,517,236,980

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



**CITY OF DES MOINES, IOWA
 COMBINED SCHEDULE OF BONDS PAYABLE
 June 30, 2014**

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
General Obligation Bonds:				
General Obligation 2005C Urban Renewal	4.00 4.00 4.00 4.00 4.00 4.00 4.10 4.20	JDI	06-05	06-23
General Obligation Series 2005E	5.00 4.50 4.50 4.50 4.50 4.50	JDI	12-05	06-20
General Obligation Series 2007A	5.10 5.15 5.15 5.15 5.15	JDI	04-07	06-19
General Obligation Series 2007B	4.25 4.25 4.25 4.25 4.25 4.38 4.38 4.38 4.50 4.50 4.50 4.50	JDI	06-07	06-27
General Obligation 2007C Urban Renewal	4.00 4.00 4.00 4.13 4.13 4.13 4.25 4.25	JDI	06-07	06-22
General Obligation Series 2008D	3.75 3.75 4.00 4.00 4.00 4.00 4.00 4.00 4.13 4.13 4.25	JDI	06-08	06-28

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
790,000	15	\$10,000,000	\$10,000,000	\$1,490,000	\$8,510,000
825,000	16				
860,000	17				
900,000	18				
940,000	19				
980,000	20				
1,025,000	21				
1,070,000	22				
1,120,000	23				
2,435,000	15	\$28,185,000	\$28,185,000	\$13,085,000	\$15,100,000
2,545,000	16				
2,670,000	17				
2,790,000	18				
2,915,000	19				
1,745,000	20				
415,000	15	\$4,635,000	\$4,635,000	\$2,350,000	\$2,285,000
435,000	16				
455,000	17				
480,000	18				
500,000	19				
835,000	15	\$18,415,000	\$18,415,000	\$4,230,000	\$14,185,000
870,000	16				
910,000	17				
945,000	18				
985,000	19				
1,030,000	20				
1,075,000	21				
1,120,000	22				
1,170,000	23				
1,225,000	24				
1,280,000	25				
1,340,000	26				
1,400,000	27				
990,000	15	\$15,045,000	\$15,045,000	\$5,875,000	\$9,170,000
1,035,000	16				
1,075,000	17				
1,125,000	18				
1,170,000	19				
1,220,000	20				
1,275,000	21				
1,280,000	22				
1,035,000	15	\$24,055,000	\$24,055,000	\$4,515,000	\$19,540,000
1,075,000	16				
1,115,000	17				
1,165,000	18				
1,215,000	19				
1,270,000	20				
1,325,000	21				
1,390,000	22				
1,460,000	23				
1,530,000	24				
1,610,000	25				

**CITY OF DES MOINES, IOWA
 COMBINED SCHEDULE OF BONDS PAYABLE
 June 30, 2014**

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
	4.25			
	4.38			
	4.38			
General Obligation 2008E Urban Renewal	3.50	JDI	06-08	06-23
	3.50			
	3.75			
	3.75			
	4.00			
	4.00			
	4.00			
	4.00			
	4.10			
General Obligation 2009B Urban Renewal	3.00	JDI	03-09	06-21
	3.00			
	3.00			
	3.00			
	3.25			
	3.38			
General Obligation Series 2009C	2.25	JDI	03-09	06-19
	2.50			
	2.75			
	3.00			
	3.25			
Taxable General Obligation Bonds 2009E	3.88	JDI	06-09	06-29
	4.50			
	4.50			
	4.65			
	4.80			
	5.00			
	5.20			
	5.35			
	5.45			
	5.60			
	5.70			
	5.75			
	5.80			
	5.85			
	5.90			
General Obligation 2009F Urban Renewal	2.50	JDI	06-09	06-17
	3.00			
	3.00			
Taxable General Obligation Bonds 2009G	3.88	JDI	06-09	06-19
	4.38			
	4.75			
	4.75			
	5.00			
General Obligation Series 2010A	2.50	JDI	01-10	06-24
	3.00			

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
1,695,000	26				
1,780,000	27				
1,875,000	28				
395,000	15	\$6,325,000	\$6,325,000	\$2,085,000	\$4,240,000
410,000	16				
425,000	17				
445,000	18				
465,000	19				
490,000	20				
510,000	21				
535,000	22				
565,000	23				
230,000	15	\$2,870,000	\$2,870,000	\$1,060,000	\$1,810,000
240,000	16				
250,000	17				
260,000	18				
270,000	19				
275,000	20				
285,000	21				
1,880,000	15	\$31,255,000	\$31,255,000	\$21,240,000	\$10,015,000
1,930,000	16				
1,995,000	17				
2,065,000	18				
2,145,000	19				
620,000	15	\$19,605,000	\$19,605,000	\$2,510,000	\$17,095,000
635,000	16				
655,000	17				
675,000	18				
700,000	19				
1,130,000	20				
1,175,000	21				
1,225,000	22				
1,275,000	23				
1,335,000	24				
1,395,000	25				
1,460,000	26				
1,530,000	27				
1,605,000	28				
1,680,000	29				
395,000	15	\$3,055,000	\$3,055,000	\$1,840,000	\$1,215,000
405,000	16				
415,000	17				
320,000	15	\$3,115,000	\$3,115,000	\$1,365,000	\$1,750,000
335,000	16				
350,000	17				
365,000	18				
380,000	19				
810,000	15	\$15,990,000	\$15,990,000	\$6,680,000	\$9,310,000
830,000	16				

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2014

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
	3.00			
	3.25			
	3.50			
	3.50			
	4.00			
	4.00			
	4.00			
	4.00			
General Obligation 2010B Urban Renewal	4.00	JDI	01-10	06-24
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
General Obligation Capital Loan Notes 2010C	5.00	JDI	03-10	06-16
	5.00			
General Obligation Bonds 2010D	2.00	JDI	06-10	06-30
	2.38			
	2.63			
	2.75			
	3.00			
	3.25			
	3.25			
	3.25			
	3.25			
	3.38			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.13			
General Obligation Refunding Capital Loan Notes 2010H	5.00	JDI	12-10	06-25
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
General Obligation Bonds 2011A	2.00	JDI	06-11	06-31
	2.00			
	3.00			
	3.00			

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
855,000	17				
875,000	18				
905,000	19				
935,000	20				
965,000	21				
1,005,000	22				
1,045,000	23				
1,085,000	24				
1,000,000	15	\$13,440,000	\$13,440,000	\$1,270,000	\$12,170,000
1,050,000	16				
1,050,000	17				
1,100,000	18				
1,190,000	19				
1,245,000	20				
1,300,000	21				
1,350,000	22				
1,410,000	23				
1,475,000	24				
2,220,000	15	\$22,630,000	\$22,630,000	\$19,410,000	\$3,220,000
1,000,000	16				
1,530,000	15	\$25,330,000	\$25,330,000	\$3,465,000	\$21,865,000
1,570,000	16				
1,615,000	17				
1,670,000	18				
1,725,000	19				
1,015,000	20				
1,055,000	21				
1,095,000	22				
1,140,000	23				
1,185,000	24				
1,235,000	25				
1,290,000	26				
1,345,000	27				
1,400,000	28				
1,465,000	29				
1,530,000	30				
4,975,000	15	\$65,360,000	\$65,360,000	\$8,810,000	\$56,550,000
5,245,000	16				
5,530,000	17				
5,830,000	18				
6,150,000	19				
6,490,000	20				
6,850,000	21				
7,235,000	22				
4,235,000	23				
1,960,000	24				
2,050,000	25				
2,900,000	15	\$45,520,000	\$45,520,000	\$8,260,000	\$37,260,000
2,970,000	16				
3,050,000	17				
3,145,000	18				

**CITY OF DES MOINES, IOWA
 COMBINED SCHEDULE OF BONDS PAYABLE
 June 30, 2014**

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
	3.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.13			
General Obligation Bonds 2012A	3.00	JDI	06-12	06-32
	3.00			
	3.00			
	3.00			
	3.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.75			
	4.75			
	4.75			
	4.75			
	4.75			
General Obligation Bonds 2012B, Urban Renewal	2.00	JDI	06-12	06-28
	2.50			
	2.50			
	2.50			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
Taxable General Obligation Bonds 2012C	0.80	JDI	06-12	06-22
	1.00			
	1.20			
	1.45			
	1.70			
	2.00			
	2.35			
	2.55			

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
1,850,000	19				
1,880,000	20				
1,960,000	21				
2,060,000	22				
2,145,000	23				
2,225,000	24				
2,315,000	25				
2,405,000	26				
1,535,000	27				
1,595,000	28				
1,660,000	29				
1,755,000	30				
1,810,000	31				
430,000	15	\$19,965,000	\$19,965,000	\$425,000	\$19,540,000
640,000	16				
340,000	17				
100,000	18				
100,000	19				
1,085,000	20				
1,100,000	21				
100,000	22				
1,570,000	23				
1,615,000	24				
1,665,000	25				
1,715,000	26				
1,775,000	27				
1,320,000	28				
1,390,000	29				
1,465,000	30				
1,540,000	31				
1,590,000	32				
220,000	15	\$6,895,000	\$6,895,000	\$305,000	\$6,590,000
220,000	16				
220,000	17				
220,000	18				
220,000	19				
300,000	20				
300,000	21				
310,000	22				
200,000	23				
655,000	24				
805,000	25				
830,000	26				
1,025,000	27				
1,065,000	28				
685,000	15	\$4,275,000	\$4,275,000	\$1,325,000	\$2,950,000
710,000	16				
730,000	17				
155,000	18				
160,000	19				
165,000	20				
170,000	21				
175,000	22				

**CITY OF DES MOINES, IOWA
 COMBINED SCHEDULE OF BONDS PAYABLE
 June 30, 2014**

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
General Obligation Sewer Bonds 2012D	3.00	JDI	06-12	06-32
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
General Obligation Stormwater Bonds 2012E	2.00	JDI	06-12	06-32
	2.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.00			
General Obligation Parking Bonds, Taxable 2012F	2.00	JDI	06-12	06-22
	2.00			
	2.00			
	2.00			
	2.00			
	2.00			
General Obligation Stormwater Bonds 2013A	2.00	JDI	08-13	06-33
	2.00			
	2.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			

ANNUAL SERIAL PAYMENTS		BONDS							
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING				
100,000	15	\$13,210,000	\$13,210,000	\$1,195,000	\$12,015,000				
100,000	16								
100,000	17								
100,000	18								
1,505,000	19								
1,535,000	20								
605,000	21								
620,000	22								
640,000	23								
655,000	24								
675,000	25								
695,000	26								
720,000	27								
740,000	28								
765,000	29								
790,000	30								
820,000	31								
850,000	32								
460,000	15					\$10,825,000	\$10,825,000	\$785,000	\$10,040,000
465,000	16								
470,000	17								
480,000	18								
485,000	19								
495,000	20								
510,000	21								
520,000	22								
535,000	23								
550,000	24								
565,000	25								
585,000	26								
600,000	27								
620,000	28								
640,000	29								
665,000	30								
685,000	31								
710,000	32								
1,800,000	15	\$13,030,000	\$13,030,000	\$1,780,000	\$11,250,000				
1,825,000	16								
1,855,000	17								
1,885,000	18								
1,920,000	19								
1,965,000	20								
1,740,000	15	\$37,090,000	\$37,090,000	\$1,320,000	\$35,770,000				
1,885,000	16								
1,270,000	17								
630,000	18								
385,000	19								
620,000	20								
395,000	21								
300,000	22								
305,000	23								
310,000	24								
315,000	25								
1,235,000	26								

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
1,865,000	27				
2,745,000	28				
4,140,000	29				
4,495,000	30				
4,845,000	31				
4,890,000	32				
3,400,000	33				
1,385,000	15	\$21,050,000	\$21,050,000	\$0	\$21,050,000
1,440,000	16				
1,505,000	17				
1,560,000	18				
1,630,000	19				
1,700,000	20				
1,770,000	21				
1,850,000	22				
1,930,000	23				
2,010,000	24				
2,090,000	25				
2,180,000	26				
1,105,000	15	\$38,830,000	\$38,830,000	\$0	\$38,830,000
1,785,000	16				
1,885,000	17				
1,990,000	18				
2,110,000	19				
2,235,000	20				
8,720,000	21				
19,000,000	22				
		<u>\$520,000,000</u>	<u>\$520,000,000</u>	<u>\$116,675,000</u>	<u>\$403,325,000</u>

**CITY OF DES MOINES, IOWA
 COMBINED SCHEDULE OF BONDS PAYABLE
 June 30, 2014**

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
Revenue Bonds:				
<i>Sewer Revenue Bonds:</i>				
Sewer Revenue of 2004I (State Revolving Fund - Loan 8)	3.00 3.00 3.00 3.00 3.00 3.00 3.00 3.00 3.00 3.00 3.00	JDI	11-04	06-25
Sewer Revenue Capital Loan Notes 2014B	3.00 4.00 4.00 5.00 2.00 5.00 5.00 5.00 2.50	JDI	04-14	06-23
Total Sewer Revenue Bonds				

**CITY OF DES MOINES, IOWA
 COMBINED SCHEDULE OF BONDS PAYABLE
 June 30, 2014**

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
<i>Stormwater Revenue Bonds:</i>				
Stormwater Management Utility Revenue Bonds, Series 2006D	3.75 4.00 4.00 4.00 4.00 4.00 4.00 4.00 4.00	JDI	12-06	06-23
Stormwater Management Utility Revenue Capital Loan Notes, Series 2010F	2.00 2.00 2.38 2.50 3.00 3.00 3.00 4.00 4.00 4.00 4.00 4.00 4.00 4.00 4.00 4.00	JDI	10-10	06-30
Stormwater Management Utility Revenue Capital Loan Notes, Series 2010G	2.00 3.00 3.00 3.00			
Total Stormwater Revenue Bonds				
<i>Airport Revenue Bonds:</i>				
Aviation System Revenue Capital Loan Notes Series 2010A	4.50 5.00	JDI	12-10	06-28
Aviation System Revenue Capital Loan Notes Series 2010B	4.00 5.00 5.00 5.00 5.13 5.63 5.75	JDI	12-10	06-33
Aviation System Revenue Capital Loan Notes Series 2010C	3.73 4.34	JDI	12-10	06-18

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
975,000	15	\$16,750,000	\$16,750,000	\$6,015,000	\$10,735,000
1,015,000	16				
1,045,000	17				
1,080,000	18				
1,205,000	19				
1,260,000	20				
1,320,000	21				
1,385,000	22				
1,450,000	23				
1,195,000	15	\$19,300,000	\$19,300,000	\$4,475,000	\$14,825,000
1,215,000	16				
1,255,000	17				
1,290,000	18				
1,360,000	19				
625,000	20				
650,000	21				
675,000	22				
700,000	23				
730,000	24				
765,000	25				
795,000	26				
835,000	27				
870,000	28				
910,000	29				
955,000	30				
725,000	15	\$5,100,000	\$5,100,000	\$2,060,000	\$3,040,000
740,000	16				
770,000	17				
805,000	18				
		<u>\$41,150,000</u>	<u>\$41,150,000</u>	<u>\$12,550,000</u>	<u>\$28,600,000</u>
1,485,000	25	\$5,225,000	\$5,225,000	\$0	\$5,225,000
3,740,000	28				
840,000	18	\$15,990,000	\$15,990,000	\$0	\$15,990,000
1,860,000	19				
895,000	20				
935,000	21				
2,760,000	24				
3,370,000	30				
5,330,000	33				
1,580,000	15	\$10,330,000	\$10,330,000	\$4,465,000	\$5,865,000
1,630,000	16				

**CITY OF DES MOINES, IOWA
 COMBINED SCHEDULE OF BONDS PAYABLE
 June 30, 2014**

	<u>INTEREST</u>		<u>ISSUE</u>	<u>FINAL</u>
	<u>RATES</u>	<u>DATES</u>	<u>DATE</u>	<u>MATURITY</u>
				<u>DATE</u>
	4.59			
	4.98			
Aviation System Revenue Capital Loan Notes Series 2010D	5.13	JDI	12-10	06-35
Total Airport Revenue Bonds				
Total Revenue Bonds				
Total General Obligation and Revenue Bonds				

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
1,705,000	17				
950,000	18				
4,900,000	35	\$4,900,000	\$4,900,000	\$0	\$4,900,000
		<u>\$36,445,000</u>	<u>\$36,445,000</u>	<u>\$4,465,000</u>	<u>\$31,980,000</u>
		<u>\$99,800,000</u>	<u>\$99,800,000</u>	<u>\$19,271,000</u>	<u>\$80,529,000</u>
		<u>\$619,800,000</u>	<u>\$619,800,000</u>	<u>\$135,946,000</u>	<u>\$483,854,000</u>



STATISTICAL SECTION



CITY OF **DES MOINES**

STATISTICAL SECTION

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

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

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

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

(Unaudited)

	2014	2013	2012	2011
Governmental activities:				
Net investment in capital assets	\$ 614,177,213	\$ 627,843,052	\$ 594,193,590	\$ 466,931,679
Restricted:				
Capital projects	888,328	865,663	849,924	3,356,372
Debt retirement	-	-	622,330	51,749,947
Corpus/Endowments/permanently restricted	3,481,043	3,387,035	3,387,035	3,288,277
Donor restricted purposes/temporarily restricted	932,213	917,034	815,499	-
Tax increment	-	-	-	-
Public safety	-	1,642,857	1,488,697	3,079,649
Public works	1,817,452	819,683	155,266	1,539,523
Health and social services	-	201,268	1,724,384	2,872,173
Culture and recreation	1,815,120	953,924	1,139,051	1,439,971
Community and economic development	-	1,437,818	997,898	1,015,341
Other restricted assets	1,663,777	-	-	-
Unrestricted	22,024,663	(25,682,004)	(6,914,119)	13,549,075
Total governmental activities net position	\$ 646,799,809	\$ 612,386,330	\$ 598,459,555	\$ 548,822,007
Business-type activities:				
Net investment in capital assets	\$ 273,748,942	\$ 254,919,414	\$ 268,716,677	\$ 464,887,533
Restricted:				
Capital projects	-	-	-	-
Public housing program	7,215,809	9,282,578	10,468,627	14,087,504
Debt retirement	5,018,646	5,152,298	7,106,798	12,134,723
Bond proceeds	-	-	-	-
Unrestricted	14,724,885	23,234,667	3,423,756	33,493,278
Total business-type activities net position	\$ 300,708,282	\$ 292,588,957	\$ 289,715,858	\$ 524,603,038
Primary government:				
Net investment in capital assets	\$ 887,926,155	\$ 882,762,466	\$ 862,910,267	\$ 931,819,212
Restricted:				
Capital projects	888,328	865,663	849,924	3,356,372
Public housing program	7,215,809	9,282,578	10,468,627	14,087,504
Debt retirement	5,018,646	5,152,298	7,729,128	63,884,670
Endowments/permanently restricted	3,481,043	3,387,035	3,387,035	3,288,277
Donor restricted purposes/temporarily restricted	932,213	917,034	815,499	-
Public safety	-	1,642,857	1,488,697	3,079,649
Public works	1,817,452	819,683	155,266	1,539,523
Health and social services	-	201,268	1,724,384	2,872,173
Culture and recreation	1,815,120	953,924	1,139,051	1,439,971
Community and economic development	-	1,437,818	997,898	1,015,341
Tax increment	-	-	-	-
Bond proceeds	-	-	-	-
Other restricted assets	1,663,777	-	-	-
Unrestricted	36,749,548	(2,447,337)	(3,490,363)	47,042,353
Total primary government net position	\$ 947,508,091	\$ 904,975,287	\$ 888,175,413	\$ 1,073,425,045

Table 1

2010	2009	2008	2007	2006	2005
\$ 486,181,597	\$ 440,586,015	\$ 426,382,213	\$ 392,270,393	\$ 378,108,106	\$ 341,478,239
6,548,534	29,207,892	3,589,269	24,194,587	-	-
1,418,451	553,233	-	16,776,784	1,323,588	3,183,118
3,290,927	3,290,927	3,290,927	3,290,927	3,315,718	3,315,718
-	-	-	-	74,992	74,992
4,939,242	4,100,018	6,208,887	901,380	267,348	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,531,402	16,598,697	25,561,312	29,858,916	64,928,149	95,513,873
\$ 514,910,153	\$ 494,336,782	\$ 465,032,608	\$ 467,292,987	\$ 448,017,901	\$ 443,565,940
\$ 460,045,625	\$ 438,254,866	\$ 426,139,390	\$ 389,752,986	\$ 387,871,130	\$ 366,495,501
-	1,466,998	426,932	4,206,726	2,638,618	2,611,377
14,184,972	15,279,740	11,602,131	8,898,800	4,018,535	1,173,665
13,238,421	13,276,232	14,120,681	13,933,351	8,006,505	9,969,544
-	-	-	-	-	-
26,299,450	33,326,841	46,321,403	37,878,037	31,601,920	28,644,175
\$ 513,768,468	\$ 501,604,677	\$ 498,610,537	\$ 454,669,900	\$ 434,136,708	\$ 408,894,262
\$ 946,227,222	\$ 878,840,881	\$ 852,521,603	\$ 782,023,379	\$ 765,979,236	\$ 707,973,740
6,548,534	30,674,890	4,016,201	28,401,313	2,638,618	2,611,377
14,184,972	15,279,740	11,602,131	8,898,800	4,018,535	1,173,665
14,656,872	13,829,465	14,120,681	30,710,135	9,330,093	13,152,662
3,290,927	3,290,927	3,290,927	3,290,927	3,315,718	3,315,718
-	-	-	-	74,992	74,992
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,939,242	4,100,018	6,208,887	901,380	267,348	-
-	-	-	-	-	-
-	-	-	-	-	-
38,830,852	49,925,538	71,882,715	67,736,953	96,530,069	124,158,048
\$ 1,028,678,621	\$ 995,941,459	\$ 963,643,145	\$ 921,962,887	\$ 882,154,609	\$ 852,460,202

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

	2014	2013	2012
Expenses:			
Governmental activities:			
Public safety	\$ 102,583,945	\$ 102,611,418	\$ 98,465,997
Public works	51,344,028	53,399,991	49,340,265
Health and social services	15,696,523	19,585,129	17,316,619
Culture and recreation	29,431,057	29,227,384	28,981,404
Community and economic development	19,849,605	20,399,479	19,585,102
General Government	23,630,372	21,991,537	66,299,402
Interest on long-term debt	16,179,088	17,870,953	16,348,496
Total governmental activities expenses	258,714,618	265,085,891	296,337,285
Business-type activities:			
Airport	-	-	250,444,292
Parking facilities system	11,229,564	11,361,604	11,903,920
Sewer system	32,738,830	33,024,065	32,547,541
Stormwater utility	13,253,946	13,795,476	13,062,830
Golf	318,933	224,460	224,339
Solid waste system	11,122,261	11,046,303	11,212,320
Municipal Housing Agency	22,329,081	23,857,284	26,255,903
Total business-type activities expenses	90,992,615	93,309,192	345,651,145
Total primary government expenses	349,707,233	358,395,083	641,988,430
Program revenue:			
Governmental activities:			
Charges for services:			
Public safety	19,420,273	19,101,131	17,034,087
Public works	16,278,364	8,671,944	11,786,989
Health and social services	861,606	12,196	1,284,516
Culture and recreation	5,284,120	5,234,705	5,531,829
Community and economic development	1,285,139	412,254	630,461
General Government	10,814,381	17,248,638	22,851,736

Table 2

	2011	2010	2009	2008	2007	2006	2005
\$	93,375,900	\$ 92,779,497	\$ 92,546,848	\$ 91,316,811	\$ 86,971,119	\$ 85,488,230	\$ 76,007,247
	46,184,974	46,828,147	43,987,100	43,983,358	40,778,570	41,698,546	39,815,992
	22,007,150	23,095,540	18,530,235	612,374	1,082,618	17,998,463	15,543,088
	26,293,968	28,165,552	29,408,262	29,941,632	27,443,217	26,819,161	24,773,016
	17,054,115	13,713,121	15,946,402	34,806,759	24,176,152	9,810,740	3,268,445
	31,732,926	23,827,266	23,848,042	24,651,764	22,278,473	20,267,299	22,096,917
	13,733,718	14,918,745	16,783,385	16,109,167	15,162,124	15,599,765	17,000,955
	250,382,751	243,327,868	241,050,274	241,421,865	217,892,273	217,682,204	197,087,883
	36,610,641	31,367,882	32,236,235	31,729,902	30,093,735	27,180,459	25,928,471
	12,667,634	12,792,295	13,355,475	12,574,941	11,531,196	11,365,271	10,591,438
	32,492,636	29,798,616	26,699,082	26,295,060	25,574,852	27,327,334	28,457,627
	14,124,721	11,450,883	10,608,975	10,177,919	9,137,184	9,211,130	7,301,443
	246,620	1,045,624	1,959,299	2,147,095	2,117,251	2,767,320	2,512,672
	11,410,969	10,813,656	11,523,915	10,642,771	9,915,661	10,326,717	10,155,156
	24,451,364	22,236,664	21,603,703	22,618,089	21,918,453	20,016,007	19,609,363
	132,004,585	119,505,620	117,986,684	116,185,777	110,288,332	108,194,238	104,556,170
	382,387,336	362,833,488	359,036,958	357,607,642	328,180,605	325,876,442	301,644,053
	12,550,995	12,028,692	11,550,038	11,621,311	10,862,428	8,806,757	12,276,259
	9,750,204	9,500,432	8,692,534	7,856,632	7,848,887	7,712,217	7,764,645
	1,849,824	1,278,361	31,588	341,329	-	588,692	71,219
	3,916,141	4,083,803	3,214,343	5,161,409	3,890,583	3,765,233	3,795,487
	850,016	172,646	63,640	1,214,545	384,052	4,630,036	165,179
	16,881,970	13,678,772	12,309,518	11,019,958	10,326,678	12,223,751	8,325,418

(Continued)

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

	2014	2013	2012
Operating grants and contributions:			
Public safety	1,244,125	4,216,793	8,648,949
Public works	20,621,045	19,702,584	22,469,564
Health and social services	15,336,088	17,965,653	15,335,824
Culture and recreation	111,905	(99,510)	75,331
Community and economic development	66,074	370,881	702,261
General Government	304,870	266,767	48,105,538
Interest on long-term debt	3,193,088	1,716,465	1,736,823
Capital grants and contributions			
Public safety	4,355,332	5,683,249	3,367,430
Public works	25,284,550	11,846,672	9,510,431
Health and social services	6,329	187,401	1,641,705
Culture and recreation	2,931,224	2,417,417	4,347,444
Community and economic development	250,000	-	-
General Government	59,180	65,347	72,012
Total governmental activities program revenue	127,707,693	115,020,587	175,132,930
Business-type activities:			
Charges for services:			
Airport	-	-	16,984,284
Parking facilities system	8,256,025	8,915,654	8,863,630
Sewer system	34,874,030	33,606,796	31,434,033
Stormwater utility	19,624,449	18,564,737	17,713,463
Golf	251,752	200,151	435,266
Solid waste system	12,222,678	11,975,569	12,230,965
Municipal Housing Agency	1,668,154	1,407,721	1,295,707
Operating grants and contributions:			
Parking facilities system	-	-	282,117
Sewer system	-	-	-
Stormwater utility	-	-	-
Golf	-	-	-
Solid waste system	-	-	-
Municipal Housing Agency	17,901,651	18,677,807	18,718,280

Table 2 (Continued)

2011	2010	2009	2008	2007	2006	2005
6,104,119	5,495,311	7,790,821	4,866,238	3,752,324	6,347,328	1,483,907
20,665,865	19,690,770	14,016,080	20,713,297	17,239,250	17,141,123	19,123,902
20,645,749	21,914,206	16,690,859	12,369,341	425,241	16,684,540	14,968,291
5,019,386	640,803	1,122,090	1,793,974	688,511	329,223	218,470
458,449	515,273	2,044,207	780,682	12,879,555	1,209,854	520,233
1,785,185	434,899	977,698	420,191	363,205	594,938	296,895
-	-	-	-	-	-	-
2,575,741	410,420	-	50,115	126,235	454,356	400,004
21,159,074	21,588,804	24,363,365	9,591,981	11,583,356	21,913,153	20,409,238
765,414	-	-	-	-	269,995	-
4,023,726	5,357,084	6,052,582	4,706,964	5,258,907	12,852,652	8,368,656
838,102	-	-	-	-	(8,243)	1,763,492
1,033	197,444	504,000	9,632	421,603	1,029,372	19,962
129,840,993	116,987,720	109,423,363	92,517,599	86,050,815	116,544,977	99,971,257
31,264,963	29,022,719	29,663,246	28,215,193	28,084,082	28,124,274	26,116,503
9,636,890	10,660,243	11,948,806	12,510,227	10,546,668	9,699,607	9,029,823
30,679,167	30,189,874	29,380,321	29,075,690	26,877,068	25,329,811	27,725,289
16,381,613	15,092,393	13,995,575	13,020,598	11,811,325	11,281,225	10,160,148
364,126	866,679	1,841,293	1,591,191	1,729,333	2,093,168	1,979,032
12,082,415	11,836,783	11,454,420	11,302,442	11,056,904	10,950,607	10,596,888
2,221,927	2,136,151	979,547	2,239,360	1,538,970	1,191,564	1,322,175
-	-	-	-	-	-	600
-	-	-	-	969	-	299,949
-	-	-	-	2,240	21,443	6,079
-	25,000	-	181	1,393	-	-
-	-	22	1,371	1,540	-	4,500
18,484,739	16,815,446	15,256,554	18,038,868	16,945,764	16,367,517	15,001,366

(Continued)

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

	2014	2013	2012
Capital grants and contributions:			
Airport	-	-	2,205,972
Parking facilities system	-	-	-
Sewer system	498,357	1,731,558	6,809,139
Stormwater utility	2,172,789	96,589	6,537,700
Golf	6,000	-	-
Solid waste system	-	-	-
Municipal Housing Agency	606,942	1,664,846	1,010,302
Total business-type activities program revenues	98,082,827	96,841,428	124,520,858
Total primary government program revenues	225,790,520	211,862,015	299,653,788
Net (expense) revenue:			
Governmental activities	(131,006,925)	(150,065,304)	(121,204,355)
Business-type activities	7,090,212	3,532,236	(221,130,287)
Total primary government net expense	(123,916,713)	(146,533,068)	(342,334,642)

Table 2 (Continued)

2011	2010	2009	2008	2007	2006	2005
4,707,342	3,147,565	7,507,754	8,811,037	10,446,717	12,342,156	10,889,646
-	-	1,069	493,293	75,299	36,452	604,649
2,694,218	690,222	246,116	13,530,334	799,437	5,995,750	2,554,997
14,005,894	1,293,411	186,230	8,299,287	678,240	3,658,856	2,500,849
-	-	-	-	-	-	-
-	-	54,466	767,818	36,500	-	150,210
1,535,583	2,422,325	2,022,197	2,425,757	3,779,226	3,184,738	1,690,722
144,058,877	124,198,811	124,537,616	150,322,647	124,411,675	130,277,168	120,633,425
273,899,870	241,186,531	233,960,979	242,840,246	210,462,490	246,822,145	220,604,682
(120,541,758)	(126,340,148)	(131,626,911)	(148,904,266)	(131,841,458)	(101,137,227)	(97,116,626)
12,054,292	4,693,191	6,550,932	34,136,870	14,123,343	22,082,930	16,077,255
(108,487,466)	(121,646,957)	(125,075,979)	(114,767,396)	(117,718,115)	(79,054,297)	(81,039,371)

(Continued)

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

	2014	2013	2012
General revenues and other changes in net position:			
Governmental activities:			
Taxes:			
Property taxes, levied for general purposes	118,165,946	115,885,137	113,134,537
Property taxes, levied for debt service	29,813,410	30,044,536	28,160,613
Franchise taxes	14,581,925	13,063,992	11,966,544
Investment earnings	2,328,387	2,732,385	2,400,126
Gain on sale of capital asset	777,015	661,158	721,566
Miscellaneous	21,343	487,835	455,780
Transfers--internal activities	(267,622)	1,117,036	14,002,737
Total governmental activities	165,420,404	163,992,079	170,841,903
Business-type activities:			
Investment earnings	621,051	367,897	316,323
Miscellaneous	-	-	1,252
Gain (Loss) on sale of capital asset	140,440	90,002	(71,731)
Special item--contributions to WRA	-	-	-
Transfers--internal activities	267,622	(1,117,036)	(14,002,737)
Total business-type activities	1,029,113	(659,137)	(13,756,893)
Total primary government	166,449,517	163,332,942	157,085,010
Changes in net position:			
Governmental activities	34,413,479	13,926,775	49,637,548
Business-type activities	8,119,325	2,873,099	(234,887,180)
Total primary government	\$ 42,532,804	\$ 16,799,874	\$ (185,249,632)

Table 2 (Continued)

2011	2010	2009	2008	2007	2006	2005
109,225,167	106,998,776	103,139,105	99,304,723	99,727,601	92,491,207	95,923,545
28,411,455	28,782,683	27,580,755	24,994,324	22,779,494	20,487,081	20,570,145
13,101,045	12,816,420	13,385,310	15,032,935	14,070,843	14,826,329	8,465,369
1,794,452	2,337,212	3,612,331	5,260,767	5,953,778	4,313,515	6,709,621
61,817	-	-	-	-	-	-
171,160	3,051,363	6,921,847	6,784,213	9,484,828	7,294,506	3,394,030
1,688,516	(7,072,935)	6,291,737	(4,733,075)	(900,000)	168,458	(242,920)
154,453,612	146,913,519	160,931,085	146,643,887	151,116,544	139,581,096	157,066,551
421,876	473,427	1,747,988	5,070,692	5,509,849	3,327,974	2,264,666
36,066	(75,762)	986,957	-	-	-	-
10,852	-	-	-	-	-	-
-	-	-	-	-	-	(142,216,245)
(1,688,516)	7,072,935	(6,291,737)	4,733,075	900,000	(168,458)	242,920
(1,219,722)	7,470,600	(3,556,792)	9,803,767	6,409,849	3,159,516	(139,708,659)
153,233,890	154,384,119	157,374,293	156,447,654	157,526,393	142,740,612	17,357,892
33,911,854	20,573,371	29,304,174	(2,260,379)	19,275,086	139,581,096	36,285,387
10,834,570	12,163,791	2,994,140	43,940,637	20,533,192	3,159,516	(123,631,404)
\$ 44,746,424	\$ 32,737,162	\$ 32,298,314	\$ 41,680,258	\$ 39,808,278	\$ 142,740,612	\$ (87,346,017)

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

	2014	2013	2012
Governmental activities:			
Charges for services:			
Public safety	\$ 19,420,273	\$ 19,101,131	\$ 17,034,087
Public works	16,278,364	8,671,944	11,786,989
Health and social services	861,606	12,196	1,284,516
Culture and recreation	5,284,120	5,234,705	5,531,829
Community and economic development	1,285,139	412,254	630,461
General Government	10,814,381	17,248,638	22,851,736
Operating grants and contributions:			
Public safety	1,244,125	4,216,793	8,648,949
Public works	20,621,045	19,702,584	22,469,564
Health and social services	15,336,088	17,965,653	15,335,824
Culture and recreation	111,905	(99,510)	75,331
Community and economic development	66,074	370,881	702,261
General Government	304,870	266,767	48,105,538
Interest on long-term debt	3,193,088	1,716,465	1,736,823
Capital grants and contributions			
Public safety	4,355,332	5,683,249	3,367,430
Public works	25,284,550	11,846,672	9,510,431
Health and social services	6,329	187,401	1,641,705
Culture and recreation	2,931,224	2,417,417	4,347,444
Community and economic development	250,000	-	-
General Government	59,180	65,347	72,012
Total governmental activities program revenue	127,707,693	115,020,587	175,132,930

Business-type activities:

Charges for services:			
Airport	-	-	16,984,284
Parking facilities system	8,256,025	8,915,654	8,863,630
Sewer system	34,874,030	33,606,796	31,434,033
Stormwater utility	19,624,449	18,564,737	17,713,463
Golf	251,752	200,151	435,266
Solid waste system	12,222,678	11,975,569	12,230,965
Municipal Housing Agency	1,668,154	1,407,721	1,295,707

Table 3

	2011	2010	2009	2008	2007	2006	2005
\$	12,550,995	\$ 12,028,692	\$ 11,550,038	\$ 11,621,311	\$ 10,862,428	\$ 8,806,757	\$ 12,276,259
	9,750,204	9,500,432	8,692,534	7,856,632	7,848,887	7,712,217	7,764,645
	1,849,824	1,278,361	31,588	341,329	-	588,692	71,219
	3,916,141	4,083,803	3,214,343	5,161,409	3,890,583	3,765,233	3,795,487
	850,016	172,646	63,640	1,214,545	384,052	4,630,036	165,179
	16,881,970	13,678,772	12,309,518	11,019,958	10,326,678	12,223,751	8,325,418
	6,104,119	5,495,311	7,790,821	4,866,238	3,752,324	6,347,328	1,483,907
	20,665,865	19,690,770	14,016,080	20,713,297	17,239,250	17,141,123	19,123,902
	20,645,749	21,914,206	16,690,859	12,369,341	425,241	16,684,540	14,968,291
	5,019,386	640,803	1,122,090	1,793,974	688,511	329,223	218,470
	458,449	515,273	2,044,207	780,682	12,879,555	1,209,854	520,233
	1,785,185	434,899	977,698	420,191	363,205	594,938	296,895
	2,575,741	410,420	-	50,115	126,235	454,356	400,004
	21,159,074	21,588,804	24,363,365	9,591,981	11,583,356	21,913,153	20,409,238
	765,414	-	-	-	-	269,995	-
	4,023,726	5,357,084	6,052,582	4,706,964	5,258,907	12,852,652	8,368,656
	838,102	-	-	-	-	(8,243)	1,763,492
	1,033	197,444	504,000	9,632	421,603	1,029,372	19,962
	129,840,993	116,987,720	109,423,363	92,517,599	86,050,815	116,544,977	99,971,257
	31,264,963	29,022,719	29,663,246	28,215,193	28,084,082	28,124,274	26,116,503
	9,636,890	10,660,243	11,948,806	12,510,227	10,546,668	9,699,607	9,029,823
	30,679,167	30,189,874	29,380,321	29,075,690	26,877,068	25,329,811	27,725,289
	16,381,613	15,092,393	13,995,575	13,020,598	11,811,325	11,281,225	10,160,148
	364,126	866,679	1,841,293	1,591,191	1,729,333	2,093,168	1,979,032
	12,082,415	11,836,783	11,454,420	11,302,442	11,056,904	10,950,607	10,596,888
	2,221,927	2,136,151	979,547	2,239,360	1,538,970	1,191,564	1,322,175

(Continued)

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

	2014	2013	2012
Operating grants and contributions:			
Parking facilities system	-	-	282,117
Sewer system	-	-	-
Stormwater utility	-	-	-
Golf	-	-	-
Solid waste system	-	-	-
Municipal Housing Agency	17,901,651	18,677,807	18,718,280
Capital grants and contributions:			
Airport	-	-	2,205,972
Parking facilities system	0	-	-
Sewer system	498,357	1,731,558	6,809,139
Stormwater utility	2,172,789	96,589	6,537,700
Golf	6,000	-	-
Solid waste system	-	-	-
Municipal Housing Agency	606,942	1,664,846	1,010,302
Total business-type activities program revenues	98,082,827	96,841,428	124,520,858
Total primary government program revenues	\$ 225,790,520	\$ 211,862,015	\$ 299,653,788

Table 3 (Continued)

2011	2010	2009	2008	2007	2006	2005
-	-	-	-	-	-	600
-	-	-	-	969	-	299,949
-	-	-	-	2,240	21,443	6,079
-	25,000	-	181	1,393	-	-
-	-	22	1,371	1,540	-	4,500
18,484,739	16,815,446	15,256,554	18,038,868	16,945,764	16,367,517	15,001,366
4,707,342	3,147,565	7,507,754	8,811,037	10,446,717	12,342,156	10,889,646
-	-	1,069	493,293	75,299	36,452	604,649
2,694,218	690,222	246,116	13,530,334	799,437	5,995,750	2,554,997
14,005,894	1,293,411	186,230	8,299,287	678,240	3,658,856	2,500,849
-	-	-	-	-	-	-
-	-	54,466	767,818	36,500	-	150,210
1,535,583	2,422,325	2,022,197	2,425,757	3,779,226	3,184,738	1,690,722
144,058,877	124,198,811	124,537,616	150,322,647	124,411,675	130,277,168	120,633,425
\$ 273,899,870	\$ 241,186,531	\$ 233,960,979	\$ 242,840,246	\$ 210,462,490	\$ 246,822,145	\$ 220,604,682

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

	2014	2013	2012
General Fund:			
Nonspendable	\$ 8,092,922	\$ 8,209,961	\$ 9,489,312
Restricted	285,478	750,000	500,000
Committed	-	250,000	-
Unassigned	20,525,072	17,057,774	15,613,514
Reserved:			
Reserved for inventory	-	-	-
Reserved for advances	-	-	-
Reserved for encumbrances	-	-	-
Reserved for prepaid items	-	-	-
Unreserved	-	-	-
Total General Fund	\$ 28,903,472	\$ 26,267,735	\$ 25,602,826
All Other Governmental Funds:			
Nonspendable	\$ 4,175,752	\$ 3,504,050	\$ 3,991,588
Restricted	8,712,228	7,639,753	27,995,476
Committed	32,883,290	38,519,303	79,926,261
Unassigned	(147,279)	(6,557,607)	(6,875,886)
Reserved:			
Reserved for debt service	-	-	-
Reserved for loans receivable	-	-	-
Reserved for property held for sale	-	-	-
Reserved for inventory	-	-	-
Reserved for prepaid items	-	-	-
Reserved for endowments	-	-	-
Reserved for donor restricted purposes	-	-	-
Unreserved, reported in:			
Debt service funds	-	-	-
Special revenue funds	-	-	-
Capital projects funds	-	-	-
Permanent funds	-	-	-
Total all other government funds	\$ 45,623,991	\$ 43,105,499	\$ 105,037,439

Table 4

	2011	2010	2009	2008	2007	2006	2005
\$	4,340,097	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	250,000	-	-	-	-	-	-
	-	-	-	-	-	-	-
	13,554,759	-	-	-	-	-	-
	-	13,361	6,929	13,123	14,602	41,730	25,554
	-	4,046,951	3,882,579	3,718,955	3,499,154	3,039,982	2,571,712
	-	60,716	138,068	204,394	119,536	264,788	69,747
	-	318,668	369,683	285,381	352,062	368,360	267,290
	-	9,394,712	9,379,823	10,942,635	11,245,248	10,159,280	9,268,838
\$	18,144,856	\$ 13,834,408	\$ 13,777,082	\$ 15,164,488	\$ 15,230,602	\$ 13,874,140	\$ 12,203,141
\$	3,685,491	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	62,006,128	-	-	-	-	-	-
	93,898,793	-	-	-	-	-	-
	(6,465,652)	-	-	-	-	-	-
	-	-	-	-	16,776,784	29,108,893	14,747,035
	-	9,175,535	9,645,270	10,277,088	10,888,010	10,349,317	9,326,893
	-	2,000,000	2,000,000	2,000,000	2,000,000	-	-
	-	567,698	770,080	-	-	-	-
	-	203,229	194,191	99,903	39,742	63,511	38,538
	-	3,290,927	3,290,927	3,290,927	3,290,927	3,315,718	3,315,718
	-	-	-	-	-	74,992	74,992
	-	1,418,451	553,233	(452,555)	460,775	1,310,088	3,183,118
	-	484,871	3,918,372	6,806,600	6,069,638	3,963,355	2,853,037
	-	76,541,506	82,413,929	71,006,222	76,952,775	41,686,829	66,334,154
	-	686,634	626,284	541,184	368,154	87,831	-
\$	153,124,760	\$ 94,368,851	\$ 103,412,286	\$ 93,569,369	\$ 116,846,805	\$ 89,960,534	\$ 99,873,485

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

	2014	2013	2012	2011
Revenues:				
Taxes	\$ 147,979,356	\$ 145,929,673	\$ 141,295,150	\$ 137,636,622
Franchise fees	14,581,925	13,063,992	11,966,544	13,101,045
Licenses and permits	3,887,499	3,530,391	3,269,769	3,000,666
Fines and Forfeitures	5,795,248	5,594,223	5,208,910	2,774,839
Charges for sales and services	19,336,054	18,731,338	18,812,361	18,669,410
Use of money and property	2,328,387	2,732,385	2,400,126	1,781,613
Miscellaneous	19,700,246	20,960,853	28,328,520	23,478,516
Intergovernmental	74,392,864	63,827,825	80,999,710	77,495,820
Total revenue	288,001,579	274,370,680	292,281,090	277,938,531
Expenditures:				
Public safety	98,386,596	99,589,431	95,432,399	88,491,836
Public works	29,864,165	33,505,738	30,744,446	27,836,071
Health and social services	15,687,215	19,302,953	17,376,407	21,800,804
Culture and recreation	21,286,732	21,857,828	21,877,142	19,296,846
Community and economic development	19,716,976	20,293,135	19,430,143	17,017,578
General Government	58,722,127	18,105,052	22,942,437	23,969,996
Capital outlay	68,300,228	56,199,324	61,677,986	59,949,268
Debt service:				
Principal retirement	55,061,631	53,745,701	74,160,314	64,063,904
Interest and fiscal charges	17,684,652	17,827,371	19,010,017	16,589,400
Total expenditures	384,710,322	340,426,533	362,651,291	339,015,703
Excess (deficiency) of revenue over expenditures	(96,708,743)	(66,055,853)	(70,370,201)	(61,077,172)
Other financing sources (uses):				
Transfers in	88,079,063	61,604,867	58,309,686	56,619,258
General obligation bonds issued	96,970,000	-	31,135,000	110,880,000
Other debt issued	-	1,880,000	942,038	-
Advance refunded debt issuance	-	-	-	-
Advance refunded debt retirement	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issue	3,743,709	-	2,663,005	11,271,865
Discount on bond issue	-	-	-	-
Proceeds from capital asset sale	1,048,787	1,695,537	917,859	189,512
Proceeds from damage claims	368,098	96,249	103,105	147,677
Transfers out	(88,346,685)	(60,487,831)	(64,329,843)	(54,964,783)
Total other financing sources (uses)	101,862,972	4,788,822	29,740,850	124,143,529
Net changes in fund balance	\$ 5,154,229	\$ (61,267,031)	\$ (40,629,351)	\$ 63,066,357
Debt service as a percentage of noncapital expenditures	23.0%	25.2%	29.6%	26.7%

Table 5

	2010	2009	2008	2007	2006	2005
\$	135,781,459	\$ 130,719,860	\$ 124,299,047	\$ 121,611,902	\$ 112,978,288	\$ 116,493,690
	12,816,420	13,385,310	15,032,935	14,070,843	14,826,329	8,465,369
	2,673,649	3,305,916	3,352,394	3,880,861	3,719,456	3,598,952
	2,492,003	2,415,834	2,675,875	2,654,209	2,610,187	2,359,832
	18,148,419	17,450,617	16,074,796	15,895,692	16,217,987	15,485,843
	2,337,212	3,612,331	6,027,254	5,953,778	4,313,515	3,809,621
	24,679,657	29,242,200	26,364,050	27,619,889	35,036,126	29,971,941
	67,004,562	64,089,967	41,054,696	42,759,176	59,469,733	48,944,156
	265,933,381	264,222,035	234,881,047	234,446,350	249,171,621	229,129,404
	88,705,053	87,767,338	86,456,547	81,911,969	80,859,282	71,721,854
	29,045,473	28,276,159	28,952,001	26,724,957	28,914,351	27,421,998
	23,053,917	18,457,082	602,172	1,000,260	17,959,003	15,484,198
	21,180,095	22,869,422	23,672,112	22,216,125	22,256,463	20,734,462
	13,524,591	15,753,434	34,639,274	23,992,661	9,665,102	3,103,362
	20,903,330	20,935,354	21,432,950	18,423,006	18,232,138	18,839,200
	53,452,736	52,391,576	37,345,948	42,996,476	58,149,989	81,078,701
	60,532,593	65,124,045	43,612,306	38,670,289	37,143,823	66,242,304
	16,197,806	16,585,315	16,844,138	16,251,331	16,156,548	17,713,332
	326,595,594	328,159,725	293,557,448	272,187,074	289,336,699	322,339,411
	(60,662,213)	(63,937,690)	(58,676,401)	(37,740,724)	(40,165,078)	(93,210,007)
	50,412,327	52,008,731	52,208,569	37,686,123	32,198,540	42,922,267
	53,500,000	61,055,000	30,380,000	64,149,218	28,185,000	70,891,133
	778,854	1,582,164	8,937,500	2,190,555	692,978	-
	26,150,000	-	-	4,620,782	-	-
	(26,150,000)	-	-	(4,875,000)	-	-
	-	-	-	-	-	-
	3,898,393	626,117	34,048	126,176	1,245,531	1,659,207
	-	-	(94,216)	(211,854)	-	-
	301,792	2,338,183	808,594	883,580	1,631,159	145,686
	-	500,000	-	-	-	-
	(57,215,262)	(45,716,994)	(56,941,644)	(38,586,123)	(32,030,082)	(43,165,187)
	51,676,104	72,393,201	35,332,851	65,983,457	31,923,126	72,453,106
\$	(8,986,109)	\$ 8,455,511	\$ (23,343,550)	\$ 28,242,733	\$ (8,241,952)	\$ (20,756,901)
	28.1%	23.1%	34.7%	29.5%	25.1%	15.9%



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

Table 6

FISCAL YEAR	GENERAL PROPERTY TAXES	HOTEL/MOTEL TAX	SPECIAL UTILITY EXCISE TAX	MOBILE HOME TAX	MONIES AND CREDITS TAX	TOTAL TAXES
2013-14	138,924,204	5,105,780	3,806,577	112,613	30,182	147,979,356
2012-13	137,153,184	4,758,396	3,870,710	114,851	32,532	145,929,673
2011-12	132,970,699	4,366,762	3,812,245	120,644	24,800	141,295,150
2010-11	129,977,076	3,889,790	3,618,342	122,097	29,317	137,636,622
2009-10	128,142,798	3,700,761	3,772,091	120,092	45,717	135,781,459
2008-09	123,124,847	3,720,368	3,739,869	118,189	16,587	130,719,860
2007-08	116,396,207	4,200,778	3,564,345	120,577	17,140	124,299,047
2006-07	113,947,563	3,848,692	3,676,194	123,113	16,340	121,611,902
2005-06	105,522,405	3,659,431	3,651,085	126,168	19,199	112,978,288
2004-05	109,191,193	3,247,730	3,907,277	131,800	20,337	116,498,337
Change						
2004-2014	127.230%	157.211%	97.423%	85.442%	148.408%	127.023%

Source: City records.

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

Valuation Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Railway Property
2013	\$ 7,196,629,860	\$ 2,995,848,700	\$ 192,434,180	\$ 12,766,840	\$ 16,195,058
2012	7,316,677,770	3,009,375,580	190,078,540	10,324,900	16,509,244
2011	7,263,391,920	2,999,787,340	188,487,690	10,057,750	15,154,668
2010	7,500,758,350	3,095,405,840	194,779,860	8,270,550	12,966,428
2009	7,370,107,010	3,129,490,830	194,168,000	8,241,560	10,228,649
2008	7,123,448,010	3,048,959,390	193,397,790	3,342,380	9,540,299
2007	6,963,088,460	3,020,661,560	194,107,730	2,979,540	9,046,322
2006	6,262,344,300	2,926,850,350	183,555,680	2,747,265	8,530,839
2005	6,176,602,000	2,858,531,890	185,469,950	2,738,740	7,757,764
2004	5,514,536,820	2,695,476,615	176,594,260	2,816,090	7,808,752

Source:

State of Iowa Department of Management

Table 7

Utilities Property	Total Taxable Assessed Value	Total Direct Tax Rate	Percent Growth	Actual Taxable Value	Taxable Value as a % of Assessed Value
\$ 331,982,463	10,745,857,101	16.92001	(1.71)%	\$ 7,209,115,893	67%
389,559,024	10,932,525,058	16.91982	1.08%	7,331,444,442	67%
338,306,985	10,815,186,353	16.58000	(3.26)%	7,146,015,644	66%
367,913,783	11,180,094,811	16.57613	1.01%	7,195,887,806	64%
356,474,377	11,068,710,426	16.57614	3.20%	7,032,688,268	64%
347,054,081	10,725,741,950	16.57606	2.12%	6,751,877,052	63%
313,110,998	10,502,994,610	16.59028	8.23%	6,533,913,362	62%
320,020,548	9,704,048,982	16.45083	1.72%	6,210,510,617	64%
308,830,443	9,539,930,787	16.52000	9.83%	6,120,705,460	64%
289,170,524	8,686,403,061	17.05539	0.57%	5,776,063,229	66%

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

Tax Year Levied	City Direct Rates							Overlapping Rates		
	General Fund	Transit Fund	Insurance Fund	Emergency Fund	Employee Benefits Fund	Debt Service Fund	Total Direct	Polk County	Broadlawns County Hospital	Ag Extension District
2013-2014	8.10000	0.00000	0.29000	0.00000	4.42000	4.11001	16.92001	6.94381	2.99567	0.03945
2012-2013	8.10000	0.00000	0.29000	0.00000	4.31000	4.21982	16.91982	6.80992	2.97819	0.03866
2011-2012	8.10000	0.00000	0.30122	0.00000	4.24945	3.92933	16.58000	6.80992	2.92193	0.03696
2010-2011	8.10000	0.00000	0.30345	0.00000	4.10538	4.06730	16.57613	6.81833	2.92111	0.03631
2009-2010	8.10000	0.00000	0.29425	0.00000	3.90745	4.27444	16.57614	6.82855	2.80423	0.03752
2008-2009	8.10000	0.00000	0.30804	0.00000	3.93100	4.23702	16.57606	6.83696	2.92408	0.03717
2007-2008	8.10000	0.00000	0.31407	0.00000	4.13701	4.03920	16.59028	6.84207	2.96959	0.03703
2006-2007	8.10000	0.00000	0.27892	0.00000	4.33096	3.74095	16.45083	6.34845	3.49157	0.03771
2005-2006	8.10000	0.46951	0.36352	0.00000	4.03248	3.55449	16.52000	6.34845	3.20245	0.03791
2004-2005	8.10000	0.46940	0.33829	0.00000	4.59394	3.55376	17.05539	6.35281	3.25699	0.03735

Source: Polk County Auditor and Polk County Treasurer

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

Table 8

Overlapping Rates									
Polk County Assessor	State of Iowa	Area XI Community College	Regional Transit	Des Moines Community School District	Carlisle Community School District	SE Polk Community School District	Saydel Community School District	Johnston Community Schools District	WDM Community School District
0.27822	0.00330	0.69120	0.67400	18.34842	17.91246	21.65866	12.87971	17.35444	13.26452
0.24382	0.00330	0.58466	0.59400	18.34845	18.57766	21.65866	13.47994	17.35008	13.30184
0.24628	0.00320	0.59018	0.44400	18.34848	20.65059	21.65866	13.97969	17.34599	13.84954
0.27848	0.00300	0.56008	0.44430	17.64347	20.97493	21.80667	13.97723	17.34506	13.94266
0.30104	0.00300	0.56778	0.46232	17.64277	19.46621	21.83221	13.98315	17.34738	13.9441
0.32711	0.00350	0.56386	0.60079	17.78888	19.86337	21.84708	13.67722	17.34353	13.69179
0.31349	0.00350	0.60276	0.59997	17.93709	20.00427	21.96487	13.62992	17.34813	13.70031
0.29738	0.00400	0.68688	0.59998	18.01713	17.21211	20.98804	13.38621	17.34623	13.70060
0.35437	0.00400	0.68408	0.00000	18.01394	18.36826	17.98848	13.12949	17.34748	13.50341
0.31745	0.00400	0.59856	0.00000	18.02657	18.36820	17.28014	14.67175	17.21053	13.50200



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

Table 9

Fiscal Year Ended June 30	Tax Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2014	2013	\$ 140,944,915	\$ 138,802,425	98.48%	\$ -	138,802,425	98.48%
2013	2012	\$ 137,005,743	\$ 137,153,184	100.11%	\$ 1,411,854	138,565,038	101.14%
2012	2011	137,113,954	136,716,970	99.71%	88,502	136,805,472	99.78%
2011	2010	134,998,095	133,512,630	98.90%	18,244	133,523,178	98.91%
2010	2009	132,446,684	131,938,293	99.62%	22,416	131,960,709	99.63%
2009	2008	127,597,827	124,458,527	97.54%	53,171	124,511,698	97.58%
2008	2007	120,533,667	119,875,076	99.45%	65,735	119,940,811	99.51%
2007	2006	118,629,762	115,357,229	97.24%	114,502	115,471,731	97.34%
2006	2005	109,692,331	106,282,565	96.89%	2,424,308	108,706,873	99.10%
2005	2004	114,202,783	112,775,249	98.75%	2,173,223	114,948,472	100.65%

Source:
Polk County, City Records



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

Table 10

Taxpayer	2013*			2004		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
MidAmerican Energy	\$570,261,911	1	3.10%			
Principal Financial Group	194,700,950	2	1.10%	\$267,485,490	1	2.20%
Nationwide Mutual Insurance	171,376,280	3	0.90%	75,383,110	7	0.60%
R & R Investors	154,605,060	4	0.80%	105,709,980	3	0.90%
Wellmark, Inc.	132,797,300	5	0.70%			
Wells Fargo Financial Inc.	117,288,290	6	0.60%	74,714,220	8	0.60%
Prairie Meadows	102,909,000	7	0.60%	67,643,500	10	0.60%
Mercy Hospital	74,082,460	8	0.40%			
Pioneer H-Bred	73,785,590	9	0.40%			
Hubbell Interests	71,019,790	10	0.40%	69,067,870	9	0.60%
Valley West Mall				108,916,000	2	0.90%
Knapp, William				103,279,590	4	0.80%
Mid America Investments				89,739,880	5	0.70%
Qwest				85,573,316	6	0.70%
Total	\$1,662,826,631		9.00%	\$1,047,512,956		8.60%

Source: Polk County Auditor

*Most recent year available

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

Fiscal Year	Governmental Activities			Percentage of Actual Property Value	Debt Per Capita(1)	Governmental Activities	
	General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt			Loans Payable	Notes Payable
2014	\$ 384,225,358	\$ 1,330,845	382,894,513	3.89%	\$ 2,052	\$ 8,476,000	\$ 3,396,356
2013	338,390,683	415,784	337,974,899	3.12%	1,661	8,500,000	4,188,987
2012	392,467,179	21,217,274	371,249,905	3.43%	1,825	8,500,000	3,299,688
2011	419,413,600	50,373,536	369,040,064	3.41%	1,798	9,925,000	3,427,964
2010	355,574,000	1,418,451	354,155,549	3.52%	1,859	10,040,000	5,187,868
2009	359,762,000	553,233	359,208,767	3.59%	1,895	10,155,000	7,138,607
2008	361,203,000	(452,555)	361,655,555	3.62%	1,913	10,270,000	8,069,488
2007	371,821,000	17,237,559	354,583,441	3.78%	1,845	1,885,000	10,131,294
2006	342,280,000	30,432,481	311,847,519	3.42%	1,643	2,000,000	12,492,505
2005	349,226,000	17,931,361	331,294,639	3.92%	1,714	2,000,000	7,164,606

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

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

Table 11

Business-Type Activities							
Revenue Bonds	Notes Payable	General Obligation Bonds	Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Per Capita Income(1)	Per Capita(1)
\$ 31,750,878	\$ 1,358,023	\$ 34,618,703	\$ 50,687,942	\$ -	\$ 514,513,260	9.62%	\$ 2,529
33,247,906	2,110,860	37,604,556	50,263,584	-	474,306,576	10.17%	2,332
34,728,075	4,076,232	-	70,039,940	-	513,111,114	11.00%	2,522
-	9,341,049	-	124,448,475	4,637,740	555,144,753	11.90%	2,729
-	10,100,107	21,000	103,760,000	6,300,425	490,983,400	12.56%	2,471
-	16,485,120	278,000	108,710,000	8,060,816	510,589,543	13.06%	2,570
-	14,858,830	547,000	114,233,000	9,502,899	518,684,217	13.27%	2,611
-	2,262,225	814,000	118,768,885	11,204,648	516,887,052	13.22%	2,602
-	3,203,442	1,180,000	105,077,418	11,480,377	477,713,742	12.22%	2,404
-	3,669,791	1,574,000	106,110,292	3,129,730	472,874,419	12.10%	2,380



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

Table 12

NAME OF GOVERNMENTAL UNIT	NET GENERAL OBLIGATION DEBT OUTSTANDING *	PERCENTAGE APPLICABLE TO THIS GOVERNMENTAL UNIT	CITY OF DES MOINES SHARE OF DEBT
City of Des Moines	\$ 462,467,296	100.00 %	\$ 462,467,296
Polk County	117,950,985	34.08	40,197,696
School Districts:			
Carlisle	17,460,000	5.33	930,618
Des Moines	195,985,000	96.40	188,929,540
Johnston	36,705,000	1.92	704,736
Saydel	7,585,000	10.23	775,946
Southeast Polk	89,009,625	0.49	436,147
Area XI Community College	65,880,000	21.50	14,164,200
Total overlapping	530,575,610		246,138,882
Total direct and overlapping	\$ 993,042,906		\$ 708,606,178

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value	\$ 10,917,590,540
Debt limit (5% of assessed value)	<u>545,879,527</u>
Debt applicable to limit:	
General obligation bonds	403,325,000
Other Legal Indebtedness (TIF Rebates and Leases)	<u>17,420,764</u>
Total net debt applicable to limit	<u>420,745,764</u>
Legal debt margin	<u>\$ 125,133,763</u>

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt limit	\$ 545,879,527	\$ 541,844,172	\$ 558,198,015	\$ 552,597,489
Total net debt applicable to limit	<u>420,745,764</u>	<u>376,513,284</u>	<u>356,554,826</u>	<u>353,891,464</u>
Legal debt margin	<u>\$ 125,133,763</u>	<u>\$ 165,330,888</u>	<u>\$ 185,289,346</u>	<u>\$ 204,306,551</u>
Total net debt applicable to the limit as a percentage of debt limit	77.08%	69.49%	63.88%	64.04%

Table 13

2010	2009	2008	2007	2006	2005
\$ 535,264,366	\$ 524,284,217	\$ 484,288,145	\$ 476,601,639	\$ 434,211,844	\$ 431,367,371
355,595,000	361,695,000	363,520,000	357,825,000	316,570,000	338,700,000
\$ 197,002,489	\$ 173,569,366	\$ 160,764,217	\$ 126,463,145	\$ 160,031,639	\$ 95,511,844
66.43%	68.99%	75.06%	75.08%	72.91%	78.52%

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

Sanitary Sewer Bonds						
Fiscal Year	Operating Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 34,800,047	\$ 15,736,151	\$ 19,063,896	\$ 17,746,569	\$ 4,334,845	0.86
2013	\$ 33,585,154	\$ 15,867,875	17,717,279	\$ 4,510,011	\$ 4,436,786	1.98
2012	31,372,051	16,455,238	14,916,813	4,465,544	4,746,394	1.62
2011	30,750,844	15,775,023	14,975,821	5,111,637	4,594,187	1.54
2010	29,106,079	14,459,147	14,646,932	4,720,956	3,011,545	1.89
2009	28,280,923	12,980,555	15,300,368	4,421,532	3,096,163	2.04
2008	28,221,011	13,163,260	15,057,751	3,226,244	4,233,696	2.02
2007	26,776,600	13,096,158	13,680,442	4,129,342	3,622,779	1.76
2006	25,157,528	14,793,686	10,363,842	4,000,305	3,259,999	1.43
2005	22,983,744	12,474,475	10,509,269	4,927,000	1,276,183	1.69

Table 14

Stormwater Bonds					
Operating Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
			Principal	Interest	
\$ 19,677,703	\$ 8,194,280	\$ 11,483,423	\$ 3,029,222	\$ 1,070,579	2.80
\$ 18,283,969	\$ 8,417,701	9,866,268	\$ 2,955,587	\$ 1,148,870	2.40
17,957,553	8,803,865	9,153,688	2,892,012	1,225,294	2.22
17,831,457	9,083,973	8,747,484	1,915,000	987,792	3.01
15,154,464	6,808,744	8,345,720	2,146,674	1,160,892	2.52
14,514,329	6,481,887	8,032,442	1,896,400	1,201,748	2.59
14,529,733	5,934,060	8,595,673	1,800,000	1,259,895	2.81
13,543,675	5,697,603	7,846,072	1,000,000	987,978	3.95
11,844,126	5,421,968	6,422,158	970,000	669,140	3.92
10,922,485	5,436,157	5,486,328	573,294	671,769	4.41



CITY OF

DES MOINES

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

Table 15

Fiscal Year Ended June 30,	Population(1)	Median Family Income(1)	Per Capita Income (State of Iowa)	Median Age(1)	School Enrollment (3)	Unemployment Rate(2)
2014	203,443	\$51,851	\$26,280	33.5	32,413	4.5%
2013	203,443	51,851	26,280	33.5	32,062	4.9%
2012	203,443	51,851	26,280	33.5	31,275	5.3%
2011	203,443	51,851	26,280	33.5	32,438	6.0%
2010	198,682	44,022	24,357	34.6	31,924	6.4%
2009	198,682	44,022	24,357	34.6	30,783	6.2%
2008	198,682	44,022	24,357	34.6	32,043	4.5%
2007	198,682	44,022	24,357	34.6	31,549	3.4%
2006	198,682	44,022	24,357	34.6	31,598	3.6%
2005	198,682	44,022	24,357	34.6	31,851	4.1%

Sources:

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

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



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

Table 16

Employer	2014		Percentage of Total City Employment	2004	
	Number of Employees*	Rank		Number of Employees	Rank
Wells Fargo	13,500	1	4.9%	-	8
HyVee Food Stores	7,500	2	0.8%	-	
Mercy Hospital Medical Center	7,305	3	2.6%	-	3
Unity Point Health (Iowa Health System)	6,329	4	2.0%	-	2
Principal Financial Group	6,131	5	2.2%	-	1
Des Moines Public Schools	4,927	6	1.8%	-	
Nationwide/Allied Insurance	4,300	7	1.8%	-	10
John Deere Companies	3,089	8	1.1%	-	9
Dupont Pioneer	3,000	9	1.0%	-	
Kum and Go	1,820	10	0.7%	-	
Bridgestone American Tire (Firestone)		-	0.6%		7
HP Enterprise Services (CDS)		-	0.5%		5
Blank Childrens Pediatric (part of Unity Point now)	-	-			4
Des Moines Register					6
Total employment**	275,000				

Source:

*Greater Des Moines Partnership

**Bureau of Labor Statistics, US Dept Labor

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

FUNCTIONS/PROGRAMS	2014	2013	2012	2011
GOVERNMENTAL FUND TYPES				
Public safety				
Police Department	452.0	452.0	460.0	449.0
Fire Department	283.0	283.0	283.0	290.0
Community Development--inspections	35.6	35.6	36.6	37.6
Total public safety	770.6	770.6	779.6	776.6
Public works				
Engineering	88.5	88.5	92.0	92.0
Public Works Department	90.0	90.0	94.0	94.0
Total public works	178.5	178.5	186.0	186.0
Health and social services				
Community Development Grants	28.5	28.5	30.6	31.5
Human Rights	3.0	3.0	3.0	3.0
Total health and social services	31.5	31.5	33.6	34.5
Culture and recreation				
Parks Department	71.5	75.5	86.8	87.0
Public Libraries	55.0	55.0	63.0	63.0
Total culture and recreation	126.5	130.5	149.8	150.0
Community and economic development				
City Manager--Economic Development	5.0	5.0	5.0	5.0
Total Community and economic development	5.0	5.0	5.0	5.0
General government				
City Clerk	6.4	6.4	6.0	6.0
City Manager	10.0	10.0	10.0	10.0
Community Development	11.0	11.0	11.8	12.0
Finance Department	22.0	24.0	23.0	22.0
Human Resources	10.0	10.0	10.0	10.0
Information Technology	29.0	29.0	29.0	29.0
Legal	18.0	18.0	19.0	19.0
Mayor and Council	7.0	7.0	8.0	8.0
Parks Department	11.2	11.2	10.0	10.0
Total general government	124.6	126.6	126.8	126.0
Total governmental fund types	1236.7	1242.7	1280.7	1278.1
PROPRIETARY FUNDS				
Airport	21.0	21.0	0.0	100.0
Parking facilities system	14.5	14.5	14.5	15.0
Sewer system	48.5	48.5	52.8	53.8
Stormwater utility	68.5	68.5	67.2	67.2
Golf	0.0	0.0	0.0	0.0
Solid waste system	50.0	50.0	50.0	50.0
Municipal Housing Agency	55.0	60.0	59.0	61.0
Internal service funds	60.0	60.0	59.0	59.0
Total proprietary funds	317.5	322.5	302.5	406.0
Total City employment	1554.2	1565.2	1583.2	1684.1

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

Table 17

2010	2009	2008	2007	2006	2005
455.0	469.0	470.0	466.0	461.0	461.0
307.0	310.0	311.0	310.0	310.0	298.0
40.0	40.0	37.0	36.0	36.0	35.2
802.0	819.0	818.0	812.0	807.0	794.2
93.0	96.0	94.0	94.0	92.0	92.0
112.0	112.0	117.0	117.0	117.0	118.0
205.0	208.0	211.0	211.0	209.0	210.0
36.1	35.1	36.0	35.3	35.1	37.3
3.0	3.0	3.0	3.0	3.0	3.0
39.1	38.1	39.0	38.3	38.1	40.3
89.5	123.6	127.8	129.0	129.4	146.0
67.0	76.0	76.0	76.0	75.0	62.0
156.5	199.6	203.8	205.0	204.4	208.0
6.0	6.0	5.0	5.0	5.0	5.0
6.0	6.0	5.0	5.0	5.0	5.0
6.0	6.0	6.0	6.0	6.0	6.0
11.0	12.0	12.0	11.0	11.0	10.0
11.0	11.9	11.0	10.8	10.8	10.5
21.0	21.5	21.0	21.0	23.0	22.0
10.0	10.0	11.0	11.0	11.0	11.0
29.0	28.0	25.0	25.0	21.0	21.0
20.0	22.0	22.0	22.0	22.0	21.0
8.0	8.0	8.0	8.0	8.0	8.0
11.5	11.0	12.8	11.6	11.5	16.0
127.5	130.4	128.8	126.4	124.3	125.5
1336.1	1401.1	1405.6	1397.7	1387.7	1383.0
95.0	121.4	121.4	117.4	119.0	118.0
14.0	15.0	15.0	15.0	15.0	15.0
54.8	54.7	53.2	50.0	49.3	78.1
63.2	63.2	57.9	59.7	60.4	30.8
0.0	5.0	5.0	5.0	8.0	9.0
51.0	50.6	56.6	57.0	58.0	63.0
52.0	56.0	61.0	61.0	66.0	67.0
61.0	62.0	61.0	61.0	62.0	61.0
391.0	427.9	431.1	426.1	437.7	441.9
1727.1	1829.0	1836.7	1823.8	1825.3	1824.9

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

	2014	2013	2012
Public safety:			
Police Department--calls to dispatch	380,692	387,237	330,493
Detective bureau--persons offenses assigned	5,720	6,271	7,525
Detective Bureau--property offenses assigned	13,782	14,459	14,286
Fire Department--total incidents	21,833	21,326	20,128
Fire suppression--total fires	5,824	6,043	5,050
Emergency medical services--medic calls	16,009	15,283	15,078
Emergency medical services--transports	12,681	12,150	11,684
Permit and Development Center--number of permits issued	15,039	10,991	11,848
Permit and Development Center--number of inspections	33,438	32,764	30,814
Permit and Development Center--number of plan reviews	10,646	10,764	10,314
Public works:			
Engineering Department--cost of awarded contracts	\$32,538,737	\$120,961,394	\$122,891,377
Public Works Department--snow and ice control-lane miles	2,207	2,207	2,207
Health and social services:			
Low-income energy assistance (number of households)	6,194	6,546	6,743
Furnace repair/replacements (number of households)	179	173	185
Energy reconnect project (number of households)	5	376	103
NCS applications taken	8	16	49
Senior Living Program applications taken (households)	142	120	107
Culture and recreation:			
Library usage--annual visits	973,456	1,106,879	1,304,080
Aquatic center/pools attendance	64,309	113,064	144,810
Annuals (plants) distributed to organizations	211,369	190,000	356,171
Community center attendance (calendar year)	188,209	488,609	168,641
Cemeteries--burials	594	608	539
Community and economic development:			
Assessed valuation increase in tax increment district	\$1,245,474,135	\$1,210,792,190	\$1,225,945,910
General government:			
Animal licenses issued (cat and dog)	21,306	21,760	22,841
Legal Department--written legal opinions	1,140	1,160	993
Tort litigation--traffic court trials	820	1,113*	1,113*
Enterprise funds:			
Number of sanitary sewer feet cleaned per year	2,812,129	2,229,031	1,921,251
Number of storm sewer feet cleaned per year	515,626	654,568	237,498
Solid waste collected annually (lbs) per year	161,000,000	154,000,000	122,000,000
Rounds of golf	82,948	89,987	95,252

Source: City records.

*Current year not available

Table 18

2011	2010	2009	2008	2007	2006	2005
322,453	320,359	324,470	340,829	396,504	386,178	256,122
6,855	7,095	7,233	7,917	6,148	6,210	1,050
14,495	12,512	13,591	16,392	20,483	22,131	14,174
19,649	19,375	19,508	19,594	18,620	17,662	16,802
4,865	4,638	4,673	4,385	4,779	4,685	999
14,784	14,737	15,835	15,209	13,841	12,977	12,412
11,232	11,213	11,165	11,446	10,757	10,369	9,966
15,520	13,479	13,234	11,054	11,474	10,860	14,878
28,716	30,331	28,039	32,351	25,285	22,651	23,746
14,583	14,726	14,888	3,130	3,712	4,165	5,107
\$118,852,698	\$137,105,722	\$48,639,208	\$84,757,631	\$44,449,946	\$56,515,585	\$79,066,963
2,207	2,207	2,117	2,117	2,065	2,065	2,065
7,207	8,298	7,700	6,995	6,853	6,537	6,520
195	207	189	246	146	213	288
47	806	214	503	285	282	230
89	108	65	62	73	58	54
136	146	173	315	192	190	438
1,335,720	1,344,334	1,451,930	1,376,298	1,389,530	1,024,154	967,364
131,875	133,423	142,724	126,931	126,569	110,954	112,042
104,200	105,000	98,376	96,000	88,944	85,056	210,000
175,757	235,405	236,954	227,313	224,250	229,920	215,216
581	546	597	687	674	637	719
\$1,229,650,820	\$1,149,037,530	\$1,074,553,965	\$994,015,625	\$941,740,355	\$869,900,005	\$872,591,225
23,036	22,480	22,365	21,830	21,223	20,521	20,813
998	954	1,080	909	947	814	1,484
1,113*	1,113	1,411	1,706	2,418	1,159	252
1,094,511	1,255,200	1,089,149	1,061,280	1,059,130	1,252,300	1,613,315
257,387	310,000	385,694	258,720	69,164	92,165	305,337
121,207,500	118,901,034	151,800,000	120,286,400	122,000,000	13,310,000	9,403,537
86,908	168,341	155,321	94,545	168,722	161,665	112,042

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

	2014	2013	2012	2011
Function/Program				
Public Safety:				
Police:				
Number of Stations	1	1	1	1
Fire:				
Number of Stations	10	10	10	10
Stations with EMS transport capability	7	8	7	8
Public Works:				
Streets paved lane miles	2,167	2,076	2,073	2,070
Streets unpaved lane miles	40	76	77	78
Sanitary sewer miles	935	935	935	935
Storm sewer miles	493	493	494	493
Number of street lights	25,500	25,500	25,500	25,400
Area--number of city square miles	91	91	91	91
Culture and Recreation:				
Parks-number of park areas	76	76	76	73
Total park acres	2,877	3,875	3,875	3,560
Number of boulevards	9	9	9	9
Number of playgrounds	63	65	68	78
Number of golf courses	3	3	3	3
Number of soccer fields	12	12	12	12
Number of aquatic centers/pools	5	5	5	5
Number of tennis courts	59	61	61	52
Number of softball diamonds	8	9	9	9
Number of baseball diamonds	8	8	8	8
Number of community centers	3	3	3	4
Miles of bike trails	45	45	42	42
Cemeteries:				
Number of facilities	7	7	7	7
Number of acres	345	345	345	345
Library:				
Number of Facilities	6	6	6	6
Number of Volumes	560,890	590,242	596,718	571,476

Source: City Records

Table 19

2010	2009	2008	2007	2006	2005
1	1	1	1	1	1
10	10	10	10	10	10
8	7	7	7	7	7
2,069	2,067	2,023	1,897	1,897	1,895
78	80	94	76	76	76
884	889	889	861	861	857
282	472	472	458	458	453
24,200	23,630	23,614	23,376	23,376	23,376
91	91	82	82	82	81
73	73	73	72	72	70
3,560	3,226	3,226	3,223	3,213	3,210
6	6	6	6	6	6
78	58	58	58	58	58
3	3	3	3	3	3
12	12	12	12	12	12
5	5	5	5	5	5
50	59	57	59	59	59
9	9	9	13	13	14
8	9	9	5	5	5
4	4	4	5	5	5
40	37	37	29	29	29
7	7	7	5	5	5
345	450	332	460	460	460
6	6	6	6	6	6
570,271	589,547	563,917	548,272	526,735	562,702

CITY OF DES MOINES, IOWA
SCHEDULE OF INSURANCE IN FORCE
June 30, 2014
(Unaudited)

<u>TYPE OF INSURANCE / INSURANCE COMPANY</u>	<u>POLICY NUMBER</u>	<u>POLICY PERIOD</u>
<u>PROPERTY INSURANCE</u>		
The Travelers Indemnity Company	KTK-CMB-6867N33-9-13	7-1-13/14
Federal Insurance Company	3597-17-24 ILL	7-1-13/14
Federal Insurance Company	7643-39-17 ILL	7-1-13/14
Housing Authority Property Insurance	HAPI-342-119709-2013	7-1-13/14
<u>FLOOD INSURANCE</u>		
National Flood Insurance Program (N.F.I.P.)	Various	7-1-13/14
<u>EXCESS FLOOD INSURANCE</u>		
Westchester Surplus Lines Insurance Company	D37387873002	7-1-13/14
Westchester Surplus Lines Insurance Company	D37387861002	7-1-13/14
Landmark American Insurance Company	LHD377387	7-1-13/14
Maxum Indemnity Company	SPO 6022422-01	7-1-13/14
<u>CRIME INSURANCE</u>		
Travelers Property Casualty Insurance Co.	105645396	7-1-13/14
	105645396	7-1-13/14
<u>SPECIAL EXCESS LIABILITY INSURANCE</u>		
Starr Indemnity & Liability Company	1000005059	7-1-13/14
American Alternative Insurance Corporation	GPPA-PF-6055032-00/000	7-1-13/14
<u>GENERAL LIABILITY INSURANCE</u>		
Housing Authority Risk Retention Group	HARRG-342-119708-2013	7-1-13/14
American Alternative Insurance Corporation	GPPA-PF-6055032-00/000	7-1-13/14
<u>AUTO LIABILITY INSURANCE</u>		
Travelers	H-810-9160P789-TCT-13	7-1-13/14
American Alternative Insurance Corporation	GPPA-PF-6055032-00/000	7-1-13/14
<u>PUBLIC OFFICIALS LIABILITY</u>		
American Alternative Insurance Corporation	GPPA-PF-6055032-00/000	7-1-13/14
<u>POLLUTION LIABILITY INSURANCE</u>		
American International Corporation	28779018	7-1-12/15
<u>WORKERS COMPENSATION INSURANCE</u>		
Volunteer Firemen's Insurance Services, Inc.	CFP-5516-0076D-4	7-1-13/14
National Union Fire Insurance Company	SRG-0009103048-B	7-1-13/14
Mutual of Omaha	T5MP-P-052502	7-1-13/14
<u>EXCESS WORKERS COMPENSATION INSURANCE</u>		
Safety National Casualty Corp	SP4048992	7-1-13/14

Table 20

NAMED INSURED / DETAILS OF COVERAGE	POLICY LIMITS	ANNUAL PREMIUM
<u>City of Des Moines</u>		
Buildings & Contents	\$ 614,375,056	\$ 410,134
Per Occurrence Replacement Value	250,000,000	
Business Interruption & Extra Expense	9,000,000	Included
Boiler & Machinery	100,000,000	Included
Earthquake	20,000,000	Included
Flood	5,000,000	Included
<u>Wastewater Reclamation Authority</u>		
Buildings & Contents	\$ 250,000	\$ 171,591
Per Occurrence Replacement Value	\$ 150,000,000	
Business Interruption & Extra Expense	\$ 5,000,000	Included
Earthquake	\$ 20,000,000	Included
Flood	\$ 2,500,000	Included
Equipment Breakdown (Boiler & Machinery)	\$ 100,000,000	\$ 20,187
<u>Municipal Housing Agency</u>		
Buildings & Contents	\$ 42,691,957	\$ 52,246
<u>City of Des Moines</u>		
(6 buildings in Flood Zone "A")	Various per building	\$ 30,581
<u>Wastewater Reclamation Authority</u>		
WRA - 2 Locations	\$ 2,500,000	\$ 45,252
\$5M p/o \$10M X of \$2.5M	\$ 5,000,000	\$ 49,249
\$5M p/o \$10M X of \$2.5M	\$ 5,000,000	\$ 49,249
\$2.5 M X of \$12.5M	\$ 2,500,000	\$ 25,250
<u>Shared: City, WRA & DMMHA</u>		
Public Employee Dishonesty and Computer Fraud	\$ 2,000,000	\$ 18,029
Required for State of Iowa IJOBS Projects	\$ 10,000,000	included
<u>Shared: City, RWA & DMMHA</u>		
Citywide General, Automobile, Law Enforcement, Public Officials Liability, etc	\$ 10,000,000 \$ 2,000,000 SIR	\$ 192,300
<u>Wastewater Reclamation Authority</u>		
Excess Liability	\$ 10,000,000	\$ 17,582
<u>Municipal Housing Agency</u>		
General Liability	\$ 2,000,000	\$ 27,410
<u>Wastewater Reclamation Authority</u>		
General Liability - \$3M Aggregate	\$ 1,000,000	\$ 15,065
<u>Shared: City & DMMHA</u>		
Following enterprise fund activities included:	\$ 2,000,000	\$ 46,880
Curbside Recycling Pickup Program		Included
Sanitary/Storm Sewer		Included
Solid Waste Collection		Included
Municipal Housing Agency		Included
<u>Wastewater Reclamation Authority</u>		
Automobile liability	\$ 1,000,000	\$ 36,518
<u>Wastewater Reclamation Authority</u>		
Primary - \$3M Aggregate	\$ 1,000,000	\$ 3,578
<u>Wastewater Reclamation Authority</u>		
Pollution Liability	\$ 2,000,000	\$ 7,995
<u>City - HazMat Team/Fire Dept Mutual Aid</u>		
Primary Occupational Medical	\$ 100,000	\$ 12,596
Excess Occupational Medical	\$ 500,000	\$ 9,545
Excess Occupational Medical	\$ 400,000	\$ 11,475
<u>City of Des Moines (including WRA Operations)</u>		
Excess Workers Compensation	Statutory	\$ 315,256



SINGLE AUDIT SECTION



CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2014

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/13 - 6/30/14)
U.S. Department of Health and Human Services		
Community Services Block Grant:		
(Passed through the Iowa Department of Human Rights)		
Program Year: 2013		
Contract Number: CSBG-13-07-CJ		
October 1, 2012 - September 30, 2013	93.569	\$ 142,122
Program Year: 2014		
Contract Number: CSBG-14-07-CJ		
October 1, 2013 - September 30, 2014	93.569	301,090
Low-income Home Energy Assistance Block Grant:		
(Passed through the Iowa Department of Human Rights)		
Program Year: 2013		
Contract Number: 2206-13J		
October 1, 2012 - September 30, 2013	93.568	72,410
Program Year: 2014		
Contract Number: 2206-14J		
October 1, 2013 - September 30, 2014	93.568	3,242,584
Total U.S. Department of Health and Human Services		\$ 3,758,206
U.S. Department of Housing and Urban Development		
Community Development Block Grant Program Entitlement:		
Entitlement Years: 2013 - 2014	14.218	\$ 2,833,668
Fair Housing Assistance Program		
Cooperative Agreement	14.401	204,092
(Passed through the Iowa Economic Development Authority)		
Rehab Assistance #2		
Grant # 08-DRH-209	14.228	4,721,281
Disaster Recovery		
Grant # 08-DRH-009	14.228	264,586
Neighborhood Stabilization Program		
Grant #08-NSP-023	14.228	21,058
Infrastructure Assistance		
Grant #08-DRI-033	14.228	258,294
Infrastructure Assistance		
Grant #08-DRIEF-258	14.228	1,808,475
Flood Relief		
Contract #08-DRMH-2134	14.228	1,313,402
NSP		
Contract #11-NSP-023	14.264	310,950

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2014

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/13 - 6/30/14)
U.S. Department of Housing and Urban Development		
(continued)		
Supportive Housing Program:		
Primary Health Care Street Outreach #IA0042L7D021205 July 1, 2013 - June 30, 2014	14.235	86,619
West Des Moines Human Services #IA0043B7D021103 August 1, 2012 - July 31, 2013	14.235	2,794
West Des Moines Human Services #IA0043L7D021204 August 1, 2013 - July 31, 2014	14.235	74,176
Primary Health Care Enhancement #IA0036B7D021104 July 1, 2012 - June 30, 2013	14.235	499
Primary Health Care Enhancement #IA0036L7D021205 July 1, 2013 - June 30, 2014	14.235	248,820
Buchanan Transitional Living Center #IA0039B7D021103 December 1, 2012 - November 30, 2013	14.235	40,084
Buchanan Transitional Living Center #IA0039L7D021204 December 1, 2013 - November 30, 2014	14.235	57,385
Lighthouse Host Home #IA0040L7021205 March 1, 2013 - February 28, 2014	14.235	179,531
Lighthouse Host Home #IA0040L7021306 March 1, 2014 - February 28, 2015	14.235	92,328
House of Mercy #IA0038L7D021205 May 1, 2013 - April 30, 2014	14.235	239,040
House of Mercy #IA0038L7D021306 May 1, 2014 - April 30, 2015	14.235	45,877
House of Mercy - Capitol Park #IA0037L7D021205 March 1, 2013 - February 28, 2014	14.235	152,753
House of Mercy - Capitol Park #IA0037L7D021306 March 1, 2014 - February 28, 2015	14.235	73,944
HMIS #IA0041B7D021104 November 1, 2012 - October 31, 2013	14.235	36,681
HMIS #IA0041B7D021205 November 1, 2013 - October 31, 2014	14.235	84,757
West Des Moines Transitional Hsg 2 #IA0032B7D021102 December 21, 2012 - December 20, 2013	14.235	12,630
West Des Moines Transitional Hsg 2 #IA0032B7D021203 December 21, 2013 - December 20, 2014	14.235	15,855
Anawim Permanent Supportive Hsg #IA0067B7D021100 May 1, 2013 - October 31, 2014	14.235	124,159
Shelter Plus Care - Anawim Housing #IA0034L7D021205 April 20, 2013 - April 19, 2014	14.238	683,298
Shelter Plus Care - Anawim Housing #IA0034L7D021306 April 20, 2014 - April 19, 2015	14.238	134,133
Shelter Plus Care - Anawim Housing #IA0035L7D021205 April 5, 2013 - April 4, 2014	14.238	204,239
Shelter Plus Care - Anawim Housing #IA0035L7D021306 April 5, 2014 - April 4, 2015	14.238	39,056
Shelter Plus Care - Anawim Housing #IA0057C7D021000 December 12, 2011 - December 11, 2016	14.238	38,520
Shelter Plus Care - Anawim Housing #IA0058C7D01000 December 12, 2011 - December 11, 2016	14.238	54,403

(Continued)

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2014

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/13 - 6/30/14)
U.S. Department of Housing and Urban Development (continued)		
Shelter Plus Care - YMCA #IA0050C7D020900 April 25, 2011 - April 24, 2016	14.238	39,244
Shelter Plus Care - YMCA #IA0068C7D021100 April 1, 2013 - March 31, 2018	14.238	42,204
Shelter Plus Care - YMCA #IA0071L7D021200 April 1, 2014 - March 31, 2017	14.238	2,689
Emergency Shelter Grant Program:		
Program Year: 2012 Contract Number: S-12-MC-19-0001 January 1, 2012 - December 31, 2012	14.231	142,138
Program Year: 2013 Contract Number: S-13-MC-19-0001 January 1, 2013 - December 31, 2013	14.231	57,906
Home Investment in Affordable Housing:		
Program Year: 2010 Contract Number: M-10-MC-19-0201 March 31, 2010 - March 31, 2015	14.239	11,172
Program Year: 2011 Contract Number: M-11-MC-19-0201 March 31, 2011 - March 31, 2016	14.239	97,364
Program Year: 2012 Contract Number: M-12-MC-19-0201 March 31, 2012 - March 31, 2017	14.239	61,518
Program Year: 2013 Contract Number: M-13-MC-19-0201 March 31, 2013 - March 31, 2018	14.239	21,432
Program Year: 2014 Contract Number: M-14-MC-19-0201 March 31, 2014 - March 31, 2019 (Passed through Iowa Community Action Association) Tenant Based Rental Assistance	14.239	8,283 14,856
Total U.S. Department of Housing and Urban Development		\$ 14,956,193

U.S. Department of Justice

Public Safety and Community Policing Grants:

Edward Byrne Memorial Justice Assistance Grant Grant #2010DJBX1150	16.738	\$ 20,013
Edward Byrne Memorial Justice Assistance Grant Grant #2011DJBX2322	16.738	24,762
Edward Byrne Memorial Justice Assistance Grant Grant #2012DJBX0497	16.738	58,502
Edward Byrne Memorial Justice Assistance Grant Grant #2013DJBX0243	16.738	104,097
Cops Meth Hotspots Grant Grant #10-HotSpots/Interdiction-1	16.710	29,553
ARRA - COPS Hiring Recover Program Grant #2009RJWX0041	16.710	149,219

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2014

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/13 - 6/30/14)
U.S. Department of Justice		
(continued)		
State and Community Highway Safety Program:		
Community Prosecution and Project Safe Neighborhoods Anti-Gang Initiative #11PSN-SD07	16.609	12,891
Total U.S. Department of Justice		\$ 399,037
U.S. Department of Transportation		
Governor's Traffic Safety Program:		
(Passed through the Iowa Department of Public Safety)		
Governor's Traffic Safety Program Contract Number: PAP 13-410 October 1, 2012 - September 30, 2013	20.600	\$ 46,594
Governor's Traffic Safety Program Contract Number: PAP 14-410 October 1, 2013 - September 30, 2014	20.600	59,555
Highway Research, Planning, and Construction:		
(Passed through the Iowa Department of Transportation)		
2008 Enhanced School Crossings @ Signalized Intersections STRS-U-1945(733)--8U-77	20.205	12,891
E Indianola Ave Widening - SE 16th Ct to E McKinley Ave STP-U-1945(745)--70-77	20.205	476,561
SE Connector - SE 6th to SE 14th Construction Supp 5 & 7 NHSX-U-1945(254)--8S-77	20.205	388,276
SE Connector - DSM River Bridge NHSX-U-1945(405)- - 8S-77	20.205	113,545
SE Connector - ROW Acquisition SE 9th -SE 15th NHSX-U-1945(304)--8S-77	20.205	22,406
Municipal Service Center Phase I NHSX-U-1945(305)--8S-77	20.205	3,853,455
SE Connector Paving - SE 9th to SE 15th NHSX-U-1945(408)--8S-77	20.205	3,595,167
E. Indianola Widening E Porter Ave to E. McKinley Ave STP-U-1945(746)--70-77	20.205	708,935
Beaver Avenue Streetscape from Beaver Crest to Fagen Drive STP-E-1945(804)--8V-77	20.205	131,015
S.E. Connector - SE 15th to SE 30th NHS-U-1945(409)--8G-77	20.205	10,705,287
SW 9th Street Widening from Titus Ave to Kenyon Ave HSIP-1945(789)--8X-77	20.205	52,474
Downtown Bicycle Plan Implementation Phase 1 STP-A-1945(802)--86-77	20.205	229,860
Airport Improvement Program:		
Taxiway D Reconstruction AIP Number: 3-19-0027-53	20.106	2,560
Total U.S. Department of Transportation		\$ 20,398,581

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2014

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/13 - 6/30/14)
U.S. Department of Homeland Security		
U.S. Federal Emergency Management Agency		
(Passed through the IA Dept of Homeland Security)		
Intelligence & Information Sharing Initiative HSGP-12-SHSP-05	97.067	67,466
2010 EOD Bomb Homeland Security Grant Agreement #2010-SS-T0-0031-21	97.067	11,164
Assistance to Firefighters Award #EMW-2011-FO-07183	97.044	38,549
Assistance to Firefighters Award #EMW-2012-FO-02534	97.044	80,671
(Passed through the Cerro Gordo County)		
Homeland Security Grant Program Grant #CZ6HF16086	97.067	21,657
(Passed through the IA Dept of Homeland Security)		
Federal Disaster Declaration #1763 1763-DR-IA	97.036	941,286
HMGP-DR-1930	97.036	165,871
HMGP-DR-1880-0034	97.036	1,016,870
Total U.S. Department of Homeland Security		\$ 2,343,534
Other		
Office of National Drug Control Policy		
(Passed through the Iowa Department of Public Safety)		
High Intensity Drug Traffic Area Contract Number: G12WM0002A February 1, 2012 - July 31, 2013	95.001	\$ 1,185
High Intensity Drug Traffic Area Contract Number: G13WM0002A February 1, 2013 - July 31, 2014	95.001	23,198
High Intensity Drug Traffic Area Contract Number: G14WM0002A February 1, 2014 - July 31, 2015	95.001	56,712
Total Other		\$ 81,095
Total All Federal Grants		\$ 41,936,646

City of Des Moines, Iowa

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

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Des Moines, Iowa for the year ended June 30, 2014. The accompanying schedule of expenditures of federal awards does not include any awards pertaining to the Municipal Housing Agency, an enterprise fund of the City, which is reported under separate cover. All other federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies expended during the year is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2. Significant Accounting Policies

Revenue from federal awards is recognized when the City has done everything necessary to establish its right to revenue and in addition for government funds when the revenue is available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred and the eligibility requirements have been met. Such expenses are recognized following the cost principles contained in OMB Circular A-87, wherein certain types of expenses are not allowable or are limited as to reimbursement.

Note 3. Subrecipients

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

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Emergency Shelter Grant Program	14.231	\$ 167,156
Supportive Housing Program	14.235	1,511,028
Shelter Plus Care	14.238	1,237,786
Edward Byrne Memorial Justice Assistance Grant	16.738	20,013
Airport Improvement Program	20.106	2,560
Homeland Security Grant Program	97.067	12,354

City of Des Moines, Iowa

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2014**

Comment Number	Comment	Status	Corrective Action or Other Explanation
Federal Awards:			
2013-1	The City submitted a required annual progress report one month after the 90-day deadline following the end of the grant's operating year.	Corrected	
Statutory Reporting:			
IV-A-13	Expenditures exceeded budget in public works, culture and recreation and debt service functions.	Partially Corrected	See IV-A-14 finding



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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Des Moines, Iowa (the City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 5, 2014. The City's June 30, 2014 financial statements have been restated due to the implementation of GASB 66, *Technical Corrections – 2012*. Our report includes reference to other auditors who audited the financial statements of the Des Moines Airport Authority and the Des Moines Public Library Foundation, which are discretely presented component units, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by the Des Moines Airport Authority auditors. The financial statements of the Des Moines Public Library Foundation were not audited in accordance with *Government Auditing Standards*.

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

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Comments involving statutory or 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 or other legal matters are not intended to constitute legal interpretations of those statutes.

Purpose of this Report

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

McGladrey LLP

Des Moines, Iowa
December 5, 2014



Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

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

The City's basic financial statements include the financial statements of the Des Moines Airport Authority and the Des Moines Public Library Foundation which were audited by other auditors. The financial statements of the Des Moines Airport Authority is not included in the City's schedule of federal awards during the year ended June 30, 2014. Our audit, as described below, did not include this Organization because it is reported in a separately issued financial and compliance report audited by other auditors. The financial statements of the Des Moines Public Library Foundation were not audited in accordance with the Government Auditing Standards issued by the Comptroller General of the United States or the OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Accordingly, our audit, described below, does not extend to this discretely presented component unit.

The City's basic financial statements include the operations of the Municipal Housing Agency, an enterprise fund, which is not included in the City's schedule of federal awards during the year ended June 30, 2014. Our audit, described below, did not extend to the operations of the Municipal Housing Agency because it is reported in a separately issued financial and compliance report of the Municipal Housing Agency.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for 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 the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the 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 of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Des Moines, Iowa
December 5, 2014

City of Des Moines, Iowa

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2014**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes No

Significant deficiencies identified?

Yes None Reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

Yes No

Significant deficiencies?

Yes None Reported

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

Any audit findings disclosed that are required to be reported in accordance with
Section 510(a) of Circular A-133?

Yes No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction Cluster

Dollar threshold used to distinguish between type A and type B programs: \$1,258,099

Auditee qualified as low-risk auditee?

Yes No

(Continued)

City of Des Moines, Iowa

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2014

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

A. Internal Controls

None reported

B. Compliance Findings

None reported

III. Findings and Questioned Costs for Federal Awards

A. Internal Controls

None reported

B. Compliance Findings

None reported

IV. Other Findings Related to Required Statutory Reporting

IV-A-14

Certified budget: Expenditures for the year ended June 30, 2014 exceeded the community and economic development and transfers out budgeted amounts. Chapter 384.20 of the Code of Iowa states in part that public monies may not be expended or encumbered except under an accrual or continuing appropriation.

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

Response and corrective action plan: The City will work to eliminate any overages in the budget. The community and economic development budget was over because economic development grants and other economic development expenditures had been budgeted as part of the capital outlay budget, but as these expenditures did not belong in capital outlay by their nature, they were reported in the community and economic development expenditure function. In fiscal 2015, these economic development projects will be reclassified and put into the community and economic development function.

IV-B-14

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

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

(Continued)

City of Des Moines, Iowa

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2014

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 the coverage is adequate for current operations.

IV-F-14

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

IV-G-14

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

IV-H-14

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

City of Des Moines, Iowa

**Corrective Action Plan
Year Ended June 30, 2014**

Comment Number	Comment	Corrective Action Plan	Contact Person	Anticipated Date of Completion
Statutory Reporting				
IV-A-14	Expenditures exceeded budget in community and economic development and transfers out functions.	See response and corrective action plan at IV-A-14.	Dan Ritter, Interim Finance Director	June 30, 2015

