

CITY OF ANKENY, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2015



City of Ankeny, Iowa

Comprehensive Annual Financial Report

For the Year Ended June 30, 2015

Prepared By:

Finance Department

Introductory Section

CITY OF ANKENY, IOWA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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December 28, 2015

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

It is our privilege to present the Comprehensive Annual Financial Report (CAFR) of the City of Ankeny, Iowa, for the fiscal year ended June 30, 2015, consistent with the requirements of Chapter 11 of the Code of Iowa that requires the City of Ankeny to publish within nine months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2015.

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

CliftonLarsonAllen, LLP, a firm of licensed certified public accountants, has issued an unmodified ("clean") opinion on the City of Ankeny's financial statements for the fiscal year ended June 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the City of Ankeny

The City of Ankeny, incorporated in 1903 is the state's 11th largest city, located just north of Des Moines, Iowa's state capital. By population count, Ankeny is Iowa's fastest growing community in Iowa. Over the last 15 years, the City's population has more than doubled, growing from 27,117 to 54,598.

Ankeny has a strong educational presence in the state including the Ankeny Community School District, with a student enrollment over 10,300 and a graduation rate of 92.75 percent; Des Moines Area Community College, Iowa's largest community college, serving a student population of over 24,000; Ankeny

Christian Academy; and higher learning opportunities at Faith Baptist Bible College and Theological Seminary.

For the 2015-2016 school year, the Ankeny Community School District encompassed 16 school buildings and is the 8th largest district in the state (total students served). Average annual growth for the last ten years has been 365 students.

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

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

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

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

The annual budget serves as the foundation for the City's financial planning and control. The department directors submit budgets to the City Manager for their respective departments requesting appropriations to fund program, service and capital needs consistent with City Council goals and objectives. Following several months of review and revision, the City Manager submits a recommended budget to the City Council. The budget contains estimates of revenues and expenditures for the coming year, as well as re-estimates of revenues and expenditures for the

current year. The six-month preparation process includes a series of public meetings including multiple City Council work sessions and a public information meeting, culminating in March when the City Council, following a public hearing, adopts the annual budget and certifies it to the State of Iowa by March 15.

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

Local Economy

The results of the 2015 special census showed that Ankeny continues to lead Iowa's population growth. The 2015 population of 54,598 represents an increase of 20% growth in less than five years. The benefits of this growth include:

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

Ankeny's unemployment rate stood at 4.2 percent in 2014 which is a decline from the past five years. Several businesses are constructing additional office, manufacturing, and warehouse space and hiring new employees, adding to Ankeny's commercial tax base and job growth efforts.

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

Long Term Financial Planning

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

The long-term improvement of the City's infrastructure is outlined in the five-year capital improvement program (CIP). The approved 2015-2019 Capital Improvement Program anticipates the expenditure of \$72,244,381. This reflects a nearly \$19.5 million decrease in project expenditures from the previous five-year program. The factors contributing to this decrease are the \$5 million annual cap on projects funded by the debt service levy which began in 2015 and the completion of the NE 36th Street Interchange project in the previous five-year capital improvement program. Of the \$72,244,381 total, 37 percent is identified for transportation projects, 29 percent for municipal utilities (water, sewer and storm water) projects, 18 percent for Prairie Trail projects, 7 percent for municipal buildings, 7 percent for park facilities, and 2 percent for sidewalks and trails. The first year of the five-year CIP, which the City incorporates into the annual budget, is \$15,024,300 for fiscal year 2016. The major source of funds for the program include general obligation bonds and tax increment financing to support economic development projects. In addition, the City leverages its program with available grants from federal and state governments and private partnerships.

Relevant Financial Policies

The City regards general fund unassigned fund balance as a critical component of fiscal health and criteria for an above average bond rating. The June 30, 2015, unassigned fund balance in the general fund was 66 percent of total general fund expenditures, up from 57 percent as of June 30, 2014. This amount is significantly higher than the policy guideline of 25 percent set by the Council for budgetary and planning purposes. For fiscal year 2016, the City Council has budgeted to maintain adequate fund balance with fund balance in excess of 50 percent being transferred to a capital reserve fund to help offset the cost of future capital projects and reduce long-term debt.

Major Initiatives and Accomplishments

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

- The reconstruction of NE 36th Street to mitigate the increase in traffic caused by the growth and development in the northern portion of Ankeny. The existing two-lane rural roadway will be reconstructed into a four-lane divided urban street with left turn lanes.
- Prairie Trail, a public/private partnership to develop commercial and residential property on approximately 1,100 acres that was formerly owned by Iowa State University as a research farm, is continuing to see substantial growth. Prairie Trail is currently home to Ankeny High School, Southview Middle School, Prairie Trail elementary school, Future Farmers of America Headquarters, Iowa Soybean Association and Cascade Falls Aquatic Center, just to name a few. The development is also home to numerous

amenities like fitness, education, retail shops, grocery, restaurants and services.

- SE Oralabor and Delaware Avenue intersection improvements to improve traffic capacity, mobility and safety at the intersection. Traffic volumes continue to increase at the intersection due to the on-going development and significant commercial traffic along the SE Oralabor and SE Delaware Avenue corridors.

The City achieved the following accomplishments during fiscal year 2015:

- Ankeny earned its ninth designation as a Playful City USA from the KaBOOM! Foundation. Ankeny is considered one of only 14 legacy cities and towns nationwide that have received the honor every year since it was first awarded, demonstrating the community's commitment to play spaces for unstructured free play. The award is given to communities committed to creating unstructured free play spaces to encourage healthy lifestyles.
- Using FBI crime statistics, ValuePenguin.com determined that Ankeny was the safest community in Iowa with a population over 20,000 and 14th safest overall among the 70 communities reviewed.
- For 2015, WalletHub ranked Ankeny as the 9th "Best Small City in America" for U.S. cities with a population between 25,000 and 100,000. Key metrics included housing costs, quality of schools and the number of restaurants per capita.
- Readers of Cityview voted Ankeny as the "Best Community to Live In" in the 2015 Best of Des Moines poll. Cited were the attractive new additions to the housing community, an education system ranked among the highest in Iowa, and numerous restaurants, clubs and organizations for everyone to enjoy.
- Ankeny made the "Best Places for Millennial Job Seekers in the Midwest" list based on average income, unemployment rates and percentage of millennial population growth between 2010 and 2013, compiled by NerdWallet.com.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ankeny for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. This was the thirteenth consecutive year that the government has received this prestigious award. In order to be awarded the Certificate of Achievement, a government must publish an

easily readable and efficiently organized comprehensive annual financial report that satisfied both the generally accepted accounting principles (GAAP) and applicable legal requirements.

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

In addition, for the seventeenth consecutive year, the City received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated March 15, 2015. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide and a communications device.

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

Respectfully submitted,



David Jones
City Manager



Annette Graeve
Finance Officer



Government Finance Officers Association

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

Presented to

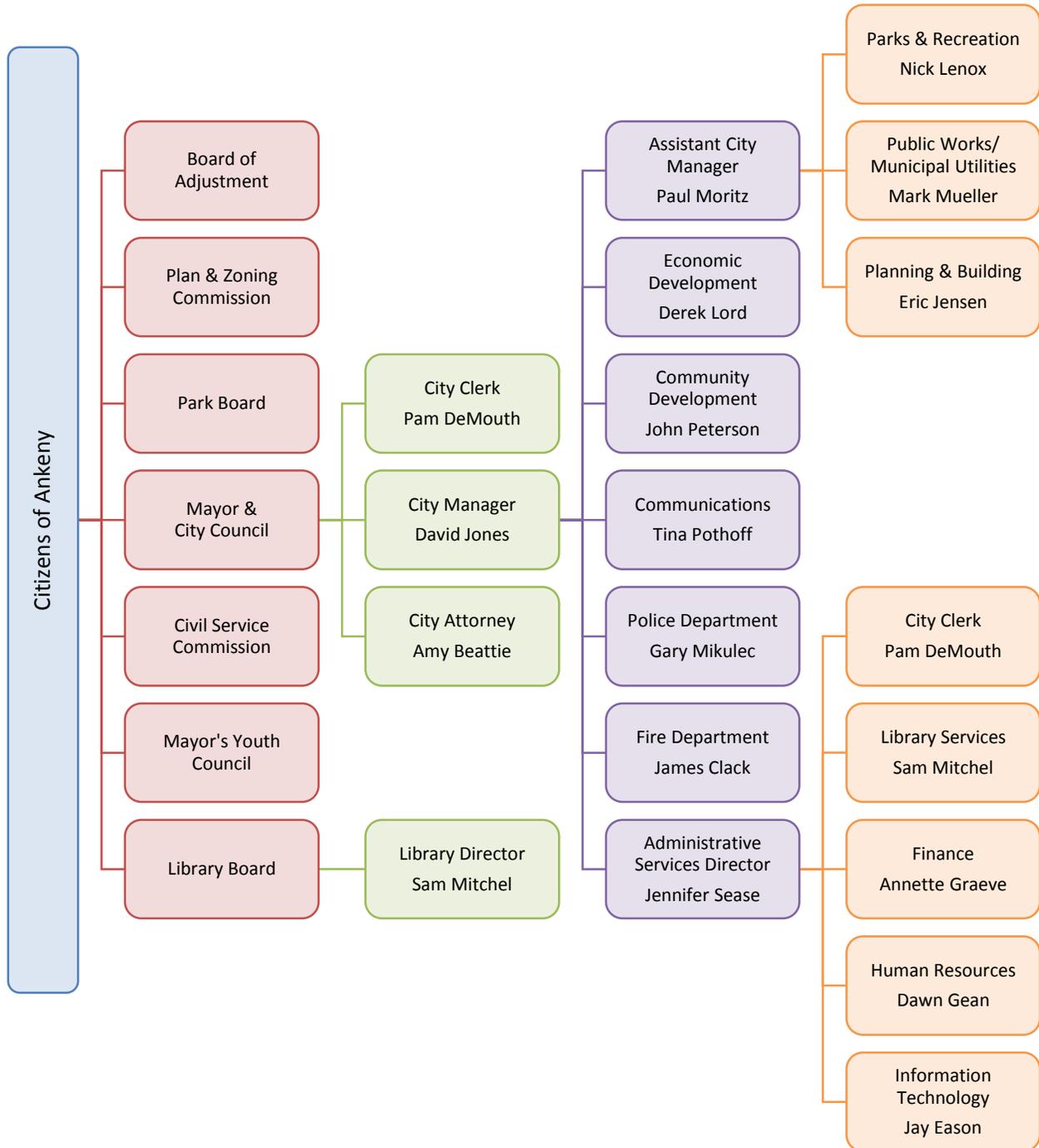
**City of Ankeny
Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

ORGANIZATIONAL CHART



CITY OF ANKENY, IOWA

List of Principal Officials June 30, 2015

ELECTED OFFICIALS

Mayor
Council Member
Council Member
Council Member
Council Member
Council Member

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

APPOINTED OFFICIALS

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

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

Financial Section

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ankeny, Iowa (the City) as of and for the year ended June 30, 2015, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 City'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 City'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.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ankeny, Iowa as of June 30, 2015, 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 Regarding a Change in Accounting Principle

As discussed in Note 15 to the financial statements, City of Ankeny, Iowa adopted a new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinions are not modified with respect to this matter.

Emphasis of a Matter Regarding the Correction of an Error

As discussed in Note 15 to the financial statements, certain errors resulting in an overstatement of net position in the governmental activities were discovered by management of the City during the current year. Accordingly, amounts reported for net position in the governmental activities have been restated to correct the error. Our opinions are unmodified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of the City's proportionate share of the net pension liability, the schedule of the City's contributions and the schedule of funding progress, as listed in the table of contents, 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 the capital assets schedules (collectively, the supplementary information), as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

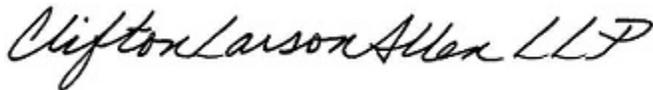
The Honorable Mayor and
Members of the City Council
City of Ankeny, Iowa

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2015, 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 result 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.



CliftonLarsonAllen LLP

West Des Moines, Iowa
December 22, 2015

Management's Discussion and Analysis

As management of the City of Ankeny, we offer readers of the City of Ankeny's financial statements this narrative overview and analysis of the financial activities of the City of Ankeny for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introductory Section at the front of this report.

Financial Highlights

- The assets of the City of Ankeny exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$247,468,364 (*net position*). Of this amount, \$26,782,755 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. For the fiscal year ended June 30, 2014, assets exceeded liabilities by \$239,819,333. Of this amount, \$26,536,731 was unrestricted.
- The government's total net position increased by \$24,359,458 during the fiscal year ended June 30, 2015. Governmental activities increased \$17,611,779 and business-type activities increased \$6,747,679. For fiscal year ended June 30, 2014, total net position increased \$20,194,677. Governmental activities increased \$14,532,083 and business-type activities increased by \$5,662,594.
- As of the close of the current fiscal year, the City of Ankeny's governmental funds reported combined ending fund balances of \$48,567,517, an increase of \$28,103,259 in comparison with the prior year. As of the close of the fiscal year June 30, 2014, governmental funds reported combined ending fund balances of \$20,464,258.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$14,486,826 or 64 percent of total general fund expenditures. The unassigned fund balance for the general fund as of June 30, 2014 was \$12,075,671 or 56 percent of total general fund expenditures.
- The City of Ankeny's total debt decreased by \$9,029,000 (5 percent) during the current fiscal year. Total debt for fiscal year June 30, 2014, decreased by \$3,577,000 (2 percent).

Overview of the Financial Statements

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

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

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

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

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

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

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

The government-wide financial statements are on pages 30-31 of this report.

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 32-35 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 36-38 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 39-81 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Ankeny, including the Budgetary Comparison Schedule, the City's proportionate share of the net pension liability and related contributions for both Iowa Public Employees' Retirement System (IPERS) and Municipal Fire & Police Retirement System of Iowa (MFPRSI), and the Schedule of Funding Progress for the Retiree Health Plan. Required supplementary information can be found on pages 82-96 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 98-109 of this report. Statistical information related to the City can be found on pages 114-142.

Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the City of Ankeny, assets exceeded liabilities and deferred inflows by \$247,468,364 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (86 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to the citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted

that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Net Position (000's)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current assets	\$ 95,667	\$ 72,649	\$ 37,070	\$ 35,769	\$132,737	\$108,418
Noncurrent assets:						
Restricted cash and cash equivalents	46	46	2,801	2,835	2,847	2,881
Capital assets	233,074	228,071	128,352	126,260	361,426	354,331
Total assets	328,787	300,766	168,223	164,864	497,010	465,630
Deferred outflows of resources	3,111	-	283	-	3,394	-
Current liabilities	37,255	25,295	4,806	4,404	42,061	29,699
Noncurrent liabilities	128,253	118,655	41,275	43,623	169,528	162,278
Total liabilities	165,508	143,950	46,081	48,027	211,589	191,977
Deferred inflows of resources	40,838	33,834	510	-	41,348	33,834
Net investment in						
capital assets	103,374	102,272	102,292	102,489	205,666	204,761
Restricted	12,393	5,834	2,626	2,687	15,019	8,521
Unrestricted	9,786	14,876	16,997	11,661	26,783	26,537
Total net position	\$ 125,553	\$122,982	\$ 121,915	\$ 116,837	\$247,468	\$239,819

An additional portion of the City's net position (6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$26,782,775) may be used to meet the government's ongoing obligations to citizens and creditors.

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

There was an increase of \$246,024 in unrestricted net position reported in connection with the City of Ankeny's government-wide activities. This can be partly attributed to the implementation of the Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions –an Amendment of GASB No. 27* in fiscal year 2015. The beginning net position for governmental activities and business-type activities were restated to retroactively report the net pension liability as of June 30, 2013, and deferred outflows of resources related to contributions made after June 30, 2013, but prior to July 1, 2014. The financial statement amounts for fiscal year 2014 net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year.

The government's net position increased by \$24,359,458 during the current fiscal year, which is a combination of a \$17,611,779 increase in governmental activities net position and an increase of \$6,747,679 in business-type activities net position.

Changes in Net Position (000's)

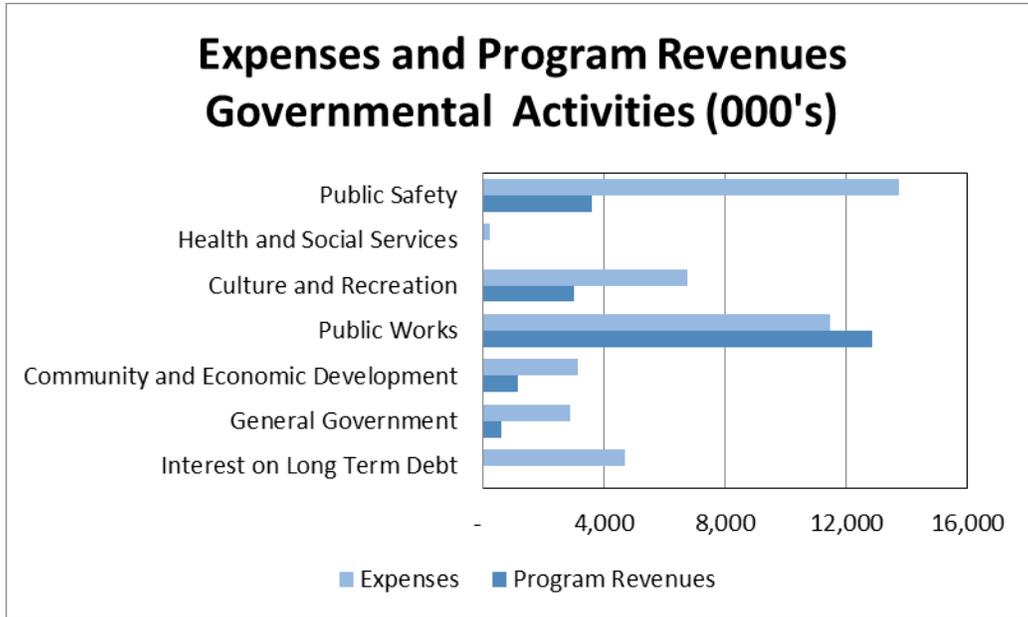
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 6,155	\$ 5,833	\$ 25,198	\$ 25,949	\$ 31,353	\$ 31,782
Operating grants and contributions	6,483	6,446	-	-	6,483	6,446
Capital grants and contributions	8,691	6,595	3,758	3,590	12,449	10,185
General revenues:						
Property taxes	33,729	32,109	-	-	33,729	32,109
Other taxes	3,464	2,977	-	-	3,464	2,977
Interest	275	246	33	6	308	252
Other	5	527	682	309	687	836
Total revenues	<u>58,802</u>	<u>54,733</u>	<u>29,671</u>	<u>29,854</u>	<u>88,473</u>	<u>84,587</u>
Expenses:						
Public safety	13,738	14,002	-	-	13,738	14,002
Health and social services	235	214	-	-	235	214
Culture and recreation	6,780	6,858	-	-	6,780	6,858
Public works	11,482	9,805	-	-	11,482	9,805
Community & economic development	3,171	3,208	-	-	3,171	3,208
General government	2,884	3,008	-	-	2,884	3,008
Interest of long-term debt	4,690	4,664	-	-	4,690	4,664
Solid waste	-	-	606	631	606	631
Water	-	-	7,186	8,061	7,186	8,061
Sewer	-	-	10,829	11,433	10,829	11,433
Storm water	-	-	788	722	788	722
Otter Creek golf course	-	-	1,722	1,785	1,722	1,785
Total expenses	<u>42,980</u>	<u>41,759</u>	<u>21,131</u>	<u>22,632</u>	<u>64,111</u>	<u>64,391</u>
Excess before transfers	15,822	12,974	8,540	7,222	24,359	20,196
Transfers	1,790	1,557	(1,790)	(1,557)	-	-
Changes in net position	<u>17,612</u>	<u>14,531</u>	<u>6,748</u>	<u>5,663</u>	<u>24,359</u>	<u>20,196</u>
Net position, beginning (as restated)	<u>107,941</u>	<u>108,451</u>	<u>115,167</u>	<u>111,174</u>	<u>223,108</u>	<u>219,625</u>
Net position, ending	<u>\$ 125,553</u>	<u>\$ 122,982</u>	<u>\$ 121,915</u>	<u>\$ 116,837</u>	<u>\$ 247,468</u>	<u>\$ 239,819</u>

Governmental activities. Governmental activities increased the City's net position by \$17,611,779, thereby accounting for 72 percent of the total improvement in net position. Key elements of this increase are as follows:

- Capital grants and contributions increased \$2,095,941 (32%) in fiscal year 2015 due primarily to an increase in state grant revenue. The City received Revitalizing Iowa's Sound Economy (RISE) grant funds for two major projects.
- Property taxes increased by \$1,619,644 (5 percent) during the year. This increase is attributable to property valuation growth.

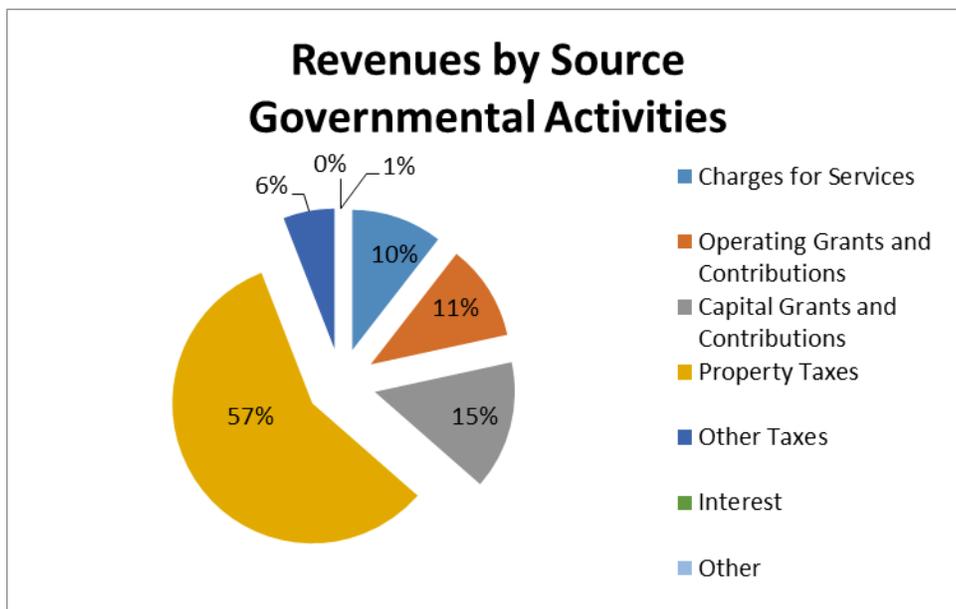
- Other taxes increased by \$486,729 (16 percent) during the year. This increase is primarily due to an increase in hotel/motel tax collections.

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



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

Revenues for the governmental activities are derived as follows:

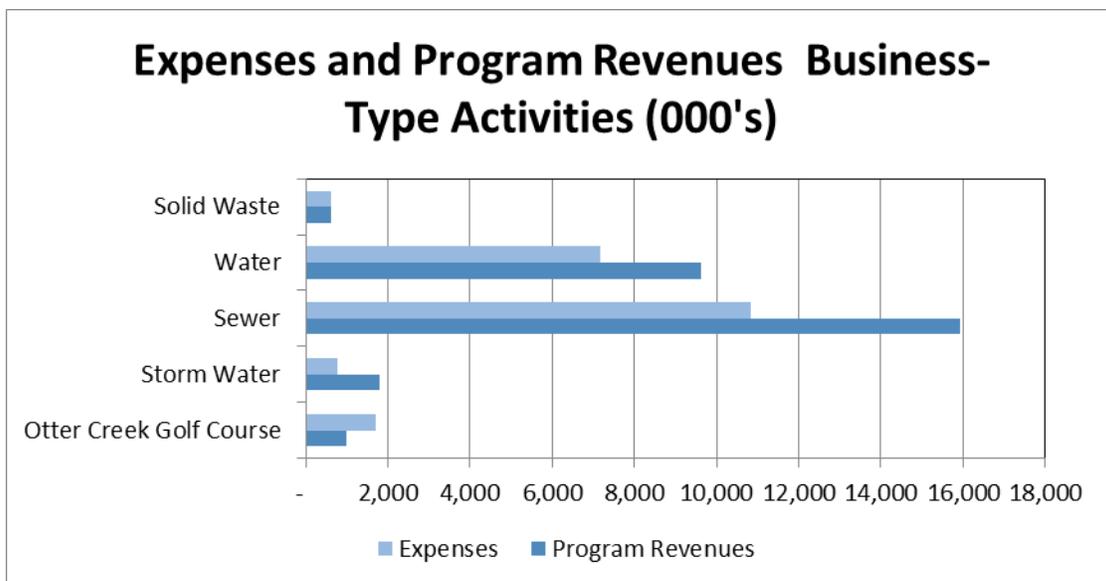


Business-type activities. Business-type activities increased the City’s net position by \$6,747,679, accounting for 28 percent of the total improvement in the government’s net position. Key elements of this increase are as follows:

- Charges for services for the sewer fund increased by 6 percent yet the expenses decreased by 5 percent, resulting in an increase in revenues exceeding expenses by over \$5 million. Sewer rates increased 5 percent effective July 1, 2014.
- The water fund also had a high increase in net position, with revenues exceeding expenses by close to \$2.4 million. Water rates increased 3 percent effective April 1, 2015.

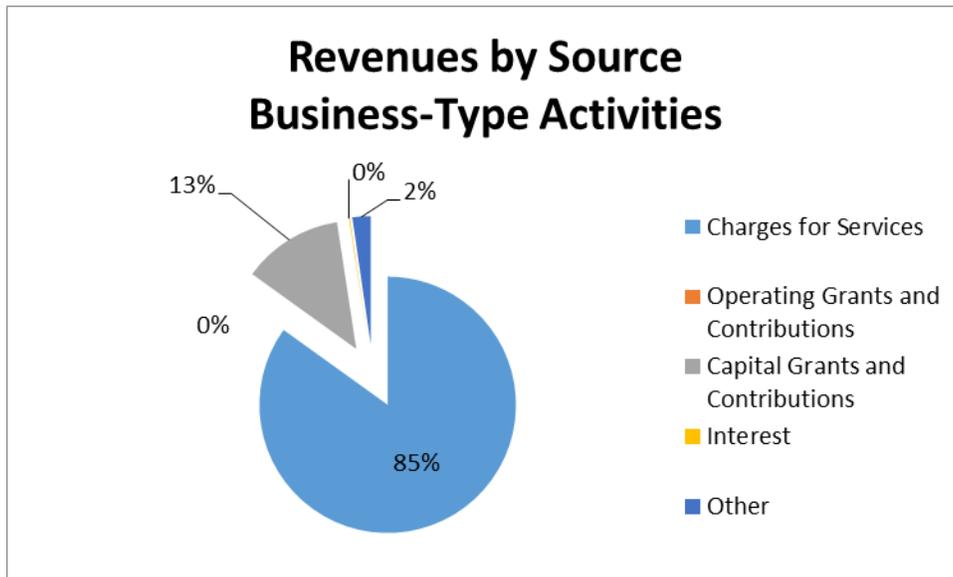
The enterprise funds continue to see growth in the number of customers annually, but the majority of the increases in revenue are related to rate increases.

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



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

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



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$48,567,517, an increase of \$28,103,259 in comparison with the prior year. Of this total amount, \$1,558 is *nonspendable*, which is inventory in a nonspendable form, and \$14,486,826 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance, \$34,079,133, is *restricted* to indicate that it is not available for spending because it can only be spent for the specific purposes stipulated by external resource providers, by constitution or by enabling legislation.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance reached \$14,852,224. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total

expenditures. Total fund balance represents 66 percent of total general fund expenditures.

The fund balance of the City's general fund increased by \$2,774,093 (23 percent) during the current fiscal year. The general fund saw an increase in all sources of revenue with the exception of use of money and property and miscellaneous, resulting in a net increase of \$1,675,916. The most significant changes are related to the following:

- The general fund property tax levy rate decreased slightly from \$7.03301 per thousand of property valuation to \$6.89, but property tax valuations remained strong at 5 percent growth, resulting in an increase of \$357,065 in property taxes collected.
- Other taxes and assessments collections increased by \$450,675 due primarily to increased revenue from hotel/motel tax collections.

In comparison to a 7 percent increase in revenues, general fund expenditures increased 4 percent. The most significant increases were in the areas of public safety and community and economic development. The increase in public safety was primarily due to the addition of two new police officers, the addition of one school crossing guard, and an increase in MFPRSI employee contribution rate (30.12 to 30.41). The increase in community and economic development were related to costs of conducting a special census.

The debt service fund had a total fund balance of \$3,606,767, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year was \$42,253 or 1 percent. This decrease is due to lowering the debt service levy by \$0.05.

The tax increment financing fund (TIF), a special revenue fund, had a total fund balance of \$982,460, all of which is restricted. The fund had an increase in fund balance of \$122,788 after transfers out of \$5,055,708 to the debt service fund. Property taxes collected in the special financing districts are generally transferred from the tax increment financing fund to other funds to cover bonded debt, other loans, advances and development agreements used to finance infrastructure improvements in the tax increment financing districts.

The capital projects fund had a fund balance of \$21,313,410, all of which is restricted. The fund had an increase in fund balance of \$23,691,787. The majority of this increase was attributable to the balance held in escrow for crossover advance general obligation capital loan notes that will be refunded on June 1, 2016. The escrow balance at fiscal year-end was \$20,134,570.

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

- Total net position of the water fund at the end of current year was \$35,131,323, with \$29,277,890 net investment in capital assets, \$986,542 restricted for debt service and \$4,866,891 in unrestricted net position. This represents an increase in net position of \$1,656,152.
- Total net position of the sewer fund at the end of the current year was \$79,912,322, with \$67,297,695 net investment in capital assets, \$1,639,873 restricted for debt service and \$10,974,754 in unrestricted net position. This represents an increase in net position of \$4,380,016.
- The net position of the storm water fund at the end of the current year was \$2,293,245, of which \$796,081 is net investment in capital assets and \$1,497,164 in unrestricted net position, an increase of \$774,390.

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

Budgetary Highlights

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

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

- The total original revenue budget of \$74,995,965 was increased to \$78,425,543, an increase of \$3,429,578. Amended revenues included increases in hotel/motel taxes, grants, utility charges, private contributions and bond proceeds related to the refinancing of the Public Works Maintenance Facility master lease purchase agreement.
- The total original expenditure budget of \$85,166,247 was increased to \$98,850,187, an increase of \$13,683,940. Amended expenditures included increases due to additional repairs and maintenance, hotel/motel tax commitments to BRAVO and the Greater Des Moines Convention and Visitors Bureau and the prepayment of the Public Works Maintenance Facility master lease purchase agreement.
- The total original budget for other financing sources (uses), net of \$9,435,000 increased to \$10,767,870, an increase of \$1,332,870.

The budgetary comparison schedule and reconciliation to generally accepted accounting principles (GAAP) can be found on pages 82-84.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities was \$485,810,087 in fiscal year 2015 and \$467,150,737 for fiscal year 2014. This amount represents a net increase, including additions and deletions, of \$18,659,350 and \$30,438,063, respectively. The value of these capital assets, net of depreciation at June 30, 2015 and 2014, is depicted below. The investment in capital assets includes land, buildings, other improvements, machinery and equipment, furniture and fixtures, construction in progress and infrastructure. All required infrastructure has been recorded for the governmental and business-type activities.

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 8,124	\$ 8,112	\$ 1,548	\$ 1,548	\$ 9,672	\$ 9,660
Construction in progress	11,144	30,810	10,691	14,079	21,835	44,889
Other improvements	22,317	22,091	105	109	22,422	22,200
Infrastructure	158,119	131,594	111,355	105,549	269,474	237,143
Buildings	29,694	31,378	3,813	3,961	33,507	35,339
Machinery and equipment	3,591	3,977	813	982	4,404	4,959
Furniture and fixtures	85	109	26	32	111	141
Total capital assets	\$ 233,074	\$ 228,071	\$ 128,351	\$ 126,260	\$ 361,425	\$ 354,331

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

- Expended close to \$1,500,000 on the completion of the third and final phase of the reconstruction of SW Irvinedale Drive to accommodate the expansion of John Deere Des Moines Works.
- Expended close to \$1,400,000 for street and utility street lighting improvements to support the tenth elementary school, Rock Creek Elementary, located at NW 36th Street.
- Expended over \$1,200,000 towards improvements on various Prairie Trail projects.

Additional information can be found on the City's capital assets in Note 4 on pages 52-53 of this report.

Long-term debt. At the end of the current fiscal year, the City of Ankeny had total bonded debt outstanding of \$184,654,000. Of this amount, \$161,057,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Ankeny's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 120,748	\$ 125,501	\$ 17,759	\$ 20,665	\$ 138,507	\$ 146,166
Capital loan notes	21,511	200	1,369	380	22,880	580
Revenue bonds	-	-	23,267	24,487	23,267	24,487
Total outstanding debt	\$ 142,259	\$ 125,701	\$ 42,395	\$ 45,532	\$ 184,654	\$ 171,233

The debt of the general obligation crossover refunding capital loan notes, series 2014G, totaling \$22,450,000, is not included in constitutional or statutory debt limits. Taking that into account, the City's total debt decreased by \$9,029,000 (5 percent) during the current fiscal year. The key factor in this decrease was the issuance of less general obligation bonds compared to the prior fiscal year.

Iowa statute limits the amount of general obligation debt a government may issue to five percent of its total assessed valuation of all taxable property in the City of Ankeny. The current debt limitation for the City is \$193,857,505. With outstanding general obligation debt of \$138,507,000 and capital loan notes of \$100,000, the City had utilized 72 percent of the debt limit as of June 30, 2015.

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

Additional information on the City's long-term debt can be found in Note 7 on pages 55-60 of this report.

Economic Factors and Next Year's Budgets and Rates

- In calendar year 2014, the City issued 1,011 residential permits, reflecting an increase from 859 in 2013.
- Commercial construction increased in calendar year 2014 with 36 permits compared to 26 in 2013.
- The City's taxable valuation has increased at an average of 4.21 percent per year over the last five years, including an increase of 5.088 percent for fiscal year 2014.

All of these factors were considered in preparing the City of Ankeny's budget for fiscal year 2016. The fiscal year 2016 budget included total revenues of \$99,605,327 up from \$84,430,965, representing an 18 percent increase. The increase in revenue is attributable to all of the major revenue sources, most notably in bond proceeds. In addition, the fiscal year 2016 budget included an increase in expenditures from \$85,166,247 to \$89,003,649, an increase of 4.5 percent. The increase is primarily attributable to increases in debt service expenditures. This increase reflects the frontloaded bond structures planned for

the 2016 and 2017 borrowings. The frontloaded bonds are beneficial to the City's overall amortization schedule and maintaining the debt service levy.

The City's property tax rate for fiscal year 2016 decreased from \$11.90 per \$1,000 of assessed property valuation to \$11.85. The \$0.05 decrease was in the debt service levy.

Requests for Information

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

City of Ankeny, Iowa

Statement of Net Position
June 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 49,398,576	\$ 14,294,012	\$ 63,692,588
Investments	4,049,010	2,928,719	6,977,729
Investments held with fiscal agent	20,134,570	-	20,134,570
Receivables:			
Interest	9,153	3,761	12,914
Taxes	36,398,582	-	36,398,582
Accounts	1,116,510	2,535,550	3,652,060
Special assessments	378,260	29,847	408,107
Intergovernmental	1,088,854	60	1,088,914
Prepaid expenses	113,534	-	113,534
Inventory	200,040	58,793	258,833
Internal balances	(17,219,612)	17,219,612	-
Total current assets	95,667,476	37,070,354	132,737,830
Noncurrent assets:			
Restricted cash and cash equivalents	46,017	2,801,481	2,847,498
Capital assets:			
Land	8,123,698	1,547,944	9,671,642
Construction-in-progress	11,144,538	10,690,585	21,835,123
Depreciable assets, net of accumulated depreciation	213,806,051	116,112,919	329,918,970
Total capital assets	233,074,287	128,351,448	361,425,735
Total noncurrent assets	233,120,304	131,152,929	364,273,233
Total assets	328,787,780	168,223,283	497,011,063
Deferred Outflows of Resources			
Pension related deferred outflows	3,111,335	282,883	3,394,218
Liabilities			
Current liabilities:			
Accounts payable	3,006,692	528,318	3,535,010
Retainage payable	413,667	-	413,667
Accrued wages	757,777	145,112	902,889
Claims payable	443,957	-	443,957
Customers deposits	46,017	175,066	221,083
Unearned revenue	176,960	6,760	183,720
Bond and capital loan note interest payable	372,773	141,956	514,729
Bonds and capital loan notes payable, net of unamortized discount/premium	33,499,511	3,718,117	37,217,628
Compensated absences payable	562,576	90,285	652,861
Total current liabilities	39,279,930	4,805,614	44,085,544
Noncurrent liabilities:			
Bonds and capital loan notes payable, net of unamortized discount/premium	116,335,421	39,787,200	156,122,621
Other postemployment benefits	141,750	26,656	168,406
Compensated absences payable	91,225	124,361	215,586
Net pension liability	9,659,299	1,337,230	10,996,529
Total noncurrent liabilities	126,227,695	41,275,447	167,503,142
Total liabilities	165,507,625	46,081,061	211,588,686
Deferred Inflows of Resources			
Pension related deferred inflows	4,610,925	509,981	5,120,906
Succeeding year property tax	36,227,324	-	36,227,324
Total deferred inflows of resources	40,838,249	509,981	41,348,230
Net Position			
Net investment in capital assets	103,373,925	102,292,319	205,666,244
Restricted for:			
Debt service	3,952,950	2,626,415	6,579,365
Community and economic development	1,493,618	-	1,493,618
Culture and recreation	1,809,426	-	1,809,426
Public safety	1,398,938	-	1,398,938
Public works	3,738,018	-	3,738,018
Unrestricted	9,786,366	16,996,389	26,782,755
Total net position	\$ 125,553,241	\$ 121,915,124	\$ 247,468,364

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

City of Ankeny, Iowa
Statement of Activities
For the Year Ended June 30, 2015

Programs/Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary government:							
Governmental activities:							
Public safety	\$ 13,737,899	\$ 3,211,478	\$ 396,302	\$ -	\$ (10,130,119)	\$ -	\$ (10,130,119)
Health and social services	234,955	13,604	-	-	(221,351)	-	(221,351)
Culture and recreation	6,779,873	2,032,198	210,238	801,500	(3,735,937)	-	(3,735,937)
Public works	11,482,409	106,814	4,875,585	7,889,723	1,389,713	-	1,389,713
Community and economic development	3,170,616	455,079	705,267	-	(2,010,270)	-	(2,010,270)
General government	2,884,021	336,105	295,494	-	(2,252,422)	-	(2,252,422)
Interest on long-term debt	4,689,986	-	-	-	(4,689,986)	-	(4,689,986)
Total governmental activities	42,979,760	6,155,278	6,482,886	8,691,223	(21,650,373)	-	(21,650,373)
Business-type activities:							
Solid waste	606,498	616,394	-	-	-	9,896	9,896
Water	7,186,296	8,623,161	-	986,662	-	2,423,527	2,423,527
Sewer	10,829,982	13,145,018	-	2,771,031	-	5,086,067	5,086,067
Storm water	788,361	1,813,929	-	-	-	1,025,568	1,025,568
Otter Creek golf course	1,722,279	999,854	-	-	-	(722,425)	(722,425)
Total business-type activities	21,133,416	25,198,356	-	3,757,693	-	7,822,633	7,822,633
Total primary government	\$ 64,113,176	\$ 31,353,634	\$ 6,482,886	\$ 12,448,916	(21,650,373)	7,822,633	(13,827,740)
General revenues:							
Taxes:							
Property taxes					33,728,940	-	33,728,940
Other taxes					3,463,454	-	3,463,454
Interest					274,793	33,247	308,040
Other					4,797	681,966	686,763
Transfers					1,790,167	(1,790,167)	-
Total general revenues and transfers					39,262,151	(1,074,954)	38,187,197
Changes in net position					17,611,779	6,747,679	24,359,458
Net position, beginning of year, as restated					107,941,462	115,167,444	223,108,906
Net position, ending					\$ 125,553,241	\$ 121,915,123	\$ 247,468,364

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

City of Ankeny, Iowa

Balance Sheet
Governmental Funds
June 30, 2015

	General	Debt Service	Tax Increment Financing	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 12,345,146	\$ 3,862,519	\$ 1,151,414	\$ 19,975,030	\$ 7,238,480	\$ 44,572,589
Investments	2,998,849	-	-	1,050,161	-	4,049,010
Investments held with fiscal agent				20,134,570		20,134,570
Receivables:						
Interest	7,482	-	-	1,604	42	9,128
Taxes	16,675,042	11,025,422	7,372,555	-	1,325,563	36,398,582
Accounts	588,822	-	-	-	516,901	1,105,723
Special assessments	1,633	-	-	-	376,627	378,260
Intergovernmental	453,877	1,092	-	143,700	475,978	1,074,647
Inventory	1,558	-	-	-	-	1,558
Due from other funds	-	-	-	-	-	-
Restricted assets, cash and cash equivalents	46,017	-	-	-	-	46,017
Total assets	<u>\$ 33,118,426</u>	<u>\$ 14,889,033</u>	<u>\$ 8,523,969</u>	<u>\$ 41,305,065</u>	<u>\$ 9,933,591</u>	<u>\$ 107,770,084</u>
Liabilities						
Accounts payable	\$ 404,388	\$ -	\$ -	\$ 2,411,078	\$ 152,265	\$ 2,967,731
Retainage payable	-	-	-	413,667	-	413,667
Accrued wages	674,070	-	-	-	71,612	745,682
Due to other funds	122,510	279,279	-	17,166,909	141,104	17,709,802
Advances from other funds	115,406	-	-	-	55,241	170,647
Customer deposits	46,017	-	-	-	-	46,017
Unearned revenue	-	-	176,960	-	-	176,960
Total liabilities	<u>1,362,391</u>	<u>279,279</u>	<u>176,960</u>	<u>19,991,654</u>	<u>420,222</u>	<u>22,230,506</u>
Deferred Inflows of Resources						
Unavailable revenues						
Property taxes	16,639,988	11,002,987	7,364,549	-	1,322,779	36,330,303
Special assessments	1,633	-	-	-	376,627	378,260
Other long-term receivables	262,190	-	-	-	1,307	263,497
Total deferred inflows of resources	<u>16,903,811</u>	<u>11,002,987</u>	<u>7,364,549</u>	<u>-</u>	<u>1,700,713</u>	<u>36,972,060</u>
Fund Balances						
Nonspendable	1,558	-	-	-	-	1,558
Restricted	363,840	3,606,767	982,460	21,313,410	7,812,656	34,079,133
Unassigned	14,486,826	-	-	-	-	14,486,826
Total fund balances	<u>14,852,224</u>	<u>3,606,767</u>	<u>982,460</u>	<u>21,313,410</u>	<u>7,812,656</u>	<u>48,567,517</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 33,118,426</u>	<u>\$ 14,889,033</u>	<u>\$ 8,523,969</u>	<u>\$ 41,305,064</u>	<u>\$ 9,933,591</u>	<u>\$ 107,770,084</u>

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

City of Ankeny, Iowa

**Reconciliation of the Balance Sheet to the
Statement of Net Position
June 30, 2015**

Fund balances--total governmental funds		\$ 48,567,517
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets:		
Land	\$ 8,123,698	
Construction-in-progress	11,144,538	
Depreciable capital assets	291,191,034	
Accumulated depreciation	<u>(77,384,983)</u>	233,074,287
The assets and liabilities of internal service funds are included in the governmental activities in the statement of net position. Internal service fund net position:		
Current assets	\$ 5,524,055	
Deferred outflows	27,300	
Internal balances	382,454	
Current liabilities	(501,018)	
Noncurrent liabilities	(149,251)	
Deferred inflows	<u>(49,216)</u>	5,234,324
Internal service funds allocated to business-type activities		(82,648)
Other long-term assets are not available to pay for current period expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds:		
Various funds - property tax receivable	\$ 102,979	
Various funds - special assessment receivable	378,260	
General fund - accounts receivable	262,188	
Police seizure fund - accounts receivable	<u>1,307</u>	744,734
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	\$ 3,084,035	
Deferred inflows of resources	<u>(4,561,709)</u>	(1,477,674)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
General obligation bonds	\$ (142,259,540)	
Unamortized premium on general obligation bonds	(7,583,596)	
Unamortized discount on general obligation bonds	8,204	
Other postemployment benefits	(138,535)	
Bond and capital loan interest payable	(372,773)	
Compensated absences	(630,810)	
Net pension liability	<u>(9,530,249)</u>	<u>(160,507,299)</u>
Net position of governmental activities		<u>\$ 125,553,241</u>

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

City of Ankeny, Iowa

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General Fund	Debt Service	Tax Increment Financing	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 15,489,308	\$ 10,328,885	\$ 6,624,132	\$ -	\$ 1,231,273	\$ 33,673,598
Other taxes and assessments	3,278,054	165,846	-	-	44,404	3,488,304
Licenses and permits	1,973,878	-	-	-	-	1,973,878
Intergovernmental	798,901	172,081	12,640	2,968,658	4,870,479	8,822,759
Charges for services	2,845,234	-	-	100	21,071	2,866,405
Use of money and property	361,780	10,973	5,649	104,020	3,652	486,074
Miscellaneous	1,041,237	-	-	26,843	1,441,270	2,509,350
Total revenues	<u>25,788,392</u>	<u>10,677,785</u>	<u>6,642,421</u>	<u>3,099,621</u>	<u>7,612,149</u>	<u>53,820,368</u>
Expenditures						
Current operating:						
Public safety	11,738,855	-	-	-	1,462,224	13,201,079
Health and social services	239,173	-	-	-	-	239,173
Culture and recreation	4,954,393	-	-	-	60,099	5,014,492
Public works	667,478	-	-	-	4,123,172	4,790,650
Community and economic development	2,019,739	-	1,463,925	-	25	3,483,689
General government	2,882,502	-	-	-	-	2,882,502
Debt service:						
Principal	-	11,431,354	-	-	-	11,431,354
Interest and other charges	-	4,447,642	-	451,312	-	4,898,954
Bond issuance costs	-	-	-	262,816	-	262,816
Capital projects	-	-	-	12,732,191	-	12,732,191
Total expenditures	<u>22,502,140</u>	<u>15,878,996</u>	<u>1,463,925</u>	<u>13,446,318</u>	<u>5,645,520</u>	<u>58,936,899</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,286,252</u>	<u>(5,201,211)</u>	<u>5,178,496</u>	<u>(10,346,697)</u>	<u>1,966,629</u>	<u>(5,116,531)</u>
Other financing sources (uses)						
Issuance of long-term debt	-	-	-	9,950,000	-	9,950,000
Issuance of refunding notes	-	-	-	21,411,127	-	21,411,127
Premium on long-term debt	-	-	-	817,896	-	817,896
Premium on refunding notes	-	-	-	2,622,005	-	2,622,005
Payment of refunded bonds	-	-	-	(3,371,405)	-	(3,371,405)
Transfers in	638,483	5,158,958	-	2,608,861	-	8,406,302
Transfers out	(1,150,642)	-	(5,055,708)	-	(409,785)	(6,616,135)
Total other financing sources (uses)	<u>(512,159)</u>	<u>5,158,958</u>	<u>(5,055,708)</u>	<u>34,038,484</u>	<u>(409,785)</u>	<u>33,219,790</u>
Net change in fund balances	2,774,093	(42,253)	122,788	23,691,787	1,556,844	28,103,259
Fund balances, beginning	<u>12,078,131</u>	<u>3,649,020</u>	<u>859,672</u>	<u>(2,378,377)</u>	<u>6,255,812</u>	<u>20,464,258</u>
Fund balances, ending	<u>\$ 14,852,224</u>	<u>\$ 3,606,767</u>	<u>\$ 982,460</u>	<u>\$ 21,313,410</u>	<u>\$ 7,812,656</u>	<u>\$ 48,567,517</u>

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

City of Ankeny, Iowa

**Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2015**

Net change in fund balances--total governmental funds	\$	28,103,259
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlay	\$ 8,775,445	
Depreciation expense	<u>(8,637,567)</u>	137,878
Governmental funds do not report capital assets and therefore do not report gains or losses on the disposal of those assets		
		(17,049)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		74,238
Prior period adjustment in the tax increment financing fund.		
		2,638,952
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Bond proceeds from issuances	\$ (31,361,127)	
Principal debt payments	14,802,761	
Premium on refunding bonds	(2,622,005)	
Premium on long-term debt	<u>(817,896)</u>	(19,998,267)
The current year employer share of IPERS and MFPRSI contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position.		
		2,108,894
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The following expenses did not require current financial resources:		
Other postemployment benefits	\$ 13,849	
Compensated absences	(40,145)	
Pension expense	(875,781)	
Amortization of bond discounts and premiums	473,612	
Adjustment to bond interest payable	<u>(1,829)</u>	(430,294)
Governmental funds do not report capital assets and therefore do not report the contribution of capital assets.		
		4,901,975
Internal service funds are used by management to charge costs of certain activities, such as vehicle and property maintenance, to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental activities.		
		104,149
Change in internal service fund allocation to business-type activities.		
		<u>(11,956)</u>
Change in net position of governmental activities		
	\$	<u><u>17,611,779</u></u>

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

City of Ankeny, Iowa
Statement of Net Position
Proprietary Funds
June 30, 2015

	Water	Sewer	Storm Water	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Assets						
Current assets:						
Cash and cash equivalents	\$ 3,612,954	\$ 8,875,602	\$ 1,493,616	\$ 311,840	\$ 14,294,012	\$ 4,825,987
Investments	1,387,324	1,541,395	-	-	2,928,719	-
Receivables:						
Interest	1,944	1,817	-	-	3,761	25
Accounts	842,748	1,383,375	193,994	115,433	2,535,550	10,787
Special Assessment	1,829	27,418	409	191	29,847	-
Intergovernmental	-	-	-	60	60	14,207
Prepaid expenses	-	-	-	-	-	113,534
Inventory	-	1,984	-	56,809	58,793	198,482
Due from other funds	911,450	6,705,476	9,829,262	-	17,446,188	361,033
Total current assets	<u>6,758,249</u>	<u>18,537,067</u>	<u>11,517,281</u>	<u>484,333</u>	<u>37,296,930</u>	<u>5,524,055</u>
Noncurrent assets:						
Restricted cash and cash equivalents	1,161,608	1,639,873	-	-	2,801,481	-
Advances to other funds	-	-	-	-	-	382,454
Capital assets:						
Land	39,764	522,238	-	985,942	1,547,944	-
Construction-in-progress	903,521	9,787,064	-	-	10,690,585	-
Depreciable assets, net of accumulated depreciation	37,134,585	71,177,102	3,866,521	3,934,711	116,112,919	34,882
Total capital assets	<u>38,077,870</u>	<u>81,486,404</u>	<u>3,866,521</u>	<u>4,920,653</u>	<u>128,351,448</u>	<u>34,882</u>
Total noncurrent assets	<u>39,239,478</u>	<u>83,126,277</u>	<u>3,866,521</u>	<u>4,920,653</u>	<u>131,152,929</u>	<u>417,336</u>
Total assets	<u>45,997,727</u>	<u>101,663,344</u>	<u>15,383,802</u>	<u>5,404,986</u>	<u>168,449,859</u>	<u>5,941,391</u>
Deferred Outflows of Resources						
Pension related deferred outflows	86,783	103,940	20,081	72,079	282,883	27,300
Liabilities						
Current liabilities:						
Accounts payable	350,513	38,448	17,955	121,402	528,318	38,961
Accrued wages	35,155	46,277	11,275	52,405	145,112	12,095
Due to other funds	-	992	-	96,427	97,419	-
Claims payable	-	-	-	-	-	443,957
Customer deposits	175,066	-	-	-	175,066	-
Unearned revenue	6,760	-	-	-	6,760	-
Bond and capital loan note interest payable	21,331	91,339	29,285	-	141,955	-
Bonds and capital loan notes payable, net of unamortized discount or premium	1,070,130	1,797,443	850,544	-	3,718,117	-
Compensated absences payable	35,188	30,694	7,787	16,616	90,285	6,005
Total current liabilities	<u>1,694,143</u>	<u>2,005,193</u>	<u>916,846</u>	<u>286,850</u>	<u>4,903,032</u>	<u>501,018</u>
Noncurrent liabilities:						
Bonds and capital loan notes payable, net of unamortized discount or premium	8,641,300	19,096,742	12,049,158	-	39,787,200	-
Early retirement benefit payable	-	-	-	-	-	-
Other postemployment benefits	8,706	11,921	2,010	4,019	26,656	3,215
Compensated absences payable	42,350	58,415	11,496	12,100	124,361	16,986
Advances from other funds	-	3,968	-	207,837	211,805	-
Net pension liability	410,236	491,340	94,926	340,728	1,337,230	129,050
Total noncurrent liabilities	<u>9,102,592</u>	<u>19,662,386</u>	<u>12,157,590</u>	<u>564,684</u>	<u>41,487,252</u>	<u>149,251</u>
Total liabilities	<u>10,796,735</u>	<u>21,667,579</u>	<u>13,074,436</u>	<u>851,534</u>	<u>46,390,284</u>	<u>650,269</u>
Deferred Inflows of Resources						
Pension related deferred inflows	156,452	187,383	36,202	129,944	509,981	49,216
Net Position						
Net investment in capital assets	29,277,890	67,297,695	796,081	4,920,653	102,292,319	34,882
Restricted for:						
Debt service	986,542	1,639,873	-	-	2,626,415	-
Unrestricted	4,866,891	10,974,754	1,497,164	(425,066)	16,913,743	5,234,324
Total net position	<u>\$ 35,131,323</u>	<u>\$ 79,912,322</u>	<u>\$ 2,293,245</u>	<u>\$ 4,495,587</u>	<u>121,832,477</u>	<u>\$ 5,269,206</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.					82,648	
Net position of business-type activities					<u>\$ 121,915,124</u>	

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

City of Ankeny, Iowa

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Water	Sewer	Storm Water	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Operating revenues:						
Charges for services	\$ 8,623,161	\$ 13,145,018	\$ 1,813,929	\$ 1,616,248	\$ 25,198,356	\$ 4,761,263
Other	51,840	-	-	630,126	681,966	410,379
Total operating revenues	8,675,001	13,145,018	1,813,929	2,246,374	25,880,322	5,171,642
Operating expenses:						
Personal services	955,986	1,140,622	220,629	831,717	3,148,954	761,312
Contractual services	2,055,775	6,852,908	107,079	819,195	9,834,957	3,772,153
Operating supplies	2,795,468	97,185	36,765	436,127	3,365,545	545,844
Depreciation	1,050,903	2,055,436	91,659	232,861	3,430,859	17,422
Total operating expenses	6,858,132	10,146,151	456,132	2,319,900	19,780,315	5,096,731
Operating income (loss)	1,816,869	2,998,867	1,357,797	(73,526)	6,100,007	74,911
Nonoperating revenues (expenses):						
Interest earnings	13,776	15,938	3,082	451	33,247	31,803
Interest expense	(333,825)	(685,233)	(336,489)	(9,511)	(1,365,058)	-
Loss on disposal of assets	-	-	-	-	-	(2,565)
Total nonoperating revenues (expenses)	(320,049)	(669,295)	(333,407)	(9,060)	(1,331,811)	29,238
Net income (loss) before contributions and transfers	1,496,820	2,329,572	1,024,390	(82,586)	4,768,196	104,149
Capital contributions	986,662	2,771,031	-	-	3,757,693	-
Transfers in	257	-	-	7,750	8,007	-
Transfers out	(827,587)	(720,587)	(250,000)	-	(1,798,174)	-
Change in net position	1,656,152	4,380,016	774,390	(74,836)	6,735,722	104,149
Total net position, beginning, as restated	33,475,171	75,532,306	1,518,855	4,570,423		5,165,057
Total net position, ending	\$ 35,131,323	\$ 79,912,322	\$ 2,293,245	\$ 4,495,587		\$ 5,269,206
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.					11,956	
Change in net position of business-type activities					\$ 6,747,679	

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

City of Ankeny, Iowa

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Water	Sewer	Storm Water	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Cash flows from operating activities						
Receipts from customers	\$ 8,721,622	\$ 13,051,200	\$ 1,809,831	\$ 2,298,731	\$ 25,881,384	\$ 5,159,887
Payments to suppliers	(4,856,472)	(7,005,156)	(132,584)	(1,250,823)	(13,245,035)	(4,972,027)
Payments to employees	(977,166)	(1,166,749)	(223,635)	(853,807)	(3,221,357)	(316,624)
Net cash provided (used) by operating activities	2,887,984	4,879,295	1,453,612	194,101	9,414,992	(128,764)
Cash flows from noncapital financing activities						
Payments received on interfund accounts	567,538	1,124,880	-	-	1,692,418	459,691
Payments made on interfund accounts	-	(992)	-	(112,115)	(113,107)	-
Loans issued to other funds	(210,227)	(828,646)	-	-	(1,038,873)	(38,904)
Transfers from other funds	257	-	-	7,750	8,007	-
Transfers to other funds	(827,587)	(720,587)	(250,000)	-	(1,798,174)	-
Net cash provided (used) by noncapital financing activities	(470,019)	(425,345)	(250,000)	(104,365)	(1,249,729)	420,787
Cash flows from capital and related financing activities						
Proceeds from long-term debt	210,227	828,646	-	-	1,038,873	-
Purchase of capital assets	(584,022)	(1,175,204)	-	(5,250)	(1,764,476)	-
Principal paid on long-term debt	(939,871)	(1,477,775)	(640,000)	-	(3,057,646)	-
Interest paid on long-term debt	(424,036)	(811,626)	(373,387)	-	(1,609,049)	-
Net cash provided (used) by capital and related financing activities	(1,737,702)	(2,635,959)	(1,013,387)	(5,250)	(5,392,298)	-
Cash flows from investing activities						
Proceeds from investment maturity	498,925	1,497,770	-	-	1,996,695	-
Purchase of investments	(997,822)	(1,498,209)	-	-	(2,496,031)	-
Interest received	6,800	8,257	3,082	451	18,590	31,799
Net cash provided by investing activities	(492,097)	7,818	3,082	451	(480,746)	31,799
Net increase (decrease) in cash and cash equivalents	188,166	1,825,809	193,307	84,937	2,292,219	323,822
Balances, beginning of year	4,586,396	8,689,666	1,300,309	226,903	14,803,274	4,502,165
Balances, end of year	\$ 4,774,562	\$ 10,515,475	\$ 1,493,616	\$ 311,840	\$ 17,095,493	\$ 4,825,987
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 1,816,869	\$ 2,998,867	\$ 1,357,797	\$ (73,526)	\$ 6,100,007	\$ 74,911
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	1,050,903	2,055,436	91,659	232,861	3,430,859	17,422
Changes in assets and liabilities:						
Receivables, net	46,620	(93,818)	(4,099)	52,357	1,060	(11,755)
Prepaid expenses	-	-	-	-	-	(102,878)
Inventory	-	4,218	-	17,754	21,972	(59,834)
Accounts and other payables	(26,408)	(85,408)	8,255	(35,345)	(138,906)	(18,490)
Claims payable	-	-	-	-	-	(28,140)
Net cash provided (used) by operating activities	\$ 2,887,984	\$ 4,879,295	\$ 1,453,612	\$ 194,101	\$ 9,414,992	\$ (128,764)
Noncash capital and related financing activities:						
Contribution of capital assets	\$ 986,662	\$ 2,771,031	\$ -	\$ 0	\$ 3,757,693	\$ -
Noncash investing activities:						
Net change in unrealized gain on investments	\$ 3,402	\$ 3,637	\$ -	\$ -	\$ 7,039	\$ -

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

CITY OF ANKENY, IOWA
Notes to the Financial Statements
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

The blended component units discussed below are included in the City's reporting entity because of the nature and significance of their relationship with the City and the ongoing financial support. The component units are blended component units and are presented as funds of the City.

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

financial benefit/burden relationship between the City and the Ankeny Community Foundation. The Ankeny Community Foundation is presented as a special revenue fund and has a June 30 year-end.

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

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

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

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

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

The City has the following fund types:

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

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

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

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

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

Governmental funds include the following fund types:

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

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

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

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

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

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

Proprietary funds include the following fund types:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The City has the following major governmental funds:

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

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

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

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

The City has the following major enterprise funds:

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

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

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

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

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

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

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

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

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

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

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

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

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

Cash, Cash Equivalents and Pooled Investments

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

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

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

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

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

Property Tax Receivable, Including Tax Increment Financing

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the City to the County Board of Supervisors. Current year property tax receivable represent taxes collected by the County but not remitted to the City at June 30, 2015 and unpaid taxes. The succeeding year property tax receivable represent taxes certified by the City to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the City is required to certify its budget to the County Auditor by March 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable have been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenues recognized in these funds become due and collectible in September and March of the current fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2013 assessed property valuations; is for the tax accrual period July 1, 2014 through June 30, 2015 and reflects tax asking contained in the budget certified to the County Board of Supervisors in March 2014.

Inventory and Prepaid Items

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

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

Interfund Balances

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

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

Restricted Assets

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

The City also has restricted assets relating to customer deposits.

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

Capital Assets

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

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

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

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

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

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

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

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

Compensated Absences

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

Accrued vacation and sick leave benefits are reported as a liability in the proprietary funds using the same basis as the activities at the government-wide level. In governmental funds, however, these accrued benefits are not considered due and are not reported as a fund liability. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2015. Compensated absences attributable to governmental activities are generally liquidated by the general fund and the road use tax fund.

Long-Term Liabilities

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

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and of the Municipal Fire and Police Retirement System of Iowa (MFPRSI) and additions to/deductions from IPERS' and MFPRSI' fiduciary net position have been determined on the same basis as they are reported by IPERS and MFPRSI. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources

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

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax that will not be recognized as revenue until the year for which they are levied and the unamortized portion of the net difference between project and actual earnings on pension plan investments.

Fund Equity

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

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

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

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

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

Unassigned – All amounts not included in the preceding classifications.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net position consists of \$1,589,627 restricted by donors, \$6,079,433 restricted by other governments, \$770,940 restricted through enabling legislation and \$6,579,365 restricted for debt service.

Use of Estimates

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

of revenues and expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

NOTE 3 - DEPOSITS AND INVESTMENTS

As of June 30, 2015, the City had investments in debt securities with the following maturities:

Security Description	Current Market Value	Investment Maturity (in Years)		
		< 1	1-5	6-10
Commercial paper	\$ 4,998,169	\$ 4,998,169	\$ -	\$ -
FNMA	1,979,560	-	1,979,560	-
Grant Total	\$ 6,977,729	\$ 4,998,169	\$ 1,979,560	\$ -

The City also held certificates of deposit totaling \$3,300,000. All of these had original maturities of one year.

Risk Exposure

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

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

The City manages its exposure to *credit risk* by limiting its purchase of commercial paper and other short-term corporate debt to securities rated in the two highest classifications as established by one of the standard rating services approved by the State of Iowa Superintendent of Banking. Ratings are evaluated at time of purchase. Commercial paper of \$4,998,169 held by the City were rated P1 by Moody’s Investors Service and A1 by Standard & Poor’s at the time of purchase.

Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. As of June 30, 2015, the

carrying amount of the City's cash deposits, which include certificates of deposit, totaled \$66,521,884 with bank balances of \$67,650,346. The bank balances are covered entirely by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, is as follows:

	<u>Balance</u> <u>June 30, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2015</u>
Governmental activities:				
Undepreciated:				
Land	\$ 8,111,522	\$ 12,177	\$ -	\$ 8,123,698
Construction in progress	30,810,286	4,244,913	23,910,660	11,144,538
Total, undepreciated	<u>38,921,808</u>	<u>4,257,090</u>	<u>23,910,660</u>	<u>19,268,236</u>
Depreciated:				
Other improvements	34,145,543	2,033,414	-	36,178,957
Infrastructure	164,116,142	30,455,355	-	194,571,497
Buildings	42,922,038	-	-	42,922,038
Machinery and equipment	15,715,896	842,226	499,284	16,058,838
Furniture and fixtures	1,459,706	-	-	1,459,706
Total, depreciated	<u>258,359,325</u>	<u>33,330,995</u>	<u>499,284</u>	<u>291,191,036</u>
Accumulated depreciation:				
Other improvements	12,054,624	1,807,555	-	13,862,179
Infrastructure	32,521,889	3,931,953	-	36,453,842
Buildings	11,544,199	1,683,189	-	13,227,388
Machinery and equipment	11,738,601	1,208,316	479,677	12,467,240
Furniture and fixtures	1,350,360	23,976	-	1,374,336
Total accumulated depreciation	<u>69,209,673</u>	<u>8,654,989</u>	<u>479,677</u>	<u>77,384,985</u>
Governmental activities capital assets, net	<u>\$ 228,071,463</u>	<u>\$ 28,933,096</u>	<u>\$ 23,930,267</u>	<u>\$ 233,074,287</u>

City of Ankeny, Iowa
Notes to the Financial Statements
June 30, 2015

	Balance			Balance
	June 30, 2014	Increases	Decreases	June 30, 2015
Business-type activities:				
Undepreciated:				
Land	\$ 1,547,944	\$ -	\$ -	\$ 1,547,944
Construction in progress	14,079,163	1,692,419	5,080,997	10,690,585
Total, undepreciated	<u>15,627,107</u>	<u>1,692,419</u>	<u>5,080,997</u>	<u>12,238,529</u>
Depreciated:				
Other improvements	531,372	21,408	-	552,780
Infrastructure	145,730,415	8,838,691	-	154,569,106
Buildings	4,719,660	-	-	4,719,660
Machinery and equipment	3,196,505	50,650	40,957	3,206,198
Furniture and fixtures	64,542	-	-	64,542
Total, depreciated	<u>154,242,494</u>	<u>8,910,749</u>	<u>40,957</u>	<u>163,112,286</u>
Accumulated depreciation:				
Other improvements	422,822	24,737	-	447,559
Infrastructure	40,180,955	3,033,218	-	43,214,173
Buildings	759,147	146,875	-	906,022
Machinery and equipment	2,214,084	219,575	40,957	2,392,702
Furniture and fixtures	32,457	6,454	-	38,911
Total accumulated depreciation	<u>43,609,465</u>	<u>3,430,859</u>	<u>40,957</u>	<u>46,999,367</u>
Business-type activities capital assets, net	<u>\$ 126,260,136</u>	<u>\$ 7,172,309</u>	<u>\$ 5,080,997</u>	<u>\$ 128,351,448</u>

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

Governmental activities:	
Public safety	\$ 1,862,425
Health and social services	1,742
Culture and recreation	2,033,895
Public works	4,592,325
Community and economic development	37,930
General government	<u>126,671</u>
Total depreciation expense - governmental activities	<u>\$ 8,654,989</u>
Business-type activities:	
Water	\$ 1,050,903
Sewer	2,055,436
Storm water	91,659
Otter Creek golf course	<u>232,861</u>
Total depreciation expense - business-type activities	<u>\$ 3,430,859</u>

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

<u>Due To/From Other Funds:</u>		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water	Debt service	\$211,008
	Capital projects	700,442
Sewer	Debt service	68,271
	Capital projects	6,637,205
Storm Water	Capital projects	9,829,262
Nonmajor, internal service	General fund	122,510
	Special revenue, road use tax	141,104
	Enterprise, Sewer	992
	Enterprise, Otter Creek golf course	<u>96,427</u>
		<u>\$17,807,221</u>
<u>Advances To/From Other Funds:</u>		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor, internal service	General fund	\$ 115,406
	Special revenue, road use tax	55,241
	Enterprise, Sewer	3,968
	Enterprise, Otter Creek golf course	<u>207,837</u>
		<u>\$ 382,452</u>

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

Interfund transfers for the year ended June 30, 2015 were as follows:

	<u>Transfers In</u>					<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Water</u>	<u>Nonmajor Enterprise</u>	
Transfers Out						
General	\$ -	\$ 103,250	\$ 1,000,000	\$ 257	\$ -	\$ 1,103,507
Tax Increment Financing	-	5,055,708	-	-	-	5,055,708
Water	292,587	-	535,000	-	-	827,587
Sewer	292,587	-	428,000	-	-	720,587
Storm Water	-	-	250,000	-	-	250,000
Nonmajor governmental	6,174	-	395,861	-	7,750	409,785
	<u>\$ 591,347</u>	<u>\$ 5,158,958</u>	<u>\$ 2,608,861</u>	<u>\$ 257</u>	<u>\$ 7,750</u>	<u>\$ 8,367,174</u>

Transfers are used to move resources from the fund that will be providing the resources to the fund in which certain expenditures/expenses are being

accounted for. Transfers are generally used to fund the cost of administration, debt service, or capital projects.

NOTE 6 - UNEARNED REVENUE

Under both the accrual and the modified accrual methods of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset with a corresponding liability for unearned revenue. The following funds had unearned revenue at June 30, 2015:

Special Revenue:		
Tax Increment Financing	DART lease agreement	\$176,960
Water	Unearned charges	<u>6,760</u>
		<u>\$183,720</u>

NOTE 7 - LONG-TERM DEBT

General obligation bonds/capital loan notes. The City issues general obligation bonds and capital loan notes to provide funds for the acquisition and construction of infrastructure, major capital facilities, and other major capital assets. General obligation bonds and capital loan notes have been issued for both general government and proprietary activities. These bonds and notes are reported in proprietary funds if they are expected to be repaid from proprietary fund revenues. General obligation bonds and capital loan notes as of June 30, 2015 consist of the following individual issues:

<u>Debt</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Amount Issued</u>	<u>Rate Range Outstanding</u>	<u>Balance June 30, 2015</u>
Various public improvements	05/15/08	06/01/19	\$ 11,985,000	3.625 - 4.000	\$ 5,360,000
Public safety facilities	05/15/08	06/01/16	22,425,000	3.625	20,175,000
Landfill remediation	04/08/09	06/01/28	3,000,000	3.000	2,227,000
Various public improvements	05/15/09	06/01/28	32,010,000	4.000 - 4.375	19,210,000
Refunding	05/15/10	06/01/21	7,920,000	3.000 - 3.250	3,650,000
Refunding	05/15/11	06/01/26	13,250,000	2.000 - 4.000	9,310,000
Sports field lighting	08/15/11	06/01/16	495,000	1.800	100,000
Refunding	05/30/12	06/01/27	11,160,000	1.500 - 3.000	9,505,000
Advance Refunding	05/30/12	06/01/18	6,665,000	3.000 - 4.000	4,135,000
Refunding	05/30/13	06/01/28	18,730,000	3.000 - 3.200	16,970,000
Various public improvements	05/30/13	06/01/28	12,970,000	3.000	12,080,000
Refunding	05/29/14	06/01/29	14,885,000	3.000 - 4.000	14,385,000
Various public improvements	05/29/14	06/01/29	12,345,000	2.000 - 5.000	11,550,000
Advance Refunding	12/22/14	06/01/28	22,450,000	2.000 - 5.000	22,450,000
Various public improvements	05/28/15	06/01/25	7,750,000	2.000 - 5.000	7,750,000
Refunding	05/28/15	06/01/24	2,200,000	2.000 - 5.000	2,200,000
			<u>\$ 200,240,000</u>		<u>\$ 161,057,000</u>

On December 22, 2014, the City issued general obligation crossover refunding capital loan notes, series 2014G totaling \$22,450,000 with interest rates ranging from 2.0% to 5.0%. The proceeds were used to crossover advance refund

\$4,490,000 of outstanding general obligation bonds, series 2007B and \$19,375,000 of outstanding general obligation bonds, series 2008C with a combined average interest rate of 4.28%. The net proceeds related to the refunding of \$25,182,653 (including a \$2,732,653 premium and after payment of \$129,435 in underwriting and issuance costs) were used to purchase U.S. government securities (SLGS) in an irrevocable trust with an escrow agent. These proceeds will provide future debt service payments on the series 2007B until the refunding date of June 1, 2015, and on the series 2008C until the refunding date of June 1, 2016. The crossover advance refunding was done to reduce aggregate debt service payment by \$2,067,550 over the next thirteen years and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,747,049.

On May 28, 2015, the City issued general obligation bonds, series 2015A totaling \$7,750,000 with interest rates ranging from 2.0% to 5.0%. The proceeds were used to construct various capital improvement projects.

On May 28, 2015, the City issued general obligation annual appropriation urban renewal bonds, series 2015B totaling \$2,200,000 with interest rates ranging from 2.0% to 5.0%. The proceeds were used to current refund the lease-purchase obligation for the public works maintenance facility in the amount of \$2,316,821. The current refunding was done to reduce aggregate debt service payment by \$291,182 over the next nine years and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$275,241.

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

Year Ending June 30	General Obligation Principal	General Obligation Interest	Total
2016	\$ 35,133,000	\$ 5,049,512	\$ 40,182,512
2017	15,312,000	4,491,989	19,803,989
2018	15,126,000	3,924,579	19,050,579
2019	12,706,000	3,348,999	16,054,999
2020	10,121,000	2,889,219	13,010,219
2021-2025	46,432,000	9,112,208	55,544,208
2026-2029	26,227,000	1,855,587	28,082,587
	<u>\$ 161,057,000</u>	<u>\$ 30,672,093</u>	<u>\$ 191,729,093</u>

Accumulated fund balances in the Debt Service Fund are legally restricted for the repayment of debt service. The fund balance at June 30, 2015 in the Debt Service Fund is \$3,606,767.

Sewer revenue bonds. The City issues sewer revenue bonds to provide for the construction of sewer system infrastructure. These bonds are reported in the

sewer fund in the enterprise funds. Sewer revenue bonds as of June 30, 2015 consist of the following issues:

Debt	Issue Date	Final Maturity	Amount Issued	Interest		Balance June 30, 2015
				Rate	Range Outstanding	
Rock Creek lateral sewer	01/20/10	05/01/32	\$ 2,878,693	3.000		\$ 2,530,000
Landfill remediation	02/03/10	05/01/29	1,012,000	3.000		707,000
Various sewer improvements	12/15/10	05/01/30	3,010,000	3.000 - 4.500		2,510,000
Various sewer improvements	04/04/12	05/01/31	2,965,000	2.000 - 3.375		2,695,000
Various sewer improvements	05/15/14	05/01/26	2,315,000	2.000 - 3.000		2,315,000
Advance Refunding	05/15/14	05/01/28	4,805,000	2.000 - 3.250		4,805,000
			<u>\$ 16,985,693</u>			<u>\$ 15,562,000</u>

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

Year ending June 30	Principal	Interest	Total
2016	\$ 915,000	\$ 459,894	\$ 1,374,894
2017	946,000	438,744	1,384,744
2018	970,000	416,864	1,386,864
2019	985,000	394,414	1,379,414
2020	1,021,000	371,614	1,392,614
2021-2025	5,577,000	1,399,250	6,976,250
2026-2030	4,559,000	509,253	5,068,253
2031-2032	589,000	24,176	613,176
	<u>\$ 15,562,000</u>	<u>\$ 4,014,209</u>	<u>\$ 19,576,209</u>

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$16,985,693 in sewer revenue bonds. Proceeds from the bonds provided financing for various sewer improvement projects. The bonds are payable solely from sewer customer net revenues and are payable through 2032. Annual principal and interest payments on the bonds are expected to require less than 90 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$19,576,209. Principal and interest paid for the current year and total customer net revenues were \$1,276,985 and \$5,015,719, respectively.

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

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

Cash from the Sewer Fund shall be transferred into the Sewer Reserve Fund to maintain a balance which is equal to the lesser of 1) the maximum amount

of principal and interest coming due on the bonds in any succeeding fiscal year, 2) 10% of the stated principal amount of the bonds and any parity obligations outstanding, or 3) 125% of the average amount of principal and interest coming due on the bonds and any parity obligations in any succeeding fiscal year.

The amount restricted in the Sewer Fund as of June 30, 2015 relating to these provisions is \$1,639,873.

Water revenue bonds/capital loan notes. The City issues water revenue bonds and capital loan notes to provide for the construction of water system infrastructure. This debt is reported in the water fund in the enterprise funds. Water revenue bonds and capital loan notes as of June 30, 2015 consist of the following issues:

Debt	Issue Date	Final Maturity	Amount Issued	Interest Rate Range Outstanding	Balance June 30, 2015
Eastside Rual Water - Phase 1	10/19/01	06/01/21	\$ 908,000	1.750	\$ 330,000
Refunding	05/15/14	06/01/23	1,890,000	2.000 - 3.000	1,705,000
Advance Refunding	05/15/14	06/01/28	6,000,000	2.000 - 3.250	6,000,000
			<u>\$ 8,798,000</u>		<u>\$ 8,035,000</u>

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

Year ending June 30	Principal	Interest	Total
2016	\$ 696,000	\$ 204,519	\$ 900,519
2017	708,000	190,726	898,726
2018	719,000	176,699	895,699
2019	746,000	162,454	908,454
2020	767,000	147,674	914,674
2021-2025	3,424,000	441,352	3,865,352
2026-2028	975,000	62,426	1,037,426
	<u>\$ 8,035,000</u>	<u>\$ 1,385,850</u>	<u>\$ 9,420,850</u>

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$8,798,000 in water revenue bonds and capital loan notes. Proceeds from the bonds and notes provided financing for various water improvement projects. The bonds and notes are payable solely from water customer net revenues and are payable through 2028. Annual principal and interest payments on the bonds and notes are expected to require less than 90 percent of net revenues. The total principal and interest remaining to be paid on the bonds and notes is \$9,420,850. Principal and interest paid for the current year and total customer net revenues were \$969,442 and \$2,835,556, respectively.

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

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

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

The amount restricted in the Water Fund as of June 30, 2015 relating to these provisions is \$986,542.

Changes in Long-term Debt. The following is a summary of the changes in the long-term debt of the City for the year ended June 30, 2015.

	June 30, 2014 (as restated)	Increases	Decreases	June 30, 2015	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 125,501,174	\$ 9,950,000	\$ 14,702,761	\$ 120,748,413	\$ 31,740,109
Capital loan notes	200,000	21,411,127	100,000	21,511,127	1,091,148
Other postemployment benefits	155,973	-	14,223	141,750	-
Compensated absences	612,775	559,700	518,674	653,801	562,576
Net pension liability	14,361,077	-	4,701,778	9,659,299	-
Total governmental activities	\$ 140,830,999	\$ 31,920,827	\$ 20,037,436	\$ 152,714,390	\$ 33,393,833
Business-type activities:					
General obligation bonds	\$ 20,664,826	\$ -	\$ 2,906,239	\$ 17,758,587	\$ 1,644,039
Water revenue bonds	8,260,000	-	555,000	7,705,000	645,000
Sewer revenue bonds	16,227,000	-	665,000	15,562,000	915,000
General capital loan notes	-	1,038,873	-	1,038,873	328,852
Capital loan notes	380,000	-	50,000	330,000	51,000
Other postemployment benefits	29,752	-	3,097	26,655	-
Compensated absences	196,289	95,286	76,929	214,646	90,285
Net pension liability	1,866,370	-	529,140	1,337,230	-
Total business-type activities	\$ 47,624,237	\$ 1,134,159	\$ 4,785,405	\$ 43,972,991	\$ 3,674,176
Total long-term debt	\$ 188,455,236	\$ 33,054,986	\$ 24,822,841	\$ 196,687,381	\$ 37,068,009

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

	Governmental Activities	Business-type Activities
Discounts:		
Current	\$ 631	\$ 474
Noncurrent	7,573	2,372
Total	<u>\$ 8,204</u>	<u>\$ 2,846</u>
Premiums:		
Current	\$ 668,885	\$ 134,700
Noncurrent	6,914,711	979,005
Total	<u>\$ 7,583,596</u>	<u>\$ 1,113,705</u>

NOTE 8 - PENSIONS

Iowa Public Employees Retirement System (IPERS)

Plan Description – IPERS membership is mandatory for employees of the City, except for those covered by another retirement system. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees’ Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive, PO Box 9117, Des Moines, IA 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member’s years of service plus the member’s age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member’s first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member’s monthly IPERS benefits includes:

- A multiplier (based on years of service).
- The member’s highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of

that date will be used if it is greater than the highest five-year average salary.)

Protection occupation members may retire at normal retirement age which is generally at age 55. The formula used to calculate a protection occupation member's monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but not more than 30 years of service.
- The member's highest three-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded a federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions – Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is

determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the City contributed 8.93 percent for a total rate of 14.88 percent. Protective occupation members contributed 6.76 percent of pay and the City contributed 10.14 percent for a total rate of 16.80 percent.

The City's total contributions to IPERS for the year ended June 30, 2015, were \$909,593.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the City reported a liability of \$4,974,770 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the City's collective proportion was 0.1254384 percent which was a decrease of .0034834 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the City recognized pension expense of \$419,248. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 56,871	\$ 23,253
Changes of assumptions	230,940	555
Net difference between projected and actual earnings on pension plan investments	-	2,249,393
Changes in proportion and differences between City contributions and proportionate share of contributions	16,868	-
City contributions subsequent to the measurement date	909,593	-
Total	<u>\$ 1,214,272</u>	<u>\$ 2,273,201</u>

\$909,593 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be

recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Total
2016	\$ (496,724)
2017	(496,724)
2018	(496,724)
2019	(496,724)
2020	18,375
	<u>\$ (1,968,521)</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00 percent per annum
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00 percent, average, including inflation. Rates vary by membership group.
Long-term Investment rate of return (effective June 30, 1996)	7.50 percent, compounded annually, net of investment expense, including inflation.

The actuarial assumptions used in the June 30, 2014, valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
US Equity	23%	6.31
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	1	-0.69
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability:	\$ 10,159,554	\$ 4,974,770	\$ 599,052

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at www.ipers.org.

Payables to the Pension Plan – At June 30, 2015, the City reported payables to the defined benefit pension plan of \$72,943 for legally required employer contributions and \$48,605 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Municipal Fire and Police Retirement System of Iowa (MFPRSI)

Plan Description – MFPRSI membership is mandatory for fire fighters and police officers covered by the provisions of Chapter 411 of the Code of Iowa. Employees of Ankeny are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by MFPRSI. MFPRSI issues a stand-alone financial report which is available to the public by mail at 7155 Lake Drive, Suite #201, West Des Moines, IA 50266 or at www.mfprsi.org.

MFPRSI benefits are established under Chapter 411 of the Code of Iowa and the administrative rules thereunder. Chapter 411 of the Code of Iowa and administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – Members with 4 or more years of service are entitled to pension benefits beginning at age 55. Full service retirement benefits are granted to members with 22 years of service, while partial benefits are available to those members with 4 to 22 years of service based on the ratio of years completed to years required (i.e., 22 years). Members with less than 4 years of service are entitled to a refund of their contribution only, with interest, for the period of employment.

Benefits are calculated based upon the member's highest 3 years of compensation. The average of these 3 years becomes the member's average final compensation. The base benefit is 66 percent of the member's average final compensation. Additional benefits are available to members who perform more than 22 years of service (2 percent for each additional year of service, up to a maximum of 8 years). Survivor benefits are available to the beneficiary of a retired member according to the provisions of the benefit option chosen plus an additional benefit for each child. Survivor benefits are subject to a minimum benefit for those members who chose the basic benefit with a 50 percent surviving spouse benefit.

Active members, at least 55 years of age, with 22 or more years of service have the option to participate in the Deferred Retirement Option Program (DROP). The DROP is an arrangement whereby a member who is otherwise eligible to retire and commence benefits opts to continue to work. A member can elect a 3, 4, or 5 year DROP period. By electing to participate in DROP the member is signing a contract indicating the member will retire at the end of the selected DROP period. During the DROP period the member's retirement benefit is frozen and a DROP benefit is credited to a DROP account established for the member. Assuming the member completes the DROP period, the DROP benefit is equal to 52% of the member's retirement benefit at the member's earliest date eligible and 100% if the member delays enrollment for 24 months. At the member's

actual date of retirement, the member's DROP account will be distributed to the member in the form of a lump sum or rollover to an eligible plan.

Disability and Death Benefits – Disability coverage is broken down into two types, accidental and ordinary. Accidental disability is defined as permanent disability incurred in the line of duty, with benefits equivalent to the greater of 60 percent of the member's average final compensation or the member's service retirement benefit calculation amount. Ordinary disability occurs outside the call of duty and pays benefits equivalent to the greater of 50 percent of the member's average final compensation, for those with 5 or more years of service, or the member's service retirement benefit calculation amount, and 25 percent of average final compensation for those with less than 5 years of service.

Death benefits are similar to disability benefits. Benefits for accidental death are 50 percent of the average final compensation of the member plus an additional amount for each child, or the provisions for ordinary death. Ordinary death benefits consist of a pension equal to 40 percent of the average final compensation of the member plus an additional amount for each child, or a lump-sum distribution to the designated beneficiary equal to 50 percent of the previous year's earnable compensation of the member or equal to the amount of the member's total contributions plus interest.

Benefits are increased (escalated) annually in accordance with 411.6 of the Code of Iowa which states a standard formula for the increases.

The surviving spouse or dependents of an active member who dies due to a traumatic personal injury incurred in the line of duty receives a \$100,000 lump-sum payment.

Contributions – Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa as modified by act of the 1994 General Assembly to establish compliance with the Federal Older Workers Benefit Protections Act, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2015.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1 percent of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the employer's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 30.41% for the year ended June 30, 2015.

The City's contributions to MFPRSI for the year ended June 30, 2015, was \$1,425,075.

If approved by the state legislature, state appropriation may further reduce the employer's contribution rate, but not below the minimum statutory contribution rate of 17.00% of earnable compensation. The State of Iowa therefore is considered to be a nonemployer contributing entity in accordance with the provisions of the Governmental Accounting Standards Board Statement No. 67 – Financial Reporting for Pension Plans, (GASB 67).

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2014.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the City reported a liability of \$6,021,760 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2014, the City's proportion was 1.661183% which was an increase of .068082% from its proportions measured as of June 30, 2013.

For the year ended June 30, 2015, the City recognized pension expense of \$567,160. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 17,042
Changes of assumptions	445,069	-
Net difference between projected and actual earnings on pension plan investments	-	2,830,663
Changes in proportion and differences between City contributions and proportionate share of contributions	309,803	-
City contributions subsequent to the measurement date	1,425,075	-
Total	<u>\$ 2,179,947</u>	<u>\$ 2,847,705</u>

\$1,425,075 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Total
2016	\$ (547,268)
2017	(547,268)
2018	(547,268)
2019	(547,268)
2020	96,238
	<u>\$ (2,092,834)</u>

Actuarial Assumptions – The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation	3.00 percent
Salary Increases	4.50 to 15.11 percent, including inflation
Investment Rate of Return	7.50 percent, net of pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the period from July 1, 2002, to June 30, 2012.

Mortality rates were based on weighting equal to 2/12 of the 1971 GAM table and 10/12 of the 1994 GAM table with no projection of future mortality improvement.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (i.e., expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Core Plus Fixed Income	7.0%	3.8%
Emerging Markets Debt	3.0	6.5
Domestic Equities	12.5	6.0
Master Limited Partnerships (MLP)	5.0	8.5
International Equities	12.5	7.0
Core Investments	40%	
Tactical Asset Allocation	35.0	6.0
Private Equity	15.0	9.8
Private Non-Core Real Estate	5.0	9.3
Private Core Real Estate	5.0	6.8
Real Estate	10.0	
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made at 9.40% of covered payroll and the City contributions will be made at rates equal to the difference between actuarially determined rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability:	\$ 11,546,243	\$ 6,021,760	\$ 1,431,412

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued MFPRSI financial report which is available on MFPRSI’ website at www.mfprsi.org.

Payables to the Pension Plan – At June 30, 2015, the City reported payables to the defined benefit pension plan of \$110,693 for legally required employer contributions and \$34,217 for legally required employee contributions which had been withheld from employee wages but not yet remitted to MFPRSI.

NOTE 9 - RISK MANAGEMENT AND INSURANCE

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City's risk management activities are accounted for in the internal service fund, risk management fund, which provides for the purchase of insurance. Workers compensation and general liability coverage are provided through the City's participation in self-insurance pools as described in the subsequent paragraphs. Commercial insurance is purchased for all other risks of loss. Settlements have not exceeded coverages for each of the past three fiscal years.

Iowa Municipalities Workers' Compensation Association

The City is a member of the Iowa Municipalities Workers' Compensation Association (the Association). The Association is a local government risk-sharing pool whose approximately 500 members include various municipal and county governments throughout the State of Iowa. The Association was formed in July 1981, to formulate, develop and administer, on behalf of the member governments, a program of joint self-insurance to stabilize costs related to members' workers' compensation liabilities. Program components include claims management, member education and loss control services. There have been no reductions in insurance coverage from prior years.

Each member pays annual premiums determined by using applicable standard rates for the exposure to risk and applicable experience modification factors of the National Council on Compensation Insurance. Each member may be subject to additional premiums to pay its pro rata share of claims, when they exceed the Association's resources available to pay such claims. A distribution to members may also be made if the Association has excess monies remaining after payment of claims and expenses. The Association uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. Claims exceeding \$850,000 are reinsured in an amount not to exceed \$2,000,000 per occurrence. Members may withdraw from the Association at any time provided they provide assets for settlement of all pending claims.

The City's premium contributions to the Association are recorded as expenditures from its operating funds at the time of payment to the risk pool. The City's annual contributions to the Association for the year ended June 30, 2015 were \$380,634.

Iowa Communities Assurance Pool

The City is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 727 members include various

governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials' liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

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

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

The City's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The City's contributions to the Pool for the year ended June 30, 2015 were \$260,233.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City's risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the City's risk-sharing certificate, or in the event that a series of casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then

payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

The City does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2015, no liability has been recorded in the City's financial statements. As of June 30, 2015, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

Health Insurance

The City operates a health insurance pool for the benefit of its employees that is self-funded through contributions in the form of employee premiums. The City is liable as to medical and dental claims made by the participants in the plan. The pool is self insured with an annual stop loss deductible of \$50,000 per member and an aggregate stop loss deductible of 125% of expected paid claims. Coverage from a private insurance company is maintained for losses in excess of both the individual and the aggregate stop loss deductibles. The City had 7 individual stop loss claims and no outstanding aggregate stop loss claims as of June 30, 2015. An independent claims administrator performs the handling of all claims and procedures. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims payable includes all known claims and an amount for claims that have been incurred but not reported (IBNR). Changes in the balances of claims payable are as follows:

	2015	2014
Claims payable, beginning of year	\$ 472,979	\$ 373,242
Incurred claims (including IBNR)	2,671,778	2,565,241
Claims payments	(2,700,800)	(2,465,504)
Claims payable, end of year	\$ 443,957	\$ 472,979

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

NOTE 10 - JOINTLY GOVERNED ORGANIZATIONS

The City participates in the Polk County Aviation Authority (PCAA) that operates the Ankeny Regional Airport. The City, along with Polk County, Altoona, and Bondurant, form the PCAA. The City appoints two board members of the seven-member board. In addition, the City levies a property tax of \$.15 per thousand dollars of taxable valuation for the Authority. The City paid \$340,552 to the PCAA in fiscal year 2015.

The City participates in the Metro Waste Authority (MWA). The MWA is responsible for the management of the metro landfill, transfer station, compost center, and recycling center and operates the Curb It! recycling program. The MWA has 17 members, including Ankeny, with each appointing one representative. The City charges residents a monthly fee to help recover the City's cost of the Curb It! recycling program. The City paid fees totaling \$516,668 in fiscal year 2015.

The City is a member of the Des Moines Metro Area Planning Organization (MPO) that is responsible for transportation planning and federal grants allocation within the area. The MPO is comprised of 16 cities, DART, three associate non-voting cities, unincorporated portions of three counties in central Iowa and one associate non-voting county that appoint 39 voting representatives. The City appoints three representatives. The City paid \$45,582 in membership dues for fiscal year 2015.

The City is a full member of the Des Moines Area Regional Transportation Authority (DART). DART has 18 member cities and Polk County, which are represented by nine board members. In fiscal year 2007, DART no longer charged member cities for annual contributions, but instead levied a property tax through Polk County. In addition, the City received \$316,000 in fiscal year 2004 from DART for prepayment of a 25-year lease for a Park-and-Ride lot that started on July 1, 2004. The balance remaining on the lease is \$176,960 as of June 30, 2015.

The City is a member of the Des Moines Metropolitan Wastewater Reclamation Authority (WRA), which is a separate entity created by agreement in accordance with Chapter 28E of the Code of Iowa. The purpose of the organization is for the planning, construction, operation, and management of sewer related facilities. The WRA has 17 member governments with a governing board of 21 representatives of which the City appoints 2 representatives. The City paid membership and participation fees during fiscal year 2015 of \$5,589,341.

NOTE 11 – OPERATING LEASES

The City leases office space known as the Parks and Recreation Building under a non-cancelable operating lease. The original term of the lease was for ten

years; however the lease was amended in November 2005 to extend the term to February 29, 2016. The following is a schedule of the future minimum lease payments required under the operating lease:

<u>Fiscal Year</u>	<u>Amount</u>
2016	\$ 44,000

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

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

<u>Fiscal Year</u>	<u>Amount</u>
2016	\$ 186,540
2017	93,270
Total remaining payments	<u>\$ 279,810</u>

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

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

<u>Fiscal Year</u>	<u>Amount</u>
2016	\$ 856,418
2017	929,252
2018	932,898
2019	938,323
2020	934,151
2021 - 2025	4,713,155
2026	564,434
Total remaining payments	<u>\$ 9,868,631</u>

The City has entered into a lease agreement with Advantage Financial Services, LLC to provide GPS (global positioning) equipment for the golf cart fleet at Otter

Creek Golf Course for a period of 48 months beginning April 1, 2015 and ending on March 30, 2019. The following is a schedule of the future minimum lease payments required under the operating lease:

<u>Fiscal Year</u>	<u>Amount</u>
2016	\$ 30,240
2017	30,240
2018	30,240
2019	22,680
Total remaining payments	<u>\$ 113,400</u>

NOTE 12 - COMMITMENTS AND CONTINGENCIES

The City has outstanding commitments for purchase orders that have been issued to various vendors. For budgetary purposes, these commitments are considered encumbrances. The City's encumbrances at June 30, 2015, in the General Fund, Capital Projects Fund, Internal Service Funds and nonmajor governmental funds were \$357,806, \$135,949, \$61,347 and \$336,927, respectively. The City also had encumbrances in the Water Fund, Sewer Fund, Storm Water Fund and nonmajor enterprise funds of \$286,400, \$7,508, \$25,400 and \$53,582, respectively.

The City has outstanding commitments for construction projects including street improvements, park improvements, utility improvements and other construction and engineering projects. The City's commitment to these contracts at June 30, 2015 is \$9,629,860.

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

NOTE 13 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description - The City operates a single-employer health benefit plan which provides medical, prescription drug and dental benefits for retirees and their spouses. There are 201 active and 12 retired members in the plan. Retired participants must be age 55 or older at retirement.

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

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2015, the City contributed \$65,702.

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

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

The following table shows the components of the City’s annual OPEB cost for the year ended June 30, 2015, the amount actually contributed to the plan and changes in the City’s net OPEB obligation:

Annual required contribution	\$ 51,693
Interest on net OPEB obligation	7,429
Adjustment to annual required contribution	<u>(10,741)</u>
Annual OPEB cost	48,382
Contributions made	<u>(65,702)</u>
Decrease in net OPEB obligation	(17,320)
Net OPEB obligation beginning of year	<u>185,725</u>
Net OPEB obligation end of year	<u><u>\$ 168,405</u></u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$ 38,172	0.00%	\$ 162,361
June 30, 2014	48,798	52.12	185,725
June 30, 2015	48,382	135.80	168,405

Funded Status and Funding Progress – As of July 1, 2013, the most recent actuarial valuation date for the period July 1, 2013 through June 30, 2014, the actuarial accrued liability was \$451,994, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$451,994. The covered payroll (annual payroll of active employees covered by the plan) was \$11,587,387 and the ratio of the UAAL to covered payroll was 3.9%. As of June 30, 2015, there are no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as Required Supplementary Information in the section following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

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

Mortality rates are from the RP 2000 Mortality Tables, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the Scale T-6 of the Actuary's Pension Handbook.

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

NOTE 14 – LANDFILL CLOSURE AND POSTCLOSURE CARE

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

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

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

At June 30, 2015, the ending fund balance of the Landfill Postclosure Fund was \$154,856.

NOTE 15 – RESTATEMENT FOR CHANGE IN ACCOUNTING PRINCIPLE AND FOR CORRECTION OF AN ERROR

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27* was implemented during fiscal year 2015. The revised requirements which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Beginning net position for governmental and business type activities were restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date.

The City recorded a prior period adjustment to governmental activities. The prior period adjustment corrects a capital lease that had been recorded in previous years as an operating lease, resulting in a decrease in beginning net position of governmental activities of \$2,638,952. In fiscal year 2015, the City issued bonds to current refund this lease-purchase obligation.

The effect of the restatements is as follows:

City of Ankeny, Iowa
Notes to the Financial Statements
June 30, 2015

	Governmental Activities	Central Garage
Net position at June 30, 2014, as previously reported	\$ 122,982,549	\$ 377,379
Change in accounting principle:		
Net pension liability at June 30, 2014	(14,361,077)	(180,114)
Change in outflows of resources related to contributions made after the June 30, 2013, measurement date	1,958,942	19,014
Effects of change in accounting principle	(12,402,135)	(161,100)
Prior period adjustment (capital lease)	(2,638,952)	-
Net position at July 1, 2014, as restated	<u>\$ 107,941,462</u>	<u>\$ 216,279</u>

	Business-Type Activities	Water	Sewer	Storm Water	Solid Waste	Otter Creek Golf Course
Net position at June 30, 2014, as previously reported	\$ 116,836,785	\$ 33,987,292	\$ 76,145,673	\$ 1,637,356	\$ 73,498	\$ 4,922,275
Net pension liability at June 30, 2014	(1,866,369)	(572,566)	(685,762)	(132,488)	(10,389)	(465,164)
Change in outflows of resources related to contributions made after the June 30, 2013, measurement date	197,028	60,445	72,395	13,987	1,097	49,106
Net position at July 1, 2014, as restated	<u>\$ 115,167,444</u>	<u>\$ 33,475,171</u>	<u>\$ 75,532,306</u>	<u>\$ 1,518,855</u>	<u>\$ 64,206</u>	<u>\$ 4,506,217</u>

NOTE 16 – FUTURE ACCOUNTING PRONOUNCEMENTS

GASB Statements Nos. 72-77 listed below will be implemented in future financial statements:

Statement No. 72 "Fair Value Measurement and Application"

This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this statement are effective for financial statements for reporting periods beginning after June 15, 2015.

Statement No. 73 "Accounting and Financial Reporting for Pension and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68"

The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The provisions of this statement are effective for fiscal years beginning after June 15,

2015 - except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for fiscal years beginning after June 15, 2016.

Statement No. 74 "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"

The objective of this Statement is to establish new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions of this statement are effective for fiscal years beginning after June 15, 2016.

Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. The provisions of this statement are effective for fiscal years beginning after June 15, 2017.

Statement No. 76 "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments"

The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The provisions of this statement are effective for reporting periods beginning after June 15, 2015.

Statement No. 77 “Tax Abatement Disclosures”

This Statement requires disclosure of tax abatement information about (1) a reporting government’s own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government’s

tax revenues. The provisions of this statement are effective for reporting periods beginning after December 15, 2015.

Required Supplementary Information

City of Ankeny, Iowa

Required Supplementary Information
 Budgetary Comparison Schedule (Cash Basis) - All Governmental and Proprietary Funds
 For the Year Ended June 30, 2015

	Governmental Fund Types Actual	Proprietary Fund Types Actual	Total All Budgeted Funds Actual	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
Property taxes	\$ 27,096,392	\$ -	\$ 27,096,392	\$ 27,143,294	\$ 27,143,294	\$ (46,902)
Tax increment financing	6,632,630	-	6,632,630	6,690,233	6,632,831	(201)
Other city taxes	3,131,683	-	3,131,683	2,832,306	3,104,209	27,474
Licenses and permits	1,975,033	9,987	1,985,020	1,187,100	1,745,600	239,420
Use of money and property	456,767	108,445	565,212	538,816	513,801	51,411
Intergovernmental	8,607,075	100	8,607,175	6,877,606	8,360,254	246,921
Charges for services	2,867,190	24,109,208	26,976,398	26,237,592	26,954,540	21,858
Special assessments	64,935	-	64,935	1,000	61,000	3,935
Miscellaneous	2,019,626	1,672,236	3,691,862	3,488,018	3,910,014	(218,152)
Total revenues	52,851,331	25,899,976	78,751,307	74,995,965	78,425,543	325,764
Expenditures/Expenses:						
Public safety	13,255,803	-	13,255,803	13,598,842	13,831,371	575,568
Public works	4,733,735	-	4,733,735	5,039,166	5,138,748	405,013
Health and social services	21,517	-	21,517	30,700	31,700	10,183
Culture and recreation	5,780,346	-	5,780,346	5,841,009	6,099,816	319,470
Community and economic development	2,667,469	-	2,667,469	2,890,478	3,394,409	726,940
General government	2,832,377	-	2,832,377	2,962,852	3,009,814	177,437
Debt service	18,963,128	-	18,963,128	19,160,900	18,964,628	1,500
Capital projects	22,084,803	-	22,084,803	15,481,400	28,011,694	5,926,891
Business-type	-	18,897,987	18,897,987	20,160,900	20,368,007	1,470,020
Total expenditures/expenses	70,339,178	18,897,987	89,237,165	85,166,247	98,850,187	9,613,022
Excess (deficiency) of revenues over (under) expenditures/expenses	(17,487,847)	7,001,989	(10,485,858)	(10,170,282)	(20,424,644)	9,938,786
Other financing sources (uses), net	14,928,188	(4,210,434)	10,717,754	9,435,000	10,767,870	(50,116)
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing sources (uses)	(2,559,659)	2,791,555	231,896	(735,282)	(9,656,774)	9,888,670
Beginning fund balance, July 1	51,171,248	17,225,619	68,396,867	55,862,396	68,396,867	-
Ending fund balance, June 30	\$ 48,611,589	\$ 20,017,174	\$ 68,628,763	\$ 55,127,114	\$ 58,740,093	\$ 9,888,670

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

City of Ankeny, Iowa

**Explanation of Differences Between Budgetary Basis and
Generally Accepted Accounting Principles (GAAP) Basis
Revenues and Expenditures for the Governmental Funds
For the Year Ended June 30, 2015**

Revenues and other financing sources:

Actual amount of "total revenues and other financing sources" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 74,395,654
On a budgetary basis, the City does not record revenues until the cash has been received. This differs from GAAP, which records revenues as they are earned and available.	934,569
Investments are recorded at their market value on a GAAP basis while on a budget basis, investments are recorded at their net cost including accrued interest	10,009
On a budgetary basis, the City does not record proceeds and income from advanced refundings.	25,257,254
On a budgetary basis, capital projects for water, sewer, and storm water construction are recorded in the capital projects fund. On a GAAP basis, this activity is recorded in the related enterprise fund as assets. Related bond proceeds are recorded as enterprise fund debt and an interfund liability. Fund transfers between the capital projects fund and the enterprise funds are eliminated.	(1,149,521)
Transfers from enterprise funds to the debt service fund for bond principal and interest payments are reported as transfers on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis.	<u>(2,420,267)</u>
Total GAAP basis revenues and other financing sources for the governmental funds	<u><u>\$ 97,027,698</u></u>

Expenditures and other financing uses:

Actual amount of "expenditures and other financing uses" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 76,955,313
On a budgetary basis, the City does not record expenditures until the cash has been paid. This differs from GAAP, which records expenditures as the liability is incurred.	(10,234,151)
Purchases related to loans from the equipment reserve and sustainability revolving loan funds are reported in those funds on a budgetary basis. On a GAAP basis, the borrowing funds record a liability and corresponding expenditure for the equipment purchase.	29,014
On a budgetary basis, the City does not record debt activity from advanced refundings.	4,004,090
Prior period adjustment in the tax increment financing fund.	2,638,952
On a budgetary basis, capital projects for water, sewer, and storm water construction are recorded in the capital projects fund. On a GAAP basis, this activity is recorded in the related enterprise fund as assets. Related bond proceeds are recorded as enterprise fund debt and an interfund liability. Fund transfers between the capital projects fund and the enterprise funds are eliminated.	(1,692,418)
Transfers from enterprise funds to the debt service fund for bond principal and interest payments are reported as transfers in on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis	(2,420,267)
Repayments of loans to the equipment reserve fund and the sustainability revolving loan fund are recorded as an expenditure on a budget basis. No expenditure is recorded for loan repayments on a GAAP basis.	<u>(356,094)</u>
Total GAAP basis expenditures and other financing uses for the governmental funds	<u><u>\$ 68,924,439</u></u>

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

City of Ankeny, Iowa

**Explanation of Differences Between Budgetary
Basis and GAAP Basis Revenues and Expenses
for the Proprietary Funds
For the Year Ended June 30, 2015**

Revenues and other financing sources:

Actual amount of "total revenues and other financing sources" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 25,907,983
On a budgetary basis, the City does not record revenues until the cash has been received. This differs from GAAP, which records revenues as they are earned and available.	31,964
Investments are not reported at market value on a budgetary basis. The change in market value is recorded on a GAAP basis.	12,532
Customer deposits and unearned revenue are recorded as revenue on a budgetary basis. On a GAAP basis, these deposits are reported as a liability.	<u>(30,903)</u>
Total GAAP basis revenues, nonoperating revenues, and transfers in	<u>\$ 25,921,576</u>

Expenses and other financing uses:

Actual amount of "expenditures and other financing uses" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 23,116,428
On a budgetary basis, the City does not record expenditures until the cash has been paid. This differs from GAAP, which records expenses as the liability is incurred.	(194,062)
Principal payments on indebtedness are recorded as an expenditure on a budgetary basis, but are not expensed on a GAAP basis.	(1,270,000)
Bond premiums and discounts are not recorded on a budgetary basis. These are recorded and amortized under GAAP.	(176,378)
Depreciation and losses on capital assets are reported on a GAAP basis but are not recorded on a budgetary basis	3,430,859
Purchases of capital assets are reported as an expense on a budget basis but are capitalized and depreciated on a GAAP basis	(72,058)
Transfers from enterprise funds to the debt service fund for bond principal payments are reported as transfers in on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis.	(1,787,646)
Repayments of loans to the equipment reserve fund and sustainability revolving loan fund are recorded as an expenditure on a budget basis. No expenditure is recorded for loan repayments on a GAAP basis.	<u>(103,596)</u>
Total GAAP basis expenses, nonoperating expenses, and transfers out	<u>\$ 22,943,547</u>

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

CITY OF ANKENY, IOWA
Notes to the Required Supplementary Information
June 30, 2015

I. BUDGETARY INFORMATION

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

After the initial budget is adopted, the budget may be amended for specific purposes. Budget amendments are required for budget transfers between funds as well as between programs. Management is not authorized to amend the budget without the approval of City Council. The City filed three budget amendments for the fiscal year ended June 30, 2015. The amendments increased estimated revenues by \$3,429,578 and increased expenditures by \$13,683,940. The City's budget amendments were essentially a complete re-estimate of the original budget. The amendments accounted for many changes in estimates and did not represent just a few specific activities or outlays; however, the increase in revenues and expenditures are primarily related to additional utility revenues, strong building permit activity and the timing of capital improvement projects.

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

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

The legal level of control (the level at which expenditures may not legally exceed appropriations) is the program level for all funds combined rather than at the individual fund level. The nine programs mandated by the State are: (1) public safety, (2) public works, (3) health and social services, (4) culture and recreation, (5) community and economic development, (6) general government, (7) debt service, (8) capital projects and (9) business type/enterprise. Since the City maintains its budgets at the individual fund level, it is necessary to aggregate the expenditures of the budgeted activities within the individual funds on a program basis and to compare such program totals with the program budgeted totals in order to demonstrate legal compliance with the budget. During the year ended June 30, 2015, expenditures did not exceed budgeted amounts in any of the nine programs. Budgetary compliance is demonstrated in the required supplementary information.

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

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

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

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

City of Ankeny, Iowa

**Required Supplementary Information
Schedule of Funding Progress
For the Year Ended June 30, 2015**

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2009	7/1/2007	\$ -	\$ 203,600	\$ 203,600	0.00%	\$ 10,673,526	1.9%
6/30/2010	7/1/2007	\$ -	\$ 203,600	\$ 203,600	0.00%	\$ 11,554,485	1.8%
6/30/2011	7/1/2010	\$ -	\$ 320,328	\$ 320,328	0.00%	\$ 11,309,005	2.8%
6/30/2012	7/1/2010	\$ -	\$ 320,328	\$ 320,328	0.00%	\$ 12,019,979	2.7%
6/30/2013	7/1/2010	\$ -	\$ 320,328	\$ 320,328	0.00%	\$ 12,542,793	2.6%
6/30/2014	7/1/2013	\$ -	\$ 451,994	\$ 451,994	0.00%	\$ 12,772,968	3.5%
6/30/2015	7/1/2013	\$ -	\$ 451,994	\$ 451,994	0.00%	\$ 13,359,240	3.4%

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

See accompanying independent auditor's report.

City of Ankeny, Iowa

Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Iowa Public Employee's Retirement System
Last Fiscal Year ⁽¹⁾

	<u>2015</u>
City's proportion of the net pension liability (asset)	0.12544%
City's proportionate share of the net pension liability	\$ 4,974,770
City's covered-employee payroll	\$ 9,699,344
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	51.29%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

⁽¹⁾ The amounts presented for each fiscal year were determined as of June 30.

See accompanying independent auditor's report.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

City of Ankeny, Iowa

**Required Supplementary Information
Schedule of the City Contributions
Iowa Public Employee's Retirement System
Last 10 Fiscal Years**

	Fiscal Year				
	2015	2014	2013	2012	2011
Statutorily required contribution	\$ 909,593	\$ 878,731	\$ 824,171	\$ 927,474	\$ 668,065
Contributions in relation to the statutorily required contribution	<u>(909,593)</u>	<u>(878,731)</u>	<u>(824,171)</u>	<u>(927,474)</u>	<u>(668,065)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered-employee payroll	\$ 9,681,761	9,699,344	9,023,719	8,349,521	8,929,965
Contributions as a percentage of covered-employee payroll	9.39%	9.06%	9.13%	11.11%	7.48%

Fiscal Year				
2010	2009	2008	2007	2006
\$ 631,912	\$ 572,991	\$ 500,404	\$ 429,979	\$ 408,046
<u>(631,912)</u>	<u>(572,991)</u>	<u>(500,404)</u>	<u>(429,979)</u>	<u>(408,046)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
9,157,040	8,716,773	7,946,730	7,105,682	6,673,863
6.90%	6.57%	6.30%	6.05%	6.11%

CITY OF ANKENY, IOWA

Notes to the Required Supplementary Information IPERS Pension Liability June 30, 2015

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups—emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers—from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits were lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of assumptions:

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumption based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.



City of Ankeny, Iowa

Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Municipal Fire and Police Retirement System of Iowa
Last Fiscal Year ⁽¹⁾

	<u>2015</u>
City's proportion of the net pension liability (asset)	1.66118%
City's proportionate share of the net pension liability	\$ 6,021,760
City's covered-employee payroll	\$ 4,242,165
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	141.95%
Plan fiduciary net position as a percentage of the total pension liability	86.27%

⁽¹⁾ The amounts presented for each fiscal year were determined as of June 30.

See accompanying independent auditor's report.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

City of Ankeny, Iowa

**Required Supplementary Information
Schedule of the City Contributions
Municipal Fire and Police Retirement System of Iowa
Last 10 Fiscal Years**

	Fiscal Year				
	2015	2014	2013	2012	2011
Statutorily required contribution	\$ 1,425,075	\$ 1,277,740	\$ 1,040,737	\$ 897,198	\$ 634,969
Contributions in relation to the statutorily required contribution	<u>(1,425,075)</u>	<u>(1,277,740)</u>	<u>(1,040,737)</u>	<u>(897,198)</u>	<u>(634,969)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered-employee payroll	\$ 4,508,046	4,242,165	3,984,446	3,800,863	3,190,801
Contributions as a percentage of covered-employee payroll	31.61%	30.12%	26.12%	23.61%	19.90%

Fiscal Year				
2010	2009	2008	2007	2006
\$ 550,553	\$ 545,111	\$ 684,696	\$ 683,442	\$ 624,691
<u>(550,553)</u>	<u>(545,111)</u>	<u>(684,696)</u>	<u>(683,442)</u>	<u>(624,691)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3,250,310	2,907,255	2,687,189	2,462,857	2,214,432
16.94%	18.75%	25.48%	27.75%	28.21%

CITY OF ANKENY, IOWA

Notes to the Required Supplementary Information
MFPRSI Pension Liability
June 30, 2015

Changes of benefit terms:

There were no significant changes of benefit terms.

Changes of assumptions:

Effective July 1, 2014, two additional steps to phase in the 1994 Group Annuity Mortality Table for post-retirement mortality. The two additional steps result in a weighting of 2/12 of the 1971 Group Annuity Mortality Table and 10/12 of the 1994 Group Annuity Mortality Table.

Nonmajor Governmental Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

City of Ankeny, Iowa
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Special Revenue						
	Fire Gift	Hawkeye Park	Police Gift	Road Use Tax	Police Seizure	Police/Fire Pension	Landfill Postclosure
Assets							
Cash and cash equivalents	\$ 31,718	\$ 32,587	\$ 8,265	\$ 3,531,697	\$ 93,172	\$ 1,255,133	\$ 154,856
Receivables:							
Interest	-	-	-	-	-	42	-
Taxes	-	-	-	-	-	1,325,563	-
Accounts	-	-	-	-	1,844	-	-
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	-	468,691	4,000	3,287	-
Total assets	\$ 31,718	\$ 32,587	\$ 8,265	\$ 4,000,388	\$ 99,016	\$ 2,584,025	\$ 154,856
Liabilities							
Accounts payable	\$ -	\$ 1,190	\$ -	\$ 150,080	\$ -	\$ -	\$ -
Accrued wages	-	-	-	70,801	-	-	-
Due to other funds	-	-	-	141,104	-	-	-
Advances from other funds	-	-	-	55,241	-	-	-
Total liabilities	-	1,190	-	417,226	-	-	-
Deferred Inflows of Resources							
Unavailable revenues							
Property taxes	-	-	-	-	-	1,322,779	-
Special assessments	-	-	-	-	-	-	-
Other long-term receivables	-	-	-	-	1,307	-	-
Total deferred inflows of resources	-	-	-	-	1,307	1,322,779	-
Fund balances							
Restricted	31,718	31,397	8,265	3,583,162	97,709	1,261,246	154,856
Total liabilities, deferred inflows of resources and fund balances	\$ 31,718	\$ 32,587	\$ 8,265	\$ 4,000,388	\$ 99,016	\$ 2,584,025	\$ 154,856

Library Foundation	Park Dedication	Sports Complex Foundation	Ankeny Garden Club	Recreation Events	Dog Park	Civic	Ankeny Community Foundation	Capital Project Special Assessments	Total Nonmajor Governmental Funds
\$ 23,519	\$ 407,100	\$ 37,066	\$ 7,942	\$ -	\$ 2,151	\$ 154	\$ 934,164	\$ 718,956	\$ 7,238,480
-	-	-	-	-	-	-	-	-	42
-	-	-	-	-	-	-	-	-	1,325,563
-	-	4,000	-	-	-	511,004	53	-	516,901
-	-	-	-	-	-	-	-	376,627	376,627
-	-	-	-	-	-	-	-	-	475,978
<u>\$ 23,519</u>	<u>\$ 407,100</u>	<u>\$ 41,066</u>	<u>\$ 7,942</u>	<u>\$ -</u>	<u>\$ 2,151</u>	<u>\$ 511,158</u>	<u>\$ 934,217</u>	<u>\$ 1,095,583</u>	<u>\$ 9,933,591</u>
\$ 320	\$ -	\$ -	\$ -	\$ -	\$ 675	\$ -	\$ -	\$ -	\$ 152,265
811	-	-	-	-	-	-	-	-	71,612
-	-	-	-	-	-	-	-	-	141,104
-	-	-	-	-	-	-	-	-	55,241
1,131	-	-	-	-	675	-	-	-	420,222
-	-	-	-	-	-	-	-	-	1,322,779
-	-	-	-	-	-	-	-	376,627	376,627
-	-	-	-	-	-	-	-	-	1,307
-	-	-	-	-	-	-	-	376,627	1,700,713
22,388	407,100	41,066	7,942	-	1,476	511,158	934,217	718,956	7,812,656
<u>\$ 23,519</u>	<u>\$ 407,100</u>	<u>\$ 41,066</u>	<u>\$ 7,942</u>	<u>\$ -</u>	<u>\$ 2,151</u>	<u>\$ 511,158</u>	<u>\$ 934,217</u>	<u>\$ 1,095,583</u>	<u>\$ 9,933,591</u>

City of Ankeny, Iowa

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2015

	Special Revenue						
	Fire Gift	Hawkeye Park	Police Gift	Road Use Tax	Police Seizure	Police/Fire Pension	Landfill Postclosure
Revenues							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,231,273	\$ -
Other taxes and assessments	-	-	-	-	-	21,604	-
Intergovernmental	-	-	-	4,856,739	8,740	-	-
Charges for services	-	9,476	-	-	-	-	-
Use of money and property	51	50	5	-	153	1,265	258
Miscellaneous	3,026	1,000	6,000	-	2,945	36,254	-
Total revenues	3,077	10,526	6,005	4,856,739	11,838	1,290,396	258
Expenditures							
Current operating:							
Public safety	4,000	-	-	-	24,926	1,433,298	-
Culture and recreation	-	6,997	-	-	-	-	-
Public works	-	-	-	4,123,172	-	-	-
Community and economic development	-	-	-	-	-	-	-
Total expenditures	4,000	6,997	-	4,123,172	24,926	1,433,298	-
Excess (deficiency) of revenues over (under) expenditures	(923)	3,529	6,005	733,567	(13,088)	(142,902)	258
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(7,750)
Total other financing sources (uses)	-	-	-	-	-	-	(7,750)
Net change in fund balances	(923)	3,529	6,005	733,567	(13,088)	(142,902)	(7,492)
Fund balances, beginning	32,641	27,868	2,260	2,849,595	110,797	1,404,148	162,348
Fund balances, ending	\$ 31,718	\$ 31,397	\$ 8,265	\$ 3,583,162	\$ 97,709	\$ 1,261,246	\$ 154,856

Library Foundation	Park Dedication	Sports Complex Foundation	Ankeny Garden Club	Recreation Events	Dog Park	Civic	Ankeny Community Foundation	Capital Project Special Assessments	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,231,273
-	-	-	-	-	-	-	-	22,800	44,404
-	-	5,000	-	-	-	-	-	-	4,870,479
-	-	11,595	-	-	-	-	-	-	21,071
36	613	46	11	-	2	-	1,162	-	3,652
26,218	26,904	4,000	1,160	17,500	1,815	511,004	803,444	-	1,441,270
26,254	27,517	20,641	1,171	17,500	1,817	511,004	804,606	22,800	7,612,149
-	-	-	-	-	-	-	-	-	1,462,224
22,076	-	-	-	25,001	675	-	5,350	-	60,099
-	-	-	-	-	-	-	-	-	4,123,172
-	-	-	-	-	-	25	-	-	25
22,076	-	-	-	25,001	675	25	5,350	-	5,645,520
4,178	27,517	20,641	1,171	(7,501)	1,142	510,979	799,256	22,800	1,966,629
-	-	-	-	-	-	-	-	-	-
-	-	(5,000)	-	(6,174)	-	-	(390,861)	-	(409,785)
-	-	(5,000)	-	(6,174)	-	-	(390,861)	-	(409,785)
4,178	27,517	15,641	1,171	(13,675)	1,142	510,979	408,395	22,800	1,556,844
18,210	379,583	25,425	6,771	13,675	334	179	525,822	696,156	6,255,812
\$ 22,388	\$ 407,100	\$ 41,066	\$ 7,942	\$ -	\$ 1,476	\$ 511,158	\$ 934,217	\$ 718,956	\$ 7,812,656

Nonmajor Enterprise Funds

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

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

City of Ankeny, Iowa

Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2015

	Enterprise Funds		
	Solid Waste	Otter Creek Golf Course	Totals
Assets			
Current assets:			
Cash and cash equivalents	\$ 77,836	\$ 234,004	\$ 311,840
Receivables:			
Accounts	69,357	46,076	115,433
Special Assessment	191	-	191
Intergovernmental	-	60	60
Inventory	-	56,809	56,809
Total current assets	147,384	336,949	484,333
Noncurrent assets:			
Capital assets:			
Land	-	985,942	985,942
Depreciable assets, net of accumulated depreciation	-	3,934,711	3,934,711
Total capital assets	-	4,920,653	4,920,653
Total noncurrent assets	-	4,920,653	4,920,653
Total assets	147,384	5,257,602	5,404,986
Deferred Outflows of Resources			
Pension related deferred outflows	1,575	70,504	72,079
Liabilities			
Current liabilities:			
Accounts payable	54,852	66,550	121,402
Accrued wages	1,784	50,621	52,405
Due to other funds	-	96,427	96,427
Compensated absences payable	-	16,616	16,616
Total current liabilities	56,636	230,214	286,850
Noncurrent liabilities:			
Early retirement benefit payable	-	-	-
Other postemployment benefits	-	4,019	4,019
Compensated absences payable	-	12,100	12,100
Advances from other funds	-	207,837	207,837
Net pension liability	7,444	333,284	340,728
Total noncurrent liabilities	7,444	557,240	564,684
Total liabilities	64,080	787,454	851,534
Deferred Inflows of Resources			
Pension related deferred inflows	2,839	127,105	129,944
Net Position			
Net investment in capital assets	-	4,920,653	4,920,653
Unrestricted	82,040	(507,106)	(425,066)
Total net position	\$ 82,040	\$ 4,413,547	\$ 4,495,587

City of Ankeny, Iowa

**Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2015**

	Enterprise Funds		
	Solid Waste	Otter Creek Golf Course	Totals
Operating revenues:			
Charges for services	\$ 616,394	\$ 999,854	\$ 1,616,248
Other	-	630,126	630,126
Total operating revenues	616,394	1,629,980	2,246,374
Operating expenses:			
Personal services	16,946	814,771	831,717
Contractual services	593,339	225,856	819,195
Operating supplies	(3,870)	439,997	436,127
Depreciation	-	232,861	232,861
Total operating expenses	606,415	1,713,485	2,319,900
Operating income (loss)	9,979	(83,505)	(73,526)
Nonoperating revenues (expenses):			
Interest earnings	105	346	451
Interest expense	-	(9,511)	(9,511)
Total nonoperating revenues (expenses)	105	(9,165)	(9,060)
Net income (loss) before contributions and transfers	10,084	(92,670)	(82,586)
Capital contributions	-	-	0
Transfers in	7,750	-	7,750
Change in net position	17,834	(92,670)	(74,836)
Total net position, beginning, as restated	64,206	4,506,217	4,570,423
Total net position, ending	\$ 82,040	\$ 4,413,547	\$ 4,495,587

City of Ankeny, Iowa

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2015

	Enterprise Funds		
	Solid Waste	Otter Creek Golf Course	Totals
Cash flows from operating activities			
Receipts from customers	\$ 613,022	\$ 1,685,709	\$ 2,298,731
Payments to suppliers	(593,811)	(657,012)	(1,250,823)
Payments to employees	(17,163)	(836,644)	(853,807)
Net cash (used) by operating activities	2,048	192,053	194,101
Cash flows from noncapital financing activities			
Payments made on interfund accounts	-	(112,115)	(112,115)
Loans received from other funds	-	-	0
Transfers from other funds	7,750	-	7,750
Net cash provided (used) by noncapital financing activities	7,750	(112,115)	(104,365)
Cash flows from capital and related financing activities			
Proceeds from long-term debt, net of bond issue costs	-	-	-
Purchase of capital assets	-	(5,250)	(5,250)
Net cash (used) by capital and related financing activities	-	(5,250)	(5,250)
Cash flows from investing activities:			
Interest received	105	346	451
Net cash provided (used) by investing activities	105	346	451
Net (decrease) in cash and cash equivalents	9,903	75,034	84,937
Balances, beginning of year	67,933	158,970	226,903
Balances, end of year	\$ 77,836	\$ 234,004	\$ 311,840
Reconciliation of operating (loss) to net cash (used) by operating activities			
Operating (loss)	\$ 9,979	\$ (83,505)	\$ (73,526)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:			
Depreciation	-	232,861	232,861
Changes in assets and liabilities:			
Receivables, net	(3,372)	55,729	52,357
Inventory	-	17,754	17,754
Accounts and other payables	(4,559)	(30,786)	(35,345)
Net cash (used) by operating activities	\$ 2,048	\$ 192,053	\$ 194,101
Noncash capital and related financing activities:			
Contribution of capital assets	\$ -	\$ -	\$ -

Internal Service Funds

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

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

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

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

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

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

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

City of Ankeny, Iowa

Combining Statement of Net Position
Internal Service Funds
June 30, 2015

	Central Garage	Risk Management	Equipment Reserve	Sustainability Revolving Loan	Economic Development Revolving	Health Insurance	Total
Assets							
Current assets:							
Cash and cash equivalents	\$ 334,177	\$ 642,024	\$ 1,691,288	\$ 13,798	\$ 208,078	\$ 1,936,622	\$ 4,825,987
Receivables:							
Interest	-	-	25	-	-	-	25
Accounts	-	9,619	-	-	-	1,168	10,787
Intergovernmental	13,231	976	-	-	-	-	14,207
Prepaid expenses	-	113,534	-	-	-	-	113,534
Inventory	198,482	-	-	-	-	-	198,482
Due from other funds	-	-	358,648	2,385	-	-	361,033
Total current assets	545,890	766,153	2,049,961	16,183	208,078	1,937,790	5,524,055
Noncurrent assets:							
Advances to other funds	-	-	370,282	12,172	-	-	382,454
Capital Asset							
Depreciable assets, net of accumulated depreciation	4,095	30,787	-	-	-	-	34,882
Total capital assets	4,095	30,787	-	-	-	-	34,882
Total noncurrent assets	4,095	30,787	370,282	12,172	-	-	417,336
Total assets	549,985	796,940	2,420,243	28,355	208,078	1,937,790	5,941,391
Deferred Outflows of Resources							
Pension related deferred outflows	27,300	-	-	-	-	-	27,300
Liabilities							
Current liabilities:							
Accounts payable	19,918	15,380	-	-	-	3,663	38,961
Accrued wages	12,095	-	-	-	-	-	12,095
Claims payable	-	-	-	-	-	443,957	443,957
Due to other funds	-	-	-	-	-	-	-
Compensated absences payable	6,005	-	-	-	-	-	6,005
Total current liabilities	38,018	15,380	-	-	-	447,620	501,018
Noncurrent liabilities:							
Other post employment benefits	3,215	-	-	-	-	-	3,215
Compensated absences payable	16,986	-	-	-	-	-	16,986
Net pension liability	129,050	-	-	-	-	-	129,050
Total noncurrent liabilities	149,251	-	-	-	-	-	149,251
Total liabilities	187,269	15,380	-	-	-	447,620	650,269
Deferred Inflows of Resources							
Pension related deferred inflows	49,216	-	-	-	-	-	49,216
Net Position							
Net investment in capital assets	4,095	30,787	-	-	-	-	34,882
Unrestricted	336,705	750,773	2,420,243	28,355	208,078	1,490,170	5,234,324
Total net position	\$ 340,800	\$ 781,560	\$ 2,420,243	\$ 28,355	\$ 208,078	\$ 1,490,170	\$ 5,269,206

City of Ankeny, Iowa

Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2015

	Central Garage	Risk Management	Equipment Reserve	Sustainability Revolving Loan	Economic Development Revolving	Health Insurance	Total
Operating revenues:							
Charges for services	\$ 978,840	\$ 943,000	\$ -	\$ -	\$ -	\$ 2,839,423	\$ 4,761,263
Other	17,440	47,517	-	-	341,734	3,688	410,379
Total operating revenues	996,280	990,517	-	-	341,734	2,843,111	5,171,642
Operating expenses:							
Personal services	302,632	452,711	-	-	-	5,969	761,312
Contractual services	13,031	444,387	-	-	385,785	2,928,950	3,772,153
Operating supplies	545,844	-	-	-	-	-	545,844
Depreciation	10,688	6,734	-	-	-	-	17,422
Total operating expenses	872,195	903,832	-	-	385,785	2,934,919	5,096,731
Operating income (loss)	124,085	86,685	-	-	(44,051)	(91,808)	74,911
Nonoperating revenues:							
Interest earnings	436	815	26,924	18	398	3,212	31,803
Loss on disposal of fixed assets	-	(2,565)	-	-	-	-	(2,565)
Total nonoperating revenues	436	(1,750)	26,924	18	398	3,212	29,238
Change in net position	124,521	84,935	26,924	18	(43,653)	(88,596)	104,149
Total net position, beginning, as restated	216,279	696,625	2,393,319	28,337	251,731	1,578,766	5,165,057
Total net position, ending	\$ 340,800	\$ 781,560	\$ 2,420,243	\$ 28,355	\$ 208,078	\$ 1,490,170	\$ 5,269,206

City of Ankeny, Iowa

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2015

	Central Garage	Risk Management	Equipment Reserve	Sustainability Revolving Loan	Economic Development Revolving	Health Insurance	Total
Cash flows from operating activities							
Cash received from customers	\$ 994,985	\$ 979,935	\$ -	\$ -	\$ 341,734	\$ 2,843,233	\$ 5,159,887
Payments to suppliers	(628,274)	(1,000,646)	-	-	(385,785)	(2,957,322)	(4,972,027)
Payments to employees	(310,801)	-	-	-	-	(5,823)	(316,624)
Net cash provided (used) by operating activities	55,910	(20,711)	-	-	(44,051)	(119,912)	(128,764)
Cash flows from noncapital financing activities							
Payments received on interfund accounts	-	-	457,306	2,385	-	-	459,691
Loans issued to other funds	-	-	(38,904)	-	-	-	(38,904)
Net cash provided by noncapital financing activities	-	-	418,402	2,385.00	-	-	420,787
Cash flows from capital and related financing activities							
Purchase of capital assets	-	-	-	-	-	-	0
Cash flows from investing activities							
Interest received	436	815	26,920	18	398	3,212	31,799
Net cash provided by investing activities	436	815	26,920	18	398	3,212	31,799
Net increase (decrease) in cash and cash equivalents	56,346	(19,896)	445,322	2,403	(43,653)	(116,700)	323,822
Cash and cash equivalents, beginning	277,831	661,920	1,245,966	11,395	251,731	2,053,322	4,502,165
Cash and cash equivalents, ending	\$ 334,177	\$ 642,024	\$ 1,691,288	\$ 13,798	\$ 208,078	\$ 1,936,622	\$ 4,825,987
Reconciliation of operating income (loss) to net cash provided (used) by operating activities							
Operating income (loss)	\$ 124,085	\$ 86,685	\$ -	\$ -	\$ (44,051)	\$ (91,808)	\$ 74,911
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	10,688	6,734	-	-	-	-	17,422
Changes in assets and liabilities:							
Receivables, net	(1,295)	(10,582)	-	-	-	122	(11,755)
Prepaid expenses	-	(102,878)	-	-	-	-	(102,878)
Inventory	(59,834)	-	-	-	-	-	(59,834)
Accounts and other payables	(18,616)	(670)	-	-	-	796	(18,490)
Claims payable	882	-	-	-	-	(29,022)	(28,140)
Net cash provided (used) by operating activities	\$ 55,910	\$ (20,711)	\$ -	\$ -	\$ (44,051)	\$ (119,912)	\$ (128,764)

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

City of Ankeny, Iowa

**Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules By Source
June 30, 2015 and 2014**

	2015	2014
Governmental funds capital assets:		
Land	\$ 8,123,698	\$ 8,111,522
Other improvements	36,178,957	34,145,543
Infrastructure	194,571,497	164,116,142
Buildings	42,922,038	42,922,038
Machinery and equipment	16,058,838	15,715,896
Furniture and fixtures	1,459,706	1,459,706
Construction in progress	11,144,538	30,810,287
 Total governmental funds capital assets	 \$ 310,459,272	 \$ 297,281,133
 Investment in governmental funds capital assets by source:		
General fund	\$ 21,401,988	\$ 21,194,349
Special revenue funds	6,840,970	6,715,467
Capital project funds	183,831,185	175,888,166
Local, state, and federal grants and donations	98,385,126	93,483,151
 Total investment in governmental funds capital assets by source	 \$ 310,459,272	 \$ 297,281,133

City of Ankeny, Iowa

**Comparative Schedule By Function and Activity
June 30, 2015**

	<u>Land</u>	<u>Other Improvements</u>	<u>Infrastructure</u>
Public safety:			
Police	\$ 29,212	\$ -	\$ -
Fire and ambulance	669,620	-	-
Code enforcement	-	-	-
Total public safety	<u>698,832</u>	<u>-</u>	<u>-</u>
Health and social services:			
Mosquito control	-	-	-
Public relations	-	-	-
Total health and social services	<u>-</u>	<u>-</u>	<u>-</u>
Culture and recreation:			
Library	14,361	94,657	-
Parks and recreation	4,009,703	34,107,061	1,050,502
Total culture and recreation	<u>4,024,064</u>	<u>34,201,718</u>	<u>1,050,502</u>
Public works:			
Public works	<u>3,301,271</u>	<u>1,923,999</u>	<u>193,520,993</u>
Community and economic development:			
Planning and zoning	-	-	-
General government:			
Council and management	<u>99,531</u>	<u>53,241</u>	<u>-</u>
Total general capital assets	<u>\$ 8,123,698</u>	<u>\$ 36,178,957</u>	<u>\$ 194,571,497</u>

Buildings	Machinery and Equipment	Furniture and Fixtures	Construction in Progress	Total
\$ 17,600,265	\$ 2,297,631	\$ 239,757	\$ -	\$ 20,166,865
9,950,397	5,018,273	48,316	-	15,686,606
-	90,009	-	-	90,009
<u>27,550,662</u>	<u>7,405,913</u>	<u>288,073</u>	<u>-</u>	<u>35,943,480</u>
-	34,130	-	-	34,130
-	18,802	-	-	18,802
-	52,932	-	-	52,932
3,149,085	579,861	619,879	910,673	5,368,516
5,032,888	1,369,385	45,220	4,771,017	50,385,776
<u>8,181,973</u>	<u>1,949,246</u>	<u>665,099</u>	<u>5,681,690</u>	<u>55,754,292</u>
<u>3,551,665</u>	<u>5,286,917</u>	<u>-</u>	<u>5,462,848</u>	<u>213,047,693</u>
-	44,251	-	-	44,251
3,637,738	1,319,577	506,534	-	5,616,621
<u>\$ 42,922,038</u>	<u>\$ 16,058,838</u>	<u>\$ 1,459,706</u>	<u>\$ 11,144,538</u>	<u>\$ 310,459,272</u>

City of Ankeny, Iowa

**Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
Year Ended June 30, 2015**

	Governmental Funds Capital Assets June 30, 2014	Additions	Deductions	Governmental Funds Capital Assets June 30, 2015
Public safety:				
Police	\$ 20,134,219	\$ 260,399	\$ 227,753	\$ 20,166,865
Fire and ambulance	15,653,322	33,284	-	15,686,606
Code enforcement	117,450	33,484	60,925	90,009
Total public safety	35,904,991	327,167	288,678	35,943,480
Health & social services:				
Mosquito control	34,130	-	-	34,130
Public relations	18,802	-	-	18,802
Total health & social services	52,932	-	-	52,932
Culture and recreation:				
Library	5,368,516	-	-	5,368,516
Parks and recreation	48,214,608	3,911,599	1,740,431	50,385,776
Total culture and recreation	53,583,124	3,911,599	1,740,431	55,754,292
Public works:				
Public works	202,156,759	33,271,772	22,380,838	213,047,693
Community & economic development:				
Planning & zoning	25,126	19,125	-	44,251
General government:				
Council and management	5,558,202	58,419	-	5,616,621
Total general capital assets	\$ 297,281,133	\$ 37,588,082	\$24,409,947	\$ 310,459,272



Statistical Section

City of Ankeny, Iowa

Statistical Section Contents

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

Contents	Page
Financial Trends These schedules contain information to help the reader understand how the City's financial performance and well being have changed over time.	115
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	123
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	129
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment with which the City's financial activities take place.	136
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	139

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

City of Ankeny, Iowa

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

	Fiscal Year				
	2015 ⁽³⁾	2014 ⁽²⁾	2013	2012	2011
Governmental activities:					
Net investment in capital assets	\$ 103,373,925	\$ 102,272,116	\$ 81,318,637	\$ 61,719,171	\$ 60,286,690
Restricted:					
Debt service	3,952,950	3,649,020	2,698,019	2,214,278	2,551,310
Enabling legislation	770,940	575,499	852,320	764,803	574,140
Restricted by other governments	1,080,169	970,469	643,904	718,745	524,789
Donor restrictions	1,589,627	639,510	110,847	433,272	1,365,322
Unrestricted	3,738,018	14,875,935	23,190,937	21,946,490	9,390,782
Total governmental activities net position	<u>114,505,629</u>	<u>122,982,549</u>	<u>108,814,664</u>	<u>87,796,759</u>	<u>74,693,032</u>
Business-type activities:					
Net investment in capital assets	102,292,319	102,489,297	96,614,000	89,543,803	85,278,077
Restricted:					
Debt service	2,626,415	2,686,691	2,725,391	2,953,164	2,967,095
Unrestricted	-	11,660,796	12,128,403	11,971,124	7,878,667
Total business-type activities net position	<u>104,918,735</u>	<u>116,836,785</u>	<u>111,467,794</u>	<u>104,468,091</u>	<u>96,123,839</u>
Primary government:					
Net investment in capital assets	205,666,244	204,761,413	177,932,637	151,262,974	145,564,767
Restricted: ⁽¹⁾					
Debt service	6,579,365	6,335,711	5,423,410	5,167,442	5,518,405
Enabling legislation	770,940	575,499	852,320	764,803	574,140
Restricted by other governments	1,080,169	970,469	643,904	718,745	524,789
Donor restrictions	1,589,627	639,510	110,847	433,272	1,365,322
Unrestricted	3,738,018	26,536,731	35,319,340	33,917,614	17,269,448
Total primary government net position	<u>\$ 219,424,363</u>	<u>\$ 239,819,333</u>	<u>\$ 220,282,458</u>	<u>\$ 192,264,850</u>	<u>\$ 170,816,871</u>

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

⁽²⁾ Net position for fiscal year 2014 is restated to include changes relating to GASB Statement No. 65.

⁽³⁾ Net position for fiscal year 2015 is restated to include changes relating to GASB Statement No. 68.

Fiscal Year				
2010	2009	2008	2007	2006
\$ 59,847,130	\$ 51,005,350	\$ 59,457,512	\$ 65,059,807	\$ 60,796,555
2,896,848	2,009,317	3,033,897	953,844	277,845
494,812	416,696	417,300	475,654	443,893
663,182	354,817	201,617	550,532	973,642
644,531	1,317,881	5,438,401	176,481	659,074
3,429,607	17,019,598	8,171,093	6,884,490	7,446,042
<u>67,976,110</u>	<u>72,123,659</u>	<u>76,719,820</u>	<u>74,100,808</u>	<u>70,597,051</u>
83,083,098	82,762,686	77,349,435	71,526,488	69,831,317
3,017,297	2,614,509	1,553,787	1,579,500	1,256,848
7,794,808	9,440,764	9,501,662	10,007,638	10,393,160
<u>93,895,203</u>	<u>94,817,959</u>	<u>88,404,884</u>	<u>83,113,626</u>	<u>81,481,325</u>
142,930,228	133,768,036	136,806,947	136,586,295	130,627,872
5,914,145	4,623,826	4,587,684	2,533,344	1,534,693
494,812	416,696	417,300	475,654	443,893
663,182	354,817	201,617	550,532	973,642
644,531	1,317,881	5,438,401	176,481	659,074
11,224,415	26,460,362	17,672,755	16,892,128	17,839,202
<u>\$ 161,871,313</u>	<u>\$ 166,941,619</u>	<u>\$ 165,124,704</u>	<u>\$ 157,214,434</u>	<u>\$ 152,078,376</u>

City of Ankeny, Iowa

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

	Fiscal Year				
	2015 ⁽²⁾	2014 ⁽¹⁾	2013	2012	2011
Expenses					
Governmental activities:					
Public safety	\$ 13,737,899	\$ 14,002,165	\$ 12,860,105	\$ 12,020,771	\$ 9,421,395
Health and social services	234,955	213,674	307,809	318,200	299,558
Culture and recreation	6,779,873	6,857,595	7,153,442	6,268,871	6,584,196
Public works	11,482,409	9,805,050	11,545,237	13,151,367	10,933,113
Community and economic development	3,170,616	3,207,767	2,668,602	3,191,753	2,530,503
General government	2,884,021	3,007,844	3,157,581	3,133,067	2,615,502
Interest on long-term debt	4,689,986	4,664,373	3,735,351	3,966,374	4,089,033
Total governmental activities expenses	<u>42,979,760</u>	<u>41,758,468</u>	<u>41,428,127</u>	<u>42,050,403</u>	<u>36,473,300</u>
Business-type activities:					
Solid waste	606,498	630,986	582,002	553,677	534,144
Water	7,186,296	8,061,064	7,597,352	6,896,336	6,426,365
Sewer	10,829,982	11,433,365	9,171,890	8,559,386	6,921,235
Storm water	788,361	722,840	407,890	470,710	274,327
Otter Creek golf course	1,722,279	1,784,889	1,828,281	1,708,377	1,672,404
Total business-type activities expenses	<u>21,133,416</u>	<u>22,633,144</u>	<u>19,587,415</u>	<u>18,188,486</u>	<u>15,828,475</u>
Total primary government expenses	<u>64,113,176</u>	<u>64,391,612</u>	<u>61,015,542</u>	<u>60,238,889</u>	<u>52,301,775</u>
Program revenues					
Governmental activities:					
Charges for services:					
Public safety	3,211,478	2,709,058	2,807,114	2,066,539	1,766,256
Culture and recreation	2,032,198	2,011,880	1,900,545	2,007,595	1,880,188
Other activities	911,602	1,112,141	694,253	794,333	660,970
Operating grants and contributions	6,482,886	6,446,526	6,776,919	4,902,587	4,474,097
Capital grants and contributions	8,691,223	6,595,282	15,538,101	12,568,192	3,615,374
Total governmental activities program revenues	<u>21,329,387</u>	<u>18,874,887</u>	<u>27,716,932</u>	<u>22,339,246</u>	<u>12,396,885</u>
Business-type activities:					
Charges for services:					
Water	8,623,161	9,722,633	8,770,876	8,281,518	6,301,828
Sewer	13,145,018	12,337,317	10,826,754	9,750,899	8,525,607
Other activities	3,430,177	3,888,802	2,746,924	2,723,003	2,595,534
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	3,757,693	3,589,778	5,117,635	5,388,700	1,156,857
Total business-type activities program revenues	<u>28,956,049</u>	<u>29,538,530</u>	<u>27,462,189</u>	<u>26,144,120</u>	<u>18,579,826</u>
Total primary government program revenues	<u>50,285,436</u>	<u>48,413,417</u>	<u>55,179,121</u>	<u>48,483,366</u>	<u>30,976,711</u>
Net (expense) revenue					
Governmental activities	(21,650,373)	(22,883,581)	(13,711,195)	(19,711,157)	(24,076,415)
Business-type activities	7,822,633	6,905,386	7,874,774	7,955,634	2,751,351
Total primary government net (expense) revenue	<u>(13,827,740)</u>	<u>(15,978,195)</u>	<u>(5,836,421)</u>	<u>(11,755,523)</u>	<u>(21,325,064)</u>
General revenues and other changes in net position					
Governmental activities:					
Taxes:					
Property taxes	33,728,940	32,109,296	30,569,114	29,205,370	27,367,573
Other taxes	3,463,454	2,976,725	2,426,806	2,815,350	1,660,528
Interest	274,793	245,565	251,805	279,326	387,829
Other	4,797	527,331	(299,359)	102,639	93,680
Transfers	1,790,167	1,556,747	1,638,056	412,199	1,283,727
Total governmental activities	<u>39,262,151</u>	<u>37,415,664</u>	<u>34,586,422</u>	<u>32,814,884</u>	<u>30,793,337</u>
Business-type activities:					
Interest	33,247	5,390	9,531	31,933	34,270
Other	681,966	308,565	753,454	768,884	726,742
Transfers	(1,790,167)	(1,556,747)	(1,638,056)	(412,199)	(1,283,727)
Total business-type activities	<u>(1,074,954)</u>	<u>(1,242,792)</u>	<u>(875,071)</u>	<u>388,618</u>	<u>(522,715)</u>
Total primary government	<u>38,187,197</u>	<u>36,172,872</u>	<u>33,711,351</u>	<u>33,203,502</u>	<u>30,270,622</u>
Changes in net position					
Governmental activities	17,611,779	14,532,083	20,875,227	13,103,727	6,716,922
Business-type activities	6,747,679	5,662,594	6,999,703	8,344,252	2,228,636
Total primary government changes in net position	<u>\$ 24,359,458</u>	<u>\$ 20,194,677</u>	<u>\$ 27,874,930</u>	<u>\$ 21,447,979</u>	<u>\$ 8,945,558</u>

⁽¹⁾ Net position for fiscal year 2014 is restated to include changes relating to GASB Statement No. 65.

⁽²⁾ Net position for fiscal year 2015 is restated to include changes relating to GASB Statement No. 68.

Fiscal Year				
2010	2009	2008	2007	2006
\$ 10,444,061	\$ 8,709,303	\$ 8,765,732	\$ 7,740,691	\$ 7,119,401
274,970	277,745	236,134	115,375	59,113
5,733,048	5,402,688	5,144,408	4,760,072	4,569,428
18,930,726	17,964,501	14,066,397	11,685,977	5,383,612
2,843,641	2,340,606	2,152,310	2,739,944	2,312,740
2,709,554	5,794,576	2,530,968	2,356,261	2,159,580
4,309,579	4,549,323	3,633,724	2,652,376	2,208,212
<u>45,245,579</u>	<u>45,038,742</u>	<u>36,529,673</u>	<u>32,050,696</u>	<u>23,812,086</u>
432,925	572,728	479,368	446,051	387,949
6,736,767	5,889,478	5,728,375	5,857,555	4,259,984
7,703,774	6,001,810	5,321,560	5,000,540	4,701,184
276,041	245,983	100,140	72,075	19,425
1,685,539	845,236	845,387	1,061,638	1,082,932
<u>16,835,046</u>	<u>13,555,235</u>	<u>12,474,830</u>	<u>12,437,859</u>	<u>10,451,474</u>
<u>62,080,625</u>	<u>58,593,978</u>	<u>49,004,503</u>	<u>44,488,555</u>	<u>34,263,560</u>
1,702,101	887,876	2,006,097	1,768,328	2,233,436
1,171,357	1,073,883	897,808	834,055	805,189
613,791	384,441	369,195	2,130,411	605,952
6,297,936	8,700,935	3,844,341	4,154,440	4,331,282
3,328,808	4,525,314	5,865,048	4,071,240	11,943,414
<u>13,113,993</u>	<u>15,572,449</u>	<u>12,982,489</u>	<u>12,958,474</u>	<u>19,919,273</u>
5,611,334	5,411,574	5,494,332	5,433,073	5,654,906
7,197,284	6,986,331	5,926,481	5,641,090	4,795,246
2,595,623	806,458	920,086	1,319,077	1,355,074
-	-	-	27,930	-
267,803	6,226,553	7,257,728	1,577,633	12,453,517
<u>15,672,044</u>	<u>19,430,916</u>	<u>19,598,627</u>	<u>13,998,803</u>	<u>24,258,743</u>
<u>28,786,037</u>	<u>35,003,365</u>	<u>32,581,116</u>	<u>26,957,277</u>	<u>44,178,016</u>
(32,131,586)	(29,466,292)	(23,547,184)	(19,092,222)	(3,892,813)
(1,163,001)	5,875,681	7,123,797	1,560,944	13,807,269
<u>(33,294,588)</u>	<u>(23,590,611)</u>	<u>(16,423,387)</u>	<u>(17,531,278)</u>	<u>9,914,456</u>
25,799,170	22,608,951	20,434,441	18,753,563	16,493,129
1,178,864	1,371,558	1,244,208	1,232,323	1,144,786
465,691	1,115,169	2,225,590	2,216,659	1,514,889
90,312	57,794	187,500	183,348	83,898
450,000	(283,341)	2,074,457	210,086	224,000
<u>27,984,037</u>	<u>24,870,131</u>	<u>26,166,196</u>	<u>22,595,979</u>	<u>19,460,702</u>
54,878	72,825	189,703	196,466	184,429
635,366	181,230	52,215	84,977	54,372
(450,000)	283,341	(2,074,457)	(210,086)	(224,000)
240,244	537,395	(1,832,539)	71,357	14,801
<u>28,224,281</u>	<u>25,407,526</u>	<u>24,333,657</u>	<u>22,667,336</u>	<u>19,475,503</u>
(4,147,549)	(4,596,161)	2,619,012	3,503,757	15,567,889
(922,757)	6,413,076	5,291,258	1,632,301	13,822,070
<u>\$ (5,070,306)</u>	<u>\$ 1,816,915</u>	<u>\$ 7,910,270</u>	<u>\$ 5,136,058</u>	<u>\$ 29,389,959</u>

City of Ankeny, Iowa

Fund Balances of Governmental Funds
Last Ten Fiscal Years ⁽¹⁾
(modified accrual basis of accounting)

	Fiscal Year				
	2015	2014	2013	2012	2011
General fund:					
Unreserved	N/A	N/A	N/A	N/A	N/A
Nonspendable	1,558	2,460	1,204	1,127	-
Assigned	-	-	-	-	139,671
Unassigned	14,486,826	12,075,671	10,035,862	8,192,665	7,064,005
Total general fund	<u>\$ 14,488,384</u>	<u>\$ 12,078,131</u>	<u>\$ 10,037,066</u>	<u>\$ 8,193,792</u>	<u>\$ 7,203,676</u>
All other governmental funds:					
Reserved	N/A	N/A	N/A	N/A	N/A
Unreserved, reported in:					
Debt service funds	N/A	N/A	N/A	N/A	N/A
Special revenue funds	N/A	N/A	N/A	N/A	N/A
Capital project funds	N/A	N/A	N/A	N/A	N/A
Restricted	34,079,133	8,386,127	14,443,001	13,207,898	16,201,069
Unassigned	-	-	-	-	(49)
Total all other governmental funds	<u>\$ 34,079,133</u>	<u>\$ 8,386,127</u>	<u>\$ 14,443,001</u>	<u>\$ 13,207,898</u>	<u>\$ 16,201,020</u>

⁽¹⁾ GASB Statement No. 54 implemented in fiscal year 2011.

N/A - Not applicable.

						Fiscal Year				
2010		2009		2008		2007		2006		
\$	5,255,100	\$	4,993,929	\$	4,715,926	\$	4,596,769	\$	3,760,757	
	-		-		-		-		-	
	N/A		N/A		N/A		N/A		N/A	
	N/A		N/A		N/A		N/A		N/A	
<u>\$</u>	<u>5,255,100</u>	<u>\$</u>	<u>4,993,929</u>	<u>\$</u>	<u>4,715,926</u>	<u>\$</u>	<u>4,596,769</u>	<u>\$</u>	<u>3,760,757</u>	
\$	2,896,848	\$	2,009,317	\$	3,033,897	\$	953,844	\$	277,845	
	-		-		-		-		-	
	1,955,382		1,970,149		6,032,229		1,607,459		2,659,219	
	2,838,206		14,519,678		31,263,350		38,064,035		24,464,550	
	N/A		N/A		N/A		N/A		N/A	
	N/A		N/A		N/A		N/A		N/A	
<u>\$</u>	<u>7,690,436</u>	<u>\$</u>	<u>18,499,144</u>	<u>\$</u>	<u>40,329,476</u>	<u>\$</u>	<u>40,625,338</u>	<u>\$</u>	<u>27,401,614</u>	

City of Ankeny, Iowa

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

	Fiscal Year				
	2015	2014	2013	2012	2011
Revenues:					
Property taxes	\$ 33,673,598	\$ 32,104,020	\$ 30,726,040	\$ 29,073,634	\$ 27,322,318
Other taxes and assessments	3,488,304	3,168,852	2,513,070	3,023,406	1,810,304
Licenses and permits	1,973,878	1,718,717	1,782,043	1,153,239	971,042
Intergovernmental	8,822,759	6,319,039	12,124,770	8,881,901	6,007,077
Charges for services	2,866,405	2,506,560	2,416,771	2,167,888	2,361,050
Use of money and property	486,074	446,173	444,938	425,785	503,883
Miscellaneous	2,509,350	3,594,044	4,396,936	1,161,456	2,438,614
Total revenues	53,820,368	49,857,405	54,404,568	45,887,309	41,414,288
Expenditures:					
Current operating:					
Public safety	13,201,079	12,552,380	11,575,134	11,234,795	9,877,600
Health and social services	239,173	273,765	264,654	310,995	287,278
Culture and recreation	5,014,492	4,936,521	5,205,203	4,657,997	4,866,728
Public works	4,790,650	4,760,984	4,471,755	4,478,092	4,194,438
Community and economic development	3,483,689	3,143,682	2,673,689	3,212,794	2,490,001
General government	2,882,502	3,107,383	3,010,877	3,015,084	2,440,504
Debt service:					
Principal	11,431,354	27,893,547	9,992,389	8,470,740	8,286,449
Lease agreement payoff	4,898,954	-	-	-	-
Interest and other charges	262,816	4,140,954	4,089,038	4,199,996	4,234,484
Bond issuance costs	12,732,191	153,690	-	-	-
Capital projects	-	21,175,094	18,672,990	20,832,387	14,959,038
Total expenditures	58,936,899	82,138,000	59,955,729	60,412,880	51,636,520
(Deficiency) of revenues (under) expenditures	(5,116,531)	(32,280,595)	(5,551,161)	(14,525,571)	(10,222,232)
Other financing sources (uses):					
Issuance of long-term debt	9,950,000	10,374,906	10,990,000	15,945,000	19,920,000
Issuance of refunding bonds	21,411,127	13,755,943	14,565,000	13,036,254	15,088,178
Premium on long-term debt	817,896	1,675,189	1,213,804	667,432	453,278
Premium on refunding bonds	2,622,005	-	-	-	-
Debt forgiven	-	902,000	-	-	-
Payment of refunded bonds	(3,371,405)	-	(19,920,000)	(17,538,321)	(16,063,791)
Transfers in	8,406,302	9,316,212	8,494,408	6,049,205	6,042,039
Transfers out	(6,616,135)	(7,759,464)	(6,856,352)	(5,637,006)	(4,758,312)
Total other financing sources (uses)	33,219,790	28,264,786	8,486,860	12,522,564	20,681,392
Net change in fund balances	\$ 28,103,259	\$ (4,015,809)	\$ 2,935,699	\$ (2,003,007)	\$ 10,459,160
Debt service as a percentage of noncapital expenditures	33.08%	52.45%	31.83%	28.42%	32.29%

(1) The State of Iowa changed the financial reporting programs, starting in fiscal year 2003, from four program to six programs for the General and Special Revenue Funds and created an additional program for the Debt Service Fund.

(2) The City started issuing a Comprehensive Annual Financial Report using guidelines issued by the Government Finance Officers Association in fiscal year 2002.

Fiscal Year				
2010	2009	2008	2007	2006
\$ 25,818,107	\$ 22,690,861	\$ 20,114,119	\$ 18,794,111	\$ 16,514,753
1,483,931	1,349,516	1,620,228	1,531,956	1,443,778
887,353	783,144	873,022	1,101,473	1,494,933
6,214,220	6,988,555	4,132,078	7,808,298	4,723,686
1,626,908	1,456,300	1,684,319	1,378,617	1,125,569
576,364	1,213,802	2,402,016	2,299,353	1,593,597
3,302,244	4,805,303	6,264,216	730,474	1,945,994
<u>39,909,127</u>	<u>39,287,483</u>	<u>37,089,998</u>	<u>33,644,282</u>	<u>28,842,310</u>
9,626,447	9,024,964	8,762,449	8,017,872	7,245,549
264,653	272,534	241,908	106,535	66,687
4,700,831	4,563,000	4,680,218	4,430,748	3,535,146
3,843,624	3,534,165	4,469,736	3,770,657	3,354,035
2,619,002	2,351,754	2,179,236	2,767,813	2,323,059
2,488,046	5,594,008	2,357,372	2,273,884	2,153,257
5,798,945	40,505,421	17,340,988	5,580,852	4,977,420
-	-	-	-	-
4,457,119	4,495,158	4,224,025	1,624,323	1,586,200
-	-	-	-	-
<u>27,175,373</u>	<u>35,808,040</u>	<u>34,159,265</u>	<u>32,331,256</u>	<u>25,211,102</u>
<u>60,974,040</u>	<u>106,149,045</u>	<u>78,415,197</u>	<u>60,903,940</u>	<u>50,452,455</u>
<u>(21,064,913)</u>	<u>(66,861,562)</u>	<u>(41,325,199)</u>	<u>(27,259,658)</u>	<u>(21,610,145)</u>
11,055,000	44,647,082	40,072,037	41,291,341	16,890,189
6,825,640	-	-	-	-
111,736	1,095,239	-	17,967	31,391
-	-	-	-	-
-	-	-	-	-
(7,925,000)	-	-	-	-
8,391,781	10,427,812	8,218,219	5,467,030	5,741,353
<u>(7,941,781)</u>	<u>(10,711,153)</u>	<u>(7,143,762)</u>	<u>(5,456,944)</u>	<u>(5,517,353)</u>
<u>10,517,376</u>	<u>45,458,980</u>	<u>41,146,494</u>	<u>41,319,394</u>	<u>17,145,580</u>
<u>\$ (10,547,537)</u>	<u>\$ (21,402,582)</u>	<u>\$ (178,705)</u>	<u>\$ 14,059,736</u>	<u>\$ (4,464,565)</u>
<u>22.45%</u>	<u>54.97%</u>	<u>43.30%</u>	<u>15.26%</u>	<u>20.31%</u>

City of Ankeny, Iowa

Actual Valuation and Taxable Valuation of Property ⁽¹⁾
Last Ten Fiscal Years

Actual Valuation

	As of January 1:				
	2013	2012	2011	2010	2009
Residential	\$ 2,957,297,493	\$ 2,828,507,923	\$ 2,783,244,740	\$ 2,769,055,320	\$ 2,673,211,940
Agricultural	8,009,031	7,003,860	6,829,650	6,092,180	6,339,650
Commercial	598,886,422	586,870,942	590,069,450	607,693,640	600,996,510
Industrial	64,940,300	52,356,270	59,495,960	62,080,920	61,474,170
Personal/Real estate	-	-	-	-	-
Utilities	47,507,750	52,762,672	49,901,818	48,318,830	46,596,775
Gross valuation	3,676,640,996	3,527,501,667	3,489,541,618	3,493,240,890	3,388,619,045
Less: Military exemption	3,599,921	3,568,989	3,498,538	3,477,414	3,434,778
Net valuation	3,673,041,075	3,523,932,678	3,486,043,080	3,489,763,476	3,385,184,267
Incremental value	204,109,023	183,259,525	157,507,600	166,005,600	171,913,600
Actual valuation	\$ 3,877,150,098	\$ 3,707,192,203	\$ 3,643,550,680	\$ 3,655,769,076	\$ 3,557,097,867
Percent change	4.585%	1.747%	-0.334%	2.774%	3.707%

Taxable Valuation

	As of January 1:				
	2013	2012	2011	2010	2009
Residential	\$ 1,578,721,857	\$ 1,466,503,337	\$ 1,395,090,900	\$ 1,325,849,350	\$ 1,236,013,400
Agricultural	3,475,843	4,197,806	3,929,850	4,204,540	4,201,450
Commercial	562,981,878	586,870,942	590,069,450	607,693,640	600,996,510
Industrial	60,743,363	52,356,270	59,495,960	62,080,920	61,474,170
Personal/Real estate	-	-	-	-	-
Utilities	38,673,135	37,092,421	36,289,968	36,097,110	33,857,524
Gross valuation	2,244,596,076	2,147,020,776	2,084,876,128	2,035,925,560	1,936,543,054
Less: Military exemption	3,599,921	3,568,989	3,498,538	3,477,414	3,434,778
Net valuation	2,240,996,155	2,143,451,787	2,081,377,590	2,032,448,146	1,933,108,276
Incremental value	204,109,023	183,259,525	157,507,600	166,005,600	171,913,600
Taxable valuation	\$ 2,445,105,178	\$ 2,326,711,312	\$ 2,238,885,190	\$ 2,198,453,746	\$ 2,105,021,876
Percent change	5.088%	3.923%	1.839%	4.439%	5.747%

Total Direct Tax Rate

City of Ankeny	\$ 11.90000	\$ 12.02746	\$ 12.02746	\$ 11.17646	\$ 11.17646
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⁽¹⁾ Polk County Auditor

2008	2007	2006	2005	2004
\$ 2,596,530,510	\$ 2,454,017,210	\$ 2,190,161,260	\$ 1,917,419,643	\$ 1,604,885,354
3,732,830	3,710,470	2,582,650	2,085,460	2,215,860
571,523,700	532,071,600	472,035,700	435,008,427	373,093,369
60,403,000	59,473,590	60,236,410	58,750,920	57,205,307
-	-	-	-	-
45,083,718	40,123,838	41,807,652	40,205,954	35,528,211
3,277,273,758	3,089,396,708	2,766,823,672	2,453,470,404	2,072,928,101
3,368,056	3,260,660	3,153,956	2,946,532	2,753,924
3,273,905,702	3,086,136,048	2,763,669,716	2,450,523,872	2,070,174,177
156,056,000	156,191,910	139,675,000	137,270,000	122,335,000
\$ 3,429,961,702	\$ 3,242,327,958	\$ 2,903,344,716	\$ 2,587,793,872	\$ 2,192,509,177
5.787%	11.676%	12.194%	18.029%	10.137%

2008	2007	2006	2005	2004
\$ 1,167,749,680	\$ 1,066,470,820	\$ 985,221,470	\$ 870,781,373	\$ 759,608,294
3,503,500	3,343,130	2,582,650	2,085,460	2,215,860
571,523,700	530,311,700	472,035,700	430,373,567	373,093,369
60,403,000	59,473,590	60,236,410	58,750,920	57,205,307
-	-	-	-	-
34,751,309	34,238,011	33,262,313	35,229,249	32,955,571
1,837,931,189	1,693,837,251	1,553,338,543	1,397,220,569	1,225,078,401
3,368,056	3,260,660	3,153,956	2,946,532	2,753,924
1,834,563,133	1,690,576,591	1,550,184,587	1,394,274,037	1,222,324,477
156,056,000	156,191,910	139,675,000	137,270,000	122,335,000
\$ 1,990,619,133	\$ 1,846,768,501	\$ 1,689,859,587	\$ 1,531,544,037	\$ 1,344,659,477
7.789%	9.285%	10.337%	13.898%	8.141%

\$ 11.17646	\$ 10.52956	\$ 10.28956	\$ 10.33956	\$ 10.38956
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City of Ankeny, Iowa

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

Fiscal Year	City Direct Rates					Total Direct
	General Fund	Aviation Authority	Debt Service	Police & Fire Retirement		
Ankeny Community School District:						
2006	7.05501	0.14821	2.93010	0.25624		10.38956
2007	6.85501	0.14821	2.93010	0.40624		10.33956
2008	6.80501	0.14821	2.93010	0.40624		10.28956
2009	7.19501	0.14821	2.78010	0.40624		10.52956
2010	7.13301	0.14821	3.49900	0.39624		11.17646
2011	7.13301	0.14821	3.49900	0.39624		11.17646
2012	7.08301	0.14821	3.49900	0.44624		11.17646
2013	7.03301	0.14821	4.35000	0.49624		12.02746
2014	7.03301	0.14821	4.35000	0.49624		12.02746
2015	6.89000	0.15000	4.30000	0.56000		11.90000
Saydel Community School District ⁽²⁾ :						
2006	7.05501	0.14821	2.93010	0.25624		10.38956
2007	6.85501	0.14821	2.93010	0.40624		10.33956
2008	6.80501	0.14821	2.93010	0.40624		10.28956
2009	7.19501	0.14821	2.78010	0.40624		10.52956
2010	7.13301	0.14821	3.49900	0.39624		11.17646
2011	7.13301	0.14821	3.49900	0.39624		11.17646
2012	7.08301	0.14821	3.49900	0.44624		11.17646
2013	7.03301	0.14821	4.35000	0.49624		12.02746
2014	7.03301	0.14821	4.35000	0.49624		12.02746
2015	6.89000	0.15000	4.30000	0.56000		11.90000
North Polk Community School District ⁽³⁾ :						
2006	7.05501	0.14821	2.93010	0.25624		10.38956
2007	6.85501	0.14821	2.93010	0.40624		10.33956
2008	6.80501	0.14821	2.93010	0.40624		10.28956
2009	7.19501	0.14821	2.78010	0.40624		10.52956
2010	7.13301	0.14821	3.49900	0.39624		11.17646
2011	7.13301	0.14821	3.49900	0.39624		11.17646
2012	7.08301	0.14821	3.49900	0.44624		11.17646
2013	7.03301	0.14821	4.35000	0.49624		12.02746
2014	7.03301	0.14821	4.35000	0.49624		12.02746
2015	6.89000	0.15000	4.30000	0.56000		11.90000

⁽¹⁾ Polk County Auditor

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

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

N/A - Not applicable.

School District	County and Assessor	Overlapping Rates			Total Direct and Overlapping Rates
		Regional Transit	Community College	State	
16.70201	9.94318	N/A	0.68408	0.00400	37.72283
16.70575	10.17511	0.08789	0.68688	0.00400	37.99919
17.90637	10.16218	0.10939	0.60276	0.00350	39.07376
19.58053	10.12532	0.12117	0.56386	0.00350	40.92394
19.84290	9.97134	0.22946	0.56778	0.00300	41.79094
22.34576	10.05423	0.24290	0.56008	0.00340	44.38283
21.07036	10.01509	0.25900	0.59018	0.00320	43.11429
20.59177	10.07059	0.40900	0.58466	0.00330	43.68678
20.33221	10.25715	0.48900	0.69120	0.00330	43.80032
20.18299	10.60460	0.55400	0.65724	0.00330	43.90213
13.12949	9.94318	N/A	0.68408	0.00400	34.15031
13.38621	10.17511	0.08789	0.68688	0.00400	34.67965
13.62992	10.16218	0.10939	0.60276	0.00350	34.79731
13.67722	10.12532	0.12117	0.56386	0.00350	35.02063
13.98315	9.97134	0.22946	0.56778	0.00300	35.93119
13.97723	10.05423	0.24290	0.56008	0.00340	36.01430
13.97969	10.01509	0.25900	0.59018	0.00320	36.02362
13.47994	10.07059	0.40900	0.58466	0.00330	36.57495
12.87971	10.25715	0.48900	0.69120	0.00330	36.34782
12.87969	10.60460	0.55400	0.65724	0.00330	36.59883
N/A	9.94318	N/A	0.68408	0.00400	N/A
N/A	10.17511	0.08789	0.68688	0.00400	N/A
17.46387	10.16218	0.10939	0.60276	0.00350	38.63126
17.77387	10.12532	0.12117	0.56386	0.00350	39.11728
17.39071	9.97134	0.22946	0.56778	0.00300	39.33875
18.26638	10.05423	0.24290	0.56008	0.00340	40.30345
19.85396	10.01509	0.25900	0.59018	0.00320	41.89789
19.99983	10.07059	0.40900	0.58466	0.00330	43.09484
19.99999	10.25715	0.48900	0.69120	0.00330	43.46810
19.99113	10.60460	0.55400	0.65724	0.00330	43.71027

City of Ankeny, Iowa

Principal Property Taxpayers ⁽¹⁾
Current Year and Nine Years Ago

Taxpayer	Type of Business	Fiscal Year 2015			Fiscal Year 2006		
		January 1, 2013 Taxable Valuation	Rank	Percent of Total Taxable Value	January 1, 2004 Taxable Valuation	Rank	Percent of Total Taxable Value
MidAmerican Energy	Utility	\$ 30,765,821	1	1.26%			
Denny Elwell Family, LC	Real estate development	27,859,057	2	1.14%	14,520,440	5	1.08%
Deere & Company	Farm & construction equipment	26,511,460	3	1.08%	29,063,030	1	2.16%
Casey's General Stores	Corporate headquarters/distribution	20,693,850	4	0.85%	16,077,060	4	1.20%
ACH Food Companies, Inc. ⁽³⁾	Spice distribution	18,525,000	5	0.76%	24,910,000	2	1.85%
DLE Seven LLC	Real estate development	17,250,991	6	0.71%			
DRA Properties, LC	Real estate	17,094,654	7	0.70%			
Perishable Distributors of Iowa	Food distribution	16,085,711	8	0.66%	18,343,090	3	1.36%
Ankeny North MOB, LLC ⁽²⁾	Real estate development	15,048,000	9	0.62%			
Karl Chevrolet	Automobile sales	14,364,000	10	0.59%	9,843,320	8	0.73%
Wal-Mart	Retail merchandise/grocery				13,336,170	6	0.99%
Target	Retail merchandise/grocery				11,211,080	7	0.83%
Menards, Inc.	Retail home improvement store				9,049,260	9	0.67%
Sun Secured Financial	Mobile home park				8,658,020	10	0.64%
		<u>\$ 204,198,544</u>		<u>8.35%</u>	<u>\$ 155,011,470</u>		<u>11.53%</u>

⁽¹⁾ Polk County Assessor

⁽²⁾ Formerly Signature Properties, LLC

⁽³⁾ Formerly Tone Brothers, Inc.

City of Ankeny, Iowa

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Property Tax Levy	Collected within the Year of the Levy		Collections in Subsequent Years	Total Property Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
		Amount	Percentage of Levy			
2006	\$ 16,529,809	\$ 16,512,978	99.90%	5	\$ 16,512,983	99.90%
2007	18,815,615	18,791,243	99.87%	100	18,791,343	99.87%
2008	20,427,095	20,303,603	99.40%	634	20,304,237	99.40%
2009	22,717,538	22,823,558	100.47% ⁽¹⁾	17	22,823,576	100.47% ⁽²⁾
2010	25,664,841	25,675,450	100.04% ⁽¹⁾	372	25,675,822	100.04% ⁽²⁾
2011	27,355,294	27,799,160	101.62% ⁽¹⁾	136	27,799,295	101.62% ⁽²⁾
2012	28,760,314	28,465,728	98.98%	1,482	28,467,210	98.98%
2013	30,765,354	30,631,053	99.56%	680	30,631,733	99.57%
2014	32,175,526	32,004,259	99.47%	63	32,004,323	99.47%
2015	33,776,125	33,604,866	99.49%	-	33,604,866	99.49%

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

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

City of Ankeny, Iowa

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income ⁽¹⁾	Debt Per Capita ⁽¹⁾
	General Obligation Bonds	Bond Anticipation Notes	Tax Increment Revenue Notes	Capital Loan Notes	General Obligation Bonds	Capital Loan Notes	Revenue Bonds			
2006	\$ 41,852,058	\$ 24,505,000	\$ -	\$ -	\$ 2,892,942	\$ 5,533,000	\$ 3,890,000	\$ 78,673,000	398.34%	\$ 2,176
2007	46,062,547	43,125,000	-	-	5,822,453	4,747,000	7,640,000	107,397,000	507.93%	2,970
2008	74,437,094	37,200,000	-	-	5,777,906	3,954,000	7,360,000	128,729,000	573.22%	3,560
2009	96,993,520	18,900,000	-	-	10,801,480	3,252,000	17,600,000	147,547,000	636.50%	4,080
2010	95,931,129	24,255,000	-	-	11,074,871	2,541,000	23,425,000	157,227,000	668.37%	4,348
2011	99,874,069	30,975,000	-	-	11,033,931	1,821,000	24,700,000	168,404,000	694.39%	3,695
2012	98,051,262	35,370,000	-	400,000	14,164,738	1,249,000	26,803,000	176,038,000	674.71%	3,862
2013	113,713,872	15,450,000	-	300,000	19,141,128	428,000	25,777,000	174,810,000	634.82%	3,835
2014	125,501,173	-	-	200,000	20,664,827	380,000	24,487,000	171,233,000	599.62%	3,757
2015	120,748,413	-	-	100,000	17,758,587	330,000	23,267,000	162,204,000	543.54%	3,559

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

City of Ankeny, Iowa

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

Fiscal Year	Actual Property Valuation ⁽¹⁾	General Obligation Bonded Debt ⁽²⁾	Less Debt Service Fund	Net	Percentage of Actual Property Valuation	Per Capita ⁽³⁾
2006	\$2,192,509,177	\$69,250,000	\$277,845	\$68,972,155	3.15%	\$1,907
2007	2,587,793,872	95,010,000	953,844	94,056,156	3.63%	2,601
2008	2,903,344,716	117,415,000	3,033,897	114,381,103	3.94%	3,163
2009	3,242,327,958	126,695,000	2,009,317	124,685,683	3.85%	3,448
2010	3,429,961,702	131,261,000	2,896,848	128,364,152	3.74%	3,550
2011	3,557,097,867	141,883,000	2,551,310	139,331,691	3.92%	3,057
2012	3,655,769,076	147,986,000	2,214,278	145,771,722	3.99%	3,198
2013	3,643,550,680	148,605,000	2,698,019	145,906,981	4.00%	3,201
2014	3,707,192,203	146,366,000	3,649,020	142,716,980	3.85%	3,131
2015	3,877,150,098	138,607,000	3,606,767	135,000,233	3.48%	2,962

⁽¹⁾ Polk County Auditor

⁽²⁾ Includes General Obligation Bond Anticipation Notes and General Obligation Capital Loan Notes.

⁽³⁾ Per capita calculations based on data from U.S. Census Bureau

City of Ankeny, Iowa

**Computation of Direct and Overlapping Bonded Debt
General Obligation Bonded Debt
June 30, 2015**

	General Obligation Debt June 30, 2015	Percent Applicable to City	Direct and Overlapping General Obligation Debt	Underlying General Obligation Debt
Polk County	\$ 251,283,647	12.34%	\$ 31,008,402	\$ 220,275,245
Ankeny Community School District	87,390,000	91.05%	79,568,595	7,821,405
North Polk Community School District	14,660,000	0.87%	127,542	14,532,458
Saydel Community School District	7,585,000	3.95%	299,608	7,285,392
Des Moines Area Community College	<u>65,880,000</u>	6.54%	<u>4,308,552</u>	<u>61,571,448</u>
Subtotal overlapping debt	\$ 426,798,647		\$ 115,312,699	\$ 311,485,948
City of Ankeny	<u>120,848,413</u>	100.00%	<u>120,848,413</u>	<u>-</u>
Total direct and overlapping debt	<u>\$ 547,647,060</u>		<u>\$ 236,161,112</u>	<u>\$ 311,485,948</u>

Source: Bond Official Statement April 2015

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



City of Ankeny, Iowa

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

	Fiscal Year				
	2015	2014	2013	2012	2011
Actual property valuation ⁽¹⁾	\$ 3,877,150,098	\$ 3,707,192,203	\$ 3,643,550,680	\$ 3,655,769,076	\$ 3,557,097,867
Debt limit - 5% of assessed valuation	193,857,505	185,359,610	182,177,534	182,788,454	177,854,893
Amount of debt applicable to limit:					
General obligation bonds	138,507,000	146,166,000	132,855,000	112,216,000	110,908,000
Bond anticipation notes	-	-	14,450,000	35,370,000	30,975,000
Capital loan notes	100,000	200,000	300,000	400,000	-
Total debt applicable to limit	138,607,000	146,366,000	148,605,000	147,986,000	141,883,000
Legal debt margin	<u>\$ 55,250,505</u>	<u>\$ 38,993,610</u>	<u>\$ 33,572,534</u>	<u>\$ 34,802,454</u>	<u>\$ 35,971,893</u>
Percent of debt limit	28.50%	21.04%	18.43%	19.04%	20.23%

⁽¹⁾ Polk County Auditor

Fiscal Year				
2010	2009	2008	2007	2006
\$ 3,429,961,702	\$ 3,242,327,958	\$ 2,903,344,716	\$ 2,587,793,872	\$ 2,192,509,177
171,498,085	162,116,398	145,167,236	129,389,694	109,625,459
107,006,000	107,795,000	80,215,000	51,885,000	44,745,000
24,255,000	18,900,000	37,200,000	43,125,000	24,505,000
-	-	-	-	-
131,261,000	126,695,000	117,415,000	95,010,000	69,250,000
<u>\$ 40,237,085</u>	<u>\$ 35,421,398</u>	<u>\$ 27,752,236</u>	<u>\$ 34,379,694</u>	<u>\$ 40,375,459</u>
23.46%	21.85%	19.12%	26.57%	36.83%

City of Ankeny, Iowa

Revenue Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Sewer Fund				Coverage
	Gross Revenues	Operating Expenses ⁽¹⁾	Net Revenue Available For Debt Service	Maximum Debt Service Requirements ⁽²⁾	
2006	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A
2009	\$7,013,732	\$4,113,010	\$2,900,722	\$878,924	3.3003
2010	7,223,096	5,392,605	1,830,491	1,354,951	1.3510
2011	8,544,496	5,448,198	3,096,298	1,298,460	2.3846
2012	9,770,350	5,992,735	3,777,615	1,544,066	2.4465
2013	10,833,241	6,410,346	4,422,895	1,364,019	3.2425
2014	12,337,137	8,312,664	4,024,473	1,276,985	3.1515
2015	13,160,956	8,090,715	5,070,241	1,410,724	3.5941

⁽¹⁾ Total operating expenses exclusive of depreciation.

⁽²⁾ Includes principal and interest of revenue bonds and capital loan notes.

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

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

N/A - Not applicable.

Water Fund				
Gross Revenues	Operating Expenses ⁽¹⁾	Net Revenue Available For Debt Service	Annual Debt Service Requirements ⁽²⁾	Coverage
\$5,771,431	\$3,470,469	\$2,300,962	\$285,843	8.0497
5,587,391	4,839,031	748,360	436,744	1.7135
5,662,041	4,581,601	1,080,440	653,994	1.6521
5,508,623	4,591,946	916,677	759,451	1.2070
5,693,969	5,173,705	520,264	1,026,250	0.5070
6,372,678	4,882,507	1,490,171	1,023,595	1.4558
8,354,480	5,404,880	2,949,600	1,030,325	2.8628
8,846,173	6,124,636	2,721,537	1,032,055	2.6370
9,779,719	6,269,095	3,510,624	900,519	3.8984
8,688,777	5,807,229	2,881,548	916,476	3.1442

City of Ankeny, Iowa

**Historical Economic Data
Last Ten Years**

Employment				Personal Income ⁽³⁾			Retail Sales ⁽⁴⁾		
Calendar Year	Population ⁽¹⁾	Labor Force ⁽²⁾	Unemployment Rate ⁽²⁾	Calendar Year	Personal Income (000's)	Per Capita	Fiscal Year	Number of Businesses	Taxable Sales
2005	36,161	301,300	4.2%	2005	\$19,750,000	\$37,737	2005	3,070	\$466,908,168
2006	36,161	307,500	3.3%	2006	21,144,000	39,579	2006	3,179	514,316,083
2007	36,161	376,000	3.7%	2007	22,457,000	41,085	2007	3,591	538,000,263
2008	36,161	313,600	3.9%	2008	23,181,000	41,676	2008	3,844	562,967,614
2009	36,161	316,400	5.6%	2009	23,524,000	41,790	2009	4,203	601,447,180
2010	45,582	315,900	6.0%	2010	24,252,000	42,234	2010	4,287	622,122,041
2011	45,582	313,200	5.9%	2011	26,091,000	44,966	2011	4,215	658,098,454
2012	45,582	311,500	5.3%	2012	27,537,000	46,753	2012	4,303	682,910,249
2013	45,582	323,300	4.6%	2013	28,557,000	47,612	2013	4,408	714,824,490
2014	45,582	339,800	4.2%	2014	29,842,000	48,797	2014	4,427	775,170,562

⁽¹⁾ U.S. Census Bureau

⁽²⁾ Iowa Workforce Development, Des Moines Metropolitan Service Area

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

⁽⁴⁾ Iowa Department of Revenue, fiscal year ending March 31

⁽⁵⁾ City of Ankeny Planning and Building Department

Building Permits ⁽⁵⁾				
Calendar Year	Commercial Permits Issued	Dollar Value of Permits Issued	Residential Permits Issued	Dollar Value of Permits Issued
2005	30	\$21,570,268	1,311	\$203,434,307
2006	30	29,709,708	845	136,156,818
2007	26	38,933,191	581	107,924,995
2008	21	42,473,891	372	68,646,221
2009	11	12,251,100	422	82,430,948
2010	17	10,060,900	523	106,078,166
2011	15	19,062,235	580	107,047,822
2012	33	73,674,050	1,031	178,308,459
2013	26	34,233,742	859	191,833,192
2014	36	44,367,457	1,011	205,569,149

City of Ankeny, Iowa

**Principal Employers ⁽¹⁾
Current Year and Nine Years Ago**

Employer ⁽²⁾	Type of Business	Fiscal Year 2015			Fiscal Year 2006		
		Approximate	Rank	Percent of	Approximate	Rank	Percent of
		Number of		Total City	Number of		Total City
		Employees		Employment	Employees		Employment
John Deere Des Moines Works	Farm equipment	1,773	1	6.01%	1,250	1	5.76%
Casey's General Stores	Corporate headquarters/distribution	1,618	2	5.48%	526	4	2.42%
Ankeny Community Schools	Education	1,509	3	5.12%	820	2	3.78%
Des Moines Area Community College	Higher education	1,042	4	3.53%	700	3	3.23%
City of Ankeny	Government	648	5	2.20%	314	7	1.45%
Perishable Distributors of Iowa	Wholesale meat/bakery distributor	576	6	1.95%	465	6	2.14%
ACH Food Companies, Inc. ⁽³⁾	Spice manufacturing/distribution	460	7	1.56%	500	5	2.30%
SYSCO Food Services of Iowa	Wholesale distribution	240	8	0.81%	260	8	1.20%
Accumold	Plastic micro-molding	224	9	0.76%			
Praxair	Industrial gases/welding equipment	182	10	0.62%			
Mrs Clark's Foods	Manufacturing/distribution				140	9	0.65%
Snyder & Associates	Engineering and surveying				140	9	0.65%
Total		<u>8,272</u>		<u>28.04%</u>	<u>5,115</u>		<u>23.57%</u>

⁽¹⁾ City of Ankeny Economic Development Department

⁽²⁾ Does not include retail employers

⁽³⁾ Formerly Tone Brothers, Inc.

City of Ankeny, Iowa

Number of Permanent City Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Public Safety:										
Police:										
Police Administration	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Operations	47.00	46.00	45.00	44.00	44.00	45.00	42.00	39.00	36.00	31.00
# Special Services	-	-	-	-	-	-	-	-	-	9.00
Support Services	15.50	15.50	15.50	15.50	15.50	14.50	14.50	14.00	14.00	6.50
Fire:										
Fire Support	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00
Fire Suppression	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Ambulance & Rescue	23.50	23.00	23.00	23.00	14.00	14.00	8.00	7.50	7.00	3.00
Code Enforcement	9.00	9.00	8.00	8.00	8.00	8.00	8.00	9.00	10.00	9.00
Total Public Safety	101.00	99.50	97.50	96.50	88.50	88.50	79.50	77.50	75.00	65.50
Health and social services:										
Public Relations	-	-	-	3.00	3.00	3.00	3.00	3.00	1.00	-
Culture and Recreation:										
Library	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00
Parks and Recreation:										
Park Administration	2.00	2.00	2.50	2.00	2.00	2.00	2.00	2.00	1.75	2.75
Park Maintenance	6.00	6.00	6.00	7.00	7.00	6.00	7.00	7.00	6.00	5.00
Recreation Programs	2.50	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	3.00
Aquatic Centers	0.50	-	-	-	-	-	-	-	-	-
Prairie Ridge Sports Complex	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total Culture and Recreation	19.00	19.00	19.50	20.00	20.00	21.00	22.00	22.00	20.75	19.75
Public Works:										
Engineering	-	-	-	-	-	-	-	3.00	3.00	2.00
Street Cleaning	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Traffic Safety	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	-
Roadway Administration	6.34	6.34	6.25	6.25	6.25	6.25	6.25	6.25	5.25	5.25
Roadway Maintenance	12.00	11.00	11.00	11.00	11.00	11.00	11.00	12.00	14.00	14.00
Central Garage	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00
Total Public Works	26.34	25.34	25.25	25.25	25.25	25.25	25.25	29.25	26.25	25.25
Community and Economic Development:										
Development Engineering	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	-	-
Planning & Building	6.00	5.00	5.00	4.00	4.00	4.50	5.50	5.50	5.50	4.50
Community Development	1.00	2.00	-	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Economic Development	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	2.80
Total Community and Economic Development:	12.00	12.00	10.00	11.00	12.00	12.50	13.50	10.50	10.50	9.30
General Government:										
Human Resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75
Communications	2.00	2.00	2.00	-	-	-	-	-	-	-
Policy & Administration	3.00	3.00	4.00	3.00	4.00	4.00	4.00	4.00	5.00	4.00
City Clerk	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.00	4.00
Finance	3.50	3.50	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00
Information Technology	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00
Total General Government	19.00	19.00	20.50	17.50	18.50	18.50	18.50	18.25	17.75	15.75
Water										
Water Administration	2.83	2.83	2.50	3.50	3.50	7.50	7.50	7.50	3.50	3.50
Water Maintenance	8.00	8.00	7.00	7.00	7.00	8.00	8.00	8.00	8.00	7.00
Total Water	10.83	10.83	9.50	10.50	10.50	15.50	15.50	15.50	11.50	10.50
Sewer:										
Wastewater Administration	5.83	5.83	6.50	6.50	6.50	3.50	3.50	3.50	3.50	3.50
Wastewater Operations	9.00	9.00	10.00	10.00	10.00	10.00	11.00	11.00	11.00	10.00
Total Sewer	14.83	14.83	16.50	16.50	16.50	13.50	14.50	14.50	14.50	13.50
Storm water:										
Stormwater Administration	1.50	1.50	1.50	1.50	1.50	1.50	1.00	1.00	1.00	1.00
Otter Creek Golf Course:										
Golf Course Maintenance	2.00	2.00	3.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Golf Course Club House	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.50	1.50
Golf Course Banquet Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-
Total Otter Creek Golf Course	5.00	5.00	6.50	6.00	6.00	5.00	5.00	4.00	4.50	4.50
Total	209.50	207.00	206.75	207.75	201.75	204.25	197.75	195.50	182.75	165.05

Source: City Records

City of Ankeny, Iowa

Operating Indicators by Function
Last Ten Years

Function	CY2014 FY2015	CY2013 FY2014	CY2012 FY2013	CY2011 FY2012	CY2010 FY2011	CY2009 FY2010	CY2008 FY2009	CY2007 FY2008	CY2006 FY2007	CY2005 FY2006
Public safety:										
Police:										
UCR reportable crimes ⁽²⁾	NA	613	678	725	751	740	NA	NA	NA	NA
Calls for service ⁽²⁾	38,248	36,591	36,583	36,265	39,385	37,573	35,668	34,127	30,130	31,756
Miles logged by patrol annually ⁽²⁾	394,946	365,434	370,718	358,316	351,843	371,026	332,686	319,438	288,976	310,234
Traffic accidents per 1,000 population ⁽²⁾	23.98	24.27	25.58	25.82	29.40	29	NA	NA	NA	NA
Total training hours, including academy-Operations ⁽²⁾	5,536	2,836	5,644	6,380	5,502	5,922	NA	NA	NA	NA
Fire:										
Fire calls ⁽²⁾	964	760	667	702	636	678	709	743	773	724
Ambulance calls ⁽²⁾	2,670	2,538	2,355	2,209	2,123	2,092	1,964	1,875	1,640	1,676
Training hours ⁽²⁾	11,154	7,686	7,767	7,837	7,229	NA	NA	NA	NA	NA
Fire inspections performed ⁽²⁾	282	273	226	230	194	NA	NA	NA	NA	NA
Code Enforcement:										
Building permits issued ⁽²⁾	2,000	2,082	2,082	1,575	1,567	1,345	1,317	1,561	1,870	2,240
Code enforcement cases ⁽²⁾	750	711	612	601	1,006	962	NA	NA	NA	NA
Health and social services:										
Special Populations:										
Number of special population events	24	28	21	21	24	41	NA	NA	NA	NA
Number of event participants	1,865	1,850	1,894	1,984	2,152	2,472	NA	NA	NA	NA
Culture and recreation:										
Library:										
Circulation ⁽¹⁾	585,226	577,795	579,524	562,556	550,541	501,223	498,583	447,912	367,723	350,213
Number of library visitors ⁽¹⁾	268,725	268,631	275,843	259,142	260,613	NA	NA	NA	NA	NA
Number of special programs/events ⁽¹⁾	1,123	934	986	1,003	1,147	1,085	1,035	NA	NA	NA
Program attendance ⁽¹⁾	36,152	33,719	37,552	37,129	38,351	37,829	32,630	26,615	21,825	21,840
Parks and Recreation:										
Recreation program and event participants ⁽²⁾	25,781	25,823	NA	NA	24,130	22,774	NA	NA	NA	NA
Community center rentals ⁽²⁾	477	431	NA	376	384	NA	NA	NA	NA	NA
Aquatic center attendance (85 day season) ⁽²⁾	131,990	140,284	153,000	140,000	122,059	70,703	72,500	77,238	73,555	85,776
Sports complex events (224 days season) ⁽²⁾	11,183	11,186	9,304	NA						
Community and economic development:										
Planning and Building:										
Additional acres platted ⁽²⁾	520	482	549	290	153	167	639	464	719	555
Economic Development										
Number of development agreements executed ⁽¹⁾	4	3	3	5	3	NA	NA	NA	NA	NA
Business retention calls ⁽¹⁾	50	15	30	30	NA	NA	NA	NA	NA	NA
General government:										
Communications										
Number of press releases ⁽⁴⁾	167	167	398	441	445	557	NA	NA	NA	NA
Number of social media followers	13,324	8,903	6,905	4,644	2,637	1,472	NA	NA	NA	NA
Number of individual users of the Ankeny website	244,184	249,686	289,442	278,099	216,613	NA	NA	NA	NA	NA
Human resources:										
Number of W-2's issued ⁽²⁾	669	653	634	604	557	517	NA	NA	NA	NA
Number of paychecks issued ⁽²⁾	10,782	10,351	10,521	10,205	9,790	9,349	NA	NA	NA	NA
Number of employment applications received ⁽²⁾	1,798	1,745	1,044	1,350	844	892	2,084	1,353	1,547	1,308
City Clerk's Office										
Number of meeting agendas/minutes prepared ⁽²⁾	57	79	72	NA						
Number of resolutions processed ⁽²⁾	524	432	533	NA						
Number of license/permit applications received ⁽²⁾	2,428	2,222	2,245	2,697	2,293	1,682	NA	NA	NA	NA
Finance Office										
Number of accounts payable claims ⁽²⁾	17,406	16,429	17,325	17,293	17,014	17,515	NA	NA	NA	NA
Average number of utility billing accounts ⁽¹⁾	19,002	18,188	17,461	16,898	16,415	15,932	15,325.00	NA	NA	NA
Road Use Tax:										
Planned value of CIP (in millions)	15.72	40.15	19.09	31.01	43.72	33.38	NA	NA	NA	NA
Water:										
Avg daily water consumption-gallons ⁽¹⁾	4,276,864	4,864,411	4,632,405	4,838,548	3,867,518	3,924,443	3,900,000	3,793,000	3,879,000	4,227,000
Number of service work orders ⁽¹⁾	6,801	5,932	5,307	5,146	5,637	5,472	5,212	NA	NA	NA
Number of system repairs ⁽¹⁾	54	56	59	53	49	37	37	NA	NA	NA
Number of water main breaks ⁽¹⁾	10	52	39	38	22	16	23	NA	NA	NA
Number of fire hydrants flushed ⁽¹⁾	1,049	733	NA							
Sewer:										
Avg daily sewer treatment-MGD ⁽¹⁾	7.229	5.455	4.825	4.370	6.387	6.409	6.080	5.863	5.192	3.652
Number of service work orders ⁽¹⁾	49	69	54	49	135	61	NA	NA	NA	NA
Miles of sanitary sewer cleaned ⁽¹⁾	32.1	24.7	29.5	16.6	76.4	26	NA	NA	NA	NA
Miles of sanitary sewer televised ⁽¹⁾	31.7	15.2	16.8	24.7	43.6	17	NA	NA	NA	NA
Storm Water:										
Number of public education programs ⁽¹⁾	8	8	8	5	2	1	NA	NA	NA	NA
Tons of debris cleared ⁽¹⁾	616	419	334	292	374	457	657	443	227	391
Number of storm sewer intakes cleared ⁽¹⁾	145	111	421	605	1,229	425	NA	NA	NA	NA
Number of COSESCO permits inspected ⁽¹⁾	258	235	238	183	188	NA	NA	NA	NA	NA
Otter Creek Golf Course:										
Number of rounds played ⁽²⁾⁽³⁾	28,228	28,910	27,630	27,630	29,104	28,817	22,252	-	29,636	33,591
Number of days open ⁽²⁾	202	221	212	235	235	NA	NA	NA	NA	NA
Risk Management:										
Number of risk management claims handled ⁽²⁾	22	41	25	19	50	27	NA	NA	NA	NA
Days off due to work comp injuries ⁽²⁾	63	73	580	140	35	38	NA	NA	NA	NA
Health Insurance:										
Number of employees in the health plan ⁽¹⁾	212	203	196	204	202	196	NA	NA	NA	NA
Total amount of claims paid ⁽¹⁾	2,452,778	2,353,241	2,066,993	1,995,555	1,831,016	1,644,658	NA	NA	NA	NA

⁽¹⁾ Fiscal Year

⁽⁴⁾ Previous Calendar Year

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

⁽⁴⁾ Beginning in FY 2014, only reporting press releases, previously included press releases and event reminders

City of Ankeny, Iowa

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Public safety:										
Police:										
Sworn officers per 1,000 population	1.01	1.02	1.07	1.11	1.14	1.17	NA	NA	NA	NA
Number of police stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Number of fire stations	2	2	2	2	2	2	1	1	1	1
Number of outdoor warning sirens	23	19	19	17	17	15.00	NA	NA	NA	NA
Health and social services:										
Mosquito control:										
Mosquito sprayers	2	2	4	4	4	4	3	3	3	2
Culture and recreation:										
Library:										
Number of branches	1	1	1	1	1	1	1	1	1	1
Items in the collection	132,297	126,366	106,539	98,349	82,572	85,025	93,307.00	NA	NA	NA
Parks and Recreation:										
Park acres developed	813	787	776	755	671	629	503	467	425	415
Community centers	3	3	3	3	2	2	2	2	2	2
Sports complexes	2	2	2	2	2	2	2	2	2	2
Public works:										
Lane miles of streets	479	474	472	474	458	454	448.37	424.93	414.31	395.82
Number of cul-de-sacs	345	331	325	297	281	278	275.00	272.00	272.00	268.00
Number of traffic signals	60	59	59	56	NA	NA	NA	NA	NA	NA
Number of street lights	5,479	5,174	NA	NA	NA	NA	NA	NA	NA	NA
General government:										
Data Processing										
Number of personal computers	349	349	350	328	335	322	325	319	312	225
Number of printers	123	88	119	121	NA	NA	NA	NA	NA	NA
Number of VoIP phone sets	296	296	297	297	295	295	NA	NA	NA	NA
Water:										
Miles of water main	283	278	259 ⁽¹⁾	330	299	258	252	241	230	196
Above ground storage-gallons	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	1,500,000	1,500,000	1,500,000	1,500,000
Number of water valves	3,975	3,888	NA	NA	NA	NA	NA	NA	NA	NA
Number of fire hydrants	3,833	3,698	3,642	3,456	NA	NA	NA	NA	NA	NA
Sewer:										
Miles of sanitary sewer	255	247	239	226	222	215	211	201	200	186
Number of sanitary sewer manholes	5,361	5,173	5,035	4,619	4,566	4,534	NA	NA	NA	NA
Storm Water:										
Miles of storm sewer	251	240	NA	NA	NA	NA	NA	NA	NA	NA
# of storm sewer intakes, manholes & outlets	11,283	10,856	NA	NA	NA	NA	NA	NA	NA	NA
Otter Creek golf course:										
Number of municipal golf courses	1	1	1	1	1	1	1	1	1	1

⁽¹⁾ Updated to reflect only city owned, active water mains

Source: City Records

City of Ankeny, Iowa

Insurance Schedule ⁽¹⁾
June 30, 2015

Insurance Company	Policy Number	Type of Coverage	Liability Limits	Deductible	Policy Expiration
Iowa Communities Assurance Pool	408	Liability:			7/1/2015
		Legal Liability/3rd Party	\$10,000,000	\$0	
		Automotive Liability	\$10,000,000	\$0	
		Wrongful Acts	\$10,000,000	\$2,500	
		Law Enforcement Liability	\$10,000,000	\$5,000	per claim
		Appeal, Bail, Property Release Bonds	Unlimited	\$0	
		Claim and Defense Expenses	Unlimited	\$0	
		Covered Pollution Cost or Expense for Automobiles	\$10,000,000	\$0	
		Employee Benefit	\$1,000,000	\$1,000	
		Employment Expense	\$10,000,000	\$0	
		Good Samaritan, each	\$10,000,000	\$0	
		Injunctive Relief	\$50,000	\$0	
		Medical Malpractice	\$10,000,000	\$0	
		Member Expenses	\$10,000	\$0	
		Post-judgement/Pre-judgment Interest	Unlimited	\$0	
		Stop Gap	\$10,000,000	\$0	
		Underinsured/Uninsured Motorist	\$500,000	\$0	
		Broad Legal Defense Fund, each/aggregate	\$25,000 / \$25,000	\$0	
		Moral Obligation to Pay, each/aggregate	\$5,000/\$10,000	\$0	
		Cyber Breach Notification, per occurrence	\$50,000	\$0	
		Pollution Liability:			
		Chlorine, Pesticides, Anti-Skid Materials, each	\$10,000,000	\$0	
		Fire Department and Fire Department Training	\$500,000	\$0	
		Sewer Back-up	\$250,000	\$0	
		Wastewater Treatment Plant-3rd Party Liability	\$50,000	\$0	
		Wastewater Treatment Plant-Clean Up Expense	\$50,000	\$0	
		Liquor Liability	\$10,000,000	\$0	
		Property:			
		Buildings	\$92,233,975	80% coinsurance	
		Personal Property	\$7,373,767	80% coinsurance	
		Newly Acquired/Newly Constructed Buildings	\$2,000,000	\$25,000	per occurrence
		Book Collection	\$1,000,000	\$25,000	per occurrence
		Vehicles	\$8,518,082	\$25,000	per occurrence
		Miscellaneous Property	\$4,181,242	\$25,000	per occurrence
		EDP Hardware/Software	\$1,276,196	\$25,000	per occurrence
		Boiler	\$100,000,000	\$2,500	per occurrence
		Earthquake	\$20,000,000	10%	of loss
		Employee dishonesty	\$50,000	\$25,000	
Travelers Casualty and Surety Company of America	106140003	Employee dishonesty	\$100,000	\$1,000	7/1/2015
Iowa Municipal Workers Compensation Association	0643	Worker's compensation	Statutory	N/A	6/30/2015
Wellmark BCBS of Iowa	038	Employee health insurance (per member) Minimum Aggregate Deductible	Unlimited	\$50,000 \$2,760,396	6/30/2015

⁽¹⁾ City of Ankeny City Clerk's Office and Human Resources Office

N/A - Not applicable.

Compliance Section

**INDEPENDENT AUDITORS' 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**

The Honorable Mayor and
Members of the City Council
City of Ankeny, 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, each major fund, and the aggregate remaining fund information of City of Ankeny, Iowa (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise City of Ankeny's basic financial statements, and have issued our report thereon dated December 22, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Ankeny'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 City of Ankeny's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Ankeny's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a deficiency in internal control that we consider to be a material weakness.

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 City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as item 2015-001 to be a material weakness.

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

Compliance and Other Matters

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

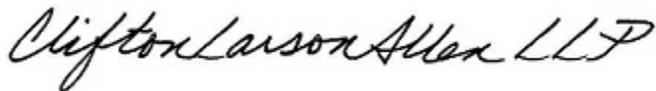
Comments involving statutory and other legal matters about the City's operations, as described in the accompanying schedule of findings and responses, for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

City of Ankeny's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 result 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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

West Des Moines, Iowa
December 22, 2015

**CITY OF ANKENY, IOWA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2015**

Part I – Findings Related to the Financial Statement:

FINDING: 2015-001 MATERIAL AUDIT ADJUSTMENTS

- Condition:** The audit firm identified certain misstatements of 2013-14 net position of governmental activities due to an understatement of capital lease liabilities. The audit firm also identified and understatement of investments held with fiscal agent and restricted fund balance of the capital projects fund related to a crossover bond refunding. Management reviewed the journal entry and posted the entry to its general ledger.
- Criteria:** The City should have controls in place to prevent and detect a material misstatement in the financial statements in a timely manner.
- Context:** The City has informed us that they established procedures to review and record inventory and construction in progress assets.
- Effect:** The potential exists that a material misstatement could occur in the financial statements and not be prevented or detected and corrected by the City's internal control.
- Cause:** The City's controls were not adequate to ensure that all accounts' year end balances were proper and in accordance with generally accepted accounting principles (GAAP).
- Recommendation:** We recommend the City continue to work with the auditors to identify misstatements to ensure that all accounts are proper and in accordance with GAAP.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement With Audit Findings:
There is no disagreement with the audit finding.

Actions Planned in Response to Finding:
Annette Graeve, Finance Officer, understands the finding, and will work on correcting the under-accrual of revenue in the future.

Official Responsible for Ensuring CAP:
Annette Graeve, Finance Officer, is the official responsible for ensuring corrective action of the deficiency.

Planned Completion Date for CAP:
June 30, 2016.

Plan to Monitor Completion of CAP:
The City Manager will be monitoring this corrective action plan.

Conclusion:
Response accepted.

**CITY OF ANKENY, IOWA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2015**

Part II – Other Findings Related to Required Statutory Reporting:

- II-A-15 Certified Budget – No disbursements during the year ended June 30, 2015, exceed the amended certified budget amounts.

- II-B-15 Questionable Disbursements – We noted no disbursements that fail to meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.

- II-C-15 Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

- II-D-15 Business Transactions – No business transactions between the City and City officials or employees were noted.

- II-E-15 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 insure that the coverage is adequate for current operations.

- II-F-15 Revenue Notes – No instances of noncompliance with the water and sewer revenue bond provisions were noted.

- II-G-15 Council Minutes - No transactions were found that we believe should have been approved in the council minutes but were not.

- II-H-15 Deposits and Investments - No instances of noncompliance were noted with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City’s investment policy.

- II-I-15 Annual Urban Renewal Report – The annual urban renewal report was approved and certified to the Iowa Department of Management on or before December 1.



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