



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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

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

For the Fiscal Year Ended June 30, 2015

Prepared by the
Department of Finance



CITY OF DES MOINES, IOWA

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INTRODUCTORY SECTION





January 25, 2016

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

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2015.

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

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

Profile of the Government

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

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

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

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

Local Economy and Living Conditions

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

The City of Des Moines has continued to receive accolades from many publications over the past year. Distinctions in calendar year 2015 include #2 Best City for Jobs by Forbes,

Top Place Where Residents Feel Safe by Gallup, Most Budget-Friendly Downtown by Storage.com, #5 Best City for Retirement by Bankrate.com, #3 Best City for Children by SmartAsset, and #4 Most Business-Friendly City by MarketWatch.

While Iowa is an agricultural state, the City's economic diversification insulates it from the farm economy. Further, as many of the state's rural communities experience population decreases, the Des Moines metropolitan area continues to grow, with much of the expansion resulting from the relocation of residents to Des Moines from rural areas. The variety of components contributing to the City's economy creates a stability that is apparent from unemployment figures. The City has historically enjoyed a relatively low unemployment rate for each of the last three calendar years: 3.4 percent June 30, 2015, 4.1 percent June 30, 2014, and 4.7 percent June 30, 2013.

The recent recession caused a slight decline in Des Moines property values and an unemployment rate that peaked at 6.7% in 2010. However, the overall strength of the local economy has allowed the City to improve its unemployment rates and property valuations have rebounded. Additional background data is included in the statistical section of this report. Des Moines' underlying economic base remains strong and calendar year 2015 permit activity hit record levels.

Long-term Financial Planning

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

- Flood Mitigation projects - \$50 million in improvements
- Bridges - replacement or restoration of several downtown bridges
- Emerald Ash Borer Response Plan - \$5.3 for treatment or removal of the 7,100 ash trees
- Planning - professional studies under way or completed for future replacement, construction, and operation planning for City pools, libraries, fire services, and municipal building needs
- Information Technology - increased investment in network security, enterprise resource planning, police camera systems, and continued improved access and transparency of City government to its residents.

Relevant Financial Policies

The City regards General Fund unassigned fund balance as a critical component of fiscal health and improves the credit metric to continue strong bond rating. City policy is for the General Fund unassigned fund balance be maintained at a minimum of 10% of annual expenditures. The June 30, 2015 balance is 17.2% of expenditures, up from 14.2% in 2014.

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

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

The City Council took necessary actions to adopt a balanced FY16 budget and mid-year estimates indicate a small surplus is likely by year-end.

Major Initiatives

The Council has undertaken a new strategic planning process which will be implemented in the capital and operating budgets ahead. Pursuit of past Council established goals has resulted in the City successfully moving forward in facilitating downtown development, neighborhood improvements, and environmental sustainability projects. Corporations have started or have plans in place for headquarters renovations, new building projects, or plans to locate their headquarters in downtown Des Moines. The largest transportation project, extension of Martin Luther King /Southeast Connector eastward across SE 14th Street to SE 30th Street, has reached its midpoint of construction. Along that route the City completed the construction of a new Municipal Service Center.

Other new development has started along the connector: commercial, residential, and hotels.

The downtown housing stock remains strong for rental units and owner-occupied condominiums. Desire for downtown residential living continues to increase, turning the downtown into a vibrant “24/7” location. The Botanical Center is nearing completion of major renovations. New construction projects continue to take place on the east and west side of the Des Moines River which divides the downtown.. New projects on the edge of the central business district are starting. Council has approved plans or support to match private investment in streetscape and corridor enhancement projects that will provide for beautification and walkability improvements of the areas.

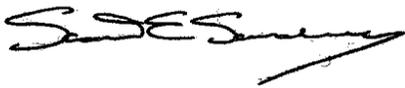
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Des Moines for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This was the 38th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government has to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Scott E. Sanders
City Manager



Dan Ritter
Finance Director/Treasurer





Government Finance Officers Association

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

Presented to

**City of Des Moines
Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



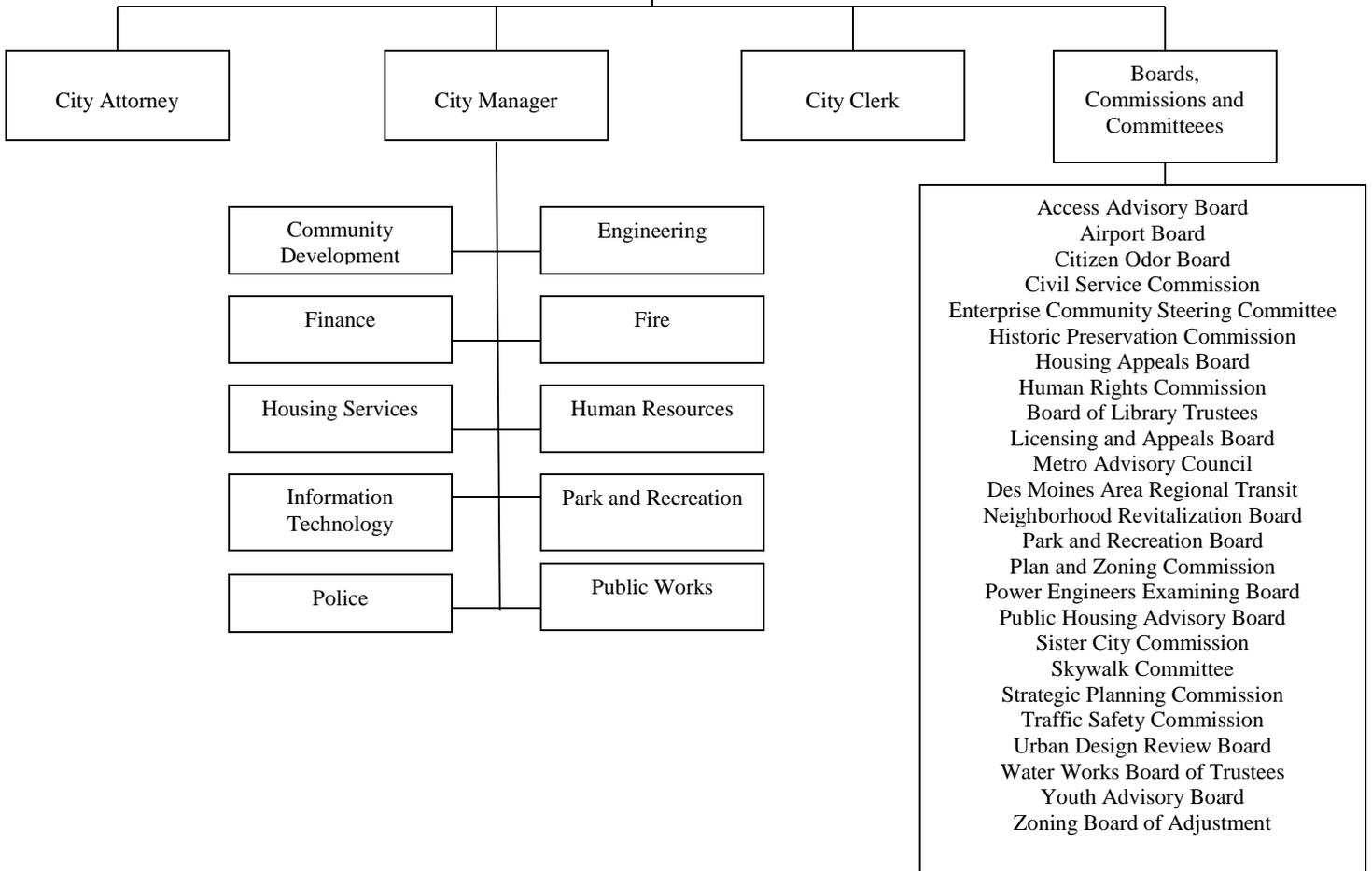
City of Des Moines, Iowa Table of Organization

Citizens of Des Moines

ELECT

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

APPOINTS





**CITY OF DES MOINES, IOWA
ELECTED AND APPOINTED OFFICIALS
For the Fiscal Year Ended June 30, 2015**

Elected Officials:

Term Expires

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

Council-Appointed Officials:

Scott Sanders	City Manager
Jeffrey D. Lester	City Attorney
Diane Rauh	City Clerk



CITY OF

DES MOINES

FINANCIAL SECTION





Independent Auditor's Report

RSM US LLP

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

Report on the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units, the Des Moines Airport Authority and the Des Moines Public Library Foundation, which collectively represent 100 percent of the assets, net position and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Des Moines Airport Authority and the Des Moines Public Library Foundation is based on the report of the other auditors.

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

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 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

As explained in Note 20 to the basic financial statements, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which restated beginning net position, net pension liability and deferred outflows of resources of the governmental activities, business-type activities, each major enterprise fund and the aggregate remaining fund information.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 22, other postemployment benefit plan schedule on page 113, the budgetary comparison schedules on pages 109 through 111, the Iowa Public Employees Retirement System pension plan schedules on pages 114 through 117 and the Municipal Fire and Police Retirement System of Iowa pension plan schedules on pages 118 through 120 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

RSM US LLP

Des Moines, Iowa
January 25, 2016



Management's Discussion and Analysis

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

Financial Highlights

- The assets and deferred outflows of resources of the City of Des Moines exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$837,473,282 (*net position*). Last year's June 30, 2014 total net position was restated for GASB 68. It was reported originally as \$947,508,091. It was restated as \$808,790,424 (See Note 20 for a schedule of the restatement.) Total net position increased by \$28,682,858 over the restated FY2014 net position. The total unrestricted net position of the City was negative (\$95,574,255). This was comprised of unrestricted negative governmental net position (\$109,471,650) and business type activities net position of \$13,897,395.
- The government's total net position increased by \$28,682,858.
- At the close of this current fiscal year, the City of Des Moines' governmental funds reported combined ending fund balances of \$84,636,739 an increase of \$10,109,276 in comparison with the prior year. This increase was attributable primarily to an increase in the General Fund, Road Use Tax Fund, CDBG fund and the Debt Service Fund.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$25,362,143 or 17.22 percent of total General Fund expenditures.

Overview of the Financial Statements

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

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

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

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

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

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

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

accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Des Moines can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

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

The City of Des Moines maintained six enterprise funds in fiscal year 2015. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Parking Fund, Sewer System Fund, Storm Water Utility Fund, and Municipal Housing Fund as these are considered to be major funds of the City of Des Moines. Data from the other two enterprise funds (Golf Fund and Solid Waste Fund) are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of *combining statements* elsewhere in this report. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Des Moines' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has only one type of fiduciary funds: agency funds. The total assets held in the fiduciary funds at June 30, 2015 were \$42,917,354 of which \$41,336,634 belonged to the Wastewater Reclamation Authority (WRA), an agency fund.

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Des Moines, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$837,473,282, at the close of the fiscal year ended June 30, 2015.

By far the largest portion of the City of Des Moines' net assets, \$903,547,187 or 1.08 percent, reflects its investment in capital assets (e.g., land, buildings, machinery, and

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

City of Des Moines' Net Position

	Governmental Activities 2015 (as restated)	Business-type Activities 2015 (as restated)	Total 2015 (as restated)	Governmental Activities 2014 (not restated)	Business-type Activities 2014 (not restated)	Total 2014 (not restated)
Current and other assets	\$ 300,204,478	\$ 52,853,606	\$ 353,058,084	\$ 292,672,681	\$ 49,836,437	\$ 342,509,118
Capital assets	999,932,066	341,150,640	\$ 1,341,082,706	986,071,474	343,690,522	\$ 1,329,761,996
Total assets	<u>1,300,136,544</u>	<u>394,004,246</u>	<u>1,694,140,790</u>	<u>1,278,744,155</u>	<u>393,526,959</u>	<u>1,672,271,114</u>
Total deferred outflow of resources	<u>25,966,734</u>	<u>1,597,819</u>	<u>27,564,553</u>	<u>-</u>	<u>-</u>	<u>-</u>
Noncurrent liabilities	526,241,540	80,081,083	606,322,623	413,244,801	80,685,290	493,930,091
Other liabilities	71,246,328	11,455,766	82,702,094	74,432,095	12,133,387	86,565,482
Total liabilities	<u>597,487,868</u>	<u>91,536,849</u>	<u>689,024,717</u>	<u>487,676,896</u>	<u>92,818,677</u>	<u>580,495,573</u>
Total deferred inflow of resources	<u>192,022,243</u>	<u>3,185,101</u>	<u>195,207,344</u>	<u>144,267,450</u>	<u>-</u>	<u>144,267,450</u>
Net position:						
Net investment in capital assets	627,588,818	275,958,369	903,547,187	614,177,213	273,748,942	887,926,155
Restricted	18,475,999	11,024,351	29,500,350	10,597,933	12,234,455	22,832,388
Unrestricted	<u>(109,471,650)</u>	<u>13,897,395</u>	<u>(95,574,255)</u>	<u>22,024,663</u>	<u>14,724,885</u>	<u>36,749,548</u>
Total net position	<u>\$ 536,593,167</u>	<u>\$ 300,880,115</u>	<u>\$ 837,473,282</u>	<u>\$ 646,799,809</u>	<u>\$ 300,708,282</u>	<u>\$ 947,508,091</u>

An additional portion of the City of Des Moines' net position, \$29,500,350 (3.5 percent) represents resources that are subject to external restrictions on how they may be used. The balance of *unrestricted net position* is a negative net position balance of (\$95,574,255). There is negative unrestricted net position as a result of the GASB 68 pension liability for both IPERS and MFPRSI booked in 2015. These liabilities represent the unfunded portion of the two pension funds that is the City's share. The business type activities funds has a positive unrestricted net position. The governmental activities funds have a negative position balance that requires additional future resources to fulfill ongoing obligations to the citizens and creditors of the governmental-type activities.

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

The City's total net position increased by \$28,682,858 during the current fiscal year. The governmental activities net position increased by \$17,924,123. The total business-type activities' net position increased by \$10,758,735.

The Governmental Accounting Standard Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27 was implemented during fiscal year 2015. The beginning net position for governmental activities and business-type activities were restated (\$128,130,765) and (\$10,586,902) respectively, 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.

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

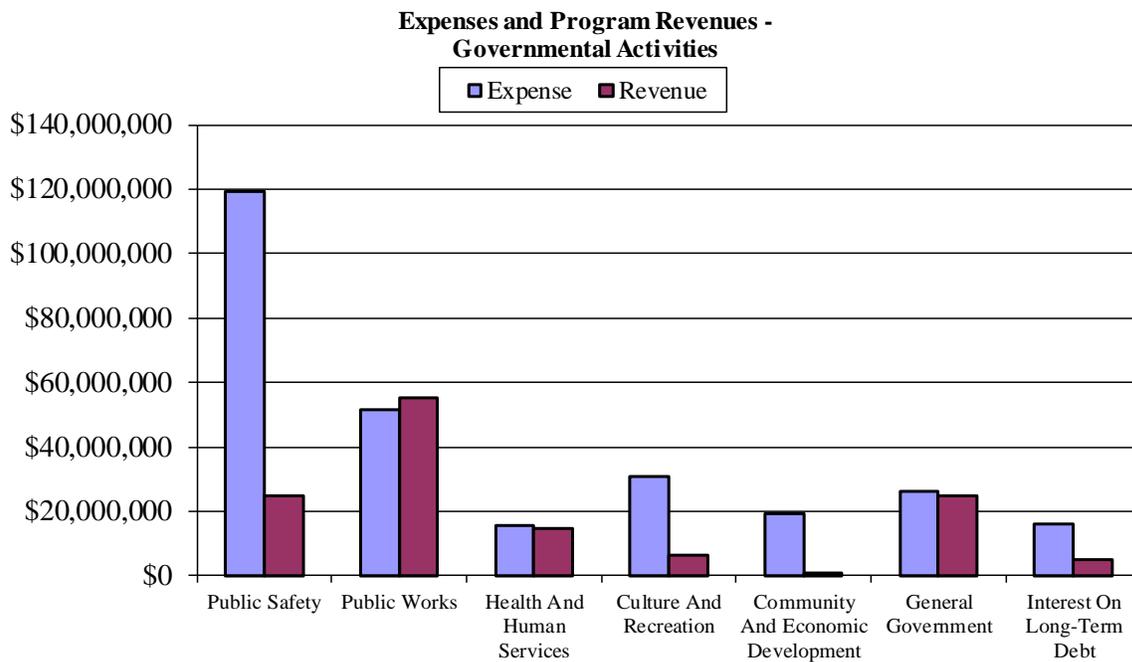
City of Des Moines' Changes in Net Position

	Governmental Activities 2015	Business-type Activities 2015	Total 2015	Governmental Activities 2014 (not restated)	Business-type Activities 2014 (not restated)	Total 2014 (not restated)
Revenues:						
Program revenues:						
Charges for services	\$ 59,766,929	\$ 82,613,389	\$ 142,380,318	\$ 53,943,883	\$ 76,897,088	\$ 130,840,971
Operating grants and contributions	45,836,537	17,267,565	63,104,102	40,877,195	17,901,651	58,778,846
Capital grants and contributions	26,017,965	1,377,954	27,395,919	32,886,615	3,284,088	36,170,703
General revenues:						
Property taxes	145,195,212	---	145,195,212	147,979,356	---	147,979,356
Other taxes	18,780,277	---	18,780,277	14,581,925	---	14,581,925
Other	3,792,553	1,521,538	5,314,091	3,126,745	761,491	3,888,236
Total revenues	<u>299,389,473</u>	<u>102,780,446</u>	<u>402,169,919</u>	<u>293,395,719</u>	<u>98,844,318</u>	<u>392,240,037</u>
Expenses:						
Public safety	119,483,595	---	119,483,595	102,583,945	---	102,583,945
Public works	51,339,248	---	51,339,248	51,344,028	---	51,344,028
Health and social services	15,436,157	---	15,436,157	15,696,523	---	15,696,523
Culture and recreation	30,754,939	---	30,754,939	29,431,057	---	29,431,057
Community and economic development	19,337,576	---	19,337,576	19,849,605	---	19,849,605
General government	26,117,356	---	26,117,356	23,630,372	---	23,630,372
Interest on long-term debt	15,840,246	---	15,840,246	16,179,088	---	16,179,088
Parking facilities system	---	11,632,790	11,632,790	---	11,229,564	11,229,564
Sewer system	---	32,892,418	32,892,418	---	32,738,830	32,738,830
Stormwater utility	---	15,896,140	15,896,140	---	13,253,946	13,253,946
Golf	---	216,784	216,784	---	318,933	318,933
Solid waste	---	12,255,052	12,255,052	---	11,122,261	11,122,261
Municipal Housing Agency	---	22,284,760	22,284,760	---	22,329,081	22,329,081
Total expenses	<u>278,309,117</u>	<u>95,177,944</u>	<u>373,487,061</u>	<u>258,714,618</u>	<u>90,992,615</u>	<u>349,707,233</u>
Increase/(decrease) in net position before transfers	21,080,356	7,602,502	28,682,858	34,681,101	7,851,703	42,532,804
Transfers	<u>(3,156,233)</u>	3,156,233	---	<u>(267,622)</u>	267,622	---
Increase/(decrease) in net position	17,924,123	10,758,735	28,682,858	34,413,479	8,119,325	42,532,804
Net position - beginning, as restated	518,669,044	290,121,380	808,790,424	612,386,330	292,588,957	904,975,287
Net position - ending	<u>\$ 536,593,167</u>	<u>\$ 300,880,115</u>	<u>\$ 837,473,282</u>	<u>\$ 646,799,809</u>	<u>\$ 300,708,282</u>	<u>\$ 947,508,091</u>

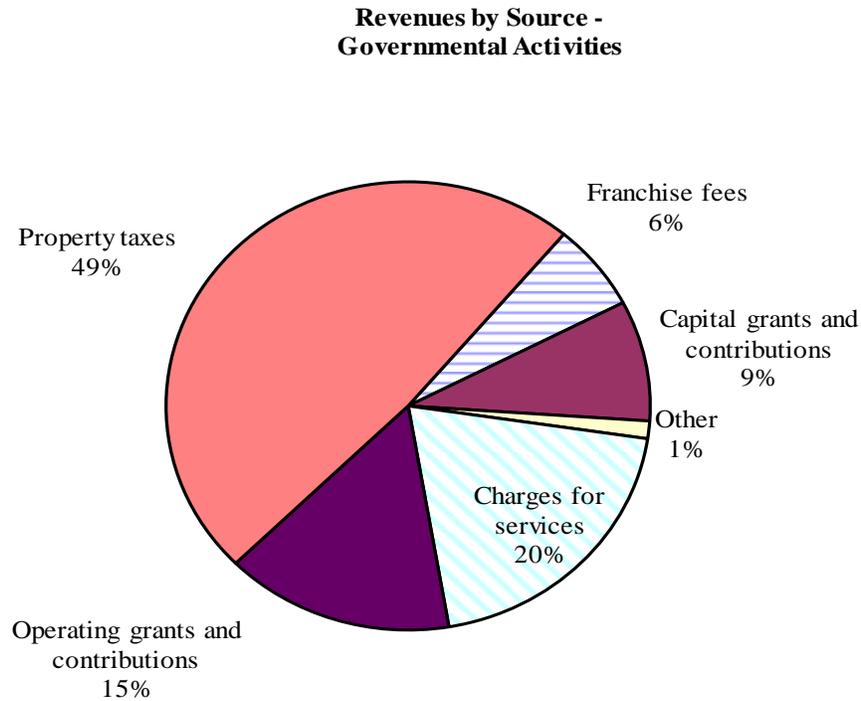
Governmental Activities. Total governmental activities' revenue for the fiscal year was \$299,389,473 compared to \$293,395,719 in 2014. The largest single revenue source for the City was property taxes of \$145,195,212. Property taxes decreased by \$2,784,144 (1.9 percent) from 2014. This decrease is primarily the result of a decrease to the commercial tax rates mandated by the State. The State has provided funding to local government for replacement of the lost revenue from the commercial property tax changes. Other taxes for the fiscal year 2015 were \$18,780,277 compared to \$14,581,925 for 2014. The increase

of \$4,198,352 was due to franchise fees being collected for the first time in the Franchise Fee Court Settlement Fund where \$5,839,320 in fees were collected. Regular franchise fee collection was down from the prior year by \$1,640,968 mostly due to a decline in the gas franchise fee which reflected the impact of winter weather. Intergovernmental Revenue was down from the prior year, due to reduced revenue from CEBG, FEMA, and capital project funding for streets and building projects. Charges for sales and services revenue was increased due to more sales and services delivered. Governmental activities increased the City's net position by \$17,924,123.

Certain revenues are generated that are specific to governmental program activities. These totaled \$131,621,431 in 2015 compared to \$127,707,693 in 2014. The graph below shows a comparison between the expenditures by governmental activity type and the revenues generated that are specific to those activities:

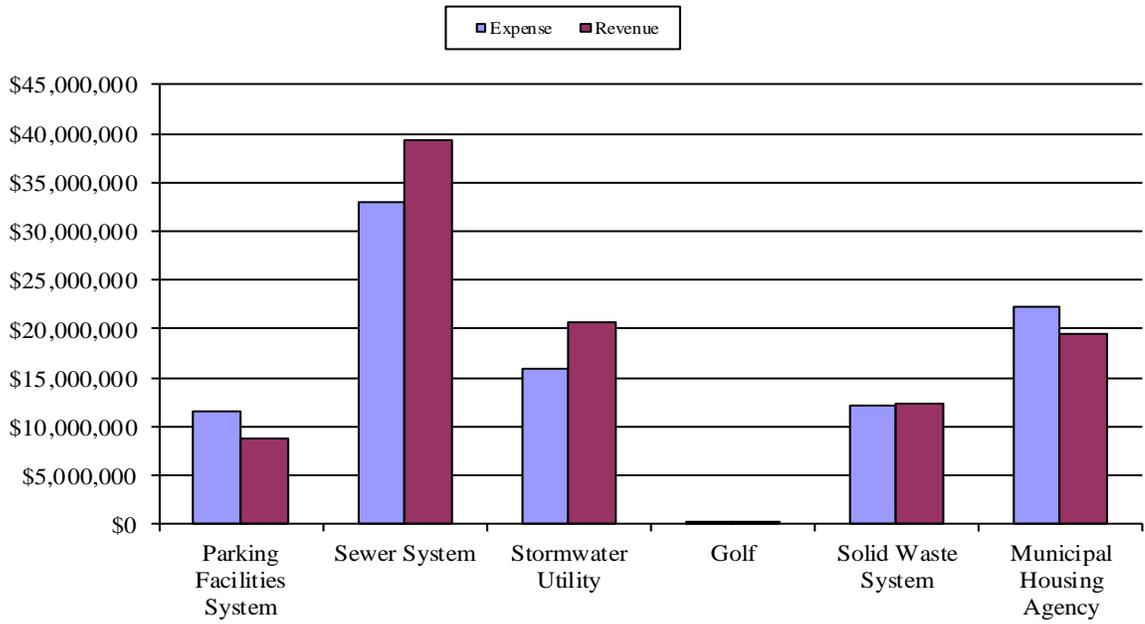


The graph below shows the percentage of the total governmental revenues allocated by each revenue type.



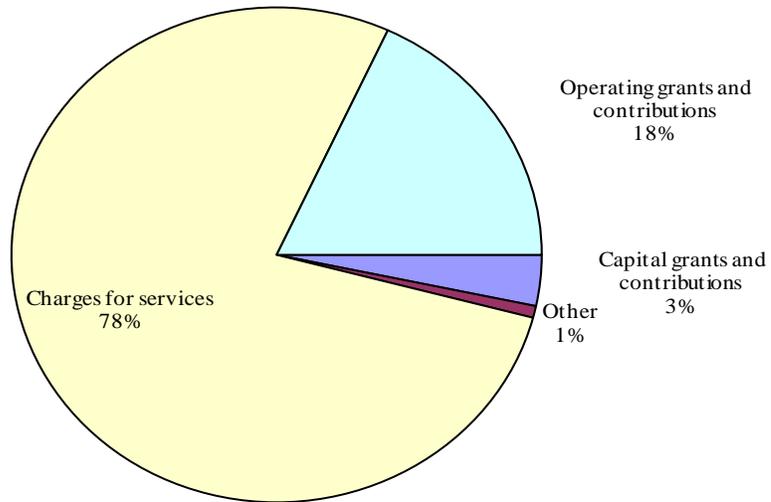
Business-type activities. Total business-type activities' revenue for the fiscal year was \$102,780,446 compared to \$98,844,318 in 2014. All but \$1,521,538 and \$761,491 of this revenue was generated for specific business-type activity expenses in 2015 and 2014, respectively. The graph on the following page shows a comparison between the business-type activity expenditures and program revenues.

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



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

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



Business-type activities increased the City of Des Moines' net position by \$10,758,735, accounting for the increase, in total, in the government's net position. Key elements of this increase are as follows:

- The Stormwater Utility increased by \$5,158,914 and the Sewer System increased by \$8,102,911. Both increases are the result of a full year's worth of rate increases.
- The increase was partially offset by a decrease in net position the Municipal Housing Agency (decrease of \$2,243,718). This decrease is higher than the previous year (decrease of \$1,989,199 in 2014.)

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of Des Moines' governmental funds reported combined ending fund balances of \$84,636,739, an increase of \$10,109,276 in comparison with the prior year. The increase was related to an increase of fund balance in the general fund of \$5,519,309, an increase of fund balance in the debt service fund of \$804,426, an increase of fund balance in the tax increment fund of \$482,495, and an increase of \$6,581,109 in the other governmental funds. These increases for the fiscal year was partially offset by a decrease of fund balance in the capital projects fund (\$4,260,938) and the benefits tax account fund (\$127,836). Fund balance identified as nonspendable totaled \$12,036,464. There were restrictions of \$17,219,845 on the governmental fund balance. Committed fund balance totaled \$30,701,856, and unassigned fund balance totaled \$24,678,574. See footnote 19 for a further breakdown of the classifications of the governmental fund balance.

The General Fund is the chief operating fund of the City of Des Moines. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$25,362,143, while total fund balance was 34,422,781. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 17.2 percent of total General Fund expenditures, while total fund balance represents 23.3 percent of that same amount.

The fund balance of the City of Des Moines' General Fund increased by \$5,519,309 during the current fiscal year. This increase was primarily the result of total increased revenue of \$2,385,837 and total increased other financing sources (uses) of \$3,413,981. In the General Fund, intergovernmental income was higher primarily because of State Replacement funds received to offset the reduction of the property taxes on commercial property. Other funding sources (uses) increased because transfers in from City funds increased and transfers out to other City funds were down over the prior year.

The Debt Service Fund has a total fund balance of \$2,135,271. The net increase in fund balance during the current year in the Debt Service Fund was \$804,426. The fund balance increase was similar to the increase of the prior year which was \$915,061. The increases both years were due to the bonds issued for the fiscal year.

The Tax Increment Fund (TIF) has a total fund balance of \$570,067. The net increase in fund balance during the current year in the Tax Increment Fund was \$482,295. The net increase is due primarily to net proceeds from capital asset sales

The Capital Projects Fund has a total fund balance of \$27,904,965. The net decrease in fund balance during the current year in the Capital Projects Fund was \$4,260,938. This decrease was due to the timing and rate of expenditures for capital projects during the construction season that spans primarily from May through October. The unspent fund balance will be expended in projects in the subsequent year.

The Benefit Tax Accounts Special Revenue Fund had a total fund balance of (\$8,678) at the end of 2015. This deficit will be made up in FY2016.

A new special revenue fund, Franchise Fee Court Settlement fund, was set up in fiscal 2014 to account for City transactions related to a court ruling. A lawsuit, which became a class action suit, was made against the City for charging franchise fees. The court ruled a portion of the utility fee received by Des Moines between September 2004 and May 2009 had to be returned to those who paid the fee because the City's costs of regulating the gas and electrical utilities were less than the amount collected. To pay the judgment, the City issued general obligation bonds. On March 4, 2014 Des Moines voters approved a referendum to raise the franchise fee by 2.5% for about a 7 year period to pay the debt. At the end of the fiscal year, there was a fund balance in this fund of \$1,218,818. Total revenue of \$5,839,786 was collected in FY2015. Principal of \$2,855,000 and interest and fiscal charges of \$1,873,875 was paid in 2015. The fund balance at June 30, 2015 will also be used to pay down the debt.

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

Unrestricted net position of the Stormwater Utility were \$4,217,754; those for the Parking Facility System were \$2,038,348; the Sewer System were \$12,581,250; and those for the Municipal Housing Agency were (\$805,403). The GASB 68 implementation and restatement decreased unrestricted net position for the proprietary funds in total by (\$9,936,517). See Note 20 for the detail of the restatement. Other factors concerning the finances of these funds have been addressed in the discussion of the City of Des Moines' business-type activities.

Capital Asset and Debt Administration

Capital assets. The City of Des Moines' investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to \$1,341,082,706 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the City of Des Moines' investment in capital assets for the current fiscal year was .8 percent (a 1.3 percent increase for governmental activities, and a .7 percent decrease for business-type activities).

Major capital asset events during FY2015 included the following:

- Completed the replacement of the Army Post Road Bridge over the Great Western Trail at a total project cost of \$1.9 million.
- Spent just under \$800,000 towards the removal and treatment of ash trees to start what is anticipated to be a ten year, \$10 million program to address the impacts of the Emerald Ash Borer.
- Completed over \$1.09 million of improvements to city buildings and parks to help bring them into compliance with ADA regulations. Spent an additional \$1.8 million worth of improvements to curb ramps throughout the City. When this project is completed, the City expects to have spent more than \$16.5 million – including \$10 million towards accessible sidewalk ramps.
- Spent more than \$3 million for Phase 3 of the Indianola Avenue widening from SE 14th to Army Post Road project.
- Spent more than \$1.7 million on preliminary planning and design in the Flood Mitigation Improvements project. The City expects to complete more than \$55 million of

improvements to levees and the City's Storm Sewer system over the next 10 years in this project alone.

- Spent more than \$2 million on repairs at the 9th and Locust Parking Garage.
- Spent more than \$800,000 lining sanitary sewers throughout the City.
- Completed \$1.5 million of asphalted overlay projects using gaming funds.
- Spent more than \$17 million toward the completion of the SE Connector.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2014	2014	2015	2014
Land	\$ 139,772	\$ 135,914	\$ 16,772	\$ 16,822	\$ 156,544	\$ 152,736
Buildings	215,495	161,837	103,146	98,996	318,641	260,833
Improvements other than buildings	1,092,657	1,049,473	365,214	337,385	1,457,871	1,386,858
Machinery and equipment	68,375	74,207	28,199	27,032	96,574	101,239
Construction in progress	77,551	130,455	14,011	37,326	91,562	167,781
Accumulated depreciation	(593,918)	(565,815)	(186,191)	(173,870)	(780,109)	(739,685)
Total	<u>\$ 999,932</u>	<u>\$ 986,071</u>	<u>\$ 341,151</u>	<u>\$ 343,691</u>	<u>\$ 1,341,083</u>	<u>\$ 1,329,762</u>

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

Long-term debt. At the end of the current fiscal year, the City of Des Moines had total bonded debt outstanding of \$468,694,000. Of this amount, \$395,285,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Des Moines' debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 364,340,000	\$ 370,020,000	\$ 30,945,000	\$ 33,305,000	\$ 395,285,000	\$ 403,325,000
Revenue bonds	30,400,000	31,980,000	43,009,000	48,549,000	73,409,000	80,529,000
Total	<u>\$ 394,740,000</u>	<u>\$ 402,000,000</u>	<u>\$ 73,954,000</u>	<u>\$ 81,854,000</u>	<u>\$ 468,694,000</u>	<u>\$ 483,854,000</u>

The City of Des Moines' total bonded debt decreased by \$15,160,000 (3.2%) during the current fiscal year. The key factors in this decrease were the payments of franchise fee debt, not issuing additional debt in the enterprise funds and the refunding of general obligation bonds.

The City issued refunding general obligation bonds in 2015 to refund Series 2005C General Obligation Bonds, Series 2007B General Obligation Bonds and 2007C Urban Renewal General Obligation Bonds on June 1, 2015. Additional general obligation bonds were issued in the summer of 2014 to finance capital improvements.

The City of Des Moines maintained its debt rating of Aa2 from Moody's Investors Service and an AA+ rating from Standard & Poor's during the fiscal year.

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total assessed valuation. The current debt limitation for the City of Des Moines is \$536,568,585, which is significantly in excess of the City of Des Moines' outstanding general obligation debt (\$395,285,000).

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

Budgetary Highlights

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

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. These ten functions are: public safety, public works, health and social services, culture and recreation, community and

economic development, general government, debt service, capital projects, business-type and non-program. The legal level of control is at the aggregated function level, not at the fund or fund type level. These budget amendments are reflected in the final budgeted amounts.

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

The total original FY2015 revenue budget of \$387,500,014 was decreased through an amendment to \$382,812,166 (a decrease of \$4,687,848). The total other financing sources and transfers original budget of \$103,597,657 was increased to \$181,791,362 an increase of \$78,193,705. The City continues to pursue debt refinancing opportunities and the major increase is the amended plans to refund debt in FY2015 that was not in the adopted FY2015 budget. Bond proceeds of \$27,795,000 for Series 2014C, \$2,250,173 for Series 2014D, \$301,250 for Series 2014E, \$39,967,050 for Series 2015A and \$3,309,800 for Series 2015B were included in the amended budget for a total of \$73,623,273.

Actual revenues for FY2015 were \$387,183,715 compared to the revised budget projection of \$382,812,166, a difference of \$4,371,549, or 1.1%.

The total original FY2015 expenditure budget of \$438,617,073 was increased through an amendment to \$481,794,853 (an increase of \$43,177,780). The majority of this increase was for the amendment to refund the following debt series: 2005C, 2005E, 2007B and 2007C for a total increase of \$41,915,000.

Expenditures were under the revised budget in total by \$47,314,050. This underage was primary due to expenditures that were under in business-type (\$6,162,697), debt service (\$11,333,900), public works (\$1,893,603) and capital outlay (\$26,966,497). These underages were partially offset by the over budget amounts in community and economic development expenditures (\$298,522) and general government (\$52,773).

See page 109 for the *Budgetary Comparison Schedule – All Governmental Funds and Enterprise Funds*.

Economic Factors and Next Year's Budgets and Rates

The outlook for the Des Moines economy continues to remain positive. The city of Des Moines issued 2,989 permits for construction valued at a record-breaking \$665.9 million last year. The total value of permits issued last year exceeded the previous record, set in 2007, by nearly \$200 million.

The outlook on the economy in Des Moines and the surrounding metropolitan area remains positive with continued growth in commercial and industrial activity. The City, in conjunction with the regional Corporation for Economic Development, the Des Moines Partnership and the Convention and Visitors Bureau, continues to work diligently to spur economic development activity within the City of Des Moines.

Des Moines received many accolades including #1 “Best City for Young Professionals” from Forbes, #1 “Strongest Local Economy” from Policom, #1 “Wealthiest City in America” from the Today Show, and #1 “Best Medium-Sized Metro Area for Homeownership” from Nerdwallet.

The City of Des Moines has experienced marginal growth to the tax base in recent years. Assessed valuations for 2014 in Des Moines increased 1.1% over 2013, but there are positive indicators of future growth. Several corporations have announced renovations, new construction, or relocation to downtown Des Moines. Several residential, mixed used, commercial, and hotel projects have just been completed, with more planned for 2016 and beyond.

As the result of state legislation, beginning in fiscal year 2015, commercial, industrial and railroad classes of property will now be subject to a rollback, at 95 percent for FY 2015, meaning a 5 percent loss in taxable valuations for commercial, industrial and railroad classes of property. The state legislature created a standing appropriation, beginning in fiscal year 2015, to reimburse local governments for the property tax reductions resulting from the new rollback for commercial and industrial property. Multi-residential property was previously taxed the same as commercial property but will now be phased down to the same rates as residential property over the next 8 years. All of this has been taken into account for the FY 2016 and for FY 2017 budget cycles.

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

The fiscal year ending June 30, 2016 Operating Budget plan includes:

- Expenditure reductions of \$210,000 from restructuring and eliminating 4 positions
- Revenue enhancements of \$265,000 through selected permit and ambulance fees

These budget actions resulted in no change to the property tax rate of \$16.92 per \$1,000 of taxable valuation for the fiscal year ending June 30, 2016.

As part of the budget discussions in 2012, the City Council approved multi-year rate increases for the Sanitary Sewer Enterprise and the Storm Water Utility. A 9% Sanitary

Sewer fee increase is scheduled for July 1, 2015 to address ongoing sewer separation requirements mandated by the federal government and fund lining projects to extend the life of the sewer system. A 6% Storm Water fee increase is scheduled for July 1, 2015 to address flood protection improvements and separation of sewer systems. No rate changes are scheduled for the Parking System or the Solid Waste fund.

On July 1st, 2011 the City converted to a self-funded health care program with a third-party administrator for processing claims. The self-funded program has allowed the City to pay claims and build a reserve fund sufficient to meet State self-funded health insurance reserve requirements.

Requests for Information

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



CITY OF DES MOINES, IOWA
STATEMENT OF NET POSITION
June 30, 2015

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	LIBRARY FOUNDATION	AIRPORT AUTHORITY
ASSETS					
Current assets:					
Unrestricted current assets:					
Cash and investments	\$ 77,850,509	\$ 49,948,811	\$ 127,799,320	\$ 792,228	\$ 27,815,092
Taxes receivable	149,795,920	---	149,795,920	---	---
Special assessments receivable	45,556	86,361	131,917	---	---
Accounts receivable	6,744,921	857,918	7,602,839	---	3,237,881
Loans receivable, current portion	425,000	---	425,000	---	---
Accrued interest receivable	30,256	---	30,256	---	---
Other receivables	---	---	---	---	---
Internal balances	13,405,120	(13,405,120)	---	---	---
Due from other governmental units	14,419,762	680,540	15,100,302	---	---
Due from component unit	1,630,000	---	1,630,000	---	---
Inventory	570,056	67,149	637,205	---	81,447
Prepaid items	1,556,093	31,500	1,587,593	---	43,062
Total unrestricted current assets	266,473,193	38,267,159	304,740,352	792,228	31,177,482
Restricted assets:					
Cash and investments	---	559,473	559,473	2,284,120	10,470,977
Accounts receivable	---	---	---	---	453,850
Interest receivable	---	2,300	2,300	---	---
Total restricted current assets	---	561,773	561,773	2,284,120	10,924,827
Total current assets	266,473,193	38,828,932	305,302,125	3,076,348	42,102,309
Noncurrent assets:					
Restricted cash and investments	---	14,024,442	14,024,442	---	3,713,586
Restricted interest receivable	---	232	232	---	---
Loans receivable, net of allowance for					
Doubtful accounts \$4,857,364	2,549,637	---	2,549,637	---	---
Special assessment receivables	2,621,248	---	2,621,248	---	---
Due from component unit	28,560,400	---	28,560,400	---	---
Capital assets:					
Land	139,772,534	16,772,284	156,544,818	---	---
Construction in progress	77,551,312	14,010,516	91,561,828	---	14,885,876
Buildings	215,494,950	103,146,176	318,641,126	---	221,194,078
Improvements other than buildings	1,092,657,557	365,213,533	1,457,871,090	---	166,647,918
Machinery and equipment	68,373,746	28,199,189	96,572,935	---	18,617,769
Accumulated depreciation	(593,918,033)	(186,191,058)	(780,109,091)	---	(205,218,113)
Total capital assets	999,932,066	341,150,640	1,341,082,706	---	216,127,528
Total noncurrent assets	1,033,663,351	355,175,314	1,388,838,665	---	219,841,114
Total assets	\$ 1,300,136,544	\$ 394,004,246	\$ 1,694,140,790	\$ 3,076,348	\$ 261,943,423
Deferred Outflows of Resources					
Pension related deferred outflows	\$ 25,966,734	\$ 1,597,819	\$ 27,564,553	\$ ---	\$ ---
Loss on refunding debt	---	---	---	---	122,126
Total deferred outflow of resources	\$ 25,966,734	\$ 1,597,819	\$ 27,564,553	\$ ---	\$ 122,126

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

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	LIBRARY FOUNDATION	AIRPORT AUTHORITY
LIABILITIES					
Liabilities:					
Current liabilities:					
Accounts payable	\$ 4,859,279	\$ 1,020,158	\$ 5,879,437	\$ ---	\$ 1,057,506
Contracts payable	4,958,456	733,223	5,691,679	---	615,937
Accrued wages payable	3,619,896	478,925	4,098,821	101,983	106,974
Accrued employee benefits	23,099,623	1,180,860	24,280,483	---	170,276
Good faith, tenant, security, airport deposits	1,470,665	105,684	1,576,349	---	292,032
Accrued interest payable	1,467,712	70,515	1,538,227	---	172,353
Due from other governmental units	200,000	---	200,000	---	---
Due to primary government	---	---	---	---	1,580,000
Notes, loans, and bonds payable	29,797,630	7,300,630	37,098,260	---	---
Unearned revenue	143,067	11,998	155,065	---	---
Capital leases payable	---	---	---	---	---
Total	<u>69,616,328</u>	<u>10,901,993</u>	<u>80,518,321</u>	<u>101,983</u>	<u>3,995,078</u>
Current liabilities payable from restricted assets:					
Notes, loans, and bonds payable	1,630,000	431,500	2,061,500	---	---
Accrued interest payable	---	122,273	122,273	---	---
Total current liabilities payable from restricted assets	<u>1,630,000</u>	<u>553,773</u>	<u>2,183,773</u>	<u>---</u>	<u>---</u>
Total current liabilities	<u>71,246,328</u>	<u>11,455,766</u>	<u>82,702,094</u>	<u>101,983</u>	<u>3,995,078</u>
Noncurrent liabilities:					
Accrued employee benefits	10,660,755	1,684,385	12,345,140	---	335,343
Other post retirement benefits	6,329,371	870,929	7,200,300	---	316,895
Net pension liability	116,728,673	7,691,264	124,419,937	---	---
Other liabilities, claims and judgments	285,000	230,137	515,137	---	---
Due to primary government	---	---	---	---	30,400,000
Notes, loans, and bonds payable, net	392,237,741	69,604,368	461,842,109	---	11,551,789
Total noncurrent liabilities	<u>526,241,540</u>	<u>80,081,083</u>	<u>606,322,623</u>	<u>---</u>	<u>42,604,027</u>
Total liabilities	<u>597,487,868</u>	<u>91,536,849</u>	<u>689,024,717</u>	<u>101,983</u>	<u>46,599,105</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes	146,768,133	---	146,768,133	---	---
Pension related deferred outflows	45,254,110	3,185,101	48,439,211	---	---
	<u>192,022,243</u>	<u>3,185,101</u>	<u>195,207,344</u>	<u>---</u>	<u>---</u>
NET POSITION					
Net investment in capital assets	627,588,818	275,958,369	903,547,187	---	172,595,742
Restricted:					
Public housing program	---	6,005,705	6,005,705	---	---
Debt retirement	1,886,377	5,018,646	6,905,023	---	8,292,557
Corpus non-expendable permanent	3,598,450	---	3,598,450	1,117,774	---
Donor restricted temporary	932,213	---	932,213	1,324,527	---
Capital projects	887,263	---	887,263	---	---
Public works	6,314,263	---	6,314,263	---	---
Police and fire	1,159,309	---	1,159,309	---	---
Culture and recreation	1,713,415	---	1,713,415	---	---
Other restricted assets	1,984,709	---	1,984,709	---	6,345,898
Unrestricted	<u>(109,471,650)</u>	<u>13,897,395</u>	<u>(95,574,255)</u>	<u>532,064</u>	<u>28,232,247</u>
Total net position	<u>\$ 536,593,167</u>	<u>\$ 300,880,115</u>	<u>\$ 837,473,282</u>	<u>\$ 2,974,365</u>	<u>\$ 215,466,444</u>

CITY OF DES MOINES
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SALES AND SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Primary government:				
Governmental activities:				
Public safety	\$ 119,483,595	\$ 20,807,818	\$ 3,649,823	\$ 548,963
Public works	51,339,248	9,051,823	22,361,431	23,614,653
Health and social services	15,436,157	746,912	13,721,310	---
Culture and recreation	30,754,939	3,826,159	627,167	1,834,137
Community and economic development	19,337,576	656,065	82,281	---
General government	26,117,356	24,529,091	435,530	20,212
Interest on long-term debt	15,840,246	149,061	4,958,995	---
Total governmental activities	278,309,117	59,766,929	45,836,537	26,017,965
Business-type activities:				
Parking facilities system	11,632,790	8,887,844	---	---
Sewer system	32,892,418	39,205,878	---	378,068
Stormwater utility	15,896,140	20,573,495	---	191,525
Golf	216,784	137,021	---	4,000
Solid waste system	12,255,052	12,294,509	---	---
Municipal Housing Agency	22,284,760	1,514,642	17,267,565	804,361
Total business-type activities	95,177,944	82,613,389	17,267,565	1,377,954
Total primary government	\$ 373,487,061	\$ 142,380,318	\$ 63,104,102	\$ 27,395,919
Component unit, Des Moines Public Library Foundation	\$ 408,121	\$ ---	\$ 876,290	\$ ---
Component unit, Des Moines Airport Authority	\$ 37,690,080	\$ 33,245,435	\$ 6,502,652	\$ 9,549,816
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Franchise taxes				
Investment earnings				
Miscellaneous				
Gain on disposal of capital assets				
Transfers - internal activities				
Total general revenues and transfers				
Change in net position				
Net position, beginning as restated				
Net position, ending				

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

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION

PRIMARY GOVERNMENT			COMPONENT UNIT	
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	LIBRARY FOUNDATION	AIRPORT AUTHORITY
\$ (94,476,991)	\$ ---	\$ (94,476,991)	\$ ---	\$ ---
3,688,659	---	3,688,659	---	---
(967,935)	---	(967,935)	---	---
(24,467,476)	---	(24,467,476)	---	---
(18,599,230)	---	(18,599,230)	---	---
(1,132,523)	---	(1,132,523)	---	---
(10,732,190)	---	(10,732,190)	---	---
<u>(146,687,686)</u>	<u>---</u>	<u>(146,687,686)</u>	<u>---</u>	<u>---</u>
---	(2,744,946)	(2,744,946)	---	---
---	6,691,528	6,691,528	---	---
---	4,868,880	4,868,880	---	---
---	(75,763)	(75,763)	---	---
---	39,457	39,457	---	---
---	<u>(2,698,192)</u>	<u>(2,698,192)</u>	<u>---</u>	<u>---</u>
---	6,080,964	6,080,964	---	---
\$ (146,687,686)	\$ 6,080,964	\$ (140,606,722)	\$ ---	\$ ---
			<u>\$ 468,169</u>	
				<u>\$ 11,607,823</u>
117,404,510	---	117,404,510	---	---
27,790,702	---	27,790,702	---	---
18,780,277	---	18,780,277	---	---
2,141,765	713,931	2,855,696	123,405	---
729,515	543,131	1,272,646	110,178	---
921,273	264,476	1,185,749	---	---
<u>(3,156,233)</u>	<u>3,156,233</u>	<u>---</u>	<u>---</u>	<u>---</u>
<u>164,611,809</u>	<u>4,677,771</u>	<u>169,289,580</u>	<u>233,583</u>	<u>---</u>
17,924,123	10,758,735	28,682,858	701,752	11,607,823
518,669,044	290,121,380	808,790,424	2,272,613	203,858,621
<u>\$ 536,593,167</u>	<u>\$ 300,880,115</u>	<u>\$ 837,473,282</u>	<u>\$ 2,974,365</u>	<u>\$ 215,466,444</u>

CITY OF DES MOINES, IOWA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

<u>ASSETS</u>	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>TAX INCREMENT</u>
Cash and investments	\$ 24,534,410	\$ 1,846,644	\$ 482,630
Taxes receivable	57,786,569	29,876,286	27,154,329
Accounts receivable	4,448,029	---	---
Loans receivable, net of allowance for doubtful accounts	---	---	---
Accrued interest receivable	28,593	---	---
Due from other funds	463,716	---	---
Due from other governmental units	1,188,917	---	---
Advance to other funds	6,466,568	---	---
Special assessment receivables	30,585	---	---
Inventory	---	---	---
Prepaid items	1,250,195	---	---
Total assets	\$ 96,197,582	\$ 31,722,930	\$ 27,636,959
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities:			
Accounts payable	\$ 2,086,980	\$ ---	\$ ---
Contracts payable	---	---	---
Accrued wages payable	3,013,695	---	---
Accrued employee benefits	---	---	---
Due to other funds	117,360	---	---
Due to other governmental units	---	---	---
Unearned revenue	83,333	---	---
Good faith, security deposits	894,731	---	50,000
Total liabilities	6,196,099	---	50,000
Deferred inflows of resources:			
Unavailable revenue - property taxes	55,578,702	29,587,659	27,016,892
Unavailable revenue - intergovernmental	---	---	---
Unavailable revenue - special assessments	---	---	---
Total deferred inflows of resources	55,578,702	29,587,659	27,016,892
Fund balances:			
Nonspendable	7,716,763	---	---
Restricted	143,875	2,135,271	570,067
Committed	1,200,000	---	---
Unassigned	25,362,143	---	---
Total fund balances	34,422,781	2,135,271	570,067
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 96,197,582	\$ 31,722,930	\$ 27,636,959

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

<u>BENEFIT TAX ACCOUNTS</u>	<u>FRANCHISE FEE COURT SETTLEMENT</u>	<u>CAPITAL PROJECTS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ ---	\$ 37,401	\$ 27,397,625	\$ 10,726,121	\$ 65,024,831
20,547,203	---	---	14,388,087	149,752,474
---	1,181,417	651,259	374,296	6,655,001
---	---	---	2,974,637	2,974,637
---	---	---	1,663	30,256
---	---	1,925,679	11,876	2,401,271
---	---	4,797,109	8,432,965	14,418,991
---	---	---	---	6,466,568
---	---	2,621,248	14,971	2,666,804
---	---	---	472,726	472,726
---	---	57,052	191,473	1,498,720
<u>\$ 20,547,203</u>	<u>\$ 1,218,818</u>	<u>\$ 37,449,972</u>	<u>\$ 37,588,815</u>	<u>\$ 252,362,279</u>
\$ ---	\$ ---	\$ 406,685	\$ 1,401,531	\$ 3,895,196
---	---	4,958,456	---	4,958,456
---	---	67,210	418,665	3,499,570
---	---	---	239,098	239,098
250,642	---	---	1,675,037	2,043,039
---	---	---	200,000	200,000
---	---	24,304	15,337	122,974
---	---	---	525,934	1,470,665
<u>250,642</u>	<u>---</u>	<u>5,456,655</u>	<u>4,475,602</u>	<u>16,428,998</u>
20,305,239	---	---	14,279,641	146,768,133
---	---	1,467,104	440,057	1,907,161
---	---	2,621,248	---	2,621,248
<u>20,305,239</u>	<u>---</u>	<u>4,088,352</u>	<u>14,719,698</u>	<u>151,296,542</u>
---	---	57,052	4,262,649	12,036,464
---	1,218,818	887,263	12,264,551	17,219,845
---	---	26,960,650	2,541,206	30,701,856
(8,678)	---	---	(674,891)	24,678,574
<u>(8,678)</u>	<u>1,218,818</u>	<u>27,904,965</u>	<u>18,393,515</u>	<u>84,636,739</u>
<u>\$ 20,547,203</u>	<u>\$ 1,218,818</u>	<u>\$ 37,449,972</u>	<u>\$ 37,588,815</u>	<u>\$ 252,362,279</u>

CITY OF DES MOINES, IOWA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2015

Total governmental fund balances \$ 84,636,739

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. 996,634,243

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the governmental funds balance sheet. 4,528,409

Long-term receivables are not available to pay for current-period expenditures, and therefore, are not reported in the funds; Due from component unit. 30,190,400

Internal service funds are used by management to charge the costs of certain services to individual funds. The assets, deferred outflow of resources, liabilities and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of

Capital assets, net of accumulated depreciation	3,297,823
Other current assets	13,231,878
Deferred outflow of resources, pension related items	434,733
Other current liabilities	(2,989,636)
Net pension liability - IPERS	(2,097,601)
Other noncurrent liabilities	(519,035)
Deferred inflow of resources, pension related items	(868,656)
	<u>10,489,506</u>

Internal service funds allocated to business-type activities 6,541,666

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 - IPERS	6,028,282
Deferred outflows of resources - MFPRSI	19,503,719
Deferred inflows of resources - IPERS	(12,187,626)
Deferred inflows of resources - MFPRSI	(32,197,828)
	<u>(18,853,453)</u>

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

Unamortized premium cost	(16,921,388)
Unamortized discount	46,269
Accrued employee benefits	(31,407,800)
Other accrued post retirement benefits	(6,117,388)
Accrued interest payable	(1,467,712)
Notes payable	(3,810,852)
Section 108 loans payable	(8,449,000)
General obligation bonds payable	(364,340,000)
Other liabilities, claims and judgments	(285,000)
Revenue bonds payable, net of discount of \$209,600	(30,190,400)
Net pension liability - IPERS	(29,430,236)
Net pension liability - MFPRSI	(85,200,836)
	<u>(577,574,343)</u>
Net position of governmental activities	<u>\$ 536,593,167</u>

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

CITY OF DES MOINES, IOWA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2015

	GENERAL	DEBT SERVICE	TAX INCREMENT
Revenues:			
Taxes	\$ 58,496,571	\$ 27,790,702	\$ 26,032,343
Franchise fees	12,940,957	---	---
Licenses and permits	4,181,428	---	---
Fines and forfeitures	6,155,227	---	---
Charges for sales and services	17,238,681	---	---
Use of money and property	1,321,365	10,104	254,511
Miscellaneous	17,171,643	298,525	329,466
Intergovernmental	3,419,204	4,809,531	---
Total revenue	<u>120,925,076</u>	<u>32,908,862</u>	<u>26,616,320</u>
Expenditures:			
Current:			
Public safety	97,868,679	---	---
Public works	8,211,037	---	---
Health and social services	407,467	---	---
Culture and recreation	19,450,339	---	---
Community and economic development	5,848,317	---	9,886,969
General government	15,125,613	368,725	---
Capital outlay	405,440	---	---
Debt service:			
Principal retirement	---	59,663,004	214,500
Interest and fiscal charges	---	16,900,298	438,230
Total expenditures	<u>147,316,892</u>	<u>76,932,027</u>	<u>10,539,699</u>
Excess (deficiency) of revenues over expenditures	<u>(26,391,816)</u>	<u>(44,023,165)</u>	<u>16,076,621</u>
Other financing sources (uses):			
Transfers in	33,932,743	13,379,323	---
General obligation bonds issued	---	54,660,000	---
Premium on bond issue	---	5,545,738	---
Loan Proceeds	---	1,200,000	---
Transfers out	(2,336,875)	(29,957,470)	(16,144,326)
Proceeds from damage claims	30,318	---	---
Proceeds from capital asset sale	284,939	---	550,000
Total other financing sources (uses)	<u>31,911,125</u>	<u>44,827,591</u>	<u>(15,594,326)</u>
Net change in fund balances	5,519,309	804,426	482,295
Fund balances, beginning of year	<u>28,903,472</u>	<u>1,330,845</u>	<u>87,772</u>
Fund balances (deficits), end of year	<u>\$ 34,422,781</u>	<u>\$ 2,135,271</u>	<u>\$ 570,067</u>

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

BENEFIT TAX ACCOUNTS	FRANCHISE FEE COURT SETTLEMENT	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 22,363,499	\$ ---	\$ ---	\$ 10,512,097	\$ 145,195,212
---	5,839,320	---	---	18,780,277
---	---	---	137,955	4,319,383
---	---	---	17,890	6,173,117
---	---	133,728	2,077,908	19,450,317
---	466	34,545	520,774	2,141,765
---	---	1,287,538	2,073,289	21,160,461
542,738	---	21,826,492	40,761,608	71,359,573
<u>22,906,237</u>	<u>5,839,786</u>	<u>23,282,303</u>	<u>56,101,521</u>	<u>288,580,105</u>
---	---	50,807	2,835,948	100,755,434
---	---	1,575,374	19,401,300	29,187,711
---	---	---	14,607,373	15,014,840
---	---	830,546	700,418	20,981,303
---	---	2,208,604	1,194,952	19,138,842
---	---	1,275,870	4,012,751	20,782,959
---	---	50,313,286	218,406	50,937,132
---	2,855,000	---	---	62,732,504
---	1,873,875	---	---	19,212,403
---	<u>4,728,875</u>	<u>56,254,487</u>	<u>42,971,148</u>	<u>338,743,128</u>
<u>22,906,237</u>	<u>1,110,911</u>	<u>(32,972,184)</u>	<u>13,130,373</u>	<u>(50,163,023)</u>
---	---	28,046,970	3,527,218	78,886,254
---	---	---	---	54,660,000
---	---	---	---	5,545,738
---	---	---	---	1,200,000
(23,034,073)	---	(307,948)	(10,261,795)	(82,042,487)
---	---	424,349	24,888	479,555
---	---	547,875	160,425	1,543,239
<u>(23,034,073)</u>	<u>---</u>	<u>28,711,246</u>	<u>(6,549,264)</u>	<u>60,272,299</u>
(127,836)	1,110,911	(4,260,938)	6,581,109	10,109,276
119,158	107,907	32,165,903	11,812,406	74,527,463
<u>\$ (8,678)</u>	<u>\$ 1,218,818</u>	<u>\$ 27,904,965</u>	<u>\$ 18,393,515</u>	<u>\$ 84,636,739</u>

CITY OF DES MOINES, IOWA
RECONCILIATION OF THE CHANGE IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

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

Net change in fund balances: Total governmental funds \$ 10,109,276

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

Capital outlay	50,937,134
Depreciation	(37,698,964)
	13,238,170

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

Proceeds from the sale of capital assets	(1,543,239)
Gain from sale of capital assets	838,955
Capital assets contributed by private sources	2,141,853
	1,437,569

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

Current period payments	(1,580,000)
Amortization of discount on receivable	19,522
	(1,560,478)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (1,957,883)

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

Amortization of premium	2,972,430
Long-term debt issued, including premiums of \$5,545,738	(61,405,738)
Repayment of long-term debt principal	62,732,504
Interest	515,704
Amortization of discount on general obligation bonds	(96,453)
Amortization of discount on revenue bonds	(19,522)
	<u>4,698,925</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in	
Accrued employee benefits	(549,108)
Other accrued post retirement benefits	(908,986)
Claims and judgments	(2,000)
Pension expense - IPERS	2,432,004
Pension expense - MFPRSI	(9,845,316)
	<u>(8,873,406)</u>
Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net income of certain activities of internal service funds is reported with governmental activities.	(1,071,435)
Change in internal service fund allocations to business-type activities	<u>1,903,385</u>
Change in net position of governmental activities	<u><u>\$ 17,924,123</u></u>

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

CITY OF DES MOINES, IOWA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	PARKING FACILITIES SYSTEM	SEWER SYSTEM	STORMWATER UTILITY
ASSETS			
Current assets:			
Unrestricted current assets:			
Cash and investments	\$ 6,854,954	\$ 18,462,765	\$ 14,239,828
Taxes receivable	---	---	---
Accounts receivable	30,364	387,712	187,978
Special assessments receivable	---	13,487	16,510
Due from other funds	---	---	---
Due from other governmental units	11,345	60,672	109,611
Inventory	---	---	---
Prepaid items	---	3,382	8,855
Total unrestricted current assets	<u>6,896,663</u>	<u>18,928,018</u>	<u>14,562,782</u>
Restricted current assets:			
Cash and investments	---	235,751	323,722
Interest receivable	---	2,300	---
Total restricted current assets	<u>---</u>	<u>238,051</u>	<u>323,722</u>
Total current assets	<u>6,896,663</u>	<u>19,166,069</u>	<u>14,886,504</u>
Noncurrent assets:			
Restricted cash and investments	---	4,312,771	3,705,966
Restricted interest receivable	---	---	232
Capital assets			
Land	12,970,647	1,340,176	949,553
Construction in progress	2,483,749	5,219,550	6,200,996
Buildings	67,476,848	573,492	---
Improvements other than buildings	34,740,554	183,510,712	137,632,471
Machinery and equipment	1,148,917	6,742,241	4,416,785
Accumulated depreciation	<u>(66,295,300)</u>	<u>(57,024,867)</u>	<u>(17,122,501)</u>
Total capital assets, net of accumulated depreciation	<u>52,525,415</u>	<u>140,361,304</u>	<u>132,077,304</u>
Total noncurrent assets	<u>52,525,415</u>	<u>144,674,075</u>	<u>135,783,502</u>
Total assets	<u>\$ 59,422,078</u>	<u>\$ 163,840,144</u>	<u>\$ 150,670,006</u>
DEFERRED OUTFLOW OF RESOURCES			
Pension related deferred outflows	<u>\$ 86,886</u>	<u>\$ 329,188</u>	<u>\$ 505,532</u>

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
\$ 1,456,866	\$ 8,934,398	\$ 49,948,811	\$ 12,825,678
---	---	---	43,446
50,508	201,356	857,918	89,920
---	56,364	86,361	---
---	---	---	117,360
494,699	4,213	680,540	771
67,149	---	67,149	97,330
19,263	---	31,500	57,373
<u>2,088,485</u>	<u>9,196,331</u>	<u>51,672,279</u>	<u>13,231,878</u>
---	---	559,473	---
---	---	2,300	---
---	---	561,773	---
<u>2,088,485</u>	<u>9,196,331</u>	<u>52,234,052</u>	<u>13,231,878</u>
6,005,705	---	14,024,442	---
---	---	232	---
1,388,411	123,497	16,772,284	---
106,221	---	14,010,516	---
33,621,617	1,474,219	103,146,176	---
5,846,153	3,483,643	365,213,533	---
1,439,904	14,451,342	28,199,189	33,969,088
<u>(31,757,586)</u>	<u>(13,990,804)</u>	<u>(186,191,058)</u>	<u>(30,671,265)</u>
<u>10,644,720</u>	<u>5,541,897</u>	<u>341,150,640</u>	<u>3,297,823</u>
<u>16,650,425</u>	<u>5,541,897</u>	<u>355,175,314</u>	<u>3,297,823</u>
<u>\$ 18,738,910</u>	<u>\$ 14,738,228</u>	<u>\$ 407,409,366</u>	<u>\$ 16,529,701</u>
<u>\$ 272,983</u>	<u>\$ 403,230</u>	<u>\$ 1,597,819</u>	<u>\$ 434,733</u>

(continued)

CITY OF DES MOINES, IOWA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
June 30, 2015

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	PARKING FACILITIES SYSTEM	SEWER SYSTEM	STORMWATER UTILITY
LIABILITIES			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 213,793	\$ 194,898	\$ 198,220
Contracts payable	320,944	271,844	140,435
Accrued wages payable	35,881	89,744	161,081
Accrued employee benefits	89,002	247,718	380,732
Due to other funds	376,975	---	---
Tenant security deposits	---	---	---
Notes payable	---	164,130	---
Accrued interest payable	15,750	31,202	23,563
Revenue bonds payable	---	2,024,000	2,722,500
General obligation bonds payable	1,825,000	100,000	465,000
Unearned revenue	---	---	---
Total	2,877,345	3,123,536	4,091,531
Current liabilities payable from restricted assets:			
Revenue bonds payable	---	184,000	247,500
Accrued interest payable	---	46,052	76,221
Total current liabilities payable from restricted assets	---	230,052	323,721
Total current liabilities	2,877,345	3,353,588	4,415,252
Noncurrent liabilities:			
Accrued employee benefits	139,641	388,660	597,355
Other postemployment benefits	64,166	222,087	214,560
Net pension liability	411,678	1,553,274	2,449,226
Advance from other funds	3,106,887	---	---
Notes payable	---	431,243	---
Revenue bonds payable, net	---	16,317,000	23,171,175
General obligation bonds payable, net	7,853,979	12,333,474	9,497,497
Other liabilities	---	---	---
Total noncurrent liabilities	11,576,351	31,245,738	35,929,813
Total liabilities	14,453,696	34,599,326	40,345,065
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	170,484	643,241	1,014,272
NET POSITION			
Net investment in capital assets	42,846,436	114,559,167	102,366,149
Restricted:			
Public housing program	---	---	---
Debt retirement	---	1,786,348	3,232,298
Unrestricted	2,038,348	12,581,250	4,217,754
Total net position	\$ 44,884,784	\$ 128,926,765	\$ 109,816,201

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

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
MUNICIPAL	OTHER	TOTAL	ACTIVITIES
HOUSING	ENTERPRISE	ENTERPRISE	INTERNAL
AGENCY	FUNDS	FUNDS	SERVICE
			FUNDS
\$ 315,750	\$ 97,497	\$ 1,020,158	\$ 964,083
---	---	733,223	---
71,045	121,174	478,925	120,326
202,900	260,508	1,180,860	1,806,428
19,911	---	396,886	78,706
105,684	---	105,684	---
---	---	164,130	---
---	---	70,515	---
---	---	4,746,500	---
---	---	2,390,000	---
11,998	---	11,998	20,093
<u>727,288</u>	<u>479,179</u>	<u>11,298,879</u>	<u>2,989,636</u>
---	---	431,500	---
---	---	122,273	---
---	---	553,773	---
<u>727,288</u>	<u>479,179</u>	<u>11,852,652</u>	<u>2,989,636</u>
150,001	408,728	1,684,385	307,052
171,097	199,019	870,929	211,983
1,335,353	1,941,733	7,691,264	2,097,601
---	3,359,681	6,466,568	---
---	---	431,243	---
---	---	39,488,175	---
---	---	29,684,950	---
230,137	---	230,137	---
<u>1,886,588</u>	<u>5,909,161</u>	<u>86,547,651</u>	<u>2,616,636</u>
<u>2,613,876</u>	<u>6,388,340</u>	<u>98,400,303</u>	<u>5,606,272</u>
552,995	804,109	3,185,101	868,656
10,644,720	5,541,897	275,958,369	3,297,823
6,005,705	---	6,005,705	---
---	---	5,018,646	---
(805,403)	2,407,112	20,439,061	7,191,683
<u>\$ 15,845,022</u>	<u>\$ 7,949,009</u>	<u>\$ 307,421,781</u>	<u>\$ 10,489,506</u>



CITY OF DES MOINES, IOWA
RECONCILIATION OF ENTERPRISE FUNDS NET POSITION
TO THE STATEMENT OF NET POSITION
June 30, 2015

Total enterprise funds net position \$ 307,421,781

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

Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. (6,541,666)

Net position of business-type activities \$ 300,880,115

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

CITY OF DES MOINES, IOWA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2015

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	PARKING FACILITIES SYSTEM	SEWER SYSTEM	STORMWATER UTILITY
Operating revenues:			
Charges for sales and services	\$ 8,887,844	\$ 39,205,878	\$ 20,573,495
Operating grants	---	---	---
Miscellaneous	---	66,377	222,006
Total operating revenues	<u>8,887,844</u>	<u>39,272,255</u>	<u>20,795,501</u>
Operating expenses:			
Personal services	1,197,519	4,327,693	5,476,433
Contractual services	6,240,235	17,951,062	2,537,964
Commodities	243,666	327,808	249,299
Depreciation	3,556,141	3,900,224	2,943,002
Other charges	127,849	5,112,246	3,082,625
Total operating expenses	<u>11,365,410</u>	<u>31,619,033</u>	<u>14,289,323</u>
Operating income (loss)	<u>(2,477,566)</u>	<u>7,653,222</u>	<u>6,506,178</u>
Non-operating revenues (expenses):			
Gain/ (loss) on disposal of capital assets	---	22,389	(10,463)
Investment earnings	4,481	505,777	184,698
Proceeds from damage claims	7,250	---	---
Other	---	---	---
Interest expense and fiscal charges	<u>(157,728)</u>	<u>(896,545)</u>	<u>(997,584)</u>
Total nonoperating revenues (expenses)	<u>(145,997)</u>	<u>(368,379)</u>	<u>(823,349)</u>
Income (loss) before capital grants, contributions and transfers	(2,623,563)	7,284,843	5,682,829
Capital grants and contributions	---	378,068	191,525
Transfers in	3,431,673	440,000	82,500
Transfers out	---	---	(797,940)
Change in net position	808,110	8,102,911	5,158,914
Total net position - beginning, as restated	<u>44,076,674</u>	<u>120,823,854</u>	<u>104,657,287</u>
Total net position - ending	<u>\$ 44,884,784</u>	<u>\$ 128,926,765</u>	<u>\$ 109,816,201</u>

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

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
MUNICIPAL	OTHER	TOTAL	ACTIVITIES
HOUSING	ENTERPRISE	ENTERPRISE	INTERNAL
AGENCY	FUNDS	FUNDS	SERVICE
			FUNDS
\$ 1,514,642	\$ 12,431,530	\$ 82,613,389	\$ 39,245,890
17,267,565	---	17,267,565	---
---	96,839	385,222	23,376
<u>18,782,207</u>	<u>12,528,369</u>	<u>100,266,176</u>	<u>39,269,266</u>
3,680,567	4,591,808	19,274,020	4,941,722
16,593,097	5,205,439	48,527,797	27,550,063
---	377,983	1,198,756	5,676,895
1,713,582	998,160	13,111,109	1,329,859
---	740,480	9,063,200	924,827
<u>21,987,246</u>	<u>11,913,870</u>	<u>91,174,882</u>	<u>40,423,366</u>
<u>(3,205,039)</u>	<u>614,499</u>	<u>9,091,294</u>	<u>(1,154,100)</u>
180,832	71,718	264,476	82,318
5,953	13,022	713,931	---
---	150,659	157,909	347
(29,825)	---	(29,825)	---
---	(17,995)	(2,069,852)	---
<u>156,960</u>	<u>217,404</u>	<u>(963,361)</u>	<u>82,665</u>
(3,048,079)	831,903	8,127,933	(1,071,435)
804,361	4,000	1,377,954	---
---	---	3,954,173	---
---	---	(797,940)	---
<u>(2,243,718)</u>	<u>835,903</u>	<u>12,662,120</u>	<u>(1,071,435)</u>
<u>18,088,740</u>	<u>7,113,106</u>	<u>294,759,661</u>	<u>11,560,941</u>
<u>\$ 15,845,022</u>	<u>\$ 7,949,009</u>	<u>\$ 307,421,781</u>	<u>\$ 10,489,506</u>



CITY OF DES MOINES, IOWA
RECONCILIATION OF THE CHANGE IN NET POSITION OF
ENTERPRISE FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

Net changes in net position in enterprise funds \$ 12,662,120

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

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

(1,903,385)

Change in net position of business-type activities

\$ 10,758,735

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

CITY OF DES MOINES, IOWA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2015

	BUSINESS-TYPE ACTIVITIES		
	PARKING FACILITIES SYSTEM	SEWER SYSTEM	STORMWATER UTILITY
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 8,909,418	\$ 39,287,800	\$ 21,195,058
Receipts from interfund services provided	---	---	---
Payments to suppliers	(6,462,089)	(23,319,426)	(5,760,389)
Payments to employees	(1,202,563)	(4,424,593)	(5,580,288)
Receipts from miscellaneous revenue	---	66,377	222,006
Proceeds from damage claims	7,250	---	---
Payments for interfund services used	---	---	---
Net cash provided by (used in) operating activities	<u>1,252,016</u>	<u>11,610,158</u>	<u>10,076,387</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Payments to interfund accounts	(374,499)	---	---
Transfers In	3,431,673	440,000	82,500
Transfers Out	---	---	(797,940)
Intergovernmental receipts	---	---	---
Net cash provided by (used in) capital and related financing activities	<u>3,057,174</u>	<u>440,000</u>	<u>(715,440)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from intergovernmental and capital grants	---	---	75,499
Interest paid on capital debt	(250,500)	(1,626,631)	(1,408,682)
Principal paid on long-term debt and leases	(1,800,000)	(2,904,556)	(3,577,918)
Proceeds from sale of capital assets	---	36,454	12,759
Acquisition and construction of capital assets	(2,599,986)	(1,931,110)	(4,247,458)
Net cash provided by (used in) capital and related financing activities	<u>(4,650,486)</u>	<u>(6,425,843)</u>	<u>(9,145,800)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	---	\$ 10,383,427	\$ 7,319,006
Purchase of investments	---	(12,913,881)	(7,311,662)
Interest and dividends received	4,480	508,525	148,822
Net cash provided by (used in) investing activities	<u>4,480</u>	<u>(2,021,929)</u>	<u>156,166</u>
Net increase (decrease) in cash and cash equivalents	(336,816)	3,602,386	371,313
Cash and cash equivalents, beginning of year	7,191,770	15,096,130	14,192,237
Cash and cash equivalents, end of year	<u>\$ 6,854,954</u>	<u>\$ 18,698,516</u>	<u>\$ 14,563,550</u>
Reconciliation of cash and investments to statement of net position:			
Unrestricted cash and investments, current	\$ 6,854,954	\$ 18,462,765	\$ 14,239,828
Restricted cash and investments, current	---	235,751	323,722
Restricted cash and investments, non current	---	4,312,771	3,705,966
Less investments	---	(4,312,771)	(3,705,966)
	<u>\$ 6,854,954</u>	<u>\$ 18,698,516</u>	<u>\$ 14,563,550</u>

			GOVERNMENTAL ACTIVITIES
MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
\$ 18,607,803	\$ 12,628,203	\$ 100,628,282	\$ 29,833,739
---	---	---	9,331,015
(16,591,236)	(6,308,888)	(58,442,028)	(33,725,943)
(3,804,747)	(4,729,983)	(19,742,174)	(5,126,314)
---	---	288,383	---
---	150,659	157,909	347
---	---	---	(256,081)
(1,788,180)	1,739,991	22,890,372	56,763
---	(178,004)	(552,503)	(19,277)
---	---	3,954,173	---
---	---	(797,940)	---
---	---	---	(771)
---	(178,004)	2,603,730	(20,048)
804,361	4,000	883,860	---
---	(19,182)	(3,304,995)	---
---	(380,176)	(8,662,650)	---
391,644	71,718	512,575	108,463
(820,492)	(405,179)	(10,004,225)	(540,857)
375,513	(728,819)	(20,575,435)	(432,394)
\$ ---	\$ ---	\$ 17,702,433	\$ ---
---	---	(20,225,543)	---
5,953	13,022	680,802	---
5,953	13,022	(1,842,308)	---
(1,406,714)	846,190	3,076,359	(395,679)
8,869,285	8,088,208	53,437,630	13,221,357
\$ 7,462,571	\$ 8,934,398	\$ 56,513,989	\$ 12,825,678
\$ 1,456,866	\$ 8,934,398	49,948,811	\$ 12,825,678
---	---	559,473	---
6,005,705	---	14,024,442	---
-	---	(8,018,737)	---
\$ 7,462,571	\$ 8,934,398	\$ 56,513,989	\$ 12,825,678

(continued)

CITY OF DES MOINES, IOWA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2015

	BUSINESS-TYPE ACTIVITIES		
	PARKING FACILITIES SYSTEM	SEWER SYSTEM	STORMWATER UTILITY
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (2,477,566)	\$ 7,653,222	\$ 6,506,178
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	3,556,141	3,900,224	2,943,002
Proceeds from damage claims	7,250	---	---
(Increase) decrease in accounts and taxes receivable	21,574	43,763	39,119
(Increase) decrease in special assessments receivable	---	15,499	8,362
(Increase) decrease in due from other governmental units	---	22,660	574,082
Decrease in inventories	---	---	---
(Increase) decrease in prepaid items	---	(2,740)	(6,937)
(Increase) decrease in accounts, contracts payable and other liabilities	149,661	74,430	116,436
Increase in accrued wages payable	11,284	9,961	40,396
Increase (decrease) in accrued employee benefits and other postemployment benefits	20,252	32,522	61,993
Increase in other liabilities, self-sufficiency participation and tenant security deposits	---	---	---
Increase (decrease) in unearned revenue	---	---	---
(Increase) decrease in deferred outflows	(26,229)	(100,327)	(144,660)
Increase in deferred inflows	170,484	643,241	1,014,272
(Decrease) in net pension liability	(180,835)	(682,297)	(1,075,856)
Total adjustments	<u>3,729,582</u>	<u>3,956,936</u>	<u>3,570,209</u>
Net cash provided by (used in) operating activities	<u>\$ 1,252,016</u>	<u>\$ 11,610,158</u>	<u>\$ 10,076,387</u>
Schedule of noncash investing and financing activities:			
Increase (decrease) in fair value of investments	---	3,441	(39,872)
Schedule of noncash capital and related financing activities:			
Gain (loss) on disposal of capital assets	---	22,389	(10,463)
Capitalized interest	---	192,353	283,864
Payments (proceeds) on contracts payable for acquisition of capital assets	---	224,757	(350,113)
Capital assets contributed	---	378,068	116,026

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

			GOVERNMENTAL ACTIVITIES
<u>MUNICIPAL HOUSING AGENCY</u>	<u>OTHER ENTERPRISE FUNDS</u>	<u>TOTALS</u>	<u>INTERNAL SERVICE FUNDS</u>
\$ (3,205,039)	\$ 614,499	\$ 9,091,294	\$ (1,154,100)
1,713,582	998,160	13,111,109	1,329,859
---	150,659	157,909	347
46,970	105,195	256,621	(110,544)
---	(1,149)	22,712	---
(248,522)	(4,213)	344,007	---
---	---	---	140,196
498	---	(9,179)	(7,083)
1,362	15,015	356,904	(77,353)
27,373	25,546	114,560	19,394
(41,776)	2,235	75,226	88,428
28,566	---	28,566	---
(1,418)	---	(1,418)	6,031
(76,231)	172,972	(174,475)	(125,671)
552,995	804,109	3,185,101	868,656
(586,540)	(1,143,037)	(3,668,565)	(921,397)
<u>1,416,859</u>	<u>1,125,492</u>	<u>13,799,078</u>	<u>1,210,863</u>
<u>\$ (1,788,180)</u>	<u>\$ 1,739,991</u>	<u>\$ 22,890,372</u>	<u>\$ 56,763</u>
---	---	(36,431)	---
180,832	71,718	264,476	82,318
---	---	476,217	---
---	---	(125,356)	---
---	---	494,094	---

CITY OF DES MOINES, IOWA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2015

	<u>AGENCY FUNDS</u>
ASSETS	
<hr/>	
Cash and investments	\$ 41,954,040
Accounts receivable	963,314
Total assets	<u>\$ 42,917,354</u>
LIABILITIES	
<hr/>	
Accounts payable	\$ 42,893,854
Good faith/earnest deposits	23,500
Total liabilities	<u>\$ 42,917,354</u>

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

CITY OF DES MOINES, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

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

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

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

B. Government-wide and Fund Financial Statements

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

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

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

C. Fund Accounting

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

(1) Governmental Fund Types

Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following comprise the City's major governmental funds:

(a) General Fund

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

The following accounts are included in this fund:

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

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

(b) Tax Increment Fund

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

(c) Debt Service Fund

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

(d) Capital Projects Fund

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

The following accounts are included in this fund:

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

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

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

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

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

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

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

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

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

(e) Benefit Tax Accounts Fund

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

(f) Franchise Fee Court Settlement Fund

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) Proprietary Fund Types

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

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

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

- (c) **Sewer System Fund** - To account for the operation and maintenance of the City's Sanitary Sewer System.
- (d) **Municipal Housing Agency Fund** - To account for operations of the Federal Section 8 Rent Payment Assistance Program and low-income housing projects.

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

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

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

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

The following funds are included in this fund type:

Central Services - To provide telephone services and miscellaneous field supplies to City departments.

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

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

Forestry - To provide ground maintenance to other departments.

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

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

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

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

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

Agency Funds

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

The following funds are included in this fund type:

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

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

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

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

Property taxes are recognized as a receivable at the time an enforceable legal claim is established. This is determined to occur when the budget is certified. The tax receivable represents unpaid taxes from the current year and the 2016 levy certified on March 9, 2015, based on the 2014 assessed valuations. The tax lien date is January 1, 2015. As the levy is intended for use in the 2016 fiscal year, the revenue has been recorded as deferred inflow of resources. Taxes are levied on July 1 and are payable in two installments on September 30 and March 31. Tax payments become delinquent on October 1 and April 1. The County Treasurer bills and collects property taxes for the City. Property taxes are considered available if received within 60 days of year-end.

The City is permitted by the *Code of Iowa* to levy taxes up to \$8.10 per \$1,000 of assessed valuation for General Fund purposes, \$.27 per \$1,000 of assessed valuation for an Emergency Fund to assist in the funding of General Fund activities, and unlimited amounts for the payment of principal and interest on general obligation bonds, judgments awarded against the City, trust and agency accounts for pension and related employee benefit funds, and to pay the premium costs on tort liability insurance. The combined tax rate for the collection year ended June 30, 2015 was \$16.92 per \$1,000 of assessed valuation.

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

E. Budgetary and Legal Appropriation and Amendment Policies

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

F. Encumbrances

Appropriations in the governmental funds are charged for encumbrances when commitments are made. At year-end, the encumbrances roll forward but the related budget for them does not.

G. Cash and Pooled Cash Investments

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

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

H. Investments

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

I. Statement of Cash Flows

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

J. Loans Receivable

Loans receivable consist primarily of low and non interest bearing loans. The City receives federal funds from the U.S. Department of Housing and Urban Development as part of the Community Development Block Grant, which allows the City to provide loans at below-market-rates to eligible corporations and individuals to finance urban and community development. Loans are carried at the amount of unpaid principal. Management records allowances for estimated uncollectible amounts based on historic information and review of outstanding amounts. As of June 30, 2015 the City had approximately \$5,169,000 of loans outstanding which, due to the terms and nature of the agreements, are expected to be forgiven in the future are not recorded in the statement of net position but are expensed at the time of disbursement.

K. Inventories and Prepaid Items

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

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

L. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Capitalized interest was \$283,864 in the Stormwater Utility fund and \$192,353 in the Sanitary Sewer Enterprise fund.

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

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

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

M. Deferred Inflows/Outflows of Resources

Deferred inflows of resources: In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from three sources: property taxes, special assessments and intergovernmental revenue. These amounts are deferred and recognized as an inflow of

resources in the period that the amounts become available. In the City's government-wide statements, the property tax revenues remain under the modified accrual basis of accounting and will become an inflow in the year for which the taxes are levied and budgeted for. In addition, the unamortized portion of pension related deferred inflows related to the net pension liability are also included in the City's government-wide statements.

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

N. Inter-fund Transactions

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

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

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

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

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

O. Compensated Absences

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

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

P. Fund Balance

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

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

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

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

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

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

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

Q. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. The portion of the debt related to unspent proceeds is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted through enabling legislation consists of \$1,886,377 for debt service.

As of June 30, 2015, the governmental activities had unspent bond proceeds of \$21,131,723. The City also had unspent bond proceeds of \$5,751,710 in the Sanitary Sewer Enterprise fund and \$6,392,517 in the Stormwater Utility fund. The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

R. Use of Estimates

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

S. Accounts Receivable

Accounts receivable result primarily from miscellaneous services provided to citizens in the General Fund, Capital Projects Fund, Franchise Fee Court Settlement Fund and other nonmajor governmental funds. Accounts receivable in the proprietary funds result from providing services specific to the operations of the fund. At June 30, 2015, there was no allowance for doubtful accounts and the City had no significant write offs during the year then ended.

T. Long-Term Obligations

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

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

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

U. Pensions

The net pension liability, deferred outflows and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Iowa Public Employees’ Retirement System and the Municipal Fire and Police Retirement System (Systems’) and additions to/deductions from the Systems’ fiduciary net position have been determined on the same basis as they are reported by the Systems’. 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.

2. Individual Fund Disclosures

The following is a summary of deficit fund balances/net position of individual funds at June 30, 2015:

FUND TYPE	INDIVIDUAL FUND	DEFICIT FUND BALANCES	DEFICIT NET POSITION
Governmental	Special Revenue, Benefit Tax Accounts	\$ 8,678	\$ —
Proprietary	Enterprise, Golf	—	1,261,496
Proprietary	Internal Service, Equipment Maintenance Center	—	1,652,800
Proprietary	Internal Service, Forestry	—	570,032
Proprietary	Internal Service, Radio Communications	—	386,057

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

3. Cash and Pooled Cash Investments and Investments

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

The Library Foundation has an endowment fund. As of December 31, 2014, the balance of \$2,284,120 is in mutual funds and fixed income securities.

A. Authorized Investments

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved pursuant to Chapter 12C,

Code of Iowa; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district. However, the City's investment policy additionally limits investments in commercial paper to obligations at the time of purchase rated within the two highest ratings, issued by nationally recognized statistical rating organizations with a maturity less than 270 days, provided that at the time of purchase no more than 10% of the investment portfolio be invested in commercial paper and no more than 5% of the investment portfolio shall be invested in securities of a single issuer. It also limits investments in prime bankers' acceptances to those that mature within 270 days and that are eligible for purchase by a federal reserve bank, provided that at the time of purchase no more than 5% of the investment portfolio shall be invested in the securities of a single issuer.

B. Interest Rate Risk

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

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

Security Description	Current Market Value	Investment Maturities (in Years)		
		Less Than 1	1 - 5	6 - 10
Commercial Paper	\$ 7,991,688	\$ 7,991,688	\$ —	\$ —
Federal Farm Credit	15,975,105	-	15,975,105	—
FHLB	24,944,356	4,000,680	20,943,676	—
FHLB Disc	11,999,400	11,999,400	—	—
FHLMC	8,104,515	—	8,104,515	—
FHLMC Disc	31,995,550	31,995,550	—	—
FNMA	3,769,533	—	3,769,533	—
FNMA Disc	19,998,600	19,998,600	—	—
Grand Total	\$ 124,778,747	\$ 75,985,918	\$ 48,792,829	\$ —

The above table includes the investments of the WRA, an agency fund, of \$21,663,843.

C. Credit Risk

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

As of June 30, 2015, the City's investments were rated as follows:

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

D. Concentration of Credit Risk

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

E. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Chapter 12C of the Code of Iowa requires all City funds be deposited into an approved depository and

be either insured or collateralized. At June 30, 2015, the City's deposits were held in banks within the state of Iowa and covered by the state sinking fund per Section 12C.25 of the Code of Iowa. At June 30, 2015, \$124,778,747 of City investments were uninsured and unregistered securities held by the counterparty's trust department in the City's name.

4. Joint Venture

The City is a participating community in the Des Moines Metropolitan Wastewater Reclamation Authority joint venture. This joint venture provides primary and secondary treatment of the sewer flows of the participating communities. The Amended and Restated Agreement for the Des Moines Metropolitan Wastewater Reclamation Authority (WRA) was effective on July 1, 2004 with the second amended and restated agreement becoming effective on June 11, 2014. This agreement amended and restated the previous Integrated Community Area (I.C.A.) These agreements provide continued operation, improvements and expansion. The WRA Agreement establishes the WRA as a separate legal entity with its own Board. The WRA Agreement also creates an independent governance structure, establishes an independent bonding authority for the WRA, and provides a framework for additional communities to participate.

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

The WRA Sewer Revenue Bonds Series 2006, 2013B and 2015E include provisions that place the WRA debt service requirements on the same parity and rank as other debts of the participating communities. The WRA Agreement requires the debt service on these bonds to be allocated to the participating communities based on the WRA flows of the core communities and expansion communities of each calendar year. The WRA Sewer Revenue Bonds Series 2006 were issued for capital expansion. On May 11, 2015 the WRA issued WRA Sewer Revenue Refunding Bonds Series 2015E to redeem the Series 2006 bonds on June 1, 2016. As of June 30, 2015 the Series 2006 bonds had a balance of \$935,000. Proceeds of the Series 2015E bonds were placed in escrow and will be used to redeem the 2006 bonds and therefore a portion of the 2006 bonds are considered paid. As of June 30, 2015 the Series 2015B bonds had a balance of \$32,020,000 and the City of Des Moines' estimated future allocation based on the WRA flows is currently \$9,224,421. As of June 30, 2015, the Series 2013B bonds had a balance of \$54,170,000 and the City of Des Moines' estimated future allocation based on the WRA flows is currently \$16,628,956.

The State Revolving Loans are to be paid by the participating communities based on the existing allocations under the prior I.C.A. agreement. As of June 30, 2015, the WRA had \$264,156,730 in State Revolving Loans of which \$86,391,010 future principal debt service is a commitment of the City of Des Moines. The WRA issued \$21,105,000 of Sewer Revenue Bonds during FY09, of which \$20,787,000 has been drawn at June 30, 2015. The WRA issued \$39,000,000 of Sewer Revenue Bonds during FY10, of which \$38,884,582 has been drawn at June 30, 2015. The WRA issued \$85,600,000 of Sewer Revenue Bonds during FY11, of which

\$85,131,044 has been drawn at June 30, 2015. The WRA issued \$42,372,000 of Sewer Revenue Bonds during FY12, of which \$41,971,516 has been drawn at June 30, 2015. The WRA issued \$43,428,000 of Sewer Revenue Bonds during FY13, of which \$42,572,134 has been drawn at June 30, 2015. The WRA issued \$13,200,000 of Sewer Revenue Bonds during FY14, of which \$12,826,652 has been drawn at June 30, 2015. The WRA issued \$14,270,000 of Sewer Revenue Bonds during FY15, of which \$10,383,034 has been drawn at June 30, 2015.

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

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

Condensed financial information of the joint venture as of June 30, 2015 is as follows:

Statement of Net Position

Current assets	\$ 39,680,137
Noncurrent assets	611,677,575
Total Assets	<u>\$ 651,357,712</u>
Deferred outflow of resources	<u>\$ 974,416</u>
Current liabilities	18,987,097
Noncurrent liabilities	345,001,034
Total liabilities	<u>\$ 363,988,131</u>
Net position:	
Net investment in capital assets	\$ 248,974,506
Restricted	28,424,000
Unrestricted	10,945,491
	<u>\$ 288,343,997</u>

Statement of Revenues, Expenses and Changes in Net Position

Operating revenues	\$ 42,725,316
Operating expenses	35,540,415
Operating income	<u>7,184,901</u>
Nonoperating, net	(4,119,685)
Capital grants and contributions	150,875
Change in net position	<u>\$ 3,216,091</u>

Statement of Cash Flows

Cash provided by operating activities	\$ 20,020,929
Cash provided by investing activities	971,888
Cash (used in) capital and related financing activities	<u>(20,918,208)</u>
Increase in cash and pooled cash	<u>\$ 74,609</u>

5. Operating Lease Rentals

The City, as lessor, has various operating lease agreements for the use of land and facilities. The following is a schedule by year of minimum future rentals required under operating leases having initial or remaining noncancelable lease terms in excess of one year as of June 30, 2015:

	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS	ENTERPRISE FUNDS		TOTAL
				PARKING FACILITIES SYSTEM	NONMAJOR ENTERPRISE FUNDS	
Year ending June 30,						
2016	258,094	74,100	16,000	35,190	40,000	423,384
2017	222,979	74,100	16,000	35,880	40,000	388,959
2018	226,202	74,100	16,000	---	40,000	356,302
2019	229,559	74,100	16,000	---	40,000	359,659
2020	234,305	74,100	16,000	---	40,000	364,405
2021-2025	1,247,841	---	24,000	---	---	1,271,841
2026-2030	862,354	---	---	---	---	862,354
2031-2035	236,956	---	---	---	---	236,956
2036-2040	92,328	---	---	---	---	92,328
2041-2045	92,328	---	---	---	---	92,328
2046-2048	55,397	---	---	---	---	55,397
Total minimum future rentals	<u>\$ 3,758,343</u>	<u>\$ 370,500</u>	<u>\$ 104,000</u>	<u>\$ 71,070</u>	<u>\$ 200,000</u>	<u>\$ 4,503,913</u>

At June 30, 2015, the net book value of leased property is as follows:

Cost of Leased Land	\$	80,674
Cost of Leased Buildings		21,246,634
Accumulated Depreciation of Leased Buildings		(10,069,242)
Net book value of Leased Fixed Assets	\$	<u>11,258,066</u>

6. Changes in Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2015:

	ENDING BALANCE 6/30/2014	ADDITIONS	DELETIONS & TRANSFERS	ENDING BALANCE 6/30/2015
GOVERNMENTAL ACTIVITIES				
Capital Assets, not being depreciated:				
Land	\$ 135,914,453	\$ 4,428,081	\$ (570,000)	\$ 139,772,534
Construction in Progress	130,454,684	35,944,656	(88,848,028)	77,551,312
Total capital assets not being depreciated	<u>266,369,137</u>	<u>40,372,737</u>	<u>(89,418,028)</u>	<u>217,323,846</u>
Capital Assets, being depreciated:				
Buildings	161,836,865	53,658,085	-	215,494,950
Improvements Other than Buildings	1,049,472,802	43,184,755	-	1,092,657,557
Machinery and Equipment	74,207,496	5,252,295	(11,086,045)	68,373,746
Total capital assets being depreciated	<u>1,285,517,163</u>	<u>102,095,135</u>	<u>(11,086,045)</u>	<u>1,376,526,253</u>
Less accumulated depreciation for:				
Buildings	86,425,503	5,049,209	-	91,474,712
Improvements Other than Buildings	424,058,360	29,128,753	-	453,187,113
Machinery and Equipment	55,330,963	4,850,861	(10,925,616)	49,256,208
Total accumulated depreciation	<u>565,814,826</u>	<u>39,028,823</u>	<u>(10,925,616)</u>	<u>593,918,033</u>
Total capital assets, being depreciated, net	<u>719,702,337</u>	<u>63,066,312</u>	<u>(160,429)</u>	<u>782,608,220</u>
Governmental activities capital assets, net	<u>\$ 986,071,474</u>	<u>\$ 103,439,049</u>	<u>\$ (89,578,457)</u>	<u>\$ 999,932,066</u>
BUSINESS-TYPE ACTIVITIES				
Capital Assets, not being depreciated:				
Land	\$ 16,822,333	\$ 29,100	\$ (79,149)	\$ 16,772,284
Construction in Progress	37,325,897	5,822,124	(29,137,505)	14,010,516
Total capital assets not being depreciated	<u>54,148,230</u>	<u>5,851,224</u>	<u>(29,216,654)</u>	<u>30,782,800</u>
Capital Assets, being depreciated:				
Buildings	98,995,910	4,547,407	(397,141)	103,146,176
Improvements Other than Buildings	337,384,991	27,828,542	-	365,213,533
Machinery and Equipment	27,031,472	1,759,482	(591,765)	28,199,189
Total capital assets being depreciated	<u>463,412,373</u>	<u>34,135,431</u>	<u>(988,906)</u>	<u>496,558,898</u>
Less accumulated depreciation for:				
Buildings	65,668,200	4,232,721	(235,654)	69,665,267
Improvements Other than Buildings	87,902,963	7,270,670	-	95,173,633
Machinery and Equipment	20,298,918	1,607,718	(554,478)	21,352,158
Total accumulated depreciation	<u>173,870,081</u>	<u>13,111,109</u>	<u>(790,132)</u>	<u>186,191,058</u>
Total capital assets, being depreciated, net	<u>289,542,292</u>	<u>21,024,322</u>	<u>(198,774)</u>	<u>310,367,840</u>
Business-Type activities capital assets, net	<u>\$ 343,690,522</u>	<u>\$ 26,875,546</u>	<u>\$ (29,415,428)</u>	<u>\$ 341,150,640</u>

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

GOVERNMENTAL ACTIVITIES

Public Safety	\$ 3,579,146
General Government	2,951,767
Public Works	21,749,250
Culture and Recreation	9,255,250
Community and Economic Development	163,551
Internal service assets are charged to the various functions based on their usage of the assets	1,329,859
Total Depreciation Expense - Governmental Activities	<u>\$ 39,028,823</u>

BUSINESS-TYPE ACTIVITIES

Parking Facilities System	\$ 3,556,141
Sewer System	3,900,224
Stormwater Utility	2,943,002
Municipal Housing Agency	1,713,582
Solid Waste System	922,523
Golf	75,637
Total Depreciation Expense - Business-type Activities	<u>\$ 13,111,109</u>

7. Employee Retirement Systems

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

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

Plan Description: IPERS membership is mandatory for employees of the City, except for those covered by another retirement system. Employees of the City of Des Moines 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, P.O. Box 9117, Des Moines, Iowa 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, anytime 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 members first month of entitlement to the benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit 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.)

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 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.

The City's total contributions to IPERS for the year ended June 30, 2015 were \$5,903,769.

Pension Liabilities, Pension Expense, and Deferred Inflows and Outflows of Resources Related to Pensions: At June 30, 2015, the City reported a liability of \$39,219,101 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 .79497 percent which was an increase of .0160 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the City recognized pension expense of \$2,635,384. 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	\$ 426,236	\$ —
Changes of assumptions	1,730,829	—
Net difference between projected and actual earnings on pension plan investments	—	(14,957,036)
Changes in proportion and differences between City contributions and proportionate share of contributions	—	(1,284,347)
Total deferred amounts to be recognized in pension expense in future periods	2,157,065	(16,241,383)
City contributions subsequent to the measurement date	5,903,769	—
Total deferred amounts related to pension	<u>\$ 8,060,834</u>	<u>\$ (16,241,383)</u>

\$5,903,769 reported as the 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 over the average remaining service life of all system members of 5.28 years or 5 years as follows:

Fiscal Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$ 509,598	\$ (4,042,681)
2017	509,598	(4,042,681)
2018	509,598	(4,042,681)
2019	509,598	(4,042,681)
2020	118,673	(70,659)
Total	\$ 2,157,065	\$ (16,241,383)

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 and Females, as appropriate with adjustments for mortality improvements based on Scale AA.

Subsequent to the actuarial valuation date used by the Plan, the Society of Actuaries issued updated mortality scales and mortality improvement scales; MP2014 and MP-15. It is expected these scales may increase the total pension liability by 4% - 8% unless the plan experience indicates otherwise. The City has not been provided the impact of these scales but believes the updated scales, if determined appropriate for the plan, will have a material impact on the City's net pension obligation.

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:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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.

	<u>1% Decrease (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
City's proportionate share of the net pension liability	\$ 70,103,388	\$ 39,219,101	\$ 9,773,147

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 \$166,526 for legally required employer contributions and \$110,955 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

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

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 the City of Des Moines 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, Iowa 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 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: 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 the 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 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 Chapter 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 were \$14,626,300.

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 Inflows and Outflows of Resources Related to Pensions: At June 30, 2015, the City reported a liability of \$85,200,836 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 18.2046 percent which was a decrease of .2176 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the City recognized pension expense of \$24,471,616. 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	\$ —	\$ (186,764)
Changes of assumptions	4,877,419	—
Net difference between projected and actual earnings on pension plan investments	—	(31,020,680)
Changes in proportion and differences between City contributions and proportionate share of contributions	—	(990,384)
Total deferred amounts to be recognized in pension expense in future periods	4,877,419	(32,197,828)
City contributions subsequent to the measurement date	14,626,300	—
Total deferred amounts related to pension	<u>\$ 19,503,719</u>	<u>\$ (32,197,828)</u>

\$14,626,300 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 over the average remaining service life of all system members of 5.6 years or 5 years as follows:

Fiscal Year Ended June 30,	Deferred Outflow of Resources	Deferred Inflow of Resources
2016	\$ 1,152,268	\$ (8,033,266)
2017	1,152,268	(8,033,266)
2018	1,152,268	(8,033,266)
2019	1,152,268	(8,033,266)
2020	268,347	(64,764)
Total	\$ 4,877,419	\$ (32,197,828)

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 actuarial experience study for the period from July 1, 2002 to June 30, 2012.

Mortality rates used by the Plan were a 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 City updated the mortality rates to the RP-2000 Blue Collar mortality with projected mortality improvement using scale BB-2D. As a result, the City increased its net pension obligation by approximately \$19 million as of June 30, 2015.

Subsequent to the actuarial valuation date used by the Plan, the Society of Actuaries issued updated mortality scales and mortality improvement scales; MP2014 and MP-15. It is expected these scale may increase the total pension liability by 4% - 8% unless the plan experience indicates otherwise. The City has not been provided the impact of these scales but believes the updated scales, if determined appropriate for the plan, will have a material impact on the City's net pension obligation.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Core Plus Fixed Income	7%	3.8
Emerging Markets Debt	3%	6.5
Domestic Equities	12.5%	6.0
Master Limited Partnerships (MLP)	5%	8.5
International Equities	12.5%	7.0
Core Investments	40%	
Tactical Asset Allocation	35%	6.0
Private Equity	15%	9.8
Private Non-Core Real Estate	5%	9.3
Private Core Real Estate	5%	6.8
Real Estate	10%	
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 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 7.50 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-percent lower (6.50 percent) or 1-percent 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	\$ 148,148,379	\$ 85,200,836	\$ 32,897,091

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's website at www.mfprsi.org.

Payables to the Pension Plan: At June 30, 2015, the City of Des Moines reported payables to the defined benefit pension plan of \$375,743 for legally required employer contributions and \$127,187 for legally required employee contributions which had been withheld from employee wages but not yet remitted to MFPRSI.

8. Deferred Compensation

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

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

9. Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2015:

	BALANCE JUNE 30, 2014	ADDITIONS	RETIREMENTS	BALANCE JUNE 30, 2015	DUE WITHIN ONE YEAR	RANGE OF INTEREST RATES
Governmental Activities:						
General Obligation Bonds	\$ 370,020,000	\$ 54,660,000	\$ (60,340,000)	\$ 364,340,000	\$ 29,125,000	1% to 5.9%
Less discounts	(142,722)	—	96,453	(46,269)	—	
Add premiums	14,348,080	5,545,738	(2,972,430)	16,921,388	—	
Net General Obligation Bonds	384,225,358	60,205,738	(63,215,977)	381,215,119	29,125,000	
Revenue Bonds	\$ 31,980,000	\$ —	\$ (1,580,000)	\$ 30,400,000	\$ 1,630,000	4% to 5.75%
Less discounts	(229,122)	—	19,522	(209,600)	—	
Net Revenue Bonds	31,750,878	—	(1,560,478)	30,190,400	1,630,000	
Section 108 Loans payable	8,476,000	—	(27,000)	8,449,000	29,000	5.7% to 6.84%
Notes Payable	3,396,356	1,200,000	(785,504)	3,810,852	643,630	2.65% to 2.85%
Accrued Employee Benefits	33,369,415	46,855,597	(46,464,634)	33,760,378	23,099,623	NA
Liability for Claims/Judgments	283,000	130,531	(128,531)	285,000	285,000	NA
	<u>\$ 461,501,007</u>	<u>\$ 108,391,866</u>	<u>\$ (112,182,124)</u>	<u>\$ 457,710,749</u>	<u>\$ 54,812,253</u>	
Business-type Activities						
General Obligation Bonds	\$ 33,305,000	\$ —	\$ (2,360,000)	30,945,000	\$ 2,390,000	2.00% to 3.00%
Add premiums	1,313,703	—	(183,753)	1,129,950	—	
Net General Obligation Bonds	34,618,703	—	(2,543,753)	32,074,950	2,390,000	
Revenue Bonds	\$ 48,549,000	\$ —	\$ (5,540,000)	43,009,000	\$ 5,178,000	1.75% to 5%
Add premiums	2,138,942	—	(481,767)	1,657,175	—	
Net Revenue Bonds	50,687,942	—	(6,021,767)	44,666,175	5,178,000	
Notes Payable	1,358,023	—	(762,650)	595,373	164,130	2.85%
Accrued Employee Benefits	2,886,580	3,081,685	(3,103,020)	2,865,245	1,180,860	NA
	<u>\$ 89,551,248</u>	<u>\$ 3,081,685</u>	<u>\$ (12,431,190)</u>	<u>\$ 80,201,743</u>	<u>\$ 8,912,990</u>	

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

General Obligation Bonds

Governmental Activities: The City has issued the following general obligation bonds that are indebtedness secured by the full faith and credit of the City:

YEAR	<u>General Obligation Debt Service</u>		<u>Tax Increment Debt Service</u>		<u>Governmental</u>	
	<u>GENERAL OBLIGATION BONDS</u>	<u>GENERAL OBLIGATION BONDS</u>	<u>GENERAL OBLIGATION BONDS</u>	<u>GENERAL OBLIGATION BONDS</u>	<u>Activities Total</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2016	\$ 20,526,000	\$ 11,349,796	\$ 8,599,000	\$ 3,385,920	\$ 29,125,000	\$ 14,735,716
2017	20,233,000	10,623,865	10,182,000	3,083,642	30,415,000	13,707,507
2018	19,747,000	9,841,877	10,168,000	2,690,244	29,915,000	12,532,121
2019	19,226,000	9,040,217	10,234,000	2,355,686	29,460,000	11,395,903
2020	18,860,000	8,236,184	8,505,000	2,009,861	27,365,000	10,246,045
2021-2025	112,910,000	26,635,980	29,425,000	5,103,223	142,335,000	31,739,203
2026-2030	49,360,000	9,506,496	8,290,000	1,530,318	57,650,000	11,036,814
2031-2033	15,140,000	1,216,863	2,935,000	199,125	18,075,000	1,415,988
Totals	<u>\$ 276,002,000</u>	<u>\$ 86,451,278</u>	<u>\$ 88,338,000</u>	<u>\$ 20,358,019</u>	<u>\$ 364,340,000</u>	<u>\$ 106,809,297</u>

Proceeds from the Series 2014C General Obligation Bonds totaled \$24,945,000 and were allocated to certain capital improvement projects.

Proceeds from the Series 2014D General Obligation Urban Renew Bonds totaled \$2,250,000 and were allocated to certain Urban Renewal projects.

Proceeds from the Series 2014E General Obligation Refunding Capital Loan Notes totaled \$27,465,000 and were used to crossover refund the Series 2005C General Obligation Urban Renewal Bonds dated June 8, 2005, the Series 2007B General Obligation Bonds dated June 28, 2007 and the Series 2007C General Obligation Urban Renewal Bonds dated June 28, 2007 with the crossover dated of June 1, 2015.

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

Series	June 30, 2015 Balance	Maturity Fiscal Year	Purpose
General Obligation 2012F	\$ 9,450,000	2020	Refunding

The bonds are intended to be paid by parking facilities customers net revenues, however the bonds are secured by the City's property owners. Total principal and interest remaining to be paid on the bonds is \$10,023,900. Principal and interest paid for the current year was \$2,025,000.

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

Series	June 30, 2015 Balance	Maturity Fiscal Year	Purpose
General Obligation 2012D	\$ 11,915,000	2032	Capital Improvements

The bonds are intended to be paid by sewer customers net revenues, however the bonds are secured by the City's property owners. Total principal and interest remaining to be paid on the bonds is \$15,396,950. Principal and interest paid for the current year was \$460,450.

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

Series	June 30, 2015 Balance	Maturity Fiscal Year	Purpose
General Obligation 2012E	\$ 9,580,000	2032	Capital Improvements

The bonds are intended to be paid by sewer customers net revenues, however the bonds are secured by the City's property owners. Total principal and interest remaining to be paid on the bonds is \$12,350,350. Principal and interest paid for the current year was \$751,950.

Business Type Activities		
General Obligation Bonds		
YEAR	PRINCIPAL	INTEREST
2016	\$ 2,390,000	\$ 829,200
2017	2,425,000	780,400
2018	2,465,000	726,200
2019	3,910,000	671,100
2020	3,995,000	573,000
2021-2025	5,875,000	2,020,950
2026-2030	6,820,000	1,086,600
2031-2033	3,065,000	138,750
Totals	\$ 30,945,000	\$ 6,826,200

Revenue Bonds:

Revenue bonds are the obligations of specific funds and are generally payable solely from the revenues of the respective funds.

Governmental Activities

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

Airport Revenue Capital Loan Notes. Payment of the principal and interest on the bonds is guaranteed by a municipal bond insurance policy. Principal is payable annually, with interest paid semi-annually on June 1st and December 1st. Interest rates range from 2.10% to 5.75%. Total principal and interest remaining to be paid on the bonds is \$48,578,605.

These revenue bonds have been assigned to the Des Moines Airport Authority (the Authority), a discretely presented component unit, for the payment of principal and interest. The City has a long-term receivable from the component unit for the principal balance due, net of discounts in the Statement of Net Position governmental activities of \$30,190,400 at June 30, 2015.

Governmental Activities		
REVENUE BONDS		
YEAR	PRINCIPAL	INTEREST
2016	\$ 1,630,000	\$ 1,556,877
2017	1,705,000	1,486,135
2018	1,790,000	1,407,876
2019	1,860,000	1,326,937
2020	895,000	1,233,937
2021-2025	5,180,000	5,447,956
2026-2030	7,110,000	4,023,562
2031-2035	10,230,000	1,695,325
Totals	\$ 30,400,000	\$ 18,178,605

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

Series	June 30, 2015 Balance	Maturity Fiscal Year	Purpose
Sewer Revenue 2004I	\$ 3,419,000	2025	Capital Improvements
Sewer Revenue 2014B	13,885,000	2023	Capital Improvements

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay the revenue bonds in the table above. The bonds are payable solely from the sewer customer net revenues. Annual principal and interest payments on the bonds are expected to require less than 80% of net revenues. Total principal and interest remaining to be paid on the bonds is \$19,787,200. Principal and interest paid for the current year and total customer net revenues were \$3,431,426 and \$17,604,016, respectively.

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

Series	June 30, 2015 Balance	Maturity Fiscal Year	Purpose
Series 2006D	\$ 9,760,000	2023	Capital Improvements
Series 2010F	13,630,000	2030	Refund & Capital Improvements
Series 2010G	2,315,000	2018	Refund & Capital Improvements

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay the revenue bonds in the table above. The bonds are payable solely from the stormwater utility customer net revenues. Annual principal and interest payments on the bonds are expected to require less than 80% of net revenues. Total principal and interest remaining to be paid on the bonds is \$31,535,063. Principal and interest paid for the current year and total customer net revenues were \$3,884,619 and \$11,632,327, respectively.

Future principal and interest payments on the Enterprise Funds Revenue Bonds of June 30, 2015 is summarized as follows:

Enterprise Funds		
REVENUE BONDS		
YEAR	PRINCIPAL	INTEREST
2016	\$ 5,178,000	\$ 1,535,661
2017	5,957,000	1,366,201
2018	6,176,000	1,162,155
2019	5,136,000	921,985
2020	3,286,000	781,565
2021-2025	12,911,000	2,006,095
2026-2030	4,365,000	539,600
Totals	\$ 43,009,000	\$ 8,313,262

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

Section 108 Loans Payable: On November 15, 2007, the City closed a \$17,500,000 Section 108 loan to make a loan for the benefit of River Point West LLC, for the purpose of financing the acquisition and clearance of properties in the River Point West area for sale and subsequent redevelopment, and the construction of supporting public infrastructure improvements to serve the developed properties. The balance of the loan as of June 30, 2015 is \$8,449,000 and is payable through fiscal year 2028. The loan is not a general obligation of the City. The principal and interest is payable solely from the tax increment revenues of the Metro Center Urban Renewal Area of the City. Tax increment revenues are projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest paid in the current year and TIF revenues were \$465,230 and \$22,332,730 respectively.

Notes Payable, Governmental Activities: Notes payable include \$1,200,000 Supplement WF4; \$1,421,019 Supplement WF3; and \$439,833 Supplement WF1. The balance of these notes payable is \$3,060,852 payable through fiscal year 2024. The principal and interest is payable

from the debt service levy. Total principal and interest remaining to be paid on the notes payable is \$3,419,975. Principal and interest paid in the current year and the debt service levy were \$747,676 and \$28,043,463, respectively.

Notes payable also include a \$1,875,000 loan from Polk County. This loan is for an economic development grant to be paid to Nelson Development 14, LLC. The balance of the note payable is \$750,000 and is payable through fiscal year 2019. The principal and interest is payable from tax increment finance levy. Annual principal and interest on the bonds are expected to require 100% of the revenue. Total principal and interest remaining to be paid on the notes payable is \$750,000. Principal paid in the current year and TIF revenues were \$187,500 and \$22,332,730, respectively.

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

FISCAL YEAR	CDBG SECTION 108 LOANS		NOTES PAYABLE GOVERNMENTAL ACTIVITIES	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2016	\$ 29,000	\$ 437,043	\$ 643,630	\$ 91,040
2017	29,000	435,766	659,025	75,644
2018	31,000	434,409	675,357	59,315
2019	34,000	432,917	530,734	45,034
2020	716,000	414,697	352,652	35,616
2021-2025	4,270,000	1,470,437	949,454	52,473
2026-2028	3,340,000	282,212	—	—
Totals	<u>\$ 8,449,000</u>	<u>\$ 3,907,481</u>	<u>\$ 3,810,852</u>	<u>\$ 359,122</u>

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

The Sanitary Sewer Fund entered into Wells Fargo Supplement #2 of the City's Governmental-Lease Purchase Master Agreement during Fiscal Year 2012 to purchase three vector trucks. The balance as of June 30, 2015 is \$595,373 and will be paid as follows:

SANITARY SEWER		
YEAR	PRINCIPAL	INTEREST
2016	164,130	15,807
2017	168,841	11,096
2018	173,688	6,249
2019	88,714	1,264
Totals	<u>\$ 595,373</u>	<u>\$ 34,416</u>

Discretely presented component units

Long-term debt activity for the Des Moines Airport Authority (the Authority) for the year ended December 31, 2014, was as follows:

Long-Term Debt

A summary of the Authority's long-term debt for the year ended December 31, 2014, is as follows:

	Authority	Due to Primary	SWAP	
	Revenue Bonds	Government	Loan	Total
Balance December 31, 2013	\$ 10,945,000	\$ 33,505,000	\$ 7,364	\$ 44,457,364
Issuances	—	—	—	—
Retirements	—	(1,525,000)	(7,364)	(1,532,364)
Balance December 31, 2014	10,945,000	31,980,000	—	42,925,000
Less: Current portion	—	(1,580,000)	—	(1,580,000)
Non-current portion	<u>\$ 10,945,000</u>	<u>\$ 30,400,000</u>	<u>\$ —</u>	<u>\$ 41,345,000</u>

- A. The Authority has a due to primary government (the City of Des Moines, Iowa) related to the Aviation System Revenue Bonds, Series 2010A, 2010B, 2010C, and 2010D that were assigned to the Authority upon the creation of the Authority.
- B. On February 22, 2012, the Authority issued \$10,945,000 of Revenue Refunding Capital Loan Notes (Series 2012). The capital loan notes are special obligations payable solely from and secured by a pledge of the net revenues of the Airport, subject to the prior lien on the net revenues of the Airport Revenue Capital Loan Notes. Principal is payable annually with interest paid semi-annually on June 1st and December 1st with an interest rate of 5%. Total principal and interest remaining to be paid on the bonds is \$16,593,750. There were interest payments of \$547,250 made on the Series 2012 bonds during the twelve months ended December 31, 2014 and a balance due totaling \$10,945,000.

As of December 31, 2014, the Authority restricted \$3,713,586 in revenue bond reserve cash funds and for all revenue bonds and capital loan notes and \$3,345,122 is restricted for the operations and maintenance fund reserve requirement. Annual principal and interest payments on all revenue bonds and capital loan notes are expected to require roughly 46% of the Authority net revenues.

- C. In October 2009, the City entered into a contract with the State of Iowa Department of Natural Resources ("DNR") to begin a recycling program under the agency's Solid Waste Alternatives Program ("SWAP"). Under terms of the contract, the DNR provided the Authority with a zero-interest loan of \$39,250 and a forgivable loan of \$20,000 to cover the costs of starting the recycling program. Quarterly payments are due from

October 15, 2010 through July 15, 2014. As of December 31, 2014, the Authority has met all obligations of this agreement.

As of December 31, 2014, the Authority's long-term debt matures as follows:

	Airport Revenue Bonds		Due to Primary Government	
	Principal	Interest	Principal	Interest
2015	\$ —	\$ 547,250	\$ 1,580,000	\$ 1,586,036
2016	—	547,250	1,630,000	1,521,506
2017	—	547,250	1,705,000	1,447,005
2018	—	547,250	1,790,000	1,367,407
2019	—	547,250	1,860,000	1,280,438
2020-2024	5,485,000	2,213,750	4,935,000	5,572,194
2025-2029	5,460,000	698,750	6,520,000	4,188,840
2030-2034	—	—	9,690,000	1,964,613
2035	—	—	2,270,000	58,169
Total	\$ 10,945,000	\$ 5,648,750	\$ 31,980,000	\$ 18,986,208

Accrued Employee Benefits

Future benefits payable are recorded for the Authority's accrued employee benefits and accrued post-retirement benefits. Below is a calculation of the accrued employee benefits for all Authority employees as of December 31, 2014:

Balance December 31, 2013	\$ 472,056
Additions	688,078
Payments	(654,515)
Balance December 31, 2014	505,619
Less: current portion	170,276
Non-current portion	<u>\$ 335,343</u>

10. Revenue Bond Resolution Requirements

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

11. Debt Extinguishment

On September 30, 2014, the City issued \$27,465,000 in General Obligation Refunding Capital Loan Notes (Series 2014E) with an average interest rate of 3.52 percent to crossover refund \$7,720,000 of Series 2005C General Obligation Urban Renewal Bonds with an average interest rate of 4.04 percent on June 1, 2015, crossover refund \$13,350,000 of Series 2007B General Obligation Bonds with an average interest rate of 4.38 percent on June 1, 2015, and crossover refund \$8,180,000 of 2007C General Obligation Urban Renewal Bonds with an average interest rate of 4.13 percent on June 1, 2015. The refunding was done to reduce aggregate debt service payments by \$3,056,210 over the next twenty years and obtain an economic gain (difference between the present values of the old debt and new debt service payments) of \$2,956,821.

12. Conduit Debt

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

As of June 30, 2015, there were nine series of industrial revenue bonds outstanding. The aggregate principal amount payable for the four series issued after July 1, 1995 was \$14.82 million. The aggregate principal amount payable for the series issued prior to July 1, 1995 could not be determined; however, their original issue amounts totaled \$53.9 million.

Cooperative Financing Agreement

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

The bonds are secured by the property financed, and are payable solely from payments received on the underlying mortgage loans. The City, or any political subdivisions thereof bear no obligation in any way for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the City's financial statements. As of June 30, 2015, the principal amount outstanding is \$4,410,000.

13. Interfund Receivables and Payables

The individual fund interfund receivable and payable balances include both Due to/from Other Funds and Advances to/from Other Funds. These balances at June 30, 2015 were:

	INTERFUND RECEIVABLE	INTERFUND PAYABLE
General	\$ 463,716	\$ 117,360
Capital Projects	1,925,679	—
Benefit Tax Accounts, Special Revenue	—	250,642
Other Governmental Funds	11,876	1,675,037
Parking, Enterprise	—	376,975
Municipal Housing Agency, Enterprise	—	19,911
Group Health Insurance, Internal Service	117,360	78,706
Total	<u>\$ 2,518,631</u>	<u>\$ 2,518,631</u>
	ADVANCES RECEIVABLE	ADVANCES PAYABLE
General	\$ 6,466,568	\$ —
Parking, enterprise	—	3,106,887
Other Enterprise Funds	—	3,359,681
Total	<u>\$ 6,466,568</u>	<u>\$ 6,466,568</u>

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

14. Fund Transfer Reconciliation

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

	TRANSFERS IN	TRANSFERS OUT
Capital Projects	\$ 28,046,970	\$ 307,948
Parking	3,431,673	—
Sewer System	440,000	—
Stormwater Utility	82,500	797,940
Debt Service	13,379,323	29,957,470
General Fund	33,932,743	2,336,875
Other Governmental Funds	3,527,218	10,261,795
Tax Increment	—	16,144,326
Benefit Tax Accounts	—	23,034,073
	<u>\$ 82,840,427</u>	<u>\$ 82,840,427</u>

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

15. Post Employment Benefits

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

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

Effective January 1, 2015 the City brought a third party employer onto their health care plan converting this to a multi-employer plan. This was not deemed to be a significant change to the plan based on the number of participants added, and therefore a new actuarial valuation was not required.

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

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2015, the City contributed \$748,280.

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

Annual required contribution	\$ 1,875,607
Interest on net OPEB obligation	216,287
Adjustment to annual required contribution	(310,929)
Annual OPEB cost	<u>1,780,965</u>
Contributions and payments made	<u>748,280</u>
Increase in net OPEB obligation	1,032,685
Net OPEB obligation - July 1, 2014	<u>6,167,615</u>
Net OPEB obligation - June 30, 2015	<u><u>\$ 7,200,300</u></u>

The net OPEB obligation attributable to the governmental activities are generally liquidated by the fund in which the employee is assigned.

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$ 1,716,663	45.5%	\$ 5,064,689
June 30, 2014	\$ 1,874,343	41.2%	\$ 6,167,615
June 30, 2015	\$ 1,780,965	42.0%	\$ 7,200,300

Funded status and funding progress: As of July 1, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$16,451,197 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$(16,451,197). The covered payroll (annual payroll of active employees covered by the plan) was \$99,836,624 and the ratio of the UAAL to the covered payroll was 16.5%.

Actuarial estimates of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples

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

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

In the July 1, 2013 actuarial valuation, project unit credit method was used. The actuarial assumptions included a 4.5 percent discount rate, an annual health care cost trend rate of 9.0 percent reduced by decrements of .5 percent annually to an ultimate rate of 5 percent and 3 percent inflation rate. The UAAL is being amortized as an open level dollar. The amortization of UAAL is done over a period of 30 years.

16. Commitments and Contingent Liabilities

A. Grants

The City has received financial assistance from numerous federal and state agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, liabilities resulting from disallowed claims, if any, will not have a material effect on the City's financial position as of June 30, 2015.

B. Litigation

The City Attorney reported that as of June 30, 2015, various claims and lawsuits were on file against the City, and estimated that the potential settlements against the City not covered by insurance would not materially affect the financial position of the City. The City has authority to levy additional taxes (outside the regular limit) to cover uninsured judgments against the City.

C. Self-insurance

The City's property, casualty, and workers compensation liabilities are covered by a combination of self-insurance and commercial insurance. Liability coverage for General Fund operations is self-insured for the first \$2 million per occurrence. Certain enterprise

fund operations are covered by a \$2,000,000 per occurrence automobile liability policy. The Municipal Housing Agency enterprise fund purchases first dollar liability insurance coverage. All General Fund, enterprise fund operations, and the Municipal Housing Agency are also covered by an excess liability policy with limits of \$10 million per occurrence.

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

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

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

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

	<u>LOSSES IN EXCESS OF</u>	
	<u>PER INCIDENT</u>	<u>PER YEAR</u>
Workers Compensation	\$ 550,000	up to statutory limits
Tort Liability	2,000,000	Variable

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

Liabilities are reported when it is probable that a loss will occur, and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering recent claim settlement trends, including frequency and amount of payouts and other economic and social factors. The following is a summary of estimated claims liability for the year ended June 30, 2015 (with comparative amounts for 2014):

	<u>WORKERS COMPENSATION</u>	
	<u>2015</u>	<u>2014</u>
Balance at beginning of year	\$ 11,052,494	\$ 9,607,453
Current year claims and changes in estimate	5,219,364	4,987,495
Claim payments	<u>(4,555,598)</u>	<u>(3,542,454)</u>
Balance at end of year	<u>\$ 11,716,260</u>	<u>\$ 11,052,494</u>

	<u>LEGAL SETTLEMENTS</u>	
	<u>2015</u>	<u>2014</u>
Balance at beginning of year	\$ 283,000	\$ 40,129,642
Current year claims and changes in estimate	130,531	740,317
Claim payments	<u>(128,531)</u>	<u>(40,586,959)</u>
Balance at end of year	<u>\$ 285,000</u>	<u>\$ 283,000</u>

The City became self-insured for medical claims and prescription coverage in fiscal year 2012. All claim handling procedures are performed by an independent claims administrator. Dental insurance is self-funded and administered by Delta Dental of Iowa. Liabilities are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The aggregate liability for claims for the year ended June 30, 2015 (with comparative amounts for 2014) is as follows:

	<u>2015</u>	<u>2014</u>
Claims payable, beginning of the year	\$ 1,524,000	\$ 1,680,000
Current year claims and changes in estimate	22,844,881	19,779,174
Claim payments	<u>(22,730,881)</u>	<u>(19,935,174)</u>
Claims payable, end of the year	<u>\$ 1,638,000</u>	<u>\$ 1,524,000</u>

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

D. Construction Contracts

The City has recognized as a liability only that portion of construction contracts representing construction completed through June 30, 2015. The City has additional commitments for signed construction contracts of approximately \$23.24 million as of June 30, 2015. Of these commitments, approximately \$9.043 million will be funded by general obligation and revenue bonds, \$10.101 million by federal and state grants, \$3.071 million from operating revenues, and \$1.024 million from private contributions.

E. Arbitrage

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

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

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

F. Developer Commitments

In order to encourage development within designated TIF districts, the City Council has approved developer grants to 43 different projects. The grants are to be paid only after certain conditions have been met by each project developer, and are to be paid over many years in the form of a rebate of a predetermined percentage of future property taxes generated by the property. Currently, it is estimated that outstanding commitments totaling about \$172.4 million exist, of which \$10.6 million may be eligible to be paid in the next fiscal year. These items are expensed in the period in which they are paid. No liability is recognized due to the fact that the agreements are conditional and the payments are to be funded by future property taxes receivable on the project and are subject to the City Council's right of non-appropriation each fiscal year.

17. New Pronouncements

As of June 30, 2015, the GASB has issued several statements not yet implemented by the City. The statements which might impact the City are as follows:

GASB Statement No. 72, *Fair Value Measurement and Application*, issued February 2015, will be effective for the City beginning with its year ending June 30, 2016. This Statement defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. This Statement defines fair value as 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. Investments, which generally are measured at fair value, are defined as a security or other asset that governments hold primarily for the purpose of income or profit and the present service capacity of which are based solely on their ability to generate cash or to be sold to generate cash. The related disclosures have been expanded to categorize fair values according to their relative reliability and to describe positions held in many alternative investments.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued June 2015, will be effective for the City beginning with its year ending June 30, 2018. This Statement replaces the requirements of GASB Statement No. 45,

Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust and OPEB not provided through a trust. The Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances, called special funding situations, the Statement requires these governments to recognize in their financial statements a share of the other government's net OPEB liability.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, issued July 2015, will be effective for the City beginning with its year ending June 30, 2016. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the AICPA that is cleared by the GASB. The Statement also 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.

GASB Statement No. 77, *Tax Abatement Disclosures*, issued August 2015, will be effective for the City beginning with its year ending June 30, 2017. This statement requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. The disclosures about the government's own tax abatement agreements includes the purpose of the tax abatement program, the tax being abated, the amount of tax being abated, the provisions of recapturing abated taxes, the types of commitments made by tax abatement recipients, and other commitments made by government in tax abatement agreements. The disclosures about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues includes the name of the government entering into the abatement agreement, the tax being abated, and the amount of the reporting government's tax being abated.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, issued December 2015, will be effective for the City beginning with its year ending June 30, 2017. This statement provides guidance to governments that participate in certain private or federally sponsored multiple-employer defined benefit pension plans. This statement assists these governments by focusing employer accounting and financial reporting requirements for those pension plans on obtainable information. In lieu of the existing requirements under Statement 68, the new guidance establishes separate requirements for employers that participate in these pension plans. This statement establishes the criteria for identifying the applicable pension plans and addresses: (a) measurement and recognition of pension liabilities, expense, and expenditures; (b) note

disclosures of descriptive information about the plan, benefit terms, and contribution terms; and (c) required supplementary information presenting required contribution amounts for the past 10 fiscal years. .

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, issued December 2015, will be effective for the City beginning with its fiscal year ending June 30, 2016. This statement addresses accounting and financial reporting for certain external investment pools and pool participants by establishing criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This statement also establishes additional note disclosure requirements for qualifying external investment pools and for governments that participate in those pools.

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

18. Subsequent Events

On August 11, 2015, the City issued \$40,225,000 of General Obligation Bonds Series 2015A, which will be used to fund a portion of the City's annual capital improvement program and current refund the Series 2005E bonds on August 13, 2015. Principal payments on the General Obligation Bonds begin June 1, 2016 and continue annually until maturity of June 1, 2035. Interest rates on this issue range from 3.0% to 5.0%.

On August 11, 2015, the City issued \$19,655,000 of General Obligation Refunding Bonds Series 2015B, which will be used to crossover refund the Series 2008D and Series 2008E on June 1, 2016. Principal payments on the General Obligation Refunding Bonds begin June 1, 2017 and continue annually until maturity on June 1, 2028. Interest rates on this issuance range from 3.0% to 5.0%.

On August 11, 2015, the City issued \$1,890,000 of Taxable General Obligation Refunding Bonds Series 2015C, which will be used to current refund the Series 2007A bonds on August 13, 2015. Principal payments on the Taxable General Obligation Refunding Bonds begin June 1, 2016 and continue annually until maturity on June 1, 2019. Interest rates on this issuance is 2.0%.



19. Fund Balances

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

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

Fund Balances:	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>TAX INCREMENT</u>
Nonspendable:			
Advances	\$ 6,466,568	\$ ---	\$ ---
Inventories	---	---	---
Prepays	1,250,195	---	---
Corpus for permanent funds	---	---	---
Total nonspendable	<u>7,716,763</u>	<u>---</u>	<u>---</u>
Restricted:			
Federal, state, and local grants	143,875	---	---
Road Use	---	---	---
Maintenance on public land, cemetery	---	---	---
Debt Service	---	2,135,271	---
Capital improvements and maintenance	---	---	---
Employee benefits	---	---	---
Police department	---	---	---
Fire department	---	---	---
SSMID districts	---	---	570,067
Community projects	---	---	---
Library gift fund	---	---	---
Tort	---	---	---
Scholarship	---	---	---
Total restricted	<u>143,875</u>	<u>2,135,271</u>	<u>570,067</u>
Committed			
Capital improvements and maintenance	---	---	---
Maintenance on public land, cemetery	---	---	---
Litigation	1,000,000	---	---
Economic development	---	---	---
Police department	200,000	---	---
Community projects	---	---	---
Total committed	<u>1,200,000</u>	<u>---</u>	<u>---</u>
Unassigned	<u>25,362,143</u>	<u>---</u>	<u>---</u>
Total fund balances	<u><u>\$ 34,422,781</u></u>	<u><u>\$ 2,135,271</u></u>	<u><u>\$ 570,067</u></u>

BENEFIT TAX ACCOUNTS	FRANCHISE FEE COURT SETTLEMENT	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ ---	\$ ---	\$ ---	\$ ---	\$ 6,466,568
---	---	---	472,726	472,726
---	---	57,052	191,473	1,498,720
---	---	---	3,598,450	3,598,450
---	---	57,052	4,262,649	12,036,464
---	---	---	1,426,994	1,570,869
---	---	---	6,314,263	6,314,263
---	---	---	1,248,382	1,248,382
---	1,218,818	---	---	3,354,089
---	---	887,263	---	887,263
---	---	---	874,584	874,584
---	---	---	1,126,715	1,126,715
---	---	---	32594	32,594
---	---	---	313,313	883,380
---	---	---	93,554	93,554
---	---	---	463,818	463,818
---	---	---	369,119	369,119
---	---	---	1,215	1,215
---	1,218,818	887,263	12,264,551	17,219,845
---	---	26,960,650	---	26,960,650
---	---	---	148,124	148,124
---	---	---	---	1,000,000
---	---	---	2,280,507	2,280,507
---	---	---	---	200,000
---	---	---	112,575	112,575
---	---	26,960,650	2,541,206	30,701,856
(8,678)	---	---	(674,891)	24,678,574
\$ (8,678)	\$ 1,218,818	\$ 27,904,965	\$ 18,393,515	\$ 84,636,739

20. Accounting Change/Restatement

GASB Statement No. 68 *Accounting and Financial Reporting for Pensions - an Amendment of GASB No. 27* was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments 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 GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Beginning net position for governmental and business type activities each major enterprise fund and the aggregate remaining funds were restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

	<u>ENTERPRISE FUNDS</u>			
	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>PARKING</u>	<u>SEWER SYSTEM</u>
Net position June 30, 2014, as previously reported	\$ 646,799,809	300,708,282	\$44,608,530	\$ 122,830,564
Net pension liability at June 30, 2014				
IPERS	(44,726,480)	(11,720,140)	(592,513)	(2,235,571)
MFPRS	(102,052,129)	---	---	---
Change in outflows of resources related to contributions made after the June 30, 2013 measurement date				
IPERS	4,645,344	1,133,238	60,657	228,861
MFPRS	14,002,500	---	---	---
Net position July 1, 2014, as restated	<u>\$ 518,669,044</u>	<u>\$ 290,121,380</u>	<u>\$44,076,674</u>	<u>\$ 120,823,854</u>

ENTERPRISE FUNDS		NON-MAJOR ENTERPRISE FUND	NON-MAJOR INTERNAL SERVICE FUNDS				
STORMWATER UTILITY	MUNICIPAL HOUSING AGENCY	SOLID WASTE	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUNICA- TIONS	
\$ 107,821,498	\$19,813,912	\$ 10,891,136	\$ 10,240	\$ 7,493	\$ 367,913	\$ 6,236	
(3,525,082)	(1,921,924)	(2,794,665)	(1,884,120)	(643,758)	(79,311)	(411,810)	
---	---	---	---	---	---	---	
360,871	196,752	286,097	192,882	65,903	8,119	42,158	
---	---	---	---	---	---	---	
<u>\$ 104,657,287</u>	<u>\$18,088,740</u>	<u>\$ 8,382,568</u>	<u>\$ (1,680,998)</u>	<u>\$ (570,362)</u>	<u>\$ 296,721</u>	<u>\$ (363,416)</u>	



REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF DES MOINES, IOWA
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS -- ALL GOVERNMENTAL FUNDS
AND ENTERPRISE FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2015**

	GOVERNMENTAL		ENTERPRISE		BUDGETED AMOUNTS		FINAL TO ACTUAL
	FUND TYPES	FUND TYPES			ORIGINAL	FINAL	
	BASIS ACTUAL AMOUNTS	BASIS ACTUAL AMOUNTS	NET				
Revenue:							
Taxes	\$ 145,195,212		\$ 145,195,212	\$ 146,106,586	\$ 145,920,077	\$ (724,865)	
Franchise fees	18,780,277		18,780,277	18,689,000	19,300,000	(519,723)	
Licenses and permits	4,319,383		4,319,383	3,675,850	3,807,850	511,533	
Fines and forfeitures	6,173,117		6,173,117	5,886,400	5,634,300	538,817	
Charges for sales and services	19,450,317	82,613,389	102,063,706	119,600,312	98,817,857	3,245,849	
Use of money and property	2,893,384	101,751	2,995,135	3,334,742	3,354,105	(358,970)	
Miscellaneous	17,764,665	385,222	18,149,887	21,197,632	22,124,241	(3,974,354)	
Intergovernmental	71,359,573	18,147,425	89,506,998	69,009,492	83,853,736	5,653,262	
Total revenue	<u>285,935,928</u>	<u>101,247,787</u>	<u>387,183,715</u>	<u>387,500,014</u>	<u>382,812,166</u>	<u>4,371,549</u>	
Expenditure:							
Current:							
Public safety	100,755,434	---	100,755,434	100,343,752	101,094,276	338,842	
Public works	29,187,711	---	29,187,711	30,350,565	31,081,314	1,893,603	
Health and social services	14,824,090	---	14,824,090	15,333,940	15,473,278	649,188	
Culture and recreation	20,981,303	---	20,981,303	20,795,364	21,301,921	320,618	
Community and economic development	19,170,371	---	19,170,371	17,544,494	18,871,849	(298,522)	
General government	20,782,959	---	20,782,959	21,272,065	20,730,186	(52,773)	
Business-type	---	78,525,967	78,525,967	91,559,144	84,688,664	6,162,697	
Capital outlay	50,937,132	8,983,507	59,920,639	88,093,337	86,887,136	26,966,497	
Debt service	78,749,111	11,583,218	90,332,329	53,324,412	101,666,229	11,333,900	
Total expenditure	<u>335,388,111</u>	<u>99,092,692</u>	<u>434,480,803</u>	<u>438,617,073</u>	<u>481,794,853</u>	<u>47,314,050</u>	
Excess (deficiency) of revenue over expenditure	<u>(49,452,183)</u>	<u>2,155,095</u>	<u>(47,297,088)</u>	<u>(51,117,059)</u>	<u>(98,982,687)</u>	<u>51,685,599</u>	
Other financing sources (uses):							
Transfers in	78,886,254	3,954,173	82,840,427	60,964,857	99,408,155	(16,567,728)	
Other financing sources	63,428,532	283,079	63,711,611	42,632,800	82,383,207	(18,671,596)	
Transfers out	(82,042,487)	(797,940)	(82,840,427)	(60,964,857)	(99,408,155)	16,567,728	
Total other financing sources (uses)	<u>60,272,299</u>	<u>3,439,312</u>	<u>63,711,611</u>	<u>42,632,800</u>	<u>82,383,207</u>	<u>(18,671,596)</u>	
Net change in fund balances	<u>10,820,116</u>	<u>5,594,407</u>	<u>16,414,523</u>	<u>\$ (8,484,259)</u>	<u>\$ (16,599,480)</u>	<u>\$ 33,014,003</u>	
Fund balances, beginning of year	<u>126,622,470</u>	<u>(8,360,420)</u>	<u>118,262,050</u>				
Fund balances, end of year	<u>\$ 137,442,586</u>	<u>\$ (2,766,013)</u>	<u>\$ 134,676,573</u>				

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

CITY OF DES MOINES, IOWA
BUDGETARY COMPARISON SCHEDULE --
BUDGET TO GAAP RECONCILIATION
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2015

	GOVERNMENTAL FUND TYPES		
	BUDGET MODIFIED	ACCRUAL	MODIFIED
	ACCRUAL BASIS	ADJUSTMENTS	ACCRUAL BASIS
Revenues	\$ 285,935,928	\$ 2,644,177	\$ 288,580,105
Expenditures	335,388,111	3,355,017	338,743,128
Net	(49,452,183)	(710,840)	(50,163,023)
Other financing sources (uses)	60,272,299	---	60,272,299
Beginning fund balances	126,622,470	(52,095,007)	74,527,463
Ending fund balances	\$ 137,442,586	\$ (52,805,847)	\$ 84,636,739

	ENTERPRISE FUND TYPES		
	BUDGET MODIFIED	ACCRUAL	
	ACCRUAL BASIS	ADJUSTMENTS	ACCRUAL BASIS
Revenues	\$ 101,247,787	\$ 559,238	\$ 100,188,279
Expenses	99,092,692	5,383,284	91,175,281
Net	2,155,095	6,857,903	9,012,998
Other financing sources (uses)	3,439,312	209,810	3,649,122
Beginning fund balances, restated	(8,360,420)	303,120,081	294,759,661
Ending fund balances	\$ (2,766,013)	\$ 310,187,794	\$ 307,421,781

See notes to required supplementary information.

CITY OF DES MOINES, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION --
BUDGETARY REPORTING
June 30, 2015

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

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. These ten functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, business-type and non-program. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, budget amendments increased budgeted disbursements, including transfers out by \$81,621,078. These budget amendments are reflected in the final budgeted amounts.

During the year ended June 30, 2015, disbursements exceeded the amounts budgeted in the community and economic development function and the general government function.



**CITY OF DES MOINES, IOWA
OTHER POSTEMPLOYMENT BENEFIT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2015**

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2015	7/1/2013	\$ ---	\$ 16,451,197	\$ 16,451,197	\$ ---	\$ 99,836,624	16.5%
2014	7/1/2013	\$ ---	\$ 16,451,197	\$ 16,451,197	\$ ---	\$ 97,555,405	16.9%
2013	7/1/2011	\$ ---	\$ 15,910,966	* \$ 15,910,966	\$ ---	\$ 94,988,560	16.8%

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

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

**CITY OF DES MOINES, IOWA
 SCHEDULE OF THE CITY'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION**

	<u>June 30, 2014</u>
City's proportion of the net pension liability	0.794970%
City's proportionate share of the net pension liability	\$ 39,219,101
City's covered-employee payroll	\$ 64,753,315
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	60.57%
Plan fiduciary net position as a percentage of the total net pension liability	87.61%

See note to required supplementary information

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 DES MOINES, IOWA
SCHEDULE OF THE CITY CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION

	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contributions Deficiency (Excess)	City's Covered- Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	\$ 5,903,769	\$ 5,903,769	\$ ---	\$ 65,822,469	8.969%
2014	5,782,471	5,782,471	—	64,753,315	8.930%
2013	5,590,585	5,590,585	—	N/A	N/A
2012	5,605,331	5,605,331	—	N/A	N/A
2011	4,847,268	4,847,268	—	N/A	N/A
2010	4,573,464	4,573,464	—	N/A	N/A
2009	4,433,062	4,433,062	—	N/A	N/A
2008	4,087,154	4,087,154	—	N/A	N/A
2007	3,714,966	3,714,966	—	N/A	N/A
2006	3,594,986	3,594,986	—	N/A	N/A

See note to required supplementary information

**CITY OF DES MOINES, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
IPERS PENSION LIABILITY**

Note 1. 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 three to 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 was 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.

Note 2. 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.
- Generally increased the probability of termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions 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 DES MOINES, IOWA
 SCHEDULE OF THE CITY'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA
 REQUIRED SUPPLEMENTARY INFORMATION**

	<u>June 30, 2014</u>
City's proportion of the net pension liability	18.2046%
City's proportionate share of the net pension liability	\$ 85,200,836
City's covered-employee payroll	\$ 46,366,458
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	183.76%
Plan fiduciary net position as a percentage of the total net pension liability	86.27%

See note to required supplementary information

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 DES MOINES, IOWA
SCHEDULE OF THE CITY CONTRIBUTIONS
MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA
REQUIRED SUPPLEMENTARY INFORMATION

	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contributions Deficiency (Excess)	City's Covered- Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	\$ 14,626,300	\$ 14,626,300	\$ ---	\$ 46,489,038	31.462%
2014	13,965,577	13,965,577	—	46,366,458	30.120%
2013	11,874,300	11,874,300	—	N/A	N/A
2012	11,548,981	11,548,981	—	N/A	N/A
2011	8,772,090	8,772,090	—	N/A	N/A
2010	7,436,202	7,436,202	—	N/A	N/A
2009	8,082,254	8,082,254	—	N/A	N/A
2008	10,556,295	10,556,295	—	N/A	N/A
2007	11,202,963	11,202,963	—	N/A	N/A
2006	10,797,457	10,797,457	—	N/A	N/A

See note to required supplementary information

**CITY OF DES MOINES, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MFPSI PENSION LIABILITY**

Note 1. Changes of benefit terms

There were no significant changes of benefit terms.

Note 2. Changes of assumptions

Effective July 1, 2014, two additional steps were taken 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.

The City also updated the mortality assumptions to the RP-2000 Blue Collar Mortality table with projected mortality improvement using scale BB-2D for the June 30, 2014 measurement date.

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





CITY OF DES MOINES, IOWA
COMBINING BALANCE SHEET SCHEDULE
ALL GENERAL FUND ACCOUNTS
June 30, 2015

	<u>GENERAL</u>	<u>OTHER</u>	<u>TOTALS</u>
ASSETS			
Cash and investments	\$ 22,793,239	\$ 1,741,171	\$ 24,534,410
Taxes receivable	57,786,569	---	57,786,569
Accounts receivable	4,448,029	---	4,448,029
Accrued interest receivable	28,593	---	28,593
Due from other funds	463,716	---	463,716
Due from other governmental units	1,188,917	---	1,188,917
Advance to other funds	6,466,568	---	6,466,568
Special assessments receivable	30,585	---	30,585
Prepaid items	1,245,649	4,546	1,250,195
Total assets	\$ 94,451,865	\$ 1,745,717	\$ 96,197,582
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 2,062,805	\$ 24,175	\$ 2,086,980
Accrued wages payable	3,013,695	---	3,013,695
Due to other funds	117,360	---	117,360
Unearned revenue	83,333	---	83,333
Good faith, security deposits	893,731	1,000	894,731
Total liabilities	6,170,924	25,175	6,196,099
Deferred inflows of resources:			
Unavailable revenue - property taxes	55,578,702	---	55,578,702
Total deferred inflows of resources	55,578,702	---	55,578,702
Fund balance:			
Nonspendable	7,712,217	4,546	7,716,763
Restricted	---	143,875	143,875
Committed	1,200,000	---	1,200,000
Unassigned	23,790,022	1,572,121	25,362,143
Total fund balance	32,702,239	1,720,542	34,422,781
Total liabilities, deferred inflows of resources and fund balance	\$ 94,451,865	\$ 1,745,717	\$ 96,197,582

**CITY OF DES MOINES, IOWA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 ALL GENERAL FUND ACCOUNTS
 For the Fiscal Year Ended June 30, 2015**

	GENERAL	OTHER	TOTALS
Revenues:			
Taxes	\$ 58,488,235	\$ 8,336	\$ 58,496,571
Franchise fees	12,940,957	---	12,940,957
Licenses and permits	4,181,428	---	4,181,428
Fines and forfeitures	6,155,227	---	6,155,227
Charges for sales and services	17,237,783	898	17,238,681
Use of money and property	1,316,301	5,064	1,321,365
Miscellaneous	17,040,337	131,306	17,171,643
Intergovernmental	3,419,204	---	3,419,204
Total revenues	120,779,472	145,604	120,925,076
Expenditures:			
Current:			
Public safety	97,371,405	497,274	97,868,679
Public works	8,211,037	---	8,211,037
Health and social services	383,392	24,075	407,467
Culture and recreation	19,450,339	---	19,450,339
Community and economic development	5,848,317	---	5,848,317
General governmental	14,948,405	177,208	15,125,613
Capital outlay	405,440	---	405,440
Total expenditures	146,618,335	698,557	147,316,892
(Deficiency) of revenues over expenditures	(25,838,863)	(552,953)	(26,391,816)
Other financing sources (uses):			
Transfers in	33,595,868	336,875	33,932,743
Transfers out	(2,336,875)	---	(2,336,875)
Proceeds from damage claims	30,318	---	30,318
Proceeds from capital asset sale	1,665	283,274	284,939
Total other financing sources (uses)	31,290,976	620,149	31,911,125
Net changes in fund balance	5,452,113	67,196	5,519,309
Fund balance, beginning of year	27,250,126	1,653,346	28,903,472
Fund balance, end of year	\$ 32,702,239	\$ 1,720,542	\$ 34,422,781

CITY OF DES MOINES, IOWA
COMBINING BALANCE SHEET SCHEDULE
ALL CAPITAL PROJECTS ACCOUNTS
June 30, 2015

	BRIDGE PROJECTS	MUNICIPAL BUILDINGS PROJECTS	STREET PROJECTS	PARK IMPROVEMENT PROJECTS
ASSETS				
Cash and investments	\$ 5,239,719	\$ 4,009,203	\$ 8,617,496	\$ 3,730,742
Accounts receivable	---	---	621,716	28,921
Due from other funds	---	---	1,000,000	925,679
Due from other governmental units	406,851	---	4,301,419	88,839
Prepaid items	---	---	---	---
Special assessment receivables	---	---	---	---
Total assets	\$ 5,646,570	\$ 4,009,203	\$ 14,540,631	\$ 4,774,181
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 23,347	\$ 17,380	\$ 119,732	\$ 174,869
Contracts payable	270,399	128,353	4,391,738	161,970
Accrued wages payable	5,351	8,507	42,734	9,049
Unearned revenue	---	---	---	---
Total liabilities	299,097	154,240	4,554,204	345,888
Deferred inflows of resources:				
Unavailable revenue - intergovernmental	50,000	---	1,404,604	12,500
Unavailable revenue - special assessment	---	---	---	---
Total deferred inflows of resources	50,000	---	1,404,604	12,500
Fund balance:				
Nonspendable	---	---	---	---
Restricted	---	---	---	---
Committed	5,297,473	3,854,963	8,581,823	4,415,793
Total fund balance	5,297,473	3,854,963	8,581,823	4,415,793
Total liabilities, deferred inflows of resources and fund balance	\$ 5,646,570	\$ 4,009,203	\$ 14,540,631	\$ 4,774,181

<u>FIRE PROTECTION PROJECTS</u>	<u>LIBRARY PROJECTS</u>	<u>SPECIAL ASSESSMENT PROJECTS</u>	<u>URBAN RENEWAL PROJECTS</u>	<u>OTHER CAPITAL PROJECTS</u>	<u>TOTALS</u>
\$ 2,320,920	\$ 1,174,813	\$ 887,263	\$ 739,884	\$ 677,585	\$ 27,397,625
---	622	---	---	---	651,259
---	---	---	---	---	1,925,679
---	---	---	---	---	4,797,109
---	10,000	---	---	47,052	57,052
---	---	2,621,248	---	---	2,621,248
<u>\$ 2,320,920</u>	<u>\$ 1,185,435</u>	<u>\$ 3,508,511</u>	<u>\$ 739,884</u>	<u>\$ 724,637</u>	<u>\$ 37,449,972</u>
\$ ---	\$ 11,755	\$ ---	\$ ---	\$ 59,602	\$ 406,685
---	3,816	---	---	2,180	4,958,456
193	455	---	191	730	67,210
---	---	---	24,304	---	24,304
<u>193</u>	<u>16,026</u>	<u>---</u>	<u>24,495</u>	<u>62,512</u>	<u>5,456,655</u>
---	---	---	---	---	1,467,104
---	---	2,621,248	---	---	2,621,248
---	---	2,621,248	---	---	4,088,352
---	10,000	---	---	47,052	57,052
---	---	887,263	---	---	887,263
<u>2,320,727</u>	<u>1,159,409</u>	<u>---</u>	<u>715,389</u>	<u>615,073</u>	<u>26,960,650</u>
<u>2,320,727</u>	<u>1,169,409</u>	<u>887,263</u>	<u>715,389</u>	<u>662,125</u>	<u>27,904,965</u>
<u>\$ 2,320,920</u>	<u>\$ 1,185,435</u>	<u>\$ 3,508,511</u>	<u>\$ 739,884</u>	<u>\$ 724,637</u>	<u>\$ 37,449,972</u>

**CITY OF DES MOINES, IOWA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
ALL CAPITAL PROJECTS ACCOUNTS
For the Fiscal Year Ended June 30, 2015**

	BRIDGE PROJECTS	MUNICIPAL BUILDINGS PROJECTS	STREET PROJECTS	PARK IMPROVEMENT PROJECTS
Revenues:				
Charges for sales and services	\$ ---	\$ ---	\$ 226	\$ ---
Use of money and property	20	296	7,288	24,440
Miscellaneous	3,971	185,545	846,600	194,901
Intergovernmental	2,454,046	583,043	18,047,858	348,549
Total revenue	<u>2,458,037</u>	<u>768,884</u>	<u>18,901,972</u>	<u>567,890</u>
Expenditures:				
Current:				
Public safety	---	---	---	---
Public works	---	---	23,468	---
Culture and recreation	---	---	---	---
Community and economic development	---	---	---	---
General government	---	---	---	---
Capital outlay	3,356,143	3,356,152	37,109,354	4,608,890
Total expenditures	<u>3,356,143</u>	<u>3,356,152</u>	<u>37,132,822</u>	<u>4,608,890</u>
Deficiency of revenues over expenditures	<u>(898,106)</u>	<u>(2,587,268)</u>	<u>(18,230,850)</u>	<u>(4,041,000)</u>
Other financing sources (uses):				
Transfers in	250,000	3,625,000	11,084,164	5,497,009
Transfers out	---	(42,693)	(46,376)	(82,500)
Proceeds from damage claims	10,301	---	413,120	928
Proceeds from capital asset sale	---	---	282,182	265,693
Total other financing sources (uses)	<u>260,301</u>	<u>3,582,307</u>	<u>11,733,090</u>	<u>5,681,130</u>
Net changes in fund balance	(637,805)	995,039	(6,497,760)	1,640,130
Fund balance, beginning of year	5,935,278	2,859,924	15,079,583	2,775,663
Fund balance, end of year	<u>\$ 5,297,473</u>	<u>\$ 3,854,963</u>	<u>\$ 8,581,823</u>	<u>\$ 4,415,793</u>

FIRE PROTECTION PROJECTS	LIBRARY PROJECTS	SPECIAL ASSESSMENT PROJECTS	URBAN RENEWAL PROJECTS	OTHER CAPITAL PROJECTS	TOTALS
\$ ---	\$ 131,722	\$ ---	\$ ---	\$ 1,780	\$ 133,728
114	108	(2,917)	4,861	335	34,545
25,636	29,033	1,852	---	---	1,287,538
55	---	---	---	392,941	21,826,492
<u>25,805</u>	<u>160,863</u>	<u>(1,065)</u>	<u>4,861</u>	<u>395,056</u>	<u>23,282,303</u>
50,807	---	---	---	---	50,807
---	---	---	---	1,551,906	1,575,374
---	830,546	---	---	---	830,546
---	---	---	9,012	2,199,592	2,208,604
---	---	---	---	1,275,870	1,275,870
710,720	394,054	---	29,939	748,034	50,313,286
<u>761,527</u>	<u>1,224,600</u>	<u>---</u>	<u>38,951</u>	<u>5,775,402</u>	<u>56,254,487</u>
<u>(735,722)</u>	<u>(1,063,737)</u>	<u>(1,065)</u>	<u>(34,090)</u>	<u>(5,380,346)</u>	<u>(32,972,184)</u>
1,395,000	1,330,000	---	---	4,865,797	28,046,970
---	---	---	(136,379)	---	(307,948)
---	---	---	---	---	424,349
---	---	---	---	---	547,875
<u>1,395,000</u>	<u>1,330,000</u>	<u>---</u>	<u>(136,379)</u>	<u>4,865,797</u>	<u>28,711,246</u>
659,278	266,263	(1,065)	(170,469)	(514,549)	(4,260,938)
<u>1,661,449</u>	<u>903,146</u>	<u>888,328</u>	<u>885,858</u>	<u>1,176,674</u>	<u>32,165,903</u>
<u>\$ 2,320,727</u>	<u>\$ 1,169,409</u>	<u>\$ 887,263</u>	<u>\$ 715,389</u>	<u>\$ 662,125</u>	<u>\$ 27,904,965</u>

**CITY OF DES MOINES, IOWA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015**

	SPECIAL REVENUE		
		COMMUNITY	OTHER
	CDBG	SERVICES	EMPLOYEE BENEFITS
ASSETS			
Cash and investments	\$ ---	\$ ---	\$ 1,180,442
Taxes receivable	---	---	11,334,137
Accounts receivable	---	208,375	---
Loans receivable, net of allowance for doubtful accounts	878,745	---	---
Accrued interest receivable	1,508	---	---
Due from other funds	---	---	---
Due from other governmental units	1,894,338	829,639	---
Special assessments receivable	12,458	---	---
Inventory	---	---	---
Prepaid items	5,976	106,096	19,801
Total assets	\$ 2,793,025	\$ 1,144,110	\$ 12,534,380
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 42,816	\$ 212,940	\$ 46,180
Accrued wages payable	49,836	11,787	105,296
Accrued employee benefits	---	---	238,788
Good faith, security deposits	---	---	---
Due to other funds	1,260,237	353,911	---
Due to other governmental units	---	200,000	---
Unearned revenue	5,992	9,345	---
Total liabilities	1,358,881	787,983	390,264
Deferred inflows of resources:			
Unavailable revenue - property taxes	---	---	11,249,731
Unavailable revenue - intergovernmental	313,309	29,972	---
Total deferred inflows of resources	313,309	29,972	11,249,731
Fund balances:			
Nonspendable	5,976	106,096	19,801
Restricted	1,114,859	220,059	874,584
Committed	---	---	---
Unassigned	---	---	---
Total fund balances	1,120,835	326,155	894,385
Total liabilities, deferred inflows of resources and fund balances	\$ 2,793,025	\$ 1,144,110	\$ 12,534,380

SPECIAL REVENUE			PERMANENT				
ROAD USE	TORT	OTHER	PERMANENT	SWARTZELL	WEISE BIRD		
TAX	LIABILITY	SPECIAL	CEMETERY	ENDOWMENT	HABITATS	TOTALS	
		REVENUE	MAINTENANCE				
\$ 1,946,405	\$ 385,641	\$ 2,694,843	\$ 4,120,425	\$ 395,715	\$ 2,650	\$ 10,726,121	
---	2,009,983	1,043,967	---	---	---	14,388,087	
117,643	---	47,900	378	---	---	374,296	
---	---	2,095,892	---	---	---	2,974,637	
---	---	155	---	---	---	1,663	
---	---	11,876	---	---	---	11,876	
4,928,771	---	780,217	---	---	---	8,432,965	
2,513	---	---	---	---	---	14,971	
472,726	---	---	---	---	---	472,726	
5,183	348	54,069	---	---	---	191,473	
<u>\$ 7,473,241</u>	<u>\$ 2,395,972</u>	<u>\$ 6,728,919</u>	<u>\$ 4,120,803</u>	<u>\$ 395,715</u>	<u>\$ 2,650</u>	<u>\$ 37,588,815</u>	
\$ 476,820	\$ 12,200	\$ 610,575	\$ ---	\$ ---	\$ ---	\$ 1,401,531	
204,249	24,791	22,706	---	---	---	418,665	
---	---	310	---	---	---	239,098	
---	---	525,934	---	---	---	525,934	
---	---	60,889	---	---	---	1,675,037	
---	---	---	---	---	---	200,000	
---	---	---	---	---	---	15,337	
<u>681,069</u>	<u>36,991</u>	<u>1,220,414</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>4,475,602</u>	
---	1,989,514	1,040,396	---	---	---	14,279,641	
---	---	96,776	---	---	---	440,057	
---	<u>1,989,514</u>	<u>1,137,172</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>14,719,698</u>	
477,909	348	54,069	3,241,333	357,117	---	4,262,649	
6,314,263	369,119	2,450,949	879,470	38,598	2,650	12,264,551	
---	---	2,541,206	---	---	---	2,541,206	
---	---	(674,891)	---	---	---	(674,891)	
<u>6,792,172</u>	<u>369,467</u>	<u>4,371,333</u>	<u>4,120,803</u>	<u>395,715</u>	<u>2,650</u>	<u>18,393,515</u>	
<u>\$ 7,473,241</u>	<u>\$ 2,395,972</u>	<u>\$ 6,728,919</u>	<u>\$ 4,120,803</u>	<u>\$ 395,715</u>	<u>\$ 2,650</u>	<u>\$ 37,588,815</u>	

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2015

	SPECIAL REVENUE		
	CDBG	COMMUNITY SERVICES	OTHER
			EMPLOYEE BENEFITS
Revenues:			
Taxes	\$ ---	\$ ---	\$ 7,807,565
Licenses and permits	---	180	---
Fines and forfeitures	---	---	---
Charges for sales and services	---	2,846	---
Use of money and property	33,251	82,434	---
Miscellaneous	225,093	394,589	131,492
Intergovernmental	7,084,764	7,964,336	189,327
Total revenues	<u>7,343,108</u>	<u>8,444,385</u>	<u>8,128,384</u>
Expenditures:			
Current:			
Public safety	---	---	---
Public works	---	---	---
Health and social services	6,074,994	8,448,008	---
Culture and recreation	---	---	---
Community and economic development	---	---	---
General government	---	---	2,547,824
Capital outlay	---	---	---
Total expenditures	<u>6,074,994</u>	<u>8,448,008</u>	<u>2,547,824</u>
Excess (deficiency) of revenues over expenditures	<u>1,268,114</u>	<u>(3,623)</u>	<u>5,580,560</u>
Other financing sources (uses):			
Transfers in	---	---	2,000,000
Transfers out	---	---	(7,439,086)
Proceeds from damage claims	---	---	---
Proceeds from capital asset sale	---	---	---
Total other financing sources (uses)	<u>---</u>	<u>---</u>	<u>(5,439,086)</u>
Net changes in fund balances	1,268,114	(3,623)	141,474
Fund balances (deficits), beginning of year	<u>(147,279)</u>	<u>329,778</u>	<u>752,911</u>
Fund balances, end of year	<u>\$ 1,120,835</u>	<u>\$ 326,155</u>	<u>\$ 894,385</u>

SPECIAL REVENUE			PERMANENT			TOTALS
ROAD USE TAX	TORT LIABILITY	OTHER SPECIAL REVENUE	PERMANENT CEMETERY MAINTENANCE	SWARTZELL ENDOWMENT	WEISE BIRD HABITATS	
\$ ---	\$ 1,885,847	\$ 818,685	\$ ---	\$ ---	\$ ---	\$ 10,512,097
137,775	---	---	---	---	---	137,955
17,890	---	---	---	---	---	17,890
1,877,689	---	89,324	108,049	---	---	2,077,908
300	---	406,926	(2,399)	262	---	520,774
18,325	1,451	1,302,339	---	---	---	2,073,289
23,979,898	45,754	1,497,529	---	---	---	40,761,608
<u>26,031,877</u>	<u>1,933,052</u>	<u>4,114,803</u>	<u>105,650</u>	<u>262</u>	<u>---</u>	<u>56,101,521</u>
---	197,760	2,638,188	---	---	---	2,835,948
19,401,300	---	---	---	---	---	19,401,300
---	---	84,371	---	---	---	14,607,373
---	---	700,418	---	---	---	700,418
---	---	1,194,952	---	---	---	1,194,952
---	1,382,896	82,031	---	---	---	4,012,751
36,391	---	182,015	---	---	---	218,406
<u>19,437,691</u>	<u>1,580,656</u>	<u>4,881,975</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>42,971,148</u>
<u>6,594,186</u>	<u>352,396</u>	<u>(767,172)</u>	<u>105,650</u>	<u>262</u>	<u>---</u>	<u>13,130,373</u>
---	---	1,527,218	---	---	---	3,527,218
(2,058,340)	(239,369)	(525,000)	---	---	---	(10,261,795)
24,888	---	---	---	---	---	24,888
425	---	160,000	---	---	---	160,425
<u>(2,033,027)</u>	<u>(239,369)</u>	<u>1,162,218</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(6,549,264)</u>
4,561,159	113,027	395,046	105,650	262	---	6,581,109
<u>2,231,013</u>	<u>256,440</u>	<u>3,976,287</u>	<u>4,015,153</u>	<u>395,453</u>	<u>2,650</u>	<u>11,812,406</u>
<u>\$ 6,792,172</u>	<u>\$ 369,467</u>	<u>\$ 4,371,333</u>	<u>\$ 4,120,803</u>	<u>\$ 395,715</u>	<u>\$ 2,650</u>	<u>\$ 18,393,515</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF NET POSITION SCHEDULE
ALL PARKING ACCOUNTS
June 30, 2015

<u>ASSETS</u>	<u>PARKING</u>	<u>PARK AND RIDE</u>	<u>TOTALS</u>
Current assets:			
Unrestricted current assets:			
Cash and investments	\$ 1,632,156	\$ 5,222,798	\$ 6,854,954
Accounts receivable	30,364	---	30,364
Due from other governmental units	11,345	---	11,345
Total current assets	<u>1,673,865</u>	<u>5,222,798</u>	<u>6,896,663</u>
Noncurrent assets:			
Capital assets			
Land	9,045,667	3,924,980	12,970,647
Construction in progress	2,417,881	65,868	2,483,749
Buildings	66,879,094	597,754	67,476,848
Improvements other than buildings	16,924,549	17,816,005	34,740,554
Machinery and equipment	1,148,917	---	1,148,917
Accumulated depreciation	<u>(56,664,201)</u>	<u>(9,631,099)</u>	<u>(66,295,300)</u>
Total capital assets, net of accumulated depreciation	<u>39,751,907</u>	<u>12,773,508</u>	<u>52,525,415</u>
Total noncurrent assets	<u>39,751,907</u>	<u>12,773,508</u>	<u>52,525,415</u>
Total assets	<u>\$ 41,425,772</u>	<u>\$ 17,996,306</u>	<u>\$ 59,422,078</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Pension related deferred outflows	<u>\$ 86,886</u>	<u>---</u>	<u>\$ 86,886</u>

LIABILITIES	PARKING	PARK AND RIDE	TOTALS
Liabilities:			
Current liabilities:			
Accounts payable	\$ 157,929	\$ 55,864	\$ 213,793
Contracts payable	307,369	13,575	320,944
Accrued wages payable	34,598	1,283	35,881
Accrued employee benefits	89,002	---	89,002
Due to other funds	376,975	---	376,975
Accrued interest payable	15,750	---	15,750
General obligation bonds payable, net	1,825,000	---	1,825,000
Total current liabilities	2,806,623	70,722	2,877,345
Noncurrent liabilities:			
Accrued employee benefits	139,641	---	139,641
Other postemployment benefits	64,166	---	64,166
Net pension liability	411,678	---	411,678
Advance from other funds	3,106,887	---	3,106,887
General obligation bonds payable, net	7,853,979	---	7,853,979
Total noncurrent liabilities	11,576,351	---	11,576,351
Total liabilities	14,382,974	70,722	14,453,696
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	170,484	---	170,484
NET POSITION			
Net investment in capital assets	30,072,928	12,773,508	42,846,436
Unrestricted	(3,113,728)	5,152,076	2,038,348
Total net position	\$ 26,959,200	\$ 17,925,584	\$ 44,884,784



CITY OF DES MOINES, IOWA
COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
ALL PARKING ACCOUNTS
For the Fiscal Year Ended June 30, 2015

	<u>PARKING</u>	<u>PARK AND RIDE</u>	<u>TOTALS</u>
Operating revenues:			
Charges for sales and services	\$ 7,648,007	\$ 1,239,837	\$ 8,887,844
Total operating revenues	<u>7,648,007</u>	<u>1,239,837</u>	<u>8,887,844</u>
Operating expenses:			
Personal services	1,197,519	---	1,197,519
Contractual services	4,814,398	1,425,837	6,240,235
Commodities	243,595	71	243,666
Depreciation	2,916,221	639,920	3,556,141
Other charges	123,755	4,094	127,849
Total operating expenses	<u>9,295,488</u>	<u>2,069,922</u>	<u>11,365,410</u>
Operating (loss)	<u>(1,647,481)</u>	<u>(830,085)</u>	<u>(2,477,566)</u>
Non-operating revenues (expenses):			
Investment earnings	4,481	---	4,481
Proceeds from damage claims	7,250	---	7,250
Interest expense and fiscal charges	(157,728)	---	(157,728)
Total nonoperating revenues (expenses)	<u>(145,997)</u>	<u>---</u>	<u>(145,997)</u>
(Loss) before transfers	(1,793,478)	(830,085)	(2,623,563)
Transfers in	<u>3,431,673</u>	<u>---</u>	<u>3,431,673</u>
Change in net position	1,638,195	(830,085)	808,110
Total net position - beginning, as restated	<u>25,321,005</u>	<u>18,755,669</u>	<u>44,076,674</u>
Total net position - ending	<u>\$ 26,959,200</u>	<u>\$ 17,925,584</u>	<u>\$ 44,884,784</u>

CITY OF DES MOINES, IOWA
COMBINING SCHEDULE OF CASH FLOWS
ALL PARKING ACCOUNTS
For the Fiscal Year Ended June 30, 2015

	<u>PARKING</u>	<u>PARK AND RIDE</u>	<u>TOTALS</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 7,669,581	\$ 1,239,837	\$ 8,909,418
Payments to suppliers	(5,038,644)	(1,423,445)	(6,462,089)
Payments to employees	(1,203,660)	1,097	(1,202,563)
Proceeds from damage claims	7,250	---	7,250
Net cash provided by (used in) operating activities	<u>1,434,527</u>	<u>(182,511)</u>	<u>1,252,016</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Payments to interfund accounts	(374,499)	---	(374,499)
Transfers In	3,431,673	---	3,431,673
Net cash provided by noncapital and related financing activities	<u>3,057,174</u>	<u>---</u>	<u>3,057,174</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest paid on capital debt	(250,500)	---	(250,500)
Principal paid on long-term debt	(1,800,000)	---	(1,800,000)
Proceeds from sale of capital assets	---	---	-
Acquisition and construction of capital assets	(2,560,611)	(39,375)	(2,599,986)
Net cash (used in) capital and related financing activities	<u>(4,611,111)</u>	<u>(39,375)</u>	<u>(4,650,486)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	---	---	-
Interest and dividends received	4,480	---	4,480
Net cash provided by investing activities	<u>4,480</u>	<u>---</u>	<u>4,480</u>
Net (decrease) in cash and cash equivalents	(114,930)	(221,886)	(336,816)

	<u>PARKING</u>	<u>PARK AND RIDE</u>	<u>TOTALS</u>
Cash and cash equivalents, beginning of year	\$ 1,747,086	\$ 5,444,684	\$ 7,191,770
Cash and cash equivalents, end of year	<u>\$ 1,632,156</u>	<u>\$ 5,222,798</u>	<u>\$ 6,854,954</u>
Reconciliation of operating (loss) to net cash provided by (used in) operating activities:			
Operating (loss)	<u>\$ (1,647,481)</u>	<u>\$ (830,085)</u>	<u>\$ (2,477,566)</u>
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	2,916,221	639,920	3,556,141
Proceeds from damage claims	7,250	---	7,250
Decrease in accounts receivable	21,574	---	21,574
Increase in accounts payable	143,104	6,557	149,661
Increase in accrued wages payable	10,187	1,097	11,284
Increase in accrued employee benefits and other postemployment benefits	20,252	---	20,252
(Increase) in deferred outflows	(26,229)	---	(26,229)
Increase in deferred inflows	170,484	---	170,484
(Decrease) in net pension liability	<u>(180,835)</u>	<u>---</u>	<u>(180,835)</u>
Total adjustments	<u>3,082,008</u>	<u>647,574</u>	<u>3,729,582</u>
Net cash provided by (used in) operating activities	<u>\$ 1,434,527</u>	<u>\$ (182,511)</u>	<u>\$ 1,252,016</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF NET POSITION (DEFICIT)
NONMAJOR ENTERPRISE FUNDS
June 30, 2015

	GOLF COURSES	SOLID WASTE SYSTEM	TOTALS
ASSETS			
Current assets:			
Unrestricted current assets:			
Cash and investments	\$ 4,500	\$ 8,929,898	\$ 8,934,398
Accounts receivable	30,184	171,172	201,356
Special assessments receivable	---	56,364	56,364
Due from other governmental units	---	4,213	4,213
Total current assets	<u>34,684</u>	<u>9,161,647</u>	<u>9,196,331</u>
Noncurrent assets, capital assets:			
Land	123,497	---	123,497
Buildings	330,339	1,143,880	1,474,219
Improvements other than buildings	3,222,054	261,589	3,483,643
Machinery and equipment	651,707	13,799,635	14,451,342
Accumulated depreciation	<u>(2,261,502)</u>	<u>(11,729,302)</u>	<u>(13,990,804)</u>
Total capital assets, net of accumulated depreciation	<u>2,066,095</u>	<u>3,475,802</u>	<u>5,541,897</u>
Total assets	<u>\$ 2,100,779</u>	<u>\$ 12,637,449</u>	<u>\$ 14,738,228</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	<u>---</u>	<u>403,230</u>	<u>403,230</u>
LIABILITIES			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 2,594	\$ 94,903	\$ 97,497
Accrued wages payable	---	121,174	121,174
Accrued employee benefits	---	260,508	260,508
Total current liabilities	<u>2,594</u>	<u>476,585</u>	<u>479,179</u>
Noncurrent liabilities:			
Accrued employee benefits	---	408,728	408,728
Other postemployment benefits	---	199,019	199,019
Net pension liability	---	1,941,733	1,941,733
Advance from other funds	3,359,681	---	3,359,681
Total noncurrent liabilities	<u>3,359,681</u>	<u>2,549,480</u>	<u>5,909,161</u>
Total liabilities	<u>3,362,275</u>	<u>3,026,065</u>	<u>6,388,340</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	<u>---</u>	<u>804,109</u>	<u>804,109</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	2,066,095	3,475,802	5,541,897
Unrestricted	<u>(3,327,591)</u>	<u>5,734,703</u>	<u>2,407,112</u>
Total net position (deficit)	<u>\$ (1,261,496)</u>	<u>\$ 9,210,505</u>	<u>\$ 7,949,009</u>

**CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION (DEFICIT)
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2015**

	GOLF COURSES	SOLID WASTE SYSTEM	TOTALS
Operating revenues:			
Charges for sales and services	\$ 137,021	\$ 12,294,509	\$ 12,431,530
Miscellaneous	78,828	18,011	96,839
Total operating revenues	<u>215,849</u>	<u>12,312,520</u>	<u>12,528,369</u>
Operating expenses:			
Personal services	---	4,591,808	4,591,808
Contractual services	109,213	5,096,226	5,205,439
Commodities	4,398	373,585	377,983
Depreciation	75,637	922,523	998,160
Other charges	18,360	722,120	740,480
Total operating expenses	<u>207,608</u>	<u>11,706,262</u>	<u>11,913,870</u>
Operating income	<u>8,241</u>	<u>606,258</u>	<u>614,499</u>
Non-operating revenues (expenses):			
Capital grants and contributions	4,000	---	4,000
Gain on sale of capital assets	---	71,718	71,718
Investment earnings	---	13,022	13,022
Proceeds from damage claims	659	150,000	150,659
Interest expense and fiscal charges	(4,934)	(13,061)	(17,995)
Total nonoperating revenues (expenses)	<u>(275)</u>	<u>221,679</u>	<u>221,404</u>
Change in net position	7,966	827,937	835,903
Total net position (deficit) - beginning, as restated	<u>(1,269,462)</u>	<u>8,382,568</u>	<u>7,113,106</u>
Total net position (deficit) - ending	<u>\$ (1,261,496)</u>	<u>\$ 9,210,505</u>	<u>\$ 7,949,009</u>

**CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2015**

	GOLF COURSES	SOLID WASTE SYSTEM	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 311,322	\$ 12,316,881	\$ 12,628,203
Payments to suppliers	(133,043)	(6,175,845)	(6,308,888)
Payments to employees	---	(4,729,983)	(4,729,983)
Proceeds from damage claims	659	150,000	150,659
Net cash provided by operating activities	<u>178,938</u>	<u>1,561,053</u>	<u>1,739,991</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Payments to interfund accounts	<u>(178,004)</u>	---	<u>(178,004)</u>
Net cash (used in) noncapital and related financing activities	<u>(178,004)</u>	<u>---</u>	<u>(178,004)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from intergovernmental and capital grants	4,000	---	4,000
Interest paid on capital debt	(4,934)	(14,248)	(19,182)
Principal paid on long-term debt	---	(380,176)	(380,176)
Proceeds from sale of capital assets	---	71,718	71,718
Acquisition and construction of capital assets	<u>---</u>	<u>(405,179)</u>	<u>(405,179)</u>
Net cash (used in) capital and related financing activities	<u>(934)</u>	<u>(727,885)</u>	<u>(728,819)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	<u>---</u>	<u>13,022</u>	<u>13,022</u>
Net cash provided by investing activities	<u>---</u>	<u>13,022</u>	<u>13,022</u>
Net increase in cash and cash equivalents	---	846,190	846,190

	<u>GOLF COURSES</u>	<u>SOLID WASTE SYSTEM</u>	<u>TOTALS</u>
Cash and cash equivalents, beginning of year	\$ 4,500	\$ 8,083,708	\$ 8,088,208
Cash and cash equivalents, end of year	<u>\$ 4,500</u>	<u>\$ 8,929,898</u>	<u>\$ 8,934,398</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	<u>\$ 8,241</u>	<u>\$ 606,258</u>	<u>\$ 614,499</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	75,637	922,523	998,160
Proceeds from damage claims	659	150,000	150,659
Decrease in accounts receivable	95,472	9,723	105,195
(Increase) in special assessments receivable	---	(1,149)	(1,149)
(Increase) in due from other governmental units	---	(4,213)	(4,213)
Increase (decrease) in accounts payable	(1,071)	16,086	15,015
Increase in accrued wages payable	---	25,546	25,546
Increase in accrued employee benefits and other postemployment benefits	---	2,235	2,235
Decrease in deferred outflows	---	172,972	172,972
Increase in deferred inflows	---	804,109	804,109
(Decrease) in net pension liability	---	(1,143,037)	(1,143,037)
Total adjustments	<u>170,697</u>	<u>954,795</u>	<u>1,125,492</u>
Net cash provided by operating activities	<u>\$ 178,938</u>	<u>\$ 1,561,053</u>	<u>\$ 1,739,991</u>
Schedule of noncash capital and related financing activities:			
Gain on disposal of capital assets	\$ ---	\$ 71,718	\$ 71,718

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2015

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUNI- CATIONS
ASSETS				
Current assets:				
Cash and investments	\$ 1,025,796	\$ 134,944	\$ 269,363	\$ 58,693
Taxes receivable	43,446	---	---	---
Accounts receivable	---	---	---	---
Due from other funds	---	---	---	---
Due from other governmental units	771	---	---	---
Prepaid items	11,300	---	46,073	---
Inventory	---	---	97,330	---
Total current assets	1,081,313	134,944	412,766	58,693
Noncurrent assets, capital assets:				
Machinery and equipment	78,363	---	1,114,041	24,249
Accumulated depreciation	(75,366)	---	(1,106,318)	(24,249)
Total capital assets, net of accumulated depreciation	2,997	---	7,723	---
Total assets	\$ 1,084,310	\$ 134,944	\$ 420,489	\$ 58,693
DEFERRED OUTFLOW OF RESOURCES				
Pension related deferred outflows	\$ 275,213	\$ 93,922	\$ 11,968	\$ 53,630
LIABILITIES				
Liabilities:				
Current liabilities:				
Accounts payable	\$ 627,344	\$ 4,316	\$ 29,661	\$ 2,057
Accrued wages payable	76,688	27,149	3,262	13,227
Accrued employee benefits	108,482	32,865	5,393	21,688
Due to other funds	---	---	---	---
Unearned revenue	---	---	---	---
Total current liabilities	812,514	64,330	38,316	36,972
Noncurrent liabilities:				
Accrued employee benefits	197,766	59,915	9,833	39,538
Other postemployment benefits	150,839	42,142	1,748	17,254
Net pension liability	1,309,086	447,283	55,106	286,126
Total noncurrent liabilities	1,657,691	549,340	66,687	342,918
Total liabilities	2,470,205	613,670	105,003	379,890
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows	542,118	185,228	22,820	118,490
NET POSITION				
Net investment in capital assets	2,997	---	7,723	---
Unrestricted	(1,655,797)	(570,032)	296,911	(386,057)
Total net position	\$ (1,652,800)	\$ (570,032)	\$ 304,634	\$ (386,057)

<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ 1,973,649	\$ 230,851	\$ 9,132,382	\$ 12,825,678
---	---	---	43,446
80,251	---	9,669	89,920
---	---	117,360	117,360
---	---	---	771
---	---	---	57,373
---	---	---	97,330
<u>2,053,900</u>	<u>230,851</u>	<u>9,259,411</u>	<u>13,231,878</u>
30,290,905	2,461,530	---	33,969,088
(27,003,802)	(2,461,530)	---	(30,671,265)
<u>3,287,103</u>	<u>---</u>	<u>---</u>	<u>3,297,823</u>
\$ <u>5,341,003</u>	\$ <u>230,851</u>	\$ <u>9,259,411</u>	\$ <u>16,529,701</u>
---	---	---	\$ 434,733
\$ ---	\$ ---	\$ 300,705	\$ 964,083
---	---	---	120,326
---	---	1,638,000	1,806,428
---	---	78,706	78,706
---	---	20,093	20,093
<u>---</u>	<u>---</u>	<u>2,037,504</u>	<u>2,989,636</u>
---	---	---	307,052
---	---	---	211,983
---	---	---	2,097,601
<u>---</u>	<u>---</u>	<u>---</u>	<u>2,616,636</u>
---	---	2,037,504	5,606,272
---	---	---	868,656
<u>3,287,103</u>	<u>---</u>	<u>---</u>	<u>3,297,823</u>
<u>2,053,900</u>	<u>230,851</u>	<u>7,221,907</u>	<u>7,191,683</u>
\$ <u>5,341,003</u>	\$ <u>230,851</u>	\$ <u>7,221,907</u>	\$ <u>10,489,506</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION (DEFICIT)
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2015

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUN- ICATIONS
Operating revenues:				
Charges for sales and services	\$ 9,883,570	\$ 1,469,975	\$ 622,115	\$ 639,173
Miscellaneous	30	---	374	---
Total operating revenue	<u>9,883,600</u>	<u>1,469,975</u>	<u>622,489</u>	<u>639,173</u>
Operating expenses:				
Personal services	3,177,979	1,101,333	116,859	545,551
Contractual services	769,110	164,943	410,157	77,030
Commodities	5,503,378	19,007	80,253	39,233
Depreciation	5,993	---	7,307	---
Other charges	398,942	184,362	---	---
Total operating expenses	<u>9,855,402</u>	<u>1,469,645</u>	<u>614,576</u>	<u>661,814</u>
Operating income (loss)	<u>28,198</u>	<u>330</u>	<u>7,913</u>	<u>(22,641)</u>
Non-operating revenues:				
Gain (loss) on disposal of capital assets	---	---	---	---
Proceeds from damage claims	---	---	---	---
Total nonoperating revenues	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Change in net position	<u>28,198</u>	<u>330</u>	<u>7,913</u>	<u>(22,641)</u>
Total net position (deficit) - beginning, as restated	<u>(1,680,998)</u>	<u>(570,362)</u>	<u>296,721</u>	<u>(363,416)</u>
Total net position - ending	<u><u>\$ (1,652,800)</u></u>	<u><u>\$ (570,032)</u></u>	<u><u>\$ 304,634</u></u>	<u><u>\$ (386,057)</u></u>

<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ 1,207,500	\$ 50,549	\$ 25,373,008	\$ 39,245,890
22,972	---	---	23,376
<u>1,230,472</u>	<u>50,549</u>	<u>25,373,008</u>	<u>39,269,266</u>
---	---	---	4,941,722
---	---	26,128,823	27,550,063
3,538	31,486	---	5,676,895
1,316,559	---	---	1,329,859
---	---	341,523	924,827
<u>1,320,097</u>	<u>31,486</u>	<u>26,470,346</u>	<u>40,423,366</u>
<u>(89,625)</u>	<u>19,063</u>	<u>(1,097,338)</u>	<u>(1,154,100)</u>
82,318	---	---	82,318
347	---	---	347
<u>82,665</u>	<u>---</u>	<u>---</u>	<u>82,665</u>
<u>(6,960)</u>	<u>19,063</u>	<u>(1,097,338)</u>	<u>(1,071,435)</u>
<u>5,347,963</u>	<u>211,788</u>	<u>8,319,245</u>	<u>11,560,941</u>
<u>\$ 5,341,003</u>	<u>\$ 230,851</u>	<u>\$ 7,221,907</u>	<u>\$ 10,489,506</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2015

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUNI- CATIONS
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 526,052	\$ 1,469,975	\$ 622,489	\$ 639,173
Receipts from interfund services provided	9,331,015	---	---	---
Payments to suppliers	(6,217,269)	(232,038)	(498,022)	(107,388)
Payments to employees	(3,251,671)	(1,134,846)	(122,064)	(617,733)
Proceeds from damage claims	---	---	---	---
Payments for interfund services used	(108,919)	(136,246)	---	(10,916)
Net cash provided by (used in) operating activities	279,208	(33,155)	2,403	(96,864)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Payments to interfund accounts	---	---	---	---
Intergovernmental receipts	(771)	---	---	---
Net cash (used in) noncapital and related financing activities	(771)	---	---	---
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	---	---	---	---
Proceeds from sale of capital assets	---	---	---	---
Net cash (used in) capital and related financing activities	---	---	---	---
Net increase (decrease) in cash and cash equivalents	278,437	(33,155)	2,403	(96,864)

<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ 1,153,672	\$ 50,549	\$ 25,371,829	\$ 29,833,739
---	---	---	9,331,015
(3,539)	(31,486)	(26,636,201)	(33,725,943)
---	---	---	(5,126,314)
347	---	---	347
---	---	---	(256,081)
<u>1,150,480</u>	<u>19,063</u>	<u>(1,264,372)</u>	<u>56,763</u>
---	---	(19,277)	(19,277)
---	---	---	(771)
---	---	<u>(19,277)</u>	<u>(20,048)</u>
(540,857)	---	---	(540,857)
<u>108,463</u>	<u>---</u>	<u>---</u>	<u>108,463</u>
<u>(432,394)</u>	<u>---</u>	<u>---</u>	<u>(432,394)</u>
718,086	19,063	(1,283,649)	(395,679)

(continued)

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2015

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUNI- CATIONS
Cash and cash equivalents, beginning of year	\$ 747,359	\$ 168,099	\$ 266,960	\$ 155,557
Cash and cash equivalents, end of year	<u>\$ 1,025,796</u>	<u>\$ 134,944</u>	<u>\$ 269,363</u>	<u>\$ 58,693</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	<u>28,198</u>	<u>330</u>	<u>7,913</u>	<u>(22,641)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	5,993	---	7,307	---
Proceeds from damage claims	---	---	---	---
(Increase) in accounts and taxes receivable	(26,533)	---	---	---
(Increase) decrease in inventories	160,527	---	(20,331)	---
(Increase) in prepaid items	(2,228)	---	(4,855)	---
Increase (decrease) in accounts payable and other liabilities	186,943	28	17,573	(2,042)
Increase (decrease) in accrued wages payable	14,032	4,946	639	(223)
Increase (decrease) in accrued employee benefits and other postemployment benefits	27,523	807	(609)	(53,293)
Increase in unearned revenue	---	---	---	---
(Increase) in deferred outflows	(82,331)	(28,019)	(3,849)	(11,472)
Increase in deferred inflows	542,118	185,228	22,820	118,490
(Decrease) in net pension liability	<u>(575,034)</u>	<u>(196,475)</u>	<u>(24,205)</u>	<u>(125,683)</u>
Total adjustments	<u>251,010</u>	<u>(33,485)</u>	<u>(5,510)</u>	<u>(74,223)</u>
Net cash provided by (used in) operating activities	<u>\$ 279,208</u>	<u>\$ (33,155)</u>	<u>\$ 2,403</u>	<u>\$ (96,864)</u>
Schedule of noncash capital and related financing activities:				
Gain on sale of capital asset	---	---	---	---

<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ 1,255,563	\$ 211,788	\$ 10,416,031	\$ 13,221,357
<u>\$ 1,973,649</u>	<u>\$ 230,851</u>	<u>\$ 9,132,382</u>	<u>\$ 12,825,678</u>
<u>(89,625)</u>	<u>19,063</u>	<u>(1,097,338)</u>	<u>(1,154,100)</u>
1,316,559	---	---	1,329,859
347	---	---	347
(76,801)	---	(7,210)	(110,544)
---	---	---	140,196
---	---	---	(7,083)
---	---	(279,855)	(77,353)
---	---	---	19,394
---	---	114,000	88,428
---	---	6,031	6,031
---	---	---	(125,671)
---	---	---	868,656
---	---	---	(921,397)
<u>1,240,105</u>	<u>---</u>	<u>(167,034)</u>	<u>1,210,863</u>
<u>\$ 1,150,480</u>	<u>\$ 19,063</u>	<u>\$ (1,264,372)</u>	<u>\$ 56,763</u>
82,318	---	---	82,318

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2015

	BALANCE			BALANCE
	JUNE 30, 2014	ADDITIONS	DEDUCTIONS	JUNE 30, 2015
WRA ASSETS				
Cash and investments	\$ 41,173,919	\$ 132,160,416	\$ 132,888,539	\$ 40,445,796
Accounts receivable	732,489	37,832,494	37,674,145	890,838
Total assets	\$ 41,906,408	\$ 169,992,910	\$ 170,562,684	\$ 41,336,634
LIABILITIES				
Accounts payable	\$ 41,906,408	\$ 128,868,640	\$ 129,438,414	\$ 41,336,634
Total liabilities	\$ 41,906,408	\$ 128,868,640	\$ 129,438,414	\$ 41,336,634
Employees' Payroll Withholding ASSETS				
Cash and investments	\$ 1,013,314	\$ 149,023,232	\$ 148,855,348	\$ 1,181,198
Total assets	\$ 1,013,314	\$ 149,023,232	\$ 148,855,348	\$ 1,181,198
LIABILITIES				
Accounts payable	\$ 998,001	\$ 148,863,534	\$ 148,703,837	\$ 1,157,698
Good faith/earnest deposits	15,313	8,187	---	23,500
Total liabilities	\$ 1,013,314	\$ 148,871,721	\$ 148,703,837	\$ 1,181,198
Corporation for Economic Development ASSETS				
Cash and investments	\$ 267,514	\$ 95,838	\$ 36,306	\$ 327,046
Accounts receivable	3,727	39,527	3,727	39,527
Total assets	\$ 271,241	\$ 135,365	\$ 40,033	\$ 366,573
LIABILITIES				
Accounts payable	\$ 271,241	\$ 60,506	\$ (34,826)	\$ 366,573
Total liabilities	\$ 271,241	\$ 60,506	\$ (34,826)	\$ 366,573
Other Agency ASSETS				
Cash and investments	\$ ---	\$ 120,416	\$ 120,416	\$ ---
Accounts receivable	2,772	32,949	2,772	32,949
Total assets	\$ 2,772	\$ 153,365	\$ 123,188	\$ 32,949
LIABILITIES				
Accounts payable	\$ 2,772	\$ 121,158	\$ 90,981	\$ 32,949
Total liabilities	\$ 2,772	\$ 121,158	\$ 90,981	\$ 32,949

	BALANCE			BALANCE
	<u>JUNE 30, 2014</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>JUNE 30, 2015</u>
TOTAL ASSETS				
Cash and investments	\$ 42,454,747	\$ 281,399,902	\$ 281,900,609	\$ 41,954,040
Accounts receivable	738,988	37,904,970	37,680,644	963,314
Total assets	<u>\$ 43,193,735</u>	<u>\$ 319,304,872</u>	<u>\$ 319,581,253</u>	<u>\$ 42,917,354</u>
TOTAL LIABILITIES				
Accounts payable	\$ 43,178,422	\$ 277,913,838	\$ 278,198,406	\$ 42,893,854
Good faith/earnest deposits	15,313	8,187	---	23,500
Total liabilities	<u>\$ 43,193,735</u>	<u>\$ 277,922,025</u>	<u>\$ 278,198,406</u>	<u>\$ 42,917,354</u>

CITY OF DES MOINES, IOWA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION
For the Fiscal Year Ended June 30, 2015

Function	GOVERNMENTAL FUNDS CAPITAL ASSETS			GOVERNMENTAL FUNDS CAPITAL ASSETS
	JUNE 30, 2014	ADDITIONS	DELETIONS	JUNE 30, 2015
Public safety	\$ 86,383,192	\$ 20,730,573	\$ (9,784,717)	\$ 97,329,048
General government	322,657,202	6,064,376	(53,939,622)	274,781,956
Public works	879,606,783	20,887,466	(23,988)	900,470,261
Culture and recreation	223,118,791	58,680,005	---	281,798,796
Community and economic development	5,471,012	29,938	---	5,500,950
Total Governmental Funds Capital Assets	\$ 1,517,236,980	\$ 106,392,358	\$ (63,748,327)	\$ 1,559,881,011

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

CITY OF DES MOINES, IOWA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS*
SCHEDULE OF CAPITAL ASSETS BY SOURCE
June 30, 2015

	June 30, 2015
Governmental Funds Capital Assets:	BALANCE
Land and Land Improvements	\$ 151,717,787
Buildings	215,494,949
Improvements	1,080,712,305
Machinery and Equipment	34,404,658
Construction in Progress	77,551,312
Total Governmental Funds Capital Assets	\$ 1,559,881,011

	June 30, 2015
Investment in Governmental Funds Capital Assets:	BALANCE
Investments in property acquired prior to January 1, 1964	\$ 31,348,037
Investments in property acquired after January 1, 1964 from:	
Capital Improvement Funds:	
General Obligation Bonds	632,800,781
Federal & State Grants	413,910,236
Federal Revenue Sharing	22,041,477
Contributions	43,516,050
Hotel/Motel Tax	55,005
General Fund	99,908,114
Enterprise Fund	67,881,968
Special Revenue Funds	47,500,368
Special Assessments Funds	84,904,141
Contributions from Private Sources and Other Funds	113,772,966
Confiscated Funds	2,241,868
Total Governmental Funds Capital Assets	\$ 1,559,881,011

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

CITY OF DES MOINES, IOWA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION
June 30, 2015

Function	LAND AND LAND IMPROVEMENTS	BUILDINGS AND BLDG IMPROVEMENTS	IMPROVEMENTS OTHER THAN BUILDINGS	MACHINERY AND EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
Public safety	\$ 9,392,246	\$ 42,455,096	\$ 26,177,245	\$ 19,304,461	\$ ---	\$ 97,329,048
Human development	---	---	---	---	---	---
Home and community environment	---	---	---	---	---	---
General government	114,066,425	73,177,040	1,217,707	8,769,472	77,551,312	274,781,956
Public works	18,922,892	918,048	876,025,212	4,604,109	---	900,470,261
Health and social services	---	---	---	---	---	---
Culture and recreation	5,982,484	98,935,917	175,233,218	1,647,177	---	281,798,796
Community and economic development	3,353,740	8,848	2,058,923	79,439	---	5,500,950
Total Governmental Funds Capital Assets	\$ 151,717,787	\$ 215,494,949	\$ 1,080,712,305	\$ 34,404,658	\$ 77,551,312	\$ 1,559,881,011

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



**CITY OF DES MOINES, IOWA
 COMBINED SCHEDULE OF BONDS PAYABLE
 June 30, 2015**

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
General Obligation Bonds:				
General Obligation Series 2005E	4.50 4.50 4.50 4.50 4.50	JDI	12-05	06-20
General Obligation Series 2007A	5.15 5.15 5.15 5.15	JDI	04-07	06-19
General Obligation Series 2008D	3.75 4.00 4.00 4.00 4.00 4.00 4.13 4.13 4.25 4.25 4.38 4.38	JDI	06-08	06-28
General Obligation 2008E Urban Renewal	3.50 3.75 3.75 4.00 4.00 4.00 4.00 4.10	JDI	06-08	06-23
General Obligation 2009B Urban Renewal	3.00 3.00 3.00 3.00 3.25 3.38	JDI	03-09	06-21
General Obligation Series 2009C	2.50 2.75 3.00 3.25	JDI	03-09	06-19
Taxable General Obligation Bonds 2009E	4.50 4.50 4.65 4.80	JDI	06-09	06-29

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
2,545,000	16	\$28,185,000	\$28,185,000	\$15,520,000	\$12,665,000
2,670,000	17				
2,790,000	18				
2,915,000	19				
1,745,000	20				
435,000	16	\$4,635,000	\$4,635,000	\$2,765,000	\$1,870,000
455,000	17				
480,000	18				
500,000	19				
1,075,000	16	\$24,055,000	\$24,055,000	\$5,550,000	\$18,505,000
1,115,000	17				
1,165,000	18				
1,215,000	19				
1,270,000	20				
1,325,000	21				
1,390,000	22				
1,460,000	23				
1,530,000	24				
1,610,000	25				
1,695,000	26				
1,780,000	27				
1,875,000	28				
410,000	16	\$6,325,000	\$6,325,000	\$2,480,000	\$3,845,000
425,000	17				
445,000	18				
465,000	19				
490,000	20				
510,000	21				
535,000	22				
565,000	23				
240,000	16				
250,000	17				
260,000	18				
270,000	19				
275,000	20				
285,000	21				
1,930,000	16	\$31,255,000	\$31,255,000	\$23,120,000	\$8,135,000
1,995,000	17				
2,065,000	18				
2,145,000	19				
635,000	16	\$19,605,000	\$19,605,000	\$3,130,000	\$16,475,000
655,000	17				
675,000	18				
700,000	19				

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2015

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
	5.00			
	5.20			
	5.35			
	5.45			
	5.60			
	5.70			
	5.75			
	5.80			
	5.85			
	5.90			
General Obligation 2009F Urban Renewal	3.00	JDI	06-09	06-17
	3.00			
Taxable General Obligation Bonds 2009G	4.38	JDI	06-09	06-19
	4.75			
	4.75			
	5.00			
General Obligation Series 2010A	3.00	JDI	01-10	06-24
	3.00			
	3.25			
	3.50			
	3.50			
	4.00			
	4.00			
	4.00			
	4.00			
General Obligation 2010B Urban Renewal	4.00	JDI	01-10	06-24
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
General Obligation Capital Loan Notes 2010C	5.00	JDI	03-10	06-16
General Obligation Bonds 2010D	2.38	JDI	06-10	06-30
	2.63			
	2.75			
	3.00			
	3.25			
	3.25			
	3.25			
	3.25			
	3.38			
	4.00			

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
1,130,000	20				
1,175,000	21				
1,225,000	22				
1,275,000	23				
1,335,000	24				
1,395,000	25				
1,460,000	26				
1,530,000	27				
1,605,000	28				
1,680,000	29				
405,000	16	\$3,055,000	\$3,055,000	\$2,235,000	\$820,000
415,000	17				
335,000	16	\$3,115,000	\$3,115,000	\$1,685,000	\$1,430,000
350,000	17				
365,000	18				
380,000	19				
830,000	16	\$15,990,000	\$15,990,000	\$7,490,000	\$8,500,000
855,000	17				
875,000	18				
905,000	19				
935,000	20				
965,000	21				
1,005,000	22				
1,045,000	23				
1,085,000	24				
1,050,000	16	\$13,440,000	\$13,440,000	\$2,270,000	\$11,170,000
1,050,000	17				
1,100,000	18				
1,190,000	19				
1,245,000	20				
1,300,000	21				
1,350,000	22				
1,410,000	23				
1,475,000	24				
1,000,000	16	\$22,630,000	\$22,630,000	\$21,630,000	\$1,000,000
1,570,000	16	\$25,330,000	\$25,330,000	\$4,995,000	\$20,335,000
1,615,000	17				
1,670,000	18				
1,725,000	19				
1,015,000	20				
1,055,000	21				
1,095,000	22				
1,140,000	23				
1,185,000	24				
1,235,000	25				

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
1,290,000	26				
1,345,000	27				
1,400,000	28				
1,465,000	29				
1,530,000	30				
5,245,000	16	\$65,360,000	\$65,360,000	\$13,785,000	\$51,575,000
5,530,000	17				
5,830,000	18				
6,150,000	19				
6,490,000	20				
6,850,000	21				
7,235,000	22				
4,235,000	23				
1,960,000	24				
2,050,000	25				
2,970,000	16	\$45,520,000	\$45,520,000	\$11,160,000	\$34,360,000
3,050,000	17				
3,145,000	18				
1,850,000	19				
1,880,000	20				
1,960,000	21				
2,060,000	22				
2,145,000	23				
2,225,000	24				
2,315,000	25				
2,405,000	26				
1,535,000	27				
1,595,000	28				
1,660,000	29				
1,755,000	30				
1,810,000	31				
640,000	16	\$19,965,000	\$19,965,000	\$855,000	\$19,110,000
340,000	17				
100,000	18				
100,000	19				
1,085,000	20				
1,100,000	21				
100,000	22				
1,570,000	23				
1,615,000	24				
1,665,000	25				
1,715,000	26				
1,775,000	27				
1,320,000	28				
1,390,000	29				
1,465,000	30				
1,540,000	31				
1,590,000	32				
220,000	16	\$6,895,000	\$6,895,000	\$525,000	\$6,370,000

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
220,000	17				
220,000	18				
220,000	19				
300,000	20				
300,000	21				
310,000	22				
200,000	23				
655,000	24				
805,000	25				
830,000	26				
1,025,000	27				
1,065,000	28				
710,000	16	\$4,275,000	\$4,275,000	\$2,010,000	\$2,265,000
730,000	17				
155,000	18				
160,000	19				
165,000	20				
170,000	21				
175,000	22				
100,000	16	\$13,210,000	\$13,210,000	\$1,295,000	\$11,915,000
100,000	17				
100,000	18				
1,505,000	19				
1,535,000	20				
605,000	21				
620,000	22				
640,000	23				
655,000	24				
675,000	25				
695,000	26				
720,000	27				
740,000	28				
765,000	29				
790,000	30				
820,000	31				
850,000	32				
465,000	16	\$10,825,000	\$10,825,000	\$1,245,000	\$9,580,000
470,000	17				
480,000	18				
485,000	19				
495,000	20				
510,000	21				
520,000	22				
535,000	23				
550,000	24				
565,000	25				
585,000	26				
600,000	27				
620,000	28				
640,000	29				
665,000	30				

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2015

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
	3.00			
	3.00			
General Obligation Parking Bonds, Taxable 2012F	2.00	JDI	06-12	06-22
	2.00			
	2.00			
	2.00			
	2.00			
General Obligation Bonds 2013A	2.00	JDI	08-13	06-33
	2.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.13			
	4.25			
	4.25			
	4.38			
	4.50			
	4.50			
	4.50			
General Obligation Refunding Bonds 2013B	4.00	JDI	08-13	06-26
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
	4.00			
Taxable General Obligation Bonds 2014A	4.00	JDI	01-14	06-22
	5.00			
	5.00			
	5.00			
	5.00			
	3.00			
	3.00			
General Obligation Bonds 2014C	2.00	JDI	07-14	06-24
	3.00			
	5.00			
	5.00			
	5.00			

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
685,000	31				
710,000	32				
1,825,000	16	\$13,030,000	\$13,030,000	\$3,580,000	\$9,450,000
1,855,000	17				
1,885,000	18				
1,920,000	19				
1,965,000	20				
1,885,000	16	\$37,090,000	\$37,090,000	\$3,060,000	\$34,030,000
1,270,000	17				
630,000	18				
385,000	19				
620,000	20				
395,000	21				
300,000	22				
305,000	23				
310,000	24				
315,000	25				
1,235,000	26				
1,865,000	27				
2,745,000	28				
4,140,000	29				
4,495,000	30				
4,845,000	31				
4,890,000	32				
3,400,000	33				
1,440,000	16	\$21,050,000	\$21,050,000	\$1,385,000	\$19,665,000
1,505,000	17				
1,560,000	18				
1,630,000	19				
1,700,000	20				
1,770,000	21				
1,850,000	22				
1,930,000	23				
2,010,000	24				
2,090,000	25				
2,180,000	26				
1,785,000	16	\$38,830,000	\$38,830,000	\$2,855,000	\$35,975,000
1,885,000	17				
1,990,000	18				
2,110,000	19				
2,235,000	20				
8,720,000	21				
17,250,000	22				
1,000,000	16	\$24,945,000	\$24,945,000	\$0	\$24,945,000
1,335,000	17				
1,000,000	18				
1,000,000	19				
1,280,000	20				

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2015

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
	5.00			
	5.00			
	4.00			
	4.00			
Taxable General Obligation Urban Renewal Bonds 2014D	2.00	JDI	07-14	06-24
	2.00			
	2.00			
	2.00			
	2.10			
	2.40			
	2.65			
	2.85			
	3.05			
General Obligation Refunding Capital Loan Notes 2014E	5.00	JDI	09-14	06-27
	5.00			
	1.50			
	1.50			
	5.00			
	5.00			
	5.00			
	2.25			
	2.38			
	3.00			
	3.00			
	3.00			
Total General Obligation Bonds				

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
1,410,000	21				
1,440,000	22				
1,480,000	23				
15,000,000	24				
235,000	16	\$2,250,000	\$2,250,000	\$0	\$2,250,000
235,000	17				
240,000	18				
240,000	19				
245,000	20				
255,000	21				
260,000	22				
265,000	23				
275,000	24				
535,000	16	\$27,465,000	\$27,465,000	\$0	\$27,465,000
2,465,000	17				
3,155,000	18				
3,205,000	19				
3,260,000	20				
3,435,000	21				
3,560,000	22				
2,410,000	23				
1,305,000	24				
1,335,000	25				
1,380,000	26				
1,420,000	27				
		<u>\$531,200,000</u>	<u>\$531,200,000</u>	<u>\$135,915,000</u>	<u>\$395,285,000</u>

**CITY OF DES MOINES, IOWA
 COMBINED SCHEDULE OF BONDS PAYABLE
 June 30, 2015**

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
Revenue Bonds:				
<i>Sewer Revenue Bonds:</i>				
Sewer Revenue of 2004I (State Revolving Fund - Loan 8)	1.75 1.75 1.75 1.75 1.75 1.75 1.75 1.75 1.75 1.75	JDI	11-04	06-25
Sewer Revenue Capital Loan Notes 2014B	4.00 4.00 5.00 2.00 5.00 5.00 5.00 2.50	JDI	04-14	06-23
Total Sewer Revenue Bonds				

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
298,000	16	\$5,965,000	\$5,965,000	\$2,546,000	\$3,419,000
307,000	17				
316,000	18				
326,000	19				
336,000	20				
346,000	21				
356,000	22				
367,000	23				
378,000	24				
389,000	25				
1,910,000	16	\$16,240,000	\$16,240,000	\$2,355,000	\$13,885,000
2,580,000	17				
2,685,000	18				
2,245,000	19				
1,065,000	20				
1,095,000	21				
1,130,000	22				
1,175,000	23				
		<u>\$22,205,000</u>	<u>\$22,205,000</u>	<u>\$4,901,000</u>	<u>\$17,304,000</u>

**CITY OF DES MOINES, IOWA
 COMBINED SCHEDULE OF BONDS PAYABLE
 June 30, 2015**

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

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
1,015,000	16	\$16,750,000	\$16,750,000	\$6,990,000	\$9,760,000
1,045,000	17				
1,080,000	18				
1,205,000	19				
1,260,000	20				
1,320,000	21				
1,385,000	22				
1,450,000	23				
1,215,000	16	\$19,300,000	\$19,300,000	\$5,670,000	\$13,630,000
1,255,000	17				
1,290,000	18				
1,360,000	19				
625,000	20				
650,000	21				
675,000	22				
700,000	23				
730,000	24				
765,000	25				
795,000	26				
835,000	27				
870,000	28				
910,000	29				
955,000	30				
740,000	16	\$5,100,000	\$5,100,000	\$2,785,000	\$2,315,000
770,000	17				
805,000	18				
		<u>\$41,150,000</u>	<u>\$41,150,000</u>	<u>\$15,445,000</u>	<u>\$25,705,000</u>
1,485,000	25	\$5,225,000	\$5,225,000	\$0	\$5,225,000
3,740,000	28				
840,000	18	\$15,990,000	\$15,990,000	\$0	\$15,990,000
1,860,000	19				
895,000	20				
935,000	21				
2,760,000	24				
3,370,000	30				
5,330,000	33				

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2015

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

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
1,630,000	16	\$10,330,000	\$10,330,000	\$6,045,000	\$4,285,000
1,705,000	17				
950,000	18				
4,900,000	35	\$4,900,000	\$4,900,000	\$0	\$4,900,000
		<u>\$36,445,000</u>	<u>\$36,445,000</u>	<u>\$6,045,000</u>	<u>\$30,400,000</u>
		<u>\$99,800,000</u>	<u>\$99,800,000</u>	<u>\$26,391,000</u>	<u>\$73,409,000</u>
		<u>\$631,000,000</u>	<u>\$631,000,000</u>	<u>\$162,306,000</u>	<u>\$468,694,000</u>



STATISTICAL SECTION



CITY OF

DES MOINES

STATISTICAL SECTION

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

Contents	Page
Financial Trends	180
<i>These schedules contain trend information to help the reader understand how the City of Des Moines' financial performance and well-being have changed over time.</i>	
Revenue Capacity	199
<i>These schedules contain information to help the reader assess the City of Des Moines' most significant local revenue source, the property tax.</i>	
Debt Capacity	208
<i>These schedules present information to help the reader assess the affordability of the City of Des Moines' current levels of outstanding debt and the City of Des Moines' ability to issue additional debt in the future.</i>	
Demographic and Economic Information	217
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City of Des Moines' financial activities take place.</i>	
Operating Information	222
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City of Des Moines' financial report relates to the services the City of Des Moines provides and the activities in performs.</i>	

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

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

(Unaudited)

	2015	2014	2013	2012
Governmental activities:				
Net investment in capital assets	\$ 627,588,818	\$ 614,177,213	\$ 627,843,052	\$ 594,193,590
Restricted:				
Capital projects	887,263	888,328	865,663	849,924
Debt retirement	1,886,377	-	-	622,330
Corpus/Endowments/permanently restricted	3,598,450	3,481,043	3,387,035	3,387,035
Donor restricted purposes/temporarily restricted	932,213	932,213	917,034	815,499
Tax increment	-	-	-	-
Public safety	1,159,309	-	1,642,857	1,488,697
Public works	6,314,263	1,817,452	819,683	155,266
Health and social services	-	-	201,268	1,724,384
Culture and recreation	1,713,415	1,815,120	953,924	1,139,051
Community and economic development	-	-	1,437,818	997,898
Other restricted assets	1,984,709	1,663,777	-	-
Unrestricted	(109,471,650)	22,024,663	(25,682,004)	(6,914,119)
Total governmental activities net position	\$ 536,593,167	\$ 646,799,809	\$ 612,386,330	\$ 598,459,555
Business-type activities:				
Net investment in capital assets	\$ 275,958,369	\$ 273,748,942	\$ 254,919,414	\$ 268,716,677
Restricted:				
Capital projects	-	-	-	-
Public housing program	6,005,705	7,215,809	9,282,578	10,468,627
Debt retirement	5,018,646	5,018,646	5,152,298	7,106,798
Bond proceeds	-	-	-	-
Unrestricted	13,897,395	14,724,885	23,234,667	3,423,756
Total business-type activities net position	\$ 300,880,115	\$ 300,708,282	\$ 292,588,957	\$ 289,715,858
Primary government:				
Net investment in capital assets	\$ 903,547,187	\$ 887,926,155	\$ 882,762,466	\$ 862,910,267
Restricted:				
Capital projects	887,263	888,328	865,663	849,924
Public housing program	6,005,705	7,215,809	9,282,578	10,468,627
Debt retirement	6,905,023	5,018,646	5,152,298	7,729,128
Endowments/permanently restricted	3,598,450	3,481,043	3,387,035	3,387,035
Donor restricted purposes/temporarily restricted	932,213	932,213	917,034	815,499
Public safety	1,159,309	-	1,642,857	1,488,697
Public works	6,314,263	1,817,452	819,683	155,266
Health and social services	-	-	201,268	1,724,384
Culture and recreation	1,713,415	1,815,120	953,924	1,139,051
Community and economic development	-	-	1,437,818	997,898
Tax increment	-	-	-	-
Bond proceeds	-	-	-	-
Other restricted assets	1,984,709	1,663,777	-	-
Unrestricted	(95,574,255)	36,749,548	(2,447,337)	(3,490,363)
Total primary government net position	\$ 837,473,282	\$ 947,508,091	\$ 904,975,287	\$ 888,175,413

Table 1

	2011	2010	2009	2008	2007	2006
\$	466,931,679	\$ 486,181,597	\$ 440,586,015	\$ 426,382,213	\$ 392,270,393	\$ 378,108,106
	3,356,372	6,548,534	29,207,892	3,589,269	24,194,587	-
	51,749,947	1,418,451	553,233	-	16,776,784	1,323,588
	3,288,277	3,290,927	3,290,927	3,290,927	3,290,927	3,315,718
	-	-	-	-	-	74,992
	-	4,939,242	4,100,018	6,208,887	901,380	267,348
	3,079,649	-	-	-	-	-
	1,539,523	-	-	-	-	-
	2,872,173	-	-	-	-	-
	1,439,971	-	-	-	-	-
	1,015,341	-	-	-	-	-
	-	-	-	-	-	-
	13,549,075	12,531,402	16,598,697	25,561,312	29,858,916	64,928,149
\$	548,822,007	\$ 514,910,153	\$ 494,336,782	\$ 465,032,608	\$ 467,292,987	\$ 448,017,901
\$	464,887,533	\$ 460,045,625	\$ 438,254,866	\$ 426,139,390	\$ 389,752,986	\$ 387,871,130
	-	-	1,466,998	426,932	4,206,726	2,638,618
	14,087,504	14,184,972	15,279,740	11,602,131	8,898,800	4,018,535
	12,134,723	13,238,421	13,276,232	14,120,681	13,933,351	8,006,505
	-	-	-	-	-	-
	33,493,278	26,299,450	33,326,841	46,321,403	37,878,037	31,601,920
\$	524,603,038	\$ 513,768,468	\$ 501,604,677	\$ 498,610,537	\$ 454,669,900	\$ 434,136,708
\$	931,819,212	\$ 946,227,222	\$ 878,840,881	\$ 852,521,603	\$ 782,023,379	\$ 765,979,236
	3,356,372	6,548,534	30,674,890	4,016,201	28,401,313	2,638,618
	14,087,504	14,184,972	15,279,740	11,602,131	8,898,800	4,018,535
	63,884,670	14,656,872	13,829,465	14,120,681	30,710,135	9,330,093
	3,288,277	3,290,927	3,290,927	3,290,927	3,290,927	3,315,718
	-	-	-	-	-	74,992
	3,079,649	-	-	-	-	-
	1,539,523	-	-	-	-	-
	2,872,173	-	-	-	-	-
	1,439,971	-	-	-	-	-
	1,015,341	-	-	-	-	-
	-	4,939,242	4,100,018	6,208,887	901,380	267,348
	-	-	-	-	-	-
	-	-	-	-	-	-
	47,042,353	38,830,852	49,925,538	71,882,715	67,736,953	96,530,069
\$	1,073,425,045	\$ 1,028,678,621	\$ 995,941,459	\$ 963,643,145	\$ 921,962,887	\$ 882,154,609

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

	2015	2014	2013
Expenses:			
Governmental activities:			
Public safety	\$ 119,483,595	\$ 102,583,945	\$ 102,611,418
Public works	51,339,248	51,344,028	53,399,991
Health and social services	15,436,157	15,696,523	19,585,129
Culture and recreation	30,754,939	29,431,057	29,227,384
Community and economic development	19,337,576	19,849,605	20,399,479
General Government	26,117,356	23,630,372	21,991,537
Interest on long-term debt	15,840,246	16,179,088	17,870,953
Total governmental activities expenses	278,309,117	258,714,618	265,085,891
Business-type activities:			
Airport	-	-	-
Parking facilities system	11,632,790	11,229,564	11,361,604
Sewer system	32,892,418	32,738,830	33,024,065
Stormwater utility	15,896,140	13,253,946	13,795,476
Golf	216,784	318,933	224,460
Solid waste system	12,255,052	11,122,261	11,046,303
Municipal Housing Agency	22,284,760	22,329,081	23,857,284
Total business-type activities expenses	95,177,944	90,992,615	93,309,192
Total primary government expenses	373,487,061	349,707,233	358,395,083
Program revenue:			
Governmental activities:			
Charges for services:			
Public safety	20,807,818	19,420,273	19,101,131
Public works	9,051,823	16,278,364	8,671,944
Health and social services	746,912	861,606	12,196
Culture and recreation	3,826,159	5,284,120	5,234,705
Community and economic development	656,065	1,285,139	412,254
General Government	24,529,091	10,814,381	17,248,638
Interest on long-term debt	149,061	-	-

Table 2

	2012	2011	2010	2009	2008	2007	2006
\$	98,465,997	\$ 93,375,900	\$ 92,779,497	\$ 92,546,848	\$ 91,316,811	\$ 86,971,119	\$ 85,488,230
	49,340,265	46,184,974	46,828,147	43,987,100	43,983,358	40,778,570	41,698,546
	17,316,619	22,007,150	23,095,540	18,530,235	612,374	1,082,618	17,998,463
	28,981,404	26,293,968	28,165,552	29,408,262	29,941,632	27,443,217	26,819,161
	19,585,102	17,054,115	13,713,121	15,946,402	34,806,759	24,176,152	9,810,740
	66,299,402	31,732,926	23,827,266	23,848,042	24,651,764	22,278,473	20,267,299
	16,348,496	13,733,718	14,918,745	16,783,385	16,109,167	15,162,124	15,599,765
	296,337,285	250,382,751	243,327,868	241,050,274	241,421,865	217,892,273	217,682,204
	250,444,292	36,610,641	31,367,882	32,236,235	31,729,902	30,093,735	27,180,459
	11,903,920	12,667,634	12,792,295	13,355,475	12,574,941	11,531,196	11,365,271
	32,547,541	32,492,636	29,798,616	26,699,082	26,295,060	25,574,852	27,327,334
	13,062,830	14,124,721	11,450,883	10,608,975	10,177,919	9,137,184	9,211,130
	224,339	246,620	1,045,624	1,959,299	2,147,095	2,117,251	2,767,320
	11,212,320	11,410,969	10,813,656	11,523,915	10,642,771	9,915,661	10,326,717
	26,255,903	24,451,364	22,236,664	21,603,703	22,618,089	21,918,453	20,016,007
	345,651,145	132,004,585	119,505,620	117,986,684	116,185,777	110,288,332	108,194,238
	641,988,430	382,387,336	362,833,488	359,036,958	357,607,642	328,180,605	325,876,442
	17,034,087	12,550,995	12,028,692	11,550,038	11,621,311	10,862,428	8,806,757
	11,786,989	9,750,204	9,500,432	8,692,534	7,856,632	7,848,887	7,712,217
	1,284,516	1,849,824	1,278,361	31,588	341,329	-	588,692
	5,531,829	3,916,141	4,083,803	3,214,343	5,161,409	3,890,583	3,765,233
	630,461	850,016	172,646	63,640	1,214,545	384,052	4,630,036
	22,851,736	16,881,970	13,678,772	12,309,518	11,019,958	10,326,678	12,223,751
	-	-	-	-	-	-	-

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

	2015	2014	2013
Operating grants and contributions:			
Public safety	3,649,823	1,244,125	4,216,793
Public works	22,361,431	20,621,045	19,702,584
Health and social services	13,721,310	15,336,088	17,965,653
Culture and recreation	627,167	111,905	(99,510)
Community and economic development	82,281	66,074	370,881
General Government	435,530	304,870	266,767
Interest on long-term debt	4,958,995	3,193,088	1,716,465
Capital grants and contributions			
Public safety	548,963	4,355,332	5,683,249
Public works	23,614,653	25,284,550	11,846,672
Health and social services	-	6,329	187,401
Culture and recreation	1,834,137	2,931,224	2,417,417
Community and economic development	-	250,000	-
General Government	20,212	59,180	65,347
Total governmental activities program revenue	131,621,431	127,707,693	115,020,587
Business-type activities:			
Charges for services:			
Airport	-	-	-
Parking facilities system	8,887,844	8,256,025	8,915,654
Sewer system	39,205,878	34,874,030	33,606,796
Stormwater utility	20,573,495	19,624,449	18,564,737
Golf	137,021	251,752	200,151
Solid waste system	12,294,509	12,222,678	11,975,569
Municipal Housing Agency	1,514,642	1,668,154	1,407,721
Operating grants and contributions:			
Parking facilities system	-	-	-
Sewer system	-	-	-
Stormwater utility	-	-	-
Golf	-	-	-
Solid waste system	-	-	-
Municipal Housing Agency	17,267,565	17,901,651	18,677,807

Table 2 (Continued)

2012	2011	2010	2009	2008	2007	2006
8,648,949	6,104,119	5,495,311	7,790,821	4,866,238	3,752,324	6,347,328
22,469,564	20,665,865	19,690,770	14,016,080	20,713,297	17,239,250	17,141,123
15,335,824	20,645,749	21,914,206	16,690,859	12,369,341	425,241	16,684,540
75,331	5,019,386	640,803	1,122,090	1,793,974	688,511	329,223
702,261	458,449	515,273	2,044,207	780,682	12,879,555	1,209,854
48,105,538	1,785,185	434,899	977,698	420,191	363,205	594,938
1,736,823	-	-	-	-	-	-
3,367,430	2,575,741	410,420	-	50,115	126,235	454,356
9,510,431	21,159,074	21,588,804	24,363,365	9,591,981	11,583,356	21,913,153
1,641,705	765,414	-	-	-	-	269,995
4,347,444	4,023,726	5,357,084	6,052,582	4,706,964	5,258,907	12,852,652
-	838,102	-	-	-	-	(8,243)
72,012	1,033	197,444	504,000	9,632	421,603	1,029,372
175,132,930	129,840,993	116,987,720	109,423,363	92,517,599	86,050,815	116,544,977
16,984,284	31,264,963	29,022,719	29,663,246	28,215,193	28,084,082	28,124,274
8,863,630	9,636,890	10,660,243	11,948,806	12,510,227	10,546,668	9,699,607
31,434,033	30,679,167	30,189,874	29,380,321	29,075,690	26,877,068	25,329,811
17,713,463	16,381,613	15,092,393	13,995,575	13,020,598	11,811,325	11,281,225
435,266	364,126	866,679	1,841,293	1,591,191	1,729,333	2,093,168
12,230,965	12,082,415	11,836,783	11,454,420	11,302,442	11,056,904	10,950,607
1,295,707	2,221,927	2,136,151	979,547	2,239,360	1,538,970	1,191,564
282,117	-	-	-	-	-	-
-	-	-	-	-	969	-
-	-	-	-	-	2,240	21,443
-	-	25,000	-	181	1,393	-
-	-	-	22	1,371	1,540	-
18,718,280	18,484,739	16,815,446	15,256,554	18,038,868	16,945,764	16,367,517

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

	2015	2014	2013
Capital grants and contributions:			
Airport	-	-	-
Parking facilities system	-	-	-
Sewer system	378,068	498,357	1,731,558
Stormwater utility	191,525	2,172,789	96,589
Golf	4,000	6,000	-
Solid waste system	-	-	-
Municipal Housing Agency	804,361	606,942	1,664,846
Total business-type activities program revenues	101,258,908	98,082,827	96,841,428
Total primary government program revenues	232,880,339	225,790,520	211,862,015
Net (expense) revenue:			
Governmental activities	(146,687,686)	(131,006,925)	(150,065,304)
Business-type activities	6,080,964	7,090,212	3,532,236
Total primary government net expense	(140,606,722)	(123,916,713)	(146,533,068)

Table 2 (Continued)

2012	2011	2010	2009	2008	2007	2006
2,205,972	4,707,342	3,147,565	7,507,754	8,811,037	10,446,717	12,342,156
-	-	-	1,069	493,293	75,299	36,452
6,809,139	2,694,218	690,222	246,116	13,530,334	799,437	5,995,750
6,537,700	14,005,894	1,293,411	186,230	8,299,287	678,240	3,658,856
-	-	-	-	-	-	-
-	-	-	54,466	767,818	36,500	-
1,010,302	1,535,583	2,422,325	2,022,197	2,425,757	3,779,226	3,184,738
124,520,858	144,058,877	124,198,811	124,537,616	150,322,647	124,411,675	130,277,168
299,653,788	273,899,870	241,186,531	233,960,979	242,840,246	210,462,490	246,822,145
(121,204,355)	(120,541,758)	(126,340,148)	(131,626,911)	(148,904,266)	(131,841,458)	(101,137,227)
(221,130,287)	12,054,292	4,693,191	6,550,932	34,136,870	14,123,343	22,082,930
(342,334,642)	(108,487,466)	(121,646,957)	(125,075,979)	(114,767,396)	(117,718,115)	(79,054,297)

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

	2015	2014	2013
General revenues and other changes in net position:			
Governmental activities:			
Taxes:			
Property taxes, levied for general purposes	117,404,510	118,165,946	115,885,137
Property taxes, levied for debt service	27,790,702	29,813,410	30,044,536
Franchise taxes	18,780,277	14,581,925	13,063,992
Investment earnings	2,141,765	2,328,387	2,732,385
Gain on sale of capital asset	921,273	777,015	661,158
Miscellaneous	729,515	21,343	487,835
Transfers--internal activities	(3,156,233)	(267,622)	1,117,036
Total governmental activities	164,611,809	165,420,404	163,992,079
Business-type activities:			
Investment earnings	713,931	621,051	367,897
Miscellaneous	543,131	-	-
Gain (Loss) on sale of capital asset	264,476	140,440	90,002
Special item--contributions to WRA	-	-	-
Transfers--internal activities	3,156,233	267,622	(1,117,036)
Total business-type activities	4,677,771	1,029,113	(659,137)
Total primary government	169,289,580	166,449,517	163,332,942
Changes in net position:			
Governmental activities	17,924,123	34,413,479	13,926,775
Business-type activities	10,758,735	8,119,325	2,873,099
Total primary government	\$ 28,682,858	\$ 42,532,804	\$ 16,799,874

Table 2 (Continued)

2012	2011	2010	2009	2008	2007	2006
113,134,537	109,225,167	106,998,776	103,139,105	99,304,723	99,727,601	92,491,207
28,160,613	28,411,455	28,782,683	27,580,755	24,994,324	22,779,494	20,487,081
11,966,544	13,101,045	12,816,420	13,385,310	15,032,935	14,070,843	14,826,329
2,400,126	1,794,452	2,337,212	3,612,331	5,260,767	5,953,778	4,313,515
721,566	61,817	-	-	-	-	-
455,780	171,160	3,051,363	6,921,847	6,784,213	9,484,828	7,294,506
14,002,737	1,688,516	(7,072,935)	6,291,737	(4,733,075)	(900,000)	168,458
170,841,903	154,453,612	146,913,519	160,931,085	146,643,887	151,116,544	139,581,096
316,323	421,876	473,427	1,747,988	5,070,692	5,509,849	3,327,974
1,252	36,066	(75,762)	986,957	-	-	-
(71,731)	10,852	-	-	-	-	-
-	-	-	-	-	-	-
(14,002,737)	(1,688,516)	7,072,935	(6,291,737)	4,733,075	900,000	(168,458)
(13,756,893)	(1,219,722)	7,470,600	(3,556,792)	9,803,767	6,409,849	3,159,516
157,085,010	153,233,890	154,384,119	157,374,293	156,447,654	157,526,393	142,740,612
49,637,548	33,911,854	20,573,371	29,304,174	(2,260,379)	19,275,086	139,581,096
(234,887,180)	10,834,570	12,163,791	2,994,140	43,940,637	20,533,192	3,159,516
\$(185,249,632)	\$ 44,746,424	\$ 32,737,162	\$ 32,298,314	\$ 41,680,258	\$ 39,808,278	\$ 142,740,612

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

	2015	2014	2013
Governmental activities:			
Charges for services:			
Public safety	\$ 20,807,818	\$ 19,420,273	\$ 19,101,131
Public works	9,051,823	16,278,364	8,671,944
Health and social services	746,912	861,606	12,196
Culture and recreation	3,826,159	5,284,120	5,234,705
Community and economic development	656,065	1,285,139	412,254
General Government	24,529,091	10,814,381	17,248,638
Interest on long-term debt	149,061	-	-
Operating grants and contributions:			
Public safety	3,649,823	1,244,125	4,216,793
Public works	22,361,431	20,621,045	19,702,584
Health and social services	13,721,310	15,336,088	17,965,653
Culture and recreation	627,167	111,905	(99,510)
Community and economic development	82,281	66,074	370,881
General Government	435,530	304,870	266,767
Interest on long-term debt	4,958,995	3,193,088	1,716,465
Capital grants and contributions			
Public safety	548,963	4,355,332	5,683,249
Public works	23,614,653	25,284,550	11,846,672
Health and social services	-	6,329	187,401
Culture and recreation	1,834,137	2,931,224	2,417,417
Community and economic development	-	250,000	-
General Government	20,212	59,180	65,347
Total governmental activities program revenue	131,621,431	127,707,693	115,020,587
Business-type activities:			
Charges for services:			
Airport	-	-	-
Parking facilities system	8,887,844	8,256,025	8,915,654
Sewer system	39,205,878	34,874,030	33,606,796
Stormwater utility	20,573,495	19,624,449	18,564,737
Golf	137,021	251,752	200,151
Solid waste system	12,294,509	12,222,678	11,975,569
Municipal Housing Agency	1,514,642	1,668,154	1,407,721

Table 3

	2012	2011	2010	2009	2008	2007	2006
\$	17,034,087	\$ 12,550,995	\$ 12,028,692	\$ 11,550,038	\$ 11,621,311	\$ 10,862,428	\$ 8,806,757
	11,786,989	9,750,204	9,500,432	8,692,534	7,856,632	7,848,887	7,712,217
	1,284,516	1,849,824	1,278,361	31,588	341,329	-	588,692
	5,531,829	3,916,141	4,083,803	3,214,343	5,161,409	3,890,583	3,765,233
	630,461	850,016	172,646	63,640	1,214,545	384,052	4,630,036
	22,851,736	16,881,970	13,678,772	12,309,518	11,019,958	10,326,678	12,223,751
	-	-	-	-	-	-	-
	8,648,949	6,104,119	5,495,311	7,790,821	4,866,238	3,752,324	6,347,328
	22,469,564	20,665,865	19,690,770	14,016,080	20,713,297	17,239,250	17,141,123
	15,335,824	20,645,749	21,914,206	16,690,859	12,369,341	425,241	16,684,540
	75,331	5,019,386	640,803	1,122,090	1,793,974	688,511	329,223
	702,261	458,449	515,273	2,044,207	780,682	12,879,555	1,209,854
	48,105,538	1,785,185	434,899	977,698	420,191	363,205	594,938
	1,736,823						
	3,367,430	2,575,741	410,420	-	50,115	126,235	454,356
	9,510,431	21,159,074	21,588,804	24,363,365	9,591,981	11,583,356	21,913,153
	1,641,705	765,414	-	-	-	-	269,995
	4,347,444	4,023,726	5,357,084	6,052,582	4,706,964	5,258,907	12,852,652
	-	838,102	-	-	-	-	(8,243)
	72,012	1,033	197,444	504,000	9,632	421,603	1,029,372
	175,132,930	129,840,993	116,987,720	109,423,363	92,517,599	86,050,815	116,544,977
	16,984,284	31,264,963	29,022,719	29,663,246	28,215,193	28,084,082	28,124,274
	8,863,630	9,636,890	10,660,243	11,948,806	12,510,227	10,546,668	9,699,607
	31,434,033	30,679,167	30,189,874	29,380,321	29,075,690	26,877,068	25,329,811
	17,713,463	16,381,613	15,092,393	13,995,575	13,020,598	11,811,325	11,281,225
	435,266	364,126	866,679	1,841,293	1,591,191	1,729,333	2,093,168
	12,230,965	12,082,415	11,836,783	11,454,420	11,302,442	11,056,904	10,950,607
	1,295,707	2,221,927	2,136,151	979,547	2,239,360	1,538,970	1,191,564

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

	2015	2014	2013
Operating grants and contributions:			
Parking facilities system	-	-	-
Sewer system	-	-	-
Stormwater utility	-	-	-
Golf	-	-	-
Solid waste system	-	-	-
Municipal Housing Agency	17,267,565	17,901,651	18,677,807
Capital grants and contributions:			
Airport	-	-	-
Parking facilities system	-	-	-
Sewer system	378,068	498,357	1,731,558
Stormwater utility	191,525	2,172,789	96,589
Golf	4,000	6,000	-
Solid waste system	-	-	-
Municipal Housing Agency	804,361	606,942	1,664,846
Total business-type activities program revenues	101,258,908	98,082,827	96,841,428
Total primary government program revenues	\$ 232,880,339	\$ 225,790,520	\$ 211,862,015

Table 3 (Continued)

2012	2011	2010	2009	2008	2007	2006
282,117	-	-	-	-	-	-
-	-	-	-	-	969	-
-	-	-	-	-	2,240	21,443
-	-	25,000	-	181	1,393	-
-	-	-	22	1,371	1,540	-
18,718,280	18,484,739	16,815,446	15,256,554	18,038,868	16,945,764	16,367,517
2,205,972	4,707,342	3,147,565	7,507,754	8,811,037	10,446,717	12,342,156
-	-	-	1,069	493,293	75,299	36,452
6,809,139	2,694,218	690,222	246,116	13,530,334	799,437	5,995,750
6,537,700	14,005,894	1,293,411	186,230	8,299,287	678,240	3,658,856
-	-	-	-	-	-	-
-	-	-	54,466	767,818	36,500	-
1,010,302	1,535,583	2,422,325	2,022,197	2,425,757	3,779,226	3,184,738
124,520,858	144,058,877	124,198,811	124,537,616	150,322,647	124,411,675	130,277,168
\$ 299,653,788	\$ 273,899,870	\$ 241,186,531	\$ 233,960,979	\$ 242,840,246	\$ 210,462,490	\$ 246,822,145

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

	2015	2014	2013
General Fund:			
Nonspendable	\$ 7,716,763	\$ 8,092,922	\$ 8,209,961
Restricted	143,875	285,478	750,000
Committed	1,200,000	-	250,000
Unassigned	25,362,143	20,525,072	17,057,774
Reserved:			
Reserved for inventory	-	-	-
Reserved for advances	-	-	-
Reserved for encumbrances	-	-	-
Reserved for prepaid items	-	-	-
Unreserved	-	-	-
Total General Fund	\$ 34,422,781	\$ 28,903,472	\$ 26,267,735
All Other Governmental Funds:			
Nonspendable	\$ 4,319,701	\$ 4,175,752	\$ 3,504,050
Restricted	\$ 17,075,970	8,712,228	7,639,753
Committed	\$ 29,501,856	32,883,290	38,519,303
Unassigned	\$ (683,569)	(147,279)	(6,557,607)
Reserved:			
Reserved for debt service	-	-	-
Reserved for loans receivable	-	-	-
Reserved for property held for sale	-	-	-
Reserved for inventory	-	-	-
Reserved for prepaid items	-	-	-
Reserved for endowments	-	-	-
Reserved for donor restricted purposes	-	-	-
Unreserved, reported in:			
Debt service funds	-	-	-
Special revenue funds	-	-	-
Capital projects funds	-	-	-
Permanent funds	-	-	-
Total all other government funds	\$ 50,213,958	\$ 45,623,991	\$ 43,105,499

Table 4

	2012	2011	2010	2009	2008	2007	2006
\$	9,489,312	\$ 4,340,097	\$ -	\$ -	\$ -	\$ -	\$ -
	500,000	250,000	-	-	-	-	-
	-	-	-	-	-	-	-
	15,613,514	13,554,759	-	-	-	-	-
	-	-	13,361	6,929	13,123	14,602	41,730
	-	-	4,046,951	3,882,579	3,718,955	3,499,154	3,039,982
	-	-	60,716	138,068	204,394	119,536	264,788
	-	-	318,668	369,683	285,381	352,062	368,360
	-	-	9,394,712	9,379,823	10,942,635	11,245,248	10,159,280
\$	25,602,826	\$ 18,144,856	\$ 13,834,408	\$ 13,777,082	\$ 15,164,488	\$ 15,230,602	\$ 13,874,140
\$	3,991,588	\$ 3,685,491	\$ -	\$ -	\$ -	\$ -	\$ -
	27,995,476	62,006,128	-	-	-	-	-
	79,926,261	93,898,793	-	-	-	-	-
	(6,875,886)	(6,465,652)	-	-	-	-	-
	-	-	-	-	-	16,776,784	29,108,893
	-	-	9,175,535	9,645,270	10,277,088	10,888,010	10,349,317
	-	-	2,000,000	2,000,000	2,000,000	2,000,000	-
	-	-	567,698	770,080	-	-	-
	-	-	203,229	194,191	99,903	39,742	63,511
	-	-	3,290,927	3,290,927	3,290,927	3,290,927	3,315,718
	-	-	-	-	-	-	74,992
	-	-	1,418,451	553,233	(452,555)	460,775	1,310,088
	-	-	484,871	3,918,372	6,806,600	6,069,638	3,963,355
	-	-	76,541,506	82,413,929	71,006,222	76,952,775	41,686,829
	-	-	686,634	626,284	541,184	368,154	87,831
\$	105,037,439	\$ 153,124,760	\$ 94,368,851	\$ 103,412,286	\$ 93,569,369	\$ 116,846,805	\$ 89,960,534

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

	2015	2014	2013	2012
Revenues:				
Taxes	\$ 145,195,212	\$ 147,979,356	\$ 145,929,673	\$ 141,295,150
Franchise fees	18,780,277	14,581,925	13,063,992	11,966,544
Licenses and permits	4,319,383	3,887,499	3,530,391	3,269,769
Fines and Forfeitures	6,173,117	5,795,248	5,594,223	5,208,910
Charges for sales and services	19,450,317	19,336,054	18,731,338	18,812,361
Use of money and property	2,141,765	2,328,387	2,732,385	2,400,126
Miscellaneous	21,160,461	19,700,246	20,960,853	28,328,520
Intergovernmental	71,359,573	74,392,864	63,827,825	80,999,710
Total revenue	288,580,105	288,001,579	274,370,680	292,281,090
Expenditures:				
Public safety	100,755,434	98,386,596	99,589,431	95,432,399
Public works	29,187,711	29,864,165	33,505,738	30,744,446
Health and social services	15,014,840	15,687,215	19,302,953	17,376,407
Culture and recreation	20,981,303	21,286,732	21,857,828	21,877,142
Community and economic development	19,138,842	19,716,976	20,293,135	19,430,143
General Government	20,782,959	58,722,127	18,105,052	22,942,437
Capital outlay	50,937,132	68,300,228	56,199,324	61,677,986
Debt service:				
Principal retirement	62,732,504	55,061,631	53,745,701	74,160,314
Interest and fiscal charges	19,212,403	17,684,652	17,827,371	19,010,017
Total expenditures	338,743,128	384,710,322	340,426,533	362,651,291
Excess (deficiency) of revenue over expenditures	(50,163,023)	(96,708,743)	(66,055,853)	(70,370,201)
Other financing sources (uses):				
Transfers in	78,886,254	88,079,063	61,604,867	58,309,686
General obligation bonds issued	54,660,000	96,970,000	-	31,135,000
Other debt issued	1,200,000	-	1,880,000	942,038
Advance refunded debt issuance	-	-	-	-
Advance refunded debt retirement	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issue	5,545,738	3,743,709	-	2,663,005
Discount on bond issue	-	-	-	-
Proceeds from capital asset sale	1,543,239	1,048,787	1,695,537	917,859
Proceeds from damage claims	479,555	368,098	96,249	103,105
Transfers out	(82,042,487)	(88,346,685)	(60,487,831)	(64,329,843)
Total other financing sources (uses)	60,272,299	101,862,972	4,788,822	29,740,850
Net changes in fund balance	\$ 10,109,276	\$ 5,154,229	\$ (61,267,031)	\$ (40,629,351)
Debt service as a percentage of noncapital expenditures	28.5%	23.0%	25.2%	29.6%

Table 5

	2011	2010	2009	2008	2007	2006
\$	137,636,622	\$ 135,781,459	\$ 130,719,860	\$ 124,299,047	\$ 121,611,902	\$ 112,978,288
	13,101,045	12,816,420	13,385,310	15,032,935	14,070,843	14,826,329
	3,000,666	2,673,649	3,305,916	3,352,394	3,880,861	3,719,456
	2,774,839	2,492,003	2,415,834	2,675,875	2,654,209	2,610,187
	18,669,410	18,148,419	17,450,617	16,074,796	15,895,692	16,217,987
	1,781,613	2,337,212	3,612,331	6,027,254	5,953,778	4,313,515
	23,478,516	24,679,657	29,242,200	26,364,050	27,619,889	35,036,126
	77,495,820	67,004,562	64,089,967	41,054,696	42,759,176	59,469,733
	277,938,531	265,933,381	264,222,035	234,881,047	234,446,350	249,171,621
	88,491,836	88,705,053	87,767,338	86,456,547	81,911,969	80,859,282
	27,836,071	29,045,473	28,276,159	28,952,001	26,724,957	28,914,351
	21,800,804	23,053,917	18,457,082	602,172	1,000,260	17,959,003
	19,296,846	21,180,095	22,869,422	23,672,112	22,216,125	22,256,463
	17,017,578	13,524,591	15,753,434	34,639,274	23,992,661	9,665,102
	23,969,996	20,903,330	20,935,354	21,432,950	18,423,006	18,232,138
	59,949,268	53,452,736	52,391,576	37,345,948	42,996,476	58,149,989
	64,063,904	60,532,593	65,124,045	43,612,306	38,670,289	37,143,823
	16,589,400	16,197,806	16,585,315	16,844,138	16,251,331	16,156,548
	339,015,703	326,595,594	328,159,725	293,557,448	272,187,074	289,336,699
	(61,077,172)	(60,662,213)	(63,937,690)	(58,676,401)	(37,740,724)	(40,165,078)
	56,619,258	50,412,327	52,008,731	52,208,569	37,686,123	32,198,540
	110,880,000	53,500,000	61,055,000	30,380,000	64,149,218	28,185,000
	-	778,854	1,582,164	8,937,500	2,190,555	692,978
	-	26,150,000	-	-	4,620,782	-
	-	(26,150,000)	-	-	(4,875,000)	-
	-	-	-	-	-	-
	11,271,865	3,898,393	626,117	34,048	126,176	1,245,531
	-	-	-	(94,216)	(211,854)	-
	189,512	301,792	2,338,183	808,594	883,580	1,631,159
	147,677	-	500,000	-	-	-
	(54,964,783)	(57,215,262)	(45,716,994)	(56,941,644)	(38,586,123)	(32,030,082)
	124,143,529	51,676,104	72,393,201	35,332,851	65,983,457	31,923,126
\$	63,066,357	\$ (8,986,109)	\$ 8,455,511	\$ (23,343,550)	\$ 28,242,733	\$ (8,241,952)
	26.7%	28.1%	23.1%	34.7%	29.5%	25.1%



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

Table 6

FISCAL YEAR	GENERAL PROPERTY TAXES	HOTEL/MOTEL TAX	SPECIAL UTILITY EXCISE TAX	MOBILE HOME TAX	MONIES AND CREDITS TAX	TOTAL TAXES
2014-15	134,938,971	5,783,917	4,328,395	116,770	27,159	145,195,212
2013-14	138,924,204	5,105,780	3,806,577	112,613	30,182	147,979,356
2012-13	137,153,184	4,758,396	3,870,710	114,851	32,532	145,929,673
2011-12	132,970,699	4,366,762	3,812,245	120,644	24,800	141,295,150
2010-11	129,977,076	3,889,790	3,618,342	122,097	29,317	137,636,622
2009-10	128,142,798	3,700,761	3,772,091	120,092	45,717	135,781,459
2008-09	123,124,847	3,720,368	3,739,869	118,189	16,587	130,719,860
2007-08	116,396,207	4,200,778	3,564,345	120,577	17,140	124,299,047
2006-07	113,947,563	3,848,692	3,676,194	123,113	16,340	121,611,902
2005-06	105,522,405	3,659,431	3,651,085	126,168	19,199	112,978,288
Change						
2005-2015	127.877%	158.055%	118.551%	92.551%	141.460%	128.516%

Source: City records.

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

Valuation Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Railway Property
2014	\$ 7,246,808,590	\$ 3,028,517,860	\$ 192,952,200	\$ 13,388,970	\$ 16,110,454
2013	7,196,629,860	2,995,848,700	192,434,180	12,766,840	16,195,058
2012	7,316,677,770	3,009,375,580	190,078,540	10,324,900	16,509,244
2011	7,263,391,920	2,999,787,340	188,487,690	10,057,750	15,154,668
2010	7,500,758,350	3,095,405,840	194,779,860	8,270,550	12,966,428
2009	7,370,107,010	3,129,490,830	194,168,000	8,241,560	10,228,649
2008	7,123,448,010	3,048,959,390	193,397,790	3,342,380	9,540,299
2007	6,963,088,460	3,020,661,560	194,107,730	2,979,540	9,046,322
2006	6,262,344,300	2,926,850,350	183,555,680	2,747,265	8,530,839
2005	6,176,602,000	2,858,531,890	185,469,950	2,738,740	7,757,764

Source:

State of Iowa Department of Management

Table 7

Utilities Property	Total Taxable Assessed Value	Total Direct Tax Rate	Percent Growth	Actual Taxable Value	Taxable Value as a % of Assessed Value
\$ 373,862,719	10,871,640,793	16.92000	1.17%	\$ 7,199,267,432	66%
331,982,463	10,745,857,101	16.92001	(1.71)%	7,209,115,893	67%
389,559,024	10,932,525,058	16.91982	1.08%	7,331,444,442	67%
338,306,985	10,815,186,353	16.58000	(3.26)%	7,146,015,644	66%
367,913,783	11,180,094,811	16.57613	1.01%	7,195,887,806	64%
356,474,377	11,068,710,426	16.57614	3.20%	7,032,688,268	64%
347,054,081	10,725,741,950	16.57606	2.12%	6,751,877,052	63%
313,110,998	10,502,994,610	16.59028	8.23%	6,533,913,362	62%
320,020,548	9,704,048,982	16.45083	1.72%	6,210,510,617	64%
308,830,443	9,539,930,787	16.52000	9.83%	6,120,705,460	64%

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

Tax Year Levied	City Direct Rates							Overlapping Rates		
	General Fund	Transit Fund	Insurance Fund	Emergency Fund	Employee Benefits Fund	Debt Service Fund	Total Direct	Polk County	Broadlawns County Hospital	Ag Extension District
2014-2015	8.10000	0.00000	0.29000	0.00000	4.64000	3.89000	16.92000	7.1688	3.11769	0.04061
2013-2014	8.10000	0.00000	0.29000	0.00000	4.42000	4.11001	16.92001	6.94381	2.99567	0.03945
2012-2013	8.10000	0.00000	0.29000	0.00000	4.31000	4.21982	16.91982	6.80992	2.97819	0.03866
2011-2012	8.10000	0.00000	0.30122	0.00000	4.24945	3.92933	16.58000	6.80992	2.92193	0.03696
2010-2011	8.10000	0.00000	0.30345	0.00000	4.10538	4.06730	16.57613	6.81833	2.92111	0.03631
2009-2010	8.10000	0.00000	0.29425	0.00000	3.90745	4.27444	16.57614	6.82855	2.80423	0.03752
2008-2009	8.10000	0.00000	0.30804	0.00000	3.93100	4.23702	16.57606	6.83696	2.92408	0.03717
2007-2008	8.10000	0.00000	0.31407	0.00000	4.13701	4.03920	16.59028	6.84207	2.96959	0.03703
2006-2007	8.10000	0.00000	0.27892	0.00000	4.33096	3.74095	16.45083	6.34845	3.49157	0.03771
2005-2006	8.10000	0.46951	0.36352	0.00000	4.03248	3.55449	16.52000	6.34845	3.20245	0.03791

Source: Polk County Auditor and Polk County Treasurer

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

Table 8

Polk County Assessor	State of Iowa	Area XI Community College	Regional Transit	Overlapping Rates					
				Des Moines Community School District	Carlisle Community School District	SE Polk Community School District	Saydel Community School District	Johnston Community Schools District	WDM Community School District
0.27750	0.00330	0.65724	0.73900	18.14592	17.91215	21.65866	12.87969	18.36026	13.26572
0.27822	0.00330	0.6912	0.67400	18.34842	17.91246	21.65866	12.87971	17.35444	13.26452
0.24382	0.00330	0.58466	0.59400	18.34845	18.57766	21.65866	13.47994	17.35008	13.30184
0.24628	0.00320	0.59018	0.44400	18.34848	20.65059	21.65866	13.97969	17.34599	13.84954
0.27848	0.00300	0.56008	0.4443	17.64347	20.97493	21.80667	13.97723	17.34506	13.94266
0.30104	0.00300	0.56778	0.46232	17.64277	19.46621	21.83221	13.98315	17.34738	13.9441
0.32711	0.00350	0.56386	0.60079	17.78888	19.86337	21.84708	13.67722	17.34353	13.69179
0.31349	0.00350	0.60276	0.59997	17.93709	20.00427	21.96487	13.62992	17.34813	13.70031
0.29738	0.00400	0.68688	0.59998	18.01713	17.21211	20.98804	13.38621	17.34623	13.70060
0.35437	0.00400	0.68408	0.00000	18.01394	18.36826	17.98848	13.12949	17.34748	13.50341



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

Table 9

Fiscal Year Ended June 30	Tax Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2015	2014	\$ 141,425,834	\$ 141,068,543	99.75%	\$ -	\$ 141,068,543	99.75%
2014	2013	\$ 140,944,915	\$ 138,802,425	98.48%	\$ 778,399	\$ 139,580,824	99.03%
2013	2012	137,005,743	137,153,184	100.11%	595,372	137,748,556	100.54%
2012	2011	137,113,954	136,716,970	99.71%	452,112	137,169,082	100.04%
2011	2010	134,998,095	133,512,630	98.90%	29,190	133,523,178	98.91%
2010	2009	132,446,684	131,938,293	99.62%	34,035	131,960,709	99.63%
2009	2008	127,597,827	124,458,527	97.54%	62,259	124,511,698	97.58%
2008	2007	120,533,667	119,875,076	99.45%	73,599	119,940,811	99.51%
2007	2006	118,629,762	115,357,229	97.24%	118,482	115,471,731	97.34%
2006	2005	109,692,331	106,282,565	96.89%	2,428,788	108,706,873	99.10%

Source:
Polk County, City Records



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

Table 10

Taxpayer	2014*			2005		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
MidAmerican Energy	\$576,183,073	1	3.10%			
Principal Financial Group	196,144,820	2	1.10%	\$260,602,430	1	2.00%
R & R Investors	183,012,885	3	1.00%	101,500,480	3	0.80%
Nationwide Mutual Insurance	171,472,280	4	0.90%	68,021,600	10	0.50%
Prairie Meadows	116,703,000	5	0.60%			
Wells Fargo Financial Inc.	109,957,675	6	0.60%	80,423,550	7	0.60%
Wellmark, Inc.	105,680,800	7	0.60%			
Pioneer H-Bred	75,768,378	8	0.40%			
Valley West Mall	67,650,000	9	0.40%	102,031,000	2	0.80%
Mercy Hospital	64,269,910	10	0.30%			
Hubbell Interests				69,531,020	9	0.50%
Knapp, William				89,950,750	5	0.70%
Mid America Investments				89,814,580	6	0.70%
Qwest				90,026,109	4	0.70%
Ruan				72,125,880	8	0.60%
Total	\$1,666,842,821		9.00%	\$1,024,027,399		7.90%

Source: Polk County Auditor

*Most recent year available

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

Fiscal Year	Governmental Activities					
	General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt (A)	Loans Payable	Notes Payable	Revenue Bonds
2015	\$ 381,215,119	\$ 2,135,271	379,079,848	\$ 8,449,000	\$ 3,810,852	\$ 30,190,400
2014	384,225,358	1,330,845	382,894,513	8,476,000	3,396,356	31,750,878
2013	338,390,683	415,784	337,974,899	8,500,000	4,188,987	33,247,906
2012	392,467,179	21,217,274	371,249,905	8,500,000	3,299,688	34,728,075
2011	419,413,600	50,373,536	369,040,064	9,925,000	3,427,964	-
2010	355,574,000	1,418,451	354,155,549	10,040,000	5,187,868	-
2009	359,762,000	553,233	359,208,767	10,155,000	7,138,607	-
2008	361,203,000	(452,555)	361,655,555	10,270,000	8,069,488	-
2007	371,821,000	17,237,559	354,583,441	1,885,000	10,131,294	-
2006	342,280,000	30,432,481	311,847,519	2,000,000	12,492,505	-

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

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

Table 11

Business-Type Activities								
Notes Payable	General Obligation Bonds (B)	Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Per Capita Income(1)	Per Capita(1)	Total General Bonded Debt (A+B)	Percentage of Actual Property Value
\$ 595,373	\$ 32,074,950	\$ 44,666,175	\$ -	\$ 501,001,869	9.37%	\$ 2,463	411,154,798	3.78%
1,358,023	34,618,703	50,687,942	-	514,513,260	9.62%	2,529	417,513,216	3.89%
2,110,860	37,604,556	50,263,584	-	474,306,576	10.17%	2,332	375,579,455	3.44%
4,076,232	-	70,039,940	-	513,111,114	11.00%	2,522	371,249,905	3.43%
9,341,049	-	124,448,475	4,637,740	555,144,753	11.90%	2,729	369,040,064	3.30%
10,100,107	21,000	103,760,000	6,300,425	490,983,400	12.56%	2,471	354,176,549	3.20%
16,485,120	278,000	108,710,000	8,060,816	510,589,543	13.06%	2,570	359,486,767	3.35%
14,858,830	547,000	114,233,000	9,502,899	518,684,217	13.27%	2,611	362,202,555	3.45%
2,262,225	814,000	118,768,885	11,204,648	516,887,052	13.22%	2,602	355,397,441	3.66%
3,203,442	1,180,000	105,077,418	11,480,377	477,713,742	12.22%	2,404	313,027,519	3.28%



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

Table 12

NAME OF GOVERNMENTAL UNIT	NET GENERAL OBLIGATION DEBT OUTSTANDING *	PERCENTAGE APPLICABLE TO THIS GOVERNMENTAL UNIT	CITY OF DES MOINES SHARE OF DEBT
City of Des Moines	\$ 423,665,371	100.00 %	\$ 423,665,371
Polk County	188,688,043	33.70	63,587,870
School Districts:			
Carlisle	16,385,000	0.07	10,738
Des Moines	186,140,000	96.40	179,438,960
Johnston	76,360,000	0.02	19,032
Saydel	7,255,000	0.12	8,794
Southeast Polk	45,930,000	1.34	615,462
Area XI Community College	59,725,000	19.50	11,646,375
Total overlapping	<u>580,483,043</u>		<u>255,327,231</u>
Total direct and overlapping	<u>\$ 1,004,148,414</u>		<u>\$ 678,992,602</u>

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

Source: Polk County Auditor, DMACC Iowa Dept. of Education and School Districts Records

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

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

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value	\$ 10,731,371,692
Debt limit (5% of assessed value)	<u>536,568,585</u>
Debt applicable to limit:	
General obligation bonds	395,285,000
Other Legal Indebtedness (TIF Rebates and Leases)	<u>15,304,515</u>
Total net debt applicable to limit	<u>410,589,515</u>
Legal debt margin	<u>\$ 125,979,070</u>

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt limit	\$ 536,568,585	\$ 545,879,527	\$ 541,844,172	\$ 558,198,015
Total net debt applicable to limit	<u>410,589,515</u>	<u>420,745,764</u>	<u>376,513,284</u>	<u>356,554,826</u>
Legal debt margin	<u>\$ 125,979,070</u>	<u>\$ 125,133,763</u>	<u>\$ 165,330,888</u>	<u>\$ 185,289,346</u>
Total net debt applicable to the limit as a percentage of debt limit	76.52%	77.08%	69.49%	63.88%

Table 13

2011	2010	2009	2008	2007	2006
\$ 552,597,489	\$ 535,264,366	\$ 524,284,217	\$ 484,288,145	\$ 476,601,639	\$ 434,211,844
353,891,464	355,595,000	361,695,000	363,520,000	357,825,000	316,570,000
\$ 204,306,551	\$ 197,002,489	\$ 173,569,366	\$ 160,764,217	\$ 126,463,145	\$ 160,031,639
64.04%	66.43%	68.99%	75.06%	75.08%	72.91%

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

Sanitary Sewer Bonds						
Fiscal Year	Operating Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2015	\$ 36,695,644	\$ 14,041,889	\$ 22,653,755	\$ 6,061,897	\$ 4,735,653	2.10
2014	34,800,047	15,736,151	19,063,896	17,746,569	4,334,845	0.86
2013	33,585,154	15,867,875	17,717,279	4,510,011	4,436,786	1.98
2012	31,372,051	16,455,238	14,916,813	4,465,544	4,746,394	1.62
2011	30,750,844	15,775,023	14,975,821	5,111,637	4,594,187	1.54
2010	29,106,079	14,459,147	14,646,932	4,720,956	3,011,545	1.89
2009	28,280,923	12,980,555	15,300,368	4,421,532	3,096,163	2.04
2008	28,221,011	13,163,260	15,057,751	3,226,244	4,233,696	2.02
2007	26,776,600	13,096,158	13,680,442	4,129,342	3,622,779	1.76
2006	25,157,528	14,793,686	10,363,842	4,000,305	3,259,999	1.43

Table 14

Stormwater Bonds					
Operating Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
			Principal	Interest	
\$ 20,569,761	\$ 8,970,669	\$ 11,599,092	\$ 3,117,918	\$ 990,264	2.82
19,677,703	8,194,280	11,483,423	3,029,222	1,070,579	2.80
18,283,969	8,417,701	9,866,268	2,955,587	1,148,870	2.40
17,957,553	8,803,865	9,153,688	2,892,012	1,225,294	2.22
17,831,457	9,083,973	8,747,484	1,915,000	987,792	3.01
15,154,464	6,808,744	8,345,720	2,146,674	1,160,892	2.52
14,514,329	6,481,887	8,032,442	1,896,400	1,201,748	2.59
14,529,733	5,934,060	8,595,673	1,800,000	1,259,895	2.81
13,543,675	5,697,603	7,846,072	1,000,000	987,978	3.95
11,844,126	5,421,968	6,422,158	970,000	669,140	3.92



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

Table 15

Fiscal Year Ended June 30,	Population(1)	Median Family Income(1)	Per Capita Income (State of Iowa)	Median Age(1)	School Enrollment (3)	Unemployment Rate(2)
2015	203,443	\$51,851	\$26,280	33.5	32,396	3.4%
2014	203,443	51,851	26,280	33.5	32,413	4.1%
2013	203,443	51,851	26,280	33.5	32,062	4.7%
2012	203,443	51,851	26,280	33.5	31,275	5.0%
2011	203,443	51,851	26,280	33.5	32,438	5.5%
2010	198,682	44,022	24,357	34.6	31,924	5.6%
2009	198,682	44,022	24,357	34.6	30,783	6.2%
2008	198,682	44,022	24,357	34.6	32,043	3.7%
2007	198,682	44,022	24,357	34.6	31,549	3.4%
2006	198,682	44,022	24,357	34.6	31,598	3.3%

Sources:

1. 2010, 2000 US Census.
2. U.S. Bureau of Labor Statistics.
3. Des Moines Public Schools.

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



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

Table 16

Employer	2015		Percentage of Total City Employment	2005	
	Number of Employees*	Rank		Number of Employees	Rank
Wells Fargo	14,500	1	4.1%	-	8
HyVee Food Stores	7,500	2	2.3%	-	
Mercy Hospital Medical Center	7,055	3	2.2%	-	3
Unity Point Health (Iowa Health System)	6,435	4	1.9%	-	2
Principal Financial Group	6,184	5	1.9%	-	1
Des Moines Public Schools	4,927	6	1.5%	-	
Nationwide/Allied Insurance	4,282	7	1.3%	-	
John Deere Companies	3,089	8	0.9%	-	9
Dupont Pioneer	3,000	9	0.9%	-	10
Kum and Go	1,820	10	0.6%	-	
Bridgestone American Tire (Firestone)		-	0.6%		7
HP Enterprise Services (CDS)		-	0.5%		5
Blank Childrens Pediatric (part of Unity Point now)	-	-			4
Des Moines Register					6
Total employment**	275,000				

Source:

*Greater Des Moines Partnership

**Bureau of Labor Statistics, US Dept Labor

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

FUNCTIONS/PROGRAMS	2015	2014	2013	2012
GOVERNMENTAL FUND TYPES				
Public safety				
Police Department	450.0	450.0	452.0	460.0
Fire Department	283.0	283.0	283.0	283.0
Community Development--inspections	36.4	36.4	35.6	36.6
Total public safety	769.4	769.4	770.6	779.6
Public works				
Engineering	84.5	85.5	88.5	92.0
Public Works Department	86.0	86.0	90.0	94.0
Total public works	170.5	171.5	178.5	186.0
Health and social services				
Community Development Grants	26.4	27.6	28.5	30.6
Human Rights	3.0	3.0	3.0	3.0
Total health and social services	29.4	30.6	31.5	33.6
Culture and recreation				
Parks Department	71.3	72.5	75.5	86.8
Public Libraries	55.0	55.0	55.0	63.0
Total culture and recreation	126.3	127.5	130.5	149.8
Community and economic development				
City Manager--Economic Development	5.0	5.0	5.0	5.0
Total Community and economic development	5.0	5.0	5.0	5.0
General government				
City Clerk	7.0	7.0	6.4	6.0
City Manager	10.0	10.0	10.0	10.0
Community Development	9.3	9.0	11.0	11.8
Finance Department	21.0	21.0	24.0	23.0
Human Resources	10.0	10.0	10.0	10.0
Information Technology	28.0	29.0	29.0	29.0
Legal	17.0	18.0	18.0	19.0
Mayor and Council	7.0	7.0	7.0	8.0
Parks Department	9.4	11.2	11.2	10.0
Total general government	118.7	122.2	126.6	126.8
Total governmental fund types	1219.3	1226.2	1242.7	1280.7
PROPRIETARY FUNDS				
Airport	21.0	21.0	21.0	0.0
Parking facilities system	14.5	14.5	14.5	14.5
Sewer system	53.0	52.0	48.5	52.8
Stormwater utility	64.0	64.0	68.5	67.2
Golf	0.0	0.0	0.0	0.0
Solid waste system	50.0	50.0	50.0	50.0
Municipal Housing Agency	47.0	50.0	60.0	59.0
Internal service funds	60.0	60.0	60.0	59.0
Total proprietary funds	309.5	311.5	322.5	302.5
Total City employment	1528.8	1537.7	1565.2	1583.2

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

Table 17

2011	2010	2009	2008	2007	2006
449.0	455.0	469.0	470.0	466.0	461.0
290.0	307.0	310.0	311.0	310.0	310.0
37.6	40.0	40.0	37.0	36.0	36.0
776.6	802.0	819.0	818.0	812.0	807.0
92.0	93.0	96.0	94.0	94.0	92.0
94.0	112.0	112.0	117.0	117.0	117.0
186.0	205.0	208.0	211.0	211.0	209.0
31.5	36.1	35.1	36.0	35.3	35.1
3.0	3.0	3.0	3.0	3.0	3.0
34.5	39.1	38.1	39.0	38.3	38.1
87.0	89.5	123.6	127.8	129.0	129.4
63.0	67.0	76.0	76.0	76.0	75.0
150.0	156.5	199.6	203.8	205.0	204.4
5.0	6.0	6.0	5.0	5.0	5.0
5.0	6.0	6.0	5.0	5.0	5.0
6.0	6.0	6.0	6.0	6.0	6.0
10.0	11.0	12.0	12.0	11.0	11.0
12.0	11.0	11.9	11.0	10.8	10.8
22.0	21.0	21.5	21.0	21.0	23.0
10.0	10.0	10.0	11.0	11.0	11.0
29.0	29.0	28.0	25.0	25.0	21.0
19.0	20.0	22.0	22.0	22.0	22.0
8.0	8.0	8.0	8.0	8.0	8.0
10.0	11.5	11.0	12.8	11.6	11.5
126.0	127.5	130.4	128.8	126.4	124.3
1278.1	1336.1	1401.1	1405.6	1397.7	1387.7
100.0	95.0	121.4	121.4	117.4	119.0
15.0	14.0	15.0	15.0	15.0	15.0
53.8	54.8	54.7	53.2	50.0	49.3
67.2	63.2	63.2	57.9	59.7	60.4
0.0	0.0	5.0	5.0	5.0	8.0
50.0	51.0	50.6	56.6	57.0	58.0
61.0	52.0	56.0	61.0	61.0	66.0
59.0	61.0	62.0	61.0	61.0	62.0
406.0	391.0	427.9	431.1	426.1	437.7
1684.1	1727.1	1829.0	1836.7	1823.8	1825.3

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

	2015	2014	2013
Public safety:			
Police Department--calls to dispatch	372,977	380,692	387,237
Detective bureau--persons offenses assigned	9,212	5,720	6,271
Detective Bureau--property offenses assigned	8,793	13,782	14,459
Fire Department--total incidents	22,440	21,833	21,326
Fire suppression--total fires	6,893	5,824	6,043
Emergency medical services--medic calls	15,547	16,009	15,283
Emergency medical services--transports	13,004	12,681	12,150
Permit and Development Center--number of permits issued	15,464	15,039	10,991
Permit and Development Center--number of inspections	41,172	33,438	32,764
Permit and Development Center--number of plan reviews	12,455	10,646	10,764
Public works:			
Engineering Department--cost of awarded contracts	\$16,483,904	\$32,538,737	\$120,961,394
Public Works Department--snow and ice control-lane miles	2,207	2,207	2,207
Health and social services:			
Low-income energy assistance (number of households)	6,001	6,194	6,546
Furnace repair/replacements (number of households)	148	179	173
Energy reconnect project (number of households)	-	5	376
NCS applications taken	3	8	16
Senior Living Program applications taken (households)	99	142	120
Culture and recreation:			
Library usage--annual visits	2,674,409	973,456	1,106,879
Aquatic center/pools attendance	107,161	64,309	113,064
Annuals (plants) distributed to organizations	277,660	211,369	190,000
Community center attendance (calendar year)	98,974	188,209	488,609
Cemeteries--burials	645	594	608
Community and economic development:			
Assessed valuation increase in tax increment district	\$1,220,550,250	\$1,245,474,135	\$1,210,792,190
General government:			
Animal licenses issued (cat and dog)	21,731	21,306	21,760
Legal Department--written legal opinions	1,041	1,140	1,160
Tort litigation--traffic court trials	1,532	820	1,113*
Enterprise funds:			
Number of sanitary sewer feet cleaned per year	3,191,128	2,812,129	2,229,031
Number of storm sewer feet cleaned per year	670,900	515,626	654,568
Solid waste collected annually (lbs) per year	167,000,000	161,000,000	154,000,000
Rounds of golf	87,903	82,948	89,987

Source: City records.

*Current year not available

Table 18

2012	2011	2010	2009	2008	2007	2006
330,493	322,453	320,359	324,470	340,829	396,504	386,178
7,525	6,855	7,095	7,233	7,917	6,148	6,210
14,286	14,495	12,512	13,591	16,392	20,483	22,131
20,128	19,649	19,375	19,508	19,594	18,620	17,662
5,050	4,865	4,638	4,673	4,385	4,779	4,685
15,078	14,784	14,737	15,835	15,209	13,841	12,977
11,684	11,232	11,213	11,165	11,446	10,757	10,369
11,848	15,520	13,479	13,234	11,054	11,474	10,860
30,814	28,716	30,331	28,039	32,351	25,285	22,651
10,314	14,583	14,726	14,888	3,130	3,712	4,165
\$122,891,377	\$118,852,698	\$137,105,722	\$48,639,208	\$84,757,631	\$44,449,946	\$56,515,585
2,207	2,207	2,207	2,117	2,117	2,065	2,065
6,743	7,207	8,298	7,700	6,995	6,853	6,537
185	195	207	189	246	146	213
103	47	806	214	503	285	282
49	89	108	65	62	73	58
107	136	146	173	315	192	190
1,304,080	1,335,720	1,344,334	1,451,930	1,376,298	1,389,530	1,024,154
144,810	131,875	133,423	142,724	126,931	126,569	110,954
356,171	104,200	105,000	98,376	96,000	88,944	85,056
168,641	175,757	235,405	236,954	227,313	224,250	229,920
539	581	546	597	687	674	637
\$1,225,945,910	\$1,229,650,820	\$1,149,037,530	\$1,074,553,965	\$994,015,625	\$941,740,355	\$869,900,005
22,841	23,036	22,480	22,365	21,830	21,223	20,521
993	998	954	1,080	909	947	814
1,113*	1,113*	1,113	1,411	1,706	2,418	1,159
1,921,251	1,094,511	1,255,200	1,089,149	1,061,280	1,059,130	1,252,300
237,498	257,387	310,000	385,694	258,720	69,164	92,165
122,000,000	121,207,500	118,901,034	151,800,000	120,286,400	122,000,000	13,310,000
95,252	86,908	168,341	155,321	94,545	168,722	161,665

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

	2015	2014	2013	2012
Function/Program				
Public Safety:				
Police:				
Number of Stations	1	1	1	1
Fire:				
Number of Stations	10	10	10	10
Stations with EMS transport capability	8	7	8	7
Public Works:				
Streets paved lane miles	2,134	2,167	2,076	2,073
Streets unpaved lane miles	74	40	76	77
Sanitary sewer miles	935	935	935	935
Storm sewer miles	493	493	493	494
Number of street lights	25,700	25,500	25,500	25,500
Area--number of city square miles	91	91	91	91
Culture and Recreation:				
Parks-number of park areas	76	76	76	76
Total park acres	3,877	2,877	3,875	3,875
Number of boulevards	9	9	9	9
Number of playgrounds	63	63	65	68
Number of golf courses	3	3	3	3
Number of soccer fields	12	12	12	12
Number of aquatic centers/pools	5	5	5	5
Number of tennis courts	64	59	61	61
Number of softball diamonds	8	8	9	9
Number of baseball diamonds	8	8	8	8
Number of community centers	3	3	3	3
Miles of bike trails	78	45	45	42
Cemeteries:				
Number of facilities	7	7	7	7
Number of acres	345	345	345	345
Library:				
Number of Facilities	6	6	6	6
Number of Volumes	522,809	560,890	590,242	596,718

Source: City Records

Table 19

2011	2010	2009	2008	2007	2006
1	1	1	1	1	1
10	10	10	10	10	10
8	8	7	7	7	7
2,070	2,069	2,067	2,023	1,897	1,897
78	78	80	94	76	76
935	884	889	889	861	861
493	282	472	472	458	458
25,400	24,200	23,630	23,614	23,376	23,376
91	91	91	82	82	82
73	73	73	73	72	72
3,560	3,560	3,226	3,226	3,223	3,213
9	6	6	6	6	6
78	78	58	58	58	58
3	3	3	3	3	3
12	12	12	12	12	12
5	5	5	5	5	5
52	50	59	57	59	59
9	9	9	9	13	13
8	8	9	9	5	5
4	4	4	4	5	5
42	40	37	37	29	29
7	7	7	7	5	5
345	345	450	332	460	460
6	6	6	6	6	6
571,476	570,271	589,547	563,917	548,272	526,735

CITY OF DES MOINES, IOWA
SCHEDULE OF INSURANCE IN FORCE
June 30, 2015
(Unaudited)

<u>TYPE OF INSURANCE / INSURANCE COMPANY</u>	<u>POLICY NUMBER</u>	<u>POLICY PERIOD</u>
<u>PROPERTY INSURANCE</u>		
The Travelers Insurance Companies	KTK-CMB-6867N33-9-14	7-1-14/15
Federal Insurance Company	3597-17-24 ILL	7-1-14/15
Federal Insurance Company	7643-39-17 ILL	7-1-14/15
Housing Authority Property Insurance	HAPI-342-119709-2015	1-1-15/16
<u>FLOOD INSURANCE</u>		
Selective Insurance Co. (N.F.I.P.)	Various	7-1-14/15
<u>EXCESS FLOOD INSURANCE</u>		
Westchester Surplus Lines Insurance Company	D37387873003	7-1-14/15
Westchester Surplus Lines Insurance Company	D37387861003	7-1-14/15
Landmark American Insurance Company	LHD382824	7-1-14/15
Maxum Indemnity Company	SPO 6022422-02	7-1-14/15
<u>CRIME INSURANCE</u>		
Travelers Casualty & Surety Co. of America	105645396	7-1-14/15
	105645396	7-1-14/15
	105645396	7-1-14/15
<u>SPECIAL EXCESS LIABILITY INSURANCE</u>		
Starr Indemnity & Liability Company	1000005243	7-1-14/15
American Alternative Insurance Corporation	GPPA-PF-6055032-02	7-1-14/15
<u>GENERAL LIABILITY INSURANCE</u>		
Housing Authority Risk Retention Group	HARRG-342-119708-2013	1-1-15/16
American Alternative Insurance Corporation	GPPA-PF-6055032-02	7-1-14/15
<u>AUTO LIABILITY INSURANCE</u>		
The Travelers Indemnity Company of America	H-810-9160P789-TIA-14	7-1-14/15
American Alternative Insurance Corporation	GPPA-PF-6055032-02	7-1-14/15
<u>PUBLIC OFFICIALS LIABILITY</u>		
American Alternative Insurance Corporation	GPPA-PF-6055032-02	7-1-14/15
<u>POLLUTION LIABILITY INSURANCE</u>		
American International Corporation	28779018	7-1-14/15
<u>WORKERS COMPENSATION INSURANCE</u>		
National Union Fire Ins. Co. of Pittsburgh, PA (VFIS)	CFP-5516-0001217D-00	7-1-14/15
National Union Fire Ins. Co. of Pittsburgh, PA	SRG-0009103048-B	7-1-14/15
Mutual of Omaha	T5MP-P-052502	7-1-14/15
<u>EXCESS WORKERS COMPENSATION INSURANCE</u>		
Safety National Casualty Corp	SP 4051229	7-1-14/15

Table 20

NAMED INSURED / DETAILS OF COVERAGE	POLICY LIMITS	ANNUAL PREMIUM
<u>City of Des Moines</u>		
Buildings & Contents	\$ 657,585,633	\$ 462,756
Policy Aggregate Loss Limit:	250,000,000	
Business Interruption & Extra Expense	7,500,000	Included
Boiler & Machinery	100,000,000	Included
Earthquake	20,000,000	Included
Flood	5,000,000	Included
<u>Wastewater Reclamation Authority</u>		
Buildings & Contents	\$ 250,000	\$ 192,006
Per Occurrence Replacement Value	\$ 150,000,000	
Business Interruption & Extra Expense	\$ 5,000,000	Included
Earthquake	\$ 20,000,000	Included
Flood	\$ 2,500,000	Included
Equipment Breakdown (Boiler & Machinery)	\$ 100,000,000	\$ 25,377
<u>Municipal Housing Agency</u>		
Buildings & Contents	\$ 40,205,824	\$ 50,476
<u>City of Des Moines</u>		
(6 buildings in Flood Zone "A")	Various per building	\$ 44,724
<u>Wastewater Reclamation Authority</u>		
WRA - 2 locations	\$ 2,500,000	\$ 48,053
\$5M p/o \$10M X of \$2.5M	\$ 5,000,000	\$ 56,643
\$5M p/o \$10M X of \$2.5M	\$ 5,000,000	\$ 56,643
\$2.5 M X of \$12.5M	\$ 2,500,000	\$ 28,000
<u>Shared: City, WRA & DMMHA</u>		
Employee Theft	\$ 5,000,000	\$ 15,500
Computer Fraud	\$ 2,000,000	included
Funds Transfer Fraud	\$ 2,000,000	included
<u>Shared: City & DMMHA</u>		
Citywide General, Automobile, Law	\$ 10,000,000	\$ 182,500
Enforcement, Public Officials Liability, etc	\$ 2,000,000 SIR	
<u>Wastewater Reclamation Authority</u>		
Excess Liability	\$ 10,000,000	\$ 15,705
<u>Municipal Housing Agency</u>		
General Liability	\$ 2,000,000	\$ 26,582
<u>Wastewater Reclamation Authority</u>		
General Liability - \$3M Aggregate	\$ 1,000,000	\$ 13,459
<u>Shared: City & DMMHA</u>		
Following enterprise fund activities included:	\$ 2,000,000	\$ 49,263
Curbside Recycling Pickup Program		Included
Sanitary/Storm Sewer		Included
Solid Waste Collection		Included
Municipal Housing Agency		Included
<u>Wastewater Reclamation Authority</u>		
Automobile liability	\$ 1,000,000	\$ 29,897
<u>Wastewater Reclamation Authority</u>		
Primary - \$3M Aggregate	\$ 1,000,000	\$ 2,960
<u>Wastewater Reclamation Authority</u>		
Pollution Liability	\$ 2,000,000	\$ 7,917 1/3 ?????
<u>City - HazMat Team/Fire Dept Mutual Aid</u>		
Primary Occupational Medical	\$ 100,000	\$ 12,596
Excess Occupational Medical	\$ 500,000	\$ 9,545
Excess Occupational Medical	\$ 400,000	\$ 11,475
<u>City of Des Moines (including WRA Operations)</u>		
Employers Liability Limit	\$ 1,000,000	\$ 358,091
WRA Operations	\$ 500,000	



SINGLE AUDIT SECTION



CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2015

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/14 - 6/30/15)
U.S. Department of Health and Human Services		
Community Services Block Grant:		
(Passed through the Iowa Department of Human Rights)		
Program Year: 2014		
Contract Number: CSBG-14-07-CJ		
October 1, 2013 - September 30, 2014	93.569	\$ 300,799
Program Year: 2015		
Contract Number: CSBG-15-07-CJ		
October 1, 2014 - September 30, 2015	93.569	322,481
Low-income Home Energy Assistance Block Grant:		
(Passed through the Iowa Department of Human Rights)		
Program Year: 2014		
Contract Number: 2206-14J		
October 1, 2013 - September 30, 2014	93.568	90,898
Program Year: 2015		
Contract Number: 2206-15J		
October 1, 2014 - September 30, 2015	93.568	2,968,064
Total U.S. Department of Health and Human Services		\$ 3,682,242
U.S. Department of Housing and Urban Development		
Community Development Block Grant Program Entitlement:		
Entitlement Years: 2014 - 2015	14.218	\$ 3,224,135
Fair Housing Assistance Program		
Cooperative Agreement	14.401	56,997
(Passed through the Iowa Economic Development Authority)		
Rehab Assistance #2		
Grant # 08-DRH-209	14.228	2,095,207
Disaster Recovery		
Grant # 08-DRH-009	14.228	522,482
Infrastructure Assistance		
Grant #08-DRIEF-258	14.228	191,525
Infrastructure Assistance		
Contract #08-DRMH-2134	14.228	93,509
NSP		
Contract #11-NSP-023	14.264	16,478
(Passed through Polk County)		
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	15,400

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2015

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/14 - 6/30/15)
U.S. Department of Housing and Urban Development (continued)		
Supportive Housing Program:		
Primary Health Care Street Outreach #IA0042L7D021306 July 1, 2014 - June 30, 2015	14.235	86,617
West Des Moines Human Services #IA0043L7D021204 August 1, 2013 - July 31, 2014	14.235	1,260
West Des Moines Human Services #IA0043L7D021305 August 1, 2014 - July 31, 2015	14.235	72,485
Primary Health Care Enhancement #IA0036L7D021306 July 1, 2014 - June 30, 2015	14.235	248,449
Buchanan Transitional Living Center #IA0039L7D021204 December 1, 2013 - November 30, 2014	14.235	26,227
Buchanan Transitional Living Center #IA0039L7D021305 December 1, 2014 - November 30, 2015	14.235	56,644
Lighthouse Host Home #IA0040L7021306 March 1, 2014 - February 28, 2015	14.235	148,910
Lighthouse Host Home #IA0040L7021407 March 1, 2015 - February 28, 2016	14.235	65,404
House of Mercy #IA0038L7D021306 May 1, 2014 - April 30, 2015	14.235	239,040
House of Mercy #IA0038L7D021407 May 1, 2015 - April 30, 2016	14.235	2,630
House of Mercy - Capitol Park #IA0037L7D021306 March 1, 2014 - February 28, 2015	14.235	151,389
House of Mercy - Capitol Park #IA0037L7D021407 March 1, 2015 - February 28, 2016	14.235	3,107
HMIS #IA0041B7D021205 November 1, 2013 - October 31, 2014	14.235	23,662
HMIS #IA0041B7D021306 November 1, 2014 - October 31, 2015	14.235	62,737
West Des Moines Transitional Hsg 2 #IA0032B7D021203 December 21, 2013 - December 20, 2014	14.235	13,342
West Des Moines Transitional Hsg 2 #IA0032B7D021304 December 21, 2014 - December 20, 2015	14.235	16,045
Anawim Permanent Supportive Hsg #IA0067B7D021100 May 1, 2013 - October 31, 2014	14.235	44,796
Anawim Permanent Supportive Hsg #IA0067B7D021302 November 1, 2014 - April 30, 2015	14.235	79,194
CoC Planning #IA0070L7D021200 October 1, 2014 - September 30, 2015	14.235	9,917
CoC Planning #IA0070L7D021300 November 1, 2014 - October 30, 2015	14.235	18,425
Shelter Plus Care - Anawim Housing #IA0034L7D021306 April 20, 2014 - April 19, 2015	14.238	746,511
Shelter Plus Care - Anawim Housing #IA0034L7D021407 April 20, 2015 - April 19, 2016	14.238	164,164
Shelter Plus Care - Anawim Housing #IA0035L7D021306 April 5, 2014 - April 4, 2015	14.238	198,809
Shelter Plus Care - Anawim Housing #IA0035L7D021407 April 5, 2015 - April 4, 2016	14.238	38,302

(Continued)

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2015

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/14 - 6/30/15)
U.S. Department of Housing and Urban Development (continued)		
Shelter Plus Care - Anawim Housing #IA0057C7D021000 December 12, 2011 - December 11, 2016	14.238	38,583
Shelter Plus Care - Anawim Housing #IA0058C7D01000 December 12, 2011 - December 11, 2016	14.238	57,535
Shelter Plus Care - YMCA #IA0050C7D020900 April 25, 2011 - April 24, 2016	14.238	60,085
Shelter Plus Care - YMCA #IA0068C7D021100 April 1, 2013 - March 31, 2018	14.238	43,984
Shelter Plus Care - YMCA #IA0071L7D021200 April 1, 2014 - March 31, 2017	14.238	24,581
Emergency Shelter Grant Program:		
Program Year: 2013 Contract Number: S-13-MC-19-0001 January 1, 2013 - December 31, 2013	14.231	163,725
Program Year: 2014 Contract Number: S-14-MC-19-0001 January 1, 2014 - December 31, 2014	14.231	191,664
Home Investment in Affordable Housing:		
Program Year: 2012 Contract Number: M-12-MC-19-0201 March 31, 2012 - March 31, 2017	14.239	478,344
Program Year: 2013 Contract Number: M-13-MC-19-0201 March 31, 2013 - March 31, 2018	14.239	146,202
Program Year: 2014 Contract Number: M-14-MC-19-0201 March 31, 2014 - March 31, 2019	14.239	239,443
Program Year: 2015 Contract Number: M-15-MC-19-0201 March 31, 2015 - March 31, 2020 (Passed through Iowa Community Action Association)	14.239	36,252
Tenant Based Rental Assistance	14.239	72,720
Total U.S. Department of Housing and Urban Development		\$ 10,286,917

U.S. Department of Justice

Public Safety and Community Policing Grants:		
Edward Byrne Memorial Justice Assistance Grant Grant #2011DJBX2322	16.738	\$ 11,195
Edward Byrne Memorial Justice Assistance Grant Grant #2012DJBX0497	16.738	51,021
Edward Byrne Memorial Justice Assistance Grant Grant #2013DJBX0243	16.738	26,565
Edward Byrne Memorial Justice Assistance Grant Grant #2014DJBX0212	16.738	9,450
Cops Meth Hotspots Grant Grant #10-HotSpots/Interdiction-1	16.710	16,679
COPS Hiring Grant Grant #2013ULWX009	16.710	91,514

(Continued)

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2015

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/14 - 6/30/15)
U.S. Department of Justice (continued)		
State and Community Highway Safety Program:		
Community Prosecution and Project Safe Neighborhoods Anti-Gang Initiative #11PSN-SD07	16.609	6,000
Total U.S. Department of Justice		\$ 212,424
U.S. Department of Transportation		
Governor's Traffic Safety Program:		
(Passed through the Iowa Department of Public Safety)		
Governor's Traffic Safety Program Contract Number: PAP 14-410 October 1, 2013 - September 30, 2014	20.600	\$ 31,709
Governor's Traffic Safety Program Contract Number: PAP 15-410 October 1, 2014 - September 30, 2015	20.600	122,080
Highway Research, Planning, and Construction:		
(Passed through the Iowa Department of Transportation)		
SE Connector Paving - SE 9th to SE 15th NHSX-U-1945(408)--8S-77	20.205	1,483,686
E. Indianola Widening E Porter Ave to E. McKinley Ave STP-U-1945(746)--70-77	20.205	1,976,066
Beaver Avenue Streetscape from Beaver Crest to Fagen Drive STP-E-1945(804)--8V-77	20.205	307,985
S.E. Connector - SE 15th to SE 30th NHS-U-1945(409)--8G-77	20.205	5,196,019
SW 9th Street Widening from Titus Ave to Kenyon Ave HSIP-1945(789)--8X-77	20.205	404,022
Traffic Observation Camera and Downtown CMS Upgrades STP-A-1945(805)--86-77	20.205	166,052
Des Moines B-Cycle Expansion STP-A-1945(806)--86-77	20.205	78,700
SW 9th Street Widening from Titus Avenue to Kenyon Avenue STP-U-1945(797)--70-77	20.205	469,067
Euclid Avenue Intersection Improvements at Cornell, Oxford, and 11th Street STPN-6-4(162)--2J-77	20.205	166,309
East Payton Avenue over Stream BROS-1945(811)--8J-77	20.205	451,596
School Flasher System Upgrade CS-TSF-1945(795)--85-77	20.205	140,000
Waveland Trail - I235 to University TAP-T-1945(807)--8V-77	20.219	250,000
Total U.S. Department of Transportation		\$ 11,243,291

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2015

FEDERAL GRANTOR, PROGRAM TITLE, PROJECT/GRANT NUMBER, AND PROGRAM YEAR	FEDERAL PROGRAM NUMBER	TOTAL EXPENDITURES (7/1/14 - 6/30/15)
U.S. Department of Homeland Security		
U.S. Federal Emergency Management Agency		
(Passed through the IA Dept of Homeland Security)		
2014 EOD Bomb Homeland Security Grant Agreement #HSGO-14-SHSP-32	97.067	\$ 99,438
2013 SWAT/WMD Homeland Security Grant Agreement #HSGP-13-SHSP-15	97.067	403,360
Assistance to Firefighters Award #EMW-2012-FO-02534	97.044	55
(Passed through Polk County)		
2013 WMD Homeland Security Grant Grant #HSGP-13-SHSP-13	97.067	8,486
(Passed through the IA Dept of Homeland Security)		
Federal Disaster Declaration #1763 HMGP-DR-1880-0034	97.036	280,527
Total U.S. Department of Homeland Security		\$ 791,866
Other		
Office of National Drug Control Policy		
(Passed through the Iowa Department of Public Safety)		
High Intensity Drug Traffic Area Contract Number: G13WM0002A February 1, 2013 - July 31, 2014	95.001	\$ 77
High Intensity Drug Traffic Area Contract Number: G14WM0002A February 1, 2014 - July 31, 2015	95.001	25,857
High Intensity Drug Traffic Area Contract Number: G14WM0002A February 1, 2014 - July 31, 2015	95.001	53,413
Total Other		\$ 79,347
Total All Federal Grants		\$ 26,296,087

City of Des Moines, Iowa

**Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Des Moines, Iowa for the year ended June 30, 2015. The accompanying schedule of expenditures of federal awards does not include any awards pertaining to the Municipal Housing Agency, an enterprise fund of the City, which is reported under separate cover. All other federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies expended during the year is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2. Significant Accounting Policies

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

Note 3. Subrecipients

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grant	14.218	\$ 301,453
Emergency Shelter Grant Program	14.231	318,389
Supportive Housing Program	14.235	1,313,276
Shelter Plus Care	14.238	1,372,554
Edward Byrne Memorial Justice Assistance Grant	16.738	21,783

City of Des Moines, Iowa

Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Note 4. Total by Program

The total expenditures by program are as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Total Expenditures</u>
Community Services Block Grant	93.569	\$ 623,280
Low-income Home Energy Assistance Block Grant	93.568	3,058,962
Community Development Block Grant	14.228	2,919,201
Supportive Housing Program	14.235	1,370,280
Shelter Plus Care	14.238	1,372,554
Emergency Shelter Grant Program	14.231	355,389
Home Investment in Affordable Housing	14.239	972,961
Edward Byrne Memorial Justice Assistance Grant	16.738	98,231
Public Safety Partnership and Community Policing Grants	16.710	108,193
Governor's Traffic Safety Program	20.600	153,789
Highway Research, Planning and Construction	20.205	10,839,502
Homeland Security Grant	97.067	511,284

City of Des Moines, Iowa

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015**

Comment Number	Comment	Status	Corrective Action or Other Explanation
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Statutory Reporting:

IV-A-14	Expenditures exceeded budget in community and economic development and transfers out functions.	Corrected	
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RSM US LLP

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Des Moines, Iowa (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 25, 2016. The City's June 30, 2015 financial statements have been restated due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our report includes reference to other auditors who audited the financial statements of the Des Moines Airport Authority and the Des Moines Public Library Foundation, which are discretely presented component units, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by the Des Moines Airport Authority auditors. The financial statements of the Des Moines Public Library Foundation were not audited in accordance with *Government Auditing Standards*.

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

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2015-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

Comments involving statutory or other legal matters about the City's operations for the year ended June 30, 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 or other legal matters are not intended to constitute legal interpretations of those statutes.

The City's Response to the Finding

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. 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 them.

Purpose of this Report

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

RSM US LLP

Des Moines, Iowa
January 25, 2016

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited the City of Des Moines, Iowa's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the financial statements of the Des Moines Airport Authority and the Des Moines Public Library Foundation which were audited by other auditors. Accordingly, our audit, described below, does not extend to this discretely presented component units.

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

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

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

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

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

RSM US LLP

Des Moines, Iowa
January 25, 2016

City of Des Moines, Iowa

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2015**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes No

Significant deficiencies identified?

Yes None Reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

Yes No

Significant deficiencies?

Yes None Reported

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

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

Yes No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Program
14.235	Supportive Housing Program
93.568	Low-Income Home Energy Assistance Program

Dollar threshold used to distinguish between type A and type B programs: \$788,882

Auditee qualified as low-risk auditee?

Yes No

(Continued)

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2015

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

A. Internal Controls

2015-001

Finding: The City's schedule of expenditures of federal awards for the fiscal year ended June 30, 2015 was adjusted by \$3,534,224 for the highway research, planning and construction grants as the schedule was originally overstated due to state grant monies being improperly included in the schedule.

Criteria: OMB Circular A-133 requires grant recipients to report all federal expenditures on the schedule of expenditures of federal awards.

Condition and context: The City improperly included state grant expenditures as federal grant expenditures on the original schedule of expenditures of federal awards for the fiscal year ended June 30, 2015 based on information received from the engineering department of the City. The schedule of expenditures of federal awards was subsequently adjusted to remove the state grant expenditures.

Effect: Improper reporting of federal expenditures can result in the suspension of funding.

Cause: The engineering department improperly included the state expenditures with the federal expenditures provided to the finance department to include in the schedule of expenditures of federal awards.

Recommendation: We recommend that the City departments tracking grants establish a process to review grant awards to properly determine if the grant is a federal grant before inclusion on the schedule of expenditures of federal awards.

Response and corrective action plan: The City will expand the grant review process to include looking at the monthly activity to ensure it is properly recorded in the revenue accounts and compare it to the budgeted amounts.

B. Compliance Findings

None reported

III. Findings and Questioned Costs for Federal Awards

A. Internal Controls

None reported

B. Compliance Findings

None reported

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2015

IV. Other Findings Related to Required Statutory Reporting

IV-A-15

Certified budget: Expenditures for the year ended June 30, 2015 exceeded the community and economic development and general government budgeted amounts. Chapter 384.20 of the Code of Iowa states in part that public monies may not be expended or encumbered except under an accrual or continuing appropriation.

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

Response and corrective action plan: The City will work to eliminate any overages in the budget.

IV-B-15

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

IV-C-15

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

IV-D-15

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

IV-E-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 ensure the coverage is adequate for current operations.

IV-F-15

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

IV-G-15

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

IV-H-15

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

IV-I-15

Urban renewal annual report: The urban renewal annual report was properly approved and certified to the Iowa Department of Management on or before December 1.

City of Des Moines, Iowa

**Corrective Action Plan
Year Ended June 30, 2015**

Comment Number	Comment	Corrective Action Plan	Contact Person	Anticipated Date of Completion
Finding Related to the Financial Statement Audit				
2015-001	The City's schedule of expenditures of federal awards for the fiscal year ended June 30, 2015 was originally overstated by \$3,534,224.	See corrective action plan at 2015-001.	Finance Director	June 30, 2016
Statutory Reporting				
IV-A-15	Expenditures exceeded budget in community and economic development and general government functions.	See response and corrective action plan at IV-A-15.	Finance Director	June 30, 2016