Annual Report

Fiscal Year Ended June 30, 2015

Comprehensive Annual Financial Report

west des moines, iowa

CITY OF WEST DES MOINES, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2015

Prepared by the Finance Department

CITY OF WEST DES MOINES
2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Table of Contents

INTRODUCTORY SECTION
Letter of Transmittal 7-10
GFOA Certificate of Achievement for Excellence in Financial Reporting 11
Elected and Appointed Officials 12
Organizational Chart 13

FINANCIAL SECTION
Independent Auditor's Report 17-19
Management's Discussion and Analysis 20-30
Basic Financial Statements
Government-wide Financial Statements:
Statement of Net Position 32-33
Statement of Activities 34-35
Fund Financial Statements:
Balance Sheet – Governmental Funds 36
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 37
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds 38
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 39
Statement of Net Position – Proprietary Funds 40-41
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds 42
Reconciliation of the Change in Net Position – Proprietary Funds to the Statement of Activities 42
Statement of Cash Flows – Proprietary Funds 44-45
Statement of Assets and Liabilities – Agency Funds 46
Notes to Basic Financial Statements 47-78
Required Supplementary Information:
Schedule of Funding Progress for the Retiree Health Plan 79
Schedule of the City's Proportionate Share of Net Pension Liability – IPERS 80
Schedule of City Contributions – IPERS 81
Notes to the Required Supplementary Information – Pension Liability – IPERS 82-83
Schedule of the City's Proportionate Share of Net Pension Liability – MFPRSI 84
Schedule of City Contributions – MFPRSI 85
Notes to the Required Supplementary Information – Pension Liability – MFPRSI 85
Budgetary Comparison Schedule – Budget to Actual – All Governmental Funds and Proprietary Funds 86
Note to Required Supplementary Information – Budgetary Reporting 87
Required Supplementary Information – Modified Approach 88-90
Combining Financial Statements
Nonmajor Governmental Funds:
Combining Balance Sheet 92-93
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) 94-95
Internal Service Funds:
Combining Statement of Net Position 96
Combining Statement of Revenues, Expenses and Changes in Net Position 97
Combining Statement of Cash Flows 98-99
Agency Funds
Combining Statement of Assets and Liabilities 100
Combining Statement of Changes in Assets and Liabilities 101

TABLE OF CONTENTS (continued)

STATISTICAL SECTION (UNAUDITED)

Statistical Section Contents 105
Net Position by Component 106
Changes in Net Position 107-109
Program Revenues by Function/Program 110
Fund Balances, Governmental Funds 111
Changes in Fund Balances, Governmental Funds 112-113
General Government Tax Revenues by Source 114
Assessed Value and Estimated Actual Value of Taxable Property 115
Direct and Overlapping Property Tax Rates - Per $1,000 of Assessed Valuation 116-117
Principal Property Taxpayers 118
Property Tax Levies and Collections 119
Outstanding Debt, by Type 120
Ratios of General Obligation Bonded Debt 121
Direct and Overlapping Governmental Activities Debt 122
Legal Debt Margin Information 123
Pledged-Revenue Coverage 124
Demographic and Economic Statistics 125
Principal Employers 126
Full-Time Equivalent City Government Employees, by Function/Program 127
Operating Indicators by Department 128-129
Capital Asset Statistics by Department 130-131

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 135-136

Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133 137-138

Schedule of Expenditures of Federal Awards 139-140
Notes to the Schedule of Expenditures of Federal Awards 141
Schedule of Findings and Questioned Costs 142-144
Corrective Action Plan 145
Summary Schedule of Prior Federal Audit Findings 146

INTRODUCTORY SECTION

THE CITY OF
West Des Moines®
www.wdm.iowa.gov

Finance Department

4200 Mills Civic Parkway
P.O. Box 65320
West Des Moines, IA 50265-0320

515-222-3600
FAX 515-222-3640

'Aaa'
Credit Rating
Moody's

'AAA'
Credit Rating
Standard & Poor's

December 21, 2015

Honorable Mayor, Members of the City Council, and
Citizens of the City of West Des Moines, Iowa:

Chapter 11 of the *Code of Iowa* requires the City of West Des Moines (the "City") to publish a complete set of audited financial statements within nine months of the close of each fiscal year. This comprehensive annual financial report has been published to fulfill this requirement for the fiscal year ended June 30, 2015.

This report consists of management's representations concerning the finances of the City. Management assumes full responsibility for the completeness and reliability of all the information, based upon a comprehensive framework of internal control established for this purpose. The cost of internal controls should not exceed anticipated benefits; therefore, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Eide Bailly LLP, a firm of licensed certified public accountants, has issued an unmodified opinion on the statements which has been published herein, immediately preceding the financial section of the report.

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

Profile of the City

The City was incorporated as Valley Junction in 1893, changed its name to West Des Moines in 1938, and is now the largest suburb of Iowa's capital city of Des Moines. Centrally located in Iowa, the City is currently comprised of approximately 47.5 square miles spanning portions of Polk, Dallas, Warren, and Madison counties.

The number of residents in the City continues to grow at a rapid pace. The 2015 population, as estimated by the United States Census Bureau, is 62,690 residents. This represents an increase of 10.7% since the 2010 Census and an increase of 35.1% since 2000. A special census being conducted in 2015 will provide a complete count of residents.

Policy-making and legislative authority in the City of West Des Moines are vested in a governing council. The City Council consists of a mayor and five council members; all are elected on a non-partisan basis. Three of the council members are elected by ward and two, as well as the mayor, elected at large. For continuity purposes, the mayor and council members serve four-year staggered terms with elections held every two years. The City Council makes policy decisions for the City through the enactment of ordinances, resolutions and motions. The Council is also responsible for adopting operating and capital budgets, appointing committees, hiring a city manager and city attorney, and appointing a city clerk.

The City Manager, as the City's chief administrative officer, is responsible for implementing policy decisions of the Council, overseeing day-to-day operations, and hiring department directors. Departments of the City include Community & Economic Development, Development Services, Emergency Medical Services, Engineering, Finance, Fire, Human Services, Parks & Recreation, Police, and Public Works. The City also maintains a public library which, through state statute, is governed by a separate Board of Trustees. However, the library and its employees are also considered a city department as they are budgeted funds by the City Council and routinely follow the general operating policies and procedures implemented by the City.

Public elementary and secondary education services for residents are provided by six separate school districts – Des Moines, Norwalk, Van Meter, Waukee, West Des Moines, and Winterset – while public water services are provided either by the West Des Moines Water Works or the Des Moines Water Works. Each of the school districts or water works entities have the ability to issue separate debt which is not an obligation of the City; therefore the financial statements of these entities have not been included in this report.

The annual budget serves as the foundation for the City's financial planning and control. Each fall, staff from each of the City's departments will submit requests and discuss needs for budgetary appropriation related to the upcoming fiscal year. Using these requests, as well as personnel expense, benefit expense, and revenue projections produced by the finance department, the city manager prepares a preliminary budget. This is presented to the Mayor and City Council for discussion during workshops and public hearings, before ultimately approving a budget. By state statute, this budget must be adopted and filed with the State prior to March 15th of each year. The state mandates legal spending control at the function level, which consists of Public Safety, Public Works, Health and Social Services, Culture and Recreation, Community and Economic Development, General Government, Capital Projects, Debt Service, and Business-type.

Local Economy

Based in 2014 US Census estimates, West Des Moines is currently the 7th largest city in Iowa by population, up from 9th place in the previous year. By contrast, it currently ranks 3rd overall in terms of taxable retail sales, 3rd in terms of property valuations, and 2nd in the collection of hotel/motel tax revenues. The median household income in the City continues to exceed both the national and state averages. According to the US Census Bureau, at the end of 2014 median household income in the City was $71,940, which compares to the State of Iowa median of $51,843 and the national median of $53,482.

West Des Moines continued to grow high quality jobs and during the past year the housing market in West Des Moines saw accelerated construction on many major developments, particularly with a number of multi-family projects in various stages of development. Among commercial development, during the fiscal year ended June 30, 2015, construction work began on the first phase of the Microsoft Alluvion Data Center, a project that, when fully constructed over four phases, will represent a total investment of approximately $1.2 billion by the company at the site. Included in the project are construction costs of approximately $240 million. This will be the second major data center constructed by Microsoft in West Des Moines, as the third phase of its Mountain Data Center was recently completed as well.

On the heels of a very successful fiscal year 2014 that saw building permits for construction valued in excess of $404 million, fiscal year 2015 saw over $471 million in construction valuation issued through building permits. These totals represent the second and third highest years in the City's history.

The City places an emphasis on a creative but sound economic development strategy which offers plans to businesses seeking to grow within or relocate to the City. In this regard, the City Council continued its policy of providing partial tax rebate and job creation incentives to industrial businesses that expand or improve their facilities, however residential tax abatement or complete tax rebates are not measures that the City has felt forced to implement.

Relevant Financial Policies and Long-term Financial Planning

The City continues to be cautious when estimating property tax revenue, ancillary revenue, and investment returns, as well as use conservative expense figures to establish rates and balance the budget into upcoming fiscal years. These tactics ensure that adequate funding for services will be available in future budget cycles.

For budgetary and planning purposes, management strives to maintain an unassigned, undesignated general fund balance equal to or slightly exceeding 25 percent of total general fund expenditures. These funds are necessary to meet cash flow needs during the initial months of the new fiscal year as property tax revenue, the primary source of funding for general operations, is collected semi-annually with the respective county treasurers remitting the vast majority of those taxes to the City in the months of October and April.

During the annual budgeting process, the City evaluates the property tax rate for comparison to other cities of similar size and to determine that there will be sufficient revenue to provide the services deemed necessary by the City Council. Fees and charges for services are also evaluated annually to ensure they keep pace with the cost of providing these specific services. The City strives to maintain or increase its diversified revenue sources, to provide for greater financial stability.

Included in the operating budget are costs associated with the City's capital equipment replacement schedule. This money is set-aside annually to ensure funding is available for the timely replacement of vehicles and heavy equipment that are no longer cost effective to maintain. In addition, during each budget cycle the City Council and staff update the City's multi-year capital improvement plan, including funding of priority projects, based on community input and other data. Among the data available is information from a street management system which assesses and prioritizes street maintenance needs over a multi-year cycle.

The City has established four measures in regard to the issuance of debt. First, the City prefers to limit the amount of general obligation debt issued to one-half of the constitutionally allowed debt limit. Second, the City strives to maintain bonded debt below $1,000 per capita. Third, a debt issuance that is not voted on by the taxpayers should not necessitate an increase in the property tax rate. Finally, the debt service property tax rate will be maintained at or near $1.95 per $1,000 of valuation.

Major Initiatives and Accomplishments

On March 5, 2015, Standard and Poors reaffirmed the City's AAA Bond rating. Prior to that, on July 22, 2014, Moody's Investor Services reaffirmed the City's Aaa bond rating. The City continues to hold the highest available rating from both Moody's Investor Services and Standard and Poor's rating. Each of the agencies cites the City's financial positions and conservative fiscal management as strengths.

As of June 30, 2015, the City was one of approximately 100 in the United States to have the distinction of carrying the highest rating from both Moody's and Standard & Poor's. The City's financial positions remained strong and for the fiscal year ended June 30, 2015, the City reported a general fund surplus of approximately $1.5 million, which brought the general fund reserves to $26.7 million, or 51.9% of annual general fund operating expenditures. Since 2008, the City has successfully refinanced several of its general obligation bond issuances and as a result has netted over $6.8 million of net present value interest savings.

Financial Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West Des Moines for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. This was the 22nd consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

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

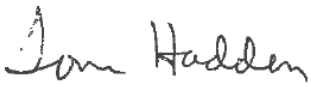
Additionally, for the 16th consecutive year the City received the GFOA's Distinguished Budget Presentation Award for its annual budget document related to the fiscal year beginning July 1, 2014. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged and deemed proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

Acknowledgements

Elected officials and staff take great pride in providing high quality municipal services, including transparent and clear financial reporting and budgeting. The City's continued recognition of reporting excellence by the GFOA, the City's continuing AAA bond rating, and a #1 ranking by the Des Moines Business Record as the most conducive city for business in Central Iowa for seventeen consecutive years, are all reflective of competiveness, efficiency, and attention to detail.

Preparation of this report was accomplished through the dedicated services provided by the Finance Department staff. We would like to express our appreciation to all members of the department who assisted with the audit and contributed to the preparation of this report, including our audit firm Eide Bailly LLP. Likewise, we wish to extend our sincere appreciation to the Mayor and members of the City Council for their interest in and support of our efforts to conduct the City's financial operations in the most responsible and progressive manner.

Respectfully submitted,



Tom Hadden
City Manager

Tim Stiles
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of West Des Moines

Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

City of West Des Moines, Iowa

List of Principal Officials
As of June 30, 2015

Elected Officials

Steven K. Gaer	Mayor	Term Expires December 31, 2017
Rick Messerschmidt	Councilmember, At Large	Term Expires December 31, 2017
James Sandager	Councilmember, At Large	Term Expires December 31, 2015
Kevin Trevillyan	Councilmember, Ward 1	Term Expires December 31, 2017
John Mickelson	Councilmember, Ward 2	Term Expires December 31, 2015
Russ Trimble	Councilmember, Ward 3	Term Expires December 31, 2017

Appointed Officials

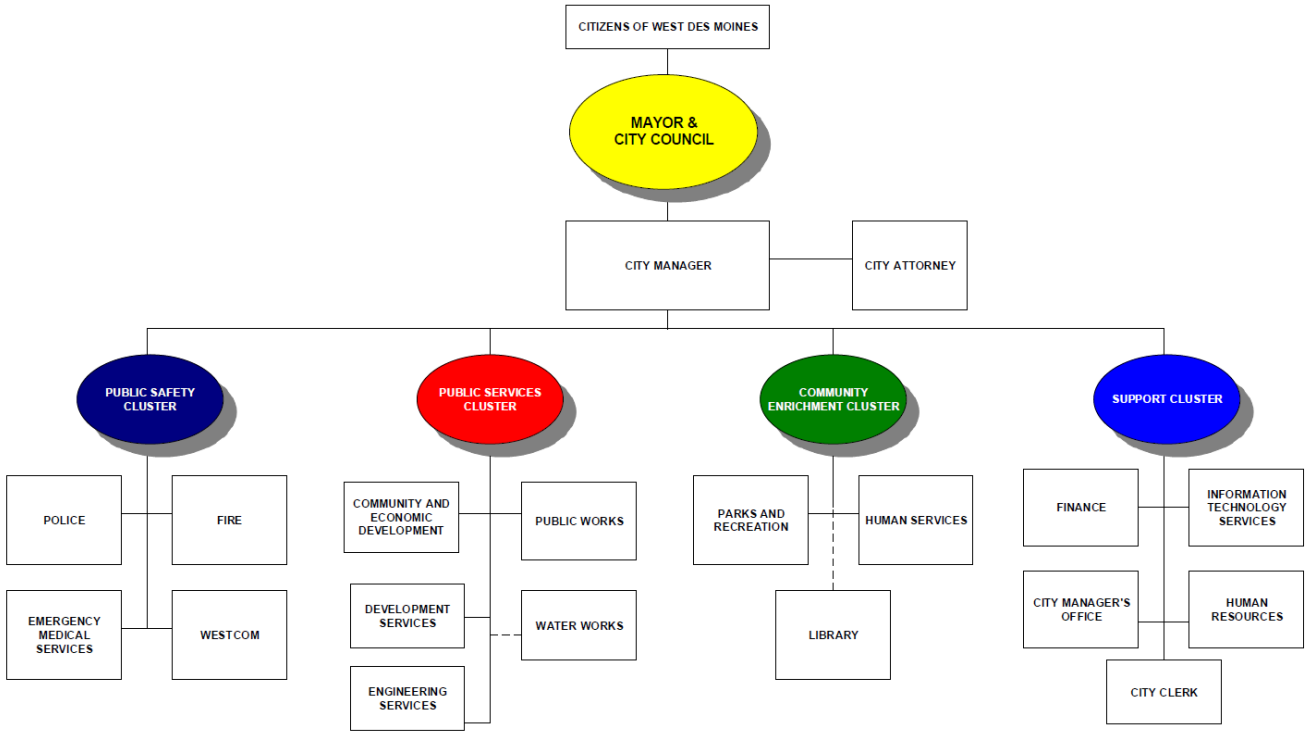
Tom Hadden, City Manager

Ryan Jacobson, City Clerk

Richard J. Scieszinski, City Attorney

City of West Des Moines, Iowa

Organizational Chart
As of June 30, 2015



---- Indicates Reports to Board

This page is intentionally blank.

FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Des Moines, Iowa, 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 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 Audit Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

www.eidebailly.com
1545 Associates Dr., Ste. 101 | Dubuque, IA 52002-2299 | T 563.556.1790 | F 563.557.7842 | EOE

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Des Moines, Iowa, as of June 30, 2015, and the respective changes in financial position and, where, applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter
As discussed in Notes 1 and 17 to the financial statements, the City has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of July 1, 2014. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 21, 2015, on our consideration of the City of West Des Moines, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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.

Eide Bailly LLP

Dubuque, Iowa
December 21, 2015

As management of the City of West Des Moines, Iowa (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City 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 is located in the Introductory Section at the front of this report.

Financial Highlights

At June 30, 2015, assets of the City exceeded liabilities and deferred inflows by $552 million. Of this amount, $48 million is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. By comparison, for the fiscal year ended June 30, 2014, assets exceeded liabilities by $559 million, of which $86 million was unrestricted.

The City's total net position decreased by $7 million during the fiscal year ended June 30, 2015. Governmental activities decreased $14 million and business-type activities increased $7 million. The City continues to be able to report positive balances in all three categories of net position; for the government as a whole, as well as its separate governmental and business-type activities.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $93 million, an increase of $36 million from the end of the previous fiscal year. The unassigned portion of the City's fund balance, which is available for spending at the City's discretion, totaled $26.2 million at June 30, 2015, increasing $1.0 million from the balance at the end of the prior fiscal year.

In conjunction with the issuance of 2015 Series A, B, and C General Obligation Bonds, Standard and Poor's reaffirmed the City's AAA bond rating on March 5, 2015. The City continues to hold the highest available rating from both Standard & Poor's Rating Service and Moody's Investor Services. The Moody's Investor Services rating was last reaffirmed on July 22, 2014. Each of the agencies cites the City's financial position and conservative fiscal management as strengths.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other supplementary information.

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

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

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

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

The government-wide financial statements include only those balances of the City of West Des Moines, as the *primary government*. The West Des Moines Community School District, the Waukee Community School District, the Des Moines Independent School District, the Norwalk Community School District, the Van Meter Community School District, the Winterset Community School District, and West Des Moines Water Works provide services to the citizens of West Des Moines but do not meet established criteria to be component units of the City, and thus are not included in this report.

The government-wide financial statements can be found on pages 32 through 35 of this report.

Fund financial statements. A *fund* is defined as 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 West Des Moines, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds, which are described in further detail as follows:

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, government fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements, and is typically the basis used in developing the next annual budget.

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 City's near term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

The City maintains fourteen individual governmental funds. Information is presented separately in the *Balance Sheet - Governmental Funds* and in the *Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds* for the General Fund, Road Use Tax Fund, Tax Increment Financing Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation under the column heading *Nonmajor Governmental Funds*. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City presents budgetary information as allowed by GASB Statement No. 41. The City adopts an annual appropriated budget for the activity of all funds except agency funds. Formal and legal budgetary control as required by state statute is based upon nine major classes of expenditures known as functions, not by fund or fund type.

The basic governmental fund financial statements can be found on pages 36 through 39 of this report.

Proprietary funds consist of two different types of funds. *Enterprise funds* are used to report the same functions presented as *business-type* activities in the government-wide financial statements. The City uses enterprise funds to account for sanitary sewer system, storm water, and solid waste activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City utilizes four internal service funds to account for its vehicle replacement, vehicle maintenance, health and dental insurance program, and workers' compensation program. Because these services predominantly benefit governmental rather

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the major sanitary sewer operations fund, the major storm water operations fund, and the nonmajor solid waste operations fund. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for internal service funds is provided as combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 40 through 45 of this report.

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 statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 46 of this report.

Notes to basic financial statements. The notes included herein provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 47 through 78 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also provides certain *required supplementary information* concerning the City, including progress in funding its obligation to provide retiree healthcare, the City's proportionate share of the net pension liability and related contributions for both of the City's pension plans, a budgetary comparison based on the City's legal level of budgetary control, and infrastructure condition and maintenance records which are required as the City has elected to use the modified approach for reporting much of its infrastructure. This approach to recording infrastructure is explained in detail on page 27, while other required supplementary information can be found on pages 88 through 90 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on infrastructure. Combining statements and schedules can be found on pages 91 through 100 of this report.

Government-Wide Financial Analysis

Net position may serve as a useful indicator of a government's financial standing. At June 30, 2015, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows by $552 million. The City's Net Position is allocated on the basis of function and categorized as either supporting a governmental or business-type purpose. A summary of Net Position follows and is discussed below.

City of West Des Moines
Net Position
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015
Assets						
Current and other assets	$ 140,719	$ 183,117	$ 46,977	$ 50,254	$ 187,696	$ 233,371
Capital assets, net of depreciation	441,767	449,920	78,215	82,859	519,982	532,779
Total assets	582,486	633,037	125,192	133,113	707,678	766,150
Deferred Outflows - Pension Related	-	5,499	-	162	-	5,661
Liabilities						
Current liabilities	20,663	31,530	620	862	21,283	32,392
Long-term liabilities outstanding	68,541	118,305	100	879	68,641	119,184
Total liabilities	89,204	149,835	720	1,741	89,924	151,576
Deferred Inflows						
Unavailable revenue, property taxes	58,301	58,649	-	-	58,301	58,649
Pension related	-	9,279	-	300	-	9,579
Total deferred inflows	58,301	67,928	-	300	58,301	68,228
Net position						
Net investment in capital assets	368,581	389,657	78,215	82,859	446,796	472,516
Restricted net position	26,436	29,399	-	1,682	26,436	31,081
Unrestricted net position	39,963	1,717	42,257	46,693	86,220	48,410
Total net position	$ 434,980	$ 420,773	$ 124,472	$ 131,234	$ 559,452	$ 552,007

2014 amounts were not restated to reflect the adjustment to net position for the implementation of GASB statement 68.

The largest portion of the City's net position (85% of the total) represents its investment in capital assets (e.g., land, buildings, equipment, and infrastructure), less all outstanding debt used to acquire those assets. The City uses the capital assets to provide services to its citizens; consequently these assets are *not* available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to cover the liabilities. Overall, the net investment in capital assets increased $25.7 million from the previous year. The increases were in support of both governmental activities and business-type activities and are indicative of the City's ongoing commitment to provide quality infrastructure assets in the community, and its effort to aggressively repay debt related to those assets.

An additional portion of the City's net position (6% of the total) represents resources that are subject to external use restrictions. These amounts fluctuate annually based on the timing of restricted revenue and completion of the restricted projects or activities. Total restricted net position increased $4.6 million during the fiscal year ended June 30, 2015.

The remaining balance of net position (9% of the total) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. Unrestricted net position decreased $37.8 million during the fiscal year ended June 30, 2015. The largest portions of this change is due to GASB 68-related requirements to account for unfunded employee pension liabilities, while economic incentives paid using bond proceeds contributed as well. These incentives were paid to Microsoft in support of development of their Alluvion project and the bonds are backed by a minimum assessment agreement on the property which will ensure tax revenues in future years.

A summary of the City's Changes in Net Position during the fiscal years ended June 30, 2014 and 2015, follows and is discussed below:

Changes in Net Position
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
Revenues	2014	2015	2014	2015	2014	2015
Program revenues:						
Charges for services	$ 9,935	$ 10,567	$ 14,253	$ 14,132	$ 24,188	$ 24,699
Operating grants and contributions	9,655	10,669	-	-	9,655	10,669
Capital grants and contributions	3,782	8,443	2,255	5,157	6,037	13,600
General revenues:						
Property taxes	57,929	57,601	-	-	57,929	57,601
Other taxes	4,313	4,600	-	-	4,313	4,600
Earnings on investments	150	116	110	90	260	206
Other	1,189	2,989	-	-	1,189	2,989
Total revenues	86,953	94,985	16,618	19,379	103,571	114,364
Expenses						
General government	6,652	6,952	-	-	6,652,	6,952
Public safety	26,054	26,909	-	-	26,054	26,909
Public works	12,357	12,867	-	-	12,357	12,867
Health and social services	1,114	1,221	-	-	1,114	1,221
Culture and recreation	10,110	11,107	-	-	10,110	11,107
Community and economic development	8,659	21,653	-	-	8,659	21,653
Interest on long-term debt	3,743	2,345	-	-	3,743	2,345
Sanitary sewer	-	-	8,799	9,350	8,799	9,350
Solid waste	-	-	1,839	1,507	1,839	1,507
Storm water	-	-	1,598	1,886	1,598	1,886
Total expenses	68,687	83,054	12,236	12,743	80,924	95,797
Change in net position before transfers	18,266	11,931	4,382	6,636	22,647	18,567
Transfers	(852)	(1,103)	852	1,103	-	-
Change in net position	$ 17,413	$ 10,828	$ 5,234	$ 7,739	$ 22,647	$ 18,567

Governmental Activities. Governmental revenues in the current year increased by $8.0 million, or 9.2%. Building permit revenues continued to be very strong and other fee-based revenues remained largely stable. The City's overall property tax revenue decreased just slightly; however revenue from capital grants and other outside funding was $4.7 million more than the previous year.

Governmental Expenses increased $14.4 million, or 20.9% from the prior fiscal year. $11.0 million of this increase was due to the economic development incentive payments made to Microsoft, and the largest portion of the balance was due to rising employee costs across all departments.

Business-Type Activities. Revenue received through Charges for Services decreased by $0.1 million, or approximately 0.8%, in the current year. Capital Grant revenues, which can swing dramatically based on available grant programs, increased by $2.9 million, or approximately 228%. Business-Type Expenses increased by $0.5 million, or approximately 4.1% based on sewer and solid waste usage. These increases are expected based on pre-determined rate increases which were developed as part of a long-term funding strategy.

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

Financial Analysis of the Government's Fund Financial Statements

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

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

The City's governmental funds reported combined fund balances of $93,058,303 as of June 30, 2015. Of this total $26,202,982 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. $535,023 of the balance is unspendable as the underlying asset is being held for resale, and the remainder of the fund balance is not available for new spending because it has already been restricted either (1) by legal requirements for debt service payments ($6,296,984); (2) for urban renewal and development in Tax Increment Financing Districts ($5,579,040); (3) for liquidation of contracts for capital improvements ($49,225,848); or (4) various other purposes ($5,218,426).

The unassigned balance of the General Fund, the chief operating fund of the City, increased $904,644, or 3.6%, to a total of $26,202,982 at June 30, 2015. As a measure of the General Fund's liquidity, it is generally useful to compare unassigned fund balance to total annual fund expenditures. The unassigned balance of the General Fund at June 30, 2015, represents approximately 50.8% of annual General Fund expenditures. The City strives to maintain an average fund balance of at least 25.0% of General Fund expenditures for working capital needs due to fluctuations in revenue, as property tax revenue is only collected semi-annually with the majority of the revenue remitted to the City by the respective county treasurers in the months of October and April each year.

The City's General Fund revenue saw an overall increase of $3.0 million, which includes an increase in property tax revenue of $0.9 million. The most significant portion of the change is a $1.5 million increase in intergovernmental revenue as it included (for the first time) commercial property tax replacement funds contributed by the State of Iowa.

General Fund expenditures increased by $2.4 million, or approximately 5.0%. The most significant portion of this increase was rising employee costs, including salaries, pensions, and insurance.

The Tax Increment Financing (TIF) Fund had a fund balance of $5,579,040 at June 30, 2015, which represents an increase of $471,473, or 9.2%, from the prior year. Since property taxes are collected in arrears, the City continues to benefit from past growth in these areas. The property taxes collected in these special financing districts are generally transferred from the Tax Increment Financing Fund to other funds to cover bonded debt, other loans, advances and contracts used to finance infrastructure improvements in these TIF districts.

The Debt Service Fund had a fund balance of $6,296,984 at June 30, 2015, which represents an increase of $2,865,691, or 83.5%, from the prior year. A large portion of the fund balance, and also the reason for the large annual increase, is due to the inclusion of funds needed to complete a crossover refunding of general obligation bonds. The debt service fund restricted for the payment of debt (i.e. payment of general obligation principal and interest).

The Capital Projects Fund had a fund balance of $39,286,301 at June 30, 21015, which represents a significant increase in fund balance of $31,961,763. During the year ended June 30, 2015, general obligation bond proceeds of $47.8 million were received into the fund and the bulk of these proceeds had not yet been expended on projects. The underlying projects are largely related to the Microsoft Alluvion development and construction remains rapid and ongoing. The Capital Projects Fund reports no unassigned fund balance at June 30, 2015.

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

Total net position of the City's Sanitary Sewer Fund at June 30, 2015, was $91.6 million. This is comprised of a $51.8 million net investment in capital assets and $39.8 million in net position, $1.4 million of which is restricted to use only on specific improvement projects. The net position of the Sanitary Sewer Fund increased $3.6 million, or 4.1%, was largely the result of a planned rate increase. It is anticipated that the fund balance will increase as development necessitates the construction of more sewer infrastructure in currently unimproved areas of the City.

Total net position of the City's Storm Water Fund at the end of the current year was $38.5 million. This is comprised of $31.0 million investment in capital assets and $7.5 million in net position, $0.2 million of which is restricted to use only on specific improvement projects.

Total net position of the Solid Waste Fund at the end of the current year was $0.7 million, all of which was unrestricted. The Solid Waste Fund does not have any investment in capital assets as all assets are handled by a private contractor.

Unrestricted net position accumulated in the Sewer fund will be used to fund future large dollar expenditures for the expansion of the City's sanitary sewer system to the south and southwest, as well as improve the system in older portions of the City. The balance of the Storm Water Fund will largely be used to meet more stringent regulatory requirements for storm water runoff management and monitoring. The City began collecting storm water utility fees on July 1, 2006, to fund the new requirements.

Budgetary Highlights

The City presents budgetary information as allowed by GASB Statement No. 41. Budgets are based on nine functional areas as required by state statute, not by fund or fund type. During the year ended June 30, 2015, the City did not exceed the legal budget in any functional areas.

During the fiscal year ended June 30, 2015, there were three budget amendments, dated October 20, 2014, April 6, 2015, and May 18, 2015. Amendments are a routine occurrence for the City and are primarily due to changes in the timing of capital improvement projects and related grant and other receipts for these projects. Because the City's June 30 fiscal year end occurs during the "construction season" in Iowa, it is difficult to judge in advance, that portion of construction projects which will be in process on June 30. The budget is also routinely amended each year to adjust projected fiscal year beginning balances to equal actual audited fund balances.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to $532 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings (e.g. recreation trails, athletic fields, and parking lots), vehicles and equipment, and infrastructure (e.g. roads, bridges, sanitary and storm sewer lines). The total increase in the City of West Des Moines' capital assets for the current fiscal year was 2.3%; slightly above the previous year's increase of 1.0%.

The City of West Des Moines has elected the option to use the modified approach for reporting infrastructure within the governmental activities, as allowed by GASB Statement No. 34. Under the modified approach eligible infrastructure is not required to be depreciated if the following requirements have been met:

The government must have an up-to-date inventory of the assets of those networks or subsystems.

The government must perform or obtain condition assessments of those assets and summarize the results using a measurement scale. It is essential that such condition assessment be replicable (i.e., conducted using methods that would allow different measurers to reach substantially similar results).

The government must make an annual estimate of the amount needed to maintain and preserve those assets at a condition level established and disclosed by the government.

The government must document that infrastructure assets are being preserved at or above the condition level established and disclosed by the government.

The City already had an inventory management system in place and was performing condition assessments as part of its on-going efforts to maintain and preserve the quality and useful life of these governmental infrastructure assets. Under the modified approach, the City records the actual maintenance and preservation costs incurred during the period as expense, rather than capitalizing the preservation costs and estimating the amount of depreciation expense to record. Only improvements and additions that increase the capacity or efficiency of the infrastructure network are capitalized under this approach. All other costs are expensed in the period incurred.

The *required supplementary information* that must be presented by governments electing this approach appears on pages 88 through 90 of this report. From this supplementary information you can see that the City has been able to consistently meet or exceed its condition level goals. For a full explanation as to how the following condition levels were determined, please see page 88 of this report.

Condition Level for Street Network
(prior 3 condition assessments)

	2012	2013	2014
Street subsystem:			
Goal	78-80	78-80	78-80
Actual	80.3	80.2	79.9

	2012	2013	2014
Levee subsystem:			
Goal	Minimally Acceptable	Minimally Acceptable	Acceptable
Actual	Minimally Acceptable	Minimally Acceptable	Acceptable

	2009	2011	2013
Bridge and culvert system:			
Goal	81 or greater	81 or greater	81 or greater
Actual	93.8	91.3	86.4

The *required supplementary information* also reveals that estimated maintenance costs and actual maintenance costs are fairly consistent considering that the fiscal year falls in the middle of the construction season. This will result in some fluctuation from year to year depending on the exact date that the construction contract is let.

Comparison of street network prevention and maintenance costs
(in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015
Estimated costs	$4,915	$5,397	$4,374	$5,296	$5,307	$6,753	$4,567	$4,041
Actual costs	4,661	5,024	5,071	5,387	5,119	3,720	4,130	4,119

The City has *not* elected to use the modified approach for reporting the infrastructure of business-type activities, as it has not yet completed the necessary condition assessments required for the use of the modified approach. Therefore, depreciation expense has been recognized for the sanitary sewer and storm sewer infrastructure capital assets.

	Governmental Activities		Business-Type Activities		Total	
	2014	2015	2014	2015	2014	2015
Land	$ 23,908	23,908	$ 413	413	$ 24,321	$ 24,321
Buildings	44,009	48,166	-	-	44,009	$ 48,166
Improvements other than buildings	41,967	43,335	-	-	41,967	$ 43,335
Fiber Network	5,109	5,159	-	-	5,109	$ 5,159
Equipment and vehicles	22,761	23,188	302	302	23,063	$ 23,490
Construction-in-Progress	14,460	13,768	988	2,912	15,448	$ 16,680
Share of undivided equity interest assets	1,744	3,802	-	-	1,744	$ 3,802
Infrastructure, depreciable	-	-	112,703	117,788	112,703	$ 117,788
Infrastructure, nondpreciable	339,823	346,156	-	-	339,823	$ 346,156
Accumulated depreciation	(68,222)	(73,700)	(36,223)	(38,588)	(104,445)	$ (112,288)
Intangibles	16,208	16,138	31	31	16,239	$ 16,169
Total capital assets	$ 441,767	$ 449,920	$ 78,214	$ 82,858	$ 519,981	$ 532,778

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

- Spent $1.8 million to widen and improve Grand Avenue between Raccoon River Park and S 50th Street.
- Spent $1.2 million to improve and remodel the City-owned building at 139 – 6th Street in order to establish the City's Human Services Department at this location. Total project cost was $1.8 million and the Department was able to relocate and begin operations in the building during the fiscal year.
- Spent $1.1 million to pave and improve Pine Avenue to serve the Microsoft Alluvion project.
- Spent $0.9 million on a new interchange at Interstate 80 and 105th Street (total project cost $3.6 million to date and expected to total approximately $10.5 million when completed sometime over the next two to three years).
- Spent $0.9 million to pave and improve 39th Street north of EP True Parkway.
- Spent $0.8 million on improvements to Holiday Park Baseball Complex (project cost expected to total $3.3 million).

Additional information concerning the City's capital assets can be found in Note 1 and Note 3 of the *Notes to Basic Financial Statements* on pages 47 through 56 and 58 through 59, respectively.

Outstanding Debt

General Obligation Bonds

	Governmental Activities		Business-Type Activities		Total	
	2014	2015	2014	2015	2014	2015
General Obligation Bonds	$ 77,725,762	$113,962,258	$ -	$ -	$ 77,725,762	$113,962,258
	$ 77,725,762	$113,962,258	$ -	$ -	$ 77,725,762	$113,962,258

Long-term debt. At the close of the fiscal year ended June 30, 2015, the City had total bonded debt outstanding of $114.0 million, all backed by the full faith and credit of the government.

During the current fiscal year the City's total bonded debt showed a net increase of $36.2 million. This was largely due to the issuance of 2014 Series A General Obligation Bonds which totaled $13.4 million, and 2015A and 2015B General Obligation Bonds which totaled $21.8 million and $12.7 million, respectively.

The Iowa State Constitution limits the amount of general obligation debt which may be issued by a city to 5 percent of the actual assessed value of all its taxable property. The current debt limitation for the City is approximately $312.2 million. With outstanding general obligation debt of $110.8 million (general obligation bonds plus other debt subject to the limitation), the City had utilized 37.0% of the debit limit as of June 30, 2015.

Additional information on the City's long-term debt can be found in Note 4 on pages 60 through 62 of this report.

Economic Factors, Budgets, and Rates for the Upcoming Fiscal Year

As one of the fastest growing cities in the State of Iowa, West Des Moines expects growth both in population and in overall property valuations to continue over the next several years. However, legislative action passed in May 2013 has begun to significantly affect taxable valuations for commercial and multi-family residential property. This legislation includes a 10% cut to commercial tax rates over a period beginning July 1, 2014. Additionally, the new legislation requires overall statewide tax growth not to exceed 3%, whereas before it was allowed to grow up to 4%. Multi-family residential property will be taxed at a reduced rate beginning with assessment year 2015. The lost commercial revenue will be filled by funding from the State of Iowa, but this is only guaranteed to match the lost revenues for up to three fiscal years, and there is no backfilling planned for the lost multi-family residential revenues. Thus, the City continues to engage in very conservative budgeting practices.

Historically, the City's tax base has grown between 2 percent and 9 percent annually. The City's tax base (taxable value) increased 5.8% annually from 2006-2010 but has slowed and remained fairly steady since then. The City's tax base grew 1.3% from 2013 to 2014 and 0.5% from 2014 to 2015.

The budget for fiscal year ending June 30, 2016, included a decrease in the City's levy rate from $12.05 to $12.00 as a result of Council direction to reduce the tax burden. Future year tax base growth assumptions remain conservative, reflecting between 1% and 3% annual growth.

While West Des Moines continues to experience moderate growth in its property tax base, valuations are determined at the county level. Recent valuation rollbacks and appeals have resulted in the City recognizing the need to project future revenue and expenditure levels to ensure adequate funding for services will be available in future budget cycles for operations. The City essentially budgeted for breakeven results, without the use of this fund balance, and without a property tax rate increase for the fiscal year ending June 30, 2016.

As measured by current actual property valuation and recent population data, valuation compares very strongly to comparable cities, at approximately $114,000 per capita. The City's taxable valuation per capita of over $77,000 remains the highest of Iowa's top ten most populated cities, which allows the City of West Des Moines to maintain the third lowest tax rate of those cities. Based on fiscal year totals from the fiscal year ended June 30, 2015, the City ranks as the third highest city for taxable retail sales in Iowa at over $1.7 billion, due to the large presence of retail including two major regional shopping centers. Businesses in the City account for at least 4.9% of all taxable sales in the State. Many other economic indicators for the City compare favorably with state and national averages. See additional information and measures regarding the City in the Statistical Section of this report.

Requests for Information

This financial report is designed to provide a general overview of the City of West Des Moines' finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department at 4200 Mills Civic Parkway, Suite 2B or by mail to the City of West Des Moines, Finance Department, Post Office Box 65320, West Des Moines, Iowa 50265-0320.

BASIC FINANCIAL STATEMENTS

City of West Des Moines, Iowa
STATEMENT OF NET POSITION
June 30, 2015

	Primary Government		
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**
Current assets			
Cash and investments	$ 81,265,114	$ 46,353,678	$ 127,618,792
Restricted cash and investments	37,607,776	-	37,607,776
Receivables			
Property taxes	58,777,682	-	58,777,682
Accounts and unbilled usage	1,874,335	3,410,873	5,285,208
Interest	2,506	73,166	75,672
Special assessments	443,494	128	443,622
Internal balances	(416,601)	416,601	-
Due from other governments	3,027,565	-	3,027,565
Assets held for resale	535,023	-	535,023
Total current assets	183,116,894	50,254,446	233,371,340
Capital assets			
Nondepreciable			
Land	23,908,175	413,178	24,321,353
Infrastructure	346,156,433	-	346,156,433
Construction-in-progress	13,768,441	2,911,707	16,680,148
Intangibles	15,574,850	-	15,574,850
Depreciable			
Buildings	48,165,706	-	48,165,706
Equipment and vehicles	23,188,297	302,489	23,490,786
Fiber network	5,159,190	-	5,159,190
Improvements other than buildings	43,334,718	-	43,334,718
Share of undivided equity interest assets	3,801,560	-	3,801,560
Intangibles	562,946	31,250	594,196
Infrastructure	-	117,788,165	117,788,165
Accumulated depreciation	(73,700,641)	(38,588,142)	(112,288,783)
Net capital assets	449,919,675	82,858,647	532,778,322
Total assets	633,036,569	133,113,093	766,149,662
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	5,499,008	161,982	5,660,990

See Notes to Basic Financial Statements.

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities			
Accounts payable	$ 8,567,457	$ 724,328	$ 9,291,785
Claims payable	624,354	-	624,354
Accrued wages payable	812,124	27,185	839,309
Interest payable	219,816	-	219,816
Compensated absences	2,776,761	110,472	2,887,233
General obligation bonds	18,250,000	-	18,250,000
Capital lease payable	109,528	-	109,528
Installment contracts	170,000	-	170,000
Total current liabilities	31,530,040	861,985	32,392,025
Noncurrent liabilities			
Compensated absences	1,626,227	60,891	1,687,118
General obligation bonds	95,712,258	-	95,712,258
Installment contracts	1,246,822	-	1,246,822
Net OPEB liability	895,855	40,328	936,183
Net pension liability	18,823,832	778,062	19,601,894
Total noncurrent liabilities	118,304,994	879,281	119,184,275
Total liabilities	149,835,034	1,741,266	151,576,300
DEFERRED INFLOWS OF RESOURCES			
Revenue property taxes	58,649,087	-	58,649,087
Pension related deferred inflows	9,278,715	299,855	9,578,570
Total deferred inflows of resources	67,927,802	299,855	68,227,657
NET POSITION			
Net investment in capital assets	389,657,031	82,858,647	472,515,678
Restricted for			
Capital projects	3,391,411	-	3,391,411
Debt service	5,269,965	-	5,269,965
Urban renewal and development	6,262,766	-	6,262,766
Road use projects	9,939,547	-	9,939,547
Retirement benefits	2,644,066	-	2,644,066
Other purposes	1,890,634	1,682,523	3,573,157
Unrestricted	1,717,321	46,692,784	48,410,105
Total net position	$ 420,772,741	$ 131,233,954	$ 552,006,695

See Notes to Basic Financial Statements.

City of West Des Moines, Iowa
STATEMENT OF ACTIVITIES – GOVERNMENTAL FUNDS
June 30, 2015

		Program Revenues		
Programs/Functions	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Governmental activities				
Public safety	$ 26,908,642	$ 6,792,943	$ 3,130,192	$ 3,478
Public works	12,866,884	322,994	6,057,014	2,861,744
Health and social services	1,221,187	-	254,880	-
Culture and recreation	11,107,595	1,430,723	108,902	85,778
Community and economic development	21,653,257	1,062,029	740,796	3,992,062
General government	6,952,173	958,624	377,422	1,500,000
Interest on long-term debt	2,345,067	-	-	-
Total governmental activities	83,054,805	10,567,313	10,669,206	8,443,062
Business-type activities				
Sewer system	9,349,927	10,057,555	-	2,793,715
Storm water system	1,506,777	2,257,315	-	2,363,627
Solid waste system	1,886,538	1,817,392	-	-
Total business-type activities	12,743,242	14,132,262	-	5,157,342
Total primary government	$ 95,798,047	$ 24,699,575	$ 10,669,206	$ 13,600,404

General revenues
Taxes
Property taxes
Franchise tax
Other City taxes
Hotel/Motel tax
Miscellaneous
Investment earnings
Unrestricted grants
Gain on sale of capital assets
Transfers
Total general revenues and transfers
Changes in net position

Net position, beginning of year, as restated
Net position, end of year

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	**Business-type Activities**	**Totals**
$ (16,982,029)	$ -	$ (16,982,029)
(3,625,132)	-	(3,625,132)
(966,307)	-	(966,307)
(9,482,192)	-	(9,482,192)
(15,858,370)	-	(15,858,370)
(4,116,127)	-	(4,116,127)
(2,345,067)	-	(2,345,067)
(53,375,224)	-	(53,375,224)
-	3,501,343	3,501,343
-	3,114,165	3,114,165
-	(69,146)	(69,146)
-	6,546,362	6,546,362
(53,375,224)	6,546,362	(46,828,862)
57,601,375	-	57,601,375
272,029	-	272,029
658,342	-	658,342
3,669,278	-	3,669,278
253,710	-	253,710
115,683	90,111	205,794
2,424,385	-	2,424,385
311,356	-	311,356
(1,103,125)	1,103,125	-
64,203,033	1,193,236	65,396,269
10,827,809	7,739,598	18,567,407
409,944,932	123,494,356	533,439,288
$ 420,772,741	$ 131,233,954	$ 552,006,695

See Notes to Basic Financial Statements.

City of West Des Moines, Iowa
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2015

	General	Road Use Tax	Tax Increment Financing	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	$ 25,863,653	$ 9,421,079	$ 5,588,105	$ 5,249,123	$ 7,983,884	$ 5,108,540	$ 59,214,384
Restricted cash and investments	-	-	-	1,027,019	36,380,757	200,000	37,607,776
Receivables							
Property taxes	34,350,072	-	9,329,140	8,608,330	-	6,490,140	58,777,682
Accounts	761,394	-	-	-	1,001,351	98,666	1,861,411
Special assessments	8,442	-	-	-	435,052	-	443,494
Due from other funds	190,799	-	-	-	-	-	190,799
Due from other governments	1,264,735	583,236	-	-	936,370	229,254	3,013,595
Assets held for resale	535,023	-	-	-	-	-	535,023
Total assets	$ 62,974,118	$ 10,004,315	$ 14,917,245	$ 14,884,472	$ 46,737,414	$ 12,126,600	$ 161,644,164
LIABILITIES							
Accounts payable	1,152,247	64,768	17,446	-	6,965,246	240,302	8,440,009
Accrued wages payable	808,896	-	-	-	-	3,228	812,124
Due to other funds	-	-	-	-	-	190,799	190,799
Total liabilities	1,961,143	64,768	17,446	-	6,965,246	434,329	9,442,932
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue:							
Succeeding year property tax	34,266,995	-	9,320,759	8,587,488	-	6,473,845	58,649,087
Grants	5,145	-	-	-	65,976	-	71,121
Special assessments	2,830	-	-	-	419,891	-	422,721
Total deferred inflows of resources	34,274,970	-	9,320,759	8,587,488	485,867	6,473,845	59,142,929
FUND EQUITY							
Fund balances							
Nonspendable	535,023	-	-	-	-	-	535,023
Restricted for							
Capital projects	-	9,939,547	-	-	39,286,301	-	49,225,848
Debt service	-	-	-	6,296,984	-	-	6,296,984
Urban renewal and development	-	-	5,579,040	-	-	-	5,579,040
Police and Fire Retirement	-	-	-	-	-	2,644,066	2,644,066
Economic Development	-	-	-	-	-	681,681	681,681
Housing Programs	-	-	-	-	-	612,112	612,112
Parks	-	-	-	-	-	714,400	714,400
Library	-	-	-	-	-	195,782	195,782
Public Safety	-	-	-	-	-	388,070	388,070
Dallas County Local Housing Trust	-	-	-	-	-	(19,730)	(19,730)
Community Development Block Grant	-	-	-	-	-	2,045	2,045
Unassigned	26,202,982	-	-	-	-	-	26,202,982
Total fund equity	26,738,005	9,939,547	5,579,040	6,296,984	39,286,301	5,218,426	93,058,303
Total liabilities, deferred inflows of resources and fund equity	$ 62,974,118	$ 10,004,315	$ 14,917,245	$ 14,884,472	$ 46,737,414	$ 12,126,600	$ 161,644,164

See Notes to Basic Financial Statements.

City of West Des Moines, Iowa
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2015

Total governmental funds balances		$ 93,058,303
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. The cost of assets is $509,045,268 and the accumulated depreciation is $64,586,512.		444,458,756
Other long term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds unavailable		493,842
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position		
Capital assets	14,575,048	
Accumulated depreciation	(9,114,129)	
Other current assets	22,080,130	
Other current liabilities	(751,802)	26,789,247
Internal service funds allocated to business-type activities		(416,601)
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	5,499,008	
Deferred inflows of resources	(9,278,715)	(3,779,707)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds		
Compensated absences	(4,402,988)	
Other postemployment benefits payable	(895,855)	
Net pension liability	(18,823,832)	
Accrued interest payable	(219,816)	
General obligation bonds payable	(109,260,000)	
Premium on bonds payable	(4,702,258)	
Capital lease obligations	(109,528)	
Installment contracts	(1,416,822)	(139,831,099)
Net position of governmental activities		$420,772,741

See Notes to Basic Financial Statements.

City of West Des Moines, Iowa
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES—GOVERNMENTAL FUNDS
Year ended June 30, 2015

	General	Road Use Tax	Tax Increment Financing	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	$ 33,463,152	$ -	$ 9,172,348	$ 8,611,856	$ -	$ 6,354,019	$ 57,601,375
Other City taxes	4,402,705	-	-	109,268	-	87,676	4,599,649
Special assessments	-	-	-	-	249,814	-	249,814
Licenses and permits	2,326,549	-	-	-	-	-	2,326,549
Intergovernmental	5,684,590	6,043,701	102,701	236,165	4,513,593	4,747,555	21,328,305
Charges for services	5,722,482	-	-	-	-	-	5,722,482
Use of money and property	184,824	-	-	38,995	-	579	224,398
Miscellaneous	770,299	-	-	-	34,672	1,255,412	2,060,383
Total revenues	52,554,601	6,043,701	9,275,049	8,996,284	4,798,079	12,445,241	94,112,955
EXPENDITURES							
Current operating							
Public safety	23,579,271	-	-	-	-	3,160,643	26,739,914
Public works	7,418,516	780,676	-	-	-	-	8,199,192
Health and social services	862,539	-	-	-	-	243,393	1,105,932
Culture and recreation	7,632,292	-	-	-	-	110,770	7,743,062
Community and economic development	5,077,000	-	1,007,687	-	11,000,000	4,606,512	21,691,199
General government	6,865,765	-	-	-	-	-	6,865,765
Debt service							
Principal	103,657	-	-	15,940,000	170,000	69,682	16,283,339
Interest and other charges	4,092	-	-	3,022,412	264,919	2,029	3,293,452
Capital outlay	-	-	-	-	19,115,297	-	19,115,297
Total expenditures	51,543,132	780,676	1,007,687	18,962,412	30,550,216	8,193,029	111,037,152
Excess (deficiency) of revenues over expenditures	1,011,469	5,263,025	8,267,362	(9,966,128)	(25,752,137)	4,252,212	(16,924,197)
OTHER FINANCING SOURCES (USES)							
Transfers in	4,879,881	-	-	11,804,800	10,087,011	240,647	27,012,339
Transfers out	(4,519,642)	(6,185,444)	(7,795,889)	-	(4,732,981)	(4,612,578)	(27,846,534)
Issuance of bonds	-	-	-	-	47,845,000	-	47,845,000
Premium on issuance of bonds				1,027,019	768,870		1,795,889
Issuance of refunding bonds	-	-	-	-	3,410,000	-	3,410,000
Proceed from sales of capital assets	67,959	-	-	-	336,000	-	403,959
Total other financing sources (uses)	428,198	(6,185,444)	(7,795,889)	12,831,819	57,713,900	(4,371,931)	52,620,653
NET CHANGE IN FUND BALANCES	1,439,667	(922,419)	471,473	2,865,691	31,961,763	(119,719)	35,696,456
FUND BALANCES, beginning of year	25,298,338	10,861,966	5,107,567	3,431,293	7,324,538	5,338,145	57,361,847
FUND BALANCES, end of year	$ 26,738,005	$ 9,939,547	$ 5,579,040	$ 6,296,984	$ 39,286,301	$ 5,218,426	$ 93,058,303

See Notes to Basic Financial Statements.

City of West Des Moines, Iowa
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

Net change in fund balances—governmental funds	$	35,696,456
Amounts reported for governmental activities in the statement of activities are different because: 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 amount by which capital outlays exceeded depreciation in the current year:		
Capital outlay		15,045,330
Depreciation		(5,228,473)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and disposals) is to increase (decrease) net position:		
Capital assets transferred to business-type activities		(1,103,125)
Book value of capital assets disposed		(92,603)
Write down of library collection		(912,753)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Change in unavailable revenue:		
Special assessments		(146,924)
Grants		(169,491)
Loans		(21,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, change in:		
Net OPEB liability		(128,937)
Compensated absences		(271,738)
Pension expense		2,432,415
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 issuance costs, 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:		
Repayment of long-term debt:		
Capital lease obligations		173,339
General obligation bonds		15,940,000
Installment contracts		170,000
Interest		73,992
Issuance of long-term debt		(53,050,889)
Amortization of bond premium		874,393
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 governmental activities.		1,547,817
Change in net position of governmental activities	$	10,827,809

See Notes to Basic Financial Statements.

City of West Des Moines, Iowa
STATEMENT OF NET POSITION—PROPRIETARY FUNDS
June 30, 2015

	Sewer System	Storm Water System	Nonmajor Enterprise Fund Solid Waste	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current assets					
Cash and investments	$38,486,466	$ 7,494,362	$ 372,850	$ 46,353,678	$22,050,730
Receivables					
Accounts and unbilled usage	2,399,879	568,936	442,058	3,410,873	12,924
Special assessments	31	41	56	128	-
Interest	70,215	2,951	-	73,166	2,506
Due from other governments	-	-	-	-	13,970
Total current assets	40,956,591	8,066,290	814,964	49,837,845	22,080,130
Noncurrent assets					
Capital assets					
Nondepreciable					
Land	411,278	1,900	-	413,178	-
Construction-in-progress	2,641,068	270,639	-	2,911,707	-
Depreciable					
Equipment and vehicles	204,572	97,917	-	302,489	14,575,048
Intangibles	15,625	15,625	-	31,250	-
Infrastructure	83,252,815	34,535,350	-	117,788,165	-
Accumulated depreciation	(34,711,180)	(3,876,962)	-	(38,588,142)	(9,114,129)
Net capital assets	51,814,178	31,044,469	-	82,858,647	5,460,919
Total assets	92,770,769	39,110,759	814,964	132,696,492	27,541,049
DEFERRED OUTFLOWS OF RESOURCES					
Pension related deferred outflows	84,838	77,144	-	161,982	-
Total assets and deferred outflows of resources	$92,855,607	$39,187,903	$ 814,964	$132,858,474	$27,541,049

See Notes to Basic Financial Statements.

	Sewer System	Storm Water System	Nonmajor Enterprise Fund Solid Waste	Total Enterprise Funds	Internal Service Funds
LIABILITIES					
Current liabilities					
Accounts payable	$ 509,528	$ 57,874	$ 156,926	$ 724,328	$ 127,448
Claims payable	-	-	-	-	624,354
Compensated absences	66,793	43,679	-	110,472	-
Accrued wages payable	14,799	12,386	-	27,185	-
Total current liabilities	591,120	113,939	156,926	861,985	751,802
Noncurrent liabilities					
Compensated absences	22,964	37,927	-	60,891	-
Net OPEB liability	22,710	17,618	-	40,328	-
Net pension liability	407,538	370,524	-	778,062	-
Total noncurrent liabilities	453,212	426,069	-	879,281	-
Total liabilities	1,044,332	540,008	156,926	1,741,266	751,802
DEFERRED INFLOWS OF RESOURCES					
Pension related deferred inflows	157,054	142,801	-	299,855	-
NET POSITION					
Net investment in capital assets	51,814,178	31,044,469	-	82,858,647	5,460,919
Restricted	1,434,082	248,441	-	1,682,523	-
Unrestricted	38,405,961	7,212,184	658,038	46,276,183	21,328,328
Total net position	91,654,221	38,505,094	658,038	130,817,353	26,789,247
Total liabilities, deferred inflows of resources, and net position	$92,855,607	$39,187,903	$ 814,964	$132,858,474	$27,541,049

Total enterprise funds net position	$130,817,353
Amounts reported for business-type activities in the statement of net position are different because:	
Internal service funds are used by management to charge the cost of certain services to individual funds. These assets of the internal service funds are included in business-type activities in the statement of net position.	416,601
Net position of business-type activities	$131,233,954

See Notes to Basic Financial Statements.

City of West Des Moines, Iowa
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION—PROPRIETARY FUNDS
Year ended June 30, 2015

	Business-Type Activities Enterprise Funds				
	Sewer System	Storm Water System	Nonmajor Enterprise Fund Solid Waste	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Charges for services	$10,057,555	$ 2,233,175	$1,817,392	$ 14,108,122	$ 6,720,468
Lease revenue	-	-	-	-	1,580,923
Other	-	24,140	-	24,140	54,150
Total operating revenue	10,057,555	2,257,315	1,817,392	14,132,262	8,355,541
OPERATING EXPENSES					
Cost of sales and services	3,745,662	754,707	1,886,538	6,386,907	6,643,348
Administration	51,241	71,968	-	123,209	-
Depreciation	1,663,262	701,832	-	2,365,094	1,126,527
Total operating expenses	5,460,165	1,528,507	1,886,538	8,875,210	7,769,875
Operating income (loss)	4,597,390	728,808	(69,146)	5,257,052	585,666
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	85,273	4,838	-	90,111	11,011
Payments to WRA	(3,910,057)	-	-	(3,910,057)	-
Gain on sale of capital assets	-	-	-	-	158,970
Total nonoperating revenues (expenses)	(3,824,784)	4,838	-	(3,819,946)	169,981
Income (loss) before capital contributions and transfers	772,606	733,646	(69,146)	1,437,106	755,647
Capital contributions	2,833,566	3,426,901	-	6,260,467	-
Transfers in	-	-	-	-	835,195
Transfers out	-	-	-	-	(1,000)
Change in net position	3,606,172	4,160,547	(69,146)	7,697,573	1,589,842
Total net position, beginning of year, as restated	88,048,049	34,344,547	727,184	123,119,780	25,199,405
Total net position, end of year	$91,654,221	$38,505,094	$ 658,038	$130,817,353	$26,789,247

Change in net position	$ 7,697,573
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 income of certain activities of internal service funds is reported with business-type activities.	42,025
Change in net position of business-type activities	$ 7,739,598

See Notes to Basic Financial Statements.

This page is intentionally blank.

City of West Des Moines, Iowa
STATEMENT OF CASH FLOWS—PROPRIETARY FUNDS
Year ended June 30, 2015

	Business-Type Activities Enterprise Funds				
	Sewer System	Storm Water System	Nonmajor Enterprise Fund Solid Waste	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 9,989,826	$ 2,246,276	$ 1,814,573	$ 14,050,675	$ 8,347,492
Payments to suppliers	(2,651,806)	(247,365)	(1,882,898)	(4,782,069)	(826,768)
Payments to WRA	(3,910,057)	-	-	(3,910,057)	-
Payments to claimants	-	-	-	-	(5,735,475)
Payments to employees	(993,822)	(591,167)	-	(1,584,989)	-
Net cash provided (used in) operating activities	2,434,141	1,407,744	(68,325)	3,773,560	1,785,249
CASH FLOWS BY NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	-	-	-	835,195
Transfers out	-	-	-	-	(1,000)
Net cash provided by noncapital financing activities	-	-	-	-	834,195
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(1,918,931)	(473,620)	-	(2,392,551)	(1,690,637)
Capital contributions	1,434,082	248,441	-	1,682,523	
Proceeds from disposal of capital assets	-	-	-	-	278,680
Net cash (used in) capital and related financing activities	(484,849)	(225,179)	-	(710,028)	(1,411,957)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	79,555	4,354	-	83,909	13,697
Purchase of investment securities	(10,000,000)	(1,000,000)	-	(11,000,000)	(4,000,000)
Proceeds from maturity of investment securities	13,000,000	1,000,000	-	14,000,000	5,500,000
Net cash provided by investing activities	3,079,555	4,354	-	3,083,909	1,513,697
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,028,847	1,186,919	(68,325)	6,147,441	2,721,184
CASH AND CASH EQUIVALENTS, beginning of year	17,457,411	5,307,443	441,175	23,206,029	15,329,546
CASH AND CASH EQUIVALENTS, end of year	$ 22,486,258	$ 6,494,362	$ 372,850	$ 29,353,470	$ 18,050,730

See Notes to Basic Financial Statements.

City of West Des Moines, Iowa
STATEMENT OF CASH FLOWS—PROPRIETARY FUNDS (continued)
Year ended June 30, 2015

	Business-Type Activities Enterprise Funds				
	Sewer System	Storm Water System	Nonmajor Enterprise Fund Solid Waste	Total Enterprise Funds	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	$ 4,597,390	$ 728,808	$ (69,146)	$ 5,257,052	$ 585,666
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	1,663,262	701,832	-	2,365,094	1,126,527
Payments to WRA	(3,910,057)	-	-	(3,910,057)	-
Change in assets and liabilities					
Receivables	(67,729)	(11,039)	(2,819)	(81,587)	(8,049)
Inventories	-	-	-	-	75,205
Accounts payable	173,952	18,353	3,640	195,945	80,545
Claims payable	-	-	-	-	(74,645)
Compensated absences and accrued wages payable	6,480	(3,098)	-	3,382	-
Net pension liability and related deferred outflows of resources and deferred inflows of resources	(32,301)	(29,368)	-	(61,669)	-
OPEB liability	3,144	2,256	-	5,400	-
Net cash provided by (used in) operating activities	$ 2,434,141	$ 1,407,744	$ (68,325)	$ 3,773,560	$ 1,785,249
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO SPECIFIC ASSETS ON THE STATEMENT OF NET POSITION					
Cash and investments	$ 38,486,466	$ 7,494,362	$ 372,850	$ 46,353,678	$ 22,050,730
Less items not meeting the definition of cash equivalents	(16,000,208)	(1,000,000)	-	(17,000,208)	(4,000,000)
Cash and cash equivalents at end of year	$ 22,486,258	$ 6,494,362	$ 372,850	$ 29,353,470	$ 18,050,730
SCHEDULE OF NONCASH ITEMS					
Capital and related financing activities					
Donated construction by developers	$ 1,359,633	$ 2,115,186	$ -	$ 3,474,819	$ -
Donated construction from other funds	$ 39,851	$ 1,063,274	$ -	$ 1,103,125	$ -
Acquistion of capital assets through retainage payable	$ 49,897	$ (11,255)	$ -	$ 38,642	$ -

See Notes to Basic Financial Statements.

City of West Des Moines, Iowa
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2015

ASSETS	
Cash and investments	$ 817,300
LIABILITIES	
Accounts payable	$ 3,996
Deposits and remittances due	813,304
Total liabilities	$ 817,300

See Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of West Des Moines (the City) is a political subdivision of the State of Iowa located in Polk, Dallas, Madison and Warren counties. It was first incorporated in 1893 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government, with the Mayor and Council Members elected on a nonpartisan basis. The City provides numerous services to citizens, including public safety, public works, culture and recreation, community and economic development, health and social services, public improvements and general administrative services. It also provides sewer, storm water and solid waste utilities.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

For financial reporting purposes, the City has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusions would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City. Based on these criteria, there are no component units, organizations or agencies which should be included in these basic financial statements.

Basis of Presentation

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 nonfiduciary activities of the City. For the most part, the effect of interfund 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 for support on fees and charges for services.

The statement of net position presents the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Three categories of net position are reported:

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

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

Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Government-wide and fund financial statements (continued):

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. There are no indirect expenses. 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. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

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, deferred outflows of resources, liabilities, and deferred inflows of resources, fund balance/net position, revenues and expenditures or expenses, as appropriate. The City has the following funds:

***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, 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 positions, rather than upon net income determination. The following are the City's major governmental funds:

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

Road Use Tax Fund (Special Revenue): To account for the proceeds from road use tax monies.

Tax Increment Financing Fund (Special Revenue): To account for the accumulation of resources generated by TIF districts to be used for urban renewal and development. Property tax revenue generated on increased assessed valuations within TIF districts are the resources accounted for in this fund.

Debt Service Fund: To account for the servicing of the general long-term debt not financed by a specific source.

Capital Projects Fund: To account for the acquisition and construction of major capital facilities and other capital assets, with the exception of those that are financed through proprietary fund types.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Fund Accounting (continued)

***Governmental Fund Types (continued)*:**

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

***Special Revenue Funds*:** Are used to account for the proceeds of specific revenue sources (other than certain capital projects that are legally restricted to expenditures for specific projects).

Police and Fire Retirement Fund: To account for the remaining balances of the self-administered pension plans after a transfer to a state administered plan which may be used by the City to meet future pension funding requirements as prescribed by law.

Employee Benefit Fund: To account for the property tax revenues collected to be used for City employees' health insurance and pension costs.

Economic Development Fund: To account for grants, contributions, and loan repayments to be used for general economic development and redevelopment purposes of the City including low interest loans the City makes to private companies for economic development purposes, as well as the acquisition and sale of land.

Housing Programs Fund: To account for the U.S. Department of Housing and Urban Development Block Grant programs as well as miscellaneous other grants and contributions to provide housing assistance and housing rehabilitation programs.

Parks Fund: To account for the donations identified to specifically assist the park programs and annual tree planting.

Library Fund: To account for reimbursements from the State of Iowa for library materials lent to non-City residents and other libraries in Iowa, and used for improvements to the Library. This Fund also accounts for money received through donations and fund raising activities for the Library.

Public Safety Fund: To account for grants and contributions specifically identified for use in public safety activities such as contributions for the purchase of public access defibrillators. This fund is also used to account for funds received by the City as a result of drug seizures.

Dallas County Local Housing Trust Fund: To account for grants from the Iowa Finance Authority and other Dallas County Local Housing Trust Fund revenues and related expenditures.

Community Development Block Grant Fund: To account for the community development block grant revenues and related expenditures.

***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 (business-type activities). The measurement focus is upon income determination, financial positions and cash flows.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Fund Accounting (continued):

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

Sewer System Fund: To account for the operations of the City's sanitary sewer systems including the revenue from usage fees, the operating costs associated with it, any capital projects and all bond issues.

Storm Water System Fund: To account for the operations of the City's storm water sewer systems including revenue from usage fees, operating costs, capital projects, and all bond issues.

The other enterprise fund of the City is considered nonmajor and is as follows:

Solid Waste Fund: To account for the operations 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 are the City's internal service funds:

Vehicle Replacement Fund: To account for replacement costs related to vehicles and equipment of the City.

Vehicle Maintenance Fund: To account for the maintenance costs related to the vehicles and equipment of the City.

Health and Dental Insurance Fund: To account for the health and dental insurance premiums and claims for all City employees.

Worker's Compensation Insurance Fund: To account for the worker's compensation premiums and claims.

Technology Replacement Fund: To account for replacement costs related to technology used by the City, such as hardware and software.

***Fiduciary Fund Types*:** Fiduciary fund types are used to account for net position and changes in net position held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City has the following fiduciary fund type:

***Agency Funds*:** Are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations. The City has the following agency funds:

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Fund Accounting (continued):

Collections and Deposits Fund: To account for collections and deposits received by the City from external parties for purposes such as escrow accounts for transitional housing program participants, deposits by transient vendors to ensure compliance with temporary use permits and deposits from developers pending completion of remaining site plan requirements.

Section 125 Plan Fund: To account for current payroll deductions of City employees for future use as group insurance premiums.

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 and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year in which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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 current fiscal period.

Property tax, local option sales tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

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

Under terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

Property taxes are recognized at the time an enforceable legal claim is established. This is deemed to occur when the budget is certified. The current tax levy was certified in February 2015, the date at which a lien attaches, based on the 2014 assessed valuations. These taxes are due in two installments, on September 30 and the following March 31, with a 1½ percent per month penalty for delinquent payment. Since the 2015 tax levy is budgeted and levied for fiscal year 2016, the revenue from this tax levy has been deferred.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued):

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise 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.

The City maintains its financial records on the cash basis during the fiscal year. The financial statements of the City are prepared by making adjusting entries to the cash basis financial records at the end of the fiscal year.

Summary of Significant Accounting Policies:

The significant accounting policies followed by the City include the following:

Cash, Pooled Investments and Cash Equivalents: The City maintains a cash and investment pool to maximize investment opportunities. Income from investments is recorded in the General Fund unless otherwise provided by law. Each fund's portion of total cash and investments is reported as such within this report. In addition, certain investments are separately held by several of the City's funds. Investments are reported at fair value except for the investment in the Iowa Public Agency Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost. Securities traded on the national or international exchange are valued at the last reported sales price at current exchange rates.

The City invests in the Iowa Public Agency Investment Trust (IPAIT) which is a 2a7-like pool. IPAIT is a common-law trust established under Iowa law and is administered by an appointed investment management company. The fair value of the positions in the trust is the same as the value of the shares.

For purposes of the statement of cash flows for proprietary fund type funds, the City considers pooled cash and investments to be cash equivalents as these pooled amounts have the same characteristics of demand deposits and all highly liquid investments with a maturity of three months or less when purchased. Certificates of deposit with a maturity greater than three months are considered investments. Cash equivalents also include restricted cash and investments.

Property Taxes Receivable, Including Tax Increment Financing: Property tax, including tax increment financing in governmental funds, is accounted for using the modified accrual basis of accounting.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of Significant Accounting Policies (continued)

Property Taxes Receivable, Including Tax Increment Financing (continued):

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

Accounts Receivable: results primarily from services provided to citizens and are accounted for in the governmental funds. Sanitary sewer, storm water sewer and solid waste services are accounted for in the enterprise funds. All are net of an allowance for uncollectibles. Unbilled usage for service consumed between periodic scheduled billing dates is estimated and is recognized as revenue in the period in which the service is provided.

Special Assessments Receivable: Special assessments receivable represents the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not less than ten nor more than twenty annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other tax.

Inventories: consists of materials and supplies and are valued at cost using the first-in, first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures.

Due from Other Governments: Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Restricted Assets: Funds invested from contributions which carry specific restrictions for their use are classified as restricted assets.

Bond Issuance Costs: in the government-wide financial statements and the fund financial statements, bond issuance costs are recognized during the current period. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses in the government-wide financial statement and proprietary fund types in the fund financial statement. Governmental fund recognize the costs as debt service expenditures.

Capital Assets: including land, buildings, improvements other than buildings, intangibles, equipment and vehicles, infrastructure, construction-in-progress, sanitary and storm water sewer systems and the City's share of assets in their undivided equity interest are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an initial useful life of one year or greater.

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.

The City has chosen the modified approach, as defined by GASB Statement No. 34, for reporting the governmental activities infrastructure assets. The City maintains an inventory of infrastructure assets and performs periodic condition assessments to establish that the predetermined condition level is maintained.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of Significant Accounting Policies (continued)

Capital Assets (continued):

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. No interest was capitalized in the current fiscal year.

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives for each capital asset type are as follows:

Asset class	Estimated useful lives (in years)
Buildings	30
Improvements other than buildings	15
Equipment and vehicles	5 - 18
Fiber network	20
Sanitary and storm water sewer systems	50
Share of undivided equity interest assets	5 - 15
Intangibles	5

The City's collection of works of art 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.

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

Deferred Inflows of Resources: Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current period, or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since it is not available. Deferred inflows of resources at the governmental fund level consist of the succeeding year property tax receivable, and other receivables not collected within 90 days of the current fiscal period.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivable that will not be recognized as revenue until the year for which they are levied, the unamortized portion of the net difference between projected and actual earnings on pension plan investments, and other unrecognized items not yet charged to pension expense.

Interfund Transactions: Transactions among City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of Significant Accounting Policies (continued):

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 fund's 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" in the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Compensated Absences: City employees accumulate vacation benefits for subsequent use or payment upon termination, death or retirement. City employees also accumulate sick leave benefits for subsequent use or payment at one-half the accumulated value upon death or retirement. 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 which is payable from available resources is recorded as a liability of the respective fund only if they have matured. Examples of these are employee retirements and resignations. There is no amount considered due as of year-end or reported in the fund financial statements. However, the entire compensated absence liability, computed based on rates of pay in effect at June 30, 2015, is reported on the government-wide financial statements. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

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

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

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's two pension systems, and additions to/deductions from the pensions' fiduciary net position have been determined on the same basis as they are reported by each respective pension system. 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.

Implementation of GASB Statement No. 68 and GASB Statement No. 71: As of June 30, 2015, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through the plan which include the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The effect of the implementation of these standards on beginning net position is disclosed in Note 16, and the additional disclosures required by these standards are included in Note 7 and the required supplementary information section of this report.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of Significant Accounting Policies (continued):

Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the highest level of decision-making authority. The City Council is the highest level of decision-making authority and can, through ordinance or resolution approved prior to fiscal year end, commit fund balance. For the purpose of financial commitments, ordinances and resolutions are equally binding. Committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to commit those amounts. At this time no amounts have been committed by the City Council.

Assigned - Amounts the City intends to use for a specific purpose. The intent is expressed by the governing body itself, or a body or official to which the City has delegated the authority to assign amounts to be used for specific purposes. It does not require formal action of the City. At this time no amounts have been assigned nor has any specific authority to assign fund equity been delegated by the City, governing bodies or officials.

Unassigned - All amounts not included in other spendable classifications.

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 balance.

Net Position: Net position represents the difference between assets, deferred inflows of resources, liabilities, and deferred outflows 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. As of June 30, 2015, the City had $32,600,964 in unspent debt proceeds available for projects. Net position is reported as restricted when there are limitations imposed on its use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted through enabling legislation consists of $9,939,547 for road construction projects, $2,644,066 for retirement benefits, $3,391,411 for capital projects, and $6,262,766 for tax increment projects. All other restrictions are imposed by outside parties through grants, debt agreements or donors.

The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

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

NOTE 2 CASH AND INVESTMENTS

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

Cash and investments, statement of net position	$127,618,792
Restricted cash and investments	37,607,776
Cash and investments, fiduciary funds	817,300
	$166,043,868
Deposits including certificates of deposit	$70,235,180
Investments	95,808,688
	$166,043,868

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 by the City Council; 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.

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 fair 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.

Investments of the City are held with Iowa Public Agency Investment Trust (IPAIT). IPAIT's weighted average maturity as of June 30, 2015 was 46.37 days.

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

Investment Type	Fair Value
Iowa Public Agency Investment Trust	$ 95,808,688

Credit Risk: Generally, credit risk is the risk that an 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 has investments in the Iowa Public Agency Investment Trust which are valued at amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investment in the Iowa Public Agency Investment Trust is unrated for credit risk purposes.

The City has no investments meeting the disclosure requirement of GASB Statement No. 3, as amended by GASB Statement No. 40.

NOTE 2 CASH AND INVESTMENTS (continued)

Concentration of Credit Risk: The City's investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the City to meet all anticipated cash requirements. The policy limits the City to holding a minimum of 5 percent of the total portfolio in highly marketable short-term treasuries, short-term federal government agencies, checking with interest, government pooled account or a combination of all four. The policy limits investments in order to avoid over-concentration in securities of a specific issuer and limits certificates of deposit to the amount approved by City Council for each financial institution in accordance with the Code of Iowa.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government 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, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. It is the City's policy to require that time deposits in excess of FDIC insurable limits be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. Chapter 12C of the Code of Iowa requires all City funds be deposited into an approved depository and be either insured or collateralized. As of June 30, 2015, the City's deposits with financial institutions were entirely covered by federal depository insurance or insured by the state through pooled collateral, state sinking funds and by the state's ability to assess for lost funds. The City's investments were covered by investments purchased and held by an independent third party.

NOTE 3 CAPITAL ASSETS

The City has reported all capital assets including infrastructure in the government-wide statement of net position. The City elected to use the modified approach as defined by GASB Statement No. 34 for governmental activities infrastructure reporting. As a result, no accumulated depreciation or depreciation expense has been recorded for these assets. A more detailed discussion of the modified approach is presented in the Required Supplementary Information section of this report. All other capital assets were reported using the basic approach whereby accumulated depreciation and depreciation expense have been recorded.

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

	Balance beginning of year	Additions	Deletions	Transfers	Balance end of year
Governmental activities					
Capital assets, not being depreciated					
Land	$ 23,908,175	$ –	$ –	$ –	$ 23,908,175
Infrastructure	339,822,638	6,333,795	–	–	346,156,433
Construction-in-progress	14,459,512	14,049,979	12,506,625	(1,103,125)	13,768,441
Intangibles	15,574,850	–	–	–	15,574,850
Total capital assets, not being depreciated	393,765,175	19,252,474	12,506,625	(1,103,125)	399,407,899
Capital assets, being depreciated					
Buildings	44,009,036	4,156,670	–	–	48,165,706
Equipment and vehicles	22,760,908	2,352,458	1,925,069	–	23,188,297
Fiber network	5,109,062	50,128	–	–	5,159,190
Improvements other than buildings	41,967,170	1,367,548	–	–	43,334,718
Share of undivided equity interest assets	1,743,923	2,057,637	–	–	3,801,560
Intangibles	633,348	5,678	76,080	–	562,946
Total capital assets, being depreciated	116,223,447	9,990,119	2,001,149	–	124,212,417

NOTE 3 CAPITAL ASSETS (continued)

Less accumulated depreciation for					
Buildings	23,198,895	1,626,843	–	–	24,825,738
Equipment and vehicles	12,256,944	1,714,390	870,405	–	13,100,929
Fiber network	1,528,608	257,934	–	–	1,786,542
Improvements other than buildings	29,142,421	2,334,644	–	–	31,477,065
Share of undivided equity interest assets	1,504,763	391,671	–	–	1,896,434
Intangibles	590,092	29,519	5,678	–	613,933
Total accumulated depreciation	68,221,723	6,355,001	876,083	–	73,700,641
Total capital assets, being depreciated, net	48,001,724	3,635,118	1,125,066	–	50,511,776
Governmental activities, capital assets, net	$441,766,899	$22,887,592	$ 13,631,691	$(1,103,125)	$449,919,675

	Balance beginning of year	Additions	Deletions	Transfers	Balance end of year
Business-Type Activities					
Capital assets, not being depreciated					
Land	$ 413,178	$ –	$ –	$ –	$ 413,178
Construction-in-progress	987,688	2,710,527	786,508	–	2,911,707
Total capital assets, not being depreciated	1,400,866	2,710,527	786,508	–	3,324,885
Capital assets, being depreciated					
Equipment	302,489	–	–	–	302,489
Intangibles	31,250	–	–	–	31,250
Sanitary and storm sewer system	112,703,047	3,981,993	–	1,103,125	117,788,165
Total capital assets, being depreciated	113,036,786	3,981,993	–	1,103,125	118,121,904
Less accumulated depreciation for					
Equipment	119,535	37,540	–	–	157,075
Intangibles	12,500	6,250	–	–	18,750
Sanitary and storm sewer system	36,091,015	2,321,302	–	–	38,412,317
Total accumulated depreciation	36,223,050	2,365,092	–	–	38,588,142
Total capital assets, being depreciated, net	76,813,736	1,616,901	–	1,103,125	79,533,762
Business-type activities, capital assets, net	$78,214,602	$4,327,428	$ 786,508	$1,103,125	$82,858,647

Depreciation expense was charged to the governmental activities functions as follows:

Governmental Activities	
Public safety	$1,952,249
Health and social services	116,507
Culture and recreation	2,548,681
Public works	1,038,617
General government	665,425
Community and economic development	33,522
	$6,355,001

NOTE 4 BONDED AND OTHER DEBT

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

	Balance July 1, 2014	Increases and Issues	Decreases and Retirements	Balance June 30, 2015	Due within one year
Governmental activities					
General obligation bonds	$77,725,763	$53,050,889	$16,814,394	$113,962,258	$18,250,000
Capital lease obligations	282,866	–	173,339	109,527	109,527
Installment contracts	1,586,822	–	170,000	1,416,822	170,000
Compensated absences	4,131,250	4,402,988	4,131,250	4,402,988	2,776,761
Net OPEB liability	766,918	128,937	–	895,855	–
Total governmental activities	84,493,619	57,582,814	21,288,983	120,787,450	21,306,288
Business-type activities					
Compensated absences	169,723	171,362	169,723	171,362	110,472
Net OPEB liability	34,928	5,400	–	40,328	–
Total business-type activities	204,651	176,762	169,723	211,690	110,472
Total long-term debt	$84,698,270	$57,759,576	$21,458,706	$120,999,140	$21,416,760

Bonds were sold at a net premium; unamortized net premium at June 30, 2015 totaled $4,702,258.

On April 7, 2015, the City issued $3,410,000 in general obligation refunding bonds with an average interest rate of 2% to crossover refund $3,390,000 Series 2008B general obligation bonds with a combined average interest rate of 3.76%. The crossover will occur on June 1, 2016. The City issued the crossover refunding debt to reduce its total debt service payments over the next five years by $124,281 and to obtain an economic gain of $119,857.

General Obligation Bonds/Notes: General obligation bonds outstanding as of June 30, 2015, consist of the following individual issues:

Date of Issue	Interest Rates	Final Due Date	Annual Principal Payments	Amount Originally Issued	Amount Outstanding June 30, 2015
06/30/2008	3.625 - 4.000	June 2022	100,000 - 1,090,000	7,000,000	6,500,000
03/04/2010	2.000 - 4.250	June 2020	780,000 - 4,140,000	31,450,000	16,350,000
06/29/2010	3.000	June 2020	685,000 - 845,000	7,000,000	3,960,000
08/11/2010	2.000 - 4.000	June 2029	50,000 - 405,000	5,000,000	4,455,000
08/10/2011	2.000 - 3.500	June 2025	1,215,000 - 500,000	6,900,000	4,545,000
08/25/2011	2.000 - 2.500	June 2018	1,775,000 - 1,985,000	11,270,000	5,825,000
05/01/2012	4.000	June 2018	365,000 - 1,040,000	2,610,000	1,100,000
05/01/2012	5.000	June 2021	560,000 - 1,945,000	11,355,000	9,410,000
06/27/2012	2.000 - 3.000	June 2026	250,000 - 655,000	7,520,000	6,275,000
08/21/2013	2.000 - 3.100	June 2024	250,000 - 1,080,000	4,385,000	2,510,000
09/11/2014	2.000 - 5.000	June 2026	820,000 - 1,055,000	13,375,000	10,450,000
04/07/2015	2.000 - 3.100	June 2029	240,000 - 2,195,000	21,755,000	21,755,000
04/07/2015	2.000 - 2.800	June 2025	875,000 - 1,660,000	12,715,000	12,715,000
04/07/2015	2.000	June 2020	615,000 - 955,000	3,410,000	3,410,000
				$145,745,000	$109,260,000

Other than Bonded Debt

Capital lease obligation: The City entered into a lease purchase agreement for the acquisition of mobile data equipment at a cost of $332,633. The agreement requires monthly payments of $5,976, including interest at 3.0 percent through December 2015. As of June 30, 2015, the balance of the lease purchase agreement was $29,723 and the equipment had no net book value as the individual items included in the purchase did not meet the threshold for capitalization under the City's capitalization policy.

NOTE 4 BONDED AND OTHER DEBT (continued)

Other than Bonded Debt (continued):

Capital lease obligation: The City entered into a lease purchase agreement for the acquisition of computer network backbone equipment and an integrated phone software system at a cost of $499,399. The agreement requires monthly payments of $8,979, including interest at 3.0 percent through April 2016. As of June 30, 2015, the balance of the lease purchase agreement was $79,804 and the equipment had no net book value as the individual items included in the purchase did not meet the threshold for capitalization under the City's capitalization policy.

Installment contracts: The City has entered into an installment contract with the Iowa Department of Transportation (DOT) for the Highway 5 relocation construction project. The agreement is non-interest bearing and originally called for annual installments of approximately $1,077,000 through June 2015. Prior to the final payment due date, IDOT modified the terms of the agreement and allowed the City to defer the final payment. The balance due as of June 30, 2015, which was $1,076,823, will be refinanced into a subsequent installment contract. The terms of the new installment contract have not been finalized and no payment schedule has been determined. Accordingly, the entire balance is classified as a long-term liability.

Installment contract: The City has entered into an installment contract with Wright Outdoor Solutions for a building. The agreement is non-interest bearing and is payable in annual installments of $170,000 through September 2016. The balance due as of June 30, 2015 was $340,000 and the building had a net book value, as improved, of $2,269,470.

Compensated Absences: Compensated absences are typically liquidated in the fund that accounts for the employee's salary and benefits.

Summary of principal and interest maturities: Annual debt service requirements to service all outstanding indebtedness as of June 30, 2015, are as follows:

	General Obligation Bonds		Capital Lease Obligations	
	Principal	Interest	Principal	Interest
Year ending June 30				
2016	18,850,000	3,707,575	109,527	1,164
2017	13,570,000	2,890,495	–	–
2018	13,615,000	2,423,683	–	–
2019	12,990,000	1,950,532	–	–
2020	8,660,000	1,521,933	–	–
2021 - 2025	30,540,000	4,431,195	–	–
2026 - 2030	11,595,000	837,775	–	–
	$ 109,820,000	$ 17,763,188	$ 109,527	$ 1,164

	Installment Contracts	
	Principal	Interest
Year ending June 30		
2016	170,000	–
2017 and beyond (undetermined)	1,246,822	–
	$ 1,416,822	$ –

NOTE 4 BONDED AND OTHER DEBT (continued)

Legal debt margin: As of June 30, 2015, the outstanding general obligation debt of the City did not exceed its legal debt margin computed as follows:

Actual valuation, net of military exemption *	$6,244,773,789
Debt limit, 5% of total actual valuation	$312,238,689
Debt applicable to debt limit:	
General obligation bonds	109,260,000
Capital lease obligations	109,527
Installment contracts	1,416,822
Legal debt margin	$201,452,340

* 100% of assessed valuation including TIF increment.

NOTE 5 INDIVIDUAL FUND DEFICIT BALANCE

The following fund had a deficit fund balance as of June 30, 2015:

Dallas County Local Housing Trust Fund	$ (19,730)

The City intends to fund this deficit through future grant revenues.

NOTE 6 INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables balances as of June 30, 2015 were:

Receivable Fund	Payable Fund	June 30, 2015
Major Governmental Fund, General	Major Governmental Fund, Employee Benefit	$ 10,838
Major Governmental Fund, General	Nonmajor Governmental Fund, CDBG	131,775
Major Governmental Fund, General	Nonmajor Governmental Fund, Dallas County Local Housing Trust Fund	48,186
Total		$ 190,799

Interfund balances result 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.

NOTE 7 INTERFUND TRANSFERS

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

	Transfers in	Transfers out
Major Governmental Funds		
General	$ 4,879,881	$ 4,519,642
Special Revenue Funds		
Road Use Tax	–	6,185,444
Tax Increment Financing	–	7,795,889
Debt Service	11,804,800	–
Capital Projects	10,087,011	4,732,981
Nonmajor Governmental Funds	240,647	4,612,578
Internal Service Funds		
Vehicle Replacement	–	1,000
Workers' Compensation Insurance	835,195	–
Total	$27,847,534	$27,847,534

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 or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8 PENSION AND RETIREMENT SYSTEMS

Iowa Public Employees' Retirement System - IPERS

Plan Description – IPERS membership is mandatory for employees of the City, except for those covered by another retirement system. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive 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, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS 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.)

NOTE 8 PENSION AND RETIREMENT SYSTEMS (continued)

Iowa Public Employees' Retirement System - IPERS

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

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

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% 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 0.5% for each month that the member received 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's Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS's 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% of pay and the City contributed 8.93% for a total rate of 14.88%. Protection occupation members contributed 6.76% of pay and the City contributed 10.14% for a total rate of 16.80%.

The City's total contributions to IPERS for the year ended June 30, 2015 were $1,675,318.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2015 the City reported a liability of $8,269,916 for its proportionate share of the net pension liability. The new 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 participation employers. At June 30, 2014, the City's collective proportion was 0.2085253% which was a decrease of 0.0157092% from its proportion measured as of June 30, 2013.

NOTE 8 PENSION AND RETIREMENT SYSTEMS (continued)

Iowa Public Employees' Retirement System - IPERS

For the year ended June 30, 2015, the City recognized pension expense of $729,969. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 97,562	$ 63,693
Changes of assumptions	396,175	1,521
Net difference between projected and actual earnings on pension plan investments	-	4,118,535
Changes in proportion and difference between City contributions and proportionate share of contributions	7,386	35,899
City contributions subsequent to the measurement date	1,675,318	-
Total	$ 2,176,441	$4,219,648

The $1,675,318 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Total
2016	$ (936,173)
2017	(936,173)
2018	(936,173)
2019	(936,173)
2020	26,167
	$ (3,718,525)

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

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

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

NOTE 8 PENSION AND RETIREMENT SYSTEMS (continued)

Iowa Public Employees' Retirement System - IPERS

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

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

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

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

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	$ 17,707,189	$ 8,269,915	$ 306,010

NOTE 8 PENSION AND RETIREMENT SYSTEMS (continued)

Iowa Public Employees' Retirement System - IPERS

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 $0 for legally required employer contributions and $0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Municipal Fire & Police Retirement System - MFPRSI

Plan Description – MFPRSI membership is mandatory for fire fighters and police officers covered by the provisions of Chapter 411 of the Code of Iowa. Employees of the City 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 DROP the member is signing a contract indicating the member will retire at the end of the selected DROP period. During the DROP period the member's retirement benefit is frozen and a DROP benefit is credited to a DROP account established for the member. Assuming the member completes the DROP period, the DROP benefit is equal to 52% of the member's retirement benefit at the member's earliest date eligible and 100% if the member delays enrollment for 24 months. At the member's actual date of retirement, the member's DROP account will be distributed to the member in the form of a lump sum or rollover to an eligible plan.

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

NOTE 8 PENSION AND RETIREMENT SYSTEMS (continued)

Municipal Fire & Police Retirement System – MFPRSI (continued)

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 was $2,517,470.

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

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

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the City reported a liability of $11,331,979 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 .03126078% which was an increase of .00028466% from its proportions measured as of June 30, 2013.

NOTE 8 PENSION AND RETIREMENT SYSTEMS (continued)

Municipal Fire & Police Retirement System – MFPRSI (continued)

For the year ended June 30, 2015, the City recognized pension expense of $968,728. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 32,071
Changes of assumptions	837,547	-
Net difference between projected and actual earnings on pension plan investments	-	5,326,851
Changes in proportion and differences between City contributions and proportionate share of contributions	129,532	-
City contributions subsequent to the measurement date	2,517,470	-
Total	$ 3,484,549	$ 5,358,922

$2,517,470 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Total
2016	$ (1,128,450)
2017	$ (1,128,450)
2018	$ (1,128,450)
2019	$ (1,128,450)
2020	121,957
	$ (4,391,843)

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
Rate of salary increase	4.50 to 15.11 percent, average, including inflation
Long-term Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

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

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

NOTE 8 PENSION AND RETIREMENT SYSTEMS (continued)

Municipal Fire & Police Retirement System – MFPRSI (continued)

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

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return
Core Plus Fixed Income	7.0%		3.8%
Emerging Markets Debt	3.0%		6.5%
Domestic Equities	12.5%		6.0%
Master Limited Partnerships (MLP)	5.0%		8.5%
International Equities	12.5%		7.0%
Core Investments		40.0%	
Tactical Asset allocation		35.0%	6.0%
Private Equity		15.0%	9.8%
Private Non-Core Real Estate	5.0%		9.3%
Private Core Real Estate	5.0%		6.8%
Real Estate		10.0%	
Total		100.0%	

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.

NOTE 8 PENSION AND RETIREMENT SYSTEMS (continued)

Municipal Fire & Police Retirement System – MFPRSI (continued)

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	$ 21,728,162	$ 11,331,979	$ 2,693,687

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 reported payables to the defined benefit pension plan of $0 for legally required employer contributions and $0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to MFPRSI.

NOTE 9 DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, is available to all full & ¾ time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan was amended to comply with IRC Section 457(g) which allowed for the plan to hold its assets in trust. Under these requirements, the assets of the plan are no longer subject to the general creditors of the City, the City no longer owns the amount deferred by employees and, therefore, the liability and corresponding investment are not reflected in the financial statements.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS - OPEB

The City operates a single-employer retiree benefit plan which provides healthcare benefits for retirees and their spouses and dependents. There are active and retired members in the plan. Retired participants must be age 55 or older at retirement.

The healthcare benefit plans are self-insured and are administered by a third party. Retirees under age 65 pay 102% of the full active employee premium rates. This results in an implicit subsidy and an OPEB liability. The contribution requirements of plan members are established and may be amended by the City. The City currently finances the retiree benefit plan on a pay-as-you-go basis.

The City's annual OPEB cost is calculated based on the annual required contribution (ARC) of the City, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year ended June 30, 2015, the amount actually contributed to the plan and changes in the City's net OPEB obligation:

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS - OPEB (continued)

Annual required contribution, ARC	$ 204,223
Interest on net OPEB obligation	40,092
Adjustment to annual required contribution	(52,163)
Annual OPEB cost	192,152
Contributions made	(57,815)
Increase in net OPEB obligation	134,337
Net OPEB obligation, beginning of year	801,846
Net OPEB obligation, end of year	$ 936,183

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2015.

For the year ended June 30, 2015, the City contributed $57,815 to the plan. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2015 are summarized as follows:

Fiscal year ended June 30	Annual OPEB cost	Percentage of annual OPEB cost contributed	Net OPEB obligation
2013	$ 144,018	38.4%	$ 668,237
2014	$ 142,035	5.9%	$ 801,846
2015	$ 192,152	30.1%	$ 936,183

As of July 1, 2014, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was $2,419,375 with no actuarial value of assets, resulting in an unfunded actuarial accrued liability, UAAL, of $2,419,375. The covered payroll (annual payroll of active employees covered by the plan) was approximately $24,386,000, and the ratio of the UAAL to the covered payroll was 9.9%. As of June 30, 2015, there were no trust fund assets.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

As of the July 1, 2014, actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 5% investment rate and 3% inflation rate based on the City's funding policy. The projected annual healthcare cost trend rate is 5.0%. The ultimate medical trend rate is 5.0%. The medical trend rate has been reduced 1.0% each year until reaching the 5.0% ultimate trend rate. There were no benefit increases considered.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS - OPEB (continued)

Mortality rates are from the RP2014 Mortality Tables, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the Actuary's Pension Handbook.

Projected claim costs of the healthcare plan are approximately $10,000 for retirees. The salary increase rate was assumed to be 3% per year. The UAAL is being amortized as a level dollar amount on an open basis over a period of 30 years.

There are no audited financial statements for this plan.

NOTE 11 JOINT VENTURE

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

Annually, the WRA establishes an allocation to all participating communities based on operations, maintenance, debt service and reserve requirements. Allocations are based on wastewater reclamation facility flows and adjusted prospectively for differences in budgeted flows and actual flows.

The City retains an ongoing financial responsibility to the WRA since it is obligated in some manner for the debts of the joint venture through the annual allocation. 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 bonds issued during the time the entity was a participating community are still outstanding.

In May of 2015, the WRA issued Sewer Revenue Bonds Series 2015E for the purpose of refunding Series 2006A. The WRA Agreement requires the debt service on these bonds to be allocated to the participating communities based on the WRA flows of the core communities and expansion communities of each calendar year. As of June 30, 2015, the Series 2015E bonds had a balance of $32,955,000 and the City of West Des Moines' estimated future allocation based on the WRA flows is currently $6,347,636.

In May of 2013, the WRA issued Sewer Revenue Bonds Series 2013B for the purpose of refunding Series 2004B. The WRA Agreement requires the debt service on these bonds to be allocated to the participating communities based on the WRA flows of the core communities and expansion communities of each calendar year. As of June 30, 2015, the Series 2013B bonds had a balance of $54,170,000 and the City of West Des Moines' estimated future allocation based on the WRA flows is currently $10,433,969.

The WRA Agreement requires the debt service on all State Revolving Loans issued after July 1, 2004 to be allocated to the participating communities based on the WRA flows of the core communities and expansion communities of each calendar year. As of June 30, 2015, the WRA had $262,051,730 of such State Revolving Loans of which $47,687,961 future principal debt service is a commitment to the City of West Des Moines. The State Revolving Loans assumed by the WRA in 2004 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 $2,105,000 in these State Revolving Loans of which $170,505 future principal debt service is a commitment to the City of West Des Moines.

NOTE 11 JOINT VENTURE (continued)

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 will be paid. Since there is no specific and measurable equity interest in the WRA Agreement, no investment in the joint venture has been reported by the City.

The WRA issues separate financial statements that may be obtained at 3000 Vandalia Road, Des Moines, Iowa 50317-1346.

NOTE 12 RELATED ORGANIZATIONS AND JOINTLY GOVERNED ORGANIZATIONS

Related organization: The West Des Moines Water Works Utility is governed by a five-member board which is appointed by the Mayor and approved by the City Council. The West Des Moines Water Works Utility is legally a separate entity and is not financially accountable to the City. The City provides various services to the Water Works, including office facilities, reimbursable expenses, and the availability to participate in the City's health insurance plan. The Water Works provides billing and collection services to the City in connection with the City's Sewer, Solid Waste, and Storm Water Enterprise Funds. The following is a summary of the related party transactions for the year ended June 30, 2015:

Received from West Des Moines Water Works	
Occupancy reimbursements	$ 16,805
Health insurance premiums	464,870
Gasoline reimbursements	35,368
Telephone reimbursements	7,010
Share of general insurance	132,914
Delinquent reimbursements	1,551
Miscellaneous reimbursements	72,826
Payments to West Des Moines Water Works	
Collection fees for sewer, solid waste, and storm water	170,459
Miscellaneous fees	59,001

Amounts receivable from West Des Moines Water Works as of June 30, 2015 for sewer, storm water, and solid waste charges totaled $1,515,673, $388,784, and $295,019, respectively. Also on June 30, 2015, $1,000,000 was receivable for partial reimbursement of water system capital improvements made by the City on the utility's behalf.

Jointly governed organizations: The City participates in several jointly governed organizations for which the City is not financially accountable or that the nature and significance of the relationship with the City are such that exclusion does not cause the City's financial statements to be misleading or incomplete. City officials are members of the following boards and commissions: Polk, Dallas and Warren County Assessor's Conference Boards; Metropolitan Planning Organization; Greater Des Moines Convention and Visitors Bureau. In August 2000, the City entered into a jointly governed organization with two other Des Moines suburbs for the creation of Westcom. Westcom was established as an undivided interest ownership arrangement, whereby title to assets in Westcom is held individually by the City and two other Des Moines suburbs. The City's portion of current year costs of operations and capital for the dispatch center were $1,161,483 and $144,778, respectively.

In July 2008, the City entered into a jointly governed organization with Central Iowa Health System for the provision of emergency medical services. The agreement between the participating organizations is commonly referred to as the "Iowa EMS Alliance". The Iowa EMS Alliance was established as an undivided interest ownership arrangement, whereby the title to Alliance assets is held individually by the City and Iowa Health. The City's portion of current year costs of operation and capital for the Iowa EMS Alliance were $2,443,160 and $27,618, respectively.

NOTE 13 COMMITMENTS

The City has entered into contracts totaling approximately $51 million for various projects that were not complete at year-end. As of June 30, 2015, approximately $18 million has been incurred on these contracts.

In order to encourage development within designated Urban Renewal Areas, the City Council has approved development rebate agreements related to five different projects. Rebates 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. It is estimated that outstanding commitments of approximately $5.5 million exist, of which $1 million is likely to be eligible to be paid in the next fiscal year. The payments will be expensed in the period in which they are paid. No liability for these obligations is recognized due to the fact that the agreements are conditional and the payments are to be funded by future property taxes received on the project.

NOTE 14 RISK MANAGEMENT

The City is a member in the Iowa Communities Assurance Pool (the Pool), as allowed by Chapter 670.7 of the Code of Iowa. The Pool is a local government risk-sharing pool whose 739 members include various governmental entities throughout the state of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials' liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 150 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

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

The City's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The City's contributions to the Pool for the year ended June 30, 2015 were approximately $550,000.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional and public officials' liability risks up to $350,000 per claim. Claims exceeding $350,000 are reinsured in an amount not to exceed $2,650,000 per claim. For members requiring specific coverage from $3,000,000 to $12,000,000, such excess coverage is also reinsured. The City of West Des Moines has elected $10,000,000 in coverage. Property and automobile physical damage risks are retained by the Pool up to $250,000 each occurrence, each location, with excess coverage reinsured through reinsurance and risk-sharing agreements with various providers.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhaust total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The

NOTE 14 RISK MANAGEMENT (continued)

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

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days' prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their casualty capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its casualty capital contributions; however, the refund is reduced by an amount equal to the annual casualty operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

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

Self-insurance: The City has a self-insured medical expense reimbursement plan which provides medical benefits to its employees and to the employees of affiliates. The plan provides each covered person with unlimited lifetime maximum coverage for health care needs. The plan is funded by both employee and City contributions and is administered through a service agreement with Wellmark. The uninsured risk retention per person is $100,000 (not to exceed 125 percent of the aggregate expected claims of $3,791,396 for the year ended June 30, 2015). The City purchased commercial stop-loss insurance to provide for claims in excess of the $100,000 to reduce its exposure to large losses. There has been no significant reduction in insurance coverage under the plan from prior years.

The City has established the Health and Dental Insurance Fund (an internal service fund) to account for and finance the uninsured risk of loss. The City's contribution to the fund for the year ended June 30, 2015 was $4,271,449.

Effective July 1, 2005, the City established a self-insured plan for its worker's compensation plan. An internal service fund was created to account for premiums and claims paid. The uninsured risk retention is $400,000 per occurrence. The aggregate retention is 90 percent of the annual premium amount or approximately $2,485,000.

Amounts payable from the Health and Dental Insurance Fund and the Worker's Compensation Insurance Fund as of June 30, 2015, totaled $624,354 and include incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims, and to establish a reserve for other loss. A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss is reasonably estimable. Settlements exceeded stop-loss coverage in the year ended June 30, 2015 by $404,139. Settlements did not exceed the stop-loss coverage in the years ended June 30, 2014 and 2013. Information on changes in the aggregate liabilities for claims is as follows:

	2015	2014
Claims payable, beginning of year	$ 698,999	$ 698,659
Claims recognized	4,851,853	3,797,656
Claim payments	(4,926,498)	(3,797,616)
Claims payable, end of year	$ 624,354	$ 698,999

NOTE 15 CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued Industrial Development Revenue Bonds, under the provisions of Chapter 419 of the Code of Iowa, to provide financial info assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon prepayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. 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 was one series of industrial development revenue bonds outstanding, with an aggregated principal amount payable of $4,875,001.

NOTE 16 LITIGATION

Claims have been asserted against the City in the ordinary course of business with a maximum exposure of $150,000. Management is unable to estimate the cost of these claims or determine a range of loss and, accordingly, no accrual has been made for them.

NOTE 17 ACCOUNTING CHANGES AND RESTATEMENT

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

	Net Position June 30, 2014 As Previously Reported	Net Pension Liability at June 30, 2014	Deferred Outflows of Resources Related to Contributions Made After the June 30, 2013 Measurement Date	Net Position July 1, 2014 as Restated
Governmental Activities	$ 434,980,886	$ (28,942,159)	$ 3,906,205	$ 409,944,932
Business-type Activities	124,471,960	(1,092,244)	114,640	123,494,356
Major Enterprise Funds:				
Sewer System	88,560,104	(572,102)	60,047	88,048,049
Storm Water System	34,810,096	(520,142)	54,593	34,344,547

NOTE 18 NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS

The Governmental Accounting Standards Board (GASB) has issued six statements not yet implemented by the City. The statements which might impact the City are as follows:

Statement No. 72, Fair Value Measurement and Application, issued February 2015, will be effective for the fiscal year ending June 30, 2016. The objective of this statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements.

Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, will be effective for fiscal year ending June 30, 2016. The objective is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports (financial reports) of governments whose employees—both active employees and inactive employees—are provided with pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as amended.

Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, will be effective for the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, will be effective for fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, will be effective for the fiscal year June 30, 2016. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles.

Statement No. 77, Tax Abatement Disclosures, will be effective for the fiscal year June 30, 2017. The objective of this Statement is to improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users.

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

City of West Des Moines, Iowa
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
(In Thousands)

REQUIRED SUPPLEMENTARY INFORMATION

Fiscal Year End June 30	Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded ratio (a/b)	Covered payroll (c)	UAAL as a percentage of covered payroll ((b - a)/c)
2013	July 1, 2012	$ –	$1,471	$1,471	0.0%	$ 21.693	6.8%
2014	July 1, 2012	$ –	$1,471	$1,471	0.0%	$ 21,693	6.8%
2015	July 1, 2014	$ –	$2,419	$2,419	0.0%	$ 24,386	9.9%

See Note 10 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

See accompanying independent auditor's report.

City of West Des Moines, Iowa
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM – IPERS
LAST FISCAL YEAR*
REQUIRED SUPPLEMENTARY INFORMATION

	2015
City's proportion of the net pension liability	0.2085253%
City's proportionate share of the net pension liability	$ 8,269,916
City's covered-employee payroll	$16,337,805
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	50.61%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

* The amounts presented for each fiscal year were determined as of June 30th.

Note: GASB Statement No. 68 required 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.

See accompanying notes to required supplementary information.

City of West Des Moines, Iowa
SCHEDULE OF CITY CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM - IPERS
LAST TEN FISCAL YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Statutorily required contribution	$ 744,909	$ 819,773	$ 908,811	$ 1,043,635	$ 1,178,526	$ 1,220,065	$ 1,458,325	$ 1,529,529	$ 1,617,030	$ 1,675,318
Contribution in relation to the statutorily required contribution	744,909	819,773	908,811	1,043,635	1,178,526	1,220,065	1,458,325	1,529,529	1,617,030	1,675,318
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered-employee payroll	12,838,335	14,127,802	14,927,240	13,847,643	16,865,755	16,524,200	17,426,384	15,827,188	16,337,805	18,379,445
Contributions as a percentage of covered-employee payroll	5.80%	5.80%	6.09%	7.54%	6.99%	7.38%	8.37%	9.66%	9.90%	9.12%

See accompanying notes to required supplementary information.

City of West Des Moines, Iowa
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM - IPERS
June 30, 2015

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average Salary changed from the highest 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.

Changes of assumptions:

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

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

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

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase 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 West Des Moines, Iowa
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA - MFPRSI
LAST FISCAL YEAR*
REQUIRED SUPPLEMENTARY INFORMATION

	2015
City's proportion of the net pension liability	3.126078%
City's proportionate share of the net pension liability	$11,331,979
City's covered-employee payroll	$ 7,983,068
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	142.00%
Plan fiduciary net position as a percentage of the total pension liability	86.27%

* The amounts presented for each fiscal year were determined as of June 30th.

Note: GASB Statement No. 68 required 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.

See accompanying notes to required supplementary information.

City of West Des Moines, Iowa
SCHEDULE OF CITY CONTRIBUTIONS
MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA - MFPRSI
LAST TEN FISCAL YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Statutorily required contribution	$ 1,535,497	$ 1,608,837	$ 1,631,104	$ 1,291,314	$ 1,223,912	$ 1,445,739	$ 1,881,373	$ 2,023,600	$ 2,404,500	$ 2,517,470
Contribution in relation to the statutorily required contribution	1,535,497	1,608,837	1,631,104	1,291,314	1,223,912	1,445,739	1,881,373	2,023,600	2,404,500	2,517,470
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered-employee payroll	5,443,095	5,797,611	6,401,507	6,887,008	7,199,482	7,265,020	7,598,437	7,747,320	7,983,068	8,278,428
Contributions as a percentage of covered-employee payroll	28.21%	27.75%	25.48%	18.75%	17.00%	19.90%	24.76%	26.12%	30.12%	30.41%

Notes to Required Supplementary Information - Pension Liability:

Changes of benefits terms: There were no significant changes of benefits terms.

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

City of West Des Moines, Iowa
BUDGETARY COMPARISON SCHEDULE
BUDGET TO ACTUAL—ALL GOVERNMENTAL FUNDS AND PROPRIERTARY FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
Year ended June 30, 2015

	Governmental Fund Types Actual	Proprietary Fund Types Actual	Total Actual	Budgeted Amounts Original	Budgeted Amounts Final	Final to Actual Variance - Positive (Negative)
REVENUES						
Property tax	$ 48,429,027	$ -	$ 48,429,027	$ 48,525,173	$ 48,525,173	$ (96,146)
Tax increment financing taxes	9,172,348	-	9,172,348	9,205,790	9,205,790	(33,442)
Other City taxes	4,599,649	-	4,599,649	4,009,853	4,009,853	589,796
Special assessments	249,814	-	249,814	150,000	211,600	38,214
Licenses and permits	2,326,549	-	2,326,549	1,389,550	1,990,350	336,199
Intergovernmental	21,328,305	-	21,328,305	11,590,554	16,740,619	4,587,686
Charges for services	5,722,482	14,108,122	19,830,604	18,388,400	20,482,575	(651,971)
Use of money and property	224,398	90,111	314,509	2,024,055	2,052,205	(1,737,696)
Miscellaneous	2,060,383	24,140	2,084,523	8,534,315	9,499,565	(7,415,042)
Total revenues	94,112,955	14,222,373	108,335,328	103,817,690	112,717,730	(4,382,402)
EXPENDITURES/EXPENSES						
Public safety	26,739,914	-	26,739,914	27,983,378	28,745,656	2,005,742
Public works	8,199,192	-	8,199,192	8,573,325	8,995,797	796,605
Health and social services	1,105,932	-	1,105,932	1,258,878	1,261,378	155,446
Culture and recreation	7,743,062	-	7,743,062	8,179,199	8,589,699	846,637
Community and economic development	21,691,199	-	21,691,199	7,513,468	23,591,435	1,900,236
General government	6,865,765	-	6,865,765	7,502,101	8,059,806	1,194,041
Debt service	19,576,791	-	19,576,791	17,697,058	20,520,328	943,537
Capital outlay	19,115,297	-	19,115,297	24,892,000	37,610,715	18,495,418
Business-type	-	12,785,267	12,785,267	22,080,714	27,605,969	14,820,702
Total expenditures/expenses	111,037,152	12,785,267	123,822,419	125,680,121	164,980,783	41,158,364
Excess (deficiency) of revenues over (under) expenditures/expenses	(16,924,197)	1,437,106	(15,487,091)	(21,862,431)	(52,263,053)	36,775,962
OTHER FINANCING SOURCES, NET	52,620,653	6,260,467	58,881,120	14,132,000	44,238,400	14,642,720
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing sources (uses)	35,696,456	7,697,573	43,394,029	(7,730,431)	(8,024,653)	$ 51,418,682
BALANCES, beginning of year, restated	57,361,847	123,119,780	180,481,627	180,481,627	180,481,627	
BALANCES, end of year	$ 93,058,303	$ 130,817,353	$ 223,875,656	$ 172,751,196	$ 172,456,974	

See Note to Required Supplementary Information.

City of West Des Moines, Iowa
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION—BUDGETARY REPORTING
Year ended June 30, 2015

The budgetary comparison is presented as Required Supplementary Information in accordance with Government Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the City Council annually adopts a budget following required public notice and hearing which include all funds, except internal service and agency funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund or fund type. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital outlay and business-type activities. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund and Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, budget amendments increased budgeted expenditures by $39,300,662. The budget amendments are reflected in the final budgeted amounts.

The City of West Des Moines, Iowa prepares its budget on the modified accrual basis for the governmental fund types and the accrual basis for the proprietary fund types which is consistent with generally accepted accounting principles.

City of West Des Moines, Iowa
REQUIRED SUPPLEMENTARY INFORMATION—MODIFIED APPROACH
Year ended June 30, 2015

The City has elected to use the modified approach as defined by the GASB Statement No. 34 for reporting the infrastructure of its street network. The street network is defined as all physical features existing within the right of way limits for the City's roadways and includes the streets, bridges and levees subsystems. (For additional information regarding the use of the modified approach and the City's capitalization policies, see Management's Discussion and Analysis and the Notes to Basic Financial Statements.)

The City of West Des Moines maintains a computerized Street Management System (SMS) to keep an up-to-date inventory of the street network and to record condition assessments. In performing these condition assessments, each City street is evaluated and rated according to an Overall Condition Index (OCI). This index represents a composite rating including the evaluation of pavement defects/deterioration, ride quality, drainage, weathering and surface condition. The OCI of each street is calculated and rated on a scale from 100 to 0, with an OCI rating of 100 being the best and 0 the worst. This condition assessment will be performed at least once every three years. The following table defines the Overall Condition Index (OCI) rating scale for streets:

Pavement Condition	OCI Range
Very good	100 - 90
Good	90 - 80
Average	80 - 60
Below Average	60 - 50
Poor	50 - 25
Failed	25 - 0

The City's goal is to maintain an OCI rating of 78 - 80 for the street network. The following are descriptions for Portland cement concrete and asphalt surfaced streets in the City with an OCI rating of 78 - 80.

Portland cement concrete streets (OCI 78-80): Low and moderate severity settlement, bumps, cracking or joint deterioration may exist up to 15% of the street area. The majority of the cracking is between 3/8 inch and 3 inches wide. Cracks typically may need to be sealed. More than 50% of the joints have sealant damage. Patches may exist up to 20% of the street area and are typically moderate in quality. Discernible bumps may be noticeable during vehicle travel. Vehicle speed is generally not affected by the pavement condition, except possibly at isolated locations. Water ponding may exist in isolated locations. Surface pop-outs may exist throughout the pavement.

Asphalt Surfaced Streets (OCI 78-80): Reflective cracking may exist up to 100% of the street area. The majority of the cracking is between 3/8 inch and 3 inches wide. Cracks typically may need to be sealed. Low and moderate severity bumps, alligator cracking, rutting, or raveling may exist up to 5% of the street area. Patches may exist up to 10% of the street area and are typically moderate in quality. Potholes may exist at small isolated locations. Discernable bumps may be noticeable during vehicle travel. Vehicle speed is generally not affected by the pavement condition, except possibly at isolated locations. Water ponding may exist in isolated areas. The surface color is typically medium gray.

Levees and Associated Flood Control Elements (Army Corp. Rating – Minimally Acceptable): One or more items are rated as Minimally Acceptable or one or more items are rated as unacceptable and an engineering determination concludes that unacceptable items would not prevent the segment / system from performing as intended during the next flood event.

Bridge and Large Street Culverts (FHWA & Iowa DOT Sufficiency Rating – 81 or Greater): The item is structurally sound and there appears to be no immediate safety hazards. Minor cracking, scaling, leaching, channel silting and vegetation, or other minor problems may exist in isolated locations. Minor problems, if any exist, do not appear to have an immediate impact on structural integrity or safety.

City of West Des Moines, Iowa
REQUIRED SUPPLEMENTARY INFORMATION—MODIFIED APPROACH (continued)
Year ended June 30, 2015

One factor that significantly affects the trend of levee condition assessments is the 2014 assessment is a Periodic Inspection using different criteria and standards than the previous years' Continuing Eligibility Inspections.

Condition rating of the City's street subsystem:

		2012		2013		2014	
Category	OCI Range	Lane Miles	Percent of Street Network	Lane Miles	Percent of Street Network	Lane Miles	Percent of Street Network
Very Good	100-90	254	33.2	241	31.2	240	30.8
Good	90-80	253	33.0	274	35.3	254	32.6
Average	80-60	157	20.5	151	19.5	181	23.3
Below Average	60-50	84	11.0	90	11.6	88	11.3
Poor	50-25	18	2.3	18	2.4	16	2.0
Failed	25-0	0	0	0	0	0	0
Total		766	100%	774	100%	779	100%

Overall condition index (OCI):

	2012	2013	2014
Goal	78-80	78-80	78-80
Actual	80.3	80.2	79.9

Bridge & Street Culvert Condition by Category as of the Last Assessment

Condition Categories Based on FHWA Criteria:

		2009		2011		2013	
Category	OCI Range	Bridges Inspected	Percent of Bridges Inspected	Bridges Inspected	Percent of Bridges Inspected	Bridges Inspected	Percent of Bridges Inspected
Excellent	100-90	18	75.0	17	70.8	17	58.6
Very Good	90-80	4	16.7	4	16.7	6	20.7
Good	80-70	1	4.2	1	4.2	2	6.9
Satisfactory	70-60	1	4.1	1	4.2	2	6.9
Fair	60-50	0	0	1*	4.1	2	6.9
Poor	50-40	0	0	0	0	0	0
Serious	40-30	0	0	0	0	0	0
Critical	30-20	0	0	0	0	0	0
Imminent Failure	20-10	0	0	0	0	0	0
Failed	10-0	0	0	0	0	0	0
Total		24	100%	24	100%	29	100%

*Structure is closed to traffic

Overall condition index (OCI):

	2009	2011	2013
Goal	81 or greater	81 or greater	81 or greater
Actual	93.8	91.3	86.4

City of West Des Moines, Iowa
REQUIRED SUPPLEMENTARY INFORMATION—MODIFIED APPROACH (continued)
Year ended June 30, 2015

Levee Condition by Category as of the Last Assessment

Condition Categories Based on Army Corp. Criteria:

	2012		2013		2014	
OCI Range	Levee Items Inspected	Percent of Levee Items Inspected	Levee Items Inspected	Percent of Levee Items Inspected	Levee Items Inspected	Percent of Levee Items Inspected
Acceptable	40	75.5	42	76.4	48	87.3
Minimally Acceptable	10	18.9	13	23.6	7	12.7
Unacceptable	3	5.6	0	0	0	0
	53	100%	55	100%	55	100%

Overall condition index (OCI):

	2012	2013	2014
Goal	Minimally Acceptable	Minimally Acceptable	Acceptable
Actual	Minimally Acceptable	Minimally Acceptable	Acceptable

Comparison of estimated prevention/maintenance costs to actual for the street network (in thousands):

	2009	2010	2011	2012	2013	2014	2015
Estimated Costs	$5,397	$4,374	$5,296	$5,307	$6,753	$4,567	$4,041
Actual Costs	$5,024	$5,071	$5,387	$5,119	$3,720	$4,130	$4,119

This page is intentionally blank.

City of West Des Moines, Iowa
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015

	Police and Fire Retirement	Employee Benefit	Economic Development	Housing Programs
ASSETS				
Cash and investments	$ 2,699,785	$ -	$ 681,696	$ 399,941
Restricted cash and investments	-	-	-	200,000
Receivables				
Property taxes	2,211,090	4,279,050	-	-
Accounts	-	-	-	657
Due from other governments	-	-	-	15,927
Total assets	$ 4,910,875	$ 4,279,050	$ 681,696	$ 616,525
LIABILITIES				
Accounts payable	61,176	-	15	3,217
Accrued wages payable	-	-	-	1,196
Due to other funds	-	10,838	-	-
Total liabilities	61,176	10,838	15	4,413
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue:				
Succeeding year property tax	2,205,633	4,268,212	-	-
FUND BALANCES (DEFICITS)				
Restricted for				
Other purposes	2,644,066	-	681,681	612,112
Total fund balances (deficits)	2,644,066	-	681,681	612,112
Total liabilities, deferred inflows of resources and fund balances	$ 4,910,875	$ 4,279,050	$ 681,696	$ 616,525

See accompanying independent auditor's report.

Parks	Library	Public Safety	Dallas County Local Housing Trust Fund	Community Development Block Grant	Totals
$ 714,925	$ 195,782	$ 416,411	$ -	$ -	$ 5,108,540
-	-	-	-	-	200,000
-	-	-	-	-	6,490,140
-	-	31,030	35,729	31,250	98,666
-	-	91,676	-	121,651	229,254
$ 714,925	$ 195,782	$ 539,117	$ 35,729	$ 152,901	$ 12,126,600
525	-	151,047	6,753	17,569	240,302
-	-	-	520	1,512	3,228
-	-	-	48,186	131,775	190,799
525	-	151,047	55,459	150,856	434,329
-	-	-	-	-	6,473,845
714,400	195,782	388,070	(19,730)	2,045	5,218,426
714,400	195,782	388,070	(19,730)	2,045	5,218,426
$ 714,925	$ 195,782	$ 539,117	$ 35,729	$ 152,901	$ 12,126,600

See accompanying independent auditor's report.

City of West Des Moines, Iowa
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
Year ended June 30, 2015

	Police and Fire Retirement	Employee Benefit	Economic Development	Housing Programs
REVENUES				
Property taxes	$2,127,961	$4,226,058	$ -	$ -
Other City taxes	29,363	58,313	-	-
Intergovernmental	61,201	121,544	50,000	117,306
Use of money and property	-	-	-	573
Miscellaneous	-	-	26,187	102,933
Total revenues	2,218,525	4,405,915	76,187	220,812
EXPENDITURES				
Current operating				
Public safety	2,523,346	-	-	-
Health and social services	-	-	-	243,393
Culture and recreation	-	-	-	-
Community and economic development	-	-	80,429	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	2,523,346	-	80,429	243,393
Excess (deficiency) of revenues over (under) expenditures	(304,821)	4,405,915	(4,242)	(22,581)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	50,000	26,408
Transfers out	-	(4,416,170)	-	-
Total other financing sources (uses)	-	(4,416,170)	50,000	26,408
Net change in fund balances	(304,821)	(10,255)	45,758	3,827
Fund balances, beginning of year	2,948,887	10,255	635,923	608,285
Fund balances (deficit), end of year	$2,644,066	$ -	$ 681,681	$612,112

See accompanying independent auditor's report.

Parks	Library	Public Safety	Dallas County Local Housing Trust Fund	Community Development Block Grant	Totals
$ -	$ -	$ -	$ -	$ -	$6,354,019
-	-	-	-	-	87,676
-	-	-	154,624	4,242,880	4,747,555
-	-	6	-	-	579
130,866	66,306	874,438	12,398	42,284	1,255,412
130,866	66,306	874,444	167,022	4,285,164	12,445,241
-	-	637,297	-	-	3,160,643
-	-	-	-	-	243,393
45,589	65,181	-	-	-	110,770
-	-	-	192,086	4,333,997	4,606,512
-	-	69,682	-	-	69,682
-	-	2,029	-	-	2,029
45,589	65,181	709,008	192,086	4,333,997	8,193,029
85,277	1,125	165,436	(25,064)	(48,833)	4,252,212
160,000	-	1,000	3,239	-	240,647
-	-	(170,000)	-	(26,408)	(4,612,578)
160,000	-	(169,000)	3,239	(26,408)	(4,371,931)
245,277	1,125	(3,564)	(21,825)	(75,241)	(119,719)
469,123	194,657	391,634	2,095	77,286	5,338,145
$714,400	$195,782	$388,070	$ (19,730)	$ 2,045	$5,218,426

See accompanying independent auditor's report.

City of West Des Moines
COMBINING STATEMENT OF NET POSITION-INTERNAL SERVICE FUNDS
Year ended June 30, 2015

	Vehicle Replacement	Vehicle Maintenance	Health and Dental Insurance	Workers' Compensation Insurance	Technology Replacement	Total
ASSETS						
Current assets						
Cash and investments	$ 9,429,188	$ 88,385	$ 7,437,945	$ 4,095,212	$ 1,000,000	$ 22,050,730
Accounts receivable	-	143	12,781	-	-	12,924
Interest	2,506	-	-	-	-	2,506
Due from other governments	-	13,970	-	-	-	13,970
Total current assets	9,431,694	102,498	7,450,726	4,095,212	1,000,000	22,080,130
Noncurrent assets, capital assets						
Equipment and vehicles	14,575,048	-	-	-	-	14,575,048
Accumulated depreciation	(9,114,129)	-	-	-	-	(9,114,129)
Total noncurrent assets	5,460,919	-	-	-	-	5,460,919
Total assets	$ 14,892,613	$ 102,498	$ 7,450,726	$ 4,095,212	$ 1,000,000	$ 27,541,049
LIABILITIES AND NET POSITION						
Liabilities						
Current						
Accounts payable	83,150	44,298	-	-	-	127,448
Claims payable	-	-	392,881	231,473	-	624,354
Total current liabilities	83,150	44,298	392,881	231,473	-	751,802
NET POSITION						
Net investment in capital assets	5,460,919	-	-	-	-	5,460,919
Unrestricted	9,348,544	58,200	7,057,845	3,863,739	1,000,000	21,328,328
Total net position	14,809,463	58,200	7,057,845	3,863,739	1,000,000	26,789,247
Total liabilities and net position	$ 14,892,613	$ 102,498	$ 7,450,726	$ 4,095,212	$ 1,000,000	$ 27,541,049

See accompanying independent auditor's report.

City of West Des Moines, Iowa
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year ended June 30, 2015

	Vehicle Replacement	Vehicle Maintenance	Health and Dental Insurance	Workers' Compensation Insurance	Technology Replacement	Total
OPERATING REVENUES						
Charges for services	$ -	$ 903,087	$5,505,494	$ 311,887	$ -	$ 6,720,468
Lease revenue	1,580,923	-	-	-	-	1,580,923
Other	54,150	-	-	-	-	54,150
Total operating revenues	1,635,073	903,087	5,505,494	311,887	-	8,355,541
OPERATING EXPENSES						
Cost of sales and services	-	982,518	5,276,841	383,989	-	6,643,348
Depreciation	1,126,527	-	-	-	-	1,126,527
Total operating expenses	1,126,527	982,518	5,276,841	383,989	-	7,769,875
Operating income (loss)	508,546	(79,431)	228,653	(72,102)	-	585,666
Nonoperating revenues (expenses)						
Investment earnings	6,950	-	4,061	-	-	11,011
Gain (loss) on sale of capital assets	158,970	-	-	-	-	158,970
Total nonoperating revenues	165,920	-	4,061	-	-	169,981
Income (loss) before transfers	674,466	(79,431)	232,714	(72,102)	-	755,647
Transfers in	-	-	-	835,195	-	835,195
Transfers out	(1,000)	-	-	-	-	(1,000)
Change in net position	673,466	(79,431)	232,714	763,093	-	1,589,842
Total net position, beginning of year	14,135,997	137,631	6,825,131	3,100,646	1,000,000	25,199,405
Total net position, end of year	$ 14,809,463	$ 58,200	$7,057,845	$ 3,863,739	$ 1,000,000	$26,789,247

See accompanying independent auditor's report.

City of West Des Moines, Iowa
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year ended June 30, 2015

	Vehicle Replacement	Vehicle Maintenance	Health and Dental Insurance	Workers' Compensation Insurance	Technology Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	$ 1,635,073	$ 901,577	$ 5,498,955	$ 311,887	$ -	$ 8,347,492
Payments to suppliers	-	(907,548)	-	-	-	(907,548)
Payments to claimants	-	-	(5,252,313)	(483,162)	-	(5,735,475)
Net cash provided by (used in) operating activities	1,635,073	(5,971)	246,642	(171,275)	-	1,704,469
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	-	-	-	835,195	-	835,195
Transfers out	(1,000)	-	-	-	-	(1,000)
Net cash provided by (used in) noncapital financing activities	(1,000)	-	-	835,195	-	834,195
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	(1,609,857)	-	-	-	-	(1,609,857)
Proceeds from disposal of capital assets	278,680	-	-	-	-	278,680
Net cash (used in) capital and related financing activities	(1,331,177)	-	-	-	-	(1,331,177)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	8,536	-	5,161	-	-	13,697
Purchase of investment securities	(4,000,000)	-	-	-	-	(4,000,000)
Proceeds from maturity of investment securities	3,500,000	-	2,000,000	-	-	5,500,000
Net cash provided by (used in) investing activities	(491,464)	-	2,005,161	-	-	1,513,697
Net increase (decrease) in cash and cash equivalents	(188,568)	(5,971)	2,251,803	663,920	-	2,721,184
Cash and cash equivalents Beginning of year	5,617,756	94,356	5,186,142	3,431,292	1,000,000	15,329,546
End of year	$ 5,429,188	$ 88,385	$ 7,437,945	$ 4,095,212	$ 1,000,000	$ 18,050,730

See accompanying independent auditor's report.

City of West Des Moines, Iowa
COMBINING STATEMENT OF CASH FLOWS (continued)
INTERNAL SERVICE FUNDS
Year ended June 30, 2015

	Vehicle Replacement	Vehicle Maintenance	Health and Dental Insurance	Workers' Compensation Insurance	Technology Replacement	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating income (loss)	$ 508,546	$ (79,431)	$ 228,653	$ (72,102)	$ -	$ 585,666
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation	1,126,527	-	-	-	-	1,126,527
Change in assets and liabilities						
Receivables	-	(1,510)	(6,539)	-	-	(8,049)
Inventories	-	75,205	-	-	-	75,205
Accounts payable	80,780	(235)	-	-	-	80,545
Claims payable	-	-	24,528	(99,173)	-	(74,645)
Net cash provided by (used in) operating activities	$ 1,715,853	$ (5,971)	$ 246,642	$ (171,275)	$ -	$ 1,785,249
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO SPECIFIC ASSETS ON THE STATEMENT OF NET POSITION						
Cash and investments	$ 9,429,188	$ 88,385	$ 7,437,945	$ 4,095,212	$ 1,000,000	$ 22,050,730
Less items not meeting the definition of cash equivalents	(4,000,000)	-	-	-	-	(4,000,000)
Cash and cash equivalents at end of year	$ 5,429,188	$ 88,385	$ 7,437,945	$ 4,095,212	$ 1,000,000	$ 18,050,730

See accompanying independent auditor's report.

City of West Des Moines, Iowa
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2015

	Collections and Deposits	Section 125 Plan	Total Agency Funds
ASSETS			
Cash and investments	$ 738,301	$ 78,999	$ 817,300
LIABILITIES			
Accounts payable	3,996	-	3,996
Deposits and remittances due	734,305	78,999	813,304
Total liabilities	$ 738,301	$ 78,999	$ 817,300

See accompanying independent auditor's report.

City of West Des Moines, Iowa
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year ended June 30, 2015

Collections and Deposits	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
ASSETS				
Cash and investments	$ 561,217	$ 242,666	$ 65,582	$ 738,301
Restricted assets, contractors' bonds	59,536	-	59,536	-
Total assets	$ 620,753	$ 242,666	$ 125,118	$ 738,301
LIABILITIES				
Accounts payable	-	3,996	-	3,996
Deposits and remittances due	620,753	242,666	129,114	734,305
Total liabilities	$ 620,753	$ 246,662	$ 129,114	$ 738,301
Section 125 Plan				
ASSETS, cash and investments	$ 93,490	$ 235,220	$ 249,711	$ 78,999
LIABILITIES, deposits and remittances due	$ 93,490	$ 235,220	$ 249,711	$ 78,999
Combined Funds				
ASSETS				
Cash and investments	654,707	477,886	315,293	817,300
Restricted assets, contractors' bonds	59,536	-	59,536	-
Total assets	$ 714,243	$ 477,886	$ 374,829	$ 817,300
LIABILITIES				
Accounts payable	-	3,996	-	3,996
Deposits and remittances due	714,243	477,886	378,825	813,304
Total liabilities	$ 714,243	$ 481,882	$ 378,825	$ 817,300

See accompanying independent auditor's report.

This page is intentionally blank.

STATISTICAL SECTION
(UNAUDITED)

City of West Des Moines, Iowa
STATISTICAL SECTION
(UNAUDITED)

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

C O N T E N T S

	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	106-113
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	114-119
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	120-124
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	125-127
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	128-131

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

City of West Des Moines, Iowa
Schedule 1
Net Position By Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Net investment in capital assets	$242,935,803	$244,928,693	$258,999,063	$292,458,981	$302,966,015	$321,551,229	$331,322,948	$348,765,036	$368,581,117	$389,657,031
Restricted	17,839,043	33,537,713	38,811,985	27,163,903	30,280,778	36,114,937	39,407,570	30,254,780	26,436,390	29,398,389
Unrestricted	11,671,162	16,138,748	17,760,261	18,416,398	24,106,536	14,586,371	25,616,756	38,547,866	39,963,379	1,717,321
Total government activities net position	$272,446,008	$294,605,154	$315,571,309	$338,039,282	$357,353,329	$372,252,537	$396,347,274	$417,567,682	$434,980,886	$420,772,741
Business-type activities:										
Net investment in capital assets	$45,431,826	$52,756,898	$58,746,219	$62,493,646	$64,376,299	$66,624,832	$71,785,215	$76,661,562	$78,214,604	$82,858,647
Restricted	1,072,785	1,072,785	1,072,785	457,350	457,920	460,130	462,920	-	-	1,682,523
Unrestricted	19,743,030	24,237,411	27,590,768	32,824,759	36,611,269	39,240,141	40,765,024	42,576,460	46,257,356	46,692,784
Total business-type activities net position	$ 66,247,641	$ 78,067,094	$ 87,409,772	$ 95,775,755	$101,445,488	$106,325,103	$113,013,159	$119,238,022	$124,471,960	$131,233,954
Primary government:										
Net investment in capital assets	$288,367,629	$297,685,591	$317,745,282	$354,952,627	$367,342,314	$388,176,061	$403,108,163	$425,426,598	$446,795,721	$472,515,678
Restricted	18,911,828	34,610,498	39,884,770	27,621,253	30,738,698	36,575,067	39,870,490	30,254,780	26,436,390	31,080,912
Unrestricted	31,414,192	40,376,159	45,351,029	51,241,157	60,717,805	53,826,512	66,381,780	81,124,326	86,220,735	48,410,105
Total primary government net position	$338,693,649	$372,672,248	$402,981,081	$433,815,037	$458,798,817	$478,577,640	$509,360,433	$536,805,704	$559,452,846	$552,006,695

City of West Des Moines, Iowa
Schedule 2
Changes In Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental activities:										
Public safety	$17,814,329	$19,749,856	$20,342,187	$21,770,283	$23,683,353	$23,683,157	$24,796,973	$24,700,994	$26,053,563	$26,908,642
Public works	6,901,977	8,963,727	11,837,435	13,375,100	10,511,602	14,401,577	9,522,787	10,742,899	12,356,926	12,866,884
Health and social services	929,656	985,322	1,037,464	1,092,443	1,113,846	1,119,049	1,191,055	1,152,757	1,114,334	1,221,187
Culture and recreation	8,486,772	8,562,340	9,022,443	9,308,507	9,355,663	9,644,825	9,526,437	9,495,234	10,109,588	11,107,595
Community and economic development	3,617,735	3,885,459	5,807,890	6,486,571	5,836,209	6,245,150	7,587,871	7,592,235	8,658,500	21,653,257
General government	5,900,259	5,016,718	4,794,526	4,966,906	5,425,921	5,590,913	5,712,265	6,199,838	6,651,611	6,952,173
Interest on long-term debt	6,042,440	5,884,073	5,621,912	5,253,741	4,551,673	5,050,716	3,652,748	3,450,029	3,742,960	2,345,067
Total governmental activities expenses	49,693,168	53,047,495	58,463,857	62,253,551	60,478,267	65,735,387	61,990,136	63,333,986	68,687,482	83,054,805
Business-type activities:										
Sanitary sewer	3,939,689	9,346,307	5,303,776	5,960,011	6,513,514	7,285,218	8,254,719	8,372,160	8,798,820	9,349,927
Storm Water	1,422,689	1,452,719	1,522,130	1,571,481	1,549,437	1,663,021	1,310,785	1,778,179	1,598,003	1,506,777
Solid Waste	-	743,399	746,187	921,824	1,020,304	1,264,278	1,730,612	1,852,241	1,839,484	1,886,538
Total business-type activities expenses	5,362,378	11,542,425	7,572,093	8,453,316	9,083,255	10,212,517	11,296,116	12,002,580	12,236,307	12,743,242
Total primary government expenses	55,055,546	64,589,920	66,035,950	70,706,867	69,561,522	75,947,904	73,286,252	75,336,566	80,923,789	95,798,047
Program revenue:										
Governmental activities:										
Charges for services:										
Public safety	2,420,064	3,444,099	3,636,497	5,011,751	3,859,194	4,656,246	4,721,074	5,608,894	6,641,203	6,792,943
Public works	257,722	495,334	305,923	906,216	298,400	442,416	956,272	104,108	207,541	322,994
Health and social services	-	-	-	-	-	-	-	-		-
Culture and recreation	1,333,080	1,321,027	1,396,476	1,415,877	1,336,498	1,391,873	1,392,190	1,343,505	1,384,465	1,430,723
Community and economic development	516,500	599,482	832,464	905,019	485,277	437,296	411,260	579,364	871,234	1,062,029
General government	191,788	169,240	482,764	329,147	262,331	542,589	1,284,718	46,383	830,713	958,624

City of West Des Moines, Iowa
Schedule 2 (continued)
Changes In Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating grants and contributions:										
Public safety	2,321,333	1,912,045	1,963,806	2,901,377	2,863,503	2,542,721	2,663,420	2,469,593	2,490,415	3,130,192
Public works	4,135,015	4,359,424	4,431,681	4,330,498	4,666,008	5,039,619	5,350,804	5,504,499	5,660,623	6,057,014
Health and social services	237,283	269,484	267,588	268,305	304,591	277,529	648,841	226,484	237,948	254,880
Culture and recreation	182,467	177,696	175,825	121,134	172,253	140,754	130,592	177,360	137,992	108,902
Community and economic development	117,411	533,662	1,035,866	1,135,664	579,077	623,836	1,046,406	934,355	768,491	740,796
General government	167,438	199,834	202,436	492,351	310,950	332,379	1,116,997	336,938	359,569	377,422
Capital grants and contributions	12,221,700	8,219,897	273,984	5,390,380	4,187,992	8,029,691	7,125,936	2,704,041	3,781,649	8,443,062
Total governmental activities program revenue	24,101,801	21,701,224	15,005,310	23,207,719	19,326,074	24,456,949	26,848,510	20,035,524	23,371,843	29,679,581
Business-type activities:										
Charges for services:										
Sanitary sewer	5,077,364	6,182,572	6,300,448	6,963,248	7,131,407	8,203,582	9,225,687	9,814,708	10,253,778	10,057,555
Storm water	-	1,247,882	1,515,326	1,793,470	2,071,169	2,111,487	2,156,738	2,165,281	2,201,450	2,257,315
Solid waste	1,344,707	1,419,761	1,647,104	1,662,222	1,679,223	1,709,893	1,772,291	1,762,412	1,797,486	1,817,392
Operating grants and contributions:										
Sanitary sewer	650,111	4,540,127	3,620,736	284,071	8,673	285	-	-	-	-
Storm water	-	-	-	-	-	37,882	-	-	-	-
Solid waste	-	-	-	-	-	75,000	-	-	-	-
Capital grants and contributions:										
Sanitary sewer	2,003,877	3,653,009	1,729,595	1,489,316	855,392	382,564	1,210,579	982,089	754,686	2,793,715
Storm Water	-	3,356,295	5,309,506	4,150,933	2,187,157	2,205,180	390,093	3,557,677	1,500,418	2,363,627
Solid waste	-	-	-	-	-	-			-	-
Total business-type activities program revenues	9,076,059	20,399,646	20,122,715	16,343,260	13,933,021	14,725,873	14,755,388	18,282,167	16,507,818	19,289,604
Total primary government program revenues	33,177,860	42,100,870	35,128,025	39,550,979	33,259,095	39,182,822	41,603,898	38,317,691	39,879,661	48,969,185
Net (expense) revenue:										
Governmental activities	(25,591,367)	(31,346,271)	(43,458,547)	(39,045,832)	(41,152,193)	(41,278,438)	(35,141,626)	(43,298,462)	(45,315,639)	(53,375,224)
Business-type activities	3,713,681	8,857,221	12,550,622	7,889,944	4,849,766	4,513,356	3,459,272	6,279,587	4,271,511	6,546,362
Total primary government net (expense)revenue	(21,877,686)	(22,489,050)	(30,907,925)	(31,155,888)	(36,302,427)	(36,765,082)	(31,682,354)	(37,018,875)	(41,044,128)	(46,828,862)

City of West Des Moines, Iowa
Schedule 2 (continued)
Changes In Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	$40,724,880	$49,764,858	$54,219,517	$55,455,071	$56,467,707	$56,151,749	$57,842,225	$58,568,528	$57,929,145	$57,601,375
Hotel motel taxes	1,966,628	2,131,977	2,369,596	2,537,115	2,450,583	3,621,343	3,071,320	3,287,208	3,457,345	3,669,278
Other taxes	824,369	571,545	407,726	513,509	450,794	357,518	879,985	869,737	855,554	930,371
Unrestricted grants and contributions	447,479	611,282	596,981	1,280,674	1,007,460	1,116,368	-	945,655	961,742	2,424,385
Investment earnings	2,484,652	2,574,840	2,570,563	1,258,910	197,707	285,935	59,397	245,879	150,053	115,683
Miscellaneous	1,517,500	408,449	6,035	1,574	-	-	1,029,403	480,641	227,310	565,066
Transfers	595,882	(3,248,340)	4,254,284	466,952	(108,011)	29,784	(3,079,696)	121,222	(852,306)	(1,103,125)
Contribution to other government	-	-	-	-	-	(5,385,051)			-	-
Total governmental activities	48,561,390	52,814,611	64,424,702	61,513,805	60,466,240	56,177,646	59,802,634	64,518,870	62,728,843	64,203,033
Business-type activities:										
Investment earnings	657,153	904,698	1,046,340	942,991	711,956	396,043	149,088	66,498	110,121	90,111
Miscellaneous	25,692	-	-	-	-	-	-	-	-	-
Transfers	(595,882)	3,248,340	(4,254,284)	(466,952)	108,011	(29,784)	3,079,696	(121,222)	852,306	1,103,125
Special Item: Contribution to Wastewater Reclamation Authority	-	-	-	-	-	-	-	-		
Total business-type activities	86,963	4,153,038	(3,207,944)	476,039	819,967	366,259	3,228,784	(54,724)	962,427	1,193,236
Total primary government	48,648,353	56,967,649	61,216,758	61,989,844	61,286,207	56,543,905	63,031,418	64,464,146	63,691,270	65,396,269
Changes in net position:										
Governmental activities	22,970,023	21,468,340	20,966,155	22,467,973	19,314,047	14,899,208	24,661,008	21,220,408	17,413,204	10,827,809
Business-type activities	3,800,644	13,010,259	9,342,678	8,365,983	5,669,733	4,879,615	6,688,056	6,224,863	5,233,938	7,739,598
Total primary government	$26,770,667	$34,478,599	$30,308,833	$30,833,956	$24,983,780	$19,778,823	$31,349,064	$27,445,271	$22,647,142	$18,567,407

City of West Des Moines, Iowa
Schedule 3
Program Revenues by Function/Program
Last Ten Fiscal Years
(accrual basis of accounting)

Function / Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Public safety	$ 4,915,785	$ 5,548,013	$ 5,657,755	$ 8,265,790	$ 6,724,657	$ 7,401,727	$ 7,384,494	$ 8,078,487	$ 9,140,818	$ 9,926,613
Public works	16,251,231	12,688,071	4,872,142	10,092,139	8,875,090	12,572,431	13,433,012	8,124,895	7,233,022	9,241,752
Health and social services	237,283	269,484	267,588	268,305	304,591	277,529	648,841	226,484	237,948	254,880
Culture and recreation	1,554,883	1,635,870	1,574,227	1,552,178	1,508,751	1,650,898	1,522,782	1,520,865	1,891,722	1,625,403
Community and economic development	730,825	1,133,144	1,895,830	2,155,241	1,280,879	1,626,828	1,457,666	1,513,719	3,678,051	5,794,887
General government	411,794	426,642	737,768	874,066	632,106	927,536	2,401,715	571,074	1,190,282	2,836,046
Total governmental activities	24,101,801	21,701,224	15,005,310	23,207,719	19,326,074	24,456,949	26,848,510	20,035,524	23,371,843	29,679,581
Business-type activities:										
Sanitary sewer	7,731,352	14,375,708	11,650,779	8,736,635	7,995,472	8,586,431	10,436,266	10,796,797	11,008,464	12,851,270
Storm water	-	4,604,177	6,824,832	5,944,403	4,258,326	4,354,549	2,546,831	5,722,958	3,701,868	4,620,942
Solid waste	1,344,707	1,419,761	1,647,104	1,662,222	1,679,223	1,784,893	1,772,291	1,762,412	1,797,486	1,817,392
Total business-type activities	7,731,352	18,979,885	18,475,611	14,681,038	12,253,798	12,940,980	12,983,097	18,282,167	16,507,818	19,289,604
Total government	$ 31,833,153	$ 40,681,109	$ 33,480,921	$ 37,888,757	$ 31,579,872	$ 37,397,929	$ 39,831,607	$ 38,317,691	$ 39,879,661	$ 48,969,185

City of West Des Moines, IA
Schedule 4
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved	$ 47,233	$ 7,700	$ -	$ -	$ 4,950	N/A	N/A	N/A	N/A	N/A
Unreserved	8,429,180	10,234,813	12,303,137	15,733,356	14,890,544	N/A	N/A	N/A	N/A	N/A
Assigned	N/A	N/A	N/A	N/A	N/A	4,950	-	-	-	-
Unassigned	N/A	N/A	N/A	N/A	N/A	17,448,724	22,334,719	24,843,852	25,298,338	26,202,982
Nonspendale	N/A	N/A	N/A	N/A	N/A	-	147,108	-	-	535,023
Total General Fund	$ 8,476,413	$ 10,242,513	$ 12,303,137	$ 15,733,356	$ 14,895,494	$ 17,453,674	$ 22,481,827	$ 24,843,852	$ 25,298,338	$ 26,738,005
All Other Governmental Funds:										
Reserved	$ 17,167,193	$ 16,518,756	$ 21,093,352	$ 14,258,027	$ 51,571,911	N/A	N/A	N/A	N/A	N/A
Unreserved, reported in:										
Special revenue funds	13,175,078	16,746,467	18,243,042	13,679,529	20,829,755	N/A	N/A	N/A	N/A	N/A
Capital projects funds	5,951,173	2,142,098	(69,951)	(4,433,136)	(8,600,545)	N/A	N/A	N/A	N/A	N/A
Restricted for:										
Capital projects	N/A	N/A	N/A	N/A	N/A	10,794,471	25,810,078	18,323,593	18,186,504	49,225,848
Debt service	N/A	N/A	N/A	N/A	N/A	3,580,012	19,724,769	16,237,372	3,431,293	6,296,984
Urban renewal and development	N/A	N/A	N/A	N/A	N/A	3,957,336	4,244,492	4,979,438	5,107,567	5,579,040
Other purposes	N/A	N/A	N/A	N/A	N/A	17,783,118	5,761,817	5,625,357	5,338,145	5,218,426
Unassigned	N/A	N/A	N/A	N/A	N/A	(8,227,876)	-	(14,580)	-	-
Total all other governmental funds	$ 36,293,444	$ 35,407,321	$ 39,266,443	$ 23,504,420	$ 63,801,121	$ 27,887,061	$ 55,541,156	$ 45,151,180	$ 32,063,509	$ 66,320,298

GASB Statement 54, Fund Blance Reporting and Governmental Fund Type Definitions, implemented in fiscal year 2011

City of West Des Moines, Iowa
Schedule 5
Changes In Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Taxes	$ 43,413,473	$ 52,178,661	$ 56,886,469	$ 58,295,948	$ 59,218,487	$ 60,074,073	$ 61,793,530	$ 62,725,473	$ 62,242,044	$ 62,201,024
Special assessments	136,656	289,719	109,807	811,801	219,979	285,121	395,576	359,798	315,821	249,814
Licenses and permits	973,262	975,003	1,239,900	1,457,440	1,017,766	1,023,653	1,404,430	1,638,474	2,172,885	2,326,549
Intergovernmental	8,737,982	9,406,490	8,626,836	15,405,673	11,912,577	18,885,005	15,956,531	11,335,540	15,117,233	21,328,305
Charges for services	2,877,346	3,870,691	3,137,752	3,846,730	3,694,455	4,254,710	4,759,448	4,817,190	5,600,845	5,722,482
Use of money and property	2,250,645	2,574,840	2,409,358	1,066,751	142,076	247,705	110,219	231,123	241,391	224,398
Miscellaneous	1,843,179	1,439,447	2,664,929	2,982,979	1,732,625	1,833,998	2,049,561	2,045,588	2,072,539	2,060,383
Total revenues	60,232,543	70,734,851	75,075,051	83,867,322	77,937,965	86,604,265	86,469,295	83,153,186	87,762,758	94,112,955
Expenditures:										
Public safety	16,220,743	18,065,698	19,285,895	20,692,061	21,888,463	22,746,328	23,330,603	24,478,042	25,550,009	26,739,914
Public works	6,573,996	6,735,605	7,222,303	9,212,032	9,239,194	13,278,333	6,476,619	7,234,347	7,899,715	8,199,192
Health and social services	881,172	947,488	1,013,531	1,068,302	1,092,425	1,082,744	1,125,608	1,117,964	1,059,392	1,105,932
Culture and recreation	5,527,149	5,924,537	6,369,572	6,728,349	6,792,238	7,237,052	6,849,848	6,927,142	7,528,417	7,743,062
Community and economic development	3,562,412	3,827,557	5,721,841	6,434,853	5,718,922	6,195,337	7,387,617	7,497,883	8,539,842	21,691,199
General government	4,485,179	4,544,709	4,834,942	4,689,574	5,131,798	5,959,287	5,371,275	5,848,266	6,088,713	6,865,765
Capital outlay	15,107,714	16,086,159	18,015,390	20,783,005	17,970,097	16,919,978	14,975,786	16,238,960	13,670,433	19,115,297
Debt service:										
Principal	14,921,109	12,785,548	24,856,121	21,971,688	23,295,328	46,342,770	14,830,982	15,645,323	29,373,453	16,283,339
Interest	6,084,607	5,814,531	5,567,214	5,211,717	4,762,119	5,549,995	4,253,798	4,096,596	3,684,868	3,293,452
Bond issuance costs	43,060	-	214,830	-	-	-	-	-		
Total expenditures	73,407,141	74,731,832	93,101,639	96,791,581	95,890,584	125,311,824	84,602,136	89,084,523	103,394,842	111,037,152
Excess (deficiency) of revenues over (under) expenditures	(13,174,598)	(3,996,981)	(18,026,588)	(12,924,259)	(17,952,619)	(38,707,559)	1,867,159	(5,931,337)	(15,632,084)	(16,924,197)

City of West Des Moines, Iowa
Schedule 5 (Continued)
Changes In Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other financing sources (uses):										
Issuance of long-term debt	6,106,869	-	20,070,000	-	54,965,000	4,963,424	40,385,000	72,950	4,385,000	51,255,000
Payments to escrow agent	-	-	-	-	-	-	(11,497,739)	(2,720,000)	-	
Issuance of capital lease	-	420,000	-	336,466	-	832,032	-	850,000	-	
Premium (discount) on long-term debt	(52,123)	-	-	-	2,929,609	(281)	3,204,245		108,907	1,795,889
Proceeds from sale of capital assets	33,674	15,115	17,155	26,618	23,633	-	21,300	88,605	11,358	403,959
Transfers In	29,599,379	35,371,885	49,246,479	42,499,110	84,593,346	21,031,612	27,886,566	25,755,270	45,661,770	27,012,339
Transfers Out	(28,719,311)	(30,430,042)	(45,387,300)	(42,269,739)	(85,100,130)	(21,475,108)	(28,618,012)	(26,143,439)	(47,168,136)	(27,846,534)
Total other financing sources (uses)	6,968,488	5,376,958	23,946,334	592,455	57,411,458	5,351,679	31,381,360	(2,096,614)	2,998,899	52,620,653
Net changes in fund balance	$ (6,206,110)	$ 1,379,977	$ 5,919,746	$(12,331,804)	$ 39,458,839	$(33,355,880)	$ 33,248,519	$ (8,027,951)	$(12,633,185)	$ 35,696,456
Debt service as a percentage of noncapital expenditures	35.4%	27.0%	37.8%	34.2%	35.1%	46.7%	24.9%	26.1%	36.7%	20.4%

City of West Des Moines, Iowa
Schedule 6
General Government Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Taxes (1)	Tax Increment Finance Revenue(TIF)	Cable Franchise	Hotel/ Motel Tax	Total
2006	31,014,272	10,089,944	342,629	1,966,628	43,413,473
2007	34,907,611	14,857,246	281,827	2,131,977	52,178,661
2008	37,961,238	16,258,279	297,356	55,455,071	56,886,469
2009	41,261,516	14,193,555	303,761	56,467,707	58,295,948
2010	43,597,288	12,870,419	300,198	2,450,583	59,218,487
2011	45,429,128	10,722,622	300,979	2,815,388	60,074,073
2012	46,202,311	12,219,161	300,737	2,974,428	61,793,530
2013	45,871,977	13,272,106	294,182	3,287,208	62,725,473
2014	47,675,917	10,822,378	286,404	3,457,345	62,242,044
2015	49,087,368	9,172,349	272,029	3,669,278	62,201,024
Change 2006-2015	58.27%	-9.09%	-20.61%	86.58%	43.28%

Source: City records.

(1) For the purposes of this schedule, Property Taxes includes miscellaneous Other City Taxes that are received in conjunction with the county's tax collections on behalf of the City. These misc. taxes include Utility Tax Replacement / Excise Tax.

City of West Des Moines, Iowa
Schedule 7
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Valuation Date Jan. 1,	Fiscal Year Collected	Residential Property	Commercial Property	Industrial Property	Personal Property	Utilities	Tax Increment	Total Assessed Value	Actual Taxable Value	Total Direct Tax Rate
2004	2006	2,436,275,657	1,445,862,496	19,344,180	-	63,271,857	375,112,722	4,339,866,912	2,949,101,530	11.72540
2005	2007	2,806,348,158	1,574,956,035	20,295,460	-	67,559,399	491,421,990	4,960,581,042	3,340,592,057	11.95000
2006	2008	2,936,360,174	1,713,854,952	21,505,125	-	69,692,494	527,883,468	5,269,296,213	3,594,665,835	12.05000
2007	2009	3,190,575,026	1,930,481,940	21,818,907	-	66,077,910	484,394,040	5,693,347,823	3,820,324,623	12.05000
2008	2010	3,373,591,777	1,971,150,188	21,850,279	-	74,240,564	444,502,202	5,885,335,010	3,979,630,063	12.05000
2009	2011	3,518,096,224	2,006,487,532	36,249,137	-	77,233,162	360,625,798	5,998,691,853	4,084,690,238	12.05000
2010	2012	3,596,162,970	1,978,387,072	35,461,977	-	80,033,040	413,950,068	6,103,995,127	4,205,957,596	12.05000
2011	2013	3,599,922,685	1,871,149,143	35,687,153	-	82,255,886	456,215,897	6,045,230,764	4,221,370,425	12.05000
2012	2014	3,660,465,036	1,933,557,882	37,269,222	-	84,371,549	394,337,882	6,110,001,571	4,323,503,805	12.05000
2013	2015	3,777,274,059	1,994,723,069	39,046,340	-	69,014,743	364,715,578	6,244,773,789	4,379,018,663	12.05000

Source: Polk, Dallas, Warren, and Madison County Auditor's Offices

Note: The tax rate collected by the City for properties in the Tax Increment Districts varies by district, ranging from a rate > the City's direct rate to a rate < the total rate for all overlapping governments

City of West Des Moines, Iowa
Schedule 8
Direct and Overlapping Property Tax Rates - Per $1,000 of Assessed Valuation
Last Ten Fiscal Years

	City Direct Rates				Overlapping Rates					
Fiscal Year	General Fund	Debt Service	Other Levies	Total Direct	School District	County	Community College	Regional Transit	State	Total Direct & Overlapping Rates
Polk County / Des Moines Community School District:										
2006	8.01297	2.14435	1.57045	11.72777	18.02657	9.96460	0.59856		0.00400	40.32150
2007	7.75465	2.15008	1.82067	11.72540	18.01394	9.94318	0.68408		0.00400	40.37060
2008	7.98419	2.06729	1.89852	11.95000	18.01713	10.17511	0.68688	0.27070	0.00400	41.10382
2009	7.94081	1.99881	2.11037	12.04999	17.93709	10.16218	0.60276	0.33240	0.00350	41.08792
2010	8.09676	2.00053	1.95271	12.05000	17.78888	10.12532	0.56386	0.33566	0.00350	40.86722
2011	8.08219	2.00055	1.96726	12.05000	17.64277	9.97134	0.56778	0.38095	0.00300	40.61584
2012	8.09998	2.00000	1.95002	12.05000	17.64347	10.05423	0.56008	0.38830	0.00340	40.69948
2013	8.10000	2.00000	1.95000	12.05000	18.34845	10.07059	0.58466	0.55300	0.00330	41.61000
2014	8.10000	2.00000	1.95000	12.05000	18.34842	10.25715	0.69120	0.63300	0.00330	41.98307
2015	8.10000	2.00000	1.95000	12.05000	18.14592	10.60460	0.65724	0.69800	0.00330	42.15906
Polk County / West Des Moines Community School District:										
2006	8.01297	2.14435	1.57045	11.72777	13.50200	9.96460	0.59856		0.00400	35.79693
2007	7.75465	2.15008	1.82067	11.72540	13.50341	9.94318	0.68408		0.00400	35.86007
2008	7.98419	2.06729	1.89852	11.95000	13.70060	10.17511	0.68688	0.27070	0.00400	36.78729
2009	7.94081	1.99881	2.11037	12.04999	13.70031	10.16218	0.60276	0.33240	0.00350	36.85114
2010	8.09676	2.00053	1.95271	12.05000	13.69179	10.12532	0.56386	0.33566	0.00350	36.77013
2011	8.08219	2.00055	1.96726	12.05000	13.64410	9.97134	0.56778	0.38095	0.00300	36.61717
2012	8.09998	2.00000	1.95002	12.05000	13.94266	10.05423	0.56008	0.38830	0.00340	36.99867
2013	8.10000	2.00000	1.95000	12.05000	13.30184	10.07059	0.58466	0.55300	0.00330	36.56339
2014	8.10000	2.00000	1.95000	12.05000	13.26452	10.25715	0.69120	0.63300	0.00330	36.89917
2015	8.10000	2.00000	1.95000	12.05000	13.26572	10.25715	0.69120	0.63300	0.00330	36.90037
Dallas County / Waukee Community School District:										
2006	7.75465	2.15008	1.82067	11.72540	17.84693	6.83794	0.68408		0.00400	37.09835
2007	7.98419	2.06729	1.89852	11.95000	17.80905	6.83669	0.68688	0.27070	0.00400	37.55732
2008	7.94081	1.99881	2.11037	12.04999	17.80148	6.93669	0.60276	0.33240	0.00350	37.72682
2009	8.09676	2.00053	1.95271	12.05000	17.75814	6.33037	0.56386	0.33566	0.00350	37.04153
2010	8.08219	2.00055	1.96726	12.05000	17.80336	6.26394	0.56778	0.38095	0.00300	37.06903
2011	8.09998	2.00000	1.95002	12.05000	17.79315	5.72984	0.56008	0.38830	0.00340	36.52477
2012	8.10000	2.00000	1.95000	12.05000	17.80292	5.23877	0.59018	0.40300	0.00320	36.08807
2013	8.10000	2.00000	1.95000	12.05000	17.61083	5.25442	0.58466	0.55300	0.00330	36.05621
2014	8.10000	2.00000	1.95000	12.05000	16.57669	4.81190	0.69120	0.63300	0.00330	34.76609
2015	8.10000	2.00000	1.95000	12.05000	16.57427	4.79944	0.65721	0.69800	0.00330	34.78222

City of West Des Moines, Iowa
Schedule 8 (Continued)
Direct and Overlapping Property Tax Rates - Per $1,000 of Assessed Valuation
Last Ten Fiscal Years

	City Direct Rates				Overlapping Rates					
Fiscal Year	General Fund	Debt Service	Other Levies	Total Direct	School District	County	Community College	Regional Transit	State	Total Direct & Overlapping Rates
Warren County / Norwalk Community School District :										
*										
2007	7.98419	2.06729	1.89852	11.95000	21.27253	6.88094	0.68688	0.27070	0.00400	41.06505
2008	7.94081	1.99881	2.11037	12.04999	21.03490	7.23323	0.60276	0.33240	0.00350	41.25678
2009	8.09676	2.00053	1.95271	12.05000	20.89092	6.89026	0.56386	0.33566	0.00350	40.73420
2010	8.08219	2.00055	1.96726	12.05000	20.56618	6.56329	0.56778	0.38095	0.00300	40.13120
2011	8.09998	2.00000	1.95002	12.05000	20.16885	6.36577	0.56008	0.38830	0.00340	39.53640
2012	8.10000	2.00000	1.95000	12.05000	20.01224	6.16492	0.59018	0.40300	0.00320	39.22354
2013	8.10000	2.00000	1.95000	12.05000	20.57095	6.16946	0.58466	0.55300	0.00330	39.93137
2014	8.10000	2.00000	1.95000	12.05000	19.80039	6.09558	0.69120	0.63300	0.00330	39.27347
2015	8.10000	2.00000	1.95000	12.05000	19.89589	6.09176	0.65724	0.69800	0.00330	39.39619
Madison County / Van Meter Community School District :										
**										
2012	8.10000	2.00000	1.95000	12.05000	18.23000	5.31990	0.59018	0.40300	0.00320	36.59628
2013	8.10000	2.00000	1.95000	12.05000	16.56006	5.30443	0.58466	0.55300	0.00330	35.05545
2014	8.10000	2.00000	1.95000	12.05000	16.00558	6.09558	0.69120	0.63300	0.00330	35.47866
2015	8.10000	2.00000	1.95000	12.05000	15.95771	5.28506	0.65724	0.69800	0.00330	34.65131
Madison County / Winterset Community School District :										
**										
2012	8.10000	2.00000	1.95000	12.05000	19.61273	5.31990	0.59018	0.40300	0.00320	37.97901
2013	8.10000	2.00000	1.95000	12.05000	19.43152	5.30443	0.58466	0.55300	0.00330	37.92691
2014	8.10000	2.00000	1.95000	12.05000	19.02607	5.28501	0.69120	0.63300	0.00330	37.68858
2015	8.10000	2.00000	1.95000	12.05000	18.49000	5.28506	0.65724	0.69800	0.00330	37.18360

Source: Polk, Dallas, Madiosn and Warren County Auditor's Offices

* City's corporate boundaries did not extend into Warren County prior to 2007

** City's corporate boundaries did not extend into Madison County prior to 2012

City of West Des Moines, Iowa
Schedule 9
Principal Property Taxpayers
Current Year and Nine Years Ago

	2015			2006		
Taxpayer	Assessed Value	Rank	Percentage of Total City Assessed Value	Assessed Value	Rank	Percentage of Total City Assessed Value
GGP Jordan Creek LLC	198,017,591	1	3.24%			0.00%
Wells Fargo Home Mortgage	194,619,737	2	3.19%	63,750,829	2	1.29%
Valley West DM	64,267,500	3	1.05%	107,793,720	1	2.05%
Aviva Real Property Holdings LLC	52,192,117	4	0.85%			0.00%
Mid-American Energy Co.	46,937,524	5	0.77%			0.00%
Three Fountains LLC	39,908,550	6	0.65%			0.00%
Regency West Office Partners, LLC	39,889,550	7	0.65%			0.00%
IFBF Property Management	38,238,165	8	0.63%	40,425,110	5	0.93%
CCOP I LLC	36,708,080	9	0.60%			0.00%
Dallas County Partners II	30,553,159	10	0.50%	26,811,177	7	0.62%
Mid-America Investment Company				52,005,000	3	1.20%
Dallas County Partners				41,740,371	4	0.70%
Knapp Family, LC				30,430,000	6	0.70%
CMS Wellington Apts.				20,794,800	9	0.48%
Hy-Vee Food Stores				23,405,510	8	0.54%
West Lakes Develepment Company				19,471,705	10	0.45%
Total	$ 741,331,973		12.13%	$ 426,628,222		8.95%

Source: Polk, Dallas, Warren, and Madison County Assessor's Offices

City of West Des Moines, Iowa
Schedule 10
Property Tax Levies And Collections
Last Ten Fiscal Years
(Cash basis of accounting)

For the Fiscal Year Ended June 30th	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years*	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	30,883,977	30,634,935	99.46%	249,042	30,883,977	100.00%
2007	34,606,504	34,337,982	99.22%	180,426	34,518,408	99.75%
2008	37,530,923	37,114,931	98.89%	1,916	37,116,847	98.90%
2009	40,783,461	40,697,806	99.79%		40,697,806	99.79%
2010	43,083,063	43,026,062	99.87%		43,026,062	99.87%
2011	45,147,267	45,015,780	99.71%		45,015,780	99.71%
2012	45,901,436	45,677,788	99.51%		45,677,788	99.51%
2013	45,810,651	45,418,689	99.14%		45,418,689	99.14%
2014	47,154,213	47,130,490	99.95%		47,130,490	99.95%
2015	48,523,258	48,427,111	99.80%		48,427,111	99.80%

Source: City's certified budget for amt. levied; monthly tax statements from Polk, Dallas, Warren, and Madison County Treasurer's Offices.

City of West Des Moines, Iowa
Schedule 11
Outstanding Debt By Type
Last Ten Fiscal Years

	Governmental Activities				Business-type Activities					
Fiscal Year	General Obligation Bonds	Tax Increment Financing Bonds	Capital Leases	Loans Payable & Installment Contracts	Financing Agreements	General Obligation Bonds	Revenue Bonds	Total Primary Government	Total Debt Per Capita	Total Debt as a Percentage of Personal Income
2006	136,625,000	9,450,000	207,993	332,381	-	-	4,199,000	150,814,374	2,812	7.18%
2007	125,840,000	7,705,000	432,344	275,739	-	-	3,567,000	137,820,083	2,531	6.06%
2008	123,125,000	5,890,000	183,019	256,737	-	-	2,912,000	132,366,756	2,395	5.63%
2009	107,185,000	-	387,451	238,829	-	-	2,545,000	110,356,280	1,949	4.64%
2010	138,890,000	-	285,637	240,327	-	-	2,164,000	141,579,964	2,458	5.67%
2011	101,081,101	-	978,328	4,307,341	-	-	1,771,000	108,137,770	1,842	4.08%
2012	119,400,616	-	760,022	3,230,493	-	-	1,364,000	124,755,131	2,104	4.50%
2013	101,834,010	-	559,497	2,833,646	-	-	-	105,227,153	1,707	3.63%
2014	77,725,762	-	282,867	1,586,823	-	-	-	79,595,452	1,254	2.66%
2015	109,260,000	-	109,527	1,416,822	-	-	-	110,786,349	1,715	3.54%

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

City of West Des Moines, Iowa
Schedule 12
Ratios of General Obligation Bonded Debt
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Tax Increment Financing Bonds	Gross Bonded Debt	Less: Amount Available in Debt Service	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2006	136,625,000	9,450,000	146,075,000	4,713,432	141,361,568	0.03499 to 1	2,635.97
2007	125,840,000	7,705,000	133,545,000	5,493,105	128,051,895	0.03257 to 1	2,351.34
2008	123,125,000	5,890,000	129,015,000	6,255,047	122,759,953	0.02581 to 1	2,220.73
2009	107,185,000	-	107,185,000	3,994,661	103,190,339	0.02330 to 1	1,822.22
2010	138,890,000	-	138,890,000	37,115,667	101,774,333	0.01812 to 1	1,766.64
2011	101,081,101	-	101,081,101	3,580,012	97,501,089	0.01729 to 1	1,660.84
2012	119,400,616	-	119,400,616	3,591,183	115,809,433	0.01625 to 1	1,953.57
2013	101,834,010	-	101,834,010	3,497,034	98,336,976	0.01897 to 1	1,595.14
2014	77,725,762	-	77,725,762	3,431,293	74,294,469	0.01627 to 1	1,170.53
2015	109,260,000	-	109,260,000	6,296,984	102,963,016	0.01628 to 2	1,593.90

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

City of West Des Moines, Iowa
Schedule 13
Direct and Overlapping Governmental Activities Debt
For the Year Ended June 30, 2015

Governmental Unit	General Obligation Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Polk County	$ 251,240,296	13.16%	$ 33,063,223
Dallas County	$ 11,365,000	34.77%	$ 3,951,611
Warren County	$ 134,500	0.13%	$ 175
Madison County	$ 973,046	0.01%	$ 97
West Des Moines Community School District CSD	$ 36,520,000	64.36%	$ 23,504,272
Waukee CSD	$ 110,685,000	51.34%	$ 56,825,679
Des Moines Area Community College	$ 65,880,000	11.20%	$ 7,378,560
Norwalk CSD	$ 16,645,000	0.50%	$ 83,225
Winterset CSD	$ 9,875,000	0.02%	$ 1,975
Van Meter CSD	$ 10,185,000	0.35%	$ 35,648
Subtotal, overlapping debt			124,844,464
City Direct Debt			110,786,349
Total direct and overlapping debt			$ 235,630,813

Sources: Official Bond Offering Statement and Finance officer for each government entity listed

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 govenments that is borne by the residents and businesses of the City of West Des Moines. This process recognizes that, when considering the government's ability to issue and repay long-term debt the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

The percentage of an overlapping government's debt that is applicable to City of West Des Moines residents and businesses located within that particular government's jurisdiction is calculated based on the portion of that government's taxable value that lies within the boundaries of the city.

City of West Des Moines, Iowa
Schedule 14
Legal Debt Margin Information
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	$ 216,929,744	$ 248,177,690	$ 263,464,811	$ 284,667,391	$ 294,266,751	$ 299,934,593	$ 305,199,756	$ 302,261,538	$ 305,500,079	$ 312,238,689
Total net debt applicable to limit	146,615,374	134,253,083	129,454,756	107,811,280	139,415,964	103,985,669	123,391,131	105,227,152	105,227,152	110,786,349
Legal debt margin	$ 70,314,370	$ 113,924,607	$ 134,010,055	$ 176,856,111	$ 154,850,787	$ 195,948,924	$ 181,808,625	$ 197,034,386	$ 197,034,386	$ 201,452,340
Total net debt applicable to the limit as a percentage of debt limit	67.59%	54.10%	49.14%	37.87%	47.38%	34.67%	40.43%	34.81%	34.81%	35.48%

Legal Debt Margin Calculation for Fiscal Year 2015:

Total Assessed Value	$ 6,244,773,789
Debt limit (5% of total assessed value)	$ 312,238,689
Less: Debt applicable to limit	
General obligation bonds	109,260,000
TIF revenue bonds	-
Capital lease obligations	109,527
Loans payable and installment contracts	1,416,822
Legal debt margin	$ 201,452,340

City of West Des Moines, Iowa
Schedule 15
Pledged-Revenue Coverage
Last Ten Fiscal Years

	Sewer Revenue Bonds						
		Less:		Debt Service			
Fiscal Year	Pledge Revenue*	Operating Expenses	Net Available Revenue	Principal	Interest	Total	Ratio of Coverage
2006	6,939,000	1,544,192	5,394,808	603,000	183,332	786,332	6.86
2007	8,297,929	2,253,982	6,043,947	632,000	136,910	768,910	7.86
2008	7,336,709	2,447,237	4,889,472	655,000	109,260	764,260	6.40
2009	8,378,001	2,728,070	5,649,931	367,000	87,360	454,360	12.43
2010	7,830,313	3,128,894	4,701,419	381,000	76,350	457,350	10.28
2011	8,585,615	3,216,312	5,369,303	393,000	64,920	457,920	11.73
2012	9,079,154	3,908,020	5,171,134	407,000	53,130	460,130	11.24
2013	9,750,097	3,450,803	6,299,294	-	-	-	-
2014	10,356,470	3,576,901	6,779,569	-	-	-	-
2015	9,972,282	3,795,272	6,177,010	-	-	-	-

Notes:

* Pledged Revenues include operating revenue and investment earnings.

Operating expenses excluding depreciation and amortization expenses

City of West Des Moines, Iowa
Schedule 16
Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population	Personal Income	Per Capita Income	Unemployment Rate	Taxable Retail Sales
2006	53,628	2,100,286,992	39,164	2.3%	1,256,339,527
2007	54,459	2,274,697,971	41,769	2.2%	1,354,682,059
2008	55,279	2,349,689,174	42,506	2.7%	1,397,818,852
2009	56,629	2,379,097,548	42,012	4.3%	1,563,886,251
2010	57,609	2,495,852,316	43,324	4.4%	1,496,999,951
2011	58,706	2,649,401,780	45,130	4.5%	1,529,029,060
2012	59,281	2,771,564,593	46,753	3.8%	1,681,710,058
2013	61,648	2,901,216,528	47,061	3.4%	1,636,714,660
2014	63,471	2,987,008,731	47,061	3.2%	1,647,831,070
2015	64,598	3,131,969,432	48,484	3.3%	1,723,946,833

Sources: City of West Des Moines, Community & Economic Development Department; City Demographics
Per Capita Income is based on Metropolitan Des Moines/West Des Moines and based on figures from Bureau of Economic Analysis
Bond Offering Statements prepared by independent financial advisor

City of West Des Moines, Iowa
Schedule 17
Principal Employers
Current Year and Ten Years Ago

		2015			2005		
Employer	Type of Business	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Wells Fargo Home Mortgage & Credit Services	Financial Services	8,200	1	13.31%	2,800	1 & 4*	6.14%
Hy-Vee Inc.	Grocery Stores	2,150	2	3.49%	1,470	2	3.22%
Athene USA Corporation	Insurance	1,362	3	2.21%	-		0.00%
West Des Moines Community School District	Education	1,119	4	1.82%	1,325	3	2.91%
FBL Financial Group / Iowa Farm Bureau Insurance	Insurance / Financial Services	972	5	1.58%	1,169	5	2.56%
MetLife	Insurance	507	6	0.82%	-		0.00%
Data Vision Resources, LLC	Commercial	502	7	0.81%	-		0.00%
Sammons "The Annuity Group"	Investments	470	8	0.76%			0.00%
GuideOne Insurance Company	Insurance	459	9	0.75%	550	9	1.21%
Meredith	Publishing		.	0.00%			0.00%
Sears Credit Services	Financial Services			0.00%			0.00%
Associates Credit Card Center	Financial Services			0.00%			0.00%
The Iowa Clinic	Medical Services	430	10	0.70%	-		0.00%
CitiCard	Financial Services				933	6	2.05%
Marsh Insurance / Kirke Van Orsdel	Insurance				932	7	2.04%
City of West Des Moines	Municipal Government				556	8	1.22%
Delevan Corp	Manufacturing				420	10	0.92%
Goodrich Crop	Manufacturing						
All West Des Moines Employees		61,603		26.25%	45,594		22.27%

* In 2005 Welss Fargo Home Mortgage and Credit Services were counted seperately. 1,600 were employed by the Home Mortgage division and 1,200 were employed by the Credit Services Division.

City of West Des Moines, Iowa
Schedule 18
Full-Time Equivalent City Government Employees By Function / Program
Last Ten Fiscal Years

Functions/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Community Enrichment:										
Human Services	12.00	12.00	12.00	12.00	12.25	12.25	12.25	12.25	13.25	13.25
Library	23.60	23.60	23.60	23.60	23.60	23.60	22.50	22.50	22.50	22.50
Parks & Recreation	23.75	23.75	25.50	25.75	25.75	25.75	25.00	25.00	25.00	26.00
Public Safety:										
Emergency Medical Services & Dispatch	34.25	39.25	39.25	45.25	45.25	47.25	51.25	50.25	50.25	54.75
Fire	39.00	51.00	51.00	51.00	51.00	51.00	50.00	50.00	51.00	57.00
Police	82.75	82.75	82.75	85.75	85.75	84.75	82.75	83.75	86.25	86.25
Public Services:										
Community & Economic Dev				5.50	5.50	5.50	4.50	4.50	4.50	4.50
Development Services	22.00	23.00	23.00	24.00	23.00	22.00	22.20	20.20	20.20	23.20
Public Works	71.00	72.00	74.00	68.00	68.00	67.00	67.80	64.80	63.80	64.80
Support Services:										
City Manager's Office	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00
Finance	9.25	9.50	9.50	9.50	9.50	9.75	9.75	8.75	9.00	8.75
Human Resources	4.50	4.50	4.50	4.50	4.50	4.50	4.00	4.00	4.50	4.50
Information Services	7.00	7.00	9.00	10.00	10.00	10.00	10.00	10.00	10.00	11.00
Legal	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Total	336.10	355.35	361.10	371.85	371.10	370.35	369.00	365.00	369.25	385.50

Source: City Payroll records

City of West Des Moines, Iowa
Schedule 19
Operating Indicators By Department
Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Emergency Medical Services										
Total ambulance calls	3,251	3,395	4,137	5,395	5,678	6,005	6,295	6,800	7,337	7,979
Fire Department										
Total incidents	2,310	2,466	2,476	2,756	2,539	2,638	2,513	2,554	2,881	2,982
Total estimated loss	$ 1,178,372	$ 1,403,750	$ 1,211,950	$ 991,000	$ 990,400	$ 2,012,250	$ 1,693,070	$ 1,107,070	$ 1,022,067	$ 1,467,625
Police Department										
Number of parking tickets issued	1,163	1,090	1,115	1,205	1,392	1,148	968	801	1,615	1,105
Percent of parking tickets paid	77.30%	75.29%	73.95%	78.81%	79.04%	82.14%	80.89%	77.21%	84.24%	80.36%
Calls for service	51,273	48,450	48,675	48,956	48,798	46,931	50,430	48,987	80,365	CY*
Case Reports	7,094	6,279	6,453	6,617	6,570	6,533	6,356	6,230	6,676	CY*
Fed UCR Part 1 Crimes	2,033	1,698	1,918	1,888	1,887	1,968	1,961	1,790	1,833	CY*
Development Services										
Total building permits issued	1,197	1,213	1,135	1,009	1,163	1,158	1,002	1,060	1,105	1,047
Total value of permits issued	$ 181,231,329	$ 173,263,974	$ 252,906,667	$ 380,668,062	$ 133,491,107	$ 297,239,849	$ 227,758,147	$ 237,701,490	$ 404,077,538	$ 471,952,558
Public Works										
Lane miles of streets per operator	23.43	24.57	25.00	27.00	28.00	28.00	28.00	28.00	28.00	30.08
Library										
Volumes in collection	157,740	160,801	164,456	172,718	180,188	180,308	178,509	195,915	179,755	148,942
Annual circulation	651,583	713,913	784,906	815,944	691,721	689,193	685,899	674,699	651,770	695,092

City of West Des Moines, Iowa
Schedule 19 (Continued)
Operating Indicators By Department
Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Parks & Recreation										
Aquatic Centers	2	2	2	2	2	2	2	2	2	2
Aquatic Center attendance	133,671	137,499	135,038	122,517	124,499	103,049	112,364	91,948	76,247	88,060
Rec program participation	63,402	72,073	69,873	68,256	70,231	70,851	71,226	67,541	71,708	73,250
Total acres of parks maintained	1,222	1,230	1,278	1,238	1,238	1,238	1,239	1,239	1,269	1,275
Total miles of trails maintained	36	38	44	45	48	48	49	49	50	50

Source: City Departmental data

* CY indicates information collected on a Calendar Year basis and not yet available.

City of West Des Moines, Iowa
Schedule 20
Capital Asset Statistics By Department
Last Ten Fiscal Years

Department	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police: Stations	1	1	1	1	1	1	1	1	1	1
Fire: Stations	4	5	5	5	5	5	5	5	5	5
Public Works:										
Streets (Miles):										
Paved	620	642	658	670	691	708	708	714	724	729
Unpaved	43	42	42	48	51	50	58	57	55	53
Wastewater (Miles):										
Storm Sewer	160	170	184	190	182	187	195	200	200	207
Sanitary Sewer	220	223	230	233	232	232	233	234	238	240
Parks & Recreation:										
Park Acreage	1,222	1,238	1,278	1,238	1,238	1,238	1,239	1,239	1,269	1,275
Parks	33	37	40	36	36	36	36	36	38	40
Parks with Playground Equipment	19	20	21	22	23	23	23	20	20	20
Miles of Trails	50	38	44	45	48	48	49	49	50	50
Baseball/Softball Diamonds	24	24	24	24	24	24	24	25	25	25
Horseshoe Courts	18	18	18	18	18	18	18	18	18	18
Sand Volleyball Courts	5	5	5	5	5	5	3	3	3	3
Soccer/Football Fields	21	21	21	21	21	21	21	21	20	20
Basketball Courts	13	13	13	13	13	14	14	14	15	15

City of West Des Moines, Iowa
Schedule 20 (Continued)
Capital Asset Statistics By Department
Last Ten Fiscal Years

Department	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Parks & Recreation: (Continued)										
Tennis Courts	11	11	11	11	11	12	12	12	13	13
Swimming pools	-	-	-	-	-	-	-	-	-	-
Aquatic Centers	2	2	2	2	2	2	2	2	2	2
Wading Pools	1	1	1	1	1	1	1	1	2	2
Dog Parks	1	1	1	1	1	1	1	1	1	1
Parks and Recreation / Other:										
Cemetery acres	9	9	9	9	9	9	9	9	9	9
Library:										
Facilities	1	1	1	1	1	1	1	1	1	1
Volumes in collection	157,681	160,801	164,456	172,718	180,188	180,308	178,509	195,915	179,755	148,942

Source: Department capital asset records

This page is intentionally blank.

INTERNAL CONTROLS

AND

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Des Moines, Iowa, (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 December 21, 2015.

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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Comments involving statutory and 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 and are reported in Part IV of the accompanying Schedule of Findings and Questioned Costs. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

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

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

Eide Bailly LLP

Dubuque, Iowa
December 21, 2015

Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133

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

Report on Compliance for the Major Federal Program

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

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

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

Opinion on the Major Federal Program
In our opinion, the City of West Des Moines, Iowa, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major Federal program 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 compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement 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 that might be material weaknesses or significant deficiencies. We did not identity 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.

Eide Bailly LLP

Dubuque, Iowa
December 21, 2015

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development:			
Direct program:			
Community Development Block Grants/Entitlement Grants	14.218		$ 265,806
Pass-through program from:			
Iowa Economic Development Authority:			
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	08-DRH-214	3,973,680
Direct program:			
Supportive Housing Program	14.235		101,105
Total U.S. Department of Housing and Urban Development			4,340,591
U.S. Department of Justice:			
Direct program:			
Bulletproof Vest Partnership Program	16.607		1,397
Edward Byrne Memorial Justice Assistance Grant Program	16.738		14,377
Equitable Sharing Program	16.922		11,428
Total U.S. Department of Justice			27,202

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation:			
Pass-through program from:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	HDP-8260(629)--71-78	$ 305,218
Highway Planning and Construction	20.205	STP-U-8260(626)--70-77	164,595
Highway Planning and Construction	20.205	STP-U-8260(635)--70-77	1,090,765
Highway Planning and Construction	20.205	STP-U-8260(634)-70-77	496,384
Highway Planning and Construction	20.205	STP-U-8260(633)-70-77	67,275
Highway Planning and Construction	20.205	STP-U-8260(624)-70-77	168,302
Highway Planning and Construction	20.205	STP-A-8260(637)--86-77	556,000
			2,848,539
Highway Safety Cluster			
Pass-through program from:			
Iowa Department of Public Safety:			
State and Community Highway Safety	20.600	PAP 13-03, Task 13	21,391
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	PAP 13-410, Task 61	2,003
Total Highway Safety Cluster			23,394
Total U.S. Department of Transportation			2,871,933
U.S. Department of Health and Human Services:			
Pass-through program from:			
Iowa Department of Human Rights:			
Low-Income Home Energy Assistance	93.568	LIHEAP 14-12	6,000
Community Services Block Grant	93.569	CSBG 14-12	6,000
Total U.S. Department of Health and Human Services			12,000
U.S. Department of Homeland Security:			
Direct program:			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083		22,072
Total			$ 7,273,798

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of West Des Moines, Iowa, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The City received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient.

Note 2 – Significant Accounting Policies

Governmental fund types account for the City's federal grant activity. Therefore, expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis – when they become a demand on current available financial resources. The City's summary of significant accounting policies is presented in Note 1 in the City's basic financial statements.

Note 3 – Subrecipients of Grant Awards

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

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	$ 3,969,880

Part I: Summary of the Independent Auditor's Results:

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 §.510(a):	No
Identification of major program:	
Name of Federal Program	CFDA Number
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228
Dollar threshold used to distinguish between type A and type B programs:	$300,000
Auditee qualified as low-risk auditee?	No

Part II: Findings Related to the Financial Statements:

There were no findings to report.

Part III: Findings and Questioned Costs for Federal Awards:

There were no findings and questioned costs to report.

Part IV: Other Findings Related to Required Statutory Reporting:

2015-IA-A **Certified Budget** – Disbursements during the year ended June 30, 2015, did not exceed the amount budgeted.

2015-IA-B **Questionable Expenditures** – We noted no expenditures that we believe may fail to meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

2015-IA-C **Travel Expense** – No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

2015-IA-D **Business Transactions** – Business transactions between the City and City officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Rick Messerschmidt, City Council Wife owns Embark IT, Inc.	Information Technology	$ 38,853
Brian Ascheman, Police Officer Father is medical service provider	Medical	2,665
Yance Woody, Fire Apparatus Driver/Operator Owner of Municipal Fleet	Supplies	1,801
Greg Siembieda, Employee, Owner in Walnut Creek Promotions, Inc.	Supplies	1,533
Mike Feekes, Fire Apparatus Driver/Operator Owner of Phoenix Cabinetry	Cabinet Supplies	205

According to Chapter 362.5 of the Code of Iowa, an officer or employee of a City shall not have an interest, direct or indirect, in a contract with that City. The provision does not apply to transactions that do not exceed a cumulative total purchase price of $1,500 in a fiscal year or to contracts made by a city upon competitive bid. The transactions with Embark IT and Municipal Fleet were entered into through competitive bidding. The transactions with Ascheman, Phoenix Cabinetry, and Walnut Creek Promotions were not entered into through competitive bidding.

Part IV: Other Findings Related to Required Statutory Reporting: (continued)

2015-IA-E **Bond Coverage** – Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

2015-IA-F **Council Minutes** – No transactions were found that we believe should have been approved in the City Council minutes but were not.

Although minutes of City Council proceedings were published, they were normally not published within 15 days of the meeting as required by Chapter 372.13(6) of the Code of Iowa.

Recommendation – The City should take measures to publish Council minutes within 15 days of the meeting.

Response – The City's practice is to publish Council meeting minutes immediately after approval by Council at the subsequent meeting, generally two weeks following. Minutes are made available to the public via the City's website along with the upcoming meeting Council packet within two weeks, however they are generally considered to be a proposed version until acted upon by the Council.

2015-IA-G **Deposits and Investments –** No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy were noted.

2015-IA-H **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.

Findings Related to the Financial Statements:

None reported

Findings Related to the Federal Program:

None reported

There were no prior year federal audit findings.