



# Comprehensive Annual Financial Report

For the Year Ended June 30, 2017



*city of*  
**Ankeny**

*bringing it all together*

# **City of Ankeny, Iowa**

Comprehensive Annual Financial Report

For the Year Ended June 30, 2017

Prepared By:

Finance Department

## **Introductory Section**

**CITY OF ANKENY, IOWA**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2017**

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December 29, 2017

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

It is our privilege to present the Comprehensive Annual Financial Report (CAFR) of the City of Ankeny, Iowa, for the fiscal year ended June 30, 2017, consistent with the requirements of Chapter 11 of the Code of Iowa that requires the City of Ankeny to publish within nine months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2017.

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

CliftonLarsonAllen, LLP, a firm of licensed certified public accountants, has issued an unmodified (“clean”) opinion on the City of Ankeny’s financial statements for the fiscal year ended June 30, 2017. The independent auditors’ report is located at the front of the financial section of this report.

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

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

The City of Ankeny, incorporated in 1903 is the state’s 10<sup>th</sup> largest city, located just north of Des Moines, Iowa’s state capital. According to the 2016 United States Census population estimates, Ankeny’s population is 58,627, which represents an annual population growth of 4.5 percent.

Ankeny has a strong educational presence in the state including the Ankeny Community School District, with a student enrollment over 11,500 and a graduation rate of 93.5 percent. For the 2017-2018 school year, the Ankeny Community School District encompassed 16 school buildings and is the sixth largest district in the state (total students served). The district enrollment grows on

average more than 400 students per year, primarily at the elementary level. Consequently, the district has recently increased capacity at two elementary buildings and will place a bond referendum on an upcoming ballot to build elementary #11. Private education is provided by Ankeny Christian Academy and St. Luke the Evangelist Catholic School.

Higher education is provided by Des Moines Area Community College, Iowa's largest community college, serving a student population of over 15,000 on the Ankeny Campus. Simpson College and Faith Baptist Bible College are also higher education institutions within the City.

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

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

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

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

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



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

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

### **Local Economy**

Ankeny was the 14<sup>th</sup> fastest growing city in the nation last year for cities with more than 50,000 residents. The benefits of this rapid growth include:

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

The Des Moines Metropolitan Service Area's unemployment rate (of which Ankeny is included) stood at 2.3 percent in 2016 which is unchanged from the prior year. Several businesses are constructing additional office, manufacturing, and warehouse space and hiring new employees, adding to Ankeny's commercial tax base and job growth efforts.

Ankeny continues to attract targeted industries, including advanced manufacturing, biosciences, logistics and IT/business services. Major employers include: Ankeny Community Schools, Casey's General Stores, John Deere Des Moines Works, Des Moines Area Community College (DMACC), and the City of Ankeny. Furthermore, the Ankeny Regional Airport, a partnership between Polk County and the cities of Altoona, Ankeny and Bondurant, provides executive and corporate travel, freight operations and general aviation services. Additional economic data is included in the statistical section of this report.

### **Long Term Financial Planning**

The preparation of the City's annual operating budget and the five-year capital improvement program are governed by the Council's budget policy statement, as well as the Mission Statement, Vision Statement and Organizational Goals. As a

result of these policies, the annual operating budget has been prepared on a two year basis.

The long-term improvement of the City's infrastructure is outlined in the five-year capital improvement program (CIP). The approved 2017-2021 Capital Improvement Program anticipates the expenditure of \$133,306,487. This reflects a nearly \$20.9 million increase in project expenditures from the previous five-year program. Approximately \$11.83 million of the increase is related to additional water main and storage projects added as a result of the Joint Water System Master Plan. The program also includes the addition of \$6.1 million related to the construction of a new library, renovation of the Kirkendall Public Library and construction of Fire Station No. 3. Of the \$133,306,487, 33% is identified for transportation projects, 25% for municipal utilities (water, sewer and storm water) projects, 23% for municipal buildings, 13% for Prairie Trail projects, 3% for parks, 2% for sidewalks and trails and 1% for fire equipment. The first year of the five-year CIP, which the City incorporates into the annual budget, is \$59,745,488 for fiscal year 2018. The major source of funds for the program include general obligation bonds and tax increment financing to support economic development projects. In addition, the City leverages its program with available grants from federal and state governments and private partnerships.

### **Relevant Financial Policies**

The City regards general fund unassigned fund balance as a critical component of fiscal health and criteria for an above average bond rating. The June 30, 2017, unassigned fund balance in the general fund was 73 percent of total general fund expenditures, up slightly from 70 percent as of June 30, 2016. This amount is significantly higher than the policy guideline of 25 percent set by the Council for budgetary and planning purposes.

### **Major Initiatives and Accomplishments**

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

- Prairie Trail, a public/private partnership to develop commercial and residential property on approximately 1,100 acres that was formerly owned by Iowa State University as a research farm, is continuing to see substantial growth. Prairie Trail is currently home to Ankeny High School, Southview Middle School, Prairie Trail elementary school, Future Farmers of America Headquarters, Iowa Soybean Association and Cascade Falls Aquatic Center, just to name a few. The development is also home to numerous amenities like fitness, education, retail shops, grocery, restaurants and services.

- The construction of Fire Station No. 3 in northeast Ankeny. The purpose of the project is to provide adequate and timely emergency response to new commercial and residential development in the northern areas of the City.
- The construction of a new library and City Council chambers to be located in Prairie Trail. The project also includes the remodeling of the Kirkendall Public Library into an office complex.

The City achieved the following accomplishments during fiscal year 2017:

- Ankeny earned its 11th designation as a Playful City USA from the KaBOOM! Foundation. Ankeny is considered one of only 12 legacy cities and towns nationwide that have received the honor every year since it was first awarded, demonstrating the community's commitment to play spaces for unstructured free play. The award is given to communities committed to creating unstructured free play spaces to encourage healthy lifestyles.
- For the third year in a row, readers of Cityview voted Ankeny as the "Best Community to Live In" in the Best of Des Moines poll. It was cited that our suburb has come a long way from being a farming community, and Cityview readers are taking notice.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ankeny for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. This was the 15th consecutive year that the government has received this prestigious award. In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report that satisfied both the generally accepted accounting principles (GAAP) and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, for the 19th consecutive year, the City received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated March 15, 2017. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide and a communications device.

Lastly, the City received the Award for Outstanding Achievement in Popular Annual Financial Reporting from GFOA for fiscal year 2016. This was the second

Popular Annual Financial Report (PAFR) completed by the City. The PAFR is intended to increase public awareness of the financial operations of the City in a user-friendly format. Ankeny received the award based on its presentation, understandability, distribution and reader appeal. Ankeny was also commended for providing information that is accessible and informative to the citizens.

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

Respectfully submitted,



David Jones  
City Manager



Annette Graeve  
Finance Officer



Government Finance Officers Association

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

Presented to

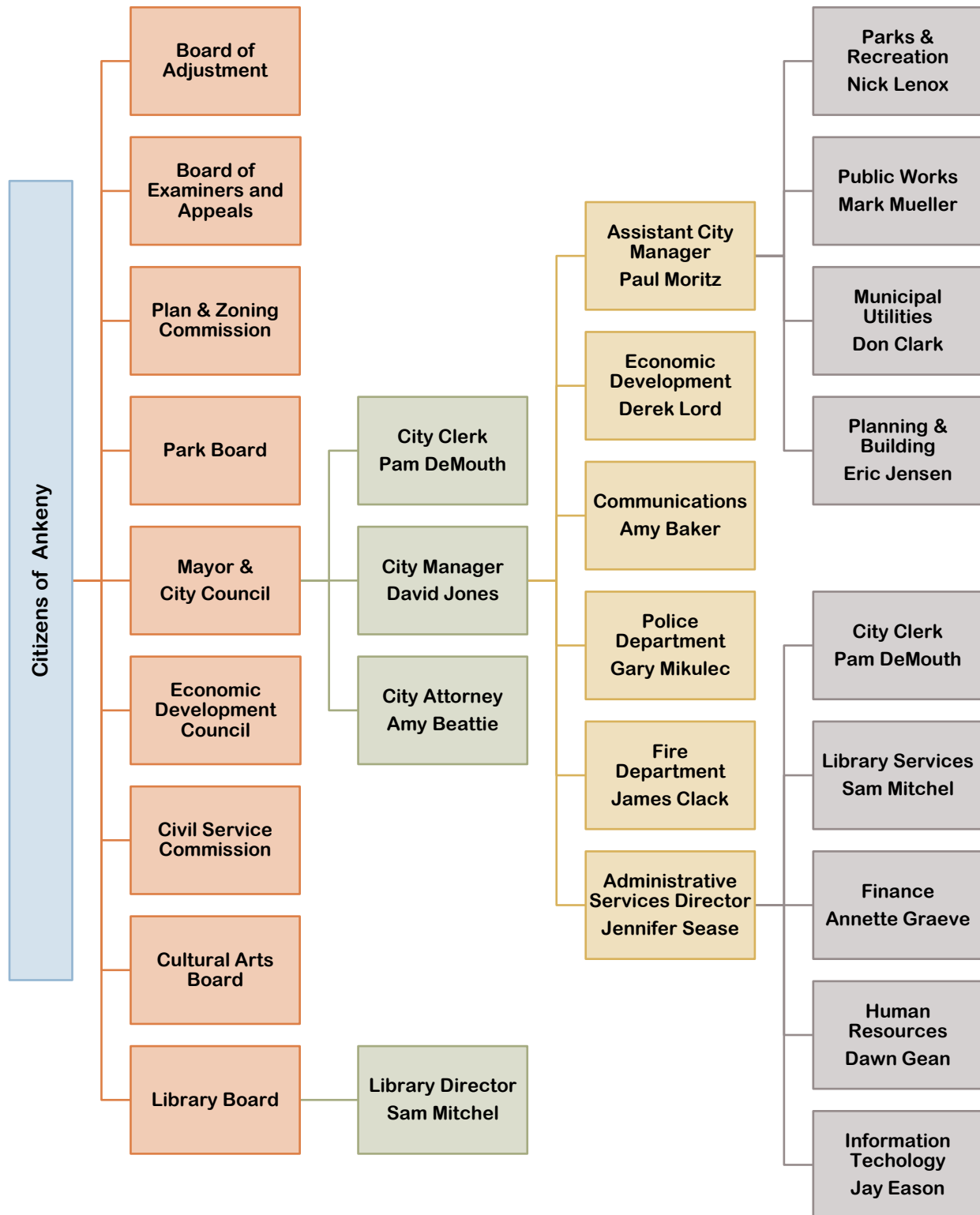
**City of Ankeny  
Iowa**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

## ORGANIZATIONAL CHART



# CITY OF ANKENY, IOWA

## List of Principal Officials June 30, 2017

### ELECTED OFFICIALS

Mayor  
Council Member  
Council Member  
Council Member  
Council Member  
Council Member

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

### APPOINTED OFFICIALS

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

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



## **Financial Section**

## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ankeny, Iowa (the City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ankeny, Iowa as of June 30, 2017, 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.

### **Other Matters**

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and the capital assets schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

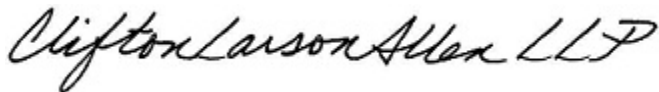
The combining and individual nonmajor fund financial statements, the capital assets schedules and the schedule of expenditures of federal awards (collectively, the supplementary information) is the responsibility of management and was derived from and relates directly to the underlying accounting and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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

West Des Moines, Iowa  
December 29, 2017

## Management's Discussion and Analysis

As management of the City of Ankeny, we offer readers of the City of Ankeny's financial statements this narrative overview and analysis of the financial activities of the City of Ankeny for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introductory Section at the front of this report.

### Financial Highlights

- The assets and deferred outflows of resources of the City of Ankeny exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$320,585,347 (*net position*). Of this amount, \$53,066,741 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. For the fiscal year ended June 30, 2016, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$283,380,996. Of this amount, \$39,765,464 was unrestricted.
- The government's total net position increased by \$37,204,351 during the fiscal year ended June 30, 2017. Governmental activities increased \$26,569,781 and business-type activities increased \$10,634,570. For fiscal year ended June 30, 2016, total net position increased \$35,912,630. Governmental activities increased \$25,584,337 and business-type activities increased by \$10,328,293.
- As of the close of the current fiscal year, the City of Ankeny's governmental funds reported combined ending fund balances of \$52,082,273, a decrease of \$2,331,449 in comparison with the prior year. As of the close of the fiscal year June 30, 2016, governmental funds reported combined ending fund balances of \$54,413,722.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$17,861,401 or 73 percent of total general fund expenditures. The unassigned fund balance for the general fund as of June 30, 2016 was \$16,210,239 or 70 percent of total general fund expenditures.
- The City of Ankeny's total debt decreased by \$21,041,000 (12 percent) during the current fiscal year. Total debt for fiscal year June 30, 2016, decreased by \$14,759,000 (8 percent).

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three

components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 39-76 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Ankeny, including the Budgetary Comparison Schedule, the City's proportionate share of the net pension liability and related contributions for both Iowa Public Employees' Retirement System (IPERS) and Municipal Fire & Police Retirement System of Iowa (MFPRSI), and the Schedule of Funding Progress for the Retiree Health Plan. Required supplementary information can be found on pages 77-90 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 92-103 of this report. Statistical information related to the City can be found on pages 108-134.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the City of Ankeny, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$320,585,347 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (78 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to the citizens; consequently, these assets are *not* available for future spending. Although the City's

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

### Net Position (000's)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current assets	\$ 105,886	\$ 104,432	\$ 41,014	\$ 39,042	\$ 146,900	\$ 143,474
Noncurrent assets:						
Restricted cash and						
cash equivalents	46	46	2,712	2,806	2,758	2,852
Capital assets	251,964	240,423	138,869	134,476	390,833	374,899
Total assets	357,896	344,901	182,595	176,324	540,491	521,225
Deferred outflows of resources	9,781	6,416	893	561	10,674	6,977
Current liabilities	23,202	34,703	5,242	5,936	28,444	40,639
Noncurrent liabilities	121,771	122,388	35,089	38,323	156,860	160,711
Total liabilities	144,973	157,091	40,331	44,259	185,304	201,350
Deferred inflows of resources	44,997	43,088	280	383	45,277	43,471
Net investment in						
capital assets	130,866	116,005	118,594	109,641	249,460	225,646
Restricted	15,568	15,374	2,491	2,596	18,059	17,970
Unrestricted	31,273	19,759	21,793	20,006	53,066	39,765
Total net position	\$ 177,707	\$ 151,138	\$ 142,878	\$ 132,243	\$ 320,585	\$ 283,381

An additional portion of the City's net position (6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$53,066,741) may be used to meet the government's ongoing obligations to citizens and creditors.

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

The government's net position increased by \$37,204,351 during the current fiscal year, which is a combination of a \$26,569,781 increase in governmental activities net position and an increase of \$10,634,570 in business-type activities net position.

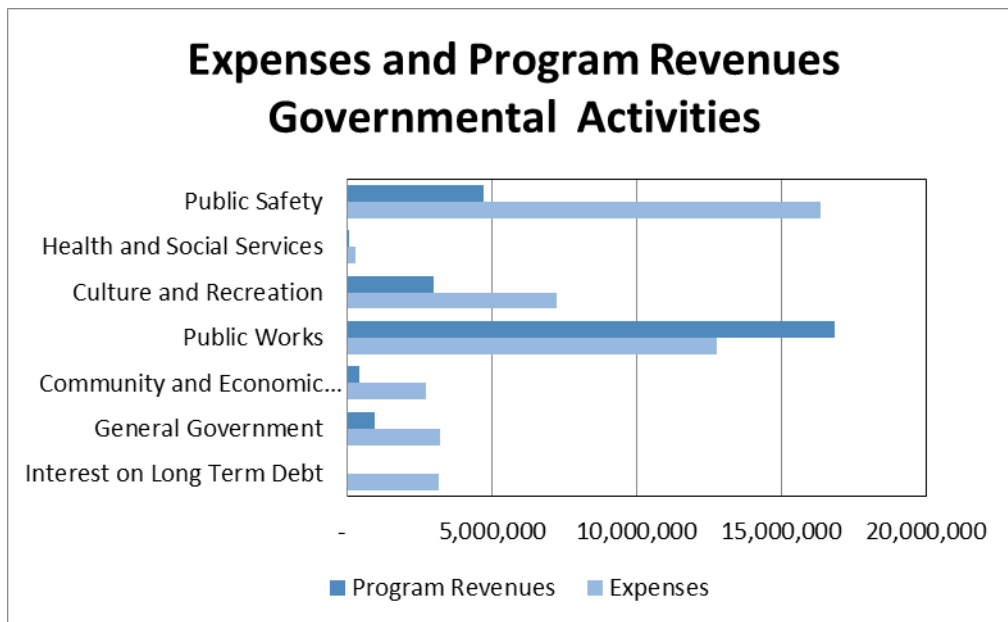
### Changes in Net Position (000's)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 7,285	\$ 6,745	\$ 29,872	\$ 28,399	\$ 37,157	\$ 35,144
Operating grants and contributions	8,980	10,051	-	-	8,980	10,051
Capital grants and contributions	9,619	9,127	6,374	7,190	15,993	16,317
General revenues:						
Property taxes	39,329	36,118	-	-	39,329	36,118
Other taxes	3,720	2,723	-	-	3,720	2,723
Interest	482	366	34	39	516	405
Other	85	52	753	777	838	829
Total revenues	69,500	65,182	37,033	36,405	106,533	101,587
Expenses:						
Public safety	16,366	14,690	-	-	16,366	14,690
Health and social services	264	1,054	-	-	264	1,054
Culture and recreation	7,218	6,945	-	-	7,218	6,945
Public works	12,778	10,673	-	-	12,778	10,673
Community & economic development	2,696	1,758	-	-	2,696	1,758
General government	3,214	3,082	-	-	3,214	3,082
Interest of long-term debt	3,138	4,838	-	-	3,138	4,838
Solid waste	-	-	676	632	676	632
Water	-	-	8,543	7,451	8,543	7,451
Sewer	-	-	11,771	11,685	11,771	11,683
Storm water	-	-	882	1,104	882	1,104
Otter Creek golf course	-	-	1,783	1,762	1,783	1,762
Total expenses	45,674	43,040	23,655	22,634	69,329	65,672
Excess before transfers	23,826	22,142	13,378	13,771	37,204	35,915
Transfers	2,743	3,443	(2,743)	(3,443)	-	-
Changes in net position	26,569	25,585	10,635	10,328	37,204	35,915
Net position, beginning	151,138	125,553	132,243	121,915	283,381	247,468
Net position, ending	\$ 177,707	\$ 151,138	\$ 142,878	\$ 132,243	\$ 320,585	\$ 283,381

**Governmental activities.** Governmental activities increased the City's net position by \$26,569,781, thereby accounting for 71 percent of the total improvement in net position. Key elements of this increase are as follows:

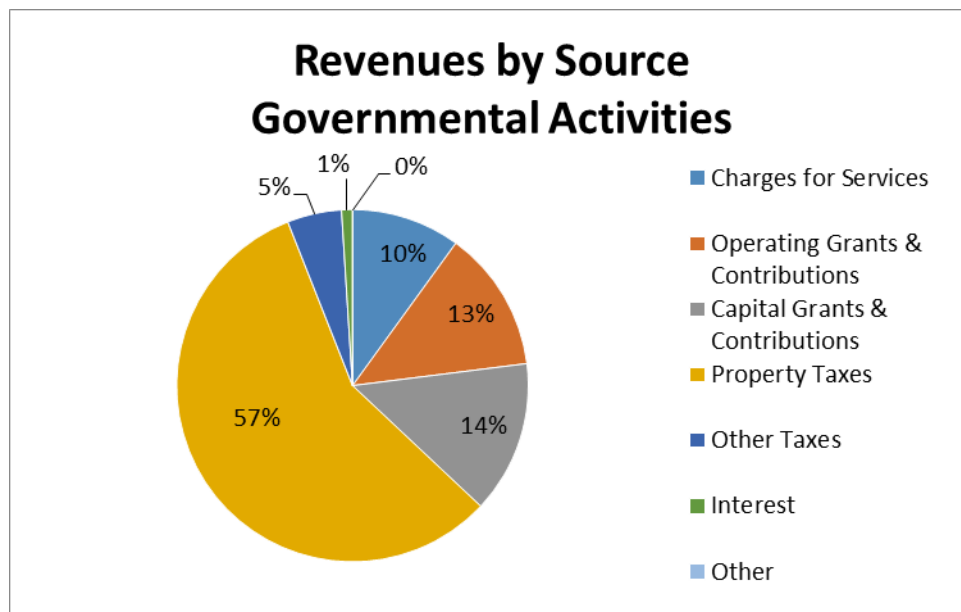
- Property taxes increased by \$3,211,932 (9 percent) during the year. This increase is attributable to property valuation growth.
- Other taxes increased \$997,438 (37%) in fiscal year 2017 due primarily to increases in hotel/motel tax revenue and franchise fee tax revenue.

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



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

Revenues for the governmental activities are derived as follows:

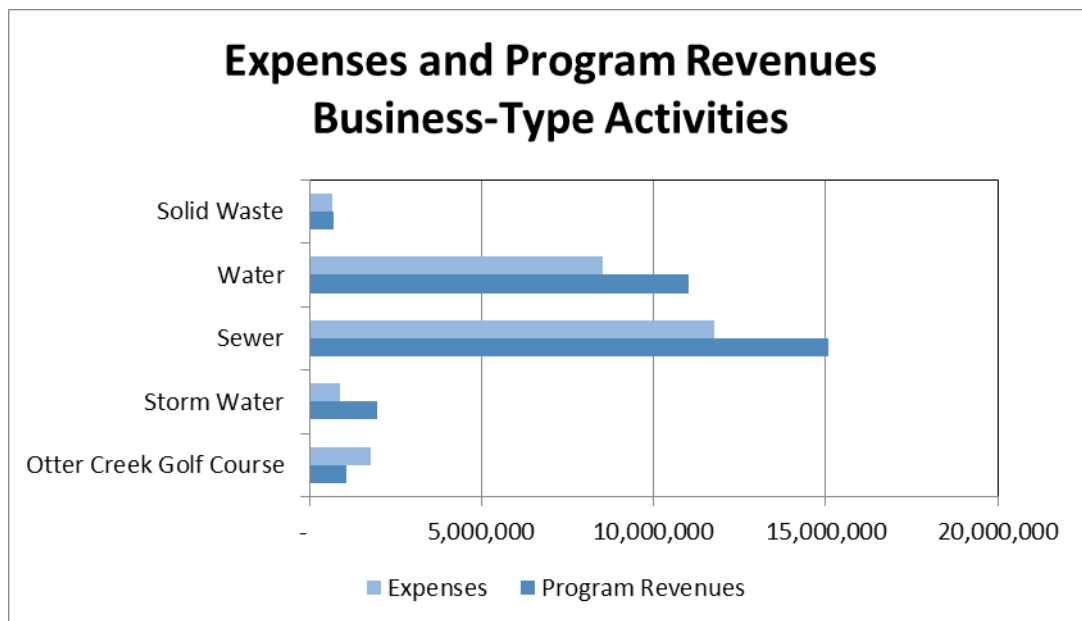


**Business-type activities.** Business-type activities increased the City's net position by \$10,634,568, accounting for 29 percent of the total improvement in the government's net position. Key elements of this increase are as follows:

- The water fund also had a large increase in net position, with revenues exceeding expenses by close to \$4.2 million. Water rates increased 9.5 percent effective April 1, 2017.
- Storm water fund operating expenses decreased by \$200,992 (26%) during the year. This decrease can be attributed to higher than normal expenses in fiscal year 2016 for a storm water detention basin study and an easement purchase.

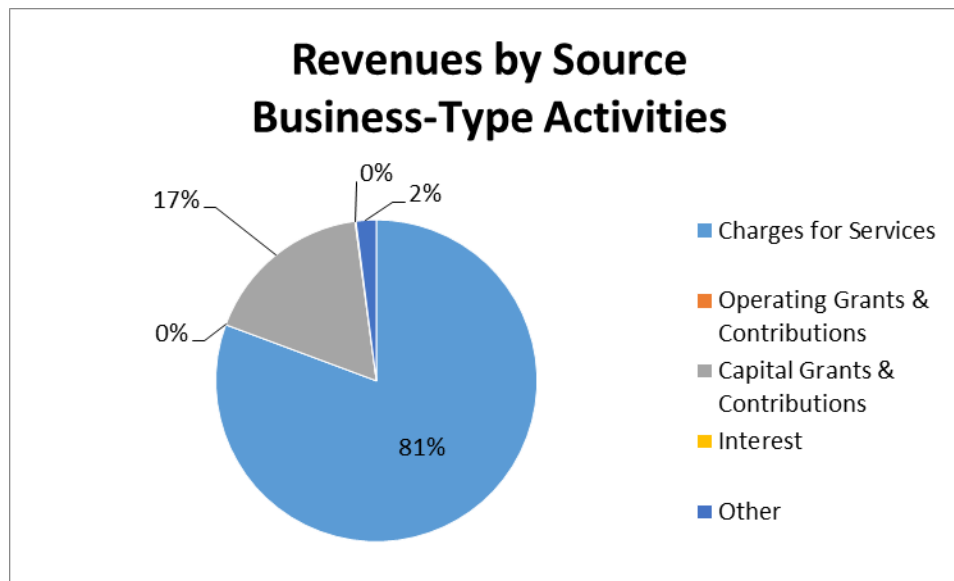
The enterprise funds continue to see growth in the number of customers annually, but the majority of the increases in revenue are related to rate increases.

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



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

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



### Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$52,082,273, a decrease of \$2,331,449 in comparison with the prior year. Of this total amount, \$1,352 is *nonspendable*, which is inventory in a nonspendable form, and \$17,861,401 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance, \$34,219,520, is *restricted* to indicate that it is not available for spending because it can only be spent for the specific purposes stipulated by external resource providers, by constitution or by enabling legislation.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance reached \$18,284,656. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total

expenditures. Total fund balance represents 74 percent of total general fund expenditures.

The fund balance of the City's general fund increased by \$1,566,904 (9 percent) during the current fiscal year. The general fund saw an increase in all sources of revenue with the exception of intergovernmental and miscellaneous. The most significant changes are related to the following:

- The general fund property tax levy rate decreased by \$0.10 for fiscal year 2017, but property tax valuations remained strong at 11 percent growth, resulting in an increase of \$1,724,325 in property taxes collected.
- Other taxes and assessments increased by \$1,001,608 due primarily to increased revenue from hotel/motel tax revenues and franchise fee tax revenues.

In comparison to a 12.2 percent increase in revenues, general fund expenditures increased 6.6 percent. The majority of general fund expenditures are for salaries, wages and related employee benefits. These personal services saw a significant increase during the current year due to funding the 27<sup>th</sup> pay period and providing cost of living adjustments and step advancements. Another significant factor to the increase in expenditures was the addition of 10.67 full-time equivalent positions in police, fire, code enforcement and Prairie Ridge Sports Complex.

The debt service fund had a total fund balance of \$2,928,500, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year was \$114 or less than 1 percent. This decrease is immaterial.

The road use tax fund had a total fund balance of \$7,259,435, all of which is restricted for the construction, maintenance and supervision of public streets. The net increase in fund balance during the current year was \$1,567,884 or 28 percent. This increase is due to the recent 10-cent gas tax increase and the completion of the 2015 special census, which resulted in an increased share of the State of Iowa's taxes related to transportation.

The tax increment financing fund (TIF), a special revenue fund, had a total fund balance of \$1,423,950, all of which is restricted. The fund had an increase in fund balance of \$151,705 after transfers out of \$6,322,885 to the debt service fund. Property taxes collected in the special financing districts are generally transferred from the tax increment financing fund to other funds to cover bonded debt, other loans, advances and development agreements used to finance infrastructure improvements in the tax increment financing districts.

The capital projects fund had a fund balance of \$18,311,997, all of which is restricted. The fund had a decrease in fund balance of \$4,164,030. The



decrease was attributable to the timing and the scope of capital project expenditures.

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

- Total net position of the water fund at the end of current year was \$42,468,716 with \$34,274,461 net investment in capital assets, \$1,128,794 restricted for debt service and \$7,065,461 in unrestricted net position. This represents an increase in net position of \$4,162,783.
- Total net position of the sewer fund at the end of the current year was \$92,215,511, with \$77,146,470 net investment in capital assets, \$1,361,482 restricted for debt service and \$13,707,559 in unrestricted net position. This represents an increase in net position of \$5,765,960.
- The net position of the storm water fund at the end of the current year was \$3,373,188, of which \$2,655,844 is net investment in capital assets and \$717,344 in unrestricted net position, an increase of \$600,416.

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

### **General Fund Budgetary Highlights**

The City adopts an annual appropriated budget for its general fund. Differences between the original budget and the final amended budget for the general fund can be summarized as follows:

- The total original revenue budget of \$27,981,434 was increased to \$29,184,716, an increase of \$1,203,282. Amended revenues included increases in hotel/motel taxes, building permits, interest income, ambulance charges, and plan review fees.
- The total original expenditure budget of \$25,339,536 was increased to \$25,787,837, an increase of \$448,301. Amended expenditures included increases for repairs and maintenance and equipment purchases.

Differences between the final amended budget and the actual results for the general fund can be summarized as follows:

- The actual revenue results of \$29,781,106 surpassed the final amended budget of \$29,184,716 by \$596,390. The most significant variances were attributed to strong building permit activity and aquatic center revenues.

- The actual expenditure results of \$24,282,243 were less than the final amended budget of \$25,787,837 by \$1,505,594. The most significant variances were vacancies in the police department and the timing of the comprehensive plan update.

## Capital Assets and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities was \$539,580,607 in fiscal year 2017 and \$511,327,927 for fiscal year 2016. This amount represents a net increase, including additions and deletions, of \$28,252,680 and \$25,517,840, respectively. The value of these capital assets, net of depreciation at June 30, 2017 and 2016, is depicted below. The investment in capital assets includes land, construction in progress, other improvements, infrastructure, buildings, machinery and equipment and furniture and fixtures. All required infrastructure has been recorded for the governmental and business-type activities.

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

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 8,295	\$ 8,130	\$ 1,780	\$ 1,549	\$ 10,075	\$ 9,679
Construction in progress	15,234	12,992	4,188	4,124	19,422	17,116
Other improvements	20,693	21,152	70	83	20,763	21,235
Infrastructure	178,191	166,837	128,334	124,290	306,525	291,127
Buildings	26,337	28,012	3,520	3,667	29,857	31,679
Machinery and equipment	3,177	3,238	964	744	4,141	3,982
Furniture and fixtures	37	61	13	19	50	80
Total capital assets	<u>\$ 251,964</u>	<u>\$ 240,422</u>	<u>\$ 138,869</u>	<u>\$ 134,476</u>	<u>\$ 390,833</u>	<u>\$ 374,898</u>

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

- Expended \$530,000 on the addition of a second pavilion and additional parking for the Ankeny Market and Pavilion. The Ankeny Market and Pavilion is a trailhead for the popular High Trestle Trail, home of the Ankeny Farmer's Market and host to a variety of community activities.
- Expended \$430,000 on design improvements to the East 1<sup>st</sup> Street and Interstate 35 interchange. The reconstructed project will have a diverging diamond interchange and the widening of the interstate to a 6-lane section between East 1<sup>st</sup> Street and NE 36<sup>th</sup> Street.
- Expended nearly \$4.4 million towards improvements on various Prairie Trail projects. These included the extension of SW Vintage Parkway, the extension of SW Prairie Trail Parkway, the extension of SW Merchant Street and SW District Drive and the construction of public parking lots in The District at Prairie Trail.

- Expended nearly \$4.4 million on the NE 36<sup>th</sup> Street reconstruction project. This is a multi-phase project to reconstruct the existing two-lane rural roadway into a four-lane divided urban street with left turn lanes.
- Expended \$275,000 for land purchases and engineering services for Fire Station No. 3, the new fire station to be built on NE 36<sup>th</sup> Street at NE Otter Creek Drive. Expended \$133,000 for engineering services for a new library and City Council chambers to be located in Prairie Trail. This project also includes the remodeling of the Kirkendall Public Library into an office complex. Both of these projects were approved by Ankeny residents in the May 2017 bond referendum.

Additional information can be found on the City's capital assets in Note 4 on pages 51-52 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Ankeny had total bonded debt and notes outstanding of \$148,854,000. Of this amount, \$129,162,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Ankeny's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

#### Outstanding Debt (000's)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 94,673	\$ 109,482	\$ 15,659	\$ 17,297	\$ 110,332	\$ 126,779
Capital loan notes	18,466	20,420	590	989	19,056	21,409
Revenue bonds	-	-	19,466	21,707	19,466	21,707
Total outstanding debt	<u>\$ 113,139</u>	<u>\$ 129,902</u>	<u>\$ 35,715</u>	<u>\$ 39,993</u>	<u>\$ 148,854</u>	<u>\$ 169,895</u>

The City's total debt decreased by \$21,041,000 (12 percent) during the current fiscal year. This reflects the City's ongoing commitment to reduce total debt outstanding.

Iowa statute limits the amount of general obligation debt a government may issue to five percent of its total assessed valuation of all taxable property in the City of Ankeny. The current debt limitation for the City is \$231,095,971. With outstanding general obligation debt of \$110,332,000 and capital loan notes of \$18,830,000, the City had utilized 56 percent of the debt limit as of June 30, 2017.

The City maintains an Aa1 rating for general obligation debt not subject to annual appropriation and general obligation debt subject to annual appropriation is an Aa2. The City's rating for revenue bonds was upgraded from Aa3 to Aa2. These ratings were assigned by Moody's Investors Service.

Additional information on the City's long-term debt can be found in Note 7 on pages 54-58 of this report.

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

- In calendar year 2016, the City issued 1,281 residential permits, reflecting an increase from 929 in 2015.
- Commercial construction decreased in calendar year 2016 with 18 permits compared to 31 in 2015.
- The City's taxable valuation has increased at an average of 5.75 percent per year over the last five years, including an increase of 10.95 percent for fiscal year 2017.

All of these factors were considered in preparing the City of Ankeny's budget for fiscal year 2018. The fiscal year 2018 budget included total revenues of \$124,262,942 up from \$110,770,011, representing a 12 percent increase. The increase in revenue is attributable to all of the major revenue sources, most notably in intergovernmental for federal and state grants and in miscellaneous for civic trust contributions. In addition, the fiscal year 2018 budget included an increase in expenditures from \$99,277,298 to \$124,925,453, an increase of 26 percent. The increase is primarily attributable to increases in capital project expenditures. Major projects budgeted for fiscal year 2018 include the construction of Fire Station No. 3, the construction of a new library and former library renovations, public improvements within Prairie Trail and the completion of the reconstruction of NE 36<sup>th</sup> Street.

The City's property tax rate for fiscal year 2018 decreased from \$11.75 per \$1,000 of taxable property valuation to \$11.65. The \$0.10 decrease was in the debt service levy. This was the fourth consecutive year for a decrease in the property tax levy.

### **Requests for Information**

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

City of Ankeny, Iowa

Statement of Net Position  
June 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 66,061,850	\$ 18,126,115	\$ 84,187,965
Investments	8,982,355	2,923,662	11,906,017
Receivables:			
Interest	163,562	9,378	172,940
Taxes	42,293,844	-	42,293,844
Accounts	1,240,947	3,507,838	4,748,785
Special assessments	327,744	24,790	352,534
Intergovernmental	2,861,574	253	2,861,827
Prepaid expenses	106,749	-	106,749
Inventory	198,452	71,892	270,344
Internal balances	(16,350,431)	16,350,431	-
Total current assets	105,886,646	41,014,359	146,901,005
Noncurrent assets:			
Restricted cash and cash equivalents	46,017	2,712,287	2,758,304
Capital assets:			
Land	8,294,818	1,779,594	10,074,412
Construction-in-progress	15,233,553	4,188,355	19,421,908
Depreciable assets, net of accumulated depreciation	228,435,297	132,900,665	361,335,962
Total capital assets	251,963,668	138,868,614	390,832,282
Total noncurrent assets	252,009,685	141,580,901	393,590,586
Total assets	357,896,331	182,595,260	540,491,591
<b>Deferred Outflows of Resources</b>			
Pension related deferred outflows	9,781,342	893,194	10,674,536
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	3,540,323	739,936	4,280,259
Retainage payable	308,987	-	308,987
Accrued wages	273,771	48,286	322,057
Claims payable	329,492	-	329,492
Customers deposits	46,017	222,011	268,028
Unearned revenue	151,680	(2,423)	149,257
Bonds and capital loan notes interest payable	339,390	118,994	458,384
Bonds and capital loan notes payable, net of unamortized discount/premium	17,592,242	4,011,203	21,603,445
Compensated absences payable	620,384	104,294	724,678
Total current liabilities	23,202,286	5,242,301	28,444,587
Noncurrent liabilities:			
Bonds and capital loan notes payable, net of unamortized discount/premium	103,505,637	32,776,303	136,281,940
Other postemployment benefits	239,951	41,988	281,939
Compensated absences payable	128,038	137,152	265,190
Net pension liability	17,896,960	2,133,177	20,030,137
Total noncurrent liabilities	121,770,586	35,088,620	156,859,206
Total liabilities	144,972,872	40,330,921	185,303,793
<b>Deferred Inflows of Resources</b>			
Pension related deferred inflows	2,760,709	279,545	3,040,254
Succeeding year property tax	42,236,733	-	42,236,733
Total deferred inflows of resources	44,997,442	279,545	45,276,987
<b>Net Position</b>			
Net investment in capital assets	130,865,789	118,594,408	249,460,197
Restricted for:			
Debt service	3,574,657	2,490,276	6,064,933
Community and economic development	1,778,948	-	1,778,948
Culture and recreation	1,368,955	-	1,368,955
Public safety	1,456,521	-	1,456,521
Public works	7,389,052	-	7,389,052
Unrestricted	31,273,437	21,793,304	53,066,741
Total net position	\$ 177,707,359	\$ 142,877,988	\$ 320,585,347

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

**City of Ankeny, Iowa**  
**Statement of Activities**  
**For the Year Ended June 30, 2017**

					Net (Expense) Revenue and Changes in Net Position		
		Program Revenues			Primary Government		
Programs/Functions	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
Public safety	\$ 16,365,705	\$ 4,309,769	\$ 391,086	\$ -	\$ (11,664,850)	\$ -	\$ (11,664,850)
Health and social services	264,019	12,532	-	-	(251,487)	-	(251,487)
Culture and recreation	7,217,960	2,356,757	242,996	369,782	(4,248,425)	-	(4,248,425)
Public works	12,777,753	226,085	7,375,193	9,249,235	4,072,760	-	4,072,760
Community and economic development	2,695,564	55,742	354,998	-	(2,284,824)	-	(2,284,824)
General government	3,214,295	324,541	615,733	-	(2,274,021)	-	(2,274,021)
Interest on long-term debt	3,137,859	-	-	-	(3,137,859)	-	(3,137,859)
Total governmental activities	45,673,155	7,285,426	8,980,006	9,619,017	(19,788,706)	-	(19,788,706)
Business-type activities:							
Solid waste	675,871	706,300	-	-	-	30,429	30,429
Water	8,542,848	11,021,695	-	2,551,705	-	5,030,552	5,030,552
Sewer	11,771,681	15,067,446	-	3,822,225	-	7,117,990	7,117,990
Storm water	882,254	1,986,765	-	-	-	1,104,511	1,104,511
Otter Creek golf course	1,783,053	1,089,687	-	-	-	(693,366)	(693,366)
Total business-type activities	23,655,707	29,871,893	-	6,373,930	-	12,590,116	12,590,116
Total primary government	\$ 69,328,862	\$ 37,157,319	\$ 8,980,006	\$ 15,992,947	(19,788,706)	12,590,116	(7,198,590)
General revenues:							
Taxes:							
Property taxes					39,329,506	-	39,329,506
Other taxes					3,720,204	-	3,720,204
Interest					481,522	34,082	515,604
Other					84,574	753,053	837,627
Transfers					2,742,681	(2,742,681)	-
Total general revenues and transfers					46,358,487	(1,955,546)	44,402,941
Changes in net position					26,569,781	10,634,570	37,204,351
Net position, beginning of year					151,137,578	132,243,418	283,380,996
Net position, ending					\$ 177,707,359	\$ 142,877,988	\$ 320,585,347

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

City of Ankeny, Iowa

Balance Sheet  
Governmental Funds  
June 30, 2017

	General	Debt Service	Road Use Tax	Tax Increment Financing	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and cash equivalents	\$ 10,028,180	\$ 3,192,557	\$ 6,765,366	\$ 1,569,828	\$ 35,001,097	\$ 3,518,150	\$ 60,075,178
Investments	7,933,236	-	-	-	1,049,119	-	8,982,355
Receivables:							
Interest	112,119	-	-	-	51,206	148	163,473
Taxes	19,705,964	12,837,048	-	8,161,618	-	1,589,214	42,293,844
Accounts	883,293	-	-	-	1,830	355,824	1,240,947
Special assessments	333	-	-	-	-	327,411	327,744
Intergovernmental	465,171	214	707,360	-	1,678,067	28	2,850,840
Inventory	1,352	-	-	-	-	-	1,352
Restricted assets, cash and cash equivalents	46,017	-	-	-	-	-	46,017
Total assets	<u>\$ 39,175,665</u>	<u>\$ 16,029,819</u>	<u>\$ 7,472,726</u>	<u>\$ 9,731,446</u>	<u>\$ 37,781,319</u>	<u>\$ 5,790,775</u>	<u>\$ 115,981,750</u>
<b>Liabilities</b>							
Accounts payable	\$ 395,591	\$ -	\$ 186,968	\$ -	\$ 2,926,330	\$ 1,932	\$ 3,510,821
Retainage payable	-	-	-	-	308,987	-	308,987
Accrued wages	243,222	-	26,323	-	-	-	269,545
Due to other funds	45,295	279,295	-	-	16,234,005	-	16,558,595
Advances from other funds	30,283	-	-	-	-	-	30,283
Customer deposits	46,017	-	-	-	-	-	46,017
Unearned revenue	-	-	-	151,680	-	-	151,680
Total liabilities	<u>760,408</u>	<u>279,295</u>	<u>213,291</u>	<u>151,680</u>	<u>19,469,322</u>	<u>1,932</u>	<u>20,875,928</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenues							
Property taxes	19,682,497	12,822,024	-	8,155,816	-	1,587,336	42,247,673
Special assessments	183	-	-	-	-	327,411	327,594
Other long-term receivables	447,921	-	-	-	-	361	448,282
Total deferred inflows of resources	<u>20,130,601</u>	<u>12,822,024</u>	<u>-</u>	<u>8,155,816</u>	<u>-</u>	<u>1,915,108</u>	<u>43,023,549</u>
<b>Fund Balances</b>							
Nonspendable	1,352	-	-	-	-	-	1,352
Restricted	421,903	2,928,500	7,259,435	1,423,950	18,311,997	3,873,735	34,219,520
Unassigned	17,861,401	-	-	-	-	-	17,861,401
Total fund balances	<u>18,284,656</u>	<u>2,928,500</u>	<u>7,259,435</u>	<u>1,423,950</u>	<u>18,311,997</u>	<u>3,873,735</u>	<u>52,082,273</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 39,175,665</u>	<u>\$ 16,029,819</u>	<u>\$ 7,472,726</u>	<u>\$ 9,731,446</u>	<u>\$ 37,781,319</u>	<u>\$ 5,790,775</u>	<u>\$ 115,981,750</u>

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



**City of Ankeny, Iowa**

**Reconciliation of the Balance Sheet to the  
Statement of Net Position  
June 30, 2017**

Fund balances--total governmental funds		\$	52,082,273
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Governmental capital assets:			
Land	\$	8,294,818	
Construction-in-progress		15,233,553	
Depreciable capital assets		322,875,102	
Accumulated depreciation		(94,439,805)	251,963,668
The assets and liabilities of internal service funds are included in the governmental activities in the statement of net position. Internal service fund net position:			
Current assets	\$	6,481,424	
Deferred outflows		83,269	
Internal balances		265,253	
Current liabilities		(369,449)	
Noncurrent liabilities		(227,409)	
Deferred inflows		(28,118)	6,204,970
Internal service funds allocated to business-type activities			(206,886)
Other long-term assets are not available to pay for current period expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds:			
Various funds - property tax receivable	\$	10,940	
Various funds - special assessment receivable		327,594	
General fund - accounts receivable		447,921	
Police seizure fund - accounts receivable		361	786,816
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	\$	9,698,073	
Deferred inflows of resources		(2,732,591)	6,965,482
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
General obligation bonds and capital loan notes	\$	(113,138,916)	
Unamortized premium on general obligation bonds		(7,958,963)	
Other postemployment benefits		(235,575)	
Bonds and capital loans interest payable		(339,390)	
Compensated absences		(721,126)	
Net pension liability		(17,694,994)	(140,088,964)
Net position of governmental activities		\$	<u>177,707,359</u>

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

City of Ankeny, Iowa

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2017

	General Fund	Debt Service	Road Use Tax	Tax Increment Financing	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Property taxes	\$ 18,312,483	\$ 12,184,204	\$ -	\$ 7,348,209	\$ -	\$ 1,476,823	\$ 39,321,719
Other taxes and assessments	3,567,339	135,608	-	-	-	64,671	3,767,618
Licenses and permits	2,466,287	-	-	-	-	-	2,466,287
Intergovernmental	1,091,068	372,182	6,977,235	12,640	1,957,678	109,375	10,520,178
Charges for services	3,586,756	-	-	-	100	29,940	3,616,796
Use of money and property	622,802	10,898	-	6,772	88,020	5,152	733,644
Miscellaneous	677,362	-	-	-	202,130	795,124	1,674,616
Total revenues	30,324,097	12,702,892	6,977,235	7,367,621	2,247,928	2,481,085	62,100,858
<b>Expenditures</b>							
Current operating:							
Public safety	13,397,803	-	-	-	-	1,450,059	14,847,862
Health and social services	258,736	-	-	-	-	-	258,736
Culture and recreation	5,328,859	-	-	-	-	30,003	5,358,862
Public works	716,663	-	4,409,351	-	-	-	5,126,014
Community and economic development	1,764,393	-	-	893,031	-	-	2,657,424
General government	3,140,348	-	-	-	-	-	3,140,348
Debt service:							
Principal	-	14,749,997	-	-	-	-	14,749,997
Interest and other charges	-	4,275,894	-	-	555,135	-	4,831,029
Bond issuance costs	-	-	-	-	40,213	-	40,213
Capital projects	-	-	-	-	15,266,473	-	15,266,473
Total expenditures	24,606,802	19,025,891	4,409,351	893,031	15,861,821	1,480,062	66,276,958
Excess (deficiency) of revenues over (under) expenditures	5,717,295	(6,322,999)	2,567,884	6,474,590	(13,613,893)	1,001,023	(4,176,100)
<b>Other financing sources (uses)</b>							
Issuance of long-term debt	-	-	-	-	10,925,000	-	10,925,000
Premium on long-term debt	-	-	-	-	1,114,629	-	1,114,629
Payment of refunded bonds	-	-	-	-	(12,937,660)	-	(12,937,660)
Transfers in	581,491	6,322,885	-	-	10,347,894	-	17,252,270
Transfers out	(4,731,882)	-	(1,000,000)	(6,322,885)	-	(2,454,821)	(14,509,588)
Total other financing sources (uses)	(4,150,391)	6,322,885	(1,000,000)	(6,322,885)	9,449,863	(2,454,821)	1,844,651
Net change in fund balances	1,566,904	(114)	1,567,884	151,705	(4,164,030)	(1,453,798)	(2,331,449)
Fund balances, beginning	16,717,752	2,928,614	5,691,551	1,272,245	22,476,027	5,327,533	54,413,722
Fund balances, ending	<u>\$ 18,284,656</u>	<u>\$ 2,928,500</u>	<u>\$ 7,259,435</u>	<u>\$ 1,423,950</u>	<u>\$ 18,311,997</u>	<u>\$ 3,873,735</u>	<u>\$ 52,082,273</u>

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

**City of Ankeny, Iowa**

**Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
For the Year Ended June 30, 2017**

Net change in fund balances--total governmental funds		\$ (2,331,449)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlay	\$ 13,369,160	
Depreciation expense	<u>(9,055,019)</u>	4,314,141
Governmental funds do not report capital assets and therefore do not report gains or losses on the disposal of those assets.		(40,201)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		79,480
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Bond proceeds from issuances	\$ (10,925,000)	
Principal debt payments	27,687,657	
Premium on long-term debt	<u>(1,114,629)</u>	15,648,028
The current year employer share of IPERS and MFPRSI contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position.		2,232,002
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The following expenses did not require current financial resources:		
Other postemployment benefits	\$ (106,816)	
Compensated absences	(45,374)	
Pension expense	(2,792,422)	
Amortization of bond discounts and premiums	1,719,627	
Adjustment to bond interest payable	<u>13,756</u>	(1,211,229)
Governmental funds do not report capital assets and therefore do not report the contribution of capital assets.		7,235,348
Internal service funds are used by management to charge costs of certain activities, such as vehicle and property maintenance, to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental activities.		737,975
Change in internal service fund allocation to business-type activities.		<u>(94,314)</u>
Change in net position of governmental activities		<u><u>\$ 26,569,781</u></u>

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

City of Ankeny, Iowa

Statement of Net Position  
Proprietary Funds  
June 30, 2017

	Water	Sewer	Storm Water	Nonmajor Enterprise Funds	Totals	Governmental Activities-Internal Service Funds
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 5,251,205	\$ 11,354,837	\$ 903,005	\$ 617,068	\$ 18,126,115	\$ 5,986,672
Investments	1,384,596	1,539,066	-	-	2,923,662	-
Receivables:						
Interest	4,540	4,838	-	-	9,378	89
Accounts	1,596,143	1,573,940	209,199	128,556	3,507,838	-
Special assessments	789	23,771	148	82	24,790	-
Intergovernmental	88	-	-	165	253	10,734
Prepaid expenses	-	-	-	-	-	106,749
Inventory	5,257	6,125	-	60,510	71,892	197,100
Due from other funds	1,208,894	3,968,547	11,335,859	-	16,513,300	180,080
Total current assets	9,451,512	18,471,124	12,448,211	806,381	41,177,228	6,481,424
Noncurrent assets:						
Restricted cash and cash equivalents	1,350,805	1,361,482	-	-	2,712,287	-
Advances to other funds	-	-	-	-	-	265,253
Capital assets:						
Land	271,414	522,238	-	985,942	1,779,594	-
Construction-in-progress	1,551,676	2,636,679	-	-	4,188,355	-
Depreciable assets, net of accumulated depreciation	40,482,860	84,941,426	3,944,688	3,531,691	132,900,665	58,142
Total capital assets	42,305,950	88,100,343	3,944,688	4,517,633	138,868,614	58,142
Total noncurrent assets	43,656,755	89,461,825	3,944,688	4,517,633	141,580,901	323,395
Total assets	53,108,267	107,932,949	16,392,899	5,324,014	182,758,129	6,804,819
<b>Deferred Outflows of Resources</b>						
Pension related deferred outflows	277,524	317,580	76,014	222,076	893,194	83,269
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	569,375	45,360	8,453	116,748	739,936	29,502
Accrued wages	12,825	15,509	4,734	15,218	48,286	4,226
Due to other funds	-	992	46,042	87,751	134,785	-
Claims payable	-	-	-	-	-	329,492
Customer deposits	222,011	-	-	-	222,011	-
Unearned revenue	(2,423)	-	-	-	(2,423)	-
Bonds and capital loan note interest payable	21,886	64,937	32,171	-	118,994	-
Bonds and capital loan notes payable, net of unamortized discount or premium	1,182,745	1,799,754	1,028,704	-	4,011,203	-
Compensated absences payable	47,193	27,842	11,539	17,720	104,294	6,229
Total current liabilities	2,053,612	1,954,394	1,131,643	237,437	5,377,086	369,449
Noncurrent liabilities:						
Bonds and capital loan notes payable, net of unamortized discount or premium	8,057,638	13,122,666	11,595,999	-	32,776,303	-
Other postemployment benefits	13,128	15,458	4,103	9,299	41,988	4,376
Compensated absences payable	49,538	63,064	11,961	12,589	137,152	21,067
Advances from other funds	-	1,984	170,461	62,525	234,970	-
Net pension liability	658,551	771,253	165,529	537,844	2,133,177	201,966
Total noncurrent liabilities	8,778,855	13,974,425	11,948,053	622,257	35,323,590	227,409
Total liabilities	10,832,467	15,928,819	13,079,696	859,694	40,700,676	596,858
<b>Deferred Inflows of Resources</b>						
Pension related deferred inflows	84,608	106,199	16,029	72,709	279,545	28,118
<b>Net Position</b>						
Net investment in capital assets	34,274,461	77,146,470	2,655,844	4,517,633	118,594,408	58,142
Restricted for:						
Debt service	1,128,794	1,361,482	-	-	2,490,276	-
Unrestricted	7,065,461	13,707,559	717,344	96,054	21,586,418	6,204,970
Total net position	\$ 42,468,716	\$ 92,215,511	\$ 3,373,188	\$ 4,613,687	142,671,102	\$ 6,263,112
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.					206,886	
Net position of business-type activities					\$ 142,877,988	

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

City of Ankeny, Iowa

Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2017

	Water	Sewer	Storm Water	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Operating revenues:						
Charges for services	\$ 11,021,695	\$ 15,067,446	\$ 1,986,765	\$ 1,795,987	\$ 29,871,893	\$ 5,197,228
Other	76,153	-	-	676,900	753,053	214,908
Total operating revenues	11,097,848	15,067,446	1,986,765	2,472,887	30,624,946	5,412,136
Operating expenses:						
Personal services	1,155,235	1,237,629	328,971	937,469	3,659,304	885,145
Contractual services	2,337,873	7,553,899	116,358	880,144	10,888,274	3,318,085
Operating supplies	3,777,418	90,159	34,244	441,266	4,343,087	477,622
Depreciation	1,107,899	2,409,543	97,061	212,204	3,826,707	12,817
Total operating expenses	8,378,425	11,291,230	576,634	2,471,083	22,717,372	4,693,669
Operating income	2,719,423	3,776,216	1,410,131	1,804	7,907,574	718,467
Nonoperating revenues (expenses):						
Interest earnings	14,224	16,233	2,762	863	34,082	19,508
Interest expense	(202,074)	(512,969)	(312,477)	(5,129)	(1,032,649)	-
Total nonoperating revenues (expenses)	(187,850)	(496,736)	(309,715)	(4,266)	(998,567)	19,508
Net income (loss) before contributions and transfers	2,531,573	3,279,480	1,100,416	(2,462)	6,909,007	737,975
Capital contributions	2,551,705	3,822,225	-	-	6,373,930	-
Transfers in	250	-	-	13,559	13,809	-
Transfers out	(920,745)	(1,335,745)	(500,000)	-	(2,756,490)	-
Change in net position	4,162,783	5,765,960	600,416	11,097	10,540,256	737,975
Total net position, beginning	38,305,933	86,449,551	2,772,772	4,602,590		5,525,137
Total net position, ending	\$ 42,468,716	\$ 92,215,511	\$ 3,373,188	\$ 4,613,687		\$ 6,263,112
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.					94,314	
Change in net position of business-type activities					\$ 10,634,570	

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

**City of Ankeny, Iowa**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2017**

	<b>Water</b>	<b>Sewer</b>	<b>Storm Water</b>	<b>Nonmajor Enterprise Funds</b>	<b>Totals</b>	<b>Governmental Activities- Internal Service Funds</b>
<b>Cash flows from operating activities</b>						
Receipts from customers	\$ 10,759,250	\$ 15,019,648	\$ 1,978,588	\$ 2,470,264	\$ 30,227,750	\$ 5,434,062
Payments to suppliers	(5,975,718)	(7,645,369)	(187,666)	(1,308,887)	(15,117,640)	(4,396,327)
Payments to employees	(1,159,994)	(1,256,525)	(335,223)	(966,603)	(3,718,345)	(358,000)
Net cash provided (used) by operating activities	3,623,538	6,117,754	1,455,699	194,774	11,391,765	679,735
<b>Cash flows from noncapital financing activities</b>						
Payments received on interfund accounts	556,937	872,256	-	-	1,429,193	251,729
Payments made on interfund accounts	-	(992)	(25,584)	(98,796)	(125,372)	-
Loans issued to other funds	(1,486,203)	-	(750,000)	-	(2,236,203)	(276,697)
Transfers from other funds	250	-	-	13,559	13,809	-
Transfers to other funds	(920,745)	(1,335,745)	(500,000)	-	(2,756,490)	-
Net cash provided (used) by noncapital financing activities	(1,849,761)	(464,481)	(1,275,584)	(85,237)	(3,675,063)	(24,968)
<b>Cash flows from capital and related financing activities</b>						
Proceeds from long-term debt	1,605,000	-	750,000	-	2,355,000	-
Purchase of capital assets	(639,394)	(952,227)	(15,038)	-	(1,606,659)	(44,449)
Principal paid on long-term debt	(1,058,402)	(4,037,601)	(885,000)	-	(5,981,003)	-
Interest paid on long-term debt	(230,409)	(583,724)	(356,259)	-	(1,170,392)	-
Net cash provided (used) by capital and related financing activities	(323,205)	(5,573,552)	(506,297)	-	(6,403,054)	(44,449)
<b>Cash flows from investing activities</b>						
Proceeds from investment maturity	992,752	1,492,752	-	-	2,485,504	-
Purchase of investments	(990,795)	(1,490,795)	-	-	(2,481,590)	-
Interest received	12,148	15,219	2,761	863	30,991	19,469
Net cash provided (used) by investing activities	14,105	17,176	2,761	863	34,905	19,469
Net increase (decrease) in cash and cash equivalents	1,464,677	96,897	(323,421)	110,400	1,348,553	629,787
Balances, beginning of year	5,137,333	12,619,422	1,226,426	506,668	19,489,849	5,356,885
Balances, end of year	<u>\$ 6,602,010</u>	<u>\$ 12,716,319</u>	<u>\$ 903,005</u>	<u>\$ 617,068</u>	<u>\$ 20,838,402</u>	<u>\$ 5,986,672</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>						
Operating income (loss)	\$ 2,719,423	\$ 3,776,216	\$ 1,410,131	\$ 1,804	\$ 7,907,574	\$ 718,467
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	1,107,899	2,409,543	97,061	212,204	3,826,707	12,817
Changes in assets and liabilities:						
Receivables, net	(338,598)	(47,798)	(8,178)	(2,623)	(397,197)	21,925
Prepaid expenses	-	-	-	-	-	28,043
Inventory	(5,257)	(1,538)	-	25,917	19,122	6,468
Accounts and other payables	140,071	(18,669)	(43,315)	(42,528)	35,559	(16,392)
Claims payable	-	-	-	-	-	(91,593)
Net cash provided (used) by operating activities	<u>\$ 3,623,538</u>	<u>\$ 6,117,754</u>	<u>\$ 1,455,699</u>	<u>\$ 194,774</u>	<u>\$ 11,391,765</u>	<u>\$ 679,735</u>
Noncash capital and related financing activities:						
Contribution of capital assets	<u>\$ 2,551,705</u>	<u>\$ 3,822,225</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,373,930</u>	<u>\$ -</u>
Noncash investing activities:						
Net change in unrealized gain on investments	<u>\$ 7,701</u>	<u>\$ 8,721</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,422</u>	<u>\$ -</u>

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

**CITY OF ANKENY, IOWA**  
Notes to the Financial Statements  
June 30, 2017

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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

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

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

The Ankeny Community Foundation is a charitable public foundation established for the purpose of improving the quality of life in Ankeny by initiating programs, coordinating resources and supporting organizations that enhance education, community betterment, arts and culture and human services. The Ankeny Community Foundation is a blended component unit because it provides services almost exclusively to the City and benefits the City directly by collecting restricted donations used to purchase capital assets for the City. Additionally the City provides all administrative and financial support services to the foundation. The Ankeny Community Foundation is presented as a special revenue fund and has a June 30 year-end.

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

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

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

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

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

The City has the following fund types:

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

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

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



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

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

Governmental funds include the following fund types:

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

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

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

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

**Proprietary funds** are accounted for using the flow of economic resources measurement focus and the full accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized at the time the liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues from the City's proprietary funds are charges to customers for sales, rentals and services. Operating expenses for the proprietary funds include cost of personal services, contractual services, operating supplies, self-insurance claims and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Proprietary funds include the following fund types:

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

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

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

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

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

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

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

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

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

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

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

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

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

their operations are governmental in nature. Business-type activities in the government-wide statements are comprised of the enterprise funds.

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

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

The City has the following major governmental funds:

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

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

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

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

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

The City has the following major enterprise funds:

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

The *Sewer Fund* accounts for the operations and maintenance of the sanitary sewer collection system and its related sewer infrastructure.

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

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

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

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

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

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

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

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

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

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

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

The following accounting policies are followed in preparing the financial statements:

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

The City pools cash from all funds except for cash and investments held with fiscal agents in order to maximize interest returns. Accounting records are maintained to show the portion of the pooled account attributable to each participating fund. Fund cash deficits are treated as interfund loans.

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

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

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

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

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

Property 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 the tax asking is certified by the City to the County Board of Supervisors. Current year property tax receivable represent taxes collected by the County but not remitted to the City at June 30, 2017 and unpaid taxes. The succeeding year property tax receivable represent taxes certified by the City to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the City is required to certify its budget to the County Auditor by March 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable have been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenues recognized in these funds become due and collectible in September and March of the current fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2015 assessed property valuations; is for the tax accrual period July 1, 2016 through June 30, 2017 and reflects tax asking contained in the budget certified to the County Board of Supervisors in March 2016.

#### *Inventory and Prepaid Items*

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

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

cost of prepaid items is recorded as expenses when consumed rather than when purchased.

#### *Interfund Balances*

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

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

#### *Restricted Assets*

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

The City also has restricted assets relating to customer deposits.

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

#### *Capital Assets*

Capital assets used in governmental and business-type activities of the City are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized.

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

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

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

<b>Asset Class</b>	<b>Estimated Useful Lives (In Years)</b>
Infrastructure	20-60
Other improvements	10-30
Buildings	30
Machinery and equipment	3-10

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

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

#### *Deferred Outflows of Resources*

Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which 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 City after the measurement date but before the end of the City's reporting period.

#### *Compensated Absences*

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

Accrued vacation and sick leave benefits are reported as a liability in the proprietary funds using the same basis as the activities at the government-wide level. In governmental funds, however, these accrued benefits are not considered due and are not reported as a fund liability. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2017. Compensated absences attributable to governmental activities are generally liquidated by the general fund and the road use tax fund.

#### *Long-Term Liabilities*

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-

type activities column in the Statement of Net Position and the proprietary fund Statement of Net Position.

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

#### *Pensions*

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

#### *Deferred Inflows of Resources*

Deferred inflows of resources represent an acquisition of net position applicable to future year(s) which 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 year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax and tax increment financing receivable that will not be recognized as revenue until the year for which they are levied and the unamortized portion of the net difference between projected and actual earnings on IPERS' and MFPRSI's investments.

#### *Fund Equity*

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

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

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



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

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

Unassigned – All amounts not included in the preceding classifications. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

#### *Net Position*

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net position consists of \$749,772 restricted by donors, \$10,230,755 restricted by other governments, \$1,012,949 restricted through enabling legislation and \$6,064,933 restricted for debt service.

#### *Use of Estimates*

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

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

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

### NOTE 3 - DEPOSITS AND INVESTMENTS

Cash and investments as of June 30, 2017, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and cash equivalents	\$ 84,187,965
Restricted cash and cash equivalents	2,758,304
Investments	11,906,017
Total cash and investments	<u>\$ 98,852,286</u>

#### *Risk Exposure*

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

Security Description	Current Fair Value	Investment Maturity (in Years)		
		< 1	1-5	6-10
Commercial paper	\$ 9,925,096	\$ 9,925,096	\$ -	\$ -
FNMA	1,980,921	-	1,980,921	-
<b>Grand Total</b>	<b>\$ 11,906,017</b>	<b>\$ 9,925,096</b>	<b>\$ 1,980,921</b>	<b>\$ -</b>

The City also held certificates of deposit totaling \$42,450,000. Of this total, \$1,000,000 had original maturities less than 6 months, \$31,450,000 had original maturities of 6 months to 1 year and \$10,000,000 had original maturities of 1 year to 3 years.

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

The City manages its exposure to *credit risk* by limiting its purchase of commercial paper and other short-term corporate debt to securities rated in the two highest classifications as established by one of the standard rating services approved by the State of Iowa Superintendent of Banking. Ratings are evaluated at time of purchase. Commercial paper of \$9,925,096 held by the City were rated P1 by Moody's Investors Service and A1 by Standard & Poor's at the time of purchase.

*Custodial credit risk*, in the case of deposits, is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2017, the carrying amount of the City's cash deposits, which include certificates of deposit, totaled \$86,946,269 with bank balances of \$88,782,309. The bank balances are covered entirely by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

### *Fair Value Measurements*

The City uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The City follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the City has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statement of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

*Level 2* – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

*Level 3* – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

The City has the following recurring fair value measurements as of June 30, 2017:

Investments	Custodial Credit Risk Category			
	Level 1	Level 2	Level 3	Total
Commercial paper	\$ -	\$ 9,925,096	\$ -	\$ 9,925,096
FNMA	-	1,980,921	-	1,980,921
<b>Grand Total</b>	<b>\$ -</b>	<b>\$ 11,906,017</b>	<b>\$ -</b>	<b>\$ 11,906,017</b>

## NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017, is as follows:

	Balance June 30, 2016	Increases	Decreases	Balance June 30, 2017
<b>Governmental activities:</b>				
Undepreciated:				
Land	\$ 8,130,426	\$ 164,392	\$ -	\$ 8,294,818
Construction in progress	12,992,349	5,355,826	3,114,622	15,233,553
Total, undepreciated	21,122,775	5,520,218	3,114,622	23,528,371
Depreciated:				
Other improvements	36,770,970	1,344,558	-	38,115,528
Infrastructure	207,473,362	15,816,389	-	223,289,751
Buildings	42,922,038	-	-	42,922,038
Machinery and equipment	16,453,511	1,082,414	447,846	17,088,079
Furniture and fixtures	1,459,706	-	-	1,459,706
Total, depreciated	305,079,587	18,243,361	447,846	322,875,102
Accumulated depreciation:				
Other improvements	15,619,452	1,803,213	-	17,422,665
Infrastructure	40,635,952	4,462,770	-	45,098,722
Buildings	14,910,579	1,674,962	-	16,585,541
Machinery and equipment	13,215,321	1,102,914	407,645	13,910,590
Furniture and fixtures	1,398,311	23,976	-	1,422,287
Total accumulated depreciation	85,779,615	9,067,835	407,645	94,439,805
Governmental activities capital assets, net	\$ 240,422,747	\$ 14,695,744	\$ 3,154,823	\$ 251,963,668

	Balance June 30, 2016	Increases	Decreases	Balance June 30, 2017
<b>Business-type activities:</b>				
Undepreciated:				
Land	\$ 1,548,976	\$ 230,618	\$ -	\$ 1,779,594
Construction in progress	4,124,061	1,198,575	1,134,281	4,188,355
Total, undepreciated	5,673,037	1,429,193	1,134,281	5,967,949
Depreciated:				
Other improvements	552,780	-	-	552,780
Infrastructure	170,818,122	7,508,211	-	178,326,333
Buildings	4,719,660	-	-	4,719,660
Machinery and equipment	3,297,424	416,565	168,119	3,545,870
Furniture and fixtures	64,542	-	-	64,542
Total, depreciated	179,452,528	7,924,776	168,119	187,209,185
Accumulated depreciation:				
Other improvements	470,184	12,861	-	483,045
Infrastructure	46,527,887	3,463,966	-	49,991,853
Buildings	1,052,897	146,875	-	1,199,772
Machinery and equipment	2,553,600	196,551	168,119	2,582,032
Furniture and fixtures	45,365	6,454	-	51,819
Total accumulated depreciation	50,649,934	3,826,707	168,119	54,308,521
Business-type activities capital assets, net	\$ 134,475,631	\$ 5,527,263	\$ 1,134,281	\$ 138,868,614

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

Governmental activities:

Public safety	\$ 1,847,510
Health and social services	436
Culture and recreation	2,007,998
Public works	5,040,900
Community and economic development	36,942
General government	134,049
Total depreciation expense - governmental activities	<u>\$ 9,067,835</u>

Business-type activities:

Water	\$ 1,107,899
Sewer	2,409,543
Storm water	97,061
Otter Creek golf course	212,204
Total depreciation expense - business-type activities	<u>\$ 3,826,707</u>

**NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Due To/From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water	Debt service	\$211,011
	Capital projects	997,883
Sewer	Debt service	68,284
	Capital projects	3,900,263
Storm Water	Capital projects	11,335,859
Nonmajor, internal service	General fund	45,295
	Enterprise, sewer	992
	Enterprise, storm water	46,042
	Enterprise, Otter Creek golf course	<u>87,751</u>
		<u>\$16,693,380</u>

Advances To/From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor, internal service	General fund	\$ 30,283
	Enterprise, sewer	1,984
	Enterprise, storm water	170,461
	Enterprise, Otter Creek golf course	<u>62,525</u>
		<u>\$ 265,253</u>

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

financing. The timing differences between the debt issuance and the capital construction creates an interfund balance between the capital projects fund and the enterprise fund involved.

Interfund transfers for the year ended June 30, 2017 were as follows:

	Transfers In					Total
	General	Debt Service	Capital Projects	Water	Nonmajor Enterprise	
<b>Transfers Out</b>						
General	\$ -	\$ -	\$ 4,731,632	\$ 250	\$ -	\$ 4,731,882
Road Use Tax	-	-	1,000,000	-	-	1,000,000
Tax Increment Financing	-	6,322,885	-	-	-	6,322,885
Water	290,745	-	630,000	-	-	920,745
Sewer	290,745	-	1,045,000	-	-	1,335,745
Storm Water	-	-	500,000	-	-	500,000
Nonmajor governmental	-	-	2,441,262	-	13,559	2,454,821
	<u>\$ 581,491</u>	<u>\$ 6,322,885</u>	<u>\$ 10,347,894</u>	<u>\$ 250</u>	<u>\$ 13,559</u>	<u>\$ 17,266,079</u>

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

#### NOTE 6 - UNEARNED REVENUE

Under both the accrual and the modified accrual methods of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset with a corresponding liability for unearned revenue. The following funds had unearned revenue at June 30, 2017:

Special Revenue:		
Tax Increment Financing	DART lease agreement	\$ 151,680
Water	Unearned charges	(2,423)
		<u>\$ 149,257</u>

#### NOTE 7 - LONG-TERM DEBT

*General obligation bonds and capital loan notes.* The City issues general obligation bonds and capital loan notes to provide funds for the acquisition and construction of infrastructure, major capital facilities, and other major capital assets. General obligation bonds and capital loan notes have been issued for both general government and proprietary activities. These bonds and capital loan notes are reported in proprietary funds if they are expected to be repaid from proprietary fund revenues. General obligation bonds and capital loan notes as of June 30, 2017 consist of the following individual issues:

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<b>Debt</b>	<b>Issue Date</b>	<b>Final Maturity</b>	<b>Amount Issued</b>	<b>Interest Rate Range Outstanding</b>	<b>Balance June 30, 2017</b>
Landfill remediation	04/08/09	06/01/28	\$ 3,000,000	3.000	\$ 1,937,000
Refunding	05/15/10	06/01/21	7,920,000	3.000 - 3.250	2,505,000
Refunding	05/15/11	06/01/26	13,250,000	3.000 - 4.000	6,555,000
Refunding	05/30/12	06/01/27	11,160,000	2.000 - 3.000	8,075,000
Advance refunding	05/30/12	06/01/18	6,665,000	4.000	1,435,000
Refunding	05/30/13	06/01/28	18,730,000	3.000 - 3.200	14,760,000
Various public improvements	05/30/13	06/01/28	12,970,000	3.000	10,450,000
Refunding	05/29/14	06/01/29	14,885,000	3.000 - 4.000	12,540,000
Various public improvements	05/29/14	06/01/29	12,345,000	3.000 - 5.000	9,775,000
Advance refunding	12/22/14	06/01/28	22,450,000	3.250 - 5.000	18,830,000
Various public improvements	05/28/15	06/01/25	7,750,000	2.000 - 5.000	5,595,000
Refunding	05/28/15	06/01/24	2,200,000	2.000 - 5.000	1,770,000
Advance refunding	03/31/16	06/01/28	13,090,000	1.500 - 5.000	13,090,000
Various public improvements	05/25/16	06/01/26	13,000,000	1.750 - 5.000	10,170,000
Various public improvements	05/31/17	06/01/27	11,675,000	2.125 - 5.000	11,675,000
			<u>\$ 171,090,000</u>		<u>\$ 129,162,000</u>

On March 31, 2016, the City issued General Obligation Crossover Advance Refunding Bonds, Series 2016A totaling \$13,090,000 with interest rates ranging from 1.5% to 5.0%. The proceeds were used to crossover advance refund the outstanding \$13,590,000 General Obligation Refunding Bonds, Series 2009B. The net proceeds related to the refunding of \$14,146,547 (including a \$1,056,547 premium and after payment of \$115,120 in underwriting and issuance costs) were used to purchase U.S. government securities (SLGS) in an irrevocable trust with an escrow agent. These proceeds will provide future debt service payments on the Series 2009B until the refunding date of June 1, 2017. The crossover advance refunding was done to reduce aggregate debt service payment by \$1,116,663 over the next eleven years and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,042,750.

On May 31, 2017, the City issued General Obligation Bonds, Series 2017A totaling \$11,675,000 with interest rates ranging from 2.125% to 5.000%. The proceeds were used to construct various capital improvement projects.

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

<b>Year Ending June 30</b>	<b>General Obligation Principal</b>	<b>General Obligation Interest</b>	<b>Total</b>
2018	\$ 18,516,000	\$ 4,607,605	\$ 23,123,605
2019	14,226,000	3,817,893	18,043,893
2020	11,946,000	3,237,213	15,183,213
2021	12,310,000	2,853,339	15,163,339
2022	10,545,000	2,422,301	12,967,301
2023-2027	51,716,000	6,334,159	58,050,159
2028-2029	9,903,000	404,640	10,307,640
	<u>\$ 129,162,000</u>	<u>\$ 23,677,150</u>	<u>\$ 152,839,150</u>

Accumulated fund balances in the Debt Service Fund are legally restricted for the repayment of debt service. The fund balance at June 30, 2017 in the Debt Service Fund is \$2,928,500.

*Sewer revenue bonds.* The City issues sewer revenue bonds to provide for the construction of sewer system infrastructure. These bonds are reported in the sewer fund in the enterprise funds. Sewer revenue bonds as of June 30, 2017 consist of the following issues:

Debt	Issue Date	Final Maturity	Amount Issued	Interest	Balance June 30, 2017
				Rate Range Outstanding	
Rock Creek lateral sewer	01/20/10	05/01/32	\$ 2,878,693	3.000	\$ 2,298,000
Landfill remediation	02/03/10	05/01/29	1,012,000	3.000	623,000
Various sewer improvements	04/04/12	05/01/31	2,965,000	2.000 - 3.375	2,420,000
Various sewer improvements	05/15/14	05/01/26	2,315,000	2.000 - 3.000	1,940,000
Advance refunding	05/15/14	05/01/28	4,805,000	2.000 - 3.250	4,175,000
			<u>\$ 13,975,693</u>		<u>\$ 11,456,000</u>

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

Year ending June 30	Principal	Interest	Total
2018	\$ 830,000	\$ 329,199	\$ 1,159,199
2019	845,000	310,949	1,155,949
2020	876,000	292,349	1,168,349
2021	897,000	271,569	1,168,569
2022	922,000	244,659	1,166,659
2023-2027	4,825,000	790,875	5,615,875
2028-2032	2,261,000	170,616	2,431,616
	<u>\$ 11,456,000</u>	<u>\$ 2,410,216</u>	<u>\$ 13,866,216</u>

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$13,975,693 in sewer revenue bonds. Proceeds from the bonds provided financing for various sewer improvement projects. The bonds are payable solely from sewer customer net revenues and are payable through 2032. Annual principal and interest payments on the bonds are expected to require less than 90% of net revenues. The total principal and interest remaining to be paid on the bonds is \$13,866,216. Principal and interest paid for the current year and total customer net revenues were \$3,629,744 and \$6,185,759, respectively.

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

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

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



The amount restricted in the Sewer Fund as of June 30, 2017 relating to these provisions is \$1,361,482.

*Water revenue bonds and capital loan notes.* The City issues water revenue bonds and capital loan notes to provide for the construction of water system infrastructure. This debt is reported in the water fund in the enterprise funds. Water revenue bonds and capital loan notes as of June 30, 2017 consist of the following issues:

Debt	Issue Date	Final Maturity	Amount Issued	Interest Rate Range Outstanding	Balance June 30, 2017
Eastside rural water main	10/19/01	06/01/21	\$ 908,000	1.750	\$ 226,000
Refunding	05/15/14	06/01/23	1,890,000	2.000 - 3.000	1,310,000
Advance refunding	05/15/14	06/01/28	6,000,000	2.000 - 3.250	5,095,000
Various water improvements	05/31/17	06/01/29	1,605,000	2.250 - 4.000	1,605,000
			<u>\$ 10,403,000</u>		<u>\$ 8,236,000</u>

On May 31, 2017, the City issued Water Revenue Bonds, Series 2016B totaling \$1,605,000 with interest rates ranging from 2.250% to 4.000%. The proceeds were used to construct various capital improvement projects.

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

Year ending June 30	Principal	Interest	Total
2018	\$ 829,000	\$ 232,923	\$ 1,061,923
2019	861,000	214,123	1,075,123
2020	882,000	194,743	1,076,743
2021	904,000	174,945	1,078,945
2022	870,000	147,363	1,017,363
2023-2027	3,240,000	362,090	3,602,090
2028-2029	650,000	25,138	675,138
	<u>\$ 8,236,000</u>	<u>\$ 1,351,325</u>	<u>\$ 9,587,325</u>

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$10,403,000 in water revenue bonds and capital loan notes. Proceeds from the bonds and notes provided financing for various water improvement projects. The bonds and notes are payable solely from water customer net revenues and are payable through 2029. Annual principal and interest payments on the bonds and notes are expected to require less than 90% of net revenues. The total principal and interest remaining to be paid on the bonds and notes is \$9,587,325. Principal and interest paid for the current year and total customer net revenues were \$898,726 and \$3,827,322, respectively.

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

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

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

The amount restricted in the Water Fund as of June 30, 2017 relating to these provisions is \$1,128,794.

*Changes in Long-term Debt.* The following is a summary of the changes in the long-term debt of the City for the year ended June 30, 2017.

	June 30, 2016	Increases	Decreases	June 30, 2017	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 109,481,595	\$ 10,925,000	\$ 25,733,949	\$ 94,672,646	\$ 14,260,425
Capital loan notes	20,419,979	-	1,953,709	18,466,270	2,106,270
Other postemployment benefits	131,294	108,657	-	239,951	-
Compensated absences	702,384	642,114	596,076	748,422	620,384
Net pension liability	13,092,204	4,804,756	-	17,896,960	-
Total governmental activities	\$ 143,827,456	\$ 16,480,527	\$ 28,283,734	\$ 132,024,249	\$ 16,987,079
Business-type activities:					
General obligation bonds	\$ 17,297,405	\$ 750,000	\$ 2,388,051	\$ 15,659,354	\$ 1,785,575
Water revenue bonds	7,060,000	1,605,000	655,000	8,010,000	775,000
Sewer revenue bonds	14,647,000	-	3,191,000	11,456,000	830,000
General capital loan notes	710,021	-	346,291	363,730	363,730
Capital loan notes	279,000	-	53,000	226,000	54,000
Other postemployment benefits	24,037	17,951	-	41,988	-
Compensated absences	222,815	110,642	92,011	241,446	104,294
Net pension liability	1,673,353	459,824	-	2,133,177	-
Total business-type activities	\$ 41,913,631	\$ 2,943,417	\$ 6,725,353	\$ 38,131,695	\$ 3,912,599
Total long-term debt	\$ 185,741,087	\$ 19,423,944	\$ 35,009,087	\$ 170,155,944	\$ 20,899,678

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

	Governmental Activities	Business-type Activities
Discounts:		
Current	\$ -	\$ 474
Noncurrent	-	1,423
Total	\$ -	\$ 1,897
Premiums:		
Current	\$ 1,225,547	\$ 203,370
Noncurrent	6,733,416	870,948
Total	\$ 7,958,963	\$ 1,074,318

## **NOTE 8 - PENSIONS**

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

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

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

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

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

Protection occupation members may retire at normal retirement age which is generally at age 55. The formula used to calculate a protection occupation members' 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 the member receives benefits before the member's earliest normal retirement age. For service earned starting on or after July 1, 2012, the reduction is 0.50% for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation,

retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

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

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

In fiscal year 2017, pursuant to the required rate, regular members contributed 5.95% covered payroll and the City contributed 8.93% of covered payroll, for a total rate of 14.88%. Protective occupation members contributed 6.56% of covered payroll and the City contributed 9.84% of covered payroll, for a total rate of 16.40%.

The City's contributions to IPERS for the year ended June 30, 2017, totaled \$1,055,101.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, the City reported a liability of \$8,325,346 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 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 IPERS relative to the contributions of all IPERS participating employers. At June 30, 2016, the City's collective proportion was 0.1322887%, which was an increase of .00335% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the City recognized pension expense of \$1,085,947. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 72,983	\$ 121,215
Changes of assumptions	125,990	296
Net difference between projected and actual earnings on pension plan investments	2,483,961	1,148,817
Changes in proportion and differences between City contributions and proportionate share of contributions	121,085	3,812
City contributions subsequent to the measurement date	1,055,101	-
Total	<u>\$ 3,859,120</u>	<u>\$ 1,274,140</u>

\$1,055,101 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, 2018. 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
2018	\$ 199,451
2019	199,451
2020	725,445
2021	408,966
2022	(3,434)
	<u>\$ 1,529,879</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, as follows:

Rate of inflation (effective June 30, 2014)	3.00% per annum.
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 1999)	4.00% per annum based on 3.00% inflation assumption and 1.00% real wage inflation.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

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

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of 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
Core plus fixed income	28%	1.90%
Domestic equity	24	5.85
International equity	16	6.32
Private equity/debt	11	10.31
Real estate	8	3.87
Credit opportunities	5	4.48
U.S. TIPS	5	1.36
Other real assets	2	6.42
Cash	1	(0.26)
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' 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 IPERS' 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 7.50%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.50%) or 1% higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability:	\$ 14,021,270	\$ 8,325,346	\$ 3,518,622

IPERS' Fiduciary Net Position – Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at [www.ipers.org](http://www.ipers.org).

Payables to IPERS – At June 30, 2017, the City reported payables to IPERS of \$123,603 for legally required employer contributions and \$82,361 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

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

Plan Description – MFPRSI membership is mandatory for fire fighters and police officers covered by the provisions of Chapter 411 of the Code of Iowa. Employees of 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, IA 50266 or at [www.mfprsi.org](http://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 four 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 (22 years). Members with less than four 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 three years of compensation. The average of these three years becomes the member's average final compensation. The base benefit is 66 percent of the member's average final compensation. Members who perform more than 22 years of service receive an additional 2 percent of the member's average final compensation 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. When electing to participate in DROP the member signs a contract stating 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 percent of the member's retirement benefit at the member's earliest date eligible and 100 percent 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 benefits may be either accidental or ordinary. Accidental disability is defined as permanent disability incurred in the line of duty, with benefits equivalent to the great of 60 percent of the member's average final compensation or the member's service retirement benefit calculation amount. Ordinary disability occurs outside the call of duty and pays benefits equivalent to the greater of 50 percent of the member's average final compensation for those with 5 or more years of service, or the member's service retirement benefit calculation amount, and 25 percent of average final compensation for those with less than 5 years of service.

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

Benefits are increased (escalated) annually in accordance with Chapter 411.6 of the Code of Iowa, which provides 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, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2017.

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 City's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 25.92% for the year ended June 30, 2017.

The City's contributions to MFPRSI for the year ended June 30, 2017, totaled \$1,441,723.

If approved by the State Legislature, state appropriations may further reduce the City'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.

There were no state appropriations to MFPRSI during the year ended June 30, 2017.



Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, the City reported a liability of \$11,704,791 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, 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 MFPRSI relative to the contributions of all MFPRSI participating employers. At June 30, 2016, the City's proportion was 1.871985%, which was an increase of .085033% from its proportions measured as of June 30, 2015.

For the year ended June 30, 2017, the City recognized pension expense of \$1,674,597. At June 30, 2017, 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	\$ 302,086	\$ 10,855
Changes of assumptions	494,183	160,324
Net difference between projected and actual earnings on pension plan investments	3,664,613	1,594,935
Changes in proportion and differences between City contributions and proportionate share of contributions	912,811	-
City contributions subsequent to the measurement date	1,441,723	-
Total	<u>\$ 6,815,416</u>	<u>\$ 1,766,114</u>

\$1,441,723 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, 2018. 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
2018	\$ 670,860
2019	670,860
2020	1,399,443
2021	834,812
2022	31,604
	<u>\$ 3,607,579</u>

Actuarial Assumptions – The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	3.00%.
Salary increases	4.50% to 15.11%, including inflation.
Investment rate of return	7.50%, net of pension plan investment expense, including inflation.

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the period from July 1, 2002, to June 30, 2012.

Postretirement mortality rates were based on the RP-2000 Blue Collar Combined Healthy Mortality Table with males set-back two years, females set-forward one year and disabled individuals set-forward one year (male only rates), with no projection of future mortality improvement.

The long-term expected rate of return on MFPRSI investments was determined using a building-block method in which best-estimate ranges of expected future real rates (i.e., expected returns, net of 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	Long-Term Expected Real Rate of Return
Large Cap	6.0%
Small Cap	5.8
International Large Cap	7.0
Emerging Markets	8.8
Emerging Market Debt	6.5
Private Non-Core Real Estate	9.3
Master Limited Partnerships	8.5
Private Equity	9.8
Core Plus Fixed Income	3.8
Private Core Real Estate	6.8
Treasury Inflation Protected Securities	2.8
Tactical Asset Allocation	6.0

Discount Rate – The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed contributions will be made at 9.40% of covered payroll and the City's contributions will be made at rates equal to the difference between actuarially determined rates and the member rate. Based on those assumptions, the MFPRSI'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 MFPRSI's 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 7.50%, as well as what the City's proportionate share of

the net pension liability would be if it were calculated using a discount rate 1% lower (6.50%) or 1% higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability:	\$ 18,370,073	\$ 11,704,791	\$ 6,154,030

MFPRSI's Fiduciary Net Position – Detailed information about the MFPRSI's fiduciary net position is available in the separately issued MFPRSI financial report which is available on MFPRSI's website at [www.mfprsi.org](http://www.mfprsi.org).

Payables to MFPRSI – At June 30, 2017, the City reported payables to the defined benefit pension plan of \$157,551 for legally required employer contributions and \$57,137 for legally required employee contributions which had been withheld from employee wages but not yet remitted to MFPRSI.

The total pension expense recognized for IPERS and MFPRSI was \$2,760,544.

## NOTE 9 - RISK MANAGEMENT AND INSURANCE

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City's risk management activities are accounted for in the internal service fund, risk management fund, which provides for the purchase of insurance. Workers compensation and general liability coverage are provided through the City's participation in self-insurance pools as described in the subsequent paragraphs. Commercial insurance is purchased for all other risks of loss.

### *Iowa Municipalities Workers' Compensation Association*

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

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

The City's premium contributions to the Association are recorded as expenditures from its operating funds at the time of payment to the risk pool. The City's annual contributions to the Association for the year ended June 30, 2017 were \$494,258.

*Iowa Communities Assurance Pool*

The City is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 753 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 casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis rate.

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

The City's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The City's contributions to the Pool for the year ended June 30, 2017 were \$280,754.

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

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the City's risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

The City does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2017, no liability has been recorded in the City's financial statements. As of June 30, 2017, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

#### *Health Insurance*

The City operates a health insurance pool for the benefit of its employees that is self-funded through contributions in the form of employee premiums. The City is liable as to medical and dental claims made by the participants in the plan. The pool is self insured with an annual stop loss deductible of \$50,000 per member and an aggregate stop loss deductible of 125% of expected paid claims. Coverage from a private insurance company is maintained for losses in excess of both the individual and the aggregate stop loss deductibles. The City had 5 individual stop loss claims and no outstanding aggregate stop loss claims as of June 30, 2017. An independent claims administrator performs the handling of all claims and procedures. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims payable includes all known claims and an amount for claims that have been incurred but not reported (IBNR). Changes in the balances of claims payable are as follows:

	2017	2016
Claims payable, beginning of year	\$ 421,748	\$ 443,957
Incurred claims (including IBNR)	2,664,239	2,776,625
Claims payments	<u>(2,756,495)</u>	<u>(2,798,834)</u>
Claims payable, end of year	<u>\$ 329,492</u>	<u>\$ 421,748</u>

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

#### **NOTE 10 - JOINTLY GOVERNED ORGANIZATIONS**

The City participates in the Polk County Aviation Authority (PCAA) that operates the Ankeny Regional Airport. The City, along with Polk County, Altoona, and Bondurant, form the PCAA. The City appoints two board members of the seven-member board. In addition, the City levies a property tax of \$0.15 per \$1,000 of taxable valuation for the Authority. The City paid \$413,333 to the PCAA in fiscal year 2017.

The City participates in the Metro Waste Authority (MWA). The MWA is responsible for the management of the landfill, compost center, transfer station, hazardous waste and recycling

and operates the Curb It! recycling program. The MWA has 17 members, including Ankeny, with each appointing one representative. The City charges residents a monthly fee to cover the cost of the Curb It! recycling program. The City paid fees totaling \$552,242 in fiscal year 2017.

The City is a member of the Des Moines Area Metropolitan Planning Organization (MPO) that is responsible for transportation planning and federal grants allocation within the area. The MPO is comprised of sixteen cities, DART, three associate non-voting cities, unincorporated portions of three counties in central Iowa and one associate non-voting county that appoint 40 voting representatives. The City appoints three representatives. The City paid \$54,598 in membership dues for fiscal year 2017.

The City is a member of the Des Moines Area Regional Transit Authority (DART). DART has 18 member cities and Polk County, which are represented by nine board members. Beginning in fiscal year 2007, DART no longer charged member governments for annual contributions, but instead levied a property tax through Polk County. In addition, the City received \$316,000 in fiscal year 2004 from DART for prepayment of a 25-year lease for a Park-and-Ride lot that started on July 1, 2004. The balance remaining on the lease is \$151,680 as of June 30, 2017.

The City is a member of the Des Moines Metropolitan Wastewater Reclamation Authority (WRA), which is a separate entity created by agreement in accordance with Chapter 28E of the Code of Iowa. The purpose of the organization is for the planning, construction, operation, and management of sewer related facilities. The WRA has 17 member governments with a governing board of 21 representatives of which the City appoints 2 representatives. The City paid membership and participation fees during fiscal year 2017 of \$6,330,421.

#### **NOTE 11 – OPERATING LEASES**

The City sub-leases office space known as the Public Services Building under a non-cancelable agreement. The term of the sub-lease is for eleven years and two months and terminated December 2016. The lease was amended to extend the term to December 31, 2021. The following is a schedule of the future minimum lease payments required under the agreement:

<u>Fiscal Year</u>	<u>Amount</u>
2018	\$ 186,540
2019	186,540
2020	186,540
2021	186,540
2022	93,270
Total remaining payments	<u>\$ 839,430</u>

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

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

<u>Fiscal Year</u>	<u>Amount</u>
2018	\$ 932,898
2019	938,323
2020	934,151
2021	939,702
2022	939,009
2023 - 2026	<u>3,398,878</u>
Total remaining payments	<u>\$ 8,082,961</u>

The City has entered into a lease agreement with Advantage Financial Services, LLC to provide Global Positioning System (GPS) equipment for the golf cart fleet at Otter Creek Golf Course for a period of 48 months beginning April 1, 2015 and ending on March 30, 2019. The following is a schedule of the future minimum lease payments required under the operating lease:

<u>Fiscal Year</u>	<u>Amount</u>
2018	30,240
2019	<u>22,680</u>
Total remaining payments	<u>\$ 52,920</u>

#### **NOTE 12 - COMMITMENTS AND CONTINGENCIES**

The City has outstanding commitments for purchase orders that have been issued to various vendors. For budgetary purposes, these commitments are considered encumbrances. The City's encumbrances at June 30, 2017, in the general fund, road use tax fund and capital projects fund were \$259,832, \$302,787 and \$1,832,106, respectively. The City also had encumbrances in the water fund, sewer fund and nonmajor enterprise funds of \$804, \$1,808 and \$2,225, respectively.

The City has outstanding commitments for construction projects including street improvements, park improvements, utility improvements and other construction and engineering projects. The City's commitment to these contracts at June 30, 2017 is \$14,440,961.

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

#### **NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

Plan Description - The City operates a single-employer health benefit plan which provides medical, prescription drug and dental benefits for employees, retirees and their spouses. There are 199 active and 7 retired members in the plan. Retired participants must be age 55 or older at retirement.

The medical and prescription drug benefits are provided through a partially self-insured plan with Wellmark Blue Cross Blue Shield and dental benefits through a fully-insured plan with

Delta Dental of Iowa. Retirees under age 65 pay the same premium for the medical, prescription drug and dental benefits as active employees, which results in an implicit subsidy and an OPEB liability.

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2017, the City contributed \$23,881.

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

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

The following table shows the components of the City's annual OPEB cost for the year ended June 30, 2017, the amount actually contributed to the plan and changes in the City's net OPEB obligation:

Annual required contribution	\$ 153,259
Interest on net OPEB obligation	6,213
Adjustment to annual required contribution	(8,983)
Annual OPEB cost	150,489
Contributions made	(23,881)
Increase in net OPEB obligation	126,608
Net OPEB obligation beginning of year	155,331
Net OPEB obligation end of year	<u>\$ 281,939</u>

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

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	48,382	135.80	168,405
2016	48,691	126.85	155,331
2017	150,490	15.87	281,939

Funded Status and Funding Progress – As of July 1, 2016, the most recent actuarial valuation date for the period July 1, 2016 through June 30, 2017, the actuarial accrued liability was \$1,309,821, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,309,821. The covered payroll (annual payroll of active employees covered by the



plan) was \$15,527,613 and the ratio of the UAAL to covered payroll was 8.4%. As of June 30, 2017, there are no trust fund assets.

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

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

As of the July 1, 2016 actuarial valuation date, the entry age actuarial cost method was used. The actuarial assumptions include a 4% investment return and a projected annual health care cost trend rate of 5.0%. The projected dental claim costs were assumed to be equal to the premiums.

Mortality rates are from the RP 2014 Mortality Tables, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the Scale MP-2016 of the Actuary's Pension Handbook.

Projected claims costs of the healthcare plan are approximately \$10,991 for retirees. The salary increase rate was assumed to be 4.0% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

#### **NOTE 14 – LANDFILL CLOSURE AND POSTCLOSURE CARE**

During fiscal year 2006, the U.S. Environmental Protection Agency (EPA) initiated legal action performance of a removal action at Operable Unit 1, Landfill and Lagoon Complex of the Des Moines Ex Ordnance Site located in Ankeny, Polk County, Iowa.

During fiscal year 2011, actions were completed to remediate and cap the abandoned landfill and lagoon complex with 75% of the costs being paid by Deere & Company and 25% by the City.

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

At June 30, 2017, the ending fund balance of the Landfill Postclosure Fund was \$129,617.

#### **NOTE 15 – TAX ABATEMENTS**

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

##### City Tax Abatements

The City provides tax abatements under two programs: the Urban Renewal Program and the Urban Revitalization Tax Exemptions Program.

The Urban Renewal Program provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa. For these types of projects, the City enters into agreements with developers which require the City, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. No other commitments were made by the City as part of these agreements.

For the year ended June 30, 2017, the City abated \$209,571 of property tax under the Urban Renewal Program.

The Urban Revitalization Tax Exemptions Program provides tax abatements, designating a portion of the City as an urban revitalization area, to encourage private development and improvements to the area. The program is established under Chapter 404 of the Code of Iowa and requires an application be obtained by the property owner prior to commencing the improvements.

For the year ended June 30, 2017, the City abated \$4,159 of property tax under the Urban Revitalization Tax Exemptions Program.

#### **NOTE 16 – NEW ACCOUNTING PRONOUNCEMENT**

The City adopted the tax abatement disclosure guidance set forth in Governmental Accounting Standards Board Statement No. 77, *Tax Abatement Disclosures*. The Statement sets forth guidance for the disclosure of information about the nature and magnitude of tax abatements which will make these transaction more transparent to financial statement users. Adoption of the guidance did not have an impact on amounts reported in the financial statements. The Notes to the Financial Statements include information about the City's tax abatements.

#### **NOTE 17 – FUTURE ACCOUNTING PRONOUNCEMENTS**

GASB Statements Nos. 75 and 81-87 listed below will be implemented in future financial statements:

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

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement will be implemented for the fiscal year ending June 30, 2018.

Statement No. 81 "Irrevocable Split-Interest Agreements"

The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively.

Statement No. 82 "Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73"

The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and 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*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

Statement No. 83 "Certain Asset Retirement Obligations"

This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

Statement No. 84 "Fiduciary Activities"

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

**Statement No. 85 “Omnibus 2017”**

The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

**Statement No. 86 “Certain Debt Extinguishment Issues”**

The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

**Statement No. 87 “Leases”**

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.



## **Required Supplementary Information**

**City of Ankeny, Iowa**

**Required Supplementary Information  
Budgetary Comparison Schedule (Cash Basis) - All Governmental and Proprietary Funds  
For the Year Ended June 30, 2017**

	<b>Governmental Fund Types Actual</b>	<b>Proprietary Fund Types Actual</b>	<b>Total All Budgeted Funds Actual</b>	<b>Budgeted Amounts</b>		<b>Variance with Final Budget Positive (Negative)</b>
				<b>Original</b>	<b>Final</b>	
Revenues:						
Property taxes	\$ 31,995,905	\$ -	\$ 31,995,905	\$ 31,977,682	\$ 31,977,682	\$ 18,223
Tax increment financing	7,350,675	-	7,350,675	7,472,593	7,354,453	(3,778)
Other city taxes	3,259,421	-	3,259,421	3,226,601	3,345,601	(86,180)
Licenses and permits	2,463,861	16,241	2,480,102	1,608,400	2,207,400	272,702
Use of money and property	671,859	144,357	816,216	559,577	682,972	133,244
Intergovernmental	8,666,982	-	8,666,982	9,266,916	9,444,851	(777,869)
Charges for services	3,613,494	28,223,045	31,836,539	28,940,954	30,981,155	855,384
Special assessments	47,774	-	47,774	1,000	48,000	(226)
Miscellaneous	3,207,373	1,875,099	5,082,472	5,479,639	7,815,304	(2,732,832)
Total revenues	<u>61,277,344</u>	<u>30,258,742</u>	<u>91,536,086</u>	<u>88,533,362</u>	<u>93,857,418</u>	<u>(2,321,332)</u>
Expenditures/Expenses:						
Public safety	15,172,525	-	15,172,525	15,738,326	16,097,227	924,702
Public works	4,901,611	-	4,901,611	5,476,572	5,357,955	456,344
Health and social services	18,183	-	18,183	31,700	31,700	13,517
Culture and recreation	6,492,867	-	6,492,867	6,603,305	6,781,608	288,741
Community and economic development	2,253,845	-	2,253,845	2,964,006	2,941,035	687,190
General government	3,213,926	-	3,213,926	3,380,944	3,412,237	198,311
Debt service	21,698,816	-	21,698,816	21,834,588	21,698,816	-
Capital projects	15,906,053	-	15,906,053	21,323,000	26,551,000	10,644,947
Business-type	-	23,667,293	23,667,293	21,924,857	24,370,886	703,593
Total expenditures/expenses	<u>69,657,826</u>	<u>23,667,293</u>	<u>93,325,119</u>	<u>99,277,298</u>	<u>107,242,464</u>	<u>13,917,345</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	(8,380,482)	6,591,449	(1,789,033)	(10,743,936)	(13,385,046)	11,596,013
Other financing sources (uses), net	<u>19,782,244</u>	<u>(5,246,810)</u>	<u>14,535,434</u>	<u>22,236,649</u>	<u>25,934,490</u>	<u>(11,399,056)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing uses	11,401,762	1,344,639	12,746,401	11,492,713	12,549,444	196,957
Beginning fund balance, July 1	<u>57,656,372</u>	<u>22,401,003</u>	<u>80,057,375</u>	<u>70,771,876</u>	<u>80,057,375</u>	<u>-</u>
Ending fund balance, June 30	<u>\$ 69,058,134</u>	<u>\$ 23,745,642</u>	<u>\$ 92,803,776</u>	<u>\$ 82,264,589</u>	<u>\$ 92,606,819</u>	<u>\$ 196,957</u>

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

**City of Ankeny, Iowa**

**Explanation of Differences Between Budgetary Basis and  
Generally Accepted Accounting Principles (GAAP) Basis  
Revenues and Expenditures for the Governmental Funds  
For the Year Ended June 30, 2017**

**Revenues and other financing sources:**

Actual amount of "total revenues and other financing sources" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 95,569,176
On a budgetary basis, the City does not record revenues until the cash has been received. This differs from GAAP, which records revenues as they are earned and available.	824,115
Investments are recorded at their market value on a GAAP basis while on a budget basis, investments are recorded at their net cost including accrued interest.	(601)
On a budgetary basis, the City does not record underwriters' discounts from bond issuances.	41,860
On a budgetary basis, capital projects for water, sewer, and storm water construction are recorded in the capital projects fund. On a GAAP basis, this activity is recorded in the related enterprise fund as assets. Related bond proceeds are recorded as enterprise fund debt and an interfund liability. Fund transfers between the capital projects fund and the enterprise funds are eliminated.	(2,418,868)
Transfers from enterprise funds to the debt service fund for bond principal and interest payments are reported as transfers on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis.	(2,622,925)
Total GAAP basis revenues and other financing sources for the governmental funds	<u><u>\$ 91,392,757</u></u>

**Expenditures and other financing uses:**

Actual amount of "expenditures and other financing uses" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 84,167,414
On a budgetary basis, the City does not record expenditures until the cash has been paid. This differs from GAAP, which records expenditures as the liability is incurred.	459,084
Purchases related to loans from the equipment reserve and sustainability revolving loan funds are reported in those funds on a budgetary basis. On a GAAP basis, the borrowing funds record a liability and corresponding expenditure for the equipment purchase.	7,599
On a budgetary basis, the City does not record debt activity from advanced refundings.	13,437,287
On a budgetary basis, capital projects for water, sewer, and storm water construction are recorded in the capital projects fund. On a GAAP basis, this activity is recorded in the related enterprise fund as assets. Related bond proceeds are recorded as enterprise fund debt and an interfund liability. Fund transfers between the capital projects fund and the enterprise funds are eliminated.	(1,589,775)
Transfers from enterprise funds to the debt service fund for bond principal and interest payments are reported as transfers in on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis	(2,622,925)
Repayments of loans to the equipment reserve fund and the sustainability revolving loan fund are recorded as an expenditure on a budget basis. No expenditure is recorded for loan repayments on a GAAP basis.	(134,478)
Total GAAP basis expenditures and other financing uses for the governmental funds	<u><u>\$ 93,724,206</u></u>

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



**City of Ankeny, Iowa**

**Explanation of Differences Between Budgetary  
Basis and GAAP Basis Revenues and Expenses  
for the Proprietary Funds  
For the Year Ended June 30, 2017**

**Revenues and other financing sources:**

Actual amount of "total revenues and other financing sources" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 30,272,551
On a budgetary basis, the City does not record revenues until the cash has been received. This differs from GAAP, which records revenues as they are earned and available.	407,470
Investments are not reported at market value on a budgetary basis. The change in market value is recorded on a GAAP basis.	(3,866)
Customer deposits and unearned revenue are recorded as revenue on a budgetary basis. On a GAAP basis, these deposits are reported as a liability.	<u>(3,318)</u>
Total GAAP basis revenues, nonoperating revenues, and transfers in	<u><u>\$ 30,672,837</u></u>

**Expenses and other financing uses:**

Actual amount of "expenditures and other financing uses" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 29,046,708
On a budgetary basis, the City does not record expenditures until the cash has been paid. This differs from GAAP, which records expenses as the liability is incurred.	36,325
Principal payments on indebtedness are recorded as an expenditure on a budgetary basis, but are not expensed on a GAAP basis.	(3,899,000)
Bond premiums and discounts are not recorded on a budgetary basis. These are recorded and amortized under GAAP.	(127,508)
Depreciation and losses on capital assets are reported on a GAAP basis but are not recorded on a budgetary basis	3,826,707
Purchases of capital assets are reported as an expense on a budget basis but are capitalized and depreciated on a GAAP basis	(177,466)
Transfers from enterprise funds to the debt service fund for bond principal payments are reported as transfers in on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis.	(2,082,003)
Repayments of loans to the equipment reserve fund and sustainability revolving loan fund are recorded as an expenditure on a budget basis. No expenditure is recorded for loan repayments on a GAAP basis.	<u>(117,252)</u>
Total GAAP basis expenses, nonoperating expenses, and transfers out	<u><u>\$ 26,506,511</u></u>

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

**CITY OF ANKENY, IOWA**  
Notes to the Required Supplementary Information  
June 30, 2017

**I. BUDGETARY INFORMATION**

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

After the initial budget is adopted, the budget may be amended for specific purposes. Budget amendments are required for budget transfers between funds as well as between programs. Management is not authorized to amend the budget without the approval of City Council. The City filed two budget amendments for the fiscal year ended June 30, 2017. The amendments increased estimated revenues by \$5,324,056 and increased expenditures by \$7,965,166. The City's budget amendments were essentially a complete re-estimate of the original budget. The amendments accounted for many changes in estimates and did not represent just a few specific activities or outlays; however, the increase in revenues and expenditures are primarily related to additional utility revenues, strong building permit activity, increases in hotel/motel taxes and the payoff of sewer revenue bonds.

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

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

The legal level of control (the level at which expenditures may not legally exceed appropriations) is the program level for all funds combined rather than at the individual fund level. The nine programs mandated by the State are: (1) public safety, (2) public works, (3) health and social services, (4) culture and recreation, (5) community and economic development, (6) general government, (7) debt service, (8) capital projects and (9) business type/enterprise. Since the City maintains its budgets at the individual fund level, it is necessary to aggregate the expenditures of the budgeted activities within the individual funds on a program basis and to compare such program totals with the program budgeted totals in order to demonstrate legal compliance with the budget. During the year ended June 30, 2017, expenditures did not exceed budgeted amounts in any of the nine programs. Budgetary compliance is demonstrated in the required supplementary information.

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

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

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

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

**City of Ankeny, Iowa**

**Required Supplementary Information  
Schedule of Funding Progress  
For the Year Ended June 30, 2017**

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2009	7/1/2007	\$ -	\$ 203,600	\$ 203,600	0.00%	\$ 10,673,526	1.9%
6/30/2010	7/1/2007	\$ -	\$ 203,600	\$ 203,600	0.00%	\$ 11,554,485	1.8%
6/30/2011	7/1/2010	\$ -	\$ 320,328	\$ 320,328	0.00%	\$ 11,309,005	2.8%
6/30/2012	7/1/2010	\$ -	\$ 320,328	\$ 320,328	0.00%	\$ 12,019,979	2.7%
6/30/2013	7/1/2010	\$ -	\$ 320,328	\$ 320,328	0.00%	\$ 12,542,793	2.6%
6/30/2014	7/1/2013	\$ -	\$ 451,994	\$ 451,994	0.00%	\$ 12,772,968	3.5%
6/30/2015	7/1/2013	\$ -	\$ 451,994	\$ 451,994	0.00%	\$ 13,359,240	3.4%
6/30/2016	7/1/2013	\$ -	\$ 451,994	\$ 451,994	0.00%	\$ 13,948,867	3.2%
6/30/2017	7/1/2016	\$ -	\$ 1,309,821	\$ 1,309,821	0.00%	\$ 15,527,613	8.4%

See Note 13 in the accompanying Notes to the Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

See accompanying independent auditors' report.

**City of Ankeny, Iowa**

**Required Supplementary Information  
Schedule of the City's Proportionate Share of the Net Pension Liability  
Iowa Public Employees' Retirement System  
For the Last Three Years <sup>(1)</sup>**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	0.13229%	0.12894%	0.12544%
City's proportionate share of the net pension liability	\$ 8,325,346	\$ 6,370,200	\$ 4,974,770
City's covered-employee payroll	\$ 10,528,957	\$ 9,681,761	\$ 9,699,344
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	79.07%	65.80%	51.29%
Plan fiduciary net position as a percentage of the total pension liability	81.82%	85.19%	87.61%

<sup>(1)</sup> The amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

See accompanying independent auditors' report.

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

**City of Ankeny, Iowa**

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

	Fiscal Year				
	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 1,054,434	\$ 949,821	\$ 909,593	\$ 878,731	\$ 824,171
Contributions in relation to the statutorily required contribution	(1,054,434)	(949,821)	(909,593)	(878,731)	(824,171)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	-	-
City's covered-employee payroll	\$ 11,681,267	\$ 10,528,957	\$ 9,681,761	9,699,344	9,023,719
Contributions as a percentage of covered-employee payroll	9.03%	9.02%	9.39%	9.06%	9.13%

Fiscal Year				
2012	2011	2010	2009	2008
\$ 927,474	\$ 668,065	\$ 631,912	\$ 572,991	\$ 500,404
(927,474)	(668,065)	(631,912)	(572,991)	(500,404)
-	-	-	-	-
8,349,521	8,929,965	9,157,040	8,716,773	7,946,730
11.11%	7.48%	6.90%	6.57%	6.30%

## **CITY OF ANKENY, IOWA**

### **Notes to the Required Supplementary Information IPERS Pension Liability June 30, 2017**

#### *Changes of benefit terms:*

Legislation passed in 2010 modified benefit terms for 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% per year measured from the member's first unreduced retirement age to a 6% 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.

#### *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% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% 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 (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

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

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



**City of Ankeny, Iowa**  
**Required Supplementary Information**  
**Schedule of the City's Proportionate Share of the Net Pension Liability**  
**Municipal Fire and Police Retirement System of Iowa**  
**For the Last Three Years <sup>(1)</sup>**

	2017	2016	2015
City's proportion of the net pension liability (asset)	1.87199%	1.78695%	1.66118%
City's proportionate share of the net pension liability	\$ 11,704,791	\$ 8,395,358	\$ 6,021,760
City's covered-employee payroll	\$ 5,072,834	\$ 4,686,212	\$ 4,242,165
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	230.73%	179.15%	141.95%
Plan fiduciary net position as a percentage of the total pension liability	78.20%	83.04%	86.27%

<sup>(1)</sup> The amounts presented for each fiscal year were determined as of June 30 as of the preceding fiscal year.

See accompanying independent auditors' report.

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

**City of Ankeny, Iowa**

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

	Fiscal Year				
	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 1,441,723	\$ 1,408,757	\$ 1,425,075	\$ 1,277,740	\$ 1,040,737
Contributions in relation to the statutorily required contribution	<u>\$ (1,441,723)</u>	<u>(1,408,757)</u>	<u>(1,425,075)</u>	<u>(1,277,740)</u>	<u>(1,040,737)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>
City's covered-employee payroll	\$ 5,562,204	\$ 5,072,834	\$ 4,686,212	4,242,165	3,984,446
Contributions as a percentage of covered-employee payroll	25.92%	27.77%	30.41%	30.12%	26.12%

Fiscal Year				
2012	2011	2010	2009	2008
\$ 897,198	\$ 634,969	\$ 550,553	\$ 545,111	\$ 684,696
(897,198)	(634,969)	(550,553)	(545,111)	(684,696)
-	-	-	-	-
3,800,863	3,190,801	3,250,310	2,907,255	2,687,189
23.61%	19.90%	16.94%	18.75%	25.48%

**CITY OF ANKENY, IOWA**

Notes to the Required Supplementary Information  
MFPRSI Pension Liability  
June 30, 2017

*Changes of benefit terms:*

There were no significant changes of benefit terms.

*Changes of assumptions:*

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

## **Nonmajor Governmental Funds**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**City of Ankeny, Iowa**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2017**

	<b>Special Revenue</b>					
	<b>Fire Gift</b>	<b>Hawkeye Park</b>	<b>Police Gift</b>	<b>Police Seizure</b>	<b>Police/Fire Pension</b>	<b>Landfill Postclosure</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 34,358	\$ 51,196	\$ 4,410	\$ 80,218	\$ 1,336,313	\$ 129,617
Receivables:						
Interest	-	-	-	-	148	-
Taxes	-	-	-	-	1,589,214	-
Accounts	-	-	-	401	-	-
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	28	-
Total assets	<u>\$ 34,358</u>	<u>\$ 51,196</u>	<u>\$ 4,410</u>	<u>\$ 80,619</u>	<u>\$ 2,925,703</u>	<u>\$ 129,617</u>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	872	\$ -
<b>Deferred Inflows of Resources</b>						
Unavailable revenues						
Property taxes	-	-	-	-	1,587,336	-
Special assessments	-	-	-	-	-	-
Other long-term receivables	-	-	-	361	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>361</u>	<u>1,587,336</u>	<u>-</u>
<b>Fund balances</b>						
Restricted	<u>34,358</u>	<u>51,196</u>	<u>4,410</u>	<u>80,258</u>	<u>1,337,495</u>	<u>129,617</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 34,358</u>	<u>\$ 51,196</u>	<u>\$ 4,410</u>	<u>\$ 80,619</u>	<u>\$ 2,925,703</u>	<u>\$ 129,617</u>

Library Foundation	Park Dedication	Sports Complex Foundation	Ankeny Garden Club	Dog Park	Civic	Ankeny Community Foundation	Capital Project	Total Nonmajor Governmental Funds
							Special Assessments	
\$ 25,811	\$ 591,046	\$ 71,682	\$ 8,059	\$ 2,674	\$ -	\$ 197,219	\$ 985,547	\$ 3,518,150
-	-	-	-	-	-	-	-	148
-	-	-	-	-	-	-	-	1,589,214
-	-	425	-	-	354,998	-	-	355,824
-	-	-	-	-	-	-	327,411	327,411
-	-	-	-	-	-	-	-	28
<u>\$ 25,811</u>	<u>\$ 591,046</u>	<u>\$ 72,107</u>	<u>\$ 8,059</u>	<u>\$ 2,674</u>	<u>\$ 354,998</u>	<u>\$ 197,219</u>	<u>\$ 1,312,958</u>	<u>\$ 5,790,775</u>
<u>\$ 214</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 846</u>	<u>\$ -</u>	<u>\$ 1,932</u>
-	-	-	-	-	-	-	-	1,587,336
-	-	-	-	-	-	-	327,411	327,411
-	-	-	-	-	-	-	-	361
-	-	-	-	-	-	-	327,411	1,915,108
<u>25,597</u>	<u>591,046</u>	<u>72,107</u>	<u>8,059</u>	<u>2,674</u>	<u>354,998</u>	<u>196,373</u>	<u>985,547</u>	<u>3,873,735</u>
<u>\$ 25,811</u>	<u>\$ 591,046</u>	<u>\$ 72,107</u>	<u>\$ 8,059</u>	<u>\$ 2,674</u>	<u>\$ 354,998</u>	<u>\$ 197,219</u>	<u>\$ 1,312,958</u>	<u>\$ 5,790,775</u>

City of Ankeny, Iowa

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2017

	Special Revenue					
	Fire Gift	Hawkeye Park	Police Gift	Police Seizure	Police/Fire Pension	Landfill Postclosure
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,476,823	\$ -
Other taxes and assessments	-	-	-	-	17,868	-
Intergovernmental	-	-	-	6,112	49,040	-
Charges for services	-	12,320	-	-	-	-
Use of money and property	48	67	5	112	3,280	210
Miscellaneous	4,160	1,156	2,120	525	-	-
Total revenues	4,208	13,543	2,125	6,749	1,547,011	210
<b>Expenditures</b>						
Current operating:						
Public safety	300	-	-	2,327	1,447,432	-
Culture and recreation	-	2,340	-	-	-	-
Total expenditures	300	2,340	-	2,327	1,447,432	-
Excess (deficiency) of revenues over (under) expenditures	3,908	11,203	2,125	4,422	99,579	210
<b>Other financing (uses)</b>						
Transfers out	-	-	-	-	-	(13,559)
Net change in fund balances	3,908	11,203	2,125	4,422	99,579	(13,349)
Fund balances, beginning	30,450	39,993	2,285	75,836	1,237,916	142,966
Fund balances, ending	\$ 34,358	\$ 51,196	\$ 4,410	\$ 80,258	\$ 1,337,495	\$ 129,617



Library Foundation	Park Dedication	Sports Complex Foundation	Ankeny Garden Club	Dog Park	Civic	Ankeny Community Foundation	Capital Project	Total Nonmajor Governmental Funds
							Special Assessments	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,476,823
-	-	-	-	-	-	-	46,803	64,671
-	-	-	-	-	-	54,223	-	109,375
-	-	17,620	-	-	-	-	-	29,940
37	838	93	12	3	-	447	-	5,152
20,415	92,434	-	1,440	1,093	354,998	316,783	-	795,124
20,452	93,272	17,713	1,452	1,096	354,998	371,453	46,803	2,481,085
-	-	-	-	-	-	-	-	1,450,059
16,987	-	100	2,776	-	24	7,776	-	30,003
16,987	-	100	2,776	-	24	7,776	-	1,480,062
3,465	93,272	17,613	(1,324)	1,096	354,974	363,677	46,803	1,001,023
-	-	-	-	-	(1,939,712)	(501,550)	-	(2,454,821)
3,465	93,272	17,613	(1,324)	1,096	(1,584,738)	(137,873)	46,803	(1,453,798)
22,132	497,774	54,494	9,383	1,578	1,939,736	334,246	938,744	5,327,533
\$ 25,597	\$ 591,046	\$ 72,107	\$ 8,059	\$ 2,674	\$ 354,998	\$ 196,373	\$ 985,547	\$ 3,873,735

## **Nonmajor Enterprise Funds**

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

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

City of Ankeny, Iowa

Combining Statement of Net Position  
Nonmajor Enterprise Funds  
June 30, 2017

	Enterprise Funds		
	Solid Waste	Otter Creek Golf Course	Totals
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 156,717	\$ 460,351	\$ 617,068
Receivables:			
Accounts	78,038	50,518	128,556
Special assessments	82	-	82
Intergovernmental	-	165	165
Inventory	-	60,510	60,510
Total current assets	234,837	571,544	806,381
Noncurrent assets:			
Capital assets:			
Land	-	985,942	985,942
Depreciable assets, net of accumulated depreciation	-	3,531,691	3,531,691
Total capital assets	-	4,517,633	4,517,633
Total noncurrent assets	-	4,517,633	4,517,633
Total assets	234,837	5,089,177	5,324,014
<b>Deferred Outflows of Resources</b>			
Pension related deferred outflows	8,080	213,996	222,076
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	46,941	69,807	116,748
Accrued wages	-	15,218	15,218
Due to other funds	-	87,751	87,751
Compensated absences payable	-	17,720	17,720
Total current liabilities	46,941	190,496	237,437
Noncurrent liabilities:			
Other postemployment benefits	-	9,299	9,299
Compensated absences payable	-	12,589	12,589
Advances from other funds	-	62,525	62,525
Net pension liability	14,972	522,872	537,844
Total noncurrent liabilities	14,972	607,285	622,257
Total liabilities	61,913	797,781	859,694
<b>Deferred Inflows of Resources</b>			
Pension related deferred inflows	771	71,938	72,709
<b>Net Position</b>			
Net investment in capital assets	-	4,517,633	4,517,633
Unrestricted	180,233	(84,179)	96,054
Total net position	\$ 180,233	\$ 4,433,454	\$ 4,613,687

**City of Ankeny, Iowa**

**Combining Statement of Revenues, Expenses, and Changes in Net Position  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2017**

	<b>Enterprise Funds</b>		
	<b>Solid Waste</b>	<b>Otter Creek Golf Course</b>	<b>Totals</b>
Operating revenues:			
Charges for services	\$ 706,300	\$ 1,089,687	\$ 1,795,987
Other	-	676,900	676,900
Total operating revenues	<u>706,300</u>	<u>1,766,587</u>	<u>2,472,887</u>
Operating expenses:			
Personal services	39,523	897,946	937,469
Contractual services	637,495	242,649	880,144
Operating supplies	53	441,213	441,266
Depreciation	-	212,204	212,204
Total operating expenses	<u>677,071</u>	<u>1,794,012</u>	<u>2,471,083</u>
Operating income (loss)	<u>29,229</u>	<u>(27,425)</u>	<u>1,804</u>
Nonoperating revenues (expenses):			
Interest earnings	203	660	863
Interest expense	-	(5,129)	(5,129)
Total nonoperating revenues (expenses)	<u>203</u>	<u>(4,469)</u>	<u>(4,266)</u>
Net income (loss) before contributions and transfers	29,432	(31,894)	(2,462)
Transfers in	<u>13,559</u>	<u>-</u>	<u>13,559</u>
Change in net position	42,991	(31,894)	11,097
Total net position, beginning	<u>137,242</u>	<u>4,465,348</u>	<u>4,602,590</u>
Total net position, ending	<u><u>\$ 180,233</u></u>	<u><u>\$ 4,433,454</u></u>	<u><u>\$ 4,613,687</u></u>

**City of Ankeny, Iowa**

**Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2017**

	<b>Enterprise Funds</b>		
	<b>Solid Waste</b>	<b>Otter Creek Golf Course</b>	<b>Totals</b>
<b>Cash flows from operating activities</b>			
Receipts from customers	\$ 702,233	\$ 1,768,031	\$ 2,470,264
Payments to suppliers	(641,656)	(667,231)	(1,308,887)
Payments to employees	(40,764)	(925,839)	(966,603)
Net cash provided by operating activities	<u>19,813</u>	<u>174,961</u>	<u>194,774</u>
<b>Cash flows from noncapital financing activities</b>			
Payments made on interfund accounts	-	(98,796)	(98,796)
Transfers from other funds	<u>13,559</u>	<u>-</u>	<u>13,559</u>
Net cash provided (used) by noncapital financing activities	<u>13,559</u>	<u>(98,796)</u>	<u>(85,237)</u>
<b>Cash flows from investing activities:</b>			
Interest received	<u>203</u>	<u>660</u>	<u>863</u>
Net increase in cash and cash equivalents	33,575	76,825	110,400
Balances, beginning of year	<u>123,142</u>	<u>383,526</u>	<u>506,668</u>
Balances, end of year	<u><u>\$ 156,717</u></u>	<u><u>\$ 460,351</u></u>	<u><u>\$ 617,068</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>			
Operating income (loss)	\$ 29,229	\$ (27,425)	\$ 1,804
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:			
Depreciation	-	212,204	212,204
Changes in assets and liabilities:			
Receivables, net	(4,066)	1,443	(2,623)
Inventory	-	25,917	25,917
Accounts and other payables	(5,350)	(37,178)	(42,528)
Net cash provided by operating activities	<u><u>\$ 19,813</u></u>	<u><u>\$ 174,961</u></u>	<u><u>\$ 194,774</u></u>

## **Internal Service Funds**

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

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

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

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

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

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

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

City of Ankeny, Iowa

Combining Statement of Net Position  
Internal Service Funds  
June 30, 2017

	Central Garage	Risk Management	Equipment Reserve	Sustainability Revolving Loan	Economic Development Revolving	Health Insurance	Total
<b>Assets</b>							
Current assets:							
Cash and cash equivalents	\$ 419,075	\$ 824,981	\$ 2,020,013	\$ 15,023	\$ 253,872	\$ 2,453,708	\$ 5,986,672
Receivables:							
Interest	-	-	89	-	-	-	89
Intergovernmental	10,734	-	-	-	-	-	10,734
Prepaid expenses	-	106,749	-	-	-	-	106,749
Inventory	197,100	-	-	-	-	-	197,100
Due from other funds	-	-	176,979	3,101	-	-	180,080
Total current assets	626,909	931,730	2,197,081	18,124	253,872	2,453,708	6,481,424
Noncurrent assets:							
Advances to other funds	-	-	254,985	10,268	-	-	265,253
Capital assets:							
Depreciable assets, net of accumulated depreciation	819	57,323	-	-	-	-	58,142
Total capital assets	819	57,323	-	-	-	-	58,142
Total noncurrent assets	819	57,323	254,985	10,268	-	-	323,395
Total assets	627,728	989,053	2,452,066	28,392	253,872	2,453,708	6,804,819
<b>Deferred Outflows of Resources</b>							
Pension related deferred outflows	83,269	-	-	-	-	-	83,269
<b>Liabilities</b>							
Current liabilities:							
Accounts payable	16,963	11,615	-	-	-	924	29,502
Accrued wages	4,226	-	-	-	-	-	4,226
Claims payable	-	-	-	-	-	329,492	329,492
Compensated absences payable	6,229	-	-	-	-	-	6,229
Total current liabilities	27,418	11,615	-	-	-	330,416	369,449
Noncurrent liabilities:							
Other postemployment benefits	4,376	-	-	-	-	-	4,376
Compensated absences payable	21,067	-	-	-	-	-	21,067
Net pension liability	201,966	-	-	-	-	-	201,966
Total noncurrent liabilities	227,409	-	-	-	-	-	227,409
Total liabilities	254,827	11,615	-	-	-	330,416	596,858
<b>Deferred Inflows of Resources</b>							
Pension related deferred inflows	28,118	-	-	-	-	-	28,118
<b>Net Position</b>							
Net investment in capital assets	819	57,323	-	-	-	-	58,142
Unrestricted	427,233	920,115	2,452,066	28,392	253,872	2,123,292	6,204,970
Total net position	\$ 428,052	\$ 977,438	\$ 2,452,066	\$ 28,392	\$ 253,872	\$ 2,123,292	\$ 6,263,112

**City of Ankeny, Iowa**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2017**

	<b>Central Garage</b>	<b>Risk Management</b>	<b>Equipment Reserve</b>	<b>Sustainability Revolving Loan</b>	<b>Economic Development Revolving</b>	<b>Health Insurance</b>	<b>Total</b>
Operating revenues:							
Charges for services	\$ 851,731	\$ 1,054,000	\$ -	\$ -	\$ -	\$ 3,291,497	\$ 5,197,228
Other	23,280	59,003	-	-	50,000	82,625	214,908
Total operating revenues	875,011	1,113,003	-	-	50,000	3,374,122	5,412,136
Operating expenses:							
Personal services	347,611	531,995	-	-	-	5,539	885,145
Contractual services	18,009	459,569	-	-	8,000	2,832,507	3,318,085
Operating supplies	477,090	-	-	-	-	532	477,622
Depreciation	1,638	11,179	-	-	-	-	12,817
Total operating expenses	844,348	1,002,743	-	-	8,000	2,838,578	4,693,669
Operating income	30,663	110,260	-	-	42,000	535,544	718,467
Nonoperating revenues:							
Interest earnings	541	1,007	13,997	16	311	3,636	19,508
Change in net position	31,204	111,267	13,997	16	42,311	539,180	737,975
Total net position, beginning	396,848	866,171	2,438,069	28,376	211,561	1,584,112	5,525,137
Total net position, ending	\$ 428,052	\$ 977,438	\$ 2,452,066	\$ 28,392	\$ 253,872	\$ 2,123,292	\$ 6,263,112



City of Ankeny, Iowa

Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2017

	Central Garage	Risk Management	Equipment Reserve	Sustainability Revolving Loan	Economic Development Revolving	Health Insurance	Total
<b>Cash flows from operating activities</b>							
Cash received from customers	\$ 878,364	\$ 1,131,576	\$ -	\$ -	\$ 50,000	\$ 3,374,122	\$ 5,434,062
Payments to suppliers	(493,269)	(969,763)	-	-	(8,000)	(2,925,295)	(4,396,327)
Payments to employees	(352,551)	-	-	-	-	(5,449)	(358,000)
Net cash provided by operating activities	32,544	161,813	-	-	42,000	443,378	679,735
<b>Cash flows from noncapital financing activities</b>							
Payments received on interfund accounts	-	-	248,628	3,101	-	-	251,729
Loans issued to other funds	-	-	(272,397)	(4,300)	-	-	(276,697)
Net cash used by noncapital financing activities	-	-	(23,769)	(1,199)	-	-	(24,968)
<b>Cash flows from capital and related financing activities</b>							
Purchase of capital assets	-	(44,449)	-	-	-	-	(44,449)
<b>Cash flows from investing activities</b>							
Interest received	541	1,007	13,954	20	311	3,636	19,469
Net increase (decrease) in cash and cash equivalents	33,085	118,371	(9,815)	(1,179)	42,311	447,014	629,787
Cash and cash equivalents, beginning	385,990	706,610	2,029,828	16,202	211,561	2,006,694	5,356,885
Cash and cash equivalents, ending	<u>\$ 419,075</u>	<u>\$ 824,981</u>	<u>\$ 2,020,013</u>	<u>\$ 15,023</u>	<u>\$ 253,872</u>	<u>\$ 2,453,708</u>	<u>\$ 5,986,672</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>							
Operating income	\$ 30,663	\$ 110,260	\$ -	\$ -	\$ 42,000	\$ 535,544	\$ 718,467
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation expense	1,638	11,179	-	-	-	-	12,817
Changes in assets and liabilities:							
Receivables, net	3,352	18,573	-	-	-	-	21,925
Prepaid expenses	-	28,043	-	-	-	-	28,043
Inventory	6,468	-	-	-	-	-	6,468
Accounts and other payables	(10,240)	(6,242)	-	-	-	90	(16,392)
Claims payable	663	-	-	-	-	(92,256)	(91,593)
Net cash provided (used) by operating activities	<u>\$ 32,544</u>	<u>\$ 161,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,000</u>	<u>\$ 443,378</u>	<u>\$ 679,735</u>

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

**City of Ankeny, Iowa**

**Capital Assets Used in the Operation of Governmental Funds  
Comparative Schedules By Source  
June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
Governmental funds capital assets:		
Land	\$ 8,294,818	\$ 8,130,426
Other improvements	38,115,528	36,770,971
Infrastructure	223,289,751	207,473,362
Buildings	42,922,038	42,922,039
Machinery and equipment	17,088,079	16,453,509
Furniture and fixtures	1,459,706	1,459,706
Construction in progress	15,233,553	12,992,349
Total governmental funds capital assets	<u><u>\$ 346,403,473</u></u>	<u><u>\$ 326,202,362</u></u>
Investment in governmental funds capital assets by source:		
General fund	\$ 22,050,463	\$ 21,658,038
Special revenue funds	7,221,736	6,979,593
Capital project funds	204,174,459	191,843,261
Local, state, and federal grants and donations	112,956,815	105,721,467
Total investment in governmental funds capital assets by source	<u><u>\$ 346,403,473</u></u>	<u><u>\$ 326,202,362</u></u>

**City of Ankeny, Iowa**

**Comparative Schedule By Function and Activity  
June 30, 2017**

	<u>Land</u>	<u>Other Improvements</u>	<u>Infrastructure</u>
Public safety:			
Police	\$ 29,212	\$ -	\$ -
Fire and ambulance	814,620	-	-
Code enforcement	-	-	-
Total public safety	<u>843,832</u>	<u>-</u>	<u>-</u>
Health and social services:			
Mosquito control	-	-	-
Culture and recreation:			
Library	14,361	94,657	-
Parks and recreation	<u>4,009,703</u>	<u>35,572,262</u>	<u>1,050,502</u>
Total culture and recreation	<u>4,024,064</u>	<u>35,666,919</u>	<u>1,050,502</u>
Public works:			
Public works	<u>3,327,391</u>	<u>2,395,368</u>	<u>222,239,249</u>
Community and economic development:			
Planning and zoning	-	-	-
General government:			
Council and management	<u>99,531</u>	<u>53,241</u>	<u>-</u>
Total general capital assets	<u>\$ 8,294,818</u>	<u>\$ 38,115,528</u>	<u>\$ 223,289,751</u>

<b>Buildings</b>	<b>Machinery and Equipment</b>	<b>Furniture and Fixtures</b>	<b>Construction in Progress</b>	<b>Total</b>
\$ 17,600,265	\$ 2,338,949	\$ 239,757	\$ -	\$ 20,208,183
9,950,397	5,378,910	48,316	275,817	16,468,060
-	145,894	-	-	145,894
<u>27,550,662</u>	<u>7,863,753</u>	<u>288,073</u>	<u>275,817</u>	<u>36,822,137</u>
-	34,130	-	-	34,130
3,149,085	579,861	619,879	1,043,760	5,501,603
<u>5,032,888</u>	<u>1,435,478</u>	<u>45,220</u>	<u>7,224,201</u>	<u>54,370,254</u>
<u>8,181,973</u>	<u>2,015,339</u>	<u>665,099</u>	<u>8,267,961</u>	<u>59,871,857</u>
3,551,665	5,645,118	-	6,689,775	243,848,566
-	85,489	-	-	85,489
<u>3,637,738</u>	<u>1,444,250</u>	<u>506,534</u>	<u>-</u>	<u>5,741,294</u>
<u>\$ 42,922,038</u>	<u>\$ 17,088,079</u>	<u>\$ 1,459,706</u>	<u>\$ 15,233,553</u>	<u>\$ 346,403,473</u>

**City of Ankeny, Iowa**

**Capital Assets Used in the Operation of Governmental Funds  
Schedule of Changes By Function and Activity  
Year Ended June 30, 2017**

	<b>Governmental Funds Capital Assets June 30, 2016</b>	<b>Additions</b>	<b>Deductions</b>	<b>Governmental Funds Capital Assets June 30, 2017</b>
Public safety:				
Police	\$ 20,228,091	\$ 251,334	\$ 271,243	\$ 20,208,183
Fire and ambulance	15,749,249	751,283	32,472	16,468,060
Code enforcement	110,156	49,058	13,320	145,894
Total public safety	<u>36,087,496</u>	<u>1,051,675</u>	<u>317,035</u>	<u>36,822,137</u>
Health & social services:				
Mosquito control	34,130	-	-	34,130
Public relations	18,802	-	18,802	-
Total health & social services	<u>52,932</u>	<u>-</u>	<u>18,802</u>	<u>34,130</u>
Culture and recreation:				
Library	5,368,516	133,087	-	5,501,603
Parks and recreation	53,174,170	2,083,316	887,232	54,370,254
Total culture and recreation	<u>58,542,686</u>	<u>2,216,403</u>	<u>887,232</u>	<u>59,871,857</u>
Public works:				
Public works	<u>225,725,329</u>	<u>20,462,638</u>	<u>2,339,399</u>	<u>243,848,566</u>
Community & economic development:				
Planning & zoning	<u>82,190</u>	<u>3,299</u>	<u>-</u>	<u>85,489</u>
General government:				
Council and management	<u>5,711,729</u>	<u>29,565</u>	<u>-</u>	<u>5,741,294</u>
Total general capital assets	<u>\$ 326,202,362</u>	<u>\$ 23,763,580</u>	<u>\$ 3,562,468</u>	<u>\$ 346,403,473</u>



## **Statistical Section**



## City of Ankeny, Iowa

### Statistical Section Contents

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

Contents	Page
<b>Financial Trends</b>	109
These schedules contain information to help the reader understand how the City's financial performance and well being have changed over time.	
<b>Revenue Capacity</b>	117
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	123
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.	
<b>Demographic and Economic Information</b>	129
These schedules offer demographic and economic indicators to help the reader understand the environment with which the City's financial activities take place.	
<b>Operating Information</b>	131
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.	

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

**City of Ankeny, Iowa**

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

	Fiscal Year			
	2017	2016	2015 <sup>(2)</sup>	2014 <sup>(1)</sup>
Governmental activities:				
Net investment in capital assets	\$ 130,865,789	\$ 116,004,979	\$ 103,373,925	\$ 102,272,116
Restricted:				
Debt service	3,574,657	3,514,212	3,952,950	3,649,020
Enabling legislation	1,012,949	1,004,416	770,940	575,499
Restricted by other governments	10,230,755	8,420,514	6,079,433	970,469
Donor restrictions	749,772	2,434,297	1,589,627	639,510
Unrestricted	31,273,437	19,759,160	9,786,366	14,875,935
Total governmental activities net position	<u>177,707,359</u>	<u>151,137,578</u>	<u>125,553,241</u>	<u>122,982,549</u>
Business-type activities:				
Net investment in capital assets	118,594,408	109,640,906	102,292,319	102,489,297
Restricted:				
Debt service	2,490,276	2,596,208	2,626,415	2,686,691
Unrestricted	21,793,304	20,006,304	16,996,389	11,660,796
Total business-type activities net position	<u>142,877,988</u>	<u>132,243,419</u>	<u>121,915,124</u>	<u>116,836,785</u>
Primary government:				
Net investment in capital assets	249,460,197	225,645,885	205,666,244	204,761,413
Restricted: <sup>(1)</sup>				
Debt service	6,064,933	6,110,420	6,579,365	6,335,711
Enabling legislation	1,012,949	1,004,416	770,940	575,499
Restricted by other governments	10,230,755	8,420,514	6,079,433	970,469
Donor restrictions	749,772	2,434,297	1,589,627	639,510
Unrestricted	53,066,741	39,765,464	26,782,755	26,536,731
Total primary government net position	<u>\$ 320,585,347</u>	<u>\$ 283,380,996</u>	<u>\$ 247,468,364</u>	<u>\$ 239,819,333</u>

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

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

Fiscal Year					
2013	2012	2011	2010	2009	2008
\$ 81,318,637	\$ 61,719,171	\$ 60,286,690	\$ 59,847,130	\$ 51,005,350	\$ 59,457,512
2,698,019	2,214,278	2,551,310	2,896,848	2,009,317	3,033,897
852,320	764,803	574,140	494,812	416,696	417,300
643,904	718,745	524,789	663,182	354,817	201,617
110,847	433,272	1,365,322	644,531	1,317,881	5,438,401
23,190,937	21,946,490	9,390,782	3,429,607	17,019,598	8,171,093
108,814,664	87,796,759	74,693,032	67,976,110	72,123,659	76,719,820
96,614,000	89,543,803	85,278,077	83,083,098	82,762,686	77,349,435
2,725,391	2,953,164	2,967,095	3,017,297	2,614,509	1,553,787
12,128,403	11,971,124	7,878,667	7,794,808	9,440,764	9,501,662
111,467,794	104,468,091	96,123,839	93,895,203	94,817,959	88,404,884
177,932,637	151,262,974	145,564,767	142,930,228	133,768,036	136,806,947
5,423,410	5,167,442	5,518,405	5,914,145	4,623,826	4,587,684
852,320	764,803	574,140	494,812	416,696	417,300
643,904	718,745	524,789	663,182	354,817	201,617
110,847	433,272	1,365,322	644,531	1,317,881	5,438,401
35,319,340	33,917,614	17,269,448	11,224,415	26,460,362	17,672,755
\$ 220,282,458	\$ 192,264,850	\$ 170,816,871	\$ 161,871,313	\$ 166,941,619	\$ 165,124,704

City of Ankeny, Iowa

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

	Fiscal Year			
	2017	2016	2015 <sup>(2)</sup>	2014 <sup>(1)</sup>
<b>Expenses</b>				
Governmental activities:				
Public safety	\$ 16,365,705	\$ 14,690,344	\$ 13,737,899	\$ 14,002,165
Health and social services	264,019	1,054,174	234,955	213,674
Culture and recreation	7,217,960	6,944,839	6,779,873	6,857,595
Public works	12,777,753	10,673,269	11,482,409	9,805,050
Community and economic development	2,695,564	1,757,674	3,170,616	3,207,767
General government	3,214,295	3,082,029	2,884,021	3,007,844
Interest on long-term debt	3,137,859	4,838,028	4,689,986	4,664,373
Total governmental activities expenses	45,673,155	43,040,357	42,979,760	41,758,468
Business-type activities:				
Solid waste	675,871	632,056	606,498	630,986
Water	8,542,848	7,450,745	7,186,296	8,061,064
Sewer	11,771,681	11,682,628	10,829,982	11,433,365
Storm water	882,254	1,104,387	788,361	722,840
Otter Creek golf course	1,783,053	1,762,426	1,722,279	1,784,889
Total business-type activities expenses	23,655,707	22,632,242	21,133,416	22,633,144
Total primary government expenses	69,328,862	65,672,599	64,113,176	64,391,612
<b>Program revenues</b>				
Governmental activities:				
Charges for services:				
Public safety	4,309,769	3,609,342	3,211,478	2,709,058
Culture and recreation	2,356,757	2,400,130	2,032,198	2,011,880
Other activities	618,900	735,727	911,602	1,112,141
Operating grants and contributions	8,980,006	10,051,031	6,482,886	6,446,526
Capital grants and contributions	9,619,017	9,127,451	8,691,223	6,595,282
Total governmental activities program revenues	25,884,449	25,923,681	21,329,387	18,874,887
Business-type activities:				
Charges for services:				
Water	11,021,695	9,802,862	8,623,161	9,722,633
Sewer	15,067,446	14,907,926	13,145,018	12,337,317
Other activities	3,782,752	3,687,629	3,430,177	3,888,802
Operating grants and contributions	-	-	-	-
Capital grants and contributions	6,373,930	7,189,812	3,757,693	3,589,778
Total business-type activities program revenues	36,245,823	35,588,229	28,956,049	29,538,530
Total primary government program revenues	62,130,272	61,511,910	50,285,436	48,413,417
<b>Net (expense) revenue</b>				
Governmental activities	(19,788,706)	(17,116,676)	(21,650,373)	(22,883,581)
Business-type activities	12,590,116	12,955,987	7,822,633	6,905,386
Total primary government net (expense) revenue	(7,198,590)	(4,160,689)	(13,827,740)	(15,978,195)
<b>General revenues and other changes in net position</b>				
Governmental activities:				
Taxes:				
Property taxes	39,329,506	36,117,574	33,728,940	32,109,296
Other taxes	3,720,204	2,722,766	3,463,454	2,976,725
Interest	481,522	365,703	274,793	245,565
Other	84,574	51,672	4,797	527,331
Transfers	2,742,681	3,443,298	1,790,167	1,556,747
Total governmental activities	46,358,487	42,701,013	39,262,151	37,415,664
Business-type activities:				
Interest	34,082	38,909	33,247	5,390
Other	753,053	776,695	681,966	308,565
Transfers	(2,742,681)	(3,443,298)	(1,790,167)	(1,556,747)
Total business-type activities	(1,955,546)	(2,627,694)	(1,074,954)	(1,242,792)
Total primary government	44,402,940	40,073,319	38,187,197	36,172,872
<b>Changes in net position</b>				
Governmental activities	26,569,781	25,584,337	17,611,779	14,532,083
Business-type activities	10,634,570	10,328,293	6,747,679	5,662,594
Total primary government changes in net position	\$ 37,204,351	\$ 35,912,630	\$ 24,359,458	\$ 20,194,677

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

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

Fiscal Year					
2013	2012	2011	2010	2009	2008
\$ 12,860,105	\$ 12,020,771	\$ 9,421,395	\$ 10,444,061	\$ 8,709,303	\$ 8,765,732
307,809	318,200	299,558	274,970	277,745	236,134
7,153,442	6,268,871	6,584,196	5,733,048	5,402,688	5,144,408
11,545,237	13,151,367	10,933,113	18,930,726	17,964,501	14,066,397
2,668,602	3,191,753	2,530,503	2,843,641	2,340,606	2,152,310
3,157,581	3,133,067	2,615,502	2,709,554	5,794,576	2,530,968
3,735,351	3,966,374	4,089,033	4,309,579	4,549,323	3,633,724
41,428,127	42,050,403	36,473,300	45,245,579	45,038,742	36,529,673
582,002	553,677	534,144	432,925	572,728	479,368
7,597,352	6,896,336	6,426,365	6,736,767	5,889,478	5,728,375
9,171,890	8,559,386	6,921,235	7,703,774	6,001,810	5,321,560
407,890	470,710	274,327	276,041	245,983	100,140
1,828,281	1,708,377	1,672,404	1,685,539	845,236	845,387
19,587,415	18,188,486	15,828,475	16,835,046	13,555,235	12,474,830
61,015,542	60,238,889	52,301,775	62,080,625	58,593,978	49,004,503
2,807,114	2,066,539	1,766,256	1,702,101	887,876	2,006,097
1,900,545	2,007,595	1,880,188	1,171,357	1,073,883	897,808
694,253	794,333	660,970	613,791	384,441	369,195
6,776,919	4,902,587	4,474,097	6,297,936	8,700,935	3,844,341
15,538,101	12,568,192	3,615,374	3,328,808	4,525,314	5,865,048
27,716,932	22,339,246	12,396,885	13,113,993	15,572,449	12,982,489
8,770,876	8,281,518	6,301,828	5,611,334	5,411,574	5,494,332
10,826,754	9,750,899	8,525,607	7,197,284	6,986,331	5,926,481
2,746,924	2,723,003	2,595,534	2,595,623	806,458	920,086
-	-	-	-	-	-
5,117,635	5,388,700	1,156,857	267,803	6,226,553	7,257,728
27,462,189	26,144,120	18,579,826	15,672,044	19,430,916	19,598,627
55,179,121	48,483,366	30,976,711	28,786,037	35,003,365	32,581,116
(13,711,195)	(19,711,157)	(24,076,415)	(32,131,586)	(29,466,292)	(23,547,184)
7,874,774	7,955,634	2,751,351	(1,163,001)	5,875,681	7,123,797
(5,836,421)	(11,755,523)	(21,325,064)	(33,294,588)	(23,590,611)	(16,423,387)
30,569,114	29,205,370	27,367,573	25,799,170	22,608,951	20,434,441
2,426,806	2,815,350	1,660,528	1,178,864	1,371,558	1,244,208
251,805	279,326	387,829	465,691	1,115,169	2,225,590
(299,359)	102,639	93,680	90,312	57,794	187,500
1,638,056	412,199	1,283,727	450,000	(283,341)	2,074,457
34,586,422	32,814,884	30,793,337	27,984,037	24,870,131	26,166,196
9,531	31,933	34,270	54,878	72,825	189,703
753,454	768,884	726,742	635,366	181,230	52,215
(1,638,056)	(412,199)	(1,283,727)	(450,000)	283,341	(2,074,457)
(875,071)	388,618	(522,715)	240,244	537,395	(1,832,539)
33,711,351	33,203,502	30,270,622	28,224,281	25,407,526	24,333,657
20,875,227	13,103,727	6,716,922	(4,147,549)	(4,596,161)	2,619,012
6,999,703	8,344,252	2,228,636	(922,757)	6,413,076	5,291,258
\$ 27,874,930	\$ 21,447,979	\$ 8,945,558	\$ (5,070,306)	\$ 1,816,915	\$ 7,910,270

**City of Ankeny, Iowa**

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

	Fiscal Year			
	2017	2016	2015	2014
General fund:				
Unreserved	N/A	N/A	N/A	N/A
Nonspendable	1,352	871	1,558	2,460
Assigned	-	-	-	-
Restricted	421,903	506,642	363,840	-
Unassigned	17,861,401	16,210,239	14,486,826	12,075,671
Total general fund	<u>\$ 18,284,656</u>	<u>\$ 16,717,752</u>	<u>\$ 14,852,224</u>	<u>\$ 12,078,131</u>
All other governmental funds:				
Reserved	N/A	N/A	N/A	N/A
Unreserved, reported in:				
Special revenue funds	N/A	N/A	N/A	N/A
Capital project funds	N/A	N/A	N/A	N/A
Restricted	33,797,617	37,695,970	33,715,293	8,386,127
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 33,797,617</u>	<u>\$ 37,695,970</u>	<u>\$ 33,715,293</u>	<u>\$ 8,386,127</u>

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

N/A - Not applicable.

Fiscal Year					
2013	2012	2011 <sup>(1)</sup>	2010	2009	2008
N/A	N/A	N/A	\$ 5,255,100	\$ 4,993,929	\$ 4,715,926
1,204	1,127	-	-	-	-
-	-	139,671	N/A	N/A	N/A
-	-	-	-	-	-
10,035,862	8,192,665	7,064,005	N/A	N/A	N/A
<u>\$ 10,037,066</u>	<u>\$ 8,193,792</u>	<u>\$ 7,203,676</u>	<u>\$ 5,255,100</u>	<u>\$ 4,993,929</u>	<u>\$ 4,715,926</u>
N/A	N/A	N/A	\$ 2,896,848	\$ 2,009,317	\$ 3,033,897
N/A	N/A	N/A	1,955,382	1,970,149	6,032,229
N/A	N/A	N/A	2,838,206	14,519,678	31,263,350
14,443,001	13,207,898	16,201,069	N/A	N/A	N/A
-	-	(49)	N/A	N/A	N/A
<u>\$ 14,443,001</u>	<u>\$ 13,207,898</u>	<u>\$ 16,201,020</u>	<u>\$ 7,690,436</u>	<u>\$ 18,499,144</u>	<u>\$ 40,329,476</u>

**City of Ankeny, Iowa**

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

	Fiscal Year			
	2017	2016	2015	2014
Revenues:				
Property taxes	\$ 39,321,719	\$ 36,217,399	\$ 33,673,598	\$ 32,104,020
Other taxes and assessments	3,767,618	2,944,668	3,488,304	3,168,852
Licenses and permits	2,466,287	2,036,920	1,973,878	1,718,717
Intergovernmental	10,520,178	9,369,539	8,822,759	6,319,039
Charges for services	3,616,796	3,425,790	2,866,405	2,506,560
Use of money and property	733,644	622,875	486,074	446,173
Miscellaneous	1,674,616	3,213,587	2,509,350	3,594,044
Total revenues	62,100,858	57,830,778	53,820,368	49,857,405
Expenditures:				
Current operating:				
Public safety	14,847,862	13,940,248	13,201,079	12,552,380
Health and social services	258,736	1,056,275	239,173	273,765
Culture and recreation	5,358,862	5,066,990	5,014,492	4,936,521
Public works	5,126,014	4,809,543	4,790,650	4,760,984
Community and economic development	2,657,424	1,729,530	3,483,689	3,143,682
General government	3,140,348	3,150,291	2,882,502	3,107,383
Debt service:				
Principal	14,749,997	17,780,689	11,431,354	27,893,547
Lease agreement payoff	-	-	4,898,954	-
Interest and other charges	4,831,029	5,281,862	262,816	4,140,954
Bond issuance costs	40,213	240,701	12,732,191	153,690
Capital projects	15,266,473	9,447,942	-	21,175,094
Total expenditures	66,276,958	62,504,071	58,936,899	82,138,000
(Deficiency) of revenues (under) expenditures	(4,176,100)	(4,673,293)	(5,116,531)	(32,280,595)
Other financing sources (uses):				
Issuance of long-term debt	10,925,000	8,645,000	9,950,000	10,374,906
Issuance of refunding bonds	-	16,152,723	21,411,127	13,755,943
Premium on long-term debt	1,114,629	367,457	817,896	1,675,189
Premium on refunding bonds	-	1,286,021	2,622,005	-
Debt forgiven	-	-	-	902,000
Payment of refunded bonds	(12,937,660)	(19,375,000)	(3,371,405)	-
Transfers in	17,252,270	13,723,327	8,406,302	9,316,212
Transfers out	(14,509,588)	(10,280,029)	(6,616,135)	(7,759,464)
Total other financing sources (uses)	1,844,651	10,519,498	33,219,790	28,264,786
Net change in fund balances	\$ (2,331,449)	\$ 5,846,205	\$ 28,103,259	\$ (4,015,809)
Debt service as a percentage of noncapital expenditures	37.01%	42.97%	33.08%	52.20%

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

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



Fiscal Year					
2013	2012	2011	2010	2009	2008
\$ 30,726,040	\$ 29,073,634	\$ 27,322,318	\$ 25,818,107	\$ 22,690,861	\$ 20,114,119
2,513,070	3,023,406	1,810,304	1,483,931	1,349,516	1,620,228
1,782,043	1,153,239	971,042	887,353	783,144	873,022
12,124,770	8,881,901	6,007,077	6,214,220	6,988,555	4,132,078
2,416,771	2,167,888	2,361,050	1,626,908	1,456,300	1,684,319
444,938	425,785	503,883	576,364	1,213,802	2,402,016
4,396,936	1,161,456	2,438,614	3,302,244	4,805,303	6,264,216
54,404,568	45,887,309	41,414,288	39,909,127	39,287,483	37,089,998
11,575,134	11,234,795	9,877,600	9,626,447	9,024,964	8,762,449
264,654	310,995	287,278	264,653	272,534	241,908
5,205,203	4,657,997	4,866,728	4,700,831	4,563,000	4,680,218
4,471,755	4,478,092	4,194,438	3,843,624	3,534,165	4,469,736
2,673,689	3,212,794	2,490,001	2,619,002	2,351,754	2,179,236
3,010,877	3,015,084	2,440,504	2,488,046	5,594,008	2,357,372
9,992,389	8,470,740	8,286,449	5,798,945	40,505,421	17,340,988
-	-	-	-	-	-
4,089,038	4,199,996	4,234,484	4,457,119	4,495,158	4,224,025
-	-	-	-	-	-
18,672,990	20,832,387	14,959,038	27,175,373	35,808,040	34,159,265
59,955,729	60,412,880	51,636,520	60,974,040	106,149,045	78,415,197
(5,551,161)	(14,525,571)	(10,222,232)	(21,064,913)	(66,861,562)	(41,325,199)
10,990,000	15,945,000	19,920,000	11,055,000	44,647,082	40,072,037
14,565,000	13,036,254	15,088,178	6,825,640	-	-
1,213,804	667,432	453,278	111,736	1,095,239	-
-	-	-	-	-	-
-	-	-	-	-	-
(19,920,000)	(17,538,321)	(16,063,791)	(7,925,000)	-	-
8,494,408	6,049,205	6,042,039	8,391,781	10,427,812	8,218,219
(6,856,352)	(5,637,006)	(4,758,312)	(7,941,781)	(10,711,153)	(7,143,762)
8,486,860	12,522,564	20,681,392	10,517,376	45,458,980	41,146,494
\$ 2,935,699	\$ (2,003,007)	\$ 10,459,160	\$ (10,547,537)	\$ (21,402,582)	\$ (178,705)
31.83%	28.42%	32.29%	22.45%	54.97%	43.30%

**City of Ankeny, Iowa**

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

<u>Actual Valuation</u>	As of January 1:			
	2015	2014	2013	2012
Residential	\$ 3,524,929,091	\$ 3,143,399,870	\$ 2,957,297,493	\$ 2,828,507,923
Agricultural	7,501,145	7,991,103	8,009,031	7,003,860
Commercial	638,026,642	640,139,856	598,886,422	586,870,942
Industrial	93,752,457	80,820,176	64,940,300	52,356,270
Multiresidential	77,362,115	-	-	-
Utilities	54,150,493	51,745,066	47,507,750	52,762,672
Gross valuation	4,395,721,943	3,924,096,071	3,676,640,996	3,527,501,667
Less: Military exemption	3,692,325	3,678,437	3,599,921	3,568,989
Net valuation	4,392,029,618	3,920,417,634	3,673,041,075	3,523,932,678
Incremental value	229,889,792	225,980,667	204,109,023	183,259,525
Actual valuation	\$ 4,621,919,410	\$ 4,146,398,301	\$ 3,877,150,098	\$ 3,707,192,203
Percent change	11.468%	6.944%	4.585%	1.747%

<u>Taxable Valuation</u>	As of January 1:			
	2015	2014	2013	2012
Residential	\$ 1,926,692,186	\$ 1,719,460,033	\$ 1,578,721,857	\$ 1,466,503,337
Agricultural	3,458,535	3,572,187	3,475,843	4,197,806
Commercial	562,290,556	563,273,438	562,981,878	586,870,942
Industrial	81,810,752	70,326,907	60,743,363	52,356,270
Multiresidential	65,612,909	-	-	-
Utilities	35,163,451	36,497,213	38,673,135	37,092,421
Gross valuation	2,675,028,389	2,393,129,778	2,244,596,076	2,147,020,776
Less: Military exemption	3,692,325	3,678,437	3,599,921	3,568,989
Net valuation	2,671,336,064	2,389,451,341	2,240,996,155	2,143,451,787
Incremental value	229,889,792	225,980,667	204,109,023	183,259,525
Taxable valuation	\$ 2,901,225,856	\$ 2,615,432,008	\$ 2,445,105,178	\$ 2,326,711,312
Percent change	10.927%	6.966%	5.088%	3.923%

<u>Total Direct Tax Rate</u>				
City of Ankeny	\$ 11.75000	\$ 11.85000	\$ 11.90000	\$ 12.02746

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

2011	2010	2009	2008	2007	2006
\$ 2,783,244,740	\$ 2,769,055,320	\$ 2,673,211,940	\$ 2,596,530,510	\$ 2,454,017,210	\$ 2,190,161,260
6,829,650	6,092,180	6,339,650	3,732,830	3,710,470	2,582,650
590,069,450	607,693,640	600,996,510	571,523,700	532,071,600	472,035,700
59,495,960	62,080,920	61,474,170	60,403,000	59,473,590	60,236,410
-	-	-	-	-	-
49,901,818	48,318,830	46,596,775	45,083,718	40,123,838	41,807,652
3,489,541,618	3,493,240,890	3,388,619,045	3,277,273,758	3,089,396,708	2,766,823,672
3,498,538	3,477,414	3,434,778	3,368,056	3,260,660	3,153,956
3,486,043,080	3,489,763,476	3,385,184,267	3,273,905,702	3,086,136,048	2,763,669,716
157,507,600	166,005,600	171,913,600	156,056,000	156,191,910	139,675,000
\$ 3,643,550,680	\$ 3,655,769,076	\$ 3,557,097,867	\$ 3,429,961,702	\$ 3,242,327,958	\$ 2,903,344,716
-0.334%	2.774%	3.707%	5.787%	11.676%	12.194%

2011	2010	2009	2008	2007	2006
\$ 1,395,090,900	\$ 1,325,849,350	\$ 1,236,013,400	\$ 1,167,749,680	\$ 1,066,470,820	\$ 985,221,470
3,929,850	4,204,540	4,201,450	3,503,500	3,343,130	2,582,650
590,069,450	607,693,640	600,996,510	571,523,700	530,311,700	472,035,700
59,495,960	62,080,920	61,474,170	60,403,000	59,473,590	60,236,410
-	-	-	-	-	-
36,289,968	36,097,110	33,857,524	34,751,309	34,238,011	33,262,313
2,084,876,128	2,035,925,560	1,936,543,054	1,837,931,189	1,693,837,251	1,553,338,543
3,498,538	3,477,414	3,434,778	3,368,056	3,260,660	3,153,956
2,081,377,590	2,032,448,146	1,933,108,276	1,834,563,133	1,690,576,591	1,550,184,587
157,507,600	166,005,600	171,913,600	156,056,000	156,191,910	139,675,000
\$ 2,238,885,190	\$ 2,198,453,746	\$ 2,105,021,876	\$ 1,990,619,133	\$ 1,846,768,501	\$ 1,689,859,587
1.839%	4.439%	5.747%	7.789%	9.285%	10.337%

\$ 12.02746	\$ 11.17646	\$ 11.17646	\$ 11.17646	\$ 10.52956	\$ 10.28956
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**City of Ankeny, Iowa**

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

Fiscal Year	City Direct Rates				
	General Fund	Aviation Authority	Debt Service	Police & Fire Retirement	Total Direct
Ankeny Community School District:					
2008	6.80501	0.14821	2.93010	0.40624	10.28956
2009	7.19501	0.14821	2.78010	0.40624	10.52956
2010	7.13301	0.14821	3.49900	0.39624	11.17646
2011	7.13301	0.14821	3.49900	0.39624	11.17646
2012	7.08301	0.14821	3.49900	0.44624	11.17646
2013	7.03301	0.14821	4.35000	0.49624	12.02746
2014	7.03301	0.14821	4.35000	0.49624	12.02746
2015	6.89000	0.15000	4.30000	0.56000	11.90000
2016	6.89000	0.15000	4.25000	0.56000	11.85000
2017	6.79000	0.15000	4.25000	0.56000	11.75000
Saydel Community School District:					
2008	6.80501	0.14821	2.93010	0.40624	10.28956
2009	7.19501	0.14821	2.78010	0.40624	10.52956
2010	7.13301	0.14821	3.49900	0.39624	11.17646
2011	7.13301	0.14821	3.49900	0.39624	11.17646
2012	7.08301	0.14821	3.49900	0.44624	11.17646
2013	7.03301	0.14821	4.35000	0.49624	12.02746
2014	7.03301	0.14821	4.35000	0.49624	12.02746
2015	6.89000	0.15000	4.30000	0.56000	11.90000
2016	6.89000	0.15000	4.25000	0.56000	11.85000
2017	6.79000	0.15000	4.25000	0.56000	11.75000
North Polk Community School District:					
2008	6.80501	0.14821	2.93010	0.40624	10.28956
2009	7.19501	0.14821	2.78010	0.40624	10.52956
2010	7.13301	0.14821	3.49900	0.39624	11.17646
2011	7.13301	0.14821	3.49900	0.39624	11.17646
2012	7.08301	0.14821	3.49900	0.44624	11.17646
2013	7.03301	0.14821	4.35000	0.49624	12.02746
2014	7.03301	0.14821	4.35000	0.49624	12.02746
2015	6.89000	0.15000	4.30000	0.56000	11.90000
2016	6.89000	0.15000	4.25000	0.56000	11.85000
2017	6.79000	0.15000	4.25000	0.56000	11.75000

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

Overlapping Rates					
School District	County and Assessor	Regional Transit	Community College	State	Total Direct and Overlapping Rates
17.90637	10.16218	0.10939	0.60276	0.00350	39.07376
19.58053	10.12532	0.12117	0.56386	0.00350	40.92394
19.84290	9.97134	0.22946	0.56778	0.00300	41.79094
22.34576	10.05423	0.24290	0.56008	0.00340	44.38283
21.07036	10.01509	0.25900	0.59018	0.00320	43.11429
20.59177	10.07059	0.40900	0.58466	0.00330	43.68678
20.33221	10.25715	0.48900	0.69120	0.00330	43.80032
20.18299	10.60460	0.55400	0.65724	0.00330	43.90213
19.77223	10.84198	0.61900	0.67574	0.00330	43.76225
19.36252	10.39630	0.63900	0.72334	0.00330	42.87446
13.62992	10.16218	0.10939	0.60276	0.00350	34.79731
13.67722	10.12532	0.12117	0.56386	0.00350	35.02063
13.98315	9.97134	0.22946	0.56778	0.00300	35.93119
13.97723	10.05423	0.24290	0.56008	0.00340	36.01430
13.97969	10.01509	0.25900	0.59018	0.00320	36.02362
13.47994	10.07059	0.40900	0.58466	0.00330	36.57495
12.87971	10.25715	0.48900	0.69120	0.00330	36.34782
12.87969	10.60460	0.55400	0.65724	0.00330	36.59883
12.76105	10.84198	0.61900	0.67574	0.00330	36.75107
12.76417	10.39630	0.63900	0.72334	0.00330	36.27611
17.46387	10.16218	0.10939	0.60276	0.00350	38.63126
17.77387	10.12532	0.12117	0.56386	0.00350	39.11728
17.39071	9.97134	0.22946	0.56778	0.00300	39.33875
18.26638	10.05423	0.24290	0.56008	0.00340	40.30345
19.85396	10.01509	0.25900	0.59018	0.00320	41.89789
19.99983	10.07059	0.40900	0.58466	0.00330	43.09484
19.99999	10.25715	0.48900	0.69120	0.00330	43.46810
19.99113	10.60460	0.55400	0.65724	0.00330	43.71027
19.94347	10.84198	0.61900	0.67574	0.00330	43.93349
19.30777	10.39630	0.63900	0.72334	0.00330	42.81971

**City of Ankeny, Iowa**

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

Taxpayer	Type of Business	Fiscal Year 2017			Fiscal Year 2008		
		January 1, 2015 Taxable Valuation	Rank	Percent of Total Taxable Value	January 1, 2006 Taxable Valuation	Rank	Percent of Total Taxable Value
Deere & Company	Farm & construction equipment	\$ 32,239,710	1	1.11%	25,866,070	1	1.53%
MidAmerican Energy	Utility	30,091,540	2	1.04%			
Denny Elwell Family, LC	Real estate development	24,364,270	3	0.84%	10,566,510	9	0.63%
Casey's General Stores	Corporate headquarters/distribution	20,963,250	4	0.72%	16,392,110	4	0.97%
Mills Properties	Real estate	20,628,000	5	0.71%			
B & G Foods, Inc. <sup>(3)</sup>	Spice distribution	18,585,000	6	0.64%	22,632,000	2	1.34%
DLE Seven LLC	Real estate development	18,309,105	7	0.63%			
DRA Properties, LC	Real estate	16,872,440	8	0.58%			
Perishable Distributors of Iowa	Food distribution	15,700,672	9	0.54%	17,417,780	3	1.03%
Ankeny North MOB, LLC <sup>(2)</sup>	Real estate development	14,571,000	10	0.50%			
Wal-Mart	Retail merchandise/grocery				15,045,120	5	0.89%
Karl Chevrolet	Automobile sales				14,536,510	6	0.86%
Target	Retail merchandise/grocery				12,256,050	7	0.73%
Menards, Inc.	Retail home improvement store				12,196,550	8	0.72%
Sun Secured Financial	Mobile home park				9,676,140	10	0.57%
		<u>\$ 212,324,987</u>		<u>7.32%</u>	<u>\$ 156,584,840</u>		<u>9.27%</u>

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

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

<sup>(3)</sup> Formerly ACH Food Companies, inc. and Tone Brothers

**City of Ankeny, Iowa**

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

Fiscal Year	Total Property Tax Levy	Collected within the Year of the Levy		Collections in Subsequent Years	Total Property Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
		Amount	Percentage of Levy			
2008	\$ 20,427,095	\$ 20,303,603	99.40%	634	\$ 20,304,237	99.40%
2009	22,717,538	22,823,558	100.47% <sup>(1)</sup>	17	22,823,576	100.47% <sup>(2)</sup>
2010	25,664,841	25,675,450	100.04% <sup>(1)</sup>	372	25,675,822	100.04% <sup>(2)</sup>
2011	27,355,294	27,799,160	101.62% <sup>(1)</sup>	136	27,799,295	101.62% <sup>(2)</sup>
2012	28,760,314	28,465,728	98.98%	1,482	28,467,210	98.98%
2013	30,765,354	30,631,053	99.56%	680	30,631,733	99.57%
2014	32,175,526	32,004,259	99.47%	63	32,004,323	99.47%
2015	33,776,125	33,604,866	99.49%	-	33,604,866	99.49%
2016	36,215,343	36,141,158	99.80%	-	36,141,158	99.80%
2017	39,332,135	39,275,113	99.86%	90	39,275,203	99.86%

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

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

**City of Ankeny, Iowa**

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Debt Per Capita <sup>(1)</sup>
	General Obligation Bonds	Bond Anticipation Notes	Capital Loan Notes	General Obligation Bonds	General Capital Loan Notes	Capital Loan Notes	Revenue Bonds			
2008	\$74,437,094	\$37,200,000	\$ -	\$5,777,906		\$3,954,000	\$7,360,000	\$ 128,729,000	573.22%	\$ 3,560
2009	96,993,520	18,900,000	-	10,801,480		3,252,000	17,600,000	147,547,000	636.50%	4,080
2010	95,931,129	24,255,000	-	11,074,871		2,541,000	23,425,000	157,227,000	668.37%	4,348
2011	99,874,069	30,975,000	-	11,033,931		1,821,000	24,700,000	168,404,000	694.39%	3,695
2012	98,051,262	35,370,000	400,000	14,164,738		1,249,000	26,803,000	176,038,000	674.71%	3,862
2013	113,713,872	15,450,000	300,000	19,141,128		428,000	25,777,000	174,810,000	634.82%	3,835
2014	125,501,173	-	200,000	20,664,827		380,000	24,487,000	171,233,000	599.62%	3,757
2015	120,748,413	-	100,000	17,758,587		330,000	23,267,000	162,204,000	543.54%	3,559
2016	109,481,595	-	20,419,979	17,297,405	710,021	279,000	21,707,000	169,895,000	551.96%	3,112
2017	94,672,646	-	18,466,270	15,659,354	363,730	226,000	19,466,000	148,854,000	462.77%	2,726

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



**City of Ankeny, Iowa**

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

Fiscal Year	Actual Property Valuation <sup>(1)</sup>	General Obligation Bonded Debt <sup>(2)</sup>	Less Debt Service Fund	Net	Percentage of Actual Property Valuation	Per Capita <sup>(3)</sup>
2008	2,903,344,716	117,415,000	3,033,897	114,381,103	3.94%	3,163
2009	3,242,327,958	126,695,000	2,009,317	124,685,683	3.85%	3,448
2010	3,429,961,702	131,261,000	2,896,848	128,364,152	3.74%	3,550
2011	3,557,097,867	141,883,000	2,551,310	139,331,691	3.92%	3,057
2012	3,655,769,076	147,986,000	2,214,278	145,771,722	3.99%	3,198
2013	3,643,550,680	148,605,000	2,698,019	145,906,981	4.00%	3,201
2014	3,707,192,203	146,366,000	3,649,020	142,716,980	3.85%	3,131
2015	3,877,150,098	138,607,000	3,606,767	135,000,233	3.48%	2,962
2016	4,146,398,301	147,909,000	2,928,614	144,980,386	3.50%	2,655
2017	4,621,919,410	129,162,000	2,928,500	126,233,500	2.73%	2,312

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

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

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

**City of Ankeny, Iowa**

**Computation of Direct and Overlapping Bonded Debt  
General Obligation Bonded Debt  
June 30, 2017**

	General Obligation Debt June 30, 2017	Percent Applicable to City	Direct and Overlapping General Obligation Debt	Underlying General Obligation Debt
Polk County	\$ 270,814,000	13.29%	\$ 35,991,181	\$ 234,822,819
Ankeny Community School District	74,065,000	91.61%	67,850,947	6,214,053
North Polk Community School District	11,515,000	1.47%	169,271	11,345,729
Saydel Community School District	6,085,000	5.04%	306,684	5,778,316
Des Moines Area Community College	<u>80,145,000</u>	7.08%	<u>5,674,266</u>	<u>74,470,734</u>
Subtotal overlapping debt	\$ 442,624,000		\$ 109,992,349	\$ 332,631,651
City of Ankeny	<u>129,162,000</u>	100.00%	<u>129,162,000</u>	<u>-</u>
Total direct and overlapping debt	<u>\$ 571,786,000</u>		<u>\$ 239,154,349</u>	<u>\$ 332,631,651</u>

Source: Bond Official Statement April 2017

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



**City of Ankeny, Iowa**

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

	Fiscal Year			
	2017	2016	2015	2014
Actual property valuation <sup>(1)</sup>	\$ 4,621,919,410	\$ 4,146,398,301	\$ 3,877,150,098	\$ 3,707,192,203
Debt limit - 5% of assessed valuation	231,095,971	207,319,915	193,857,505	185,359,610
Amount of debt applicable to limit:				
General obligation bonds	110,332,000	113,189,000	119,132,000	146,166,000
Bond anticipation notes	-	-	-	-
Capital loan notes	18,830,000	21,130,000	22,550,000	200,000
Total debt applicable to limit	129,162,000	134,319,000	141,682,000	146,366,000
Legal debt margin	<u>\$ 101,933,971</u>	<u>\$ 73,000,915</u>	<u>\$ 52,175,505</u>	<u>\$ 38,993,610</u>
Percent of debt limit	44.11%	35.21%	26.91%	21.04%

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

	Fiscal Year				
2013	2012	2011	2010	2009	2008
\$ 3,643,550,680	\$ 3,655,769,076	\$ 3,557,097,867	\$ 3,429,961,702	\$ 3,242,327,958	\$ 2,903,344,716
182,177,534	182,788,454	177,854,893	171,498,085	162,116,398	145,167,236
132,855,000	112,216,000	110,908,000	107,006,000	107,795,000	80,215,000
14,450,000	35,370,000	30,975,000	24,255,000	18,900,000	37,200,000
300,000	400,000	-	-	-	-
148,605,000	147,986,000	141,883,000	131,261,000	126,695,000	117,415,000
<u>\$ 33,572,534</u>	<u>\$ 34,802,454</u>	<u>\$ 35,971,893</u>	<u>\$ 40,237,085</u>	<u>\$ 35,421,398</u>	<u>\$ 27,752,236</u>
18.43%	19.04%	20.23%	23.46%	21.85%	19.12%

**City of Ankeny, Iowa**

**Revenue Bond Coverage  
Last Ten Fiscal Years**

**Water Fund**

Fiscal Year	Gross Revenues	Operating Expenses <sup>(1)</sup>	Net Revenue Available For Debt Service	Annual Debt Service Requirements <sup>(2)</sup>			Coverage
				Principal	Interest	Total	
2008	\$5,662,041	\$4,581,601	\$1,080,440	\$320,000	\$333,994	\$653,994	1.6521
2009	5,508,623	4,591,946	916,677	332,000	427,451	759,451	1.2070
2010	5,693,969	5,173,705	520,264	488,000	538,250	1,026,250	0.5070
2011	6,372,678	4,882,507	1,490,171	504,000	519,595	1,023,595	1.4558
2012	8,354,480	5,404,880	2,949,600	530,000	500,325	1,030,325	2.8628
2013	8,846,173	6,124,636	2,721,537	552,000	480,055	1,032,055	2.6370
2014	9,779,719	6,269,095	3,510,624	573,000	453,590	1,026,590	3.4197
2015	8,688,777	5,807,229	2,881,548	605,000	364,442	969,442	2.9724
2016	9,880,790	6,176,047	3,704,743	696,000	204,519	900,519	4.1140
2017	11,112,072	7,270,526	3,841,546	708,000	190,726	898,726	4.2744

**Sewer Fund**

Fiscal Year	Gross Revenues	Operating Expenses <sup>(1)</sup>	Net Revenue Available For Debt Service	Annual Debt Service Requirements <sup>(2)</sup>			Coverage
				Principal	Interest	Total	
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2009	\$7,013,732	\$4,113,010	\$2,900,722	\$660,000	\$218,924	\$878,924	3.30
2010	7,223,096	5,392,605	1,830,491	942,000	412,951	1,354,951	1.3510
2011	8,544,496	5,448,198	3,096,298	1,096,000	523,689	1,619,689	1.9117
2012	9,770,350	5,992,735	3,777,615	904,000	501,016	1,405,016	2.6887
2013	10,833,241	6,410,346	4,422,895	890,000	654,066	1,544,066	2.8644
2014	12,337,137	8,312,664	4,024,473	640,693	567,335	1,208,028	3.3314
2015	13,160,956	8,090,715	5,070,241	665,000	611,985	1,276,985	3.9705
2016	14,927,432	8,823,187	6,104,245	915,000	459,894	1,374,894	4.4398
2017	15,083,679	8,881,687	6,201,992	946,000	438,744	1,384,744	4.4788

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

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

Water Fund issued revenue bonds with coverage requirements in fiscal years 2002, 2014 and 2017.  
Sewer Fund issued revenue bonds with coverage requirements in fiscal year 2010, 2012 and 2014.

N/A - Not applicable.

**City of Ankeny, Iowa**

**Historical Economic Data  
Last Ten Years**

Calendar Year	Employment		Personal Income <sup>(3)</sup>		Retail Sales <sup>(4)</sup>		Building Permits <sup>(5)</sup>			
	Population <sup>(1)</sup>	Unemployment Rate <sup>(2)</sup>	Personal Income (000's)	Per Capita	Number of Businesses	Taxable Sales (Millions)	Commercial Permits Issued	Dollar Value of Permits Issued	Residential Permits Issued	Dollar Value of Permits Issued
2007	36,161	2.1%	\$23,470,411	\$41,085	3,591	\$ 538.00	26	38,933,191	581	107,924,995
2008	36,161	2.7%	24,469,448	41,676	3,844	562.97	21	42,473,891	372	68,646,221
2009	36,161	4.1%	24,280,016	41,790	4,203	601.45	11	12,251,100	422	82,430,948
2010	45,582	3.9%	25,007,906	42,234	4,287	622.12	17	10,060,900	523	106,078,166
2011	45,582	3.7%	26,378,115	44,966	4,215	658.10	15	19,062,235	580	107,047,822
2012	45,582	3.4%	28,229,462	46,753	4,303	682.91	33	73,674,050	1,031	178,308,459
2013	45,582	3.2%	28,249,496	47,612	4,408	714.82	26	34,233,742	859	191,833,192
2014	45,582	2.7%	29,841,639	48,797	4,427	775.17	36	44,367,457	1,011	205,569,149
2015	54,598	2.3%	30,780,533	49,415	4,542	841.97	31	44,176,393	929	201,259,673
2016	54,598	2.3%	32,166,099	50,677	4,702	924.79	18	48,885,982	1,281	294,900,482

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

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

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

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

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

**City of Ankeny, Iowa**

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

Employer <sup>(2)</sup>	Type of Business	Fiscal Year 2017			Fiscal Year 2008		
		Approximate Number of Employees	Rank	Percent of Total City Employment	Approximate Number of Employees	Rank	Percent of Total City Employment
Ankeny Community Schools	Education	1,421	1	4.36%	999	2	4.06%
Casey's General Stores	Corporate headquarters/distribution	1,331	2	4.08%	538	4	2.19%
John Deere Des Moines Works	Farm equipment	1,263	3	3.87%	1,350	1	5.49%
Des Moines Area Community College	Higher education	1,099	4	3.37%	630	3	2.56%
City of Ankeny	Government	719	5	2.21%	348	7	1.41%
Perishable Distributors of Iowa	Wholesale meat/bakery distributor	698	6	2.14%	450	5	1.83%
B & G Foods, Inc. <sup>(3)</sup>	Spice manufacturing/distribution	381	7	1.17%	425	6	1.73%
Accumold	Plastic micro-molding	334	8	1.02%			
SYSCO Food Services of Iowa	Wholesale distribution	241	9	0.74%	260	9	1.06%
Purfoods	Wholesale distribution	219	10	0.67%			
Mrs Clark's Foods	Manufacturing/distribution				310	8	1.26%
Praxair	Industrial gases/welding equipment				151	10	0.61%
Total		<u>7,706</u>		<u>23.64%</u>	<u>5,461</u>		<u>22.20%</u>

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

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

<sup>(3)</sup> Formerly ACH Food Companies, Inc and Tone Brothers



City of Ankeny, Iowa

Number of Permanent City Employees by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2017	2016 <sup>(1)</sup>	2015	2014	2013	2012	2011	2010	2009	2008
Public Safety:										
Police:										
Police Administration	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Operations	52.00	47.00	47.00	46.00	45.00	44.00	44.00	45.00	42.00	39.00
Support Services	15.40	15.40	15.50	15.50	15.50	15.50	15.50	14.50	14.50	14.00
Fire:										
Fire Administration	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Fire Suppression	7.00	7.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Emergency Medical Services	32.25	29.25	23.50	23.00	23.00	23.00	14.00	14.00	8.00	7.50
Code Enforcement	11.00	9.00	9.00	9.00	8.00	8.00	8.00	8.00	8.00	9.00
Total Public Safety	123.65	113.65	101.00	99.50	97.50	96.50	88.50	88.50	79.50	77.50
Health and social services:										
Public Relations	-	-	-	-	-	3.00	3.00	3.00	3.00	3.00
Culture and Recreation:										
Library	17.50	17.50	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00
Parks and Recreation:										
Park Administration	2.00	2.00	2.00	2.00	2.50	2.00	2.00	2.00	2.00	2.00
Park Maintenance	8.50	8.50	6.00	6.00	6.00	7.00	7.00	6.00	7.00	7.00
Recreation Programs	2.50	2.50	2.50	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Aquatic Centers	0.50	0.50	0.50	-	-	-	-	-	-	-
Prairie Ridge Sports Complex	7.33	6.66	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total Culture and Recreation	38.33	37.66	19.00	19.00	19.50	20.00	20.00	21.00	22.00	22.00
Public Works:										
Engineering	-	-	-	-	-	-	-	-	-	3.00
Street Cleaning	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Traffic Safety	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Roadway Administration	7.00	6.47	6.34	6.34	6.25	6.25	6.25	6.25	6.25	6.25
Roadway Maintenance	13.00	12.00	12.00	11.00	11.00	11.00	11.00	11.00	11.00	12.00
Central Garage	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Total Public Works	28.00	26.47	26.34	25.34	25.25	25.25	25.25	25.25	25.25	29.25
Community and Economic Development:										
Development Engineering	3.25	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-
Planning & Building	6.00	6.00	6.00	5.00	5.00	4.00	4.00	4.50	5.50	5.50
Community Development	-	-	1.00	2.00	-	2.00	2.00	2.00	2.00	2.00
Economic Development	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Total Community and Economic Development:	11.25	11.25	12.00	12.00	10.00	11.00	12.00	12.50	13.50	10.50
General Government:										
Human Resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.75
Communications	2.00	2.00	2.00	2.00	2.00	-	-	-	-	-
Policy & Administration	3.00	3.00	3.00	3.00	4.00	3.00	4.00	4.00	4.00	4.00
City Clerk	4.60	4.60	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Finance	3.50	3.50	3.50	3.50	4.00	4.00	4.00	4.00	4.00	4.00
Information Technology	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Total General Government	19.10	19.10	19.00	19.00	20.50	17.50	18.50	18.50	18.50	18.25
Water										
Water Administration	3.00	2.83	2.83	2.83	2.50	3.50	3.50	7.50	7.50	7.50
Water Maintenance	9.00	9.00	8.00	8.00	7.00	7.00	7.00	8.00	8.00	8.00
Total Water	12.00	11.83	10.83	10.83	9.50	10.50	10.50	15.50	15.50	15.50
Sewer:										
Wastewater Administration	5.13	5.14	5.83	5.83	6.50	6.50	6.50	3.50	3.50	3.50
Wastewater Operations	9.00	9.00	9.00	9.00	10.00	10.00	10.00	10.00	11.00	11.00
Total Sewer	14.13	14.14	14.83	14.83	16.50	16.50	16.50	13.50	14.50	14.50
Storm water:										
Stormwater Administration	2.75	2.45	1.50	1.50	1.50	1.50	1.50	1.50	1.00	1.00
Otter Creek Golf Course:										
Golf Course Maintenance	5.50	5.50	2.00	2.00	3.50	3.00	3.00	3.00	3.00	3.00
Golf Course Club House	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
Golf Course Banquet Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
Total Otter Creek Golf Course	8.50	8.50	5.00	5.00	6.50	6.00	6.00	5.00	5.00	4.00
Total	257.71	245.05	209.50	207.00	206.75	207.75	201.75	204.25	197.75	195.50

Source: City Records

<sup>(1)</sup> The 2016 FTE calculation has been adjusted to include all regular part-time and certain seasonal positions

City of Ankeny, Iowa

Operating Indicators by Function  
Last Ten Years

Function	CY2016 FY2017	CY2015 FY2016	CY2014 FY2015	CY2013 FY2014	CY2012 FY2013	CY2011 FY2012	CY2010 FY2011	CY2009 FY2010	CY2008 FY2009	CY2007 FY2008
Public safety:										
Police:										
UCR reportable crimes <sup>(2)</sup>	884	790	740	740	678	725	751	740	NA	NA
Calls for service <sup>(2)</sup>	35,620	39,091	38,248	36,591	36,583	36,265	39,385	37,573	35,668	34,127
Miles logged by patrol annually <sup>(2)</sup>	352,986	399,082	394,946	365,434	370,718	358,316	351,843	371,026	332,686	319,438
Traffic accidents per 1,000 population <sup>(2)</sup>	23.13	27.13	23.98	24.27	25.58	25.82	29.40	29	NA	NA
Total training hours, including academy-Operations <sup>(2)</sup>	4,523	6,852	5,536	2,836	5,644	6,380	5,502	5,922	NA	NA
Fire:										
Fire calls <sup>(2)</sup>	1,117	963	964	760	667	702	636	678	709	743
Ambulance calls <sup>(2)</sup>	3,137	2,833	2,670	2,538	2,355	2,209	2,123	2,092	1,964	1,875
Training hours <sup>(2)</sup>	13,500	13,248	11,154	7,686	7,767	7,837	7,229	NA	NA	NA
Fire inspections performed <sup>(2)</sup>	381	307	282	273	226	230	194	NA	NA	NA
Code Enforcement:										
Building permits issued <sup>(2)</sup>	2,858	2,398	2,228	2,082	2,081	1,575	1,567	1,345	1,317	1,561
Code enforcement cases <sup>(2)</sup>	1,397	1,063	752	711	612	601	1,006	962	NA	NA
Health and social services:										
Special Populations:										
Number of special population events	22	24	24	28	21	21	24	41	NA	NA
Number of event participants	2,093	2,102	1,865	1,850	1,894	1,984	2,152	2,472	NA	NA
Culture and recreation:										
Library:										
Circulation <sup>(1)</sup>	586,189	583,280	585,226	577,795	579,524	562,556	550,541	501,223	498,583	447,912
Number of library visitors <sup>(1)</sup>	269,171	268,088	268,725	268,631	275,843	259,142	260,613	NA	NA	NA
Number of special programs/events <sup>(1)</sup>	1,149	1,150	1,123	934	986	1,003	1,147	1,085	1,035	NA
Program attendance <sup>(1)</sup>	36,486	38,365	36,152	33,719	37,552	37,129	38,351	37,829	32,630	26,615
Parks and Recreation:										
Recreation program and event participants <sup>(2)</sup>	29,558	29,807	25,781	25,823	NA	NA	24,130	22,774	NA	NA
Community center rentals <sup>(2)</sup>	459	477	477	431	NA	376	384	NA	NA	NA
Aquatic center attendance (85 day season) <sup>(2)</sup>	140,000	144,629	131,990	140,284	153,000	140,000	122,059	70,703	72,500	77,238
Sports complex events (224 days season) <sup>(2)</sup>	14,490	11,194	11,183	11,186	9,304	NA	NA	NA	NA	NA
Community and economic development:										
Planning and Building:										
Additional acres platted <sup>(2)</sup>	628	734	640	482	549	290	153	167	639	464
Economic Development:										
Number of development agreements executed <sup>(1)</sup>	4	4	3	3	3	5	3	NA	NA	NA
Business retention visits <sup>(1)</sup>	40	60	50	15	30	30	NA	NA	NA	NA
General government:										
Communications:										
Number of social media followers	25,152	21,232	13,324	8,903	6,905	4,644	2,637	1,472	NA	NA
Number of individual users of the Ankeny website	287,757	271,258	244,184	249,686	289,442	278,099	216,613	NA	NA	NA
Human resources:										
Number of W-2's issued <sup>(2)</sup>	719	673	669	653	634	604	557	517	NA	NA
Number of paychecks issued <sup>(2)</sup>	11,222	11,035	10,782	10,351	10,521	10,205	9,790	9,349	NA	NA
Number of employment applications received <sup>(2)</sup>	2,116	1,947	1,798	1,745	1,044	1,350	844	892	2,084	1,353
City Clerk's Office:										
Number of meeting agendas/minutes prepared <sup>(2)</sup>	53	55	57	79	72	NA	NA	NA	NA	NA
Number of resolutions processed <sup>(2)</sup>	479	576	524	432	533	NA	NA	NA	NA	NA
Number of license/permit applications received <sup>(2)</sup>	2,246	3,223	2,428	2,222	2,245	2,697	2,293	1,682	NA	NA
Finance Office:										
Number of accounts payable claims <sup>(2)</sup>	17,871	18,247	17,406	16,429	17,325	17,293	17,014	17,515	NA	NA
Average number of utility billing accounts <sup>(1)</sup>	21,118	20,144	19,002	18,188	17,461	16,898	16,415	15,932	15,325.00	NA
Road Use Tax:										
Planned value of CIP (in millions)	16.80	14.85	15.72	40.15	19.09	31.01	43.72	33.38	NA	NA
Water:										
Avg daily water consumption-millions of gallons <sup>(1)</sup>	5.06	4.63	4.28	4.86	4.63	4.84	3.87	3.92	3.90	3.79
Number of service work orders <sup>(1)</sup>	6,789	6,614	6,801	5,932	5,307	5,146	5,637	5,472	5,212	NA
Number of system repairs <sup>(1)</sup>	58	52	54	56	59	53	49	37	37	NA
Number of water main breaks <sup>(1)</sup>	10	16	10	52	39	38	22	16	23	NA
Number of fire hydrants flushed <sup>(1)</sup>	1,100	1,467	1,049	733	NA	NA	NA	NA	NA	NA
Sewer:										
Avg daily sewer treatment-MGD <sup>(1)</sup>	7.161	7.517	7.229	5.455	4.825	4.370	6.387	6.409	6.080	5.863
Number of service work orders <sup>(1)</sup>	11	28	49	69	54	49	135	61	NA	NA
Miles of sanitary sewer cleaned <sup>(1)</sup>	28.7	32.8	32.1	24.7	29.5	16.6	76.4	26	NA	NA
Miles of sanitary sewer televised <sup>(1)</sup>	23.0	31.4	31.7	15.2	16.8	24.7	43.6	17	NA	NA
Storm Water:										
Number of public education programs <sup>(1)</sup>	8	8	8	8	8	5	2	1	NA	NA
Tons of debris cleared <sup>(1)</sup>	345	506	495	410	334	292	374	457	657	443
Number of storm sewer intakes cleared <sup>(1)</sup>	360	130	145	111	421	605	1,229	425	NA	NA
Number of COSESCO permits inspected <sup>(1)</sup>	255	267	258	235	238	183	188	NA	NA	NA
Otter Creek Golf Course:										
Number of rounds played <sup>(2)(3)</sup>	29,798	28,790	28,228	28,910	27,630	29,104	28,817	22,252	-	29,636
Number of days open <sup>(2)</sup>	232	220	202	221	212	235	235	NA	NA	NA
Risk Management:										
Number of risk management claims handled <sup>(2)</sup>	20	20	22	41	25	19	50	27	NA	NA
Days off due to work comp injuries <sup>(2)</sup>	61	120	63	73	580	140	35	38	NA	NA
Health Insurance:										
Number of employees in the health plan <sup>(1)</sup>	212	213	212	203	196	204	202	196	NA	NA
Total amount of claims paid (in millions) <sup>(1)</sup>	\$ 2.40	\$ 2.53	\$ 2.45	\$ 2.35	\$ 2.07	\$ 2.00	\$ 1.83	\$ 1.64	NA	NA

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

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

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

Source: City Records

City of Ankeny, Iowa

Capital Asset Statistics by Function  
Last Ten Fiscal Years

Function	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Public safety:										
Police:										
Sworn officers per 1,000 population	0.93	1.00	1.01	1.02	1.07	1.11	1.14	1.17	NA	NA
Number of police stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Number of fire stations	2	2	2	2	2	2	2	2	1	1
Number of outdoor warning sirens	23	23	23	19	19	17	17	15	NA	NA
Health and social services:										
Mosquito control:										
Mosquito sprayers	2	2	2	2	4	4	4	4	3	3
Culture and recreation:										
Library:										
Number of branches	1	1	1	1	1	1	1	1	1	1
Items in the collection	145,086	135,206	132,297	126,366	106,539	98,349	82,572	85,025	93,307.00	NA
Parks and Recreation:										
Park acres developed	819	813	813	787	776	755	671	629	503	467
Community centers	2	2	2	2	2	2	2	2	2	2
Sports complexes	2	2	2	2	2	2	2	2	2	2
Public works:										
Lane miles of streets	540	524	479	472	465	458	454	448	448.37	424.93
Number of cul-de-sacs	371	361	345	328	325	297	281	278	275.00	272.00
Number of traffic signals	71	70	60	59	59	56	NA	NA	NA	NA
Number of street lights	5,986	5,733	5,479	5,174	NA	NA	NA	NA	NA	NA
General government:										
Data Processing										
Number of personal computers	385	362	349	349	350	328	335	322	325	319
Number of printers	120	123	123	88	119	121	NA	NA	NA	NA
Number of VoIP phone sets	290	298	296	296	297	297	295	295	NA	NA
Water:										
Miles of water main	308	296	283	278	259 <sup>(1)</sup>	330	299	258	252	241
Above ground storage-millions of gallons	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	1.50	1.50
Number of water valves	4,435	4,134	3,975	3,888	NA	NA	NA	NA	NA	NA
Number of fire hydrants	4,227	4,012	3,833	3,698	3,642	3,456	NA	NA	NA	NA
Sewer:										
Miles of sanitary sewer	263	254	243	247	239	226	222	215	211	201
Number of sanitary sewer manholes	5,860	5,612	5,361	5,173	5,035	4,619	4,566	4,534	NA	NA
Storm Water:										
Miles of storm sewer	277	261	251	240	NA	NA	NA	NA	NA	NA
# of storm sewer intakes, manholes & outlets	13,143	12,213	11,283	10,856	NA	NA	NA	NA	NA	NA
Otter Creek golf course:										
Number of municipal golf courses	1	1	1	1	1	1	1	1	1	1

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

Source: City Records

City of Ankeny, Iowa

Insurance Schedule <sup>(1)</sup>  
June 30, 2017

Insurance Company	Policy Number	Type of Coverage	Liability Limits	Deductible	Policy Expiration
Iowa Communities Assurance Pool					7/15/2017
	408	Liability:			
		Legal Liability/3rd Party	\$15,000,000	\$0	
		Automobile Liability	\$15,000,000	\$0	
		Wrongful Acts	\$15,000,000	\$2,500	
		Law Enforcement Liability	\$15,000,000	\$5,000	per claim
		Appeal, Bail, Property Release Bonds	Unlimited	\$0	
		Claim and Defense Expenses	Unlimited	\$0	
		Covered Pollution Cost or Expense for Automobiles	\$15,000,000	\$0	
		Employee Benefit	\$1,000,000	\$1,000	
		Employment Expense	\$15,000,000	\$0	
		Good Samaritan	\$15,000,000	\$0	
		Injunctive Relief	\$50,000	\$0	
		Medical Malpractice	\$15,000,000	\$0	
		Member Expenses	\$10,000	\$0	
		Post-Judgment/Pre-Judgment Interest	Unlimited	\$0	
		Stop Gap	\$15,000,000	\$0	
		Underinsured/Uninsured Motorist	\$500,000	\$0	
		Broad Legal Defense Fund	\$25,000/\$25,000	\$0	each/aggregate
		Moral Obligation to Pay	\$5,000/\$10,000	\$0	each/aggregate
		Cyber Breach Notification	\$250,000	\$0	per occurrence
		Pollution Liability:			
		Chlorine, Anti-Skid Materials Storage & Application	\$15,000,000	\$0	
		Pesticides	\$10,000,000	\$0	
		Fire Department and Fire Department Training	\$500,000	\$0	
		Sewer Back-Up	\$1,000,000	\$0	
		Fungi or Bacteria Injury or Cleanup	\$25,000/\$50,000	\$0	occurrence/aggregate
		Water Treatment Plants - Clean Up	\$50,000	\$0	
		Liquor Liability	\$10,000,000	\$0	
		Property:			
		Buildings	\$96,644,660	80%	coinsurance
		Personal Property	\$6,747,282	80%	coinsurance
		Newly Acquired/Newly Constructed Buildings	\$2,000,000	\$25,000	
		Book Collection	\$2,000,000	\$25,000	
		Vehicles	\$8,821,340	\$25,000	
		Miscellaneous Property - Scheduled & Unscheduled	\$4,994,842	\$25,000	
		Electronic Data Processing	\$1,107,528	\$25,000	
		Boiler	\$100,000,000	\$25,000	
		Earthquake	\$20,000,000	10%	of loss
Travelers Casualty and Surety Company of America					7/15/2017
	106140003	Employee Dishonesty	\$100,000	\$1,000	
		Employee Dishonesty for Specified Positions	\$500,000	\$1,000	
Iowa Municipal Workers Compensation Association					
	0643	Worker's Compensation	Statutory	N/A	6/30/2017
Wellmark BCBS of Iowa					
	038	Employee Health Insurance (per member)	Unlimited	\$50,000	6/30/2017
		Minimum Aggregate Deductible		\$3,297,104	

<sup>(1)</sup> City of Ankeny City Clerk's Office and Human Resources Office  
N/A - Not applicable

## **Single Audit Section**

**City of Ankeny, Iowa**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2017**

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Other Identification Number</u>	<u>Program Expenditures</u>
Direct:			
U.S. Department of Justice			
Bulletproof Vest Partnership Program 2015	16.607		\$ 1,129
Total Direct Awards and Total U.S. Department of Justice			\$ 1,129
Passed through from Iowa Department of Transportation:			
U.S. Department of Transportation			
Federal Highway Administration			
Highway Planning and Construction Cluster:			
Highway Construction Planning and Recovery	20.205	TAP-T-0187(634)-8V-77	1,586
Federal Highway Administration			
Highway Construction Planning and Recovery	20.205	STP-U-0187(633)--70-77	1,687,659
Total CFDA #20.205 and Total Highway Planning and Construction Cluster			1,689,245
Highway Safety Cluster:			
National Highway Traffic Safety Administration			
Alcohol Impaired Driving Countermeasures Incentive	20.601	16-402-MOPT, Task 02-00-00	5,153
National Highway Traffic Safety Administration			
Alcohol Impaired Driving Countermeasures Incentive	20.601	17-402-MOPT, Task 02-00-00	12,812
Total CFDA #20.601 and Total Highway Safety Cluster			17,965
Total Passed through from Iowa Department of Transportation and Total U.S. Department of Transportation			1,707,210
<b>TOTAL FEDERAL AWARDS EXPENDED</b>			<b>\$ 1,708,339</b>

See accompanying independent auditor's report.

## **CITY OF ANKENY, IOWA**

### **Notes to the Schedule of Expenditures of Federal Awards June 30, 2017**

#### *Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the City of Ankeny under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Ankeny, it is not intended to and does not present the financial position, changes in financial positions or cash flows of the City of Ankeny.

#### *Summary of Significant Accounting Policies*

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City of Ankeny has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

See accompanying independent auditor's report.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Ankeny, Iowa (the City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise City of Ankeny's basic financial statements, and have issued our report thereon dated December 29, 2017.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs at item 2017-001, that we consider to be a material weakness.



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

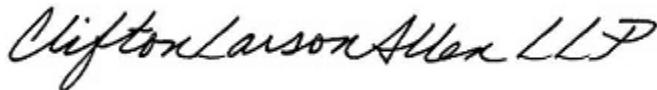
### **Compliance and Other Matters**

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

Comments involving statutory and other legal matters about the City's operations, as described in the accompanying schedule of findings and responses, for the year ended June 30, 2017 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

### **Purpose of this Report**

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

West Des Moines, Iowa  
December 29, 2017

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

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

We have audited City of Ankeny's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Ankeny's major federal programs for the year ended June 30, 2017. City of Ankeny's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of City of Ankeny's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Ankeny's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

In our opinion, City of Ankeny complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

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

### ***Report on Internal Control Over Compliance***

Management of City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



**CliftonLarsonAllen LLP**

West Des Moines, Iowa  
December 29, 2017

**CITY OF ANKENY, IOWA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2017**

**Part I – Summary of the Independent Auditors' Results:**

***Financial Statements***

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
  - Material weakness(es) identified?       x       yes                      no
  - Significant deficiency(ies) identified?                      yes       x       none reported
3. Noncompliance material to financial statements noted?                      yes       x       no

***Federal Awards***

1. Internal control over major federal programs:
  - Material weakness(es) identified?                      yes       x       no
  - Significant deficiency(ies) identified?                      yes       x       none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?                      yes       x       no

***Identification of Major Federal Programs***

**CFDA Number(s)**

20.205

**Name of Federal Program or Cluster**

Highway Planning and Construction Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

                     yes       x       no

**CITY OF ANKENY, IOWA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2017**

**Part II – Findings Related to the Financial Statements:**

**FINDING: 2017-001    ADJUSTING ENTRY**

**Condition:**                The audit firm proposed, and the City recorded in its financial statements, a journal entry to accrue a receivable and revenue for a construction project funded by a federal grant. This type of activity is considered to be a non-routine transaction.

**Criteria:**                The City should have controls in place to prevent and detect a material misstatement in the financial statements in a timely manner.

**Effect:**                 The potential exists that the financial statements could be materially misstated prior to the posting of the correcting journal entries.

**Cause:**                 The City has not established controls to ensure that all accounts are adjusted to their appropriate year-end balances in accordance with GAAP.

**Recommendation:**    We recommend the City continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year-end balances in accordance with GAAP, especially as they relate to non-routine transactions.

**Views of responsible officials and planned corrective actions:** There is no disagreement with the finding.

**Part III – Findings and Questioned Costs – Major Federal Programs:**

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**CITY OF ANKENY, IOWA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2017**

**Part IV – Other Findings Related to Required Statutory Reporting:**

- IV-A-17    Certified Budget – No disbursements during the year ended June 30, 2017, exceeded the amended certified budget amounts.
- IV-B-17    Questionable Disbursements – We noted no disbursements that fail to meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- IV-C-17    Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.
- IV-D-17    Business Transactions – No business transactions between the City and City officials or employees were noted.
- IV-E-17    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.
- IV-F-17    Revenue Notes – No instances of noncompliance with the water and sewer revenue bond provisions were noted.
- IV-G-17    Council Minutes – No transactions were found that we believe should have been approved in the council minutes but were not.
- IV-H-17    Deposits and Investments – No instances of noncompliance were noted with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy.
- IV-I-17    Annual Urban Renewal Report – The annual urban renewal report was approved and certified to the Iowa Department of Management on or before December 1.



**Ankeny City Hall • 410 West First Street • Ankeny, Iowa 50023**

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