

Comprehensive Annual Financial Report



For the Year ended June 30, 2018



city of
Ankeny

bringing it all together

City of Ankeny, Iowa

Comprehensive Annual Financial Report
For the Year Ended June 30, 2018

Prepared By:
Finance Department

Introductory Section

Table of Contents

City of Ankeny, Iowa Comprehensive Annual Financial Report For the Year Ended June 30, 2018

Introductory Section

Table of Contents	1
Letter of Transmittal	4
Certificate of Achievement	8
City Organizational Chart	9
List of Principal Officials	10

Financial Section

Independent Auditors' Report	11
Management's Discussion and Analysis	14

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position	25
Statement of Activities	26

Governmental Fund Financial Statements:

Balance Sheet - Governmental Funds	27
Reconciliation of the Balance Sheet to the Statement of Net Position	28
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	29
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	30

Proprietary Fund Financial Statements:

Statement of Net Position - Proprietary Funds	31
Statement of Revenues, Expenses, and Changes in Net Position Proprietary Funds	32
Statement of Cash Flows – Proprietary Funds	33

Notes to the Financial Statements	34
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Required Supplementary Information

Budgetary Comparison Schedule (Cash Basis) – All Governmental and Proprietary Funds	68
Explanation of Differences Between Budgetary Basis and GAAP Basis Revenues and Expenditures for the Governmental Funds	69
Explanation of Differences Between Budgetary Basis and GAAP Basis Revenues and Expenses for the Proprietary Funds	70
Notes to the Required Supplementary Information – Budgetary Reporting	71
Schedule of the City's Proportionate Share of the Net Pension Liability – IPERS	73
Schedule of the City Contributions – IPERS	74
Notes to the Required Supplementary Information-Pension Liability – IPERS	76
Schedule of the City's Proportionate Share of the Net Pension Liability – MFPRSI	77
Schedule of City Contributions – MFPRSI	78
Notes to the Required Supplementary Information-Pension Liability – MFPRSI	80

Notes to the Required Supplementary Information-Schedule of Changes in the City's Total OPEB Liability, Related Ratios and Notes	81
Supplementary Information	
Nonmajor Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds	83
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	85
Nonmajor Enterprise Funds:	
Combining Statement of Net Position – Nonmajor Enterprise Funds.....	88
Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds	89
Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	90
Internal Service Funds:	
Combining Statement of Net Position – Internal Service Funds	92
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds.....	93
Combining Statement of Cash Flows – Internal Service Funds	94
Capital Assets Used in the Operation of Governmental Funds:	
Comparative Schedules by Source	95
Comparative Schedule by Function and Activity	96
Schedule of Changes by Function and Activity	97
Statistical Section (Unaudited)	
Contents	98
Financial Trends:	
Net Position by Component	99
Changes in Net Position	101
Fund Balances of Governmental Funds	103
Changes in Fund Balance	105
Revenue Capacity:	
Actual Valuation and Taxable Valuation of Property	107
Property Tax Rates – All Direct and Overlapping Governments	109
Principal Property Taxpayers	111
Property Tax Levies and Collections.....	112
Debt Capacity:	
Ratios of Outstanding Debt by Type	113
Ratio of Net General Obligation Bonded Debt to Actual Property Valuation and Net General Obligation Bonded Debt Per Capita	114
Computation of Direct and Overlapping Bonded Debt – General Obligation Bonded Debt.....	115
Computation of Legal Debt Margin.....	116
Revenue Bond Coverage	118
Demographic and Economic Trends:	
Historical Economic Data	119
Principal Employers.....	120

Operating Information:

Number of Permanent City Employees by Function	121
Operating Indicators by Function.....	122
Capital Asset Statistics by Function.....	123
Insurance Schedule	124

Compliance Section

Schedule of Expenditures of Federal Awards	125
Notes to the Schedule of Expenditures of Federal Awards	126
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 <i>Government Auditing Standards</i>	127
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	129
Schedule of Findings and Responses	131



December 28, 2018

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, 2018, 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, 2018.

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, 2018. 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 ninth largest city, located just north of Des Moines, Iowa’s state capital. According to data from the United States Census, Ankeny’s estimated population is 62,416, a growth of 6.4 percent during the 12-month period ending July 1, 2017.

Ankeny has a strong educational presence in the state including the Ankeny Community School District, with a student enrollment over 11,900 and a graduation rate of 97.03 percent. For the 2018-2019 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 365 students per year, primarily at the elementary level. Consequently, the district will open in August 2020 elementary #11 in the Prairie Trail development. 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. Faith Baptist Bible College is also a higher education institution 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 fourth-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 2017, 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, Perishable Distributors of Iowa, 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 2018-2022 Capital Improvement Program anticipates the expenditure of \$142,922,999. This reflects a \$9.6 million increase in project expenditures from the previous five-year program. Approximately \$8.1 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 reduction of \$7.4 million in Prairie Trail projects and the addition of \$4.8 million related to the construction of a senior center and replacement of the Hawkeye Park tennis courts. Of the \$142,922,999, 33% is identified for transportation projects, 28% for municipal utilities (water, sewer and storm water) projects, 25% for municipal buildings, 7% for Prairie Trail projects, 4% for sidewalks and trails and 3% for parks. The first year of the five-year CIP, which the City incorporates into the annual budget, is \$53,276,000 for fiscal year 2019. 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, 2018, unassigned fund balance in the general fund was 76 percent of total general fund expenditures, up slightly from 73 percent as of June 30, 2017. 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.

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, 2017. This was the 16th 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 20th consecutive year, the City received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated March 15, 2018. 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 2017. This was the third 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**

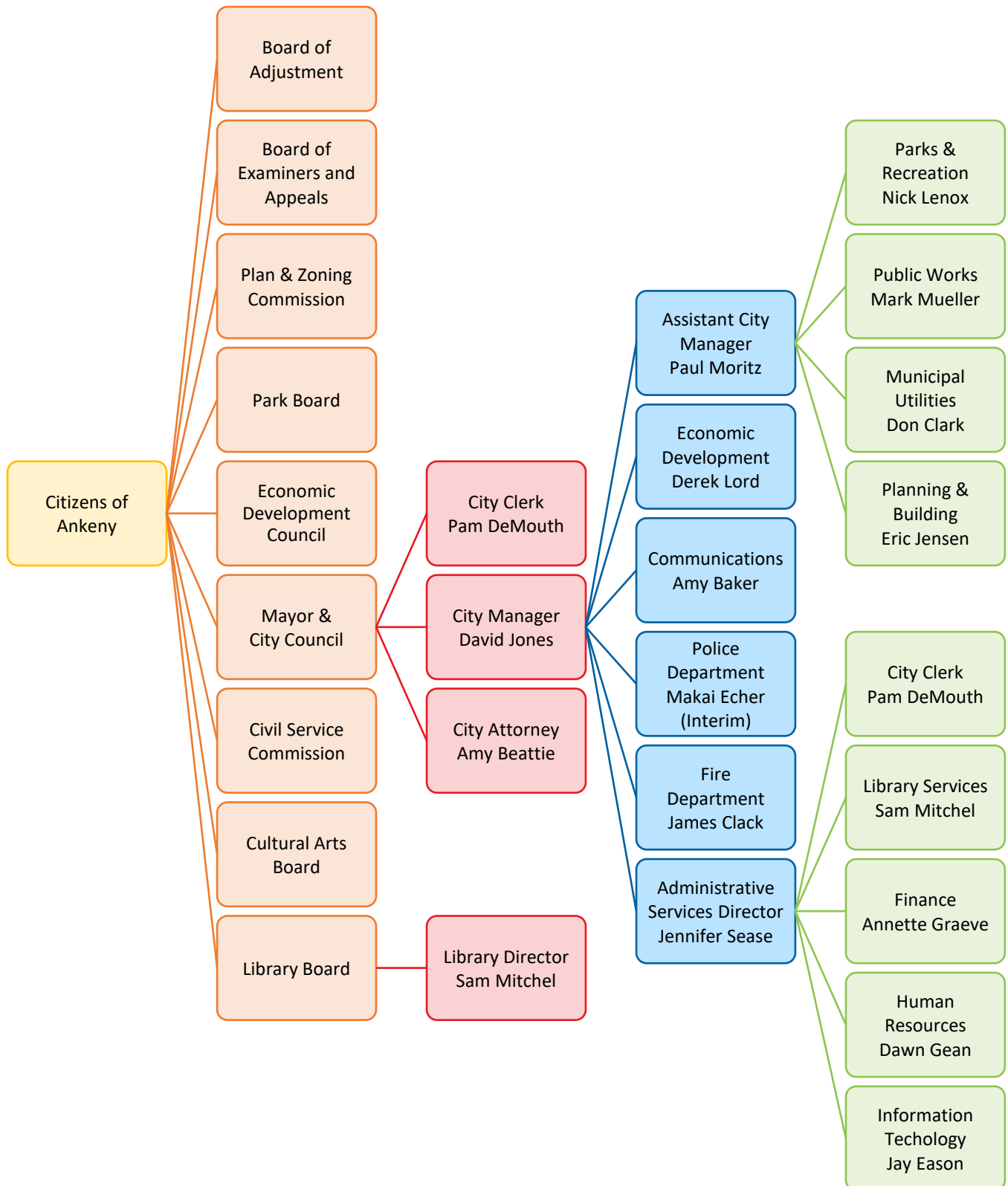
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

Organizational Chart



List of Principal Officials

City of Ankeny, Iowa
June 30, 2018

Elected Officials		Term Expires
Mayor	Gary Lorenz	12/31/2021
Council Member	Mark Holm	12/31/2019
Council Member	Bobbi Bentz	12/31/2019
Council Member	Jim McKenna	12/31/2019
Council Member	Kerry Walter-Ashby	12/31/2021
Council Member	Kelly Whiting	12/31/2021
Appointed Officials		
City Manager		David A. Jones
Assistant City Manager		Paul Moritz
Director of Administrative Services		Jennifer Sease
City Clerk		Pam DeMouth
Economic Development Director		Derek Lord
Fire Chief		James Clack
Library Director		Sam Mitchel
Parks and Recreation Director		Nick Lenox
Planning and Building Director		Eric Jensen
Police Chief (Interim)		Makai Echer
Public Works Director		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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ankeny, Iowa as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 16 to the financial statements, City of Ankeny, Iowa adopted new accounting guidance related to Governmental Accounting Standard Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of adopting this standard, the City reported a restatement for the change in accounting principle as shown in Note 16. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of changes in the City's total OPEB liability, related ratios and notes, 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 Honorable Mayor and
Members of the City Council
City of Ankeny, Iowa

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 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 28, 2018, 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.



CliftonLarsonAllen LLP

West Des Moines, Iowa
December 28, 2018

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, 2018. 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 City implemented Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, during fiscal year 2018. The beginning net position for governmental activities was restated by \$(933,440) and by \$(163,341) for business-type activities to retroactively report the increase in the OPEB liability as of July 1, 2017. OPEB expense for fiscal year 2017 and deferred outflows of resources at June 30, 2017 were not restated because the information needed to restate those amounts was not available.
- 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 \$362,097,441 (net position). Of this amount, \$74,300,182 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. For the fiscal year ended June 30, 2017, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$320,585,347. Of this amount, \$53,066,741 was unrestricted.
- The government's total net position increased by \$42,608,875 during the fiscal year ended June 30, 2018. Governmental activities increased \$33,419,629 and business-type activities increased \$9,189,246. For fiscal year ended June 30, 2017, total net position increased \$37,204,351. Governmental activities increased \$26,569,781 and business-type activities increased by \$10,634,570.
- As of the close of the current fiscal year, the City of Ankeny's governmental funds reported combined ending fund balances of \$72,486,446, an increase of \$20,404,173 in comparison with the prior year. As of the close of the fiscal year June 30, 2017, governmental funds reported combined ending fund balances of \$52,082,273.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$20,007,974 or 76 percent of total general fund expenditures. The unassigned fund balance for the general fund as of June 30, 2017 was \$17,861,401 or 73 percent of total general fund expenditures.
- The City of Ankeny's total debt increased by \$1,420,000 (1 percent) during the current fiscal year. Total debt for fiscal year June 30, 2017, decreased by \$21,041,000 (12 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 25-26 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 27-30 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 31-33 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 34-67 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 (MFPRS), and the Schedule of Funding Progress for the Retiree Health Plan. Required supplementary information can be found on pages 68-81 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 83-94 of this report. Statistical information related to the City can be found on pages 98-124.

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 \$362,097,441 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (74 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		Business-Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
	(not restated)		(not restated)		(not restated)	
Current assets	\$ 130,515	\$ 105,886	\$ 44,673	\$ 41,014	\$ 175,188	\$ 146,900
Noncurrent assets:						
Restricted cash and						
cash equivalents	-	46	3,007	2,712	3,007	2,758
Capital assets	266,306	251,964	144,075	138,869	410,381	390,833
Total assets	396,821	357,896	191,755	182,595	588,576	540,491
Deferred outflows of resources	6,993	9,781	763	893	7,756	10,674
Current liabilities	23,841	23,202	4,874	5,242	28,715	28,444
Noncurrent liabilities	126,163	121,771	35,727	35,089	161,890	156,860
Total liabilities	150,004	144,973	40,601	40,331	190,605	185,304
Deferred inflows of resources	333	44,997	21	280	354	45,277
Net investment in						
capital assets	143,234	130,866	125,926	118,594	269,160	249,460
Restricted	15,871	15,568	2,766	2,491	18,637	18,059
Unrestricted	51,088	31,273	23,212	21,793	74,300	53,066
Total net position	\$ 210,193	\$ 177,707	\$ 151,904	\$ 142,878	\$ 362,097	\$ 320,585

An additional portion of the City's net position (5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$74,300,182) 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 \$42,608,875 during the current fiscal year, which is a combination of a \$33,419,629 increase in governmental activities net position and an increase of \$9,189,246 in business-type activities net position.

A restatement of beginning net position for fiscal year 18 was required and is outlined in the footnotes of this report. The prior reported net position was \$320,585,347. A prior period adjustment is reflected due to implementation of GASB Statement No. 75, resulting in an adjustment of \$1,096,781 to beginning net position. The fiscal year 17 restated net position is \$319,488,566. The fiscal year 2017 amounts are not restated for GASB Statement No. 75.

Changes in Net Position (000's)

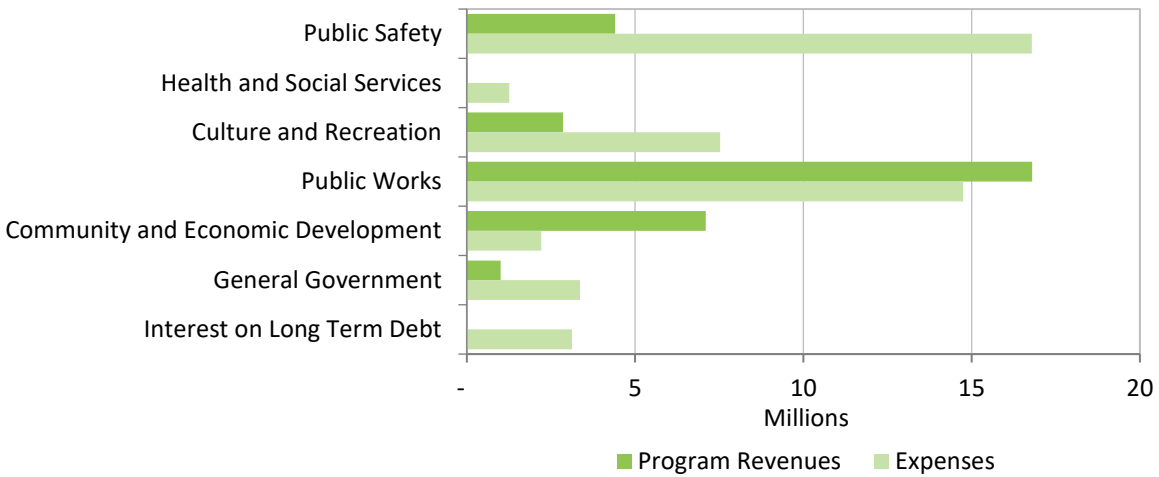
	Governmental		Business-Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
	(not restated)		(not restated)		(not restated)	
Revenues:						
Program revenues:						
Charges for services	\$ 6,684	\$ 7,285	\$ 32,079	\$ 29,872	\$ 38,763	\$ 37,157
Operating grants and contributions	15,725	8,980	-	-	15,725	8,980
Capital grants and contributions	9,773	9,619	4,969	6,374	14,742	15,993
General revenues:						
Property taxes	42,024	39,329	-	-	42,024	39,329
Other taxes	3,330	3,720	-	-	3,330	3,720
Interest	1,096	482	64	34	1,160	516
Other	451	85	636	753	1,087	838
Total revenues	79,083	69,500	37,748	37,033	116,831	106,533
Expenses:						
Public safety	16,786	16,366	-	-	16,786	16,366
Health and social services	1,263	264	-	-	1,263	264
Culture and recreation	7,526	7,218	-	-	7,526	7,218
Public works	14,747	12,778	-	-	14,747	12,778
Community & economic development	2,214	2,696	-	-	2,214	2,696
General government	3,359	3,214	-	-	3,359	3,214
Interest of long-term debt	3,120	3,138	-	-	3,120	3,138
Solid waste	-	-	745	676	745	676
Water	-	-	9,689	8,543	9,689	8,543
Sewer	-	-	12,152	11,771	12,152	11,771
Storm water	-	-	952	882	952	882
Otter Creek golf course	-	-	1,669	1,783	1,669	1,783
Total expenses	49,015	45,674	25,207	23,655	74,222	69,329
Excess before transfers	30,068	23,826	12,541	13,378	42,609	37,204
Transfers	3,352	2,743	(3,352)	(2,743)	-	-
Changes in net position	33,420	26,569	9,189	10,635	42,609	37,204
Net position, beginning, as restated	176,774	151,138	142,715	132,243	319,489	283,381
Net position, ending	\$ 210,194	\$ 177,707	\$ 151,904	\$ 142,878	\$ 362,098	\$ 320,585

Governmental activities. Governmental activities increased the City's net position by \$33,419,629 thereby accounting for 78 percent of the total improvement in net position. Key elements of this increase are as follows:

- Property taxes increased by \$2,694,493 (7 percent) during the year. This increase is attributable to property valuation growth.
- Other taxes decreased \$390,006 (10%) in fiscal year 2018 due primarily to decreases in hotel/motel tax revenue.

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

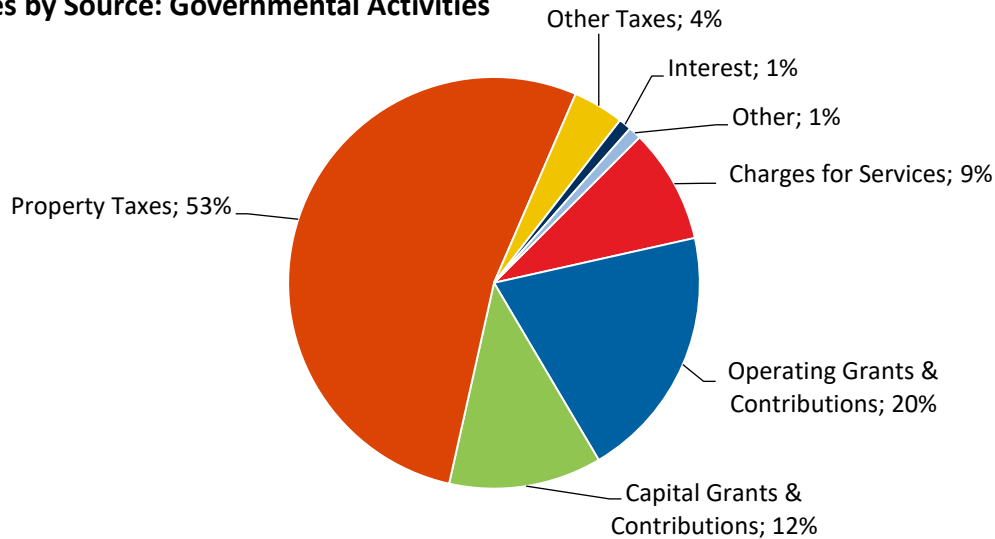
Expenses and Program Revenues: Governmental Activities



Expenses are higher than revenues for all programs except for public works and community and economic development 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:

Revenues by Source: Governmental Activities



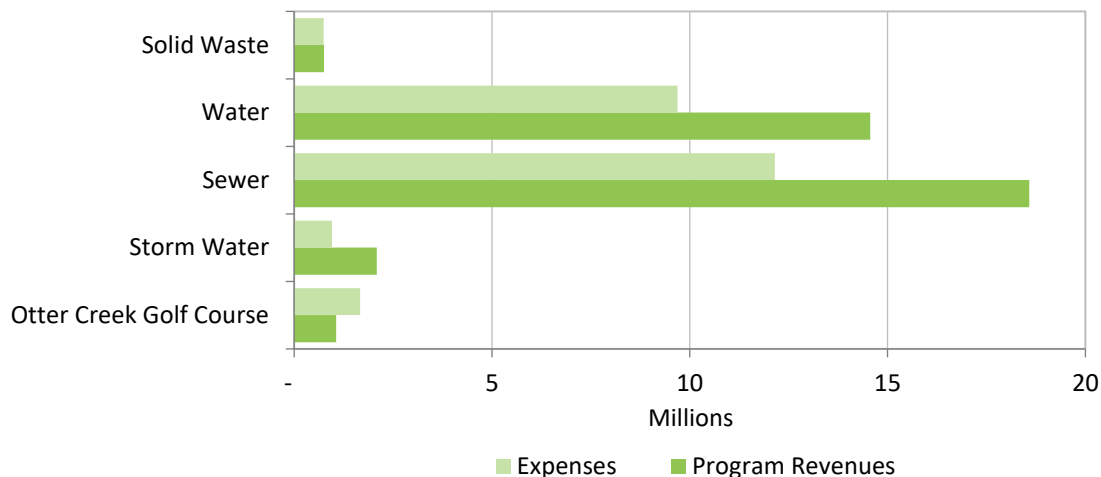
Business-type activities. Business-type activities increased the City's net position by \$9,189,246, accounting for 22 percent of the total improvement in the government's net position. Key elements of this increase are as follows:

- The water fund had a large increase in net position, with revenues exceeding expenses by over \$4 million. Water rates increased 5 percent effective April 1, 2018.
- The sewer fund had a large increase in net position, with revenues exceeding expenses by over \$4.1 million. Sewer rates were unchanged but the city has been paying off callable bonds, resulting in a decrease in interest expense.

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:

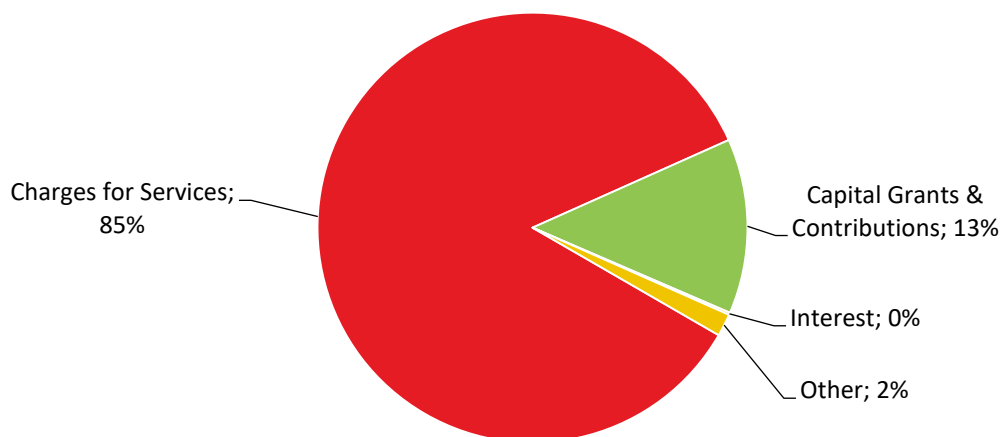
Expenses and Program Revenues: Business-Type Activities



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:

Revenues by Source: Business-Type Activities



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 \$72,486,446, an increase of \$20,404,173 in comparison with the prior year. Of this total amount, \$424 is *nonspendable*, which is inventory in a nonspendable form, and \$20,007,974 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance, \$52,478,048, 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 \$20,104,684. 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 76 percent of total general fund expenditures.

The fund balance of the City's general fund increased by \$1,820,028 (10 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 remained unchanged for fiscal year 2018, but property tax valuations remained strong at 6 percent growth, resulting in an increase of \$1,366,441 in property taxes collected.
- Other taxes and assessments decreased by \$379,843 due primarily to decreased revenue from hotel/motel tax revenues.

In comparison to a 4.9 percent increase in revenues, general fund expenditures increased 7.2 percent. The majority of general fund expenditures are for salaries, wages and related employee benefits. A significant factor to the increase in expenditures was the addition of 12.66 full-time equivalent positions in police, fire, code enforcement, park maintenance, development engineering and planning and building.

The debt service fund had a total fund balance of \$2,148,966, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year was \$779,534 (26.6 percent). This is a planned decrease resulting from debt service payments being greater than the revenues generated from the debt service levy. The city reduced the debt service levy \$.10 in FY18, the fourth consecutive year of decreases in this levy.

The road use tax fund had a total fund balance of \$8,567,345, 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 \$1,307,910 or 18 percent. The fund experienced higher road use tax receipts from the State of Iowa.

The tax increment financing fund (TIF), a special revenue fund, had a total fund balance of \$1,586,547, all of which is restricted. The fund had an increase in fund balance of \$162,597 after transfers out of \$6,367,102 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 \$36,256,197, all of which is restricted. The fund had an increase in fund balance of \$17,944,200. The increase 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 \$46,549,237 with \$35,875,393 net investment in capital assets, \$1,498,050 restricted for debt service and \$9,175,794 in unrestricted net position. This represents an increase in net position of \$4,018,412.
- Total net position of the sewer fund at the end of the current year was \$96,304,319, with \$81,946,737 net investment in capital assets, \$1,268,066 restricted for debt service and \$13,089,516 in unrestricted net position. This represents an increase in net position of \$4,133,991.
- The net position of the storm water fund at the end of the current year was \$4,237,831, of which \$3,569,334 is net investment in capital assets and \$668,497 in unrestricted net position, an increase of \$863,602.

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 \$30,222,130 was increased to \$31,062,522, an increase of \$840,392. Amended revenues included increases in building permits, interest income, ambulance charges, and swimming pool admissions.
- The total original expenditure budget of \$27,941,765 was decreased to \$27,059,892, a decrease of \$881,873. Amended expenditures included decreases for personnel vacancies in the police and fire departments.

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

- The actual revenue results of \$31,473,628 surpassed the final amended budget of \$31,062,522 by \$411,106. The most significant variances were attributed to strong building permit activity and interest revenues.
- The actual expenditure results of \$25,182,216 were less than the final amended budget of \$27,059,892 by \$1,877,676. The most significant variances were vacancies in the police, fire and parks departments 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 \$571,607,119 in fiscal year 2018 and \$539,580,607 for fiscal year 2017. This amount represents a net increase, including additions and deletions, of \$32,026,512 and \$28,252,680, respectively. The value of these capital assets, net of depreciation at June 30, 2018 and 2017, 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		Business-Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Land	\$ 8,285	\$ 8,295	\$ 1,780	\$ 1,780	\$ 10,065	\$ 10,075
Construction in progress	18,462	15,234	3,976	4,188	22,438	19,422
Other improvements	21,330	20,693	65	70	21,395	20,763
Infrastructure	189,665	178,191	133,810	128,334	323,475	306,525
Buildings	24,481	26,337	3,373	3,520	27,854	29,857
Machinery and equipment	4,069	3,177	1,065	964	5,134	4,141
Furniture and fixtures	14	37	6	13	20	50
Total capital assets	<u>\$ 266,306</u>	<u>\$ 251,964</u>	<u>\$ 144,075</u>	<u>\$ 138,869</u>	<u>\$ 410,381</u>	<u>\$ 390,833</u>

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

- Expended \$837,000 on the reconstruction of NW Irvinedale Drive and NW 5th Street Intersection. Improvements include dedicated left turn lanes, traffic signal improvements and safety improvements.
- Expended nearly \$1.4 million on the Ash Tower transmission main. This project consists of approximately 6,500 LF of 24" transmission water main along the abandoned railroad grade from south of SE Magazine/North Ankeny Boulevard intersection to the Ash Water Tower.
- Expended nearly \$4.4 million towards improvements on various Prairie Trail projects. These included the extension of SW Prairie Trail Parkway, the extension of SW Merchant Street and SW District Drive and the construction of the Plaza Parkway Detention Basin.
- Expended \$2,662,000 for construction of Fire Station No. 3, the new fire station built on NE 36th Street at NE Otter Creek Drive. Expended \$1,769,000 for construction of 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 45-46 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 \$159,749,759. Of this amount, \$135,733,094 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		Business-Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 104,800	\$ 100,382	\$ 12,661	\$ 16,345	\$ 117,461	\$ 116,727
Capital loan notes	18,272	20,716	171	624	18,443	21,340
Revenue bonds	-	-	23,846	19,818	23,846	19,818
Total outstanding debt	<u>\$ 123,072</u>	<u>\$ 113,139</u>	<u>\$ 36,678</u>	<u>\$ 35,715</u>	<u>\$ 159,750</u>	<u>\$ 157,885</u>

The City's total gross debt increased by \$1,864,374 (1 percent) during the current fiscal year. The general obligation bonds and general capital loan notes decreased by \$2,110,376 (2 percent). The increase of \$3,974,750 (20 percent)

in the revenue bonds and revenue capital loan notes is primarily due to the issuance of \$5,990,000 water revenue bonds.

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 \$245,580,138. With outstanding general obligation debt of \$117,460,544 and capital loan notes of \$18,272,550, the City had utilized 55 percent of the debt limit as of June 30, 2018.

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. 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 47-51 of this report.

Economic Factors and Next Year's Budgets and Rates

- In calendar year 2017, the City issued 1,106 residential permits, reflecting a decrease from 1,281 in 2016.
- Commercial construction increased in calendar year 2017 with 34 permits compared to 18 in 2016.
- The City's taxable valuation has increased at an average of 6.89 percent per year over the last five years, including an increase of 7.57 percent for fiscal year 2018.

All of these factors were considered in preparing the City of Ankeny's budget for fiscal year 2019. The fiscal year 2019 budget included total revenues of \$126,995,112 down from \$135,550,593, representing a 6 percent decrease. The decrease in revenue is attributable to some 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 2019 budget included an increase in expenditures from \$127,243,305 to \$133,182,121, an increase of 5 percent. The increase is partly attributable to increases in capital project expenditures. Major projects budgeted for fiscal year 2019 include the construction of a new library and former library renovations, public improvements within Prairie Trail, engineering and construction services for a Senior Center and South Ankeny Boulevard and SE Shurfine Drive/SW Prairie Trail Parkway intersection improvements.

The City's property tax rate for fiscal year 2019 decreased from \$11.65 per \$1,000 of taxable property valuation to \$10.75. The \$0.90 decrease was in the general and debt service levies. This was the fifth 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.

City of Ankeny, Iowa
Statement of Net Position
June 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 90,439,168	\$ 20,573,966	\$ 111,013,134
Investments	10,870,943	1,996,560	12,867,503
Receivables:			
Interest	426,122	21,547	447,669
Taxes	43,423,930	-	43,423,930
Accounts	865,196	3,605,904	4,471,100
Special assessments	249,610	23,398	273,008
Intergovernmental	2,337,063	10	2,337,073
Prepaid expenses	121,246	-	121,246
Inventory	142,981	90,171	233,152
Internal balances	(18,361,476)	18,361,476	-
Total current assets	130,514,783	44,673,032	175,187,815
Noncurrent assets:			
Restricted cash and cash equivalents	-	3,007,018	3,007,018
Capital assets:			
Land	8,284,826	1,780,094	10,064,920
Construction-in-progress	18,462,383	3,976,472	22,438,855
Depreciable assets, net of accumulated depreciation	239,559,003	138,318,886	377,877,889
Total capital assets	266,306,212	144,075,452	410,381,664
Total noncurrent assets	266,306,212	147,082,470	413,388,682
Total assets	396,820,995	191,755,502	588,576,497
Deferred Outflows of Resources			
Pension related deferred outflows	6,993,374	763,129	7,756,503
OPEB related deferred outflows	43,134	7,138	50,272
Total deferred outflows of resources	7,036,508	770,267	7,806,775
Liabilities			
Current liabilities:			
Accounts payable	4,518,933	662,621	5,181,554
Retainage payable	626,816	-	626,816
Accrued wages	355,647	63,783	419,430
Claims payable	334,000	-	334,000
Customers deposits	-	240,902	240,902
Unearned revenue	139,040	5,553	144,593
Bonds and capital loan notes interest payable	350,383	117,770	468,153
Bonds and capital loan notes payable, net of unamortized discount/premium	16,815,812	3,677,465	20,493,277
Compensated absences payable	699,922	105,626	805,548
Total current liabilities	23,840,553	4,873,720	28,714,273
Noncurrent liabilities:			
Bonds and capital loan notes payable, net of unamortized discount/premium	106,256,772	32,999,710	139,256,482
Total OPEB liability	1,296,884	214,619	1,511,503
Compensated absences payable	133,918	129,912	263,830
Net pension liability	18,475,672	2,382,499	20,858,171
Total noncurrent liabilities	126,163,246	35,726,740	161,889,986
Total liabilities	150,003,799	40,600,460	190,604,259
Deferred Inflows of Resources			
Unavailable revenues:			
Pension related deferred inflows	332,552	21,416	353,968
Succeeding year property tax	43,327,604	-	43,327,604
Total deferred inflows of resources	43,660,156	21,416	43,681,572
Net Position			
Net investment in capital assets	143,233,649	125,926,026	269,159,675
Restricted for:			
Debt service	2,863,466	2,766,116	5,629,582
Community and economic development	1,586,547	-	1,586,547
Culture and recreation	1,087,335	-	1,087,335
Public safety	1,647,833	-	1,647,833
Public works	8,686,287	-	8,686,287
Unrestricted	51,088,431	23,211,751	74,300,182
Total net position	\$ 210,193,548	\$ 151,903,893	\$ 362,097,441

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, 2018

Programs/Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary government:							
Governmental activities:							
Public safety	\$ 16,786,311	\$ 3,785,589	\$ 627,222	\$ -	\$ (12,373,500)	\$ -	\$ (12,373,500)
Health and social services	1,263,476	12,442	-	-	(1,251,034)	-	(1,251,034)
Culture and recreation	7,525,554	2,399,263	257,349	206,122	(4,662,820)	-	(4,662,820)
Public works	14,746,601	48,463	7,179,025	9,566,308	2,047,195	-	2,047,195
Community and economic development	2,214,016	73,128	7,026,834	-	4,885,946	-	4,885,946
General government	3,359,273	364,971	634,818	-	(2,359,484)	-	(2,359,484)
Interest on long-term debt	3,120,209	-	-	-	(3,120,209)	-	(3,120,209)
Total governmental activities	49,015,440	6,683,856	15,725,248	9,772,430	(16,833,906)	-	(16,833,906)
Business-type activities:							
Solid waste	745,019	756,673	-	-	-	11,654	11,654
Water	9,688,482	12,675,275	-	1,883,319	-	4,870,112	4,870,112
Sewer	12,152,336	15,497,190	-	3,085,338	-	6,430,192	6,430,192
Storm water	951,996	2,085,970	-	-	-	1,133,974	1,133,974
Otter Creek golf course	1,669,022	1,063,500	-	-	-	(605,522)	(605,522)
Total business-type activities	25,206,855	32,078,608	-	4,968,657	-	11,840,410	11,840,410
Total primary government	\$ 74,222,295	\$ 38,762,464	\$ 15,725,248	\$ 14,741,087	(16,833,906)	11,840,410	(4,993,496)
General revenues:							
Taxes:							
Property taxes					42,023,999	-	42,023,999
Other taxes					3,330,198	-	3,330,198
Interest					1,095,780	64,148	1,159,928
Gain (loss) on sale of capital assets					448,030	(75,107)	372,923
Other					3,358	711,966	715,324
Transfers					3,352,171	(3,352,171)	-
Total general revenues and transfers					50,253,536	(2,651,164)	47,602,372
Changes in net position							
					33,419,629	9,189,246	42,608,875
Net position, beginning of year, as restated							
					176,773,919	142,714,647	319,488,566
Net position, ending							
					\$ 210,193,548	\$ 151,903,893	\$ 362,097,441

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

**City of Ankeny, Iowa
Balance Sheet
Governmental Funds
June 30, 2018**

	General	Debt Service	Road Use Tax	Tax Increment Financing	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 11,857,002	\$ 2,399,178	\$ 8,236,215	\$ 1,838,454	\$ 55,566,487	\$ 3,813,103	\$ 83,710,439
Investments	7,921,643	-	-	-	2,949,300	-	10,870,943
Receivables:							
Interest	276,682	-	-	-	148,651	263	425,596
Taxes	20,987,382	13,169,936	-	7,300,770	-	1,965,842	43,423,930
Accounts	834,667	-	-	-	14,537	8,471	857,675
Special assessments	322	-	-	-	-	249,288	249,610
Intergovernmental	541,484	192	520,689	-	1,225,188	4,317	2,291,870
Inventory	424	-	-	-	-	-	424
Total assets	<u>\$ 42,419,606</u>	<u>\$ 15,569,306</u>	<u>\$ 8,756,904</u>	<u>\$ 9,139,224</u>	<u>\$ 59,904,163</u>	<u>\$ 6,041,284</u>	<u>\$ 141,830,487</u>
Liabilities							
Accounts payable	\$ 568,647	\$ -	\$ 153,287	\$ 127,961	\$ 3,554,001	\$ 6,400	\$ 4,410,296
Retainage payable	-	-	-	-	626,816	-	626,816
Accrued wages	313,933	-	36,272	-	-	-	350,205
Due to other funds	40,047	279,295	-	-	18,248,454	-	18,567,796
Advances from other funds	65,184	-	-	-	-	-	65,184
Unearned revenue	-	-	-	139,040	-	-	139,040
Total liabilities	<u>987,811</u>	<u>279,295</u>	<u>189,559</u>	<u>267,001</u>	<u>22,429,271</u>	<u>6,400</u>	<u>24,159,337</u>
Deferred Inflows of Resources							
Unavailable revenues							
Property taxes	20,942,336	13,141,045	-	7,285,676	-	1,962,214	43,331,271
Special assessments	322	-	-	-	-	249,288	249,610
Other long-term receivables	384,453	-	-	-	1,218,695	675	1,603,823
Total deferred inflows of resources	<u>21,327,111</u>	<u>13,141,045</u>	<u>-</u>	<u>7,285,676</u>	<u>1,218,695</u>	<u>2,212,177</u>	<u>45,184,704</u>
Fund Balances							
Nonspendable	424	-	-	-	-	-	424
Restricted	96,286	2,148,966	8,567,345	1,586,547	36,256,197	3,822,707	52,478,048
Unassigned	20,007,974	-	-	-	-	-	20,007,974
Total fund balances	<u>20,104,684</u>	<u>2,148,966</u>	<u>8,567,345</u>	<u>1,586,547</u>	<u>36,256,197</u>	<u>3,822,707</u>	<u>72,486,446</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 42,419,606</u>	<u>\$ 15,569,306</u>	<u>\$ 8,756,904</u>	<u>\$ 9,139,224</u>	<u>\$ 59,904,163</u>	<u>\$ 6,041,284</u>	<u>\$ 141,830,487</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, 2018

Fund balances--total governmental funds \$ 72,486,446

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	\$ 8,284,826	
Construction-in-progress	18,462,383	
Depreciable capital assets	342,659,450	
Accumulated depreciation	<u>(103,100,447)</u>	266,306,212

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	\$ 7,231,989	
Deferred outflows	72,813	
Internal balances	403,345	
Current liabilities	(455,009)	
Noncurrent liabilities	(269,162)	
Deferred inflows	<u>(3,160)</u>	6,980,816

Internal service funds allocated to business-type activities (318,058)

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	\$ 3,667	
Various funds - special assessment receivable	249,610	
Various funds - intergovernmental receivable	1,230,843	
Various funds - accounts receivable	<u>372,980</u>	1,857,100

Pension and OPEB 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	\$ 6,963,695	
Deferred inflows of resources	<u>(329,392)</u>	6,634,303

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	\$ (114,742,242)	
Unamortized premium on general obligation bonds	(8,330,342)	
Total OPEB liability	(1,274,239)	
Bonds and capital loans interest payable	(350,383)	
Compensated absences	(806,549)	
Net pension liability	<u>(18,249,516)</u>	(143,753,271)

Net position of governmental activities \$ 210,193,548

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, 2018

	General Fund	Debt Service	Road Use Tax	Tax Increment Financing	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Property taxes	\$ 19,678,924	\$ 12,818,339	\$ -	\$ 7,946,966	\$ -	\$ 1,587,044	\$ 42,031,273
Other taxes and assessments	3,187,496	125,994	-	-	-	96,355	3,409,845
Licenses and permits	2,060,660	-	-	-	-	-	2,060,660
Intergovernmental	1,352,747	373,393	6,779,496	12,640	992,103	82,376	9,592,755
Charges for services	3,708,460	-	-	-	400	20,265	3,729,125
Use of money and property	1,095,514	11,506	-	7,385	203,504	8,055	1,325,964
Miscellaneous	716,702	-	-	-	96,293	7,331,474	8,144,469
Total revenues	<u>31,800,503</u>	<u>13,329,232</u>	<u>6,779,496</u>	<u>7,966,991</u>	<u>1,292,300</u>	<u>9,125,569</u>	<u>70,294,091</u>
Expenditures							
Current operating:							
Public safety	14,553,917	-	-	-	-	1,491,022	16,044,939
Health and social services	1,247,066	-	-	-	-	-	1,247,066
Culture and recreation	5,571,572	-	-	-	-	32,084	5,603,656
Public works	891,107	-	4,731,586	-	-	-	5,622,693
Community and economic development	764,655	-	-	1,437,292	-	-	2,201,947
General government	3,354,170	-	-	-	-	-	3,354,170
Debt service:							
Principal	-	16,366,692	-	-	-	-	16,366,692
Interest and other charges	-	4,109,176	-	-	-	-	4,109,176
Bond issuance costs	-	-	-	-	225,587	-	225,587
Capital projects	-	-	-	-	18,770,389	-	18,770,389
Total expenditures	<u>26,382,487</u>	<u>20,475,868</u>	<u>4,731,586</u>	<u>1,437,292</u>	<u>18,995,976</u>	<u>1,523,106</u>	<u>73,546,315</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,418,016</u>	<u>(7,146,636)</u>	<u>2,047,910</u>	<u>6,529,699</u>	<u>(17,703,676)</u>	<u>7,602,463</u>	<u>(3,252,224)</u>
Other financing sources (uses)							
Issuance of long-term debt	-	-	-	-	17,970,000	-	17,970,000
Premium on long-term debt	-	-	-	-	1,596,926	-	1,596,926
Sale of general capital assets	-	-	-	-	737,300	-	737,300
Transfers in	598,514	6,367,102	-	-	15,344,500	850	22,310,966
Transfers out	(4,196,502)	-	(740,000)	(6,367,102)	(850)	(7,654,341)	(18,958,795)
Total other financing sources (uses)	<u>(3,597,988)</u>	<u>6,367,102</u>	<u>(740,000)</u>	<u>(6,367,102)</u>	<u>35,647,876</u>	<u>(7,653,491)</u>	<u>23,656,397</u>
Net change in fund balances	1,820,028	(779,534)	1,307,910	162,597	17,944,200	(51,028)	20,404,173
Fund balances, beginning	18,284,656	2,928,500	7,259,435	1,423,950	18,311,997	3,873,735	52,082,273
Fund balances, ending	<u>\$ 20,104,684</u>	<u>\$ 2,148,966</u>	<u>\$ 8,567,345</u>	<u>\$ 1,586,547</u>	<u>\$ 36,256,197</u>	<u>\$ 3,822,707</u>	<u>\$ 72,486,446</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, 2018

Net change in fund balances--total governmental funds		\$ 20,404,173
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	\$ 16,709,895	
Depreciation expense	<u>(9,344,648)</u>	7,365,247
Governmental funds do not report capital assets and therefore do not report gains or losses on the disposal of those assets.		448,030
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		1,070,267
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	\$ (17,970,000)	
Principal debt payments	16,366,692	
Premium on long-term debt	<u>(1,596,926)</u>	(3,200,234)
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.		2,283,039
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:		
OPEB expenses	\$ (79,867)	
Compensated absences	(85,424)	
Pension expense	(3,211,120)	
Amortization of bond discounts and premiums	1,225,547	
Adjustment to bond interest payable	<u>(10,993)</u>	(2,161,857)
Governmental funds do not report capital assets and therefore do not report the contribution of capital assets.		6,529,832
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.		792,304
Change in internal service fund allocation to business-type activities.		<u>(111,172)</u>
Change in net position of governmental activities		<u><u>\$ 33,419,629</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, 2018

					Governmental Activities- Internal Service Funds	
	Water	Sewer	Storm Water	Nonmajor Enterprise Funds	Totals	
Assets						
Current assets:						
Cash and cash equivalents	\$ 7,834,952	\$ 11,236,015	\$ 820,607	\$ 682,392	\$ 20,573,966	\$ 6,728,729
Investments	998,280	998,280	-	-	1,996,560	-
Receivables:						
Interest	10,642	10,905	-	-	21,547	526
Accounts	1,552,961	1,703,915	236,323	112,705	3,605,904	7,521
Special assessments	547	22,660	129	62	23,398	-
Intergovernmental	10	-	-	-	10	45,193
Prepaid expenses	-	-	-	-	-	121,246
Inventory	7,301	5,820	-	77,050	90,171	142,557
Due from other funds	4,584,877	2,607,013	11,335,859	-	18,527,749	186,217
Total current assets	<u>14,989,570</u>	<u>16,584,608</u>	<u>12,392,918</u>	<u>872,209</u>	<u>44,839,305</u>	<u>7,231,989</u>
Noncurrent assets:						
Restricted cash and cash equivalents	1,738,952	1,268,066	-	-	3,007,018	-
Advances to other funds	-	-	-	-	-	403,345
Capital assets:						
Land	271,914	522,238	-	985,942	1,780,094	-
Construction-in-progress	2,522,752	1,453,720	-	-	3,976,472	-
Depreciable assets, net of accumulated depreciation	42,819,360	88,121,432	3,829,474	3,548,620	138,318,886	57,576
Total capital assets	<u>45,614,026</u>	<u>90,097,390</u>	<u>3,829,474</u>	<u>4,534,562</u>	<u>144,075,452</u>	<u>57,576</u>
Total noncurrent assets	<u>47,352,978</u>	<u>91,365,456</u>	<u>3,829,474</u>	<u>4,534,562</u>	<u>147,082,470</u>	<u>460,921</u>
Total assets	<u>62,342,548</u>	<u>107,950,064</u>	<u>16,222,392</u>	<u>5,406,771</u>	<u>191,921,775</u>	<u>7,692,910</u>
Deferred Outflows of Resources						
Pension related deferred outflows	244,430	263,718	75,007	179,974	763,129	72,060
OPEB related deferred outflows	2,354	2,604	706	1,474	7,138	753
Total deferred outflows of resources	<u>246,784</u>	<u>266,322</u>	<u>75,713</u>	<u>181,448</u>	<u>770,267</u>	<u>72,813</u>
Liabilities						
Current liabilities:						
Accounts payable	486,238	57,210	18,902	100,271	662,621	108,637
Accrued wages	19,010	15,367	11,410	17,996	63,783	5,442
Due to other funds	-	992	47,200	97,978	146,170	-
Claims payable	-	-	-	-	-	334,000
Customer deposits	240,902	-	-	-	240,902	-
Unearned revenue	5,553	-	-	-	5,553	-
Bonds and capital loan note interest payable	37,449	51,627	28,694	-	117,770	-
Bonds and capital loan notes payable, net of unamortized discount or premium	1,403,294	1,220,467	1,053,704	-	3,677,465	-
Compensated absences payable	55,262	31,590	12,769	6,005	105,626	6,930
Total current liabilities	<u>2,247,708</u>	<u>1,377,253</u>	<u>1,172,679</u>	<u>222,250</u>	<u>5,019,890</u>	<u>455,009</u>
Noncurrent liabilities:						
Bonds and capital loan notes payable, net of unamortized discount or premium	12,920,216	9,537,199	10,542,295	-	32,999,710	-
Total OPEB liability	70,766	78,295	21,230	44,328	214,619	22,645
Compensated absences payable	55,007	52,382	9,428	13,095	129,912	20,361
Advances from other funds	-	992	123,261	213,908	338,161	-
Net pension liability	<u>739,761</u>	<u>858,460</u>	<u>189,414</u>	<u>594,864</u>	<u>2,382,499</u>	<u>226,156</u>
Total noncurrent liabilities	<u>13,785,750</u>	<u>10,527,328</u>	<u>10,885,628</u>	<u>866,195</u>	<u>36,064,901</u>	<u>269,162</u>
Total liabilities	<u>16,033,458</u>	<u>11,904,581</u>	<u>12,058,307</u>	<u>1,088,445</u>	<u>41,084,791</u>	<u>724,171</u>
Deferred Inflows of Resources						
Pension related deferred inflows	6,637	7,486	1,967	5,326	21,416	3,160
Net Position						
Net investment in capital assets	35,875,393	81,946,737	3,569,334	4,534,562	125,926,026	57,576
Restricted for:						
Debt service	1,498,050	1,268,066	-	-	2,766,116	-
Unrestricted	<u>9,175,794</u>	<u>13,089,516</u>	<u>668,497</u>	<u>(40,114)</u>	<u>22,893,693</u>	<u>6,980,816</u>
Total net position	<u>\$ 46,549,237</u>	<u>\$ 96,304,319</u>	<u>\$ 4,237,831</u>	<u>\$ 4,494,448</u>	<u>151,585,835</u>	<u>\$ 7,038,392</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.					<u>318,058</u>	
Net position of business-type activities					<u>\$ 151,903,893</u>	

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

City of Ankeny, Iowa
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2018

	Water	Sewer	Storm Water	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Operating revenues:						
Charges for services	\$ 12,675,275	\$ 15,497,190	\$ 2,085,970	\$ 1,820,173	\$ 32,078,608	\$ 6,025,555
Other	76,827	-	800	634,339	711,966	493,818
Total operating revenues	<u>12,752,102</u>	<u>15,497,190</u>	<u>2,086,770</u>	<u>2,454,512</u>	<u>32,790,574</u>	<u>6,519,373</u>
Operating expenses:						
Personal services	1,390,653	1,332,354	385,576	1,010,851	4,119,434	915,255
Contractual services	2,631,385	7,912,211	137,088	941,144	11,621,828	4,172,364
Operating supplies	4,421,745	106,024	25,947	354,212	4,907,928	645,836
Depreciation	1,171,332	2,530,662	115,214	183,351	4,000,559	18,207
Total operating expenses	<u>9,615,115</u>	<u>11,881,251</u>	<u>663,825</u>	<u>2,489,558</u>	<u>24,649,749</u>	<u>5,751,662</u>
Operating income	<u>3,136,987</u>	<u>3,615,939</u>	<u>1,422,945</u>	<u>(35,046)</u>	<u>8,140,825</u>	<u>767,711</u>
Nonoperating revenues (expenses):						
Interest earnings	28,031	32,597	2,413	1,107	64,148	24,593
Interest expense	(231,170)	(325,626)	(311,756)	(6,612)	(875,164)	-
Loss on disposal of assets	-	-	-	(75,107)	(75,107)	-
Total nonoperating revenues (expenses)	<u>(203,139)</u>	<u>(293,029)</u>	<u>(309,343)</u>	<u>(80,612)</u>	<u>(886,123)</u>	<u>24,593</u>
Net income (loss) before contributions and transfers	2,933,848	3,322,910	1,113,602	(115,658)	7,254,702	792,304
Capital contributions	1,883,319	3,085,338	-	-	4,968,657	-
Transfers in	502	-	-	10,871	11,373	-
Transfers out	(799,257)	(2,274,257)	(250,000)	(40,030)	(3,363,544)	-
Change in net position	<u>4,018,412</u>	<u>4,133,991</u>	<u>863,602</u>	<u>(144,817)</u>	<u>8,871,188</u>	<u>792,304</u>
Total net position, beginning, as restated	<u>42,530,825</u>	<u>92,170,328</u>	<u>3,374,229</u>	<u>4,639,265</u>		<u>6,246,088</u>
Total net position, ending	<u>\$ 46,549,237</u>	<u>\$ 96,304,319</u>	<u>\$ 4,237,831</u>	<u>\$ 4,494,448</u>		<u>\$ 7,038,392</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.					<u>111,172</u>	
Change in net position of business-type activities					<u>\$ 8,982,360</u>	

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, 2018

					Governmental Activities- Internal Service Funds
	Water	Sewer	Storm Water	Nonmajor Enterprise Funds	Totals
Cash flows from operating activities					
Receipts from customers	\$ 12,822,470	\$ 15,368,325	\$ 2,059,666	\$ 2,470,548	\$ 32,721,009
Payments to suppliers	(7,138,307)	(8,006,079)	(152,586)	(1,328,373)	(16,625,345)
Payments to employees	(1,217,204)	(1,282,024)	(351,911)	(928,411)	(3,779,550)
Net cash provided (used) by operating activities	4,466,959	6,080,222	1,555,169	213,764	12,316,114
Cash flows from noncapital financing activities					
Payments received on interfund accounts	2,571,927	1,361,534	-	-	3,933,461
Payments made on interfund accounts	-	(992)	(51,169)	(120,388)	(172,549)
Loans issued to other funds	(5,948,410)	-	-	-	(5,948,410)
Transfers from other funds	502	-	-	10,871	11,373
Transfers to other funds	(799,257)	(2,274,257)	(250,000)	(40,030)	(3,363,544)
Net cash provided (used) by noncapital financing activities	(4,175,238)	(913,715)	(301,169)	(149,547)	(5,539,669)
Cash flows from capital and related financing activities					
Proceeds from long-term debt	6,265,872	-	-	-	6,265,872
Purchase of capital assets	(2,595,588)	(1,442,370)	-	-	(4,037,958)
Principal paid on long-term debt	(1,137,959)	(4,060,349)	(975,000)	-	(6,173,308)
Interest paid on long-term debt	(260,398)	(443,342)	(363,811)	-	(1,067,551)
Net cash provided (used) by capital and related financing activities	2,271,927	(5,946,061)	(1,338,811)	-	(5,012,945)
Cash flows from investing activities					
Proceeds from investment maturity	1,376,895	1,530,345	-	-	2,907,240
Purchase of investments	(988,450)	(988,450)	-	-	(1,976,900)
Interest received	19,801	25,421	2,413	1,107	48,742
Net cash provided (used) by investing activities	408,246	567,316	2,413	1,107	979,082
Net increase (decrease) in cash and cash equivalents	2,971,894	(212,238)	(82,398)	65,324	2,742,582
Balances, beginning of year	6,602,010	12,716,319	903,005	617,068	20,838,402
Balances, end of year	<u>\$ 9,573,904</u>	<u>\$ 12,504,081</u>	<u>\$ 820,607</u>	<u>\$ 682,392</u>	<u>\$ 23,580,984</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 3,136,987	\$ 3,615,939	\$ 1,422,945	\$ (35,046)	\$ 8,140,825
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	1,171,332	2,530,662	115,214	183,351	4,000,559
Changes in assets and liabilities:					
Receivables, net	70,369	(128,865)	(27,105)	16,036	(69,565)
Prepaid expenses	-	-	-	-	-
Inventory	(2,044)	305	-	(16,540)	(18,279)
Accounts and other payables	90,315	62,181	44,115	65,963	262,574
Claims payable	-	-	-	-	4,503
Net cash provided (used) by operating activities	<u>\$ 4,466,959</u>	<u>\$ 6,080,222</u>	<u>\$ 1,555,169</u>	<u>\$ 213,764</u>	<u>\$ 12,316,114</u>
Noncash capital and related financing activities:					
Contribution of capital assets	<u>\$ 1,883,319</u>	<u>\$ 3,085,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,968,657</u>
Noncash investing activities:					
Net change in unrealized gain on investments	<u>\$ 9,830</u>	<u>\$ 9,830</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,660</u>

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

Notes to the Financial Statements

City of Ankeny, Iowa

June 30, 2018

Note 1 - Summary of Significant Accounting Policies

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

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. They are, in substance, part of the primary government's operations, even though they are legally separate entities. They provide services entirely to benefit the primary government. 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 managerial 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, thereby representing a financial benefit to 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, thereby representing a financial benefit to 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.

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.

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, 2018 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 reported as a deferred inflow of resources 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, 2016 assessed property valuations; is for the tax accrual period July 1, 2017 through June 30, 2018 and reflects tax asking contained in the budget certified to the County Board of Supervisors in March 2017.

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:

Asset Class	Amount
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:

Asset Class	Estimated Useful Lives (In Years)
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 and OPEB 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, 2018. 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.

Total OPEB Liability

For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and OPEB expense, information has been determined based on the City's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the general 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, unrecognized items not yet charged to pension expense and the unamortized portion of the net difference between projected and actual earnings on pension plan assets.

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 \$405,322 restricted by donors, \$11,882,618 restricted by other governments, \$720,062 restricted through enabling legislation and \$5,629,582 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, 2018, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and cash equivalents	\$ 111,013,134
Restricted cash and cash equivalents	3,007,018
Investments	12,867,503
Total cash and investments	<u>\$ 126,887,655</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	\$ 8,919,523	\$ 8,919,523	\$ -	\$ -
Government Agencies	3,947,980	-	3,947,980	-
Grand Total	\$ 12,867,503	\$ 8,919,523	\$ 3,947,980	\$ -

The City also held certificates of deposit totaling \$67,150,000. Of this total, \$10,000,000 had original maturities less than 6 months, \$26,150,000 had original maturities of 6 months to 1 year and \$31,000,000 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 \$8,919,523 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, 2018, the carrying amount of the City's cash deposits, which include certificates of deposit, totaled \$114,020,152 with bank balances of \$116,247,815. 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, 2018:

Custodial Credit Risk Category				
Investments	Level 1	Level 2	Level 3	Total
Commercial paper	\$ -	\$ 8,919,523	\$ -	\$ 8,919,523
Government agencies	-	3,947,980	-	3,947,980
Grand Total	\$ -	\$ 12,867,503	\$ -	\$ 12,867,503

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2018, is as follows:

Governmental activities:	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018
Undepreciated:				
Land	\$ 8,294,818	\$ 42,790	\$ 52,782	\$ 8,284,826
Construction in progress	15,233,553	9,505,276	6,276,446	18,462,383
Total, undepreciated	23,528,371	9,548,066	6,329,228	26,747,209
Depreciated:				
Other improvements	38,115,528	2,490,090	-	40,605,618
Infrastructure	223,289,751	16,226,108	-	239,515,859
Buildings	42,922,038	-	509,431	42,412,607
Machinery and equipment	17,088,079	2,006,850	429,269	18,665,660
Furniture and fixtures	1,459,706	-	-	1,459,706
Total, depreciated	322,875,102	20,723,048	938,700	342,659,450
Accumulated depreciation:				
Other improvements	17,422,665	1,852,999	-	19,275,664
Infrastructure	45,098,722	4,752,024	-	49,850,746
Buildings	16,585,541	1,654,780	308,776	17,931,545
Machinery and equipment	13,910,590	1,079,076	393,437	14,596,229
Furniture and fixtures	1,422,287	23,976	-	1,446,263
Total accumulated depreciation	94,439,805	9,362,855	702,213	103,100,447
Governmental activities capital assets, net	\$ 251,963,668	\$ 20,908,259	\$ 6,565,715	\$ 266,306,212

Business-type activities:	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018
Undepreciated:				
Land	\$ 1,779,594	\$ 500	\$ -	\$ 1,780,094
Construction in progress	4,188,355	3,789,212	4,001,095	3,976,472
Total, undepreciated	5,967,949	3,789,712	4,001,095	5,756,566
Depreciated:				
Other improvements	552,780	-	-	552,780
Infrastructure	178,326,333	9,114,004	-	187,440,337
Buildings	4,719,660	-	-	4,719,660
Machinery and equipment	3,545,870	485,383	364,678	3,666,575
Furniture and fixtures	64,542	-	-	64,542
Total, depreciated	187,209,185	9,599,387	364,678	196,443,894
Accumulated depreciation:				
Other improvements	483,045	5,042	-	488,087
Infrastructure	49,991,853	3,638,100	-	53,629,953
Buildings	1,199,772	146,875	-	1,346,647
Machinery and equipment	2,582,032	204,088	184,071	2,602,049
Furniture and fixtures	51,819	6,454	-	58,273
Total accumulated depreciation	54,308,521	4,000,559	184,071	58,125,009
Business-type activities capital assets, net	\$ 138,868,614	\$ 9,388,540	\$ 4,181,702	\$ 144,075,452

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

Governmental activities:	
Public safety	\$ 1,834,887
Health and social services	-
Culture and recreation	2,055,680
Public works	5,321,897
Community and economic development	16,933
General government	133,458
Total depreciation expense - governmental activities	<u>\$ 9,362,855</u>
Business-type activities:	
Water	\$ 1,171,332
Sewer	2,530,662
Storm water	115,214
Otter Creek golf course	183,351
Total depreciation expense - business-type activities	<u>\$ 4,000,559</u>

Note 5 - Interfund Receivables, Payables and Transfers

Due To/From Other Funds:

Receivable Fund	Payable Fund	Amount
Water	Debt service	\$211,011
	Capital projects	4,373,866
Sewer	Debt service	68,284
	Capital projects	2,538,729
Storm Water	Capital projects	11,335,859
Nonmajor, internal service	General fund	40,047
	Enterprise, sewer	992
	Enterprise, storm water	47,200
	Enterprise, Otter Creek golf course	97,978
		<u>\$18,713,966</u>

Advances To/From Other Funds:

Receivable Fund	Payable Fund	Amount
Nonmajor, internal service	General fund	\$65,184
	Enterprise, sewer	992
	Enterprise, storm water	123,261
	Enterprise, Otter Creek golf course	213,908
		<u>\$403,345</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, 2018 were as follows:

Transfers Out	Transfers In							Total
	General	Debt Service	Capital Projects	Water	Sewer	Nonmajor Governmental	Nonmajor Enterprise	
General	\$ -	\$ -	\$ 4,196,000	\$ 502	\$ -	\$ -	\$ -	\$ 4,196,502
Road Use Tax	-	-	740,000	-	-	-	-	740,000
Tax Increment Financing	-	6,367,102	-	-	-	-	-	6,367,102
Capital Projects	-	-	-	-	-	850	-	850
Water	299,257	-	500,000	-	-	-	-	799,257
Sewer	299,257	-	1,975,000	-	-	-	-	2,274,257
Storm Water	-	-	250,000	-	-	-	-	250,000
Nonmajor Governmental	-	-	7,643,470	-	-	-	10,871	7,654,341
Nonmajor Enterprise	-	-	40,030	-	-	-	-	40,030
	<u>\$ 598,514</u>	<u>\$ 6,367,102</u>	<u>\$ 15,344,500</u>	<u>\$ 502</u>	<u>\$ -</u>	<u>\$ 850</u>	<u>\$ 10,871</u>	<u>\$ 22,322,339</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, 2018:

Special Revenue:			
Tax Increment Financing	DART lease agreement	\$	139,040
Water	Unearned charges		5,553
		<u>\$</u>	<u>144,593</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, 2018 consist of the following individual issues:

Debt	Issue Date	Final Maturity	Amount Issued	Interest Rate Range Outstanding	Balance June 30, 2018
Refunding	05/15/10	06/01/21	\$ 7,920,000	3.000 - 3.250	\$ 1,905,000
Refunding	05/15/11	06/01/26	13,250,000	3.000 - 4.000	5,120,000
Refunding	05/30/12	06/01/27	11,160,000	2.000 - 3.000	7,340,000
Refunding	05/30/13	06/01/28	18,730,000	3.000 - 3.200	13,610,000
Various public improvements	05/30/13	06/01/28	12,970,000	3.000	9,610,000
Refunding	05/29/14	06/01/29	14,885,000	3.000 - 4.000	11,680,000
Various public improvements	05/29/14	06/01/29	12,345,000	3.000 - 5.000	9,480,000
Advance refunding	12/22/14	06/01/28	22,450,000	3.250 - 5.000	16,360,000
Various public improvements	05/28/15	06/01/25	7,750,000	2.000 - 5.000	4,985,000
Refunding	05/28/15	06/01/24	2,200,000	2.000 - 5.000	1,540,000
Advance refunding	03/31/16	06/01/28	13,090,000	1.500 - 5.000	10,315,000
Various public improvements	05/25/16	06/01/26	13,000,000	1.750 - 5.000	8,175,000
Various public improvements	05/31/17	06/01/27	11,675,000	2.125 - 5.000	8,740,000
Various public improvements	05/30/18	06/01/28	17,970,000	3.000 - 5.000	17,970,000
			<u>\$ 179,395,000</u>		<u>\$ 126,830,000</u>

On May 30, 2018, the City issued General Obligation Bonds, Series 2018A totaling \$17,970,000 with interest rates ranging from 3.000% 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:

Year Ending June 30	General Obligation Principal	General Obligation Interest	Total
2019	\$ 17,205,000	\$ 4,596,317	\$ 21,801,317
2020	14,535,000	3,861,263	18,396,263
2021	13,415,000	3,344,719	16,759,719
2022	11,715,000	2,855,131	14,570,131
2023	12,185,000	2,372,744	14,557,744
2024-2028	55,530,000	5,505,618	61,035,618
2029	2,245,000	78,906	2,323,906
	<u>\$ 126,830,000</u>	<u>\$ 22,614,698</u>	<u>\$ 149,444,698</u>

Accumulated fund balances in the Debt Service Fund are legally restricted for the repayment of debt service. The fund balance at June 30, 2018 in the Debt Service Fund is \$2,148,966.

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, 2018 consist of the following issues:

Debt	Issue Date	Final Maturity	Amount Issued	Interest Rate Range Outstanding	Balance June 30, 2018
Rock Creek lateral sewer	01/20/10	05/01/32	\$ 2,878,693	3.000	\$ 2,177,000
Various sewer improvements	04/04/12	05/01/31	2,965,000	2.000 - 3.375	2,275,000
Various sewer improvements	05/15/14	05/01/26	2,315,000	2.000 - 3.000	1,745,000
Advance refunding	05/15/14	05/01/28	4,805,000	2.000 - 3.250	3,850,000
			<u>\$ 12,963,693</u>		<u>\$ 10,047,000</u>

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

Year ending June 30	Principal	Interest	Total
2019	\$ 800,000	\$ 293,579	\$ 1,093,579
2020	829,000	276,329	1,105,329
2021	849,000	256,959	1,105,959
2022	873,000	231,489	1,104,489
2023	897,000	205,299	1,102,299
2024-2028	4,455,000	610,675	5,065,675
2029-2032	1,344,000	97,305	1,441,305
	<u>\$ 10,047,000</u>	<u>\$ 1,971,635</u>	<u>\$ 12,018,635</u>

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$12,963,693 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 \$12,018,635. Principal and interest paid for the current year and total customer net revenues were \$1,738,199 and \$6,146,601, 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, 2018 relating to these provisions is \$1,268,066.

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, 2018 consist of the following issues:

Debt	Issue Date	Final Maturity	Amount Issued	Interest Rate Range Outstanding	Balance June 30, 2018
Eastside rural water main	10/19/01	06/01/21	\$ 908,000	1.750	\$ 172,000
Refunding	05/15/14	06/01/23	1,890,000	2.000 - 3.000	1,110,000
Advance refunding	05/15/14	06/01/28	6,000,000	2.000 - 3.250	4,630,000
Various water improvements	05/31/17	06/01/29	1,605,000	2.250 - 4.000	1,495,000
Various water improvements	05/30/18	06/01/33	5,990,000	3.000 - 5.000	5,990,000
			<u>\$ 16,393,000</u>		<u>\$ 13,397,000</u>

On May 30, 2018, the City issued Water Revenue Bonds, Series 2018B totaling \$5,990,000 with interest rates ranging from 3.000% to 5.000%. 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
2019	\$ 1,161,000	\$ 431,456	\$ 1,592,456
2020	1,192,000	402,474	1,594,474
2021	1,229,000	367,176	1,596,176
2022	1,205,000	329,844	1,534,844
2023	1,255,000	285,744	1,540,744
2024-2028	4,830,000	855,219	5,685,219
2029-2033	2,525,000	227,249	2,752,249
	<u>\$ 13,397,000</u>	<u>\$ 2,899,162</u>	<u>\$ 16,296,162</u>

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$16,393,000 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 2033. 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 \$16,296,162. Principal and interest paid for the current year and total customer net revenues were \$1,061,923 and \$4,308,319, 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.

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, 2018 relating to these provisions is \$1,498,050.

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, 2018.

	Balance June 30, 2017, as restated	Increases	Decreases	Balance June 30, 2018	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 94,672,646	\$ 17,970,000	\$ 14,260,425	\$ 98,382,221	\$ 14,532,031
Capital loan notes	18,466,270	-	2,106,270	16,360,000	1,110,000
Total OPEB liability	1,173,391	123,493	-	1,296,884	-
Compensated absences	748,422	705,802	620,384	833,840	699,923
Net pension liability	17,896,960	578,712	-	18,475,672	-
Total governmental activities	\$ 132,957,689	\$ 19,378,007	\$ 16,987,079	\$ 135,348,617	\$ 16,341,954
Business-type activities:					
General obligation bonds	\$ 15,659,354	\$ -	\$ 3,571,575	\$ 12,087,779	\$ 1,562,969
Water revenue bonds	8,010,000	5,990,000	775,000	13,225,000	1,105,000
Sewer revenue bonds	11,456,000	-	1,409,000	10,047,000	800,000
General capital loan notes	363,730	-	363,730	-	-
Capital loan notes	226,000	-	54,000	172,000	56,000
Total OPEB liability	205,329	9,290	-	214,619	-
Compensated absences	241,446	98,387	104,295	235,538	105,625
Net pension liability	2,133,177	249,322	-	2,382,499	-
Total business-type activities	\$ 38,295,036	\$ 6,346,999	\$ 6,277,600	\$ 38,364,435	\$ 3,629,594
Total long-term debt	\$ 171,252,725	\$ 25,725,006	\$ 23,264,679	\$ 173,713,052	\$ 19,971,548

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	-	949
Total	\$ -	\$ 1,423
Premiums:		
Current	\$ 1,173,759	\$ 153,972
Noncurrent	7,156,583	992,849
Total	\$ 8,330,342	\$ 1,146,821

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 PO Box 9117, Des Moines, IA 50306-9117 or at www.ipers.org.

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

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years

of covered employment or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a regular member's monthly IPERS benefits includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, 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 and may retire any time after reaching age 50 with 22 or more years of covered employment. 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 2018, pursuant to the required rate, regular members contributed 5.95% of 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, 2018, totaled \$1,071,704.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2018, the City reported a liability of \$9,340,381 for its proportionate share of the

net pension liability. The net pension liability was measured as of June 30, 2017 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, 2017, the City's collective proportion was 0.1402193%, which was an increase of .0079306% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the City recognized pension expense of \$1,478,144. At June 30, 2018, 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	\$ 89,099	\$ 96,171
Changes of assumptions	1,782,216	185
Net difference between projected and actual earnings on pension plan investments	-	111,042
Changes in proportion and differences between City contributions and proportionate share of contributions	433,000	8,743
City contributions subsequent to the measurement date	1,071,704	-
Total	<u>\$ 3,376,019</u>	<u>\$ 216,141</u>

\$1,071,704 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, 2019. 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,	Amount
2019	\$ 342,485
2020	903,851
2021	567,581
2022	128,657
2023	145,600
	<u>\$ 2,088,174</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.

Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum based on 2.60% inflation assumption and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience study dated March 24, 2017.

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
Domestic equity	24.0%	6.25%
International equity	16.0	6.71
Core plus fixed income	27.0	2.25
Public credit	3.5	3.46
Public real assets	7.0	3.27
Cash	1.0	-0.31
Private equity	11.0	11.15
Private real assets	7.5	4.18
Private credit	3.0	4.25
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. 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 7.00%, 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 (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability:	\$ 16,090,036	\$ 9,340,381	\$ 3,670,118

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.

Payables to IPERS – At June 30, 2018, the City reported payables to IPERS of \$128,598 for legally required employer contributions and \$85,689 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.

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 (i.e., 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 greater of 60 percent of the member's average final compensation or the member's service retirement benefit calculation amount. Ordinary disability occurs outside the call of duty and pays benefits equivalent to the greater of 50 percent of the member's average final compensation for those with 5 or more years of service or the member's service retirement benefit calculation amount and 25 percent of average final compensation for those with less than 5 years of service.

Death benefits are similar to disability benefits. Benefits for accidental death are 50 percent of the average final compensation of the member plus an additional amount for each child, or the provisions for ordinary death. Ordinary

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

Benefits are increased (escalated) annually in accordance with Chapter 411.6 of the Code of Iowa, which 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, 2018.

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 25.68% for the year ended June 30, 2018.

The City's contributions to MFPRSI for the year ended June 30, 2018, totaled \$1,468,573.

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, 2018.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2018, the City reported a liability of \$11,517,790 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 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, 2017, the City's proportion was 1.963901%, which was an increase of .091916% from its proportions measured as of June 30, 2016.

For the year ended June 30, 2018, the City recognized pension expense of \$1,834,154. At June 30, 2018, 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	\$ 441,997	\$ 7,008
Changes of assumptions	978,764	130,819
Net difference between projected and actual earnings on pension plan investments	471,928	-
Changes in proportion and differences between City contributions and proportionate share of contributions	1,019,222	-
City contributions subsequent to the measurement date	1,468,573	-
Total	<u>\$ 4,380,484</u>	<u>\$ 137,827</u>

\$1,468,573 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, 2019. 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,	Amount
2019	\$ 595,367
2020	1,361,046
2021	772,912
2022	(64,593)
2023	109,352
	<u>\$ 2,774,084</u>

Actuarial Assumptions – The total pension liability in the June 30, 2017, 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 15.00%, including inflation.
Investment rate of return	7.50%, net of investment expense, including inflation.

The actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the period from July 1, 2002 through 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 five years projection of future mortality improvement with Scale BB.

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 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	5.5%
Small Cap	5.8
International Large Cap	7.3
Emerging Markets	9.0
Emerging Markets Debt	6.3
Private Non-Core Real Estate	8.0
Master Limited Partnerships	9.0
Private Equity	9.0
Core Plus Fixed Income	3.3
Private Core Real Estate	6.0
Tactical Asset Allocation	6.4

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:	\$ 18,928,794	\$ 11,517,790	\$ 5,353,727

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.

Payables to MFPRSI – At June 30, 2018, the City reported payables to the defined benefit pension plan of \$174,845 for legally required employer contributions and \$64,001 for legally required employee contributions which had been withheld from employee wages but not yet remitted to MFPRSI.

	IPERS	MFPRSI	Total
Pension Expense	\$ 1,478,144	\$ 1,834,154	\$ 3,312,298
Net Pension Liability	9,340,831	11,517,790	20,858,621
Deferred Outflows of Resources	3,376,019	4,380,484	7,756,503
Deferred Inflows of Resources	216,141	137,827	353,968

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, 2018 were \$478,551.

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 775 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, 2018 were \$240,181.

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 \$500,000 per claim. Claims exceeding \$500,000 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, 2018, no liability has been recorded in the City's financial statements. As of June 30, 2018, 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 12 individual stop loss claims and no outstanding aggregate stop loss claims as of June 30, 2018. 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:

	2018	2017
Claims payable, beginning of year	\$ 329,492	\$ 421,748
Incurred claims (including IBNR)	3,489,017	2,664,239
Claims payments	(3,484,509)	(2,756,495)
Claims payable, end of year	<u>\$ 334,000</u>	<u>\$ 329,492</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 \$442,828 to the PCAA in fiscal year 2018.

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 \$595,321 in fiscal year 2018.

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 \$56,764 in membership dues for fiscal year 2018.

The City is a member of the Des Moines Area Regional Transit Authority (DART). DART has 13 member cities and Polk County, which are represented by 14 commissioners. 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 \$139,040 as of June 30, 2018.

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 2018 of \$6,661,977.

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>
2019	\$ 186,540
2020	186,540
2021	186,540
2022	93,270
Total remaining payments	<u>\$ 652,890</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:

Fiscal Year	Amount
2019	\$ 938,323
2020	934,151
2021	939,702
2022	939,009
2023	940,729
2024 - 2026	2,458,149
Total remaining payments	<u>\$ 7,150,063</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:

Fiscal Year	Amount
2019	<u>\$ 22,680</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, 2018, in the general fund, road use tax fund, capital projects fund and internal services funds were \$355,194, \$222,668, \$647,542 and 60,257, respectively. The City also had encumbrances in the water fund, sewer fund, storm water fund and nonmajor enterprise funds of \$127,606, \$196, \$15,760 and \$114,188, 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, 2018 is \$31,167,801.

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 administers a single-employer health defined benefit plan which provides medical, prescription drug and dental benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits – Individuals who are employed by the City and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical, prescription drug and dental benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	10
Active employees	215
Total	<u>225</u>

Total OPEB Liability – The City’s total OPEB liability of \$1,511,503 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and the entry age normal level percentage of pay actuarial cost method, applied to all periods included in the measurement.

Rate of inflation	3.00% per annum.
Rates of salary increase	4.00% per annum.
Discount rate	3.58% per annum.
Health care cost trend rate	5.00% per annum.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.58% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP 2014 annuitant distinct mortality table adjusted to 2016 with MP 2016 generational projection of future mortality improvement. Annual retirement probabilities are based on varying rates by age and employee type and turnover probabilities are based on varying rates by age from the Scale T-6 of the Actuary’s Pension Handbook.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year, as restated	\$ 1,378,720
Changes for the year:	
Service cost	83,710
Interest	53,255
Differences between expected and actual experiences	-
Changes in assumptions	54,497
Benefit payments	(58,679)
Net changes	<u>132,783</u>
Total OPEB liability end of year	<u>\$ 1,511,503</u>

Changes of assumptions reflect a change in the discount rate from 4.00% in fiscal year 2017 to 3.58% in fiscal year 2018.

Sensitivity of the City’s Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.58%) or 1% higher (4.58%) than the current discount rate.

	1% Decrease (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB liability	\$ 1,661,014	\$ 1,511,503	\$ 1,378,240

Sensitivity of the City's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (4.00%) or 1% higher (6.00%) than the current healthcare cost trend rates.

	1% Decrease (4.00%)	Healthcare Cost Trend Rate (5.00%)	1% Increase (6.00%)
Total OPEB liability	\$ 1,336,827	\$ 1,511,503	\$ 1,721,164

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2018, the City recognized OPEB expense of \$141,190. At June 30, 2018, the City reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -
Changes in assumptions	50,272
Total	<u>\$ 50,272</u>

The amount reported as deferred outflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,	Amount
2019	\$ 4,225
2020	4,225
2021	4,225
2022	4,225
2023	4,225
Thereafter	29,147
	<u>\$ 50,272</u>

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, 2018, the ending fund balance of the Landfill Postclosure Fund was \$118,942.

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, 2018, the City abated \$314,976 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, 2018, the City abated \$3,550 of property tax under the Urban Revitalization Tax Exemptions Program.

Note 16 – Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, was implemented during fiscal year 2018. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with OPEB benefits, including additional note disclosure and required supplementary information. In addition, GASB Statement No. 75 requires a state and local government employer to use the entry age normal actuarial cost method, and requires deferred outflows of resources and deferred inflows of resources which arise from other types of events related to OPEB to be recognized. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources are not reported. Beginning net position for governmental and business type activities was restated to retroactively report the change in valuation of the beginning total OPEB liability, as follows:

	Governmental Activities	Business Type Activities				Total	Governmental Activities Internal Service
		Water	Sewer	Storm Water	Nonmajor Enterprise		
Net position June 30, 2017, as previously reported	\$ 177,707,359	\$ 42,581,896	\$ 92,230,464	\$ 3,390,188	\$ 4,675,440	\$ 142,877,988	\$ 6,263,112
Net OPEB obligation measured under previous standards	239,951	13,128	15,458	4,103	9,299	41,988	4,376
Total OPEB liability at June 30, 2017	(1,173,391)	(64,199)	(75,594)	(20,062)	(45,474)	(205,329)	(21,400)
Net position July 1, 2017, as restated	\$ 176,773,919	\$ 42,530,825	\$ 92,170,328	\$ 3,374,229	\$ 4,639,265	\$ 142,714,647	\$ 6,246,088

Note 17 – New Pronouncements

As of June 30, 2018, the GASB has issued several statements not yet implemented by the City. The statements which might impact the City are as follows:

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. 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.

Statement No. 88 “Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements”

The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

Statement No. 89 “Accounting for Interest Cost Incurred Before the End of a Construction Period”

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before

the end of a construction period. 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, 2018

	Governmental Fund Types Actual	Proprietary Fund Types Actual	Total All Budgeted Funds Actual	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
Property taxes	\$ 34,047,110	\$ -	\$ 34,047,110	\$ 34,087,183	\$ 34,087,183	\$ (40,073)
Tax increment financing	7,937,674	-	7,937,674	8,149,549	7,947,256	(9,582)
Other city taxes	3,258,997	-	3,258,997	3,381,596	3,336,596	(77,599)
Licenses and permits	2,065,224	15,542	2,080,766	1,619,500	2,021,400	59,366
Use of money and property	1,099,201	165,889	1,265,090	677,894	1,084,804	180,286
Intergovernmental	11,410,844	-	11,410,844	14,879,699	16,046,683	(4,635,839)
Charges for services	3,729,791	30,577,985	34,307,776	31,237,598	33,618,571	689,205
Special assessments	79,797	191	79,988	1,000	6,000	73,988
Miscellaneous	8,469,327	2,010,143	10,479,470	12,104,818	10,694,300	(214,830)
Total revenues	72,097,965	32,769,750	104,867,715	106,138,837	108,842,793	(3,975,078)
Expenditures/Expenses:						
Public safety	15,825,956	-	15,825,956	17,780,570	16,794,348	968,392
Public works	5,198,146	-	5,198,146	5,628,502	5,587,280	389,134
Health and social services	13,545	-	13,545	31,700	28,000	14,455
Culture and recreation	6,508,184	-	6,508,184	7,162,330	7,115,076	606,892
Community and economic development	2,814,998	-	2,814,998	3,434,383	3,065,299	250,301
General government	3,303,099	-	3,303,099	3,484,992	3,482,162	179,063
Debt service	24,944,104	-	24,944,104	22,906,958	24,944,105	1
Capital projects	21,892,308	-	21,892,308	41,149,000	41,953,500	20,061,192
Business-type	-	23,482,066	23,482,066	23,347,018	24,273,535	791,469
Total expenditures/expenses	80,500,340	23,482,066	103,982,406	124,925,453	127,243,305	23,260,899
Excess (deficiency) of revenues over (under) expenditures/expenses	(8,402,375)	9,287,684	885,309	(18,786,616)	(18,400,512)	19,285,821
Other financing sources (uses), net	33,953,411	(7,475,442)	26,477,969	18,124,105	26,707,800	(229,831)
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing uses	25,551,036	1,812,242	27,363,278	(662,511)	8,307,288	19,055,990
Beginning fund balance, July 1	69,058,134	23,745,642	92,803,776	92,385,819	92,803,776	-
Ending fund balance, June 30	\$ 94,609,170	\$ 25,557,884	\$ 120,167,054	\$ 91,723,308	\$ 101,111,064	\$ 19,055,990

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, 2018

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	\$ 106,051,376
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.	(1,776,083)
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.	(27,788)
On a budgetary basis, the City does not record underwriters' discounts from bond issuances.	92,130
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.	(5,948,410)
Transfers from enterprise funds to the debt service fund for bond principal and interest payments are reported as transfers on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis.	<u>(4,440,737)</u>
Total GAAP basis revenues and other financing sources for the governmental funds	<u><u>\$ 93,950,488</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	\$ 80,500,340
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.	1,298,890
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.	82,770
On a budgetary basis, the City does not record underwriters' discounts from bond issuances.	92,130
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.	(3,933,961)
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	(4,440,737)
Repayments of loans to the equipment reserve fund and the sustainability revolving loan fund are recorded as an expenditure on a budget basis. No expenditure is recorded for loan repayments on a GAAP basis.	<u>(53,117)</u>
Total GAAP basis expenditures and other financing uses for the governmental funds	<u><u>\$ 73,546,315</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, 2018

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	\$ 32,781,123
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.	108,600
Investments are not reported at market value on a budgetary basis. The change in market value is recorded on a GAAP basis.	3,238
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>(26,866)</u>
Total GAAP basis revenues, nonoperating revenues, and transfers in	<u><u>\$ 32,866,095</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	\$ 31,286,347
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.	243,062
Principal payments on indebtedness are recorded as an expenditure on a budgetary basis, but are not expensed on a GAAP basis.	(2,238,000)
On a budgetary basis, bad accounts receivable debts are not recorded. On a GAAP basis, bad debts are recorded as an expense.	-
Bond premiums and discounts are not recorded on a budgetary basis. These are recorded and amortized under GAAP.	(202,896)
Depreciation and losses on capital assets are reported on a GAAP basis but are not recorded on a budgetary basis	4,075,666
Purchases of capital assets are reported as an expense on a budget basis but are capitalized and depreciated on a GAAP basis	(104,497)
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.	(3,935,308)
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>(160,810)</u>
Total GAAP basis expenses, nonoperating expenses, and transfers out	<u><u>\$ 28,963,564</u></u>

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

Notes to the Required Supplementary Information

City of Ankeny, Iowa

June 30, 2018

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, 2018. The amendments increased estimated revenues by \$2,703,956 and increased expenditures by \$2,317,852. 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, additional interest revenue and the purchase of water.

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, 2018, 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 the City's Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System
For the Last Four Years ⁽¹⁾

	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.14022%	0.13229%	0.12894%	0.12544%
City's proportionate share of the net pension liability	\$ 9,340,381	\$ 8,325,346	\$ 6,370,200	\$ 4,974,770
City's covered payroll	\$ 11,681,267	\$ 10,528,957	\$ 9,681,761	\$ 9,699,344
City's proportionate share of the net pension liability as a percentage of its covered payroll	79.96%	79.07%	65.80%	51.29%
Plan fiduciary net position as a percentage of the total pension liability	82.21%	81.82%	85.19%	87.61%

⁽¹⁾ 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				
	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 1,071,704	\$ 1,054,434	\$ 949,821	\$ 909,593	\$ 878,731
Contributions in relation to the statutorily required contribution	<u>(1,071,704)</u>	<u>(1,054,434)</u>	<u>(949,821)</u>	<u>(909,593)</u>	<u>(878,731)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 11,888,287	\$ 11,681,267	\$ 10,528,957	\$ 9,681,761	9,699,344
Contributions as a percentage of covered payroll	9.01%	9.03%	9.02%	9.39%	9.06%

Fiscal Year				
2013	2012	2011	2010	2009
\$ 824,171	\$ 927,474	\$ 668,065	\$ 631,912	\$ 572,991
(824,171)	(927,474)	(668,065)	(631,912)	(572,991)
-	-	-	-	-
9,023,719	8,349,521	8,929,965	9,157,040	8,716,773
9.13%	11.11%	7.48%	6.90%	6.57%

Notes to the Required Supplementary Information: IPERS Pension Liability

City of Ankeny, Iowa

June 30, 2018

Changes in 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.

Changes in assumptions:

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

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 Four Years ⁽¹⁾

	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	1.96390%	1.87199%	1.78695%	1.66118%
City's proportionate share of the net pension liability	\$ 11,517,790	\$ 11,704,791	\$ 8,395,358	\$ 6,021,760
City's covered payroll	\$ 5,562,201	\$ 5,072,834	\$ 4,686,212	\$ 4,242,165
City's proportionate share of the net pension liability as a percentage of its covered payroll	207.07%	230.73%	179.15%	141.95%
Plan fiduciary net position as a percentage of the total pension liability	80.60%	78.20%	83.04%	86.27%

⁽¹⁾ 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				
	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 1,468,573	\$ 1,441,723	\$ 1,408,757	\$ 1,425,075	\$ 1,277,740
Contributions in relation to the statutorily required contribution	<u>\$ (1,468,573)</u>	<u>(1,441,723)</u>	<u>(1,408,757)</u>	<u>(1,425,075)</u>	<u>(1,277,740)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
City's covered payroll	\$ 5,717,714	\$ 5,562,204	\$ 5,072,834	\$ 4,686,212	4,242,165
Contributions as a percentage of covered payroll	25.68%	25.92%	27.77%	30.41%	30.12%

Fiscal Year				
2013	2012	2011	2010	2009
\$ 1,040,737	\$ 897,198	\$ 634,969	\$ 550,553	\$ 545,111
(1,040,737)	(897,198)	(634,969)	(550,553)	(545,111)
-	-	-	-	-
3,984,446	3,800,863	3,190,801	3,250,310	2,907,255
26.12%	23.61%	19.90%	16.94%	18.75%

Notes to the Required Supplementary Information: MFPRSI Pension Liability

City of Ankeny, Iowa

June 30, 2018

Changes in benefit terms:

There were no significant changes of benefit terms.

Changes in assumptions:

The 2017 valuation added five years projection of future mortality improvement with Scale BB.

The 2016 valuation changed postretirement mortality rates to 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 2015 valuation phased in the 1994 Group Annuity Mortality Table for postretirement mortality. This resulted in a weighting of 1/12 of the 1971 Group Annuity Mortality Table and 11/12 of the 1994 Group Annuity Mortality Table.

The 2014 valuation phased in the 1994 Group Annuity Mortality Table for postretirement mortality. This resulted in a weighting of 2/12 of the 1971 Group Annuity Mortality Table and 10/12 of the 1994 Group Annuity Mortality Table.

Notes to the Required Supplementary Information: Schedule of Changes in the City's Total OPEB Liability, Related Ratios and Notes

City of Ankeny, Iowa

June 30, 2018

	<u>2018</u>
Service cost	\$ 83,710
Interest cost	53,255
Differences between expected and actual experiences	-
Changes in assumptions	54,497
Benefit payments	<u>(58,679)</u>
Net change in total OPEB liability	<u>132,783</u>
Total OPEB liability beginning of year, as restated	<u>1,378,720</u>
Total OPEB liability end of year	<u>\$ 1,511,503</u>
Covered-employee payroll	\$ 16,587,836
Total OPEB liability as a percentage of covered-employee payroll	9.11%

Notes to Schedule of Changes in the City's Total OPEB Liability and Related Ratios

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rate used in each period.

Year ended June 30, 2018 3.58%

Year ended June 30, 2017 4.00%

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, 2018

	Special Revenue					
	Fire Gift	Hawkeye Park	Police Gift	Police Seizure	Police/Fire Pension	Landfill Postclosure
Assets						
Cash and cash equivalents	\$ 33,632	\$ 12,003	\$ 4,417	\$ 80,923	\$ 1,529,283	\$ 118,942
Receivables:						
Interest	-	-	-	-	263	-
Taxes	-	-	-	-	1,965,842	-
Accounts	-	-	-	562	-	-
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	26	-
Total assets	<u>\$ 33,632</u>	<u>\$ 12,003</u>	<u>\$ 4,417</u>	<u>\$ 81,485</u>	<u>\$ 3,495,414</u>	<u>\$ 118,942</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 4,426	\$ -
Deferred Inflows of Resources						
Unavailable revenues						
Property taxes	-	-	-	-	1,962,214	-
Special assessments	-	-	-	-	-	-
Other long-term receivables	-	-	-	475	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>475</u>	<u>1,962,214</u>	<u>-</u>
Fund balances						
Restricted	<u>33,632</u>	<u>12,003</u>	<u>4,417</u>	<u>81,010</u>	<u>1,528,774</u>	<u>118,942</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 33,632</u>	<u>\$ 12,003</u>	<u>\$ 4,417</u>	<u>\$ 81,485</u>	<u>\$ 3,495,414</u>	<u>\$ 118,942</u>

							Capital Project	Total Nonmajor Governmental Funds
Library Foundation	Park Dedication	Sports Complex Foundation	Ankeny Garden Club	Dog Park	Civic	Ankeny Community Foundation	Special Assessments	
\$ 35,637	\$ 623,776	\$ 60,502	\$ 5,797	\$ 3,772	\$ -	\$ 239,536	\$ 1,064,883	\$ 3,813,103
-	-	-	-	-	-	-	-	263
-	-	-	-	-	-	-	-	1,965,842
-	-	860	-	-	-	7,049	-	8,471
-	-	-	-	-	-	-	249,288	249,288
-	-	-	-	-	-	4,291	-	4,317
<u>\$ 35,637</u>	<u>\$ 623,776</u>	<u>\$ 61,362</u>	<u>\$ 5,797</u>	<u>\$ 3,772</u>	<u>\$ -</u>	<u>\$ 250,876</u>	<u>\$ 1,314,171</u>	<u>\$ 6,041,284</u>
\$ 1,894	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80	\$ -	\$ 6,400
-	-	-	-	-	-	-	-	1,962,214
-	-	-	-	-	-	-	249,288	249,288
-	-	200	-	-	-	-	-	675
-	-	200	-	-	-	-	249,288	2,212,177
33,743	623,776	61,162	5,797	3,772	-	250,796	1,064,883	3,822,707
<u>\$ 35,637</u>	<u>\$ 623,776</u>	<u>\$ 61,362</u>	<u>\$ 5,797</u>	<u>\$ 3,772</u>	<u>\$ -</u>	<u>\$ 250,876</u>	<u>\$ 1,314,171</u>	<u>\$ 6,041,284</u>

City of Ankeny, Iowa
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue					
	Fire Gift	Hawkeye Park	Police Gift	Police Seizure	Police/Fire Pension	Landfill Postclosure
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,587,044	\$ -
Other taxes and assessments	-	-	-	-	17,019	-
Intergovernmental	-	-	-	1,033	67,052	-
Charges for services	-	11,325	-	-	-	-
Use of money and property	52	82	7	122	6,115	196
Miscellaneous	3,395	1,000	-	495	-	-
Total revenues	<u>3,447</u>	<u>12,407</u>	<u>7</u>	<u>1,650</u>	<u>1,677,230</u>	<u>196</u>
Expenditures						
Current operating:						
Public safety	4,173	-	-	898	1,485,951	-
Culture and recreation	-	1,600	-	-	-	-
Total expenditures	<u>4,173</u>	<u>1,600</u>	<u>-</u>	<u>898</u>	<u>1,485,951</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(726)</u>	<u>10,807</u>	<u>7</u>	<u>752</u>	<u>191,279</u>	<u>196</u>
Other financing (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	(50,000)	-	-	-	(10,871)
Total other financing sources (uses)	<u>-</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,871)</u>
Net change in fund balances	<u>(726)</u>	<u>(39,193)</u>	<u>7</u>	<u>752</u>	<u>191,279</u>	<u>(10,675)</u>
Fund balances, beginning	<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>
Fund balances, ending	<u>\$ 33,632</u>	<u>\$ 12,003</u>	<u>\$ 4,417</u>	<u>\$ 81,010</u>	<u>\$ 1,528,774</u>	<u>\$ 118,942</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	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,587,044
-	-	-	-	-	-	-	79,336	96,355
-	-	-	-	-	-	14,291	-	82,376
-	-	8,940	-	-	-	-	-	20,265
47	957	115	9	5	1	347	-	8,055
21,711	81,773	-	1,440	1,425	7,026,834	193,401	-	7,331,474
21,758	82,730	9,055	1,449	1,430	7,026,835	208,039	79,336	9,125,569
-	-	-	-	-	-	-	-	1,491,022
13,612	-	-	3,711	332	-	12,829	-	32,084
13,612	-	-	3,711	332	-	12,829	-	1,523,106
8,146	82,730	9,055	(2,262)	1,098	7,026,835	195,210	79,336	7,602,463
-	-	-	-	-	-	850	-	850
-	(50,000)	(20,000)	-	-	(7,381,833)	(141,637)	-	(7,654,341)
-	(50,000)	(20,000)	-	-	(7,381,833)	(140,787)	-	(7,653,491)
8,146	32,730	(10,945)	(2,262)	1,098	(354,998)	54,423	79,336	(51,028)
25,597	591,046	72,107	8,059	2,674	354,998	196,373	985,547	3,873,735
\$ 33,743	\$ 623,776	\$ 61,162	\$ 5,797	\$ 3,772	\$ -	\$ 250,796	\$ 1,064,883	\$ 3,822,707

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, 2018

	Enterprise Funds		
	Solid Waste	Otter Creek Golf Course	Totals
Assets			
Current assets:			
Cash and cash equivalents	\$ 189,338	\$ 493,054	\$ 682,392
Receivables:			
Accounts	86,014	26,691	112,705
Special assessments	62	-	62
Inventory	-	77,050	77,050
Total current assets	<u>275,414</u>	<u>596,795</u>	<u>872,209</u>
Noncurrent assets:			
Capital assets:			
Land	-	985,942	985,942
Depreciable assets, net of accumulated depreciation	-	3,548,620	3,548,620
Total capital assets	<u>-</u>	<u>4,534,562</u>	<u>4,534,562</u>
Total noncurrent assets	<u>-</u>	<u>4,534,562</u>	<u>4,534,562</u>
Total assets	<u>275,414</u>	<u>5,131,357</u>	<u>5,406,771</u>
Deferred Outflows of Resources			
Pension related deferred outflows	9,137	170,837	179,974
OPEB related deferred outflows	-	1,474	1,474
Total deferred outflows of resources	<u>9,137</u>	<u>172,311</u>	<u>181,448</u>
Liabilities			
Current liabilities:			
Accounts payable	51,108	49,163	100,271
Accrued wages	-	17,996	17,996
Due to other funds	-	97,978	97,978
Compensated absences payable	-	6,005	6,005
Total current liabilities	<u>51,108</u>	<u>171,142</u>	<u>222,250</u>
Noncurrent liabilities:			
Total OPEB liability	-	44,328	44,328
Compensated absences payable	-	13,095	13,095
Advances from other funds	-	213,908	213,908
Net pension liability	17,818	577,046	594,864
Total noncurrent liabilities	<u>17,818</u>	<u>848,377</u>	<u>866,195</u>
Total liabilities	<u>68,926</u>	<u>1,019,519</u>	<u>1,088,445</u>
Deferred Inflows of Resources			
Pension related deferred inflows	235	5,091	5,326
Net Position			
Net investment in capital assets	-	4,534,562	4,534,562
Unrestricted	215,390	(255,504)	(40,114)
Total net position	<u>\$ 215,390</u>	<u>\$ 4,279,058</u>	<u>\$ 4,494,448</u>

City of Ankeny, Iowa
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2018

	Enterprise Funds		
	Solid Waste	Otter Creek Golf Course	Totals
Operating revenues:			
Charges for services	\$ 756,673	\$ 1,063,500	\$ 1,820,173
Other	13,922	620,417	634,339
Total operating revenues	<u>770,595</u>	<u>1,683,917</u>	<u>2,454,512</u>
Operating expenses:			
Personal services	59,978	950,873	1,010,851
Contractual services	688,014	253,130	941,144
Operating supplies	-	354,212	354,212
Depreciation	-	183,351	183,351
Total operating expenses	<u>747,992</u>	<u>1,741,566</u>	<u>2,489,558</u>
Operating income (loss)	<u>22,603</u>	<u>(57,649)</u>	<u>(35,046)</u>
Nonoperating revenues (expenses):			
Interest earnings	273	834	1,107
Interest expense	-	(6,612)	(6,612)
Loss on disposal of assets	-	(75,107)	(75,107)
Total nonoperating revenues (expenses)	<u>273</u>	<u>(80,885)</u>	<u>(80,612)</u>
Net income (loss) before contributions and transfers	22,876	(138,534)	(115,658)
Transfers in	10,871	-	10,871
Transfers out	-	(40,030)	(40,030)
Change in net position	<u>33,747</u>	<u>(178,564)</u>	<u>(144,817)</u>
Total net position, beginning, as restated	<u>181,643</u>	<u>4,457,622</u>	<u>4,639,265</u>
Total net position, ending	<u>\$ 215,390</u>	<u>\$ 4,279,058</u>	<u>\$ 4,494,448</u>

City of Ankeny, Iowa
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2018

	Enterprise Funds		
	Solid Waste	Otter Creek Golf Course	Totals
Cash flows from operating activities			
Receipts from customers	\$ 762,639	\$ 1,707,909	\$ 2,470,548
Payments to suppliers	(683,846)	(644,527)	(1,328,373)
Payments to employees	(57,316)	(871,095)	(928,411)
Net cash provided by operating activities	<u>21,477</u>	<u>192,287</u>	<u>213,764</u>
Cash flows from noncapital financing activities			
Payments made on interfund accounts	-	(120,388)	(120,388)
Transfers from other funds	10,871.00	-	10,871
Transfers to other funds	-	(40,030)	(40,030)
Net cash provided (used) by noncapital financing activities	<u>10,871</u>	<u>(160,418)</u>	<u>(149,547)</u>
Cash flows from investing activities:			
Interest received	<u>273</u>	<u>834</u>	<u>1,107</u>
Net increase in cash and cash equivalents	32,621	32,703	65,324
Balances, beginning of year	<u>156,717</u>	<u>460,351</u>	<u>617,068</u>
Balances, end of year	<u><u>\$ 189,338</u></u>	<u><u>\$ 493,054</u></u>	<u><u>\$ 682,392</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 22,603	\$ (57,649)	\$ (35,046)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:			
Depreciation	-	183,351	183,351
Changes in assets and liabilities:			
Receivables, net	(7,956)	23,992	16,036
Inventory	-	(16,540)	(16,540)
Accounts and other payables	6,830	59,133	65,963
Net cash provided by operating activities	<u><u>\$ 21,477</u></u>	<u><u>\$ 192,287</u></u>	<u><u>\$ 213,764</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.

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, 2018

	Central Garage	Risk Management	Equipment Reserve	Sustainability Revolving Loan	Economic Development Revolving	Health Insurance	Total
Assets							
Current assets:							
Cash and cash equivalents	\$ 428,273	\$ 949,104	\$ 1,890,418	\$ 18,147	\$ 204,254	\$ 3,238,533	\$ 6,728,729
Receivables:							
Interest	-	-	526	-	-	-	526
Accounts	-	2,021	-	-	5,500	-	7,521
Intergovernmental	45,193	-	-	-	-	-	45,193
Prepaid expenses	-	121,246	-	-	-	-	121,246
Inventory	142,557	-	-	-	-	-	142,557
Due from other funds	-	-	183,116	3,101	-	-	186,217
Total current assets	<u>616,023</u>	<u>1,072,371</u>	<u>2,074,060</u>	<u>21,248</u>	<u>209,754</u>	<u>3,238,533</u>	<u>7,231,989</u>
Noncurrent assets:							
Advances to other funds	-	-	396,178	7,167	-	-	403,345
Capital assets:							
Depreciable assets, net of accumulated depreciation	-	57,576	-	-	-	-	57,576
Total capital assets	<u>0</u>	<u>57,576</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,576</u>
Total noncurrent assets	<u>0</u>	<u>57,576</u>	<u>396,178</u>	<u>7,167</u>	<u>-</u>	<u>-</u>	<u>460,921</u>
Total assets	<u>616,023</u>	<u>1,129,947</u>	<u>2,470,238</u>	<u>28,415</u>	<u>209,754</u>	<u>3,238,533</u>	<u>7,692,910</u>
Deferred Outflows of Resources							
Pension related deferred outflows	72,060	-	-	-	-	-	72,060
OPEB related deferred outflows	753	-	-	-	-	-	753
Total deferred outflows of resources	<u>72,813</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,813</u>
Liabilities							
Current liabilities:							
Accounts payable	60,298	47,354	-	-	-	985	108,637
Accrued wages	5,442	-	-	-	-	-	5,442
Claims payable	-	-	-	-	-	334,000	334,000
Compensated absences payable	6,930	-	-	-	-	-	6,930
Total current liabilities	<u>72,670</u>	<u>47,354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>334,985</u>	<u>455,009</u>
Noncurrent liabilities:							
Total OPEB liability	22,645	-	-	-	-	-	22,645
Compensated absences payable	20,361	-	-	-	-	-	20,361
Net pension liability	226,156	-	-	-	-	-	226,156
Total noncurrent liabilities	<u>269,162</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>269,162</u>
Total liabilities	<u>341,832</u>	<u>47,354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>334,985</u>	<u>724,171</u>
Deferred Inflows of Resources							
Pension related deferred inflows	<u>3,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,160</u>
Net Position							
Net investment in capital assets	-	57,576	-	-	-	-	57,576
Unrestricted	<u>343,844</u>	<u>1,025,017</u>	<u>2,470,238</u>	<u>28,415</u>	<u>209,754</u>	<u>2,903,548</u>	<u>6,980,816</u>
Total net position	<u>\$ 343,844</u>	<u>\$ 1,082,593</u>	<u>\$ 2,470,238</u>	<u>\$ 28,415</u>	<u>\$ 209,754</u>	<u>\$ 2,903,548</u>	<u>\$ 7,038,392</u>

City of Ankeny, Iowa
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2018

	Central Garage	Risk Management	Equipment Reserve	Sustainability Revolving Loan	Economic Development Revolving	Health Insurance	Total
Operating revenues:							
Charges for services	\$ 961,147	\$ 1,008,000	\$ -	\$ -	\$ -	\$ 4,056,408	\$ 6,025,555
Other	23,168	72,837	-	-	34,600	363,213	493,818
Total operating revenues	<u>984,315</u>	<u>1,080,837</u>	<u>-</u>	<u>-</u>	<u>34,600</u>	<u>4,419,621</u>	<u>6,519,373</u>
Operating expenses:							
Personal services	373,850	535,725	-	-	-	5,680	915,255
Contractual services	33,742	422,813	-	-	79,000	3,636,809	4,172,364
Operating supplies	643,694	1,000	-	-	-	1,142	645,836
Depreciation	819	17,388	-	-	-	-	18,207
Total operating expenses	<u>1,052,105</u>	<u>976,926</u>	<u>-</u>	<u>-</u>	<u>79,000</u>	<u>3,643,631</u>	<u>5,751,662</u>
Operating income	<u>(67,790)</u>	<u>103,911</u>	<u>-</u>	<u>-</u>	<u>(44,400)</u>	<u>775,990</u>	<u>767,711</u>
Nonoperating revenues:							
Interest earnings	606	1,244	18,172	23	282	4,266	24,593
Change in net position	(67,184)	105,155	18,172	23	(44,118)	780,256	792,304
Total net position, beginning, as restated	<u>411,028</u>	<u>977,438</u>	<u>2,452,066</u>	<u>28,392</u>	<u>253,872</u>	<u>2,123,292</u>	<u>6,246,088</u>
Total net position, ending	<u>\$ 343,844</u>	<u>\$ 1,082,593</u>	<u>\$ 2,470,238</u>	<u>\$ 28,415</u>	<u>\$ 209,754</u>	<u>\$ 2,903,548</u>	<u>\$ 7,038,392</u>

City of Ankeny, Iowa
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2018

	Central Garage	Risk Management	Equipment Reserve	Sustainability Revolving Loan	Economic Development Revolving	Health Insurance	Total
Cash flows from operating activities							
Cash received from customers	\$ 949,856	\$ 1,078,816	\$ -	\$ -	\$ 29,100	\$ 4,419,621	\$ 6,477,393
Payments to suppliers	(579,558)	(938,296)	-	-	(79,000)	(3,633,443)	(5,230,297)
Payments to employees	(361,705)	-	-	-	-	(5,620)	(367,325)
Net cash provided by operating activities	<u>8,593</u>	<u>140,520</u>	<u>0</u>	<u>0</u>	<u>(49,900)</u>	<u>780,558</u>	<u>879,771</u>
Cash flows from noncapital financing activities							
Payments received on interfund accounts	-	-	210,826	3,101	-	-	213,927
Loans issued to other funds	-	-	(358,156)	-	-	-	(358,156)
Net cash used by noncapital financing activities	<u>-</u>	<u>-</u>	<u>(147,330)</u>	<u>3,101</u>	<u>-</u>	<u>-</u>	<u>(144,229)</u>
Cash flows from capital and related financing activities							
Purchase of capital assets	<u>-</u>	<u>(17,639)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,639)</u>
Cash flows from investing activities							
Interest received	<u>605</u>	<u>1,242</u>	<u>17,735</u>	<u>23</u>	<u>282</u>	<u>4,267</u>	<u>24,154</u>
Net increase (decrease) in cash and cash equivalents	9,198	124,123	(129,595)	3,124	(49,618)	784,825	742,057
Cash and cash equivalents, beginning	419,075	824,981	2,020,013	15,023	253,872	2,453,708	5,986,672
Cash and cash equivalents, ending	<u>\$ 428,273</u>	<u>\$ 949,104</u>	<u>\$ 1,890,418</u>	<u>\$ 18,147</u>	<u>\$ 204,254</u>	<u>\$ 3,238,533</u>	<u>\$ 6,728,729</u>
Reconciliation of operating income to net cash provided by operating activities							
Operating income	\$ (67,790)	\$ 103,911	\$ 0	\$ 0	\$ (44,400)	\$ 775,990	\$ 767,711
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation expense	819	17,388	-	-	-	-	18,207
Changes in assets and liabilities:							
Receivables, net	(34,459)	(2,021)	-	-	(5,500)	-	(41,980)
Prepaid expenses	-	(14,497)	-	-	-	-	(14,497)
Inventory	54,543	-	-	-	-	-	54,543
Accounts and other payables	55,485	35,739	-	-	-	60	91,284
Claims payable	(5)	-	-	-	-	4,508	4,503
Net cash provided (used) by operating activities	<u>\$ 8,593</u>	<u>\$ 140,520</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (49,900)</u>	<u>\$ 780,558</u>	<u>\$ 879,771</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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Governmental funds capital assets:		
Land	\$ 8,284,826	\$ 8,294,818
Other improvements	40,605,618	38,115,528
Infrastructure	239,515,859	223,289,751
Buildings	42,412,607	42,922,038
Machinery and equipment	18,665,660	17,088,079
Furniture and fixtures	1,459,706	1,459,706
Construction in progress	18,462,383	15,233,553
Total governmental funds capital assets	<u>\$ 369,406,659</u>	<u>\$ 346,403,473</u>
Investment in governmental funds capital assets by source:		
General fund	\$ 23,022,769	\$ 22,050,463
Special revenue funds	7,264,797	7,221,736
Capital project funds	218,895,143	204,174,459
Local, state, and federal grants and donations	120,223,950	112,956,815
Total investment in governmental funds capital assets by source	<u>\$ 369,406,659</u>	<u>\$ 346,403,473</u>

City of Ankeny, Iowa
Comparative Schedule By Function and Activity
June 30, 2018

	Land	Other Improvements	Infrastructure	Buildings	Machinery and Equipment	Furniture and Fixtures	Construction in Progress	Total
Public safety:								
Police	\$ 206	\$ -	\$ -	\$ 17,600,265	\$ 2,363,555	\$ 239,757	\$ -	\$ 20,203,783
Fire and ambulance	809,844	-	-	9,763,249	6,601,131	48,316	2,937,833	20,160,373
Code enforcement	-	-	-	-	192,098	-	-	192,098
Total public safety	<u>810,050</u>	<u>-</u>	<u>-</u>	<u>27,363,514</u>	<u>9,156,784</u>	<u>288,073</u>	<u>2,937,833</u>	<u>40,556,254</u>
Health and social services:								
Mosquito control	-	-	-	-	34,130	-	-	34,130
Culture and recreation:								
Library	14,361	94,657	-	3,149,085	579,861	619,879	2,812,302	7,270,145
Parks and recreation	4,009,703	38,162,354	5,097,224	4,753,218	1,491,550	45,220	2,408,825	55,968,094
Total culture and recreation	<u>4,024,064</u>	<u>38,257,011</u>	<u>5,097,224</u>	<u>7,902,303</u>	<u>2,071,411</u>	<u>665,099</u>	<u>5,221,127</u>	<u>63,238,239</u>
Public works:								
Public works	<u>3,351,181</u>	<u>2,395,366</u>	<u>234,418,635</u>	<u>3,509,052</u>	<u>5,749,795</u>	<u>-</u>	<u>10,303,423</u>	<u>259,727,452</u>
Community and economic development:								
Planning and zoning	-	-	-	-	85,489	-	-	85,489
General government:								
Council and management	<u>99,531</u>	<u>53,241</u>	<u>-</u>	<u>3,637,738</u>	<u>1,568,051</u>	<u>506,534</u>	<u>-</u>	<u>5,865,095</u>
Total general capital assets	<u>\$ 8,284,826</u>	<u>\$ 40,705,618</u>	<u>\$ 239,515,859</u>	<u>\$ 42,412,607</u>	<u>\$ 18,665,660</u>	<u>\$ 1,459,706</u>	<u>\$ 18,462,383</u>	<u>\$ 369,506,659</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, 2018

	Governmental Funds Capital Assets June 30, 2017	Additions	Deductions	Governmental Funds Capital Assets June 30, 2018
Public safety:				
Police	\$ 20,208,183	\$ 217,906	\$ 222,306	\$ 20,203,783
Fire and ambulance	16,468,060	3,884,237	191,924	20,160,373
Code enforcement	145,894	46,204	-	192,098
Total public safety	<u>36,822,137</u>	<u>4,148,347</u>	<u>414,230</u>	<u>40,556,254</u>
Health & social services:				
Mosquito control	34,130	-	-	34,130
Culture and recreation:				
Library	5,501,603	1,768,542	-	7,270,145
Parks and recreation	54,370,254	7,706,353	6,208,513	55,868,094
Total culture and recreation	<u>59,871,857</u>	<u>9,474,895</u>	<u>6,208,513</u>	<u>63,138,239</u>
Public works:				
Public works	243,848,566	16,524,071	645,185	259,727,452
Community & economic development:				
Planning & zoning	85,489	0	-	85,489
General government:				
Public relations	-	-	-	-
Council and management	5,741,294	123,801	-	5,865,095
Total general government	<u>5,741,294</u>	<u>123,801</u>	<u>0</u>	<u>5,865,095</u>
Total general capital assets	<u>\$ 346,403,473</u>	<u>\$ 30,271,114</u>	<u>\$ 7,267,928</u>	<u>\$ 369,406,659</u>

Statistical Section

(Unaudited)

City of Ankeny, Iowa

Statistical Section Contents

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

Contents	Page
Financial Trends	99
These schedules contain information to help the reader understand how the City's financial performance and well being have changed over time.	
Revenue Capacity	107
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	113
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.	
Demographic and Economic Information	119
These schedules offer demographic and economic indicators to help the reader understand the environment with which the City's financial activities take place.	
Operating Information	121
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			
	2018 ⁽³⁾	2017	2016	2015 ⁽²⁾
Governmental activities:				
Net investment in capital assets	\$ 143,233,649	\$ 130,865,789	\$ 116,004,979	\$ 103,373,925
Restricted:				
Debt service	2,863,466	3,574,657	3,514,212	3,952,950
Enabling legislation	720,062	1,012,949	1,004,416	770,940
Restricted by other governments	11,882,618	10,230,755	8,420,514	6,079,433
Donor restrictions	405,322	749,772	2,434,297	1,589,627
Unrestricted	51,088,431	31,273,437	19,759,160	9,786,366
Total governmental activities net position	<u>210,193,548</u>	<u>177,707,359</u>	<u>151,137,578</u>	<u>125,553,241</u>
Business-type activities:				
Net investment in capital assets	125,926,026	118,594,408	109,640,906	102,292,319
Restricted:				
Debt service	2,766,116	2,490,276	2,596,208	2,626,415
Unrestricted	23,211,751	21,793,304	20,006,304	16,996,389
Total business-type activities net position	<u>151,903,893</u>	<u>142,877,988</u>	<u>132,243,419</u>	<u>121,915,124</u>
Primary government:				
Net investment in capital assets	269,159,675	249,460,197	225,645,885	205,666,244
Restricted: ⁽¹⁾				
Debt service	5,629,582	6,064,933	6,110,420	6,579,365
Enabling legislation	720,062	1,012,949	1,004,416	770,940
Restricted by other governments	11,882,618	10,230,755	8,420,514	6,079,433
Donor restrictions	405,322	749,772	2,434,297	1,589,627
Unrestricted	74,300,182	53,066,741	39,765,464	26,782,755
Total primary government net position	<u>\$ 362,097,441</u>	<u>\$ 320,585,347</u>	<u>\$ 283,380,996</u>	<u>\$ 247,468,364</u>

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

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

⁽³⁾ Net position for fiscal year 2018 is restated to include changes relating to GASB Statement No. 75.

Fiscal Year						
2014 ⁽¹⁾	2013	2012	2011	2010	2009	
\$ 102,272,116	\$ 81,318,637	\$ 61,719,171	\$ 60,286,690	\$ 59,847,130	\$ 51,005,350	
3,649,020	2,698,019	2,214,278	2,551,310	2,896,848	2,009,317	
575,499	852,320	764,803	574,140	494,812	416,696	
970,469	643,904	718,745	524,789	663,182	354,817	
639,510	110,847	433,272	1,365,322	644,531	1,317,881	
14,875,935	23,190,937	21,946,490	9,390,782	3,429,607	17,019,598	
122,982,549	108,814,664	87,796,759	74,693,032	67,976,110	72,123,659	
102,489,297	96,614,000	89,543,803	85,278,077	83,083,098	82,762,686	
2,686,691	2,725,391	2,953,164	2,967,095	3,017,297	2,614,509	
11,660,796	12,128,403	11,971,124	7,878,667	7,794,808	9,440,764	
116,836,785	111,467,794	104,468,091	96,123,839	93,895,203	94,817,959	
204,761,413	177,932,637	151,262,974	145,564,767	142,930,228	133,768,036	
6,335,711	5,423,410	5,167,442	5,518,405	5,914,145	4,623,826	
575,499	852,320	764,803	574,140	494,812	416,696	
970,469	643,904	718,745	524,789	663,182	354,817	
639,510	110,847	433,272	1,365,322	644,531	1,317,881	
26,536,731	35,319,340	33,917,614	17,269,448	11,224,415	26,460,362	
\$ 239,819,333	\$ 220,282,458	\$ 192,264,850	\$ 170,816,871	\$ 161,871,313	\$ 166,941,619	

City of Ankeny, Iowa
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2018 ⁽³⁾	2017	2016	2015 ⁽²⁾
Expenses				
Governmental activities:				
Public safety	\$ 16,786,311	\$ 16,365,705	\$ 14,690,344	\$ 13,737,899
Health and social services	1,263,476	264,019	1,054,174	234,955
Culture and recreation	7,525,554	7,217,960	6,944,839	6,779,873
Public works	14,746,601	12,777,753	10,673,269	11,482,409
Community and economic development	2,214,016	2,695,564	1,757,674	3,170,616
General government	3,359,273	3,214,295	3,082,029	2,884,021
Interest on long-term debt	3,120,209	3,137,859	4,838,028	4,689,986
Total governmental activities expenses	49,015,440	45,673,155	43,040,357	42,979,760
Business-type activities:				
Solid waste	745,019	675,871	632,056	606,498
Water	9,688,482	8,542,848	7,450,745	7,186,296
Sewer	12,152,336	11,771,681	11,682,628	10,829,982
Storm water	951,996	882,254	1,104,387	788,361
Otter Creek golf course	1,669,022	1,783,053	1,762,426	1,722,279
Total business-type activities expenses	25,206,855	23,655,707	22,632,242	21,133,416
Total primary government expenses	74,222,295	69,328,862	65,672,599	64,113,176
Program revenues				
Governmental activities:				
Charges for services:				
Public safety	3,785,589	4,309,769	3,609,342	3,211,478
Culture and recreation	2,399,263	2,356,757	2,400,130	2,032,198
Other activities	499,004	618,900	735,727	911,602
Operating grants and contributions	15,725,248	8,980,006	10,051,031	6,482,886
Capital grants and contributions	9,772,430	9,619,017	9,127,451	8,691,223
Total governmental activities program revenues	32,181,534	25,884,449	25,923,681	21,329,387
Business-type activities:				
Charges for services:				
Water	12,675,275	11,021,695	9,802,862	8,623,161
Sewer	15,497,190	15,067,446	14,907,926	13,145,018
Other activities	3,906,143	3,782,752	3,687,629	3,430,177
Operating grants and contributions	-	-	-	-
Capital grants and contributions	4,968,657	6,373,930	7,189,812	3,757,693
Total business-type activities program revenues	37,047,265	36,245,823	35,588,229	28,956,049
Total primary government program revenues	69,228,799	62,130,272	61,511,910	50,285,436
Net (expense) revenue				
Governmental activities	(16,833,906)	(19,788,706)	(17,116,676)	(21,650,373)
Business-type activities	11,840,410	12,590,116	12,955,987	7,822,633
Total primary government net (expense) revenue	(4,993,496)	(7,198,590)	(4,160,689)	(13,827,740)
General revenues and other changes in net position				
Governmental activities:				
Taxes:				
Property taxes	42,023,999	39,329,506	36,117,574	33,728,940
Other taxes	3,330,198	3,720,204	2,722,766	3,463,454
Interest	1,095,780	481,522	365,703	274,793
Other	451,388	84,574	51,672	4,797
Transfers	3,352,171	2,742,681	3,443,298	1,790,167
Total governmental activities	50,253,536	46,358,487	42,701,013	39,262,151
Business-type activities:				
Interest	64,148	34,082	38,909	33,247
Other	636,859	753,053	776,695	681,966
Transfers	(3,352,171)	(2,742,681)	(3,443,298)	(1,790,167)
Total business-type activities	(2,651,164)	(1,955,546)	(2,627,694)	(1,074,954)
Total primary government	47,602,372	44,402,940	40,073,319	38,187,197
Changes in net position				
Governmental activities	33,419,629	26,569,781	25,584,337	17,611,779
Business-type activities	9,189,246	10,634,570	10,328,293	6,747,679
Total primary government changes in net position	\$ 42,608,876	\$ 37,204,351	\$ 35,912,630	\$ 24,359,458

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

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

⁽³⁾ Net position for fiscal year 2018 is restated to include changes relating to GASB Statement No. 75.

Fiscal Year						
2014 ⁽¹⁾	2013	2012	2011	2010	2009	
\$ 14,002,165	\$ 12,860,105	\$ 12,020,771	\$ 9,421,395	\$ 10,444,061	\$ 8,709,303	
213,674	307,809	318,200	299,558	274,970	277,745	
6,857,595	7,153,442	6,268,871	6,584,196	5,733,048	5,402,688	
9,805,050	11,545,237	13,151,367	10,933,113	18,930,726	17,964,501	
3,207,767	2,668,602	3,191,753	2,530,503	2,843,641	2,340,606	
3,007,844	3,157,581	3,133,067	2,615,502	2,709,554	5,794,576	
4,664,373	3,735,351	3,966,374	4,089,033	4,309,579	4,549,323	
41,758,468	41,428,127	42,050,403	36,473,300	45,245,579	45,038,742	
630,986	582,002	553,677	534,144	432,925	572,728	
8,061,064	7,597,352	6,896,336	6,426,365	6,736,767	5,889,478	
11,433,365	9,171,890	8,559,386	6,921,235	7,703,774	6,001,810	
722,840	407,890	470,710	274,327	276,041	245,983	
1,784,889	1,828,281	1,708,377	1,672,404	1,685,539	845,236	
22,633,144	19,587,415	18,188,486	15,828,475	16,835,046	13,555,235	
64,391,612	61,015,542	60,238,889	52,301,775	62,080,625	58,593,978	
2,709,058	2,807,114	2,066,539	1,766,256	1,702,101	887,876	
2,011,880	1,900,545	2,007,595	1,880,188	1,171,357	1,073,883	
1,112,141	694,253	794,333	660,970	613,791	384,441	
6,446,526	6,776,919	4,902,587	4,474,097	6,297,936	8,700,935	
6,595,282	15,538,101	12,568,192	3,615,374	3,328,808	4,525,314	
18,874,887	27,716,932	22,339,246	12,396,885	13,113,993	15,572,449	
9,722,633	8,770,876	8,281,518	6,301,828	5,611,334	5,411,574	
12,337,317	10,826,754	9,750,899	8,525,607	7,197,284	6,986,331	
3,888,802	2,746,924	2,723,003	2,595,534	2,595,623	806,458	
-	-	-	-	-	-	
3,589,778	5,117,635	5,388,700	1,156,857	267,803	6,226,553	
29,538,530	27,462,189	26,144,120	18,579,826	15,672,044	19,430,916	
48,413,417	55,179,121	48,483,366	30,976,711	28,786,037	35,003,365	
(22,883,581)	(13,711,195)	(19,711,157)	(24,076,415)	(32,131,586)	(29,466,292)	
6,905,386	7,874,774	7,955,634	2,751,351	(1,163,001)	5,875,681	
(15,978,195)	(5,836,421)	(11,755,523)	(21,325,064)	(33,294,588)	(23,590,611)	
32,109,296	30,569,114	29,205,370	27,367,573	25,799,170	22,608,951	
2,976,725	2,426,806	2,815,350	1,660,528	1,178,864	1,371,558	
245,565	251,805	279,326	387,829	465,691	1,115,169	
527,331	(299,359)	102,639	93,680	90,312	57,794	
1,556,747	1,638,056	412,199	1,283,727	450,000	(283,341)	
37,415,664	34,586,422	32,814,884	30,793,337	27,984,037	24,870,131	
5,390	9,531	31,933	34,270	54,878	72,825	
308,565	753,454	768,884	726,742	635,366	181,230	
(1,556,747)	(1,638,056)	(412,199)	(1,283,727)	(450,000)	283,341	
(1,242,792)	(875,071)	388,618	(522,715)	240,244	537,395	
36,172,872	33,711,351	33,203,502	30,270,622	28,224,281	25,407,526	
14,532,083	20,875,227	13,103,727	6,716,922	(4,147,549)	(4,596,161)	
5,662,594	6,999,703	8,344,252	2,228,636	(922,757)	6,413,076	
\$ 20,194,677	\$ 27,874,930	\$ 21,447,979	\$ 8,945,558	\$ (5,070,306)	\$ 1,816,915	

City of Ankeny, Iowa
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2018	2017	2016	2015
General fund:				
Unreserved	\$ -	\$ -	\$ -	\$ -
Nonspendable	424	1,352	871	1,558
Assigned	-	-	-	-
Restricted	96,286	421,903	506,642	363,840
Unassigned	20,007,974	17,861,401	16,210,239	14,486,826
Total general fund	<u>\$ 20,104,684</u>	<u>\$ 18,284,656</u>	<u>\$ 16,717,752</u>	<u>\$ 14,852,224</u>
All other governmental funds:				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital project funds	-	-	-	-
Restricted	52,381,762	33,797,617	37,695,970	33,715,293
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 52,381,762</u>	<u>\$ 33,797,617</u>	<u>\$ 37,695,970</u>	<u>\$ 33,715,293</u>

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

Fiscal Year					
2014	2013	2012	2011 ⁽¹⁾	2010	2009
\$ -	\$ -	\$ -	\$ -	\$ 5,255,100	\$ 4,993,929
2,460	1,204	1,127	-	-	-
-	-	-	139,671	-	-
-	-	-	-	-	-
12,075,671	10,035,862	8,192,665	7,064,005	-	-
<u>\$ 12,078,131</u>	<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>
\$ -	\$ -	\$ -	\$ -	\$ 2,896,848	\$ 2,009,317
-	-	-	-	1,955,382	1,970,149
-	-	-	-	2,838,206	14,519,678
8,386,127	14,443,001	13,207,898	16,201,069	-	-
-	-	-	(49)	-	-
<u>\$ 8,386,127</u>	<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>

City of Ankeny, Iowa
Changes in Fund Balance
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2018	2017	2016	2015
Revenues:				
Property taxes	\$ 42,031,273	\$ 39,321,719	\$ 36,217,399	\$ 33,673,598
Other taxes and assessments	3,409,845	3,767,618	2,944,668	3,488,304
Licenses and permits	2,060,660	2,466,287	2,036,920	1,973,878
Intergovernmental	9,592,755	10,520,178	9,369,539	8,822,759
Charges for services	3,729,125	3,616,796	3,425,790	2,866,405
Use of money and property	1,325,968	733,644	622,875	486,074
Miscellaneous	8,144,469	1,674,616	3,213,587	2,509,350
Total revenues	<u>70,294,095</u>	<u>62,100,858</u>	<u>57,830,778</u>	<u>53,820,368</u>
Expenditures:				
Current operating:				
Public safety	16,044,939	14,847,862	13,940,248	13,201,079
Health and social services	1,247,066	258,736	1,056,275	239,173
Culture and recreation	5,603,656	5,358,862	5,066,990	5,014,492
Public works	5,622,693	5,126,014	4,809,543	4,790,650
Community and economic development	2,201,947	2,657,424	1,729,530	3,483,689
General government	3,354,170	3,140,348	3,150,291	2,882,502
Debt service:				
Principal	16,366,692	14,749,997	17,780,689	11,431,354
Lease agreement payoff	-	-	-	4,898,954
Interest and other charges	4,109,176	4,831,029	5,281,862	262,816
Bond issuance costs	225,587	40,213	240,701	12,732,191
Capital projects	<u>18,770,389</u>	<u>15,266,473</u>	<u>9,447,942</u>	<u>-</u>
Total expenditures	<u>73,546,315</u>	<u>66,276,958</u>	<u>62,504,071</u>	<u>58,936,899</u>
(Deficiency) of revenues (under) expenditures	<u>(3,252,220)</u>	<u>(4,176,100)</u>	<u>(4,673,293)</u>	<u>(5,116,531)</u>
Other financing sources (uses):				
Issuance of long-term debt	17,970,000	10,925,000	8,645,000	9,950,000
Issuance of refunding bonds	-	-	16,152,723	21,411,127
Premium on long-term debt	1,596,926	1,114,629	367,457	817,896
Premium on refunding bonds	-	-	1,286,021	2,622,005
Debt forgiven	-	-	-	-
Payment of refunded bonds	-	(12,937,660)	(19,375,000)	(3,371,405)
Sale of general capital assets	737,300	-	-	-
Transfers in	22,310,962	17,252,270	13,723,327	8,406,302
Transfers out	<u>(18,958,795)</u>	<u>(14,509,588)</u>	<u>(10,280,029)</u>	<u>(6,616,135)</u>
Total other financing sources (uses)	<u>23,656,393</u>	<u>1,844,651</u>	<u>10,519,498</u>	<u>33,219,790</u>
Net change in fund balances	<u>\$ 20,404,173</u>	<u>\$ (2,331,449)</u>	<u>\$ 5,846,205</u>	<u>\$ 28,103,259</u>
Debt service as a percentage of noncapital expenditures	<u>36.03%</u>	<u>37.01%</u>	<u>42.97%</u>	<u>33.08%</u>

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ 32,104,020	\$ 30,726,040	\$ 29,073,634	\$ 27,322,318	\$ 25,818,107	\$ 22,690,861
3,168,852	2,513,070	3,023,406	1,810,304	1,483,931	1,349,516
1,718,717	1,782,043	1,153,239	971,042	887,353	783,144
6,319,039	12,124,770	8,881,901	6,007,077	6,214,220	6,988,555
2,506,560	2,416,771	2,167,888	2,361,050	1,626,908	1,456,300
446,173	444,938	425,785	503,883	576,364	1,213,802
3,594,044	4,396,936	1,161,456	2,438,614	3,302,244	4,805,303
49,857,405	54,404,568	45,887,309	41,414,288	39,909,127	39,287,483
12,552,380	11,575,134	11,234,795	9,877,600	9,626,447	9,024,964
273,765	264,654	310,995	287,278	264,653	272,534
4,936,521	5,205,203	4,657,997	4,866,728	4,700,831	4,563,000
4,760,984	4,471,755	4,478,092	4,194,438	3,843,624	3,534,165
3,143,682	2,673,689	3,212,794	2,490,001	2,619,002	2,351,754
3,107,383	3,010,877	3,015,084	2,440,504	2,488,046	5,594,008
27,893,547	9,992,389	8,470,740	8,286,449	5,798,945	40,505,421
-	-	-	-	-	-
4,140,954	4,089,038	4,199,996	4,234,484	4,457,119	4,495,158
153,690	-	-	-	-	-
21,175,094	18,672,990	20,832,387	14,959,038	27,175,373	35,808,040
82,138,000	59,955,729	60,412,880	51,636,520	60,974,040	106,149,045
(32,280,595)	(5,551,161)	(14,525,571)	(10,222,232)	(21,064,913)	(66,861,562)
10,374,906	10,990,000	15,945,000	19,920,000	11,055,000	44,647,082
13,755,943	14,565,000	13,036,254	15,088,178	6,825,640	-
1,675,189	1,213,804	667,432	453,278	111,736	1,095,239
-	-	-	-	-	-
902,000	-	-	-	-	-
-	(19,920,000)	(17,538,321)	(16,063,791)	(7,925,000)	-
-	-	-	-	-	-
9,316,212	8,494,408	6,049,205	6,042,039	8,391,781	10,427,812
(7,759,464)	(6,856,352)	(5,637,006)	(4,758,312)	(7,941,781)	(10,711,153)
28,264,786	8,486,860	12,522,564	20,681,392	10,517,376	45,458,980
\$ (4,015,809)	\$ 2,935,699	\$ (2,003,007)	\$ 10,459,160	\$ (10,547,537)	\$ (21,402,582)
52.20%	31.83%	28.42%	32.29%	22.45%	54.97%

City of Ankeny, Iowa

Actual Valuation and Taxable Valuation of Property ⁽¹⁾

Last Ten Fiscal Years

As of January 1:				
	2016	2015	2014	2013
<u>Actual Valuation</u>				
Residential	\$ 3,762,463,077	\$ 3,524,929,091	\$ 3,143,399,870	\$ 2,957,297,493
Agricultural	7,645,992	7,501,145	7,991,103	8,009,031
Commercial	667,635,645	638,026,642	640,139,856	598,886,422
Industrial	102,107,113	93,752,457	80,820,176	64,940,300
Multiresidential	66,138,114	77,362,115	-	-
Utilities	54,474,394	54,150,493	51,745,066	47,507,750
Gross valuation	4,660,464,335	4,395,721,943	3,924,096,071	3,676,640,996
Less: Military exemption	3,755,150	3,692,325	3,678,437	3,599,921
Net valuation	4,656,709,185	4,392,029,618	3,920,417,634	3,673,041,075
Incremental value	254,893,568	229,889,792	225,980,667	204,109,023
Actual valuation	<u>\$ 4,911,602,753</u>	<u>\$ 4,621,919,410</u>	<u>\$ 4,146,398,301</u>	<u>\$ 3,877,150,098</u>
Percent change	6.268%	11.468%	6.944%	4.585%

As of January 1:				
	2016	2015	2014	2013
<u>Taxable Valuation</u>				
Residential	\$ 2,102,980,864	\$ 1,926,692,186	\$ 1,719,460,033	\$ 1,578,721,857
Agricultural	3,631,793	3,458,535	3,572,187	3,475,843
Commercial	588,062,134	562,290,556	563,273,438	562,981,878
Industrial	88,866,590	81,810,752	70,326,907	60,743,363
Multiresidential	53,661,602	65,612,909	-	-
Utilities	32,395,228	35,163,451	36,497,213	38,673,135
Gross valuation	2,869,598,211	2,675,028,389	2,393,129,778	2,244,596,076
Less: Military exemption	3,755,150	3,692,325	3,678,437	3,599,921
Net valuation	2,865,843,061	2,671,336,064	2,389,451,341	2,240,996,155
Incremental value	254,893,568	229,889,792	225,980,667	204,109,023
Taxable valuation	<u>\$ 3,120,736,629</u>	<u>\$ 2,901,225,856</u>	<u>\$ 2,615,432,008</u>	<u>\$ 2,445,105,178</u>
Percent change	7.566%	10.927%	6.966%	5.088%

<u>Total Direct Tax Rate</u>				
City of Ankeny	<u>\$ 11.65000</u>	<u>\$ 11.75000</u>	<u>\$ 11.85000</u>	<u>\$ 11.90000</u>

⁽¹⁾ Polk County Auditor

2012	2011	2010	2009	2008	2007
\$ 2,828,507,923	\$ 2,783,244,740	\$ 2,769,055,320	\$ 2,673,211,940	\$ 2,596,530,510	\$ 2,454,017,210
7,003,860	6,829,650	6,092,180	6,339,650	3,732,830	3,710,470
586,870,942	590,069,450	607,693,640	600,996,510	571,523,700	532,071,600
52,356,270	59,495,960	62,080,920	61,474,170	60,403,000	59,473,590
-	-	-	-	-	-
52,762,672	49,901,818	48,318,830	46,596,775	45,083,718	40,123,838
3,527,501,667	3,489,541,618	3,493,240,890	3,388,619,045	3,277,273,758	3,089,396,708
3,568,989	3,498,538	3,477,414	3,434,778	3,368,056	3,260,660
3,523,932,678	3,486,043,080	3,489,763,476	3,385,184,267	3,273,905,702	3,086,136,048
183,259,525	157,507,600	166,005,600	171,913,600	156,056,000	156,191,910
\$ 3,707,192,203	\$ 3,643,550,680	\$ 3,655,769,076	\$ 3,557,097,867	\$ 3,429,961,702	\$ 3,242,327,958
1.747%	-0.334%	2.774%	3.707%	5.787%	11.676%

2012	2011	2010	2009	2008	2007
\$ 1,466,503,337	\$ 1,395,090,900	\$ 1,325,849,350	\$ 1,236,013,400	\$ 1,167,749,680	\$ 1,066,470,820
4,197,806	3,929,850	4,204,540	4,201,450	3,503,500	3,343,130
586,870,942	590,069,450	607,693,640	600,996,510	571,523,700	530,311,700
52,356,270	59,495,960	62,080,920	61,474,170	60,403,000	59,473,590
-	-	-	-	-	-
37,092,421	36,289,968	36,097,110	33,857,524	34,751,309	34,238,011
2,147,020,776	2,084,876,128	2,035,925,560	1,936,543,054	1,837,931,189	1,693,837,251
3,568,989	3,498,538	3,477,414	3,434,778	3,368,056	3,260,660
2,143,451,787	2,081,377,590	2,032,448,146	1,933,108,276	1,834,563,133	1,690,576,591
183,259,525	157,507,600	166,005,600	171,913,600	156,056,000	156,191,910
\$ 2,326,711,312	\$ 2,238,885,190	\$ 2,198,453,746	\$ 2,105,021,876	\$ 1,990,619,133	\$ 1,846,768,501
3.923%	1.839%	4.439%	5.747%	7.789%	9.285%

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

Property Tax Rates - All Direct and Overlapping Governments ⁽¹⁾

Per \$1,000 Taxable Valuation

Last Ten Fiscal Years

City Direct Rates					
Fiscal Year	General Fund	Aviation Authority	Debt Service	Police & Fire Retirement	Total Direct
Ankeny Community School District:					
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
2018	6.79000	0.15000	4.15000	0.56000	11.65000
Saydel Community School District:					
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
2018	6.79000	0.15000	4.15000	0.56000	11.65000
North Polk Community School District:					
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
2018	6.79000	0.15000	4.15000	0.56000	11.65000

⁽¹⁾ Polk County Auditor

School District	County and Assessor	Overlapping Rates			Total Direct and Overlapping Rates
		Regional Transit	Community College	State	
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
18.51697	10.39541	0.63900	0.67458	0.00310	41.87906
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
12.89000	10.39541	0.63900	0.67458	0.00310	36.25209
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
19.16659	10.39541	0.63900	0.67458	0.00310	42.52868

City of Ankeny, Iowa
Principal Property Taxpayers ⁽¹⁾
Current Year and Nine Years Ago

Taxpayer	Type of Business	Fiscal Year 2018		Fiscal Year 2009	
		January 1, 2016 Taxable Valuation	Rank	January 1, 2007 Taxable Valuation	Rank
Deere & Company	Farm & construction equipment	\$ 36,531,180	1	23,423,250	2
MidAmerican Energy	Utility	27,713,969	2		
Denny Elwell Family, LC	Real estate development	23,728,726	3	16,630,800	4
DRA Properties, LC	Real estate	23,354,253	4		
Casey's General Stores	Corporate headquarters/distribution	21,645,900	5	20,256,040	3
MFF Holdco 2 LLC	Real estate	20,628,000	6		
DLE Seven LLC	Real estate development	20,196,974	7		
B & G Foods, Inc. ⁽³⁾	Spice distribution	18,585,000	8	23,528,000	1
Woodland Reserve Apartments	Multiresidential	18,381,027	9		
Hale Development Company LLC	Commercial/Realestate	16,239,455	10		
Perishable Distributors of Iowa	Food distribution			16,512,420	5
Ankeny North MOB, LLC ⁽²⁾	Real estate development			16,300,070	6
Wal-Mart	Retail merchandise/grocery			15,566,050	7
Karl Chevrolet	Automobile sales			14,202,710	8
Target	Retail merchandise/grocery			12,914,200	9
Menards, Inc.	Retail home improvement store			12,400,580	10
		<u>\$ 227,004,484</u>		<u>\$ 171,734,120</u>	
				<u>7.27%</u>	<u>9.30%</u>

⁽¹⁾ Polk County Assessor

⁽²⁾ Formerly Signature Properties, LLC

⁽³⁾ 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 Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 22,717,538	\$ 22,823,558	100.47% ⁽¹⁾	17	\$ 22,823,576	100.47% ⁽²⁾
2010	25,664,841	25,675,450	100.04% ⁽¹⁾	372	25,675,822	100.04% ⁽²⁾
2011	27,355,294	27,799,160	101.62% ⁽¹⁾	136	27,799,295	101.62% ⁽²⁾
2012	28,760,314	28,465,728	98.98%	1,482	28,467,210	98.98%
2013	30,765,354	30,631,053	99.56%	680	30,631,733	99.57%
2014	32,175,526	32,004,259	99.47%	63	32,004,323	99.47%
2015	33,776,125	33,604,866	99.49%	-	33,604,866	99.49%
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%
2018	42,034,439	41,938,329	99.77%	216	41,938,545	99.77%

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

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

City of Ankeny, Iowa
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income ⁽¹⁾	Debt Per Capita ⁽¹⁾
	General Obligation	Bond Anticipation	Capital Loan	General Obligation	General Capital	Capital Loan	Revenue			
	Bonds	Notes	Notes	Bonds	Loan Notes	Notes	Bonds			
2009	\$ 97,863,399	\$ 19,012,291	\$ -	\$ 10,997,155		\$ 3,246,308	\$ 17,387,844	148,506,997	636.50%	\$ 4,080
2010	96,858,945	24,288,045	-	11,277,384		2,535,782	23,224,525	158,184,681	668.37%	4,348
2011	101,004,663	31,123,141	-	11,239,469		1,816,255	24,485,621	169,669,149	694.39%	3,695
2012	99,623,477	35,516,284	398,852	14,404,769		1,244,731	26,582,245	177,770,358	674.71%	3,862
2013	116,272,167	15,482,754	299,139	19,647,442		424,205	25,570,224	177,695,931	634.82%	3,835
2014	130,110,852	-	199,426	21,708,170		376,679	24,623,566	177,018,693	599.62%	3,757
2015	128,323,943	-	99,864	18,577,448		327,154	23,561,844	170,890,253	543.54%	3,559
2016	115,458,768	-	23,006,767	18,133,602	783,786	276,628	21,977,255	179,636,806	551.96%	3,112
2017	100,381,940	-	20,715,939	16,344,978	400,613	224,103	19,817,812	157,885,385	462.77%	2,726
2018	104,800,034	-	18,272,550	12,660,510	-	170,577	23,846,088	159,749,759	472.90%	2,926

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

City of Ankeny, Iowa
Ratio of Net General Obligation Bonded Debt to Actual Property Valuation
and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Actual Property Valuation ⁽¹⁾	General Obligation Bonded Debt ⁽²⁾	Less Debt Service Fund	Net	Percentage of Actual Property Valuation	Per Capita ⁽³⁾
2009	3,242,327,958	127,872,845	2,009,317	124,685,683	3.85%	3,448
2010	3,429,961,702	132,424,374	2,896,848	128,364,152	3.74%	3,550
2011	3,557,097,867	143,367,273	2,551,310	139,331,691	3.92%	3,057
2012	3,655,769,076	149,943,382	2,214,278	145,771,722	3.99%	3,198
2013	3,643,550,680	151,701,502	2,698,019	145,906,981	4.00%	3,201
2014	3,707,192,203	152,018,448	3,649,020	142,716,980	3.85%	3,131
2015	3,877,150,098	147,001,255	3,606,767	135,000,233	3.48%	2,962
2016	4,146,398,301	157,382,923	2,928,614	144,980,386	3.50%	2,655
2017	4,621,919,410	137,843,470	2,928,500	126,233,500	2.73%	2,312
2018	4,911,602,753	135,733,094	2,148,966	133,584,128	2.72%	2,447

⁽¹⁾ Polk County Auditor

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

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

City of Ankeny, Iowa
Computation of Direct and Overlapping Bonded Debt
General Obligation Bonded Debt
June 30, 2018

	General Obligation Debt June 30, 2018	Percent Applicable to City	Direct and Overlapping General Obligation Debt	Underlying General Obligation Debt
Polk County	\$ 248,703,000	13.75%	\$ 34,196,663	\$ 214,506,337
Ankeny Community School District	68,095,000	91.94%	62,606,543	5,488,457
North Polk Community School District	17,265,000	1.70%	293,505	16,971,495
Saydel Community School District	5,325,000	5.94%	316,305	5,008,695
Des Moines Area Community College	74,205,000	7.44%	5,520,852	68,684,148
Subtotal overlapping debt	<u>\$ 413,593,000</u>		<u>\$ 102,933,868</u>	<u>\$ 310,659,132</u>
City of Ankeny	<u>135,733,094</u>	100.00%	<u>135,733,094</u>	<u>-</u>
Total direct and overlapping debt	<u><u>\$ 549,326,094</u></u>		<u><u>\$ 238,666,962</u></u>	<u><u>\$ 310,659,132</u></u>

Source: Bond Official Statement May 2018

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			
	2018	2017	2016	2015
Actual property valuation ⁽¹⁾	\$ 4,911,602,753	\$ 4,621,919,410	\$ 4,146,398,301	\$ 3,877,150,098
Debt limit - 5% of assessed valuation	245,580,138	231,095,971	207,319,915	193,857,505
Amount of debt applicable to limit:				
General obligation bonds	117,460,544	116,726,918	133,592,370	146,901,391
Bond anticipation notes	-	-	-	-
Capital loan notes	18,272,550	21,116,552	23,790,553	99,864
Total debt applicable to limit	135,733,094	137,843,470	157,382,923	147,001,255
Legal debt margin	\$ 109,847,044	\$ 93,252,501	\$ 49,936,992	\$ 46,856,250
Percent of debt limit	44.73%	40.35%	24.09%	24.17%

⁽¹⁾ Polk County Auditor

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ 3,707,192,203	\$ 3,643,550,680	\$ 3,655,769,076	\$ 3,557,097,867	\$ 3,429,961,702	\$ 3,242,327,958
185,359,610	182,177,534	182,788,454	177,854,893	171,498,085	162,116,398
151,819,022	135,919,609	114,028,246	112,244,132	108,136,329	108,860,554
-	15,482,754	35,516,284	31,123,141	24,288,045	19,012,291
199,426	299,139	398,852	-	-	-
152,018,448	151,701,502	149,943,382	143,367,273	132,424,374	127,872,845
\$ 33,341,162	\$ 30,476,032	\$ 32,845,072	\$ 34,487,620	\$ 39,073,711	\$ 34,243,553
17.99%	16.73%	17.97%	19.39%	22.78%	21.12%

City of Ankeny, Iowa
Revenue Bond Coverage
Last Ten Fiscal Years

Water Fund

Fiscal Year	Gross Revenues	Operating Expenses ⁽¹⁾	Net Revenue	Annual Debt Service Requirements ⁽²⁾			Coverage
			Available For Debt Service	Principal	Interest	Total	
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
2018	12,780,133	8,443,783	4,336,350	829,000	232,923	1,061,923	4.0835

Sewer Fund

Fiscal Year	Gross Revenues	Operating Expenses ⁽¹⁾	Net Revenue	Annual Debt Service Requirements ⁽²⁾			Coverage
			Available For Debt Service	Principal	Interest	Total	
2009	\$7,013,732	\$4,113,010	\$2,900,722	\$660,000	\$218,924	\$878,924	3.3003
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
2018	15,529,787	9,350,589	6,179,198	830,000	329,199	1,159,199	5.3306

⁽¹⁾ Total operating expenses exclusive of depreciation.

⁽²⁾ 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 ⁽³⁾		Retail Sales ⁽⁴⁾		Building Permits ⁽⁵⁾			
	Population ⁽¹⁾	Unemployment Rate ⁽²⁾	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
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	2.2%	32,166,099	50,677	4,702	924.79	18	48,885,982	1,281	294,900,482
2017	54,598	2.3%	33,781,200	52,300	4,912	977.78	34	73,499,093	1,106	228,825,648

⁽¹⁾ U.S. Census Bureau

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

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

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

⁽⁵⁾ City of Ankeny Planning and Building Department

City of Ankeny, Iowa
Principal Employers ⁽¹⁾
Current Year and Nine Years Ago

Employer ⁽²⁾	Type of Business	Fiscal Year 2018		Fiscal Year 2009	
		Approximate Number of Employees	Rank	Approximate Number of Employees	Rank
John Deere Des Moines Works	Farm equipment	1,900	1	1,350	1
Ankeny Community Schools	Education	1,480	2	999	2
Casey's General Stores	Corporate headquarters/distribution	1,200	3	538	4
City of Ankeny	Government	733	4	364	7
Perishable Distributors of Iowa	Wholesale meat/bakery distributor	687	5	450	5
Des Moines Area Community College	Higher education	611	6	630	3
Baker Group	Mechanical/Electrical Contractor	555	7		
Purfoods	Wholesale distribution	517	8		
B & G Foods, Inc. ⁽³⁾	Spice manufacturing/distribution	400	9	425	6
SYSCO Food Services of Iowa	Wholesale distribution	283	10	260	9
Mrs Clark's Foods	Manufacturing/distribution			310	8
Praxair	Industrial gases/welding equipment			151	10
Total		8,366		5,477	

⁽¹⁾ City of Ankeny Economic Development Department

⁽²⁾ Does not include retail employers

⁽³⁾ 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									
	2018	2017	2016 ⁽¹⁾	2015	2014	2013	2012	2011	2010	2009
Public Safety:										
Police:										
Police Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
Operations	51.00	52.00	47.00	47.00	46.00	45.00	44.00	44.00	45.00	42.00
Support Services	18.40	15.40	15.40	15.50	15.50	15.50	15.50	15.50	14.50	14.50
Fire:										
Fire Administration	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Fire Suppression	16.00	7.00	7.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Emergency Medical Services	26.00	32.25	29.25	23.50	23.00	23.00	23.00	14.00	14.00	8.00
Code Enforcement	13.00	11.00	9.00	9.00	9.00	8.00	8.00	8.00	8.00	8.00
Total Public Safety	130.40	123.65	113.65	101.00	99.50	97.50	96.50	88.50	88.50	79.50
Health and social services:										
Public Relations	-	-	-	-	-	-	3.00	3.00	3.00	3.00
Culture and Recreation:										
Library	17.50	17.50	17.50	6.00	6.00	6.00	6.00	6.00	7.00	7.00
Parks and Recreation:										
Park Administration	2.00	2.00	2.00	2.00	2.00	2.50	2.00	2.00	2.00	2.00
Park Maintenance	9.00	8.50	8.50	6.00	6.00	6.00	7.00	7.00	6.00	7.00
Recreation Programs	2.50	2.50	2.50	2.50	3.00	3.00	3.00	3.00	4.00	4.00
Aquatic Centers	1.00	0.50	0.50	0.50	-	-	-	-	-	-
Prairie Ridge Sports Complex	7.33	7.33	6.66	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total Culture and Recreation	39.33	38.33	37.66	19.00	19.00	19.50	20.00	20.00	21.00	22.00
Public Works:										
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	7.00	6.47	6.34	6.34	6.25	6.25	6.25	6.25	6.25
Roadway Maintenance	13.00	13.00	12.00	12.00	11.00	11.00	11.00	11.00	11.00	11.00
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	28.00	26.47	26.34	25.34	25.25	25.25	25.25	25.25	25.25
Community and Economic Development:										
Development Engineering	4.25	3.25	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Planning & Building	7.00	6.00	6.00	6.00	5.00	5.00	4.00	4.00	4.50	5.50
Community Development	-	-	-	1.00	2.00	-	2.00	2.00	2.00	2.00
Economic Development	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
Total Community and Economic Development:	13.25	11.25	11.25	12.00	12.00	10.00	11.00	12.00	12.50	13.50
General Government:										
Human Resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Communications	2.00	2.00	2.00	2.00	2.00	2.00	-	-	-	-
Policy & Administration	4.00	3.00	3.00	3.00	3.00	4.00	3.00	4.00	4.00	4.00
City Clerk	4.60	4.60	4.60	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Finance	2.50	3.50	3.50	3.50	3.50	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	19.10	19.00	19.00	20.50	17.50	18.50	18.50	18.50
Water										
Water Administration	2.50	3.00	2.83	2.83	2.83	2.50	3.50	3.50	7.50	7.50
Water Maintenance	10.00	9.00	9.00	8.00	8.00	7.00	7.00	7.00	8.00	8.00
Total Water	12.50	12.00	11.83	10.83	10.83	9.50	10.50	10.50	15.50	15.50
Sewer:										
Wastewater Administration	4.83	5.13	5.14	5.83	5.83	6.50	6.50	6.50	3.50	3.50
Wastewater Operations	9.00	9.00	9.00	9.00	9.00	10.00	10.00	10.00	10.00	11.00
Total Sewer	13.83	14.13	14.14	14.83	14.83	16.50	16.50	16.50	13.50	14.50
Storm water:										
Stormwater Administration	2.75	2.75	2.45	1.50	1.50	1.50	1.50	1.50	1.50	1.00
Otter Creek Golf Course:										
Golf Course Maintenance	5.83	5.50	5.50	2.00	2.00	3.50	3.00	3.00	3.00	3.00
Golf Course Club House	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	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	1.00
Total Otter Creek Golf Course	7.83	8.50	8.50	5.00	5.00	6.50	6.00	6.00	5.00	5.00
Total	266.99	257.71	245.05	209.50	207.00	206.75	207.75	201.75	204.25	197.75

Source: City Records

⁽¹⁾ 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	CY2017 FY2018	CY2016 FY2017	CY2015 FY2016	CY2014 FY2015	CY2013 FY2014	CY2012 FY2013	CY2011 FY2012	CY2010 FY2011	CY2009 FY2010	CY2008 FY2009
Public safety:										
Police:										
UCR reportable crimes ⁽²⁾	961	884	790	740	740	678	725	751	740	NA
Calls for service ⁽²⁾	38,568	35,620	39,091	38,248	36,591	36,583	36,265	39,385	37,573	35,668
Miles logged by patrol annually ⁽²⁾	343,090	352,986	399,082	394,946	365,434	370,718	358,316	351,843	371,026	332,686
Traffic accidents per 1,000 population ⁽²⁾	23.41	23.13	27.13	23.98	24.27	25.58	25.82	29.40	29	NA
Total training hours, including academy-Operations ⁽²⁾	9,689	4,523	6,852	5,536	2,836	5,644	6,380	5,502	5,922	NA
Fire:										
Fire calls ⁽²⁾	1,029	1,117	963	964	760	667	702	636	678	709
Ambulance calls ⁽²⁾	3,398	3,137	2,833	2,670	2,538	2,355	2,209	2,123	2,092	1,964
Training hours ⁽²⁾	14,000	13,500	13,248	11,154	7,686	7,767	7,837	7,229	NA	NA
Fire inspections performed ⁽²⁾	386	381	307	282	273	226	230	194	NA	NA
Code Enforcement:										
Building permits issued ⁽²⁾	2,383	2,858	2,398	2,228	2,082	2,081	1,575	1,567	1,345	1,317
Code enforcement cases ⁽²⁾	1,789	1,397	1,063	752	711	612	601	1,006	962	NA
Health and social services:										
Special Populations:										
Number of special population events	22	22	24	24	28	21	21	24	41	NA
Number of event participants	7,198	2,093	2,102	1,865	1,850	1,894	1,984	2,152	2,472	NA
Culture and recreation:										
Library:										
Circulation ⁽¹⁾	607,082	586,189	583,280	585,226	577,795	579,524	562,556	550,541	501,223	498,583
Number of library visitors ⁽¹⁾	270,193	269,171	268,088	268,725	268,631	275,843	259,142	260,613	NA	NA
Number of special programs/events ⁽¹⁾	1,149	1,149	1,150	1,123	934	986	1,003	1,147	1,085	1,035
Program attendance ⁽¹⁾	36,375	36,486	38,365	36,152	33,719	37,552	37,129	38,351	37,829	32,630
Parks and Recreation:										
Recreation program and event participants ⁽²⁾	34,998	29,558	29,807	25,781	25,823	NA	NA	24,130	22,774	NA
Community center rentals ⁽²⁾	459	459	477	477	431	NA	376	384	NA	NA
Aquatic center attendance (85 day season) ⁽²⁾	147,888	140,000	144,629	131,990	140,284	153,000	140,000	122,059	70,703	72,500
Sports complex events (224 days season) ⁽²⁾	13,510	14,490	11,194	11,183	11,186	9,304	NA	NA	NA	NA
Community and economic development:										
Planning and Building:										
Additional acres platted ⁽²⁾	570	628	734	640	482	549	290	153	167	639
Economic Development										
Number of development agreements executed ⁽¹⁾	5	4	4	3	3	3	5	3	NA	NA
Business retention visits ⁽¹⁾	30	40	60	50	15	30	30	NA	NA	NA
General government:										
Communications										
Number of social media followers	28,642	25,152	21,232	13,324	8,903	6,905	4,644	2,637	1,472	NA
Number of individual users of the Ankeny website	315,737	287,757	271,258	244,184	249,686	289,442	278,099	216,613	NA	NA
Human resources:										
Number of W-2's issued ⁽²⁾	734	719	673	669	653	634	604	557	517	NA
Number of paychecks issued ⁽²⁾	11,248	11,222	11,035	10,782	10,351	10,521	10,205	9,790	9,349	NA
Number of employment applications received ⁽²⁾	2,735	2,116	1,947	1,798	1,745	1,044	1,350	844	892	2,084
City Clerk's Office										
Number of meeting agendas/minutes prepared ⁽²⁾	51	53	55	57	79	72	NA	NA	NA	NA
Number of resolutions processed ⁽²⁾	515	479	576	524	432	533	NA	NA	NA	NA
Number of license/permit applications received ⁽²⁾	2,415	2,246	3,223	2,428	2,222	2,245	2,697	2,293	1,682	NA
Finance Office										
Number of accounts payable claims ⁽²⁾	18,457	17,871	18,247	17,406	16,429	17,325	17,293	17,014	17,515	NA
Average number of utility billing accounts ⁽¹⁾	22,199	21,118	20,144	19,002	18,188	17,461	16,898	16,415	15,932	15,325
Road Use Tax:										
Planned value of CIP (in millions)	27.61	16.80	14.85	15.72	40.15	19.09	31.01	43.72	33.38	NA
Water:										
Avg daily water consumption-millions of gallons ⁽¹⁾	5.78	5.06	4.63	4.28	4.86	4.63	4.84	3.87	3.92	3.90
Number of service work orders ⁽¹⁾	7,439	6,789	6,614	6,801	5,932	5,307	5,146	5,637	5,472	5,212
Number of system repairs ⁽¹⁾	102	58	52	54	56	59	53	49	37	37
Number of water main breaks ⁽¹⁾	33	10	16	10	52	39	38	22	16	23
Number of fire hydrants flushed ⁽¹⁾	500	1,100	1,467	1,049	733	NA	NA	NA	NA	NA
Sewer:										
Avg daily sewer treatment-MGD ⁽¹⁾	6.456	7.161	7.517	7.229	5.455	4.825	4.370	6.387	6.409	6.080
Number of service work orders ⁽¹⁾	45	11	28	49	69	54	49	135	61	NA
Miles of sanitary sewer cleaned ⁽¹⁾	40.6	28.7	32.8	32.1	24.7	29.5	16.6	76.4	26	NA
Miles of sanitary sewer televised ⁽¹⁾	36.8	23.0	31.4	31.7	15.2	16.8	24.7	43.6	17	NA
Storm Water:										
Number of public education programs ⁽¹⁾	8	8	8	8	8	8	5	2	1	NA
Tons of debris cleared ⁽¹⁾	376	345	506	495	410	334	292	374	457	657
Number of storm sewer intakes cleared ⁽¹⁾	537	360	130	145	111	421	605	1,229	425	NA
Number of COSESCO permits inspected ⁽¹⁾	272	255	267	258	235	238	183	188	NA	NA
Otter Creek Golf Course:										
Number of rounds played ⁽²⁾⁽³⁾	29,155	29,798	28,790	28,228	28,910	27,630	29,104	28,817	22,252	-
Number of days open ⁽²⁾	245	232	220	202	221	212	235	235	NA	NA
Risk Management:										
Number of risk management claims handled ⁽²⁾	19	20	20	22	41	25	19	50	27	NA
Days off due to work comp injuries ⁽²⁾	73	61	120	63	73	580	140	35	38	NA
Health Insurance:										
Number of employees in the health plan ⁽¹⁾	217	212	213	212	203	196	204	202	196	NA
Total amount of claims paid (in millions) ⁽¹⁾	\$ 2.77	\$ 2.40	\$ 2.53	\$ 2.45	\$ 2.35	\$ 2.07	\$ 2.00	\$ 1.83	\$ 1.64	NA

⁽¹⁾ Fiscal Year

⁽²⁾ Previous Calendar Year

⁽³⁾ 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	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Public safety:										
Police:										
Sworn officers per 1,000 population	0.95	0.93	1.00	1.01	1.02	1.07	1.11	1.14	1.17	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	2	1
Number of outdoor warning sirens	23	23	23	23	19	19	17	17	15	NA
Culture and recreation:										
Library:										
Number of branches	1	1	1	1	1	1	1	1	1	1
Items in the collection	182,410	145,086	135,206	132,297	126,366	106,539	98,349	82,572	85,025	93,307.00
Parks and Recreation:										
Park acres developed	827	819	813	813	787	776	755	671	629	503
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	543	540	524	479	472	465	458	454	448	448.37
Number of cul-de-sacs	369	365	361	345	328	325	297	281	278	275.00
Number of traffic signals	72	71	70	60	59	59	56	NA	NA	NA
Number of street lights	6,238	5,986	5,733	5,479	5,174	NA	NA	NA	NA	NA
General government:										
Data Processing										
Number of personal computers	413	385	362	349	349	350	328	335	322	325
Number of printers	138	120	123	123	88	119	121	NA	NA	NA
Number of VoIP phone sets	243	290	298	296	296	297	297	295	295	NA
Water:										
Miles of water main	319	308	296	283	278	259 ⁽¹⁾	330	299	258	252
Above ground storage-millions of gallons	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	1.50
Number of water valves	4,604	4,435	4,134	3,975	3,888	NA	NA	NA	NA	NA
Number of fire hydrants	4,372	4,227	4,012	3,833	3,698	3,642	3,456	NA	NA	NA
Sewer:										
Miles of sanitary sewer	269	263	254	243	247	239	226	222	215	211
Number of sanitary sewer manholes	5,985	5,860	5,612	5,361	5,173	5,035	4,619	4,566	4,534	NA
Storm Water:										
Miles of storm sewer	286	277	261	251	240	NA	NA	NA	NA	NA
# of storm sewer intakes, manholes & outlets	13,685	13,143	12,213	11,283	10,856	NA	NA	NA	NA	NA
Otter Creek golf course:										
Number of municipal golf courses	1	1	1	1	1	1	1	1	1	1

⁽¹⁾ Updated to reflect only city owned, active water mains
Source: City Records

City of Ankeny, Iowa
Insurance Schedule ⁽¹⁾
June 30, 2018

Insurance Company	Policy Number	Type of Coverage	Liability Limits	Deductible	Policy Expiration
Iowa Communities Assurance Pool					7/15/2018
	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	\$15,000,000	\$0	
		Fire Department and Fire Department Training	\$500,000	\$0	
		Sewer Back-Up	1,000,000/1,000,000	\$0	each/aggregate
		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	\$98,981,343	80% coinsurance	
		Personal Property	\$6,346,782	80% coinsurance	
		Newly Acquired/Newly Constructed Buildings	\$2,000,000	\$25,000	
		Book Collection	\$2,000,000	\$25,000	
		Vehicles	\$9,308,323	\$25,000	
		Miscellaneous Property - Scheduled & Unscheduled	\$4,943,843	\$25,000	
		Electronic Data Processing	\$1,121,558	\$25,000	
		Boiler	\$100,000,000	\$25,000	
		Earthquake	\$20,000,000	10% of loss	
Travelers Casualty and Surety Company of America					7/15/2018
	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	

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

Compliance Section

City of Ankeny, Iowa

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018**

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Other Identification Number</u>	<u>Program Expenditures</u>
U.S. Department of Justice			
Direct program:			
Bulletproof Vest Partnership Program 2015	16.607	not available	\$ 2,841
Bulletproof Vest Partnership Program 2016	16.607	not available	694
CFDA No. 16.607 Total			<u>3,535</u>
Pass-through program from:			
Iowa Department of Public Safety			
Internet Crimes Against Children	16.543	2014-MC-FX-K021	<u>1,500</u>
Total U.S. Department of Justice			<u>5,035</u>
U.S. Department of Transportation			
Pass-through program from:			
Iowa Department of Transportation			
Highway Planning and Construction Cluster			
Highway Construction Planning and Recovery	20.205	STP-U-0187(633)--70-77	912,341
Highway Construction Planning and Recovery	20.205	STP-A-0187(636)--86-77	<u>46,929</u>
Total Highway Planning and Construction Cluster CFDA No. 20.205			<u>959,270</u>
Iowa Department of Public Safety			
Highway Safety Cluster			
Alcohol Impaired Driving Countermeasures Incentive	20.601	17-402-MOPT, Task 02-00-00	19,487
Alcohol Impaired Driving Countermeasures Incentive	20.601	18-402-MOPT, Task 02-00-00	<u>33,611</u>
Total Highway Safety Cluster CFDA No. 20.601			<u>53,098</u>
Total U.S. Department of Transportation			<u>1,012,368</u>
U.S. Department of Homeland Security			
Direct program:			
U.S. Federal Emergency Management Agency			
Assistance to Firefighters	97.044	EMW-2016-FO-00910	<u>71,261</u>
TOTAL FEDERAL AWARDS EXPENDED			<u>\$ 1,088,664</u>

See accompanying notes to schedule of expenditures of federal awards.

CITY OF ANKENY, IOWA

Notes to the Schedule of Expenditures of Federal Awards June 30, 2018

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, 2018. 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.

**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, 2018, 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 28, 2018.

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

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 questioned costs, for the year ended June 30, 2018 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 28, 2018

**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, 2018. 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, 2018.

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

Report on Internal Control Over Compliance

Management of City of Ankeny 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 28, 2018

**CITY OF ANKENY, IOWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

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? _____ yes x 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, 2018**

Part II – Findings Related to the Financial Statements:

Our audit did not disclose any findings related to the financial statements.

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, 2018**

Part IV – Other Findings Related to Required Statutory Reporting:

- IV-A-18 Certified Budget – No disbursements during the year ended June 30, 2018, exceeded the amended certified budget amounts.
- IV-B-18 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-18 Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.
- IV-D-18 Business Transactions – No business transactions between the City and City officials or employees were noted.
- IV-E-18 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-18 Revenue Notes – No instances of noncompliance with the water and sewer revenue bond provisions were noted.
- IV-G-18 Council Minutes – No transactions were found that we believe should have been approved in the council minutes but were not.
- IV-H-18 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-18 Annual Urban Renewal Report – The annual urban renewal report was approved and certified to the Iowa Department of Management on or before December 1.



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