

**CITY OF DES MOINES, IOWA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2007**

<u>ASSETS</u>	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>TAX INCREMENT</u>
Cash and pooled cash investments	\$ 11,219,430	\$ 16,967,051	\$ 760,118
Investments	---	---	---
Taxes receivable	49,149,266	25,442,624	24,109,944
Special assessments receivable	---	---	---
Accounts receivable	3,799,657	---	---
Contracts sale receivable	---	---	---
Loans receivable, net of allowance for doubtful accounts	---	---	---
Property held for sale	---	---	---
Accrued interest receivable	592,890	---	---
Due from other funds	18,524	---	---
Due from other governmental units	832,871	---	---
Advance to other funds	3,499,154	---	---
Long-term receivables	---	---	---
Inventory	14,602	---	---
Prepaid items	352,062	---	---
<b>Total assets</b>	<b>\$ 69,478,456</b>	<b>\$ 42,409,675</b>	<b>\$ 24,870,062</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 1,369,384	\$ 68,222	\$ ---
Contracts payable	---	---	---
Accrued wages payable	3,620,636	---	---
Accrued employee benefits	250,128	---	---
Due to other funds	8,791	---	---
Good faith, security deposits	1,483,042	---	---
Deferred revenue	47,515,873	25,103,894	23,968,682
<b>Total liabilities</b>	<b>54,247,854</b>	<b>25,172,116</b>	<b>23,968,682</b>
Fund balances:			
Reserved for inventory	14,602	---	---
Reserved for loans receivable	---	---	---
Reserved for property held for sale	---	---	---
Reserved for advances	3,499,154	---	---
Reserved for debt service	---	16,776,784	---
Reserved for encumbrances	119,536	---	---
Reserved for prepaid items	352,062	---	---
Reserved for corpus	---	---	---
Unreserved, reported in:			
General Fund	11,245,248	---	---
Debt Service Fund	---	460,775	---
Special Revenue funds	---	---	901,380
Capital Projects Fund	---	---	---
Permanent Funds	---	---	---
<b>Total fund balances</b>	<b>15,230,602</b>	<b>17,237,559</b>	<b>901,380</b>
<b>Total liabilities and fund balances</b>	<b>\$ 69,478,456</b>	<b>\$ 42,409,675</b>	<b>\$ 24,870,062</b>

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

BENEFIT TAX ACCOUNTS	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 165,837	\$ 78,846,545	\$ 5,764,380	\$ 113,723,361
---	---	3,134,432	3,134,432
15,653,964	---	11,929,162	126,284,960
---	6,033	---	6,033
---	461,791	293,139	4,554,587
---	---	286,639	286,639
---	---	10,888,010	10,888,010
---	---	2,000,000	2,000,000
---	1,702	65,022	659,614
---	3,529,647	102,508	3,650,679
---	3,150,675	2,651,718	6,635,264
---	---	---	3,499,154
---	5,503,339	---	5,503,339
---	---	---	14,602
---	---	39,742	391,804
<u>\$ 15,819,801</u>	<u>\$ 91,499,732</u>	<u>\$ 37,154,752</u>	<u>\$ 281,232,478</u>
\$ ---	\$ 1,932,274	\$ 1,562,848	\$ 4,932,728
---	5,589,846	---	5,589,846
---	149,873	778,833	4,549,342
---	---	79,355	329,483
---	---	3,548,397	3,557,188
---	---	5,359	1,488,401
15,395,010	6,874,964	9,849,660	128,708,083
<u>15,395,010</u>	<u>14,546,957</u>	<u>15,824,452</u>	<u>149,155,071</u>
---	---	---	14,602
---	---	10,888,010	10,888,010
---	---	2,000,000	2,000,000
---	---	---	3,499,154
---	---	---	16,776,784
---	---	---	119,536
---	---	39,742	391,804
---	---	3,290,927	3,290,927
---	---	---	11,245,248
---	---	---	460,775
424,791	---	4,743,467	6,069,638
---	76,952,775	---	76,952,775
---	---	368,154	368,154
<u>424,791</u>	<u>76,952,775</u>	<u>21,330,300</u>	<u>132,077,407</u>
<u>\$ 15,819,801</u>	<u>\$ 91,499,732</u>	<u>\$ 37,154,752</u>	<u>\$ 281,232,478</u>



**CITY OF DES MOINES, IOWA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**June 30, 2007**

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Total governmental fund balances \$ 132,077,407

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 723,860,387

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 7,695,937

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

Capital assets, net of accumulated depreciation	4,369,283
Other current assets	4,675,251
Other current liabilities	(899,565)
Noncurrent liabilities	(308,489)
	7,836,480

Internal service funds allocated to business-type activities 1,620,573

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

Deferred charges, issuance costs	2,440,253
Unamortized premium cost	(5,094,902)
Unamortized discount	214,731
Accrued employee benefits	(17,737,265)
Accrued interest payable	(1,485,444)
Notes payable	(10,131,294)
Section 108 loans payable	(1,885,000)
General obligation bonds payable	(371,821,000)
Other liabilities, claims and judgments	(285,000)
Arbitrage liability	(12,876)
	(405,797,797)

Net assets of governmental activities \$ 467,292,987

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

**CITY OF DES MOINES, IOWA**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2007**

	GENERAL	DEBT SERVICE	TAX INCREMENT
Revenues:			
Taxes	\$ 49,976,078	\$ 22,779,494	\$ 24,002,604
Franchise fees	14,070,843	---	---
Licenses and permits	3,788,171	---	---
Fines and forfeitures	2,568,984	---	---
Charges for sales and services	13,998,115	---	---
Use of money and property	4,363,171	12,050	---
Miscellaneous	15,784,017	92,596	---
Intergovernmental	1,613,755	---	---
Total revenue	<u>106,163,134</u>	<u>22,884,140</u>	<u>24,002,604</u>
Expenditures:			
Current:			
Public safety	78,905,086	---	---
Public works	8,693,480	---	---
Health and social services	563,710	---	---
Culture and recreation	20,823,114	---	---
Community and economic development	2,563,251	---	---
General government	14,773,254	778,132	---
Capital outlay	454,699	---	---
Debt service:			
Principal retirement	37,347	26,755,012	9,828,990
Interest and fiscal charges	1,047	10,186,403	5,961,890
Total expenditures	<u>126,814,988</u>	<u>37,719,547</u>	<u>15,790,880</u>
Excess (deficiency) of revenues over expenditures	<u>(20,651,854)</u>	<u>(14,835,407)</u>	<u>8,211,724</u>
Other financing sources (uses):			
Transfers in	24,549,875	943,109	---
General obligation bonds issued	---	715,468	---
Other debt issued	---	1,190,555	---
Advance refunded debt issuance	---	4,620,782	---
Advance refunded debt retirement	---	(4,875,000)	---
Transfers out	(2,727,709)	(868,751)	(7,577,692)
Premium on bond issue	---	126,176	---
Discount on bond issue	---	(211,854)	---
Proceeds from capital asset sale	186,150	---	---
Total other financing sources (uses)	<u>22,008,316</u>	<u>1,640,485</u>	<u>(7,577,692)</u>
Net change in fund balances	1,356,462	(13,194,922)	634,032
Fund balances, beginning of year	13,874,140	30,432,481	267,348
Fund balances, end of year	<u>\$ 15,230,602</u>	<u>\$ 17,237,559</u>	<u>\$ 901,380</u>

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

<u>BENEFIT TAX ACCOUNTS</u>	<u>CAPITAL PROJECTS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 16,166,009	\$ ---	\$ 8,687,717	\$ 121,611,902
---	---	---	14,070,843
---	---	92,690	3,880,861
---	---	85,225	2,654,209
---	23,416	1,874,161	15,895,692
---	572,119	1,006,438	5,953,778
---	7,831,984	3,911,292	27,619,889
---	10,125,266	31,020,155	42,759,176
<u>16,166,009</u>	<u>18,552,785</u>	<u>46,677,678</u>	<u>234,446,350</u>
---	33,771	2,973,112	81,911,969
---	25,787	18,005,690	26,724,957
---	---	436,550	1,000,260
---	586,642	806,369	22,216,125
---	7,869,925	13,559,485	23,992,661
---	811,963	2,059,657	18,423,006
---	41,854,439	687,338	42,996,476
---	1,933,940	115,000	38,670,289
---	---	101,991	16,251,331
---	<u>53,116,467</u>	<u>38,745,192</u>	<u>272,187,074</u>
<u>16,166,009</u>	<u>(34,563,682)</u>	<u>7,932,486</u>	<u>(37,740,724)</u>
36,846	8,360,012	3,796,281	37,686,123
---	63,433,750	---	64,149,218
---	1,000,000	---	2,190,555
---	---	---	4,620,782
---	---	---	(4,875,000)
(15,549,554)	(3,278,313)	(8,584,104)	(38,586,123)
---	---	---	126,176
---	---	---	(211,854)
---	311,897	385,533	883,580
<u>(15,512,708)</u>	<u>69,827,346</u>	<u>(4,402,290)</u>	<u>65,983,457</u>
653,301	35,263,664	3,530,196	28,242,733
<u>(228,510)</u>	<u>41,689,111</u>	<u>17,800,104</u>	<u>103,834,674</u>
<u>\$ 424,791</u>	<u>\$ 76,952,775</u>	<u>\$ 21,330,300</u>	<u>\$ 132,077,407</u>



**CITY OF DES MOINES, IOWA**  
**RECONCILIATION OF THE CHANGE IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2007**

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

Net change in fund balances: Total governmental funds \$ 28,242,733

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

Capital outlay	43,021,619
Depreciation	(23,669,431)
	<u>19,352,188</u>

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

Proceeds from the sale of capital assets	(883,580)
Gain from sale of capital assets	766,327
Capital assets contributed by private sources	447,432
	<u>330,179</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 322,469

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

Amortization of premium	756,833
Premium on bond issue	(126,176)
Long-term debt issued	(64,149,218)
Other long-term debt issued	(2,190,555)
Advance refunded debt issuance	(4,620,782)
Advance refunded debt retirement	4,875,000
Repayment of long-term debt principal	38,670,289
Note payable payment through state appropriation	350,477
Interest	(182,837)
Issuance costs	771,719
Amortization of issuance costs	(269,438)
Arbitrage	(3,440)
Bond discount	211,853
Amortization of discount	(291)
	<u>(25,906,566)</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Accrued employee benefits	(2,551,264)
Claims and judgments	(41,000)
	<u>(2,592,264)</u>

Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net loss of certain activities of internal service funds is reported with governmental activities. (985,828)

Change in internal service fund allocations to business-type activities 512,175

Change in net assets of governmental activities \$ 19,275,086

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