

City of Waukee, Iowa

**INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS**

June 30, 2006

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**City of Waukee, Iowa
OFFICIALS**

	<u>Term expires</u>
MAYOR AND MEMBERS OF CITY COUNCIL (Before January 2006)	
Tony Oberman, Mayor	January 2006
Donald Bailey, Jr., Council Member	January 2006
Nick Gruber, Council Member	January 2006
Bill Peard, Council Member	January 2006
Jeff Mertz, Council Member	January 2008
Darlene Stanton, Council Member	January 2008
CITY ADMINISTRATOR	
Mark Arentsen	Indefinite
DEPUTY CITY CLERK	
Catherine Paardekooper	Indefinite
CITY TREASURER	
Linda Burkhart	Indefinite
CITY ATTORNEY	
Paul Huscher	June, 2005
	<u>Term expires</u>
MAYOR AND MEMBERS OF CITY COUNCIL (After January 2006)	
William Peard, Mayor	January 2008
Donald Bailey, Jr., Council Member	January 2010
Isaiah McGee, Council Member	January 2010
Michael Watts, Council Member	January 2010
Jeff Mertz, Council Member	January 2008
Darlene Stanton, Council Member	January 2008
INTERIM CITY ADMINISTRATOR	
John R. Gibson	October, 2006
DEPUTY CITY CLERK	
Rebecca D. Schuett	Indefinite
CITY TREASURER	
Linda Burkhart	Indefinite
CITY ATTORNEY	
Steven P. Brick	January, 2008

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
Waukee, Iowa

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 Waukee, Iowa, as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the contents page of this report. These financial statements are the responsibility of the City of Waukee's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our 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 Waukee as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2006 on our consideration of the City of Waukee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 7 through 12 and 44 through 46 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Waukeee's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2005 (none of which are presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The other data in this report, designated as the "statistical section" on the contents page, has not been audited by us and, accordingly, we express no opinion on it.

Denman & Company, LLP
DENMAN & COMPANY, LLP

West Des Moines, Iowa
August 25, 2006

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Waukee provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2006. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

2006 FINANCIAL HIGHLIGHTS

- Revenues of the City's governmental activities decreased 6.85%, or \$522,830, from fiscal 2005 to fiscal 2006. Property tax increased \$410,805, licenses and permits increased \$220,632 and intergovernmental decreased \$1,268,407.
- Program expenses decreased 22.96%, or \$2,496,382 in fiscal 2006 from fiscal 2005. Public Safety expenses decreased \$795,426 and Community and Economic Development increased \$271,581, General Government increased \$291,332, and Capital Projects decreased \$3,097,383.
- The City has net assets of \$59,284,331 on June 30, 2006 as compared to \$45,961,634 on June 30, 2005. Of this amount, the net assets of the governmental activities was \$40,946,962 and the net assets of the business type activities was \$18,337,369.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the City's financial activities.

Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the City of Waukee as a whole and present an overall view of the City's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the most significant funds.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the City's budget for the year.

Other Supplementary Information provides detailed information about the nonmajor Governmental and Proprietary Funds, and Schedules of Revenues by Source and Expenditures by Function.

REPORTING THE CITY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

One of the most important questions asked about the City's finances is, "Is the City as a whole better or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information which helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The Statement of Net Assets presents all of the City's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the City's net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as 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 not result in cash flows until future fiscal periods.

The Statement of Net Assets and the Statement of Activities report two kinds of activities:

- Governmental activities include public safety, public works, health & social services, culture and recreation, community and economic development, general government, debt service and capital projects. Property tax, state and federal grants, and license and permit fees finance most of these activities.
- Business type activities include the water, sewer, gas and storm water utilities, the municipal golf course and the City's sanitation department. These activities are financed primarily by user charges.

Fund Financial Statements

The City has two kinds of funds:

(1) Governmental funds account for most of the City's basic services. These focus on how money flows into and out of those funds and the balances at year-end that are available for spending. Governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Tax Increment Financing Revenues, and Employee Benefits Levy, 3) the Debt Service Fund and 4) the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

2) Proprietary funds account for the City's Enterprise Funds. These funds report services for which the City charges customers for the service it provides. Proprietary funds are reported in the same way all activities are reported in the Statement of Net Assets and the Statement of Activities. The major difference between the proprietary funds and the business type activities included in the government-wide statements is the detail and additional information, such as cash flows, provided in the proprietary fund statements. The Enterprise Funds include the Water, Sewer, Gas, Storm Water, Golf Course and Sanitation Funds. The City is responsible for ensuring the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong.

The financial statements required for proprietary funds include a statement of net assets, a statement of revenues, expenses and changes in fund net assets and a statement of cash flows.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. The analysis that follows focuses on the changes in the net assets for governmental and business type activities.

	Net Assets					
	Governmental Activities		Business Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 8,167,458	\$ 5,980,367	\$ 5,127,708	\$ 4,356,774	\$13,295,166	\$10,337,141
Capital assets	52,794,403	41,956,798	22,455,278	17,523,508	75,249,681	59,480,306
Total assets	<u>60,961,861</u>	<u>47,937,165</u>	<u>27,582,986</u>	<u>21,880,282</u>	<u>88,544,847</u>	<u>69,817,447</u>
Long-term liabilities	13,715,293	14,106,840	8,612,253	4,960,551	22,327,546	19,067,391
Other liabilities	6,299,606	4,224,730	633,364	563,692	6,932,970	4,788,422
Total liabilities	<u>20,014,899</u>	<u>18,331,570</u>	<u>9,245,617</u>	<u>5,524,243</u>	<u>29,260,516</u>	<u>23,855,813</u>
Net assets:						
Net of related debt	39,101,575	27,928,759	13,860,800	12,576,989	52,962,375	40,505,748
Restricted	1,393,246	665,423	156,385	427,208	1,549,631	1,092,631
Unrestricted	<u>452,141</u>	<u>1,011,413</u>	<u>4,320,184</u>	<u>3,351,842</u>	<u>4,772,325</u>	<u>4,363,255</u>
Total net assets	<u>\$40,946,962</u>	<u>\$29,605,595</u>	<u>\$18,337,369</u>	<u>\$16,356,039</u>	<u>\$59,284,331</u>	<u>\$45,961,634</u>

The largest portion of the City's net assets is the invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets. Restricted net assets represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, legislation or other legal requirements, is approximately \$4,772,000 at the end of this year.

	Changes in Net Assets					
	Governmental Activities		Business Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Property tax levied	\$ 3,525,913	\$ 3,218,505	\$ -	\$ -	\$ 3,525,913	\$ 3,218,505
Tax increment financing	1,279,032	980,076	-	-	1,279,032	980,076
Unrestricted interest	73,624	30,694	73,890	41,862	147,514	72,556
Restricted interest and grants	717,124	1,958,115	-	-	717,124	1,958,115
Charges for services	1,181,232	1,010,710	7,672,322	5,794,342	8,853,554	6,805,052
Capital contributions	11,678,449	6,875,222	112,749	402,547	11,791,198	7,277,769
Miscellaneous	331,615	430,772	2,161,901	2,058,432	2,493,516	2,489,204
Sale of assets	-	166,586	892	-	892	166,586
Total general revenues	<u>18,786,989</u>	<u>14,670,680</u>	<u>10,021,754</u>	<u>8,297,183</u>	<u>28,808,743</u>	<u>22,967,863</u>
Transfers	<u>210,722</u>	<u>(465,745)</u>	<u>(210,722)</u>	<u>465,745</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>\$18,997,711</u>	<u>\$14,204,935</u>	<u>\$ 9,811,032</u>	<u>\$8,762,928</u>	<u>\$28,808,743</u>	<u>\$22,967,863</u>

	Governmental Activities		Business Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Program expenses						
Public safety	\$ 1,576,766	\$ 1,713,883	\$ -	\$ -	\$ 1,576,766	\$ 1,713,883
Public works	2,639,634	2,337,119	-	-	2,639,634	2,337,119
Health and social services	13,500	12,050	-	-	13,500	12,050
Culture and recreation	850,997	818,466	-	-	850,997	818,466
Community and economic development	507,922	274,085	-	-	507,922	274,085
General government	457,637	358,482	-	-	457,637	358,482
Debt service	829,561	704,519	-	-	829,561	704,519
Capital projects	780,327	702,060	-	-	780,327	702,060
Business activities	-	-	7,829,702	6,107,858	7,829,702	6,107,858
Total expenses	<u>7,656,344</u>	<u>6,920,664</u>	<u>7,829,702</u>	<u>6,107,858</u>	<u>15,486,046</u>	<u>13,028,522</u>
Increase in net assets	11,341,367	7,284,271	1,981,330	2,655,070	13,322,697	9,939,341
Net assets beginning of year	<u>29,605,595</u>	<u>22,321,324</u>	<u>16,356,039</u>	<u>13,700,969</u>	<u>45,961,634</u>	<u>36,022,293</u>
Net assets end of year	<u>\$40,946,962</u>	<u>\$29,605,595</u>	<u>\$18,337,369</u>	<u>\$16,356,039</u>	<u>\$59,284,331</u>	<u>\$45,961,634</u>

The City maintained the \$13.50 property tax levy for FY06, while recognizing a \$307,408 increase in property tax revenue due to actual valuations being increased. Revenues for operating grants, contributions and restricted interest, increased by approximately \$3,562,236, due to the receipt of capital contributions.

INDIVIDUAL MAJOR FUND ANALYSIS

Governmental Fund Highlights

As the City of Waukee completed the year, its governmental funds reported a combined fund balance of \$1,926,611 at June 30, 2006, compared to \$1,735,756 combined fund balance at June 30, 2005.

The General Fund showed a substantial increase of \$403,308 from the prior year to \$1,021,039.

The Tax Increment Financing Revenues Fund accounts for revenue from the tax authorized by ordinance in the urban renewal district which are used to pay the principal and interest on indebtedness incurred for urban renewal redevelopment projects. This fund ended fiscal 2006 with a \$1,777,454 balance compared to the prior year ending balance of \$1,272,224.

The Employee Benefits Tax Levy Fund is used to account for the property tax levied to finance the payment of employee benefits. This fund ended fiscal 2006 with a \$9,328 balance compared to the prior year ending balance of \$5,741. Transfers out to operating funds totaled \$512,669 in fiscal 2006.

The Debt Service Fund ended fiscal 2006 with a \$323,971 balance compared to the prior year ending balance of \$322,657. Bond principal and interest payments increased by \$908,678 in fiscal 2006, with most of the increase coming from paying off the short term debt for the fire department ladder truck from the prior year.

The Capital Projects Fund ended fiscal 2006 with a \$(1,331,507) balance compared to the prior year ending balance of \$(597,579).

Proprietary Fund Highlights

The Water Fund, which accounts for the operation and maintenance of the City's water system, ended fiscal 2006 with a \$6,724,101 net asset balance, compared to the prior year ending net asset balance of \$5,730,308.

The Sewer Fund, which accounts for the operation and maintenance of the City's wastewater treatment and sanitary sewer system, ended fiscal 2006 with a \$8,201,293 net asset balance, compared to the prior year ending net asset balance of \$7,343,956.

The Gas Fund, which accounts for the operations and maintenance of the City's gas utility, ended fiscal 2006 with a \$2,752,080 net asset balance, compared to the prior year ending net asset balance of \$2,562,584.

The Golf Course Fund, which accounts for the operations and maintenance of the City's municipal golf course, ended fiscal 2006 with a \$641,978 net asset balance, compared to the prior year ending net asset balance of \$703,909.

The Sanitation Fund, which accounts for the operation and maintenance of the City's solid waste collection system, ended fiscal 2006 with a \$(17,472) net asset deficit balance, compared to the prior year ending net asset deficit balance of \$(20,145).

BUDGETARY HIGHLIGHTS

Over the course of the year, the City of Waukee amended its budget once. This amendment was done in May 2006. This amendment was needed to cover unplanned disbursements, including disbursements associated with projects carried over from the prior fiscal year.

Even with this amendment, the City exceeded the budgeted amount in the Public Safety, Community & Economic Development, Debt Service and Business Type functions for the year ended June 30, 2006.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets include land, buildings and improvements, equipment, streets, sewer systems, lighting systems, traffic signals and other infrastructure. Capital assets for governmental activities totaled \$52,794,403 (net of accumulated depreciation) at June 30, 2006. Capital assets for business type activities totaled \$22,455,278 (net of accumulated depreciation) at June 30, 2006. See Note 1 & 4 to the financial statements for more information about the City's capital assets.

The major capital outlays for governmental activities during the year included the second phase of the University Avenue Street Widening project, and the Sugar Creek Sewer & Pump Station project.

For business type activities, major additions included the R22 Water project, partial purchase from Xenia Rural Water System, and the fees associated with joining the Wastewater Reclamation Authority (WRA).

Construction in progress at June 30, 2006 for governmental activities consists primarily of street, water and sewer projects.

Long-Term Debt

At June 30, 2006, the City had \$13,715,293 in total long-term debt outstanding for governmental activities. Total long-term debt outstanding for business type activities was \$8,594,478 at June 30, 2006. During the year ended June 30, 2006, the City issued a total of \$1,256,725 in general obligation bonds to finance the City's construction projects and the purchase of parkland. The City also issued \$4,105,000 in revenue bonds to the Des Moines Water Works.

The City has not received a general obligation bond rating assigned by national rating agencies. The Constitution of the State of Iowa limits the amount of general obligation debt cities can issue to 5 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt of \$14,165,583 is significantly below its constitutional debt limit of \$25,255,545. Other obligations include accrued vacation pay and sick leave. Additional information about the City's long-term debt is presented in Note 5 to the financial statements.

ECONOMIC FACTORS BEARING ON THE CITY’S FUTURE

Several economic factors affected decisions made by the City in setting its fiscal 2007 budget. The City of Waukee will experience a significant increase in General Fund revenues and expenditures from fiscal 2006 to fiscal 2007. The major factors that will play a role in this change are the increase in property tax revenues from increased valuations for fiscal 2007, and increased revenues from licenses and permit fees.

The General Fund is projected to end fiscal 2007 with a fund balance of approximately \$1,021,000, or to remain constant from fiscal 2006. The tax levy rates per \$1,000 of taxable valuation for fiscal 2007 are provided below:

General levy	\$8.10000
Debt Service levy	3.32004
Employee Benefits Levy	2.08000
Total	\$13.50004

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

This financial report is designed to present our citizens, taxpayers, customers, investors and creditors with a general overview of the City’s finances and operating activities. If you have any questions or require additional information, please contact the City Administrator/Clerk or the Director of Finance, at Waukee City Hall, 230 Highway 6, Waukee, Iowa.

BASIC FINANCIAL STATEMENTS

City of Waukee, Iowa
STATEMENT OF NET ASSETS
June 30, 2006

	Primary Government		Total
	Governmental Activities	Business Type Activities	
ASSETS			
Cash and pooled investments	\$ 3,183,022	\$ 3,236,020	\$ 6,419,042
Cash held in escrow	280,035	-	280,035
Receivables			
Property tax			
Delinquent	44,484	-	44,484
Succeeding year	3,782,540	-	3,782,540
Special assessments	264,040	93,395	357,435
Customer accounts	-	673,350	673,350
Other	371,346	-	371,346
Due from other governments	89,434	-	89,434
Due from other funds	66,179	(66,179)	-
Inventories	-	103,765	103,765
Prepaid insurance	86,378	-	86,378
Restricted assets - cash and pooled investments	-	1,052,763	1,052,763
Capital assets (net of accumulated depreciation)	52,794,403	22,455,278	75,249,681
Bond/note issuance costs	-	34,594	34,594
Total assets	<u>60,961,861</u>	<u>27,582,986</u>	<u>88,544,847</u>
LIABILITIES			
Accounts payable	2,141,992	556,168	2,698,160
Accrued interest payable	64,880	35,558	100,438
Bond deposit	49,500	-	49,500
Customer deposits payable	-	41,085	41,085
Lease deposit payable	3,354	-	3,354
Deferred revenue	4,039,880	-	4,039,880
Long-term liabilities			
Portion due or payable within one year			
Compensated absences	7,548	18,328	25,876
Capital lease payable	-	553	553
General obligation bonds/notes	1,120,648	50,661	1,171,309
Revenue notes payable	-	265,380	265,380
Special assessment notes payable	-	30,000	30,000
Des Moines Water Works bonds payable	-	460,869	460,869
Portion due or payable after one year			
Capital lease payable	-	4,415	4,415
Compensated absences	64,417	-	64,417
General obligation bonds/notes	12,522,680	165,535	12,688,215
Revenue notes payable	-	2,765,373	2,765,373
Special assessment notes payable	-	60,000	60,000
Des Moines Water Works bonds payable	-	4,791,692	4,791,692
Total liabilities	<u>20,014,899</u>	<u>9,245,617</u>	<u>29,260,516</u>
NET ASSETS			
Invested in capital assets, net of related debt	39,101,575	13,860,800	52,962,375
Restricted for			
Land purchase	280,035	-	280,035
Parkland dedication	293,844	-	293,844
Prepaid insurance	86,378	-	86,378
Advances to other funds	85,000	-	85,000
Debt service	332,281	156,385	488,666
Police gifts and memorials	2,143	-	2,143
Warning siren	22,661	-	22,661
Lease deposits	3,354	-	3,354
Road purposes	38,230	-	38,230
Library	89,784	-	89,784
Other	159,536	-	159,536
Unrestricted	<u>452,141</u>	<u>4,320,184</u>	<u>4,772,325</u>
Total net assets	<u>\$40,946,962</u>	<u>\$18,337,369</u>	<u>\$59,284,331</u>

See Notes to Financial Statements.

City of Waukee, Iowa
STATEMENT OF ACTIVITIES
Year ended June 30, 2006

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) and Changes in Net Assets</u>		
		<u>Charges for Services</u>	<u>Operating Grants, Contributions and Restricted Interest</u>	<u>Governmental Activities</u>	<u>Primary Government</u>	
FUNCTIONS/PROGRAMS					<u>Business Type Activities</u>	<u>Total</u>
Primary Government						
Governmental activities						
Public safety	\$ 1,576,766	\$ 75,600	\$ -	\$ (1,501,166)	\$ -	\$ (1,501,166)
Public works	2,639,634	-	717,124	(1,922,510)	-	(1,922,510)
Health and social services	13,500	-	-	(13,500)	-	(13,500)
Culture and recreation	850,997	152,963	-	(698,034)	-	(698,034)
Community and economic development	507,922	-	-	(507,922)	-	(507,922)
General government	457,637	952,669	-	495,032	-	495,032
Debt service	829,561	-	-	(829,561)	-	(829,561)
Capital projects	<u>780,327</u>	<u>-</u>	<u>-</u>	<u>(780,327)</u>	<u>-</u>	<u>(780,327)</u>
Total governmental activities	<u>7,656,344</u>	<u>1,181,232</u>	<u>717,124</u>	<u>(5,757,988)</u>	<u>-</u>	<u>(5,757,988)</u>
Business type activities						
Water	1,533,039	1,768,480	-	-	235,441	235,441
Sewer	1,049,391	937,974	-	-	(111,417)	(111,417)
Gas	4,055,326	3,899,351	-	-	(155,975)	(155,975)
Golf	526,548	415,921	-	-	(110,627)	(110,627)
Other	<u>665,398</u>	<u>650,596</u>	<u>-</u>	<u>-</u>	<u>(14,802)</u>	<u>(14,802)</u>
Total business type activities	<u>7,829,702</u>	<u>7,672,322</u>	<u>-</u>	<u>-</u>	<u>(157,380)</u>	<u>(157,380)</u>
Total Primary Government	<u>\$15,486,046</u>	<u>\$8,853,554</u>	<u>\$ 717,124</u>	<u>\$ (5,757,988)</u>	<u>\$ (157,380)</u>	<u>\$ (5,915,368)</u>
GENERAL REVENUES						
Property and other city tax levied for						
General purposes				\$ 2,056,735	\$ -	\$ 2,056,735
Debt service				957,535	-	957,535
Employee benefits				511,643	-	511,643
Tax increment financing				1,279,032	-	1,279,032
Unrestricted interest on investments				73,624	73,890	147,514
Miscellaneous				331,615	140,059	471,674
Connection fees				-	1,064,658	1,064,658
Capacity fees				-	957,184	957,184
Capital contributions				11,678,449	112,749	11,791,198
Sale of assets				-	892	892
TRANSFERS				<u>210,722</u>	<u>(210,722)</u>	<u>-</u>
Total general revenues and transfers				17,099,355	2,138,710	19,238,065
CHANGE IN NET ASSETS				<u>11,341,367</u>	<u>1,981,330</u>	<u>13,322,697</u>
NET ASSETS BEGINNING OF YEAR				<u>29,605,595</u>	<u>16,356,039</u>	<u>45,961,634</u>
NET ASSETS END OF YEAR				<u>\$40,946,962</u>	<u>\$18,337,369</u>	<u>\$59,284,331</u>

See Notes to Financial Statements.

**City of Waukee, Iowa
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2006**

	<u>Capital Projects</u>					<u>Total</u>
	<u>General</u>	<u>Urban Renewal Project</u>	<u>2005-2006 GO Projects</u>	<u>Debt Service</u>	<u>Nonmajor Funds</u>	
ASSETS						
Cash and pooled investments	\$ 878,809	\$ 44,869	\$ -	\$ 316,568	\$1,894,703	\$ 3,134,949
Cash held in escrow	-	280,035	-	-	-	280,035
Receivables						
Property tax						
Delinquent	12,341	-	-	7,403	24,740	44,484
Succeeding year	2,165,150	-	-	1,063,303	554,087	3,782,540
Special assessments	-	-	-	-	264,040	264,040
Other	193,036	94,015	-	-	84,295	371,346
Due from other funds	-	1,935,096	-	-	-	1,935,096
Due from other governments	-	-	-	-	89,434	89,434
Prepaid insurance	80,672	-	-	-	5,706	86,378
Advances to other funds	85,000	-	-	-	-	85,000
	<u>\$3,415,008</u>	<u>\$2,354,015</u>	<u>\$ -</u>	<u>\$1,387,274</u>	<u>\$2,917,005</u>	<u>\$10,073,302</u>
LIABILITIES AND FUND BALANCES (DEFICIT)						
Liabilities						
Accounts payable	\$ 199,096	\$1,798,719	\$ 86,249	\$ -	\$ 57,928	\$ 2,141,992
Lease deposit payable	3,354	-	-	-	-	3,354
Compensated absences	7,548	-	-	-	-	7,548
Due to other funds	-	-	1,719,770	-	215,326	1,935,096
Deferred revenue						
Succeeding year property tax	2,165,150	-	-	1,063,303	554,087	3,782,540
Other	-	-	-	-	257,340	257,340
Interfund payable	18,821	-	-	-	-	18,821
Total liabilities	<u>2,393,969</u>	<u>1,798,719</u>	<u>1,806,019</u>	<u>1,063,303</u>	<u>1,084,681</u>	<u>8,146,691</u>
Fund Balances (Deficit)						
Reserved for debt service	-	-	-	323,971	8,310	332,281
Designated for						
Land purchase	-	280,035	-	-	-	280,035
Parkland dedication	293,844	-	-	-	-	293,844
Prepaid insurance	80,672	-	-	-	5,706	86,378
Advances to other funds	85,000	-	-	-	-	85,000
Police gifts and memorials	2,143	-	-	-	-	2,143
Warning siren	22,661	-	-	-	-	22,661
Lease deposits	3,354	-	-	-	-	3,354
Undesignated						
Reported in						
General fund	533,365	-	-	-	-	533,365
Special revenue funds	-	275,261	-	-	1,899,092	2,174,353
Capital projects funds	-	-	(1,806,019)	-	(80,784)	(1,886,803)
Total fund balances (deficit)	<u>1,021,039</u>	<u>555,296</u>	<u>(1,806,019)</u>	<u>323,971</u>	<u>1,832,324</u>	<u>1,926,611</u>
	<u>\$3,415,008</u>	<u>\$2,354,015</u>	<u>\$ -</u>	<u>\$1,387,274</u>	<u>\$2,917,005</u>	<u>\$10,073,302</u>
Total liabilities and fund balances (deficit)	<u>\$3,415,008</u>	<u>\$2,354,015</u>	<u>\$ -</u>	<u>\$1,387,274</u>	<u>\$2,917,005</u>	<u>\$10,073,302</u>

See Notes to Financial Statements.

City of Waukee
RECONCILIATION OF THE BALANCE SHEET—
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
June 30, 2006

Total governmental fund balances \$ 1,926,611

***Amounts reported for governmental activities in the
Statement of Net Assets are different because:***

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. The cost of assets is \$72,688,104 and the accumulated depreciation \$19,893,701. 52,794,403

Long-term liabilities, including bonds payable, bond deposits, compensated absences and accrued interest payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. (13,822,125)

The Internal Service Fund is used by management to charge the costs of future equipment purchases to individual funds. The assets of the Internal Service Fund are allocated between governmental and proprietary activities in the Statement of Net Assets. 48,073

Net assets of governmental activities **\$40,946,962**

City of Waukee, Iowa
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS
Year ended June 30, 2006

	<u>Capital Projects</u>				Other Nonmajor Governmental Funds	<u>Total</u>
	<u>General</u>	<u>Urban Renewal Project</u>	<u>2005-2006 GO Projects</u>	<u>Debt Service</u>		
REVENUES						
Property tax	\$1,999,601	\$ -	\$ -	\$ 957,535	\$ 511,643	\$3,468,779
Tax increment financing collections	-	-	-	-	1,279,032	1,279,032
Other city tax	-	44,869	-	-	12,265	57,134
Licenses and permits	880,119	-	-	-	-	880,119
Use of money and property	79,895	4,174	-	11,512	47,159	142,740
Intergovernmental	152,963	-	-	-	717,124	870,087
Charges for services	75,600	-	-	-	-	75,600
Miscellaneous	<u>261,746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,869</u>	<u>331,615</u>
Total revenues	<u>3,449,924</u>	<u>49,043</u>	<u>-</u>	<u>969,047</u>	<u>2,637,092</u>	<u>7,105,106</u>
EXPENDITURES						
Operating						
Public safety	1,373,641	-	-	-	-	1,373,641
Public works	494,545	-	-	-	691,206	1,185,751
Health and social services	13,500	-	-	-	-	13,500
Culture and recreation	747,065	-	-	-	58,961	806,026
Community and economic development	240,901	-	-	-	267,165	508,066
General government	670,133	-	-	-	36,163	706,296
Debt service	-	-	-	2,407,072	-	2,407,072
Capital projects	<u>-</u>	<u>933,830</u>	<u>436,614</u>	<u>-</u>	<u>6,477</u>	<u>1,376,921</u>
Total expenditures	<u>3,539,785</u>	<u>933,830</u>	<u>436,614</u>	<u>2,407,072</u>	<u>1,059,972</u>	<u>8,377,273</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(89,861)</u>	<u>(884,787)</u>	<u>(436,614)</u>	<u>(1,438,025)</u>	<u>1,577,120</u>	<u>(1,272,167)</u>
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	1,242,300	-	-	-	1,242,300
Operating transfers in	500,669	7,500	-	1,439,339	22,000	1,969,508
Operating transfers out	<u>(7,500)</u>	<u>(656,347)</u>	<u>-</u>	<u>-</u>	<u>(1,084,939)</u>	<u>(1,748,786)</u>
Total other financing sources (uses)	<u>493,169</u>	<u>593,453</u>	<u>-</u>	<u>1,439,339</u>	<u>(1,062,939)</u>	<u>1,463,022</u>
NET CHANGE IN FUND BALANCES (DEFICIT)	403,308	(291,334)	(436,614)	1,314	514,181	190,855
FUND BALANCES (DEFICIT) BEGINNING OF YEAR	<u>617,731</u>	<u>846,630</u>	<u>(1,369,405)</u>	<u>322,657</u>	<u>1,318,143</u>	<u>1,735,756</u>
FUND BALANCES (DEFICIT) END OF YEAR	<u>\$1,021,039</u>	<u>\$ 555,296</u>	<u>\$(1,806,019)</u>	<u>\$ 323,971</u>	<u>\$1,832,324</u>	<u>\$1,926,611</u>

See Notes to Financial Statements.

City of Waukee
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT)—
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year ended June 30, 2006

Net change in fund balances (deficit)—Total governmental funds \$ 190,855

***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. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:

Expenditures for capital assets, including contributed capital	\$13,021,130	
Depreciation expense	<u>(2,183,525)</u>	10,837,605

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Current year issues exceeded repayments, as follows:

Issued	(1,200,000)	
Repaid	<u>1,584,711</u>	384,711

Proceeds of bond deposit provide current financial resources to governmental funds but increase current liabilities in the Statement of Net Assets.	(49,500)
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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, as follows:

Compensated absences	(8,110)	
Interest on long-term debt	<u>(7,628)</u>	(15,738)

The Internal Service Fund is used by management to charge the costs of future equipment purchases to individual funds. The change on net assets of the Internal Service Fund is allocated to governmental and proprietary activities.	<u>(6,566)</u>
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Change in net assets of governmental activities **\$11,341,367**

City of Waukee, Iowa
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2006

	<u>Enterprise Funds</u>						<u>Internal</u>
	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>	<u>Golf</u>	<u>Nonmajor</u>	<u>Total</u>	<u>Service Fund</u>
ASSETS							<u>Equipment</u>
Current Assets							<u>Revolving</u>
Cash and pooled investments	\$ 943,506	\$ 1,267,800	\$ 902,295	\$ 700	\$ 36,579	\$ 3,150,880	\$ 133,214
Receivables							
Customer accounts and unbilled usage	348,893	149,046	89,896	4,506	81,009	673,350	-
Special assessments	-	93,395	-	-	-	93,395	-
Interfund receivable	-	-	72,710	-	-	72,710	-
Inventories	37,387	-	54,790	11,588	-	103,765	-
Restricted assets - cash and pooled investments							
Customer deposits	22,235	-	18,250	600	-	41,085	-
Capacity fees	109,555	-	-	-	-	109,555	-
Revenue note and interest sinking account	375,986	38,910	-	5,860	-	420,756	-
Revenue note reserve account	133,892	152,515	-	12,103	-	298,510	-
Des Moines Water Works reserve account	182,857	-	-	-	-	182,857	-
Advances to other funds	100,000	-	-	-	-	100,000	-
Capital assets (net of accumulated depreciation)	10,015,198	8,867,785	1,775,607	1,796,688	-	22,455,278	-
Bond/note issuance costs	14,518	20,076	-	-	-	34,594	-
Total assets	<u>12,284,027</u>	<u>10,589,527</u>	<u>2,913,548</u>	<u>1,832,045</u>	<u>117,588</u>	<u>27,736,735</u>	<u>133,214</u>
LIABILITIES							
Current liabilities							
Accounts payable	183,565	69,356	136,816	37,610	128,821	556,168	-
Capital lease payable	-	-	-	553	-	553	-
Compensated absences	4,982	4,843	6,402	-	2,101	18,328	-
Special assessment notes payable	-	30,000	-	-	-	30,000	-
General obligation bonds payable	-	40,000	-	10,661	-	50,661	-
Interfund payable	-	-	-	-	53,889	53,889	-
Current Liabilities Payable from Restricted Assets							
Customer deposits payable	22,235	-	18,250	600	-	41,085	-
Revenue notes payable	72,436	163,000	-	29,944	-	265,380	-
Des Moines Water Works bonds payable	460,869	-	-	-	-	460,869	-
Interest payable	24,147	7,323	-	4,088	-	35,558	-
Noncurrent Liabilities							
Advances from other funds	-	-	-	185,000	-	185,000	-
Capital lease payable	-	-	-	4,415	-	4,415	-
Special assessment notes payable	-	60,000	-	-	-	60,000	-
General obligation bonds payable	-	125,000	-	40,535	-	165,535	-
Revenue notes payable (net of amortized discount)	-	1,888,712	-	876,661	-	2,765,373	-
Des Moines Water Works bonds payable (net of amortized discount)	4,791,692	-	-	-	-	4,791,692	-
Total liabilities	<u>5,559,926</u>	<u>2,388,234</u>	<u>161,468</u>	<u>1,190,067</u>	<u>184,811</u>	<u>9,484,506</u>	<u>-</u>
Net Assets (Deficit)							
Invested in capital assets, net of related debt	4,690,201	6,561,073	1,775,607	833,919	-	13,860,800	-
Restricted for bond retirement	135,283	21,102	-	-	-	156,385	-
Unrestricted	<u>1,898,617</u>	<u>1,619,118</u>	<u>976,473</u>	<u>(191,941)</u>	<u>(67,223)</u>	<u>4,235,044</u>	<u>133,214</u>
Total net assets (deficit)	<u>\$ 6,724,101</u>	<u>\$8,201,293</u>	<u>\$2,752,080</u>	<u>\$ 641,978</u>	<u>\$ (67,223)</u>	<u>\$18,252,229</u>	<u>\$ 133,214</u>

See Notes to Financial Statements.

City of Waukee, Iowa
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year ended June 30, 2006

	Enterprise Funds						Internal
	Water	Sewer	Gas	Golf Course	Nonmajor Funds	Total	Service Fund Equipment Revolving
OPERATING REVENUES							
Charges for service	\$1,768,480	\$ 937,974	\$3,899,351	\$ 415,921	\$ 650,596	\$ 7,672,322	\$ -
Miscellaneous	<u>12,319</u>	<u>4,943</u>	<u>24,376</u>	<u>83,775</u>	<u>2,267</u>	<u>127,680</u>	<u>-</u>
Total operating revenues	<u>1,780,799</u>	<u>942,917</u>	<u>3,923,727</u>	<u>499,696</u>	<u>652,863</u>	<u>7,800,002</u>	<u>-</u>
OPERATING EXPENSES							
Business type activities							
Cost of sales and services	1,153,690	604,514	3,946,185	410,050	665,398	6,779,837	-
Depreciation and amortization	<u>305,741</u>	<u>336,600</u>	<u>109,141</u>	<u>74,301</u>	<u>-</u>	<u>825,783</u>	<u>-</u>
Total operating expenses	<u>1,459,431</u>	<u>941,114</u>	<u>4,055,326</u>	<u>484,351</u>	<u>665,398</u>	<u>7,605,620</u>	<u>-</u>
Operating income (loss)	<u>321,368</u>	<u>1,803</u>	<u>(131,599)</u>	<u>15,345</u>	<u>(12,535)</u>	<u>194,382</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES)							
Interest income	28,571	30,428	8,850	871	727	69,447	7,877
Rental income	11,179	-	-	1,200	-	12,379	-
Connection fees	477,107	275,306	312,245	-	-	1,064,658	-
Capacity fees	215,357	741,827	-	-	-	957,184	-
Sale of capital assets	-	-	-	892	-	892	-
Interest expense	<u>(73,608)</u>	<u>(108,277)</u>	<u>-</u>	<u>(42,197)</u>	<u>-</u>	<u>(224,082)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>658,606</u>	<u>939,284</u>	<u>321,095</u>	<u>(39,234)</u>	<u>727</u>	<u>1,880,478</u>	<u>7,877</u>
Income (loss) before contributions and transfers	979,974	941,087	189,496	(23,889)	(11,808)	2,074,860	7,877
Capital contributions	112,749	-	-	-	-	112,749	-
Transfers (out)	<u>(98,930)</u>	<u>(83,750)</u>	<u>-</u>	<u>(38,042)</u>	<u>-</u>	<u>(220,722)</u>	<u>-</u>
CHANGE IN NET ASSETS	993,793	857,337	189,496	(61,931)	(11,808)	1,966,887	7,877
NET ASSETS (DEFICIT) BEGINNING OF YEAR	<u>5,730,308</u>	<u>7,343,956</u>	<u>2,562,584</u>	<u>703,909</u>	<u>(55,415)</u>	<u>16,285,342</u>	<u>125,337</u>
NET ASSETS (DEFICIT) END OF YEAR	<u>\$6,724,101</u>	<u>\$8,201,293</u>	<u>\$2,752,080</u>	<u>\$ 641,978</u>	<u>\$ (67,223)</u>	<u>\$18,252,229</u>	<u>\$ 133,214</u>

See Notes to Financial Statements.

City of Waukee
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS—PROPRIETARY FUNDS TO
THE STATEMENT OF NET ASSETS
Year ended June 30, 2006

Total enterprise funds net assets \$18,252,229

***Amounts reported for business type activities in the
Statement of Net Assets are different because:***

The Internal Service Fund is used by management to charge the costs of future equipment purchases to individual funds. The assets of the Internal Service Fund are allocated between business and governmental type activities in the Statement of Net Assets.

85,140

Net assets of business type activities **\$18,337,369**

Change in net assets **\$ 1,966,887**

***Amounts reported for business type activities in the
Statement of Net Assets are different because:***

The Internal Service Fund is used by management to charge the costs of future equipment purchases to individual funds. The change in net assets of the Internal Service Fund is allocated between business type and governmental activities.

14,443

Change in net assets of business type activities **\$ 1,981,330**

City of Waukee, Iowa
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2006

	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>	<u>Golf Course</u>	<u>Nonmajor Funds</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers and users	\$1,632,909	\$ 888,660	\$3,934,275	\$ 414,845	\$ 625,005	\$7,495,694
Cash received from other revenues	12,319	4,943	24,376	83,775	2,267	127,680
Cash paid for personal services	(315,944)	(302,833)	(354,608)	(187,328)	(93,955)	(1,254,668)
Cash paid to suppliers	<u>(815,331)</u>	<u>(302,219)</u>	<u>(3,538,931)</u>	<u>(218,753)</u>	<u>(538,407)</u>	<u>(5,413,641)</u>
Net cash provided by (used in) operating activities	<u>513,953</u>	<u>288,551</u>	<u>65,112</u>	<u>92,539</u>	<u>(5,090)</u>	<u>955,065</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Advances from other funds	<u>144,701</u>	<u>963</u>	—	—	—	<u>145,664</u>
Net cash provided by noncapital financing activities	<u>144,701</u>	<u>963</u>	—	—	—	<u>145,664</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets, net of contributed capital and equipment fund transfers	(4,481,972)	(893,857)	(197,780)	(2,967)	—	(5,576,576)
Principal paid on revenue notes matured	(75,000)	(152,000)	—	(18,395)	—	(245,395)
Interest paid on notes	(53,814)	(108,868)	—	(51,930)	—	(214,612)
Principal paid on Des Moines Water Works bonds	(207,315)	—	—	—	—	(207,315)
Principal paid on general obligation bonds	—	(35,000)	—	—	—	(35,000)
Principal paid on special assessment notes	—	(30,000)	—	—	—	(30,000)
Principal paid on capital lease	—	—	—	(561)	—	(561)
Amounts transferred to debt service fund	(98,930)	(73,750)	—	(46,383)	—	(219,063)
Principal received on Des Moines Water Works bonds	4,105,000	—	—	—	—	4,105,000
Special assessments	—	2,384	—	—	—	2,384
Connection fees	477,107	275,306	312,245	—	—	1,064,658
Capacity fees	<u>215,357</u>	<u>741,827</u>	—	—	—	<u>957,184</u>
Net cash provided by (used in) capital and related financing activities	<u>(119,567)</u>	<u>(273,958)</u>	<u>114,465</u>	<u>(120,236)</u>	—	<u>(399,296)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	28,571	30,428	8,850	871	727	69,447
Purchase of certificates of deposits	(3,488)	(3,972)	—	(12,103)	—	(19,563)
Rental income	<u>11,179</u>	—	—	<u>1,200</u>	—	<u>12,379</u>
Net cash provided by (used in) investing activities	<u>36,262</u>	<u>26,456</u>	<u>8,850</u>	<u>(10,032)</u>	<u>727</u>	<u>62,263</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS						
	575,349	42,012	188,427	(37,729)	(4,363)	763,696
CASH AND CASH EQUIVALENTS, beginning	<u>875,933</u>	<u>1,264,698</u>	<u>732,118</u>	<u>44,889</u>	<u>40,942</u>	<u>2,958,580</u>
CASH AND CASH EQUIVALENTS, ending	<u>\$1,451,282</u>	<u>\$1,306,710</u>	<u>\$ 920,545</u>	<u>\$ 7,160</u>	<u>\$ 36,579</u>	<u>\$3,722,276</u>

See Notes to Financial Statements.

City of Waukee, Iowa
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2006

	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>	<u>Golf Course</u>	<u>Nonmajor Funds</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating income (loss)	\$ 321,368	\$ 1,803	\$ (131,599)	\$ 15,345	\$ (12,535)	\$ 194,382
Adjustments to reconcile operating income to net cash provided by (used in) operating activities						
Depreciation expense	295,582	333,665	109,141	74,301	-	812,689
Bond amortization costs	10,159	2,935	-	-	-	13,094
(Increase) decrease in customer accounts receivable and unbilled usage and other accounts receivable	(135,571)	(49,314)	34,924	(1,076)	(25,591)	(176,628)
(Increase) decrease in inventories, at cost	(6,035)	-	34,772	5,113	-	33,850
Increase (decrease) in accounts payable	18,116	(1,910)	11,623	(1,144)	31,713	58,398
Increase in customer deposits	9,635	-	5,350	-	-	14,985
Increase in compensated absences	<u>699</u>	<u>1,372</u>	<u>901</u>	<u>-</u>	<u>1,323</u>	<u>4,295</u>
Net cash provided by (used in) operating activities	<u>\$ 513,953</u>	<u>\$ 288,551</u>	<u>\$ 65,112</u>	<u>\$ 92,539</u>	<u>\$ (5,090)</u>	<u>\$ 955,065</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS AT YEAR END TO SPECIFIC ASSETS INCLUDED ON THE STATEMENT OF NET ASSETS						
Current assets						
Cash and pooled investments	\$ 943,506	\$ 1,267,800	\$ 902,295	\$ 700	\$ 36,579	\$ 3,150,880
Restricted assets--cash and pooled investments						
Customer deposits	22,235	-	18,250	600	-	41,085
Capacity fees	109,555	-	-	-	-	109,555
Revenue note and interest sinking account	375,986	38,910	-	5,860	-	420,756
Revenue note reserve account	133,892	152,515	-	12,103	-	298,510
Des Moines Water Works reserve account	<u>182,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,857</u>
	1,768,031	1,459,225	920,545	19,263	36,579	4,203,643
Less items not meeting the definition of cash equivalent						
Certificates of deposit	(133,892)	(152,515)	-	(12,103)	-	(298,510)
Des Moines Water Works reserve account	<u>(182,857)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(182,857)</u>
Cash and cash equivalents at year end	<u>\$ 1,451,282</u>	<u>\$ 1,306,710</u>	<u>\$ 920,545</u>	<u>\$ 7,160</u>	<u>\$ 36,579</u>	<u>\$ 3,722,276</u>

See Notes to Financial Statements.

City of Waukee, Iowa
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Waukee is a political subdivision of the State of Iowa located in Dallas County. It was first incorporated in 1869 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council-Clerk/Administrator form of government with the Mayor and Council Members elected on a non-partisan basis. The City of Waukee provides numerous services to citizens, including general government, public safety, public works, health and social services, culture and recreation, community and economic development and general government services. It also operates the water, sewer, gas, storm sewer and solid waste utilities and the public golf course.

The financial statements of the City of Waukee, Iowa, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

Reporting Entity

For financial reporting purposes, the City of Waukee (the primary government) has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that 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.

These financial statements present the City of Waukee (the primary government) and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

Component Unit

The Waukee Public Library Foundation has been incorporated under the provisions of the Iowa Nonprofit Corporation Act to operate exclusively for charitable, educational and literary purposes for the enhancement and improvement of the Waukee Public Library. In accordance with criteria set by the Governmental Accounting Standards Board, the Foundation meets the definition of a component unit which should be blended. The financial activity of the component unit has been blended as a Special Revenue Fund of the City.

Jointly Governed Organizations

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Des Moines Area Metropolitan Planning Board, Central Iowa Regional Drinking Water Commission, Dallas County Housing Trust Fund Board, and Greater Dallas County Development Board.

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are supported by property tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for services.

City of Waukee, Iowa
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Government-wide Financial Statements (continued)

The Statement of Net Assets presents the City's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

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

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

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

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

Fund Financial Statements

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. All remaining governmental funds and proprietary funds are aggregated and reported as nonmajor governmental and nonmajor proprietary funds.

The City reports the following major governmental funds:

General Fund

The General Fund is the general operating fund of the City. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs not paid from other funds.

Capital Projects Funds

The Urban Renewal Project Fund is used to account for all resources used in the acquisition and construction of capital facilities included in the renewal project.

The 2005-2006 GO Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities included in the project.

Debt Service Fund

The Debt Service Fund is used to account for the payment of interest and principal on the City's general long-term debt.

City of Waukee, Iowa
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

The City reports the following major proprietary funds:

Enterprise

The Water Fund is used to account for the operation and maintenance of the City's water system.

The Sewer Fund is used to account for the operation and maintenance of the City's sewer system.

The Gas Fund is used to account for the operation and maintenance of the City's gas system.

The Golf Course Fund is used to account for the operation and maintenance of the public golf course.

Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days after year end.

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

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

The proprietary funds of the City apply all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure.

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

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

City of Waukee, Iowa
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities and Fund Equity

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

Cash, Pooled Investments and Cash Equivalents

The cash balances of most City funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid (including restricted assets) are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Taxes Receivable, Including Tax Increment Financing

Property tax, including tax increment financing, in Governmental funds are accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the City Council to the County Board of Supervisors. Current year delinquent property taxes receivable represents taxes collected by the County but not remitted to the City at June 30, 2006 and unpaid taxes. The succeeding year property tax receivable represents taxes certified by the City Council to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the City Council is required to certify its budget to the County Auditor by March 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenues recognized in these funds become due and collectible in September and March of the current fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2004 assessed property valuations; is for the tax accrual period July 1, 2005 through June 30, 2006 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in March 2005.

Special Assessments Receivable

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

Customer Accounts and Unbilled Usage

Accounts receivable are recorded in the Enterprise Funds at the time the service is billed. Unbilled usage for service consumed between periodic scheduled billing dates is estimated and is recognized as revenue in the period in which the service is provided.

Due from and Due to Other Funds

During the course of its operations, the City has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2006, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

City of Waukee, Iowa
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Due from Other Governments

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

Inventories

Inventories are valued at cost using the first-in/first-out method. Inventories in the Enterprise Funds consist of materials and supplies. Inventories are recorded as expenses when consumed rather than when purchased.

Restricted Assets

There are bond covenants that require the City to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt and for improvements to the enterprise funds. Other restricted assets include customer deposits restricted for application to unpaid customer accounts or for refund to customers.

Capital Assets

Capital assets, which include property, equipment and vehicles and infrastructure assets (e.g. roads, bridges, curbs, gutters, sidewalks and similar items which are immovable and of value only to the government) are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Assets and in the Proprietary Funds Statement of Net Assets. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair not adding to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the City as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Fund Type</u>	<u>Amount</u>
Governmental	\$ 2,500
Proprietary	5,000

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated useful lives</u>
Buildings	40-50 years
Improvements other than buildings	20-50 years
Vehicles	10-15 years
Equipment	5-30 years
Infrastructure	15-20 years

Bond/Note Issuance Costs

Bond/note issuance costs are amortized using the straight-line method over the life of the bonds/notes.

City of Waukee, Iowa
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

City employees accumulate a limited amount of earned but unused vacation for subsequent use. A liability is recorded when incurred in the government-wide and proprietary fund financial statements. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2006. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Deferred Revenue

Although certain revenues are measurable, they are not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of primarily succeeding year property tax receivable and special assessments receivable not collected within sixty days after year end.

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 Assets and the proprietary fund Statement of Net Assets.

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.

Fund Equity

In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2006, disbursements exceeded the amount budgeted in the public safety, community and economic development, debt service and business type activities functions.

NOTE 2 CASH AND POOLED INVESTMENTS

The City's deposits in banks at June 30, 2006 were entirely covered 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 insure there will be no loss of public funds.

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

City of Waukee, Iowa
NOTES TO FINANCIAL STATEMENTS

NOTE 2 CASH AND POOLED INVESTMENTS (continued)

The City has no investments meeting the disclosure requirement of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.

Interest rate risk

The City's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the City.

NOTE 3 ALLOWANCES FOR COLLECTION LOSSES

Allowances have been made for estimated collection losses on the following receivable amounts:

	<u>Gross receivables</u>	<u>Allowance for collection losses</u>	<u>Net receivables</u>
Customer accounts and unbilled usage			
Water Fund	\$ 349,743	\$ 850	\$ 348,893
Sewer Fund	149,446	400	149,046
Gas Fund	91,646	1,750	89,896
Golf Fund	4,506	-	4,506
Nonmajor proprietary funds	<u>81,009</u>	<u>-</u>	<u>81,009</u>
Totals	<u>\$ 676,350</u>	<u>\$ 3,000</u>	<u>\$ 673,350</u>
Other			
General	<u>\$ 225,036</u>	<u>\$ 32,000</u>	<u>\$ 193,036</u>

City of Waukee, Iowa
NOTES TO FINANCIAL STATEMENTS

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2006 was as follows:

	<u>Balance beginning of year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance end of year</u>
Primary Government				
Governmental activities				
Capital assets not being depreciated				
Land	\$ 776,013	\$ —	\$ —	\$ 776,013
Construction in progress	<u>3,931,420</u>	<u>876,271</u>	<u>1,445,235</u>	<u>3,362,456</u>
Total capital assets not being depreciated	<u>4,707,433</u>	<u>876,271</u>	<u>1,445,235</u>	<u>4,138,469</u>
Capital assets being depreciated				
Buildings	5,822,411	4,252	—	5,826,663
Improvements other than buildings	534,595	1,649,856	—	2,184,451
Equipment	3,047,784	257,537	15,870	3,289,451
Infrastructure, road network	<u>45,570,621</u>	<u>11,678,449</u>	<u>—</u>	<u>57,249,070</u>
Total capital assets being depreciated	<u>54,975,411</u>	<u>13,590,094</u>	<u>15,870</u>	<u>68,549,635</u>
Less accumulated depreciation for				
Buildings	748,164	147,131	—	895,295
Improvements other than buildings	253,232	129,601	—	382,833
Equipment	1,952,970	303,391	15,870	2,240,491
Infrastructure, road network	<u>14,771,680</u>	<u>1,603,402</u>	<u>—</u>	<u>16,375,082</u>
Total accumulated depreciation	<u>17,726,046</u>	<u>2,183,525</u>	<u>15,870</u>	<u>19,893,701</u>
Total capital assets being depreciated, net	<u>37,249,365</u>	<u>11,406,569</u>	<u>—</u>	<u>48,655,934</u>
Governmental activities capital assets, net	<u>\$41,956,798</u>	<u>\$12,282,840</u>	<u>\$1,445,235</u>	<u>\$52,794,403</u>
Business type activities				
Capital assets not being depreciated				
Land	\$ 1,226,032	\$ —	\$ —	\$ 1,226,032
Construction in progress	<u>729,046</u>	<u>102,997</u>	<u>—</u>	<u>832,043</u>
Total capital assets not being depreciated	<u>1,955,078</u>	<u>102,997</u>	<u>—</u>	<u>2,058,075</u>
Capital assets being depreciated				
Buildings	532,611	—	—	532,611
Equipment	1,430,484	210,941	—	1,641,425
Infrastructure, water and sewer network	<u>20,075,429</u>	<u>5,430,521</u>	<u>—</u>	<u>25,505,950</u>
Total capital assets being depreciated	<u>22,038,524</u>	<u>5,641,462</u>	<u>—</u>	<u>27,679,986</u>
Less accumulated depreciation for				
Buildings	74,794	11,856	—	86,650
Equipment	663,392	172,522	—	835,914
Infrastructure, water and sewer network	<u>5,731,908</u>	<u>628,311</u>	<u>—</u>	<u>6,360,219</u>
Total accumulated depreciation	<u>6,470,094</u>	<u>812,689</u>	<u>—</u>	<u>7,282,783</u>
Total capital assets being depreciated, net	<u>15,568,430</u>	<u>4,828,773</u>	<u>—</u>	<u>20,397,203</u>
Business type activities capital assets, net	<u>\$17,523,508</u>	<u>\$ 4,931,770</u>	<u>\$ —</u>	<u>\$22,455,278</u>

City of Waukee, Iowa
NOTES TO FINANCIAL STATEMENTS

NOTE 4 CAPITAL ASSETS (continued)

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

Governmental activities	
Public safety	\$ 367,122
Public works	1,688,042
Culture and recreation	89,371
Community and economic development	1,098
General government	<u>37,892</u>
Total depreciation expense--governmental activities	<u>\$2,183,525</u>
Business type activities	
Water	\$ 296,406
Wastewater	332,841
Gas	109,141
Golf	<u>74,301</u>
Total depreciation expense--business type activities	<u>\$ 812,689</u>

NOTE 5 CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2006 is as follows:

	<u>Balance beginning of year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance end of year</u>	<u>Due within one year</u>
Governmental activities					
General obligation bonds/notes	\$14,028,039	\$1,200,000	\$1,584,711	\$13,643,328	\$1,120,648
Compensated absences	<u>78,801</u>	—	<u>6,836</u>	<u>71,965</u>	<u>7,548</u>
Totals	<u>\$14,106,840</u>	<u>\$1,200,000</u>	<u>\$1,591,547</u>	<u>\$13,715,293</u>	<u>\$1,128,196</u>
Business type activities					
Capital leases	\$ —	\$ 5,529	\$ 561	\$ 4,968	\$ 553
General obligation bonds/notes	200,000	51,196	35,000	216,196	50,661
Special assessment notes	120,000	—	30,000	90,000	30,000
Des Moines Water Works bonds	1,353,874	4,105,000	206,313	5,252,561	460,869
Revenue bonds/notes	<u>3,272,645</u>	—	<u>241,892</u>	<u>3,030,753</u>	<u>265,380</u>
Totals	<u>\$ 4,946,519</u>	<u>\$4,161,725</u>	<u>\$ 513,766</u>	<u>\$ 8,594,478</u>	<u>\$ 807,463</u>

City of Waukee, Iowa
NOTES TO FINANCIAL STATEMENTS

NOTE 5 CHANGES IN LONG-TERM LIABILITIES (continued)

Fifteen issues of unmatured general obligation bonds/notes, totaling \$13,859,524, are outstanding at June 30, 2006. General obligation bonds/notes bear interest at rates ranging from 2.00% to 5.05% and mature in varying annual amounts, ranging from \$5,000 to \$558,000, with the final maturities due in the year ending June 30, 2019.

One issue of unmatured special assessment notes, totaling \$90,000, is outstanding at June 30, 2006. These notes bear interest at rates ranging from 4.90% to 5.05% and mature in annual amounts of \$30,000, with final maturity due in the year ending June 30, 2009.

Details of general obligation bonds/notes payable and special assessment notes at June 30, 2006 are as follows:

<u>Governmental activities</u>	<u>Date of issue</u>	<u>Interest rates</u>	<u>Final due date</u>	<u>Annual payments</u>	<u>Amount of original issue</u>	<u>Outstanding June 30, 2006</u>
General Obligation Bonds and Notes						
Public Safety Building	August 1, 1998	4.50%	June 1, 2014	\$220,000 - 270,000	\$2,990,000	\$1,950,000
Corporate Purpose	March 1, 1999	4.30-4.80	June 1, 2014	170,000 - 245,000	2,370,000	1,640,000
Corporate Purpose	April 15, 2001	4.30-5.05	June 1, 2016	60,000 - 90,000	950,000	735,000
Library Building	August 1, 2001	4.125-4.90	June 1, 2016	125,000 - 190,000	2,000,000	1,550,000
Urban Renewal	August 1, 2001	4.00-4.80	June 1, 2016	125,000 - 200,000	2,000,000	1,625,000
Refunding Notes	May 1, 2002	4.00-4.50	June 1, 2010	40,000 - 45,000	480,000	165,000
Corporate Purpose	July 1, 2003	2.55-3.60	June 1, 2017	70,000 - 135,000	1,240,000	1,190,000
Refunding Notes	January 29, 2004	3.00-4.25	June 1, 2010	75,000 - 85,000	465,000	325,000
Water Tower	February 25, 2004	2.00-4.25	June 1, 2018	65,000 - 100,000	1,090,000	960,000
Corporate Purpose	November 15, 2004	2.20-4.00	June 1, 2017	150,000 - 180,000	1,750,000	1,700,000
Golf Course	March 4, 2005	3.75	June 1, 2010	36,000 - 558,000	700,000	671,528
Golf Course Equipment	April 12, 2005	4.25	April 20, 2009	5,000 - 6,000	24,150	18,497
Street Sweeper	April 8, 2005	4.25	July 15, 2009	18,000 - 20,000	98,889	78,303
Corporate Purpose	February 1, 2006	3.40-3.95	June 1, 2019	50,000 - 140,000	1,200,000	1,200,000
Golf Course Equipment	March 21, 2006	4.75	July 1, 2011	9,000 - 10,000	51,196	51,196
Special Assessment Notes						
Sewer Improvements	March 1, 1999	4.90-5.05	December 1, 2008	30,000	289,000	90,000

A summary of the bond/note principal and interest requirements maturities by type of bond/note is as follows:

<u>Year ending June 30</u>	<u>General Obligation</u>			<u>Special Assessment</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 1,171,309	\$ 573,254	\$ 1,744,563	\$ 30,000	\$ 4,485	\$ 34,485
2008	1,242,525	517,044	1,759,569	30,000	3,015	33,015
2009	1,350,510	470,102	1,820,612	30,000	1,515	31,515
2010	1,939,330	417,499	2,356,829	—	—	—
2011	1,295,850	341,484	1,637,334	—	—	—
2012-2016	5,990,000	888,711	6,878,711	—	—	—
2017-2019	<u>870,000</u>	<u>54,875</u>	<u>924,875</u>	<u>—</u>	<u>—</u>	<u>—</u>
Totals	<u>\$13,859,524</u>	<u>\$3,262,969</u>	<u>\$17,122,493</u>	<u>\$ 90,000</u>	<u>\$ 9,015</u>	<u>\$ 99,015</u>

Six issues of unmatured revenue notes, totaling \$3,038,605, are outstanding at June 30, 2006. These notes bear interest at rates ranging from 3.92% to 5.65% and mature in varying annual amounts, ranging from \$21,000 to \$812,000, with the final maturities due in the year ending June 30, 2018.

City of Waukee, Iowa
NOTES TO FINANCIAL STATEMENTS

NOTE 5 CHANGES IN LONG-TERM LIABILITIES (continued)

The resolutions providing for the issuance of the revenue notes and bonds include the following provisions:

- (1) The notes/bonds will only be redeemed from the future earnings of the enterprise activity and the note/bond holders hold a lien on the future earnings of the funds.
- (2) Sufficient monthly transfers shall be made to water, sewer and golf course note/bond and interest sinking funds for the purpose of making the note/bond principal and interest payments when due.
- (3) Additional monthly transfers shall be made to water, sewer and golf course reserve funds until specific minimum balances have been accumulated. These accounts are restricted for the purpose of paying note/bond principal and interest payments due when insufficient money is available in the sinking funds.

During the year ended June 30, 2006, the City was in compliance with the revenue note/bond provisions.

Details of revenue notes and refunding bonds payable at June 30, 2006 are as follows:

<u>Business Type activities</u>	<u>Date of issue</u>	<u>Interest rates</u>	<u>Final due date</u>	<u>Annual payments</u>	<u>Amount of original issue</u>	<u>Outstanding June 30, 2006</u>
Revenue Notes and Bonds						
Water						
Refunding Notes	November 1, 1999	5.25%	June 1, 2007	\$75,000	\$ 610,000	\$ 75,000
Sewer						
Bonds-Series 1998A	October 8, 1998	4.23	June 1, 2018	21,000 - 33,000	455,748	317,000
Bonds-Series 1998B	October 8, 1998	4.23	June 1, 2018	43,000 - 68,000	945,252	658,000
Bonds Series 1998C	October 8, 1998	3.92	June 1, 2018	54,000 - 82,000	1,178,000	802,000
Refunding Notes	November 1, 1999	5.25-5.65	June 1, 2012	45,000 - 50,000	705,000	280,000
Golf Course						
Revenue Note	March 4, 2006	4.45	June 1, 2010	29,000 - 812,000	925,000	906,605

<u>Year ending June 30</u>	<u>Revenue Notes/Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 267,938	\$ 132,203	\$ 400,141
2008	199,297	119,719	319,016
2009	205,719	110,884	316,603
2010	994,651	102,649	1,097,300
2011	188,000	57,513	245,513
2012-2016	824,000	174,144	998,144
2017-2018	<u>359,000</u>	<u>22,173</u>	<u>381,173</u>
Subtotal	3,038,605	719,285	3,757,890
Less unamortized discount	<u>(7,852)</u>	<u>—</u>	<u>(7,852)</u>
Totals	<u>\$3,030,753</u>	<u>\$ 719,285</u>	<u>\$3,750,038</u>

Three issues of unmatured Des Moines Water Works refunding bonds, totaling \$5,259,578, are outstanding at June 30, 2006. These notes bear interest at rates ranging from 3.40% to 4.00% and mature in annual amounts ranging from \$62,029 to \$460,000, with the final maturity due in the year ending June 30, 2017.

City of Waukee, Iowa
NOTES TO FINANCIAL STATEMENTS

NOTE 5 CHANGES IN LONG-TERM LIABILITIES (continued)

A summary of the City of Waukee's share of the principal and interest on the bonds issued by the Des Moines Water Works is as follows:

Year ending June 30	Des Moines Water Works 2001 Water Refunding Bonds			Des Moines Water Works 2001 Water Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2007	\$ 153,840	\$ 38,477	\$ 192,317	\$ 62,029	\$ 1,054	\$ 63,083
2008	137,234	33,738	170,972	—	—	—
2009	148,426	28,593	177,019	—	—	—
2010	154,360	22,839	177,199	—	—	—
2011	160,295	16,702	176,997	—	—	—
2012-2016	<u>338,394</u>	<u>13,654</u>	<u>352,048</u>	<u>—</u>	<u>—</u>	<u>—</u>
Subtotals	1,092,549	154,003	1,246,552	62,029	1,054	63,083
Less unamortized discount	<u>(7,017)</u>	<u>—</u>	<u>(7,017)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Totals	<u>\$1,085,532</u>	<u>\$ 154,003</u>	<u>\$1,239,535</u>	<u>\$ 62,029</u>	<u>\$ 1,054</u>	<u>\$ 63,083</u>

Year ending June 30	Des Moines Water Works 2006 Water Refunding Bonds			Total
	Principal	Interest	Total	
2007	\$ 245,000	\$ 102,625	\$ 347,625	\$ 603,025
2008	295,000	154,400	449,400	620,372
2009	345,000	142,600	487,600	664,619
2010	360,000	128,800	488,800	665,999
2011	365,000	114,400	479,400	656,397
2012-2016	<u>2,035,000</u>	<u>342,200</u>	<u>2,377,200</u>	<u>2,729,248</u>
2017	<u>460,000</u>	<u>18,400</u>	<u>478,400</u>	<u>478,400</u>
Subtotals	4,105,000	1,003,425	5,108,425	6,418,060
Less unamortized discount	<u>—</u>	<u>—</u>	<u>—</u>	<u>(7,017)</u>
Totals	<u>\$4,105,000</u>	<u>\$1,003,425</u>	<u>\$5,108,425</u>	<u>\$6,411,043</u>

As of June 30, 2006, the general obligation debt issued by the City did not exceed its legal debt margin computed as follows:

Actual valuation	<u>\$505,110,903</u>
Debt limit - 5% of total actual valuation	<u>\$25,255,545</u>
Debt applicable to debt limit	
General obligation bonded debt outstanding	\$13,859,524
Tax increment financing debt outstanding	<u>306,059</u>
Legal debt margin	<u>\$14,165,583</u>
Percentage of debt limit	<u>56.09%</u>

City of Waukee, Iowa
NOTES TO FINANCIAL STATEMENTS

NOTE 6 INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2006 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Nonmajor Governmental Funds	\$ 490,669
	Internal Service Fund	<u>10,000</u>
		<u>500,669</u>
Capital Projects Urban Renewal	General	<u>7,500</u>
Debt Service	Nonmajor Governmental Funds	563,929
	Enterprise	
	Water	98,930
	Sewer	73,750
	Golf	46,383
	Capital Projects	
	Urban Renewal	<u>656,347</u>
		<u>1,439,339</u>
Nonmajor Governmental Funds	Nonmajor Governmental Funds	<u>22,000</u>
Enterprise Golf	Nonmajor Governmental Funds	<u>8,341</u>
Internal Service Funds	Enterprise Sewer	<u>10,000</u>
Total		<u>\$1,987,849</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

NOTE 7 DUE FROM AND DUE TO OTHER FUNDS

The detail of interfund receivables and payables at June 30, 2006 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Enterprise—Gas Fund	General Fund	\$ 18,821
Enterprise—Gas Fund	Nonmajor Proprietary Funds	53,889
General	Enterprise Golf Course	85,000
Enterprise—Water Fund	Enterprise Golf Course	100,000
Capital Projects Urban Renewal	Capital Projects 2005-2006 GO Projects	1,719,770
	Capital Projects Citywide Sidewalk Project	15,240
	Capital Projects Highway 6 Streetlight Project	81,248
	Capital Projects IDOT RISE Grant Project	<u>118,838</u>
Total		<u>\$2,192,806</u>

These balances result from interfund loans to finance projects. Repayments will be made from future revenues.

City of Waukee, Iowa
NOTES TO FINANCIAL STATEMENTS

NOTE 8 PENSION AND RETIREMENT BENEFITS

The City contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 3.70% of their annual covered salary and the City is required to contribute 5.75% of annual covered payroll except for police employees, in which case the percentages are 6.16% and 9.23%, respectively. For the year ended June 30, 2005, the contribution rates for police employees and the City were 6.16% and 9.23%, respectively, and for the year ended June 30, 2004, the contribution rates for police employees and the City were 5.93% and 8.90%, respectively. Contribution requirements are established by state statute. The City's contribution to IPERS for the years ended June 30, 2006, 2005 and 2004 were \$148,689, \$139,314 and \$112,067, respectively, equal to the required contributions for each year.

NOTE 9 DEFICIT EQUITY BALANCES

As of June 30, 2006, funds with deficit balances were as follows:

Capital Projects	
2005-2006 GO Projects	\$1,806,019
Citywide Sidewalk Project	15,240
Highway 6 Street Light Project	81,248
Enterprise	
Solid waste	17,472
Utility billing	51,873

The Capital Projects Fund deficits will be eliminated through transfers from other funds and bond proceeds.

The Enterprise Fund deficits will be eliminated through transfers from other funds.

NOTE 10 RISK MANAGEMENT

The City of Waukee is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 531 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

City of Waukee, Iowa
NOTES TO FINANCIAL STATEMENTS

NOTE 10 RISK MANAGEMENT (continued)

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

The City's property and casualty contributions to the risk pool are recorded as disbursements from its operating funds at the time of payment to the risk pool. The City's annual contributions to the Pool for the year ended June 30, 2006 were \$112,604.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim and \$5,000,000 in aggregate per year. For members requiring specific coverage from \$2,000,000 to \$10,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$100,000 each occurrence, each location, with excess coverage reinsured on an individual-member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The City does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2006, no liability has been recorded in the City's financial statements. As of June 30, 2006, 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 claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its capital contributions. However, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

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

NOTE 11 COMMITMENTS

The City entered into contract commitments with contractors for the completion of several infrastructure construction projects. The total contract commitments are \$4,717,833, of which \$1,397,437 has been incurred as of June 30, 2006. The unpaid commitment balance is \$3,320,396, which will be funded by current reserves in the capital projects funds and enterprise funds.

The City entered into a land option contract to buy four parcels of land, over the next four years at a total cost of \$1,120,000. The option is automatically terminated upon failure to purchase one of the pieces of land by the dates specified in the contract. The City exercised the option to buy one parcel of land during the fiscal year ended June 30, 2006. The City has placed the amount due on the option in an escrow account until closing of the transaction.

City of Waukee, Iowa
NOTES TO FINANCIAL STATEMENTS

NOTE 12 TAX INCREMENT FINANCING DEBT

Urban renewal tax increment financing debt was issued for the purpose of defraying a portion of the costs of carrying out an urban renewal project of the City. The debt is payable solely from the income and proceeds of the Urban Renewal Tax Increment Fund and the taxes to be paid into the fund in accordance with Chapter 403.19 of the Code of Iowa. The debt is not a general obligation of the City, however, the debt is subject to the constitutional debt limitation of the City. At June 30, 2006, \$306,059 is outstanding.

NOTE 13 SUBSEQUENT EVENT

In July 2006, the City authorized the issuance of \$4,950,000 in general obligation urban renewal bonds.

NOTE 14 JOINT VENTURE

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

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

The City retains an ongoing financial responsibility to the WRA since it is obligated in some manner for the debts of the joint venture through the annual allocation. Although the debt of the WRA is to be paid solely and only from WRA revenues, the participating communities in the joint venture cannot withdraw from the joint venture while any of the bonds issued during the time the entity was a participating community are still outstanding. The WRA Sewer Revenue Bonds Series 2004A and 2004B include provisions that place the WRA debt service requirements on the same parity and rank as other debts of the participating communities.

The WRA Sewer Revenue Bonds Series 2004B bonds were issued for capital expansion. The WRA Agreement requires the debt service on these bonds to be allocated to the participating communities based on the WRA flows of the core communities and expansion communities of each calendar year. As of June 30, 2006, the Series 2004B bonds had a balance of \$66,830,000 and the City of Waukee's 2006 allocation based on the WRA flows was \$77,745 or 0.12%.

The WRA Agreement does not provide for the determination of an equity interest for the participating communities. Withdrawing from the joint venture is a forfeit of all reversionary interest and no compensation will be paid. The City does retain a reversionary interest percentage in the net assets of the WRA that would be redeemed only in the event the WRA is dissolved.

The WRA issues separate financial statements that may be obtained at 3000 Vandalia Road, Des Moines, Iowa 50317-01346.

City of Waukee, Iowa
NOTES TO FINANCIAL STATEMENTS

NOTE 15 NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS

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

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, issued April 2004, will be effective for the City beginning with its year ending June 30, 2009. This Statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supersedes existing guidance.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, issued June 2004, will be effective for the City beginning with its year ending June 30, 2010. This Statement establishes standards for the measurement, recognition and display of other postemployment benefit expenses and related liabilities or assets, note disclosures and, if applicable, required supplementary information in the financial reports.

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, issued September, 2006, will be effective for the City beginning with its year ending June 30, 2008. This Statement establishes accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues.

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

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REQUIRED SUPPLEMENTARY INFORMATION

City of Waukee, Iowa
**BUDGETARY COMPARISON SCHEDULE OF REVENUES,
EXPENDITURES/EXPENSES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GOVERNMENTAL FUNDS AND PROPRIETARY FUNDS**
Required Supplementary Information
Year ended June 30, 2006

	Governmental funds actual	Proprietary funds actual	Less funds not required to be budgeted
RECEIPTS			
Property tax	\$3,468,779	\$ -	\$ -
Tax increment financing collections	1,279,032	-	-
Other city tax	57,134	-	-
Licenses and permits	880,119	-	-
Use of money and property	142,740	2,103,668	5,126
Intergovernmental	870,087	-	-
Charges for services	75,600	7,672,322	171,245
Miscellaneous	<u>331,615</u>	<u>128,572</u>	<u>52,509</u>
Total receipts	<u>7,105,106</u>	<u>9,904,562</u>	<u>228,880</u>
DISBURSEMENTS			
Public safety	1,373,641	-	-
Public works	1,185,751	-	-
Health and social services	13,500	-	-
Culture and recreation	806,026	-	58,961
Community and economic development	508,066	-	-
General government	706,296	-	-
Debt service	2,407,072	-	-
Capital projects	1,376,921	-	-
Business type activities	-	7,641,054	-
Nonprogram	-	<u>188,648</u>	<u>188,648</u>
Total disbursements	<u>8,377,273</u>	<u>7,829,702</u>	<u>247,609</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(1,272,167)</u>	<u>2,074,860</u>	<u>(18,729)</u>
OTHER FINANCING SOURCES, NET			
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	<u>1,463,022</u>	<u>(220,722)</u>	<u>-</u>
Capital contributions	-	112,749	-
BALANCES, beginning of year	<u>1,735,756</u>	<u>16,285,342</u>	<u>40,936</u>
BALANCES, end of year	<u>\$1,926,611</u>	<u>\$18,252,229</u>	<u>\$ 22,207</u>

See accompanying independent auditor's report.

<u>Total actual</u>	<u>Budgeted amounts</u>		<u>Final to actual variance</u>
	<u>Original</u>	<u>Final</u>	
\$ 3,468,779	\$ 3,393,622	\$ 3,393,622	\$ 75,157
1,279,032	1,270,035	1,270,035	8,997
57,134	82,922	82,922	(25,788)
880,119	669,582	960,098	(79,979)
2,241,282	138,011	159,136	2,082,146
870,087	823,861	823,861	46,226
7,576,677	7,187,820	7,784,965	(208,288)
407,678	70,462	80,962	326,716
<u>16,780,788</u>	<u>13,636,315</u>	<u>14,555,601</u>	<u>2,225,187</u>
1,373,641	1,452,299	1,358,957	(14,684)
1,185,751	1,325,823	1,301,894	116,143
13,500	5,930	13,500	-
747,065	781,374	772,457	25,392
508,066	249,442	255,970	(252,096)
706,296	496,379	797,253	90,957
2,407,072	1,659,282	1,659,282	(747,790)
1,376,921	2,000,000	2,000,000	623,079
7,641,054	6,977,522	7,590,072	(50,982)
-	-	-	-
<u>15,959,366</u>	<u>14,948,051</u>	<u>15,749,385</u>	<u>(209,981)</u>
<u>821,422</u>	<u>(1,311,736)</u>	<u>(1,193,784)</u>	<u>2,015,206</u>
<u>1,242,300</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>(757,700)</u>
2,063,722	688,264	806,216	1,257,506
112,749	-	-	112,749
<u>17,980,162</u>	<u>9,076,439</u>	<u>9,076,439</u>	<u>8,903,723</u>
<u>\$20,156,633</u>	<u>\$ 9,764,703</u>	<u>\$ 9,882,655</u>	<u>\$10,273,978</u>

City of Waukee, Iowa
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING
Year ended June 30, 2006

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

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

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund or fund type. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business type activities. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund and Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment increased budgeted disbursements by \$801,334. This budget amendment is reflected in the final budgeted amounts.

The City of Waukee, Iowa prepares its budget on the modified accrual basis for the governmental fund types and the accrual basis for the proprietary fund types which is consistent with generally accepted accounting principles. During the year ended June 30, 2006, disbursements in the public safety, community and economic development, debt service and business activities functions exceeded the amounts budgeted.

OTHER SUPPLEMENTARY INFORMATION

**City of Waukee
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2006**

	Special Revenue Funds						
	Road Use Tax	Employee Benefits	Sugar Creek TIF	Enterprise Business Park TIF	Urban Renewal Area TIF	Library Foundation	Hickman West Industrial Park TIF
ASSETS							
Cash and pooled investments	\$ 18,630	\$ 6,180	\$ -	\$ 4,710	\$ 480,648	\$ 74,080	\$1,293,141
Receivables							
Property tax							
Delinquent	-	3,148	5,967	6,036	2,305	-	7,284
Succeeding year	-	554,087	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Other	-	-	-	-	1,026	-	-
Due from other governments	53,865	-	-	-	-	-	-
Prepaid insurance	<u>5,706</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 78,201</u>	<u>\$ 563,415</u>	<u>\$ 5,967</u>	<u>\$ 10,746</u>	<u>\$ 483,979</u>	<u>\$ 74,080</u>	<u>\$1,300,425</u>
LIABILITIES AND FUND EQUITY (DEFICIT)							
LIABILITIES							
Accounts payable	\$ 34,265	\$ -	\$ -	\$ -	\$ 23,663	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Deferred revenue							
Succeeding year property tax	-	554,087	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>34,265</u>	<u>554,087</u>	<u>-</u>	<u>-</u>	<u>23,663</u>	<u>-</u>	<u>-</u>
FUND EQUITY (DEFICIT)							
Fund balances (deficit)							
Restricted for							
Debt service	-	-	-	-	-	-	-
Prepaid insurance	5,706	-	-	-	-	-	-
Unreserved, undesignated	<u>38,230</u>	<u>9,328</u>	<u>5,967</u>	<u>10,746</u>	<u>460,316</u>	<u>74,080</u>	<u>1,300,425</u>
Total liabilities and fund equity (deficit)	<u>\$ 78,201</u>	<u>\$ 563,415</u>	<u>\$ 5,967</u>	<u>\$ 10,746</u>	<u>\$ 483,979</u>	<u>\$ 74,080</u>	<u>\$1,300,425</u>

See accompanying independent auditor's report.

<u>Capital Projects</u>				<u>Debt service</u>	
<u>City Wide Sidewalk Project</u>	<u>Library Building</u>	<u>Highway 6 Street Light Project</u>	<u>IDOT RISE Grant Project</u>	<u>Special Assessments</u>	<u>Total</u>
\$ -	\$ 15,704	\$ -	\$ -	\$ 1,610	\$1,894,703
-	-	-	-	-	24,740
-	-	-	-	-	554,087
-	-	-	-	264,040	264,040
-	-	-	83,269	-	84,295
-	-	-	35,569	-	89,434
-	-	-	-	-	5,706
<u>\$ -</u>	<u>\$ 15,704</u>	<u>\$ -</u>	<u>\$ 118,838</u>	<u>\$ 265,650</u>	<u>\$2,917,005</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,928
15,240	-	81,248	118,838	-	215,326
-	-	-	-	-	554,087
-	-	-	-	257,340	257,340
<u>15,240</u>	<u>-</u>	<u>81,248</u>	<u>118,838</u>	<u>257,340</u>	<u>1,084,681</u>
-	-	-	-	8,310	8,310
-	-	-	-	-	5,706
<u>(15,240)</u>	<u>15,704</u>	<u>(81,248)</u>	<u>-</u>	<u>-</u>	<u>1,818,308</u>
<u>\$ -</u>	<u>\$ 15,704</u>	<u>\$ -</u>	<u>\$ 118,838</u>	<u>\$ 265,650</u>	<u>\$2,917,005</u>

City of Waukee
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year ended June 30, 2006

	Special Revenue Funds						
	Road Use Tax	Employee Benefits	Sugar Creek TIF	Enterprise Business Park TIF	Urban Renewal Area TIF	Library Foundation	Hickman West Industrial Park TIF
REVENUES							
Property tax	\$ -	\$ 511,643	\$ -	\$ -	\$ -	\$ -	\$ -
Tax increment financing collections	-	-	18,385	242,610	588,118	-	429,919
Other city tax	-	-	-	-	-	-	-
Use of money and property	-	4,613	215	2,089	9,768	4,399	20,831
Intergovernmental	680,961	36,163	-	-	-	-	-
Miscellaneous	16,933	-	-	-	500	52,436	-
Total revenues	<u>697,894</u>	<u>552,419</u>	<u>18,600</u>	<u>244,699</u>	<u>598,386</u>	<u>56,835</u>	<u>450,750</u>
EXPENDITURES							
Operating							
Public works	691,206	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	58,961	-
Community and economic development	-	-	-	-	267,165	-	-
General government	-	36,163	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Total expenditures	<u>691,206</u>	<u>36,163</u>	<u>-</u>	<u>-</u>	<u>267,165</u>	<u>58,961</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,688</u>	<u>516,256</u>	<u>18,600</u>	<u>244,699</u>	<u>331,221</u>	<u>(2,126)</u>	<u>450,750</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	22,000	-	-	-	-	-	-
Operating transfers (out)	<u>(21,730)</u>	<u>(512,669)</u>	<u>(13,812)</u>	<u>(241,020)</u>	<u>(196,270)</u>	<u>-</u>	<u>(88,938)</u>
Total other financing sources (uses)	<u>270</u>	<u>(512,669)</u>	<u>(13,812)</u>	<u>(241,020)</u>	<u>(196,270)</u>	<u>-</u>	<u>(88,938)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	6,958	3,587	4,788	3,679	134,951	(2,126)	361,812
FUND BALANCES (DEFICIT), beginning of year	<u>36,978</u>	<u>5,741</u>	<u>1,179</u>	<u>7,067</u>	<u>325,365</u>	<u>76,206</u>	<u>938,613</u>
FUND BALANCES (DEFICIT), end of year	<u>\$ 43,936</u>	<u>\$ 9,328</u>	<u>\$ 5,967</u>	<u>\$ 10,746</u>	<u>\$ 460,316</u>	<u>\$ 74,080</u>	<u>\$1,300,425</u>

See accompanying independent auditor's report.

<u>Capital Projects</u>				<u>Debt service</u>	
<u>City Wide Sidewalk Project</u>	<u>Library Building</u>	<u>Highway 6 Street Light Project</u>	<u>IDOT RISE Grant Project</u>	<u>Special Assessments</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 511,643
-	-	-	-	-	1,279,032
106	-	-	-	12,159	12,265
66	325	-	-	4,853	47,159
-	-	-	-	-	717,124
-	-	-	-	-	69,869
<u>172</u>	<u>325</u>	<u>-</u>	<u>-</u>	<u>17,012</u>	<u>2,637,092</u>
-	-	-	-	-	691,206
-	-	-	-	-	58,961
-	-	-	-	-	267,165
-	-	-	-	-	36,163
<u>3,892</u>	<u>2,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,477</u>
<u>3,892</u>	<u>2,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,059,972</u>
<u>(3,720)</u>	<u>(2,260)</u>	<u>-</u>	<u>-</u>	<u>17,012</u>	<u>1,577,120</u>
-	-	-	-	-	22,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,500)</u>	<u>(1,084,939)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,500)</u>	<u>(1,062,939)</u>
(3,720)	(2,260)	-	-	6,512	514,181
<u>(11,520)</u>	<u>17,964</u>	<u>(81,248)</u>	<u>-</u>	<u>1,798</u>	<u>1,318,143</u>
<u>\$ (15,240)</u>	<u>\$ 15,704</u>	<u>\$ (81,248)</u>	<u>\$ -</u>	<u>\$ 8,310</u>	<u>\$1,832,324</u>

City of Waukee, Iowa
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
June 30, 2006

	<u>Solid Waste</u>	<u>Utility Billing</u>	<u>Storm Sewer</u>	<u>Total</u>
ASSETS				
CURRENT ASSETS				
Cash and pooled investments	\$ -	\$ 36,579	\$ -	\$ 36,579
Receivables				
Customer accounts and unbilled usage	<u>62,023</u>	<u>651</u>	<u>18,335</u>	<u>81,009</u>
Total assets	<u>62,023</u>	<u>37,230</u>	<u>18,335</u>	<u>117,588</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	79,495	33,113	16,213	128,821
Compensated absences	-	2,101	-	2,101
Interfund payable	<u>-</u>	<u>53,889</u>	<u>-</u>	<u>53,889</u>
Total liabilities	<u>79,495</u>	<u>89,103</u>	<u>16,213</u>	<u>184,811</u>
NET ASSETS (DEFICIT)				
Unreserved, undesignated	<u>(17,472)</u>	<u>(51,873)</u>	<u>2,122</u>	<u>(67,223)</u>
Total net assets (deficit)	<u>\$ (17,472)</u>	<u>\$ (51,873)</u>	<u>\$ 2,122</u>	<u>\$ (67,223)</u>

See accompanying independent auditor's report.

City of Waukee, Iowa
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
Year ended June 30, 2006

	<u>Solid Waste</u>	<u>Utility Billing</u>	<u>Storm Sewer</u>	<u>Total</u>
OPERATING REVENUES				
Charges for service	\$ 461,391	\$ 171,245	\$ 17,960	\$ 650,596
Miscellaneous	<u>2,194</u>	<u>73</u>	<u>—</u>	<u>2,267</u>
Total operating revenues	<u>463,585</u>	<u>171,318</u>	<u>17,960</u>	<u>652,863</u>
OPERATING EXPENSES				
Business type activities				
Cost of sales and services	<u>460,912</u>	<u>188,648</u>	<u>15,838</u>	<u>665,398</u>
Total operating expenses	<u>460,912</u>	<u>188,648</u>	<u>15,838</u>	<u>665,398</u>
Operating income (loss)	2,673	(17,330)	2,122	(12,535)
NONOPERATING REVENUES				
Interest income	<u>—</u>	<u>727</u>	<u>—</u>	<u>727</u>
CHANGE IN NET ASSETS	2,673	(16,603)	2,122	(11,808)
NET ASSETS (DEFICIT), beginning of year	<u>(20,145)</u>	<u>(35,270)</u>	<u>—</u>	<u>(55,415)</u>
NET ASSETS (DEFICIT), end of year	<u>\$ (17,472)</u>	<u>\$ (51,873)</u>	<u>\$ 2,122</u>	<u>\$ (67,223)</u>

See accompanying independent auditor's report.

City of Waukee, Iowa
SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION -
ALL GOVERNMENTAL FUNDS
For the last five years

	Modified Accrual Basis				
	2006	2005	2004	2003	2002
REVENUES					
Property tax	\$3,468,779	\$ 3,057,974	\$2,824,173	\$2,513,755	\$2,240,591
Tax increment financing revenue	1,279,032	980,076	750,461	605,187	383,229
Other city tax	57,134	160,531	(6,441)	298,840	33,562
Licenses and permits	880,119	659,487	436,377	351,665	325,457
Use of money and property	142,740	111,127	117,062	121,792	205,396
Intergovernmental	870,087	2,138,494	669,192	596,525	661,050
Charges for service	75,600	89,475	63,974	37,376	31,108
Miscellaneous	<u>331,615</u>	<u>430,772</u>	<u>269,925</u>	<u>371,821</u>	<u>159,889</u>
Totals	<u>\$7,105,106</u>	<u>\$ 7,627,936</u>	<u>\$5,124,723</u>	<u>\$4,896,961</u>	<u>\$4,040,282</u>
EXPENDITURES					
Operating					
Public safety	\$1,373,641	\$ 2,169,067	\$1,420,802	\$1,198,267	\$1,106,972
Public works	1,185,751	1,214,158	838,524	788,460	629,896
Health and social services	13,500	12,050	13,966	-	-
Culture and recreation	806,026	854,233	666,425	787,104	492,951
Community and economic development	508,066	236,485	226,664	218,659	137,382
General government	706,296	414,964	404,939	299,382	329,742
Debt service	2,407,072	1,498,394	1,832,624	1,224,381	1,174,783
Capital projects	<u>1,376,921</u>	<u>4,474,304</u>	<u>2,623,847</u>	<u>2,140,494</u>	<u>2,102,556</u>
Totals	<u>\$8,377,273</u>	<u>\$10,873,655</u>	<u>\$8,027,791</u>	<u>\$6,656,747</u>	<u>\$5,974,282</u>

See accompanying independent auditor's report.

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

Honorable Mayor and
Members of the City Council
Waukee, Iowa

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 City of Waukee, Iowa, as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated August 25, 2006. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Waukee's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Waukee's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in Part I of the accompanying Schedule of Findings.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item I-06-A to be a material weakness. Prior year reportable conditions have been resolved, except for II-05-A.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the City of Waukee, Iowa's operations for the year ended June 30, 2006 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. Prior year statutory comments have been resolved, except IV-05-B and IV-05-J.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the City of Waukee and other parties to whom the City of Waukee may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.


DENMAN & COMPANY, LLP

West Des Moines, Iowa
August 25, 2006

SCHEDULE OF FINDINGS

**City of Waukee
SCHEDULE OF FINDINGS
Year ended June 30, 2006**

Part I—Findings Related to the Financial Statements

No matters regarding noncompliance relative to the financial statements were reported.

REPORTABLE CONDITIONS

I-06-A CAPITAL ASSETS

Capital assets are not tagged and adequate documentation of comparison to the capital asset listing is not maintained.

Recommendation

Capital assets should be tagged for proper identification and a periodical comparison to the capital asset listing by a person independent of the custody of those fixed assets should be properly documented.

Response

The City will address the issues of tagging capital assets and will document the procedures performed to update the capital asset listing on an annual basis.

Conclusion

Response accepted.

City of Waukee
SCHEDULE OF FINDINGS (continued)
Year ended June 30, 2006

Part II—Findings Related to Required Statutory Reporting

II-06-A CERTIFIED BUDGET

Expenditures during the year ended June 30, 2006 exceeded the amount budgeted in the public safety, community and economic development, debt service and business type functions. Chapter 384.20 of the Code of Iowa states, in part, that public monies may not be expended or encumbered except under an annual or continuing appropriation.

Recommendation

The amendment to the budget should have been in an amount adequate so that expenditures do not exceed the budget.

Response

We will have the department heads review the budget activity more closely in the future to be sure that the amendments are adequate.

Conclusion

Response accepted.

II-06-B QUESTIONABLE EXPENDITURES

No expenditures were noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

II-06-C TRAVEL EXPENSE

No expenditures of City money for travel expenses of spouses of City officials and/or employees were noted.

II-06-D BUSINESS TRANSACTIONS

We noted no business transactions between the City and City officials or employees in excess of \$1,500.

II-06-E BOND COVERAGE

Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.

II-06-F COUNCIL MINUTES

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

City of Waukee
SCHEDULE OF FINDINGS (continued)
Year ended June 30, 2006

Part II—Findings Related to Required Statutory Reporting

II-06-G DEPOSITS AND INVESTMENTS

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

II-06-H REVENUE BONDS/NOTES

The City was in compliance with all requirements of their water, sewer and golf course revenue bond and note provisions.

II-06-I FINANCIAL CONDITION

The following funds had deficit balances at June 30, 2006:

Capital Projects	
2005-2006 GO Projects	\$1,806,019
City Wide Sidewalk Project	15,240
Highway 6 Street Light Project	81,248
Enterprise	
Solid waste	17,472
Utility billing	51,873

Recommendation

The City should investigate alternatives to eliminate these deficit balances in order to return these accounts to a sound financial position.

Response

The Enterprise Fund and the Capital Projects Fund deficits will be eliminated through transfers from other funds and bond proceeds.

Conclusion

Response accepted.

STATISTICAL SECTION
(UNAUDITED)

**City of Waukee
PROPERTY VALUATIONS AND TAX LEVIES
(UNAUDITED)**

	Rollback Taxable Valuations January 1, 2004	
	<u>General</u>	<u>Debt service</u>
Waukee Corporate		
Residential real estate	\$200,042,708	\$200,042,708
Commercial real estate	20,628,715	20,628,715
Railroad	662,554	662,554
Utilities	7,000,885	7,000,885
Military exemption	<u>(518,560)</u>	<u>(518,560)</u>
	<u>227,816,302</u>	<u>227,816,302</u>
Waukee Corporate Urban T.I.F. Districts		
Residential real estate—increment	—	3,714,430
Industrial property—increment	—	5,214,710
Commercial real estate		
Base	23,930,813	23,930,813
Increment	—	25,912,537
Military exemption	<u>(14,816)</u>	<u>(14,816)</u>
	<u>23,915,997</u>	<u>58,757,674</u>
	<u>\$251,732,299</u>	<u>\$286,573,976</u>

	<u>January 1, 2004</u>
Agricultural land	
Land	\$2,396,970
Buildings	<u>147,160</u>
	<u>\$2,544,130</u>

	Collectible in 2005-2006	
	<u>Rate</u>	<u>Amount</u>
General	8.10000	\$1,978,148
Debt service	3.32039	951,663
Employee benefits	<u>2.08000</u>	<u>507,969</u>
	<u>13.50039</u>	<u>\$3,437,780</u>
Agricultural land	<u>3.00375</u>	<u>\$ 7,764</u>

See accompanying independent auditor's report.

City of Waukee
CHARGES FOR SERVICE, TAX LEVIES AND ROLLBACK TAXABLE VALUATIONS
(UNAUDITED)

	Year ended June 30				
	2006	2005	2004	2003	2002
Charges for service					
Gas	\$3,899,351	\$2,951,128	\$2,478,242	\$2,127,443	\$1,737,387
Water	1,768,480	1,383,870	1,274,939	1,150,407	1,066,548
Sewer	937,974	771,422	722,998	838,126	566,462
Golf	415,921	171,288	-	-	-
Tax levies					
General Fund	8.10000	8.10000	8.10000	8.10000	8.09999
Debt Service	3.32039	3.32039	3.32010	3.32019	3.32001
Employee Benefits	<u>2.08000</u>	<u>2.08000</u>	<u>2.08000</u>	<u>2.08013</u>	<u>2.08000</u>
	13.50039	13.50039	13.50010	13.50032	13.50000
Agricultural land	3.00375	3.00375	3.00375	3.00375	3.00339
Rollback taxable valuations					
Real estate	\$244,602,236	\$217,196,873	\$190,017,966	\$173,749,015	\$153,105,456
Personal	-	-	-	378,171	900,408
Railroad	662,554	625,636	597,181	576,535	536,528
Utilities	7,000,885	6,778,656	6,240,433	1,648,472	1,434,897
Urban T.I.F.	34,937,917	21,583,133	28,187,994	22,874,426	14,198,753
Agricultural (includes T.I.F.)	2,544,130	1,672,160	3,821,610	3,517,530	3,388,500
Military exemption (includes T.I.F.)	(518,560)	(516,708)	(498,594)	(490,780)	(424,108)

See accompanying independent auditor's report.