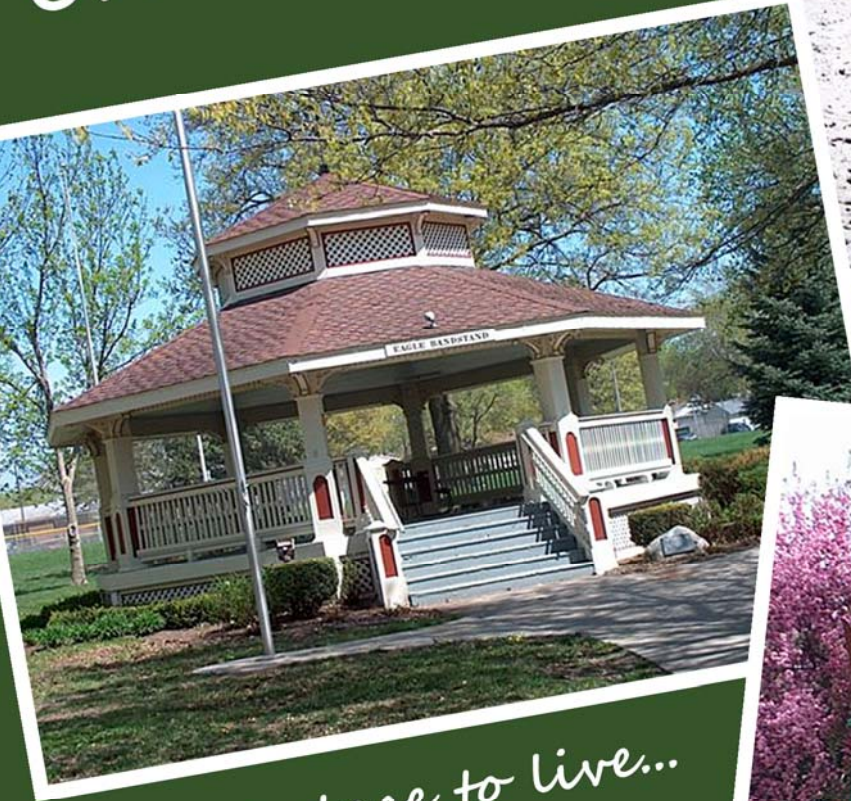
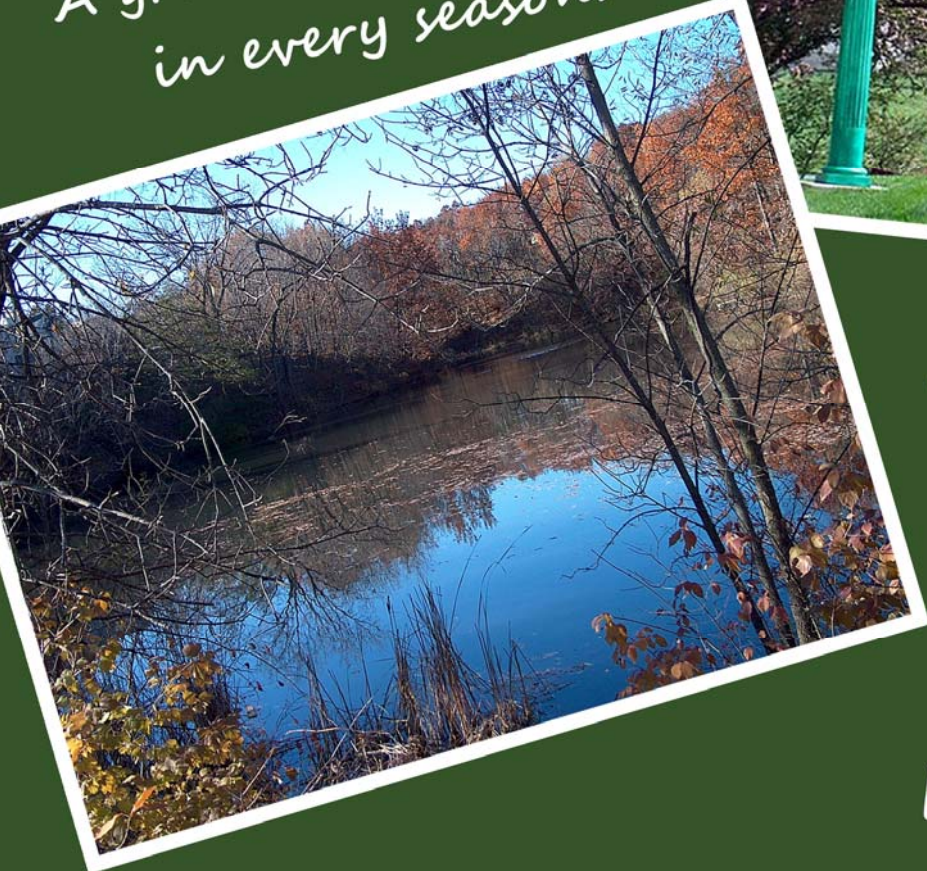


# City of Urbandale, Iowa



A great place to live...  
in every season!



June 30, 2009  
Comprehensive  
Annual  
Financial Report

**CITY OF URBANDALE, IOWA**  
Comprehensive Annual Financial Report  
Years Ended June 30, 2009 and June 30, 2008



## **INTRODUCTORY SECTION**

# CITY OF URBANDALE, IOWA

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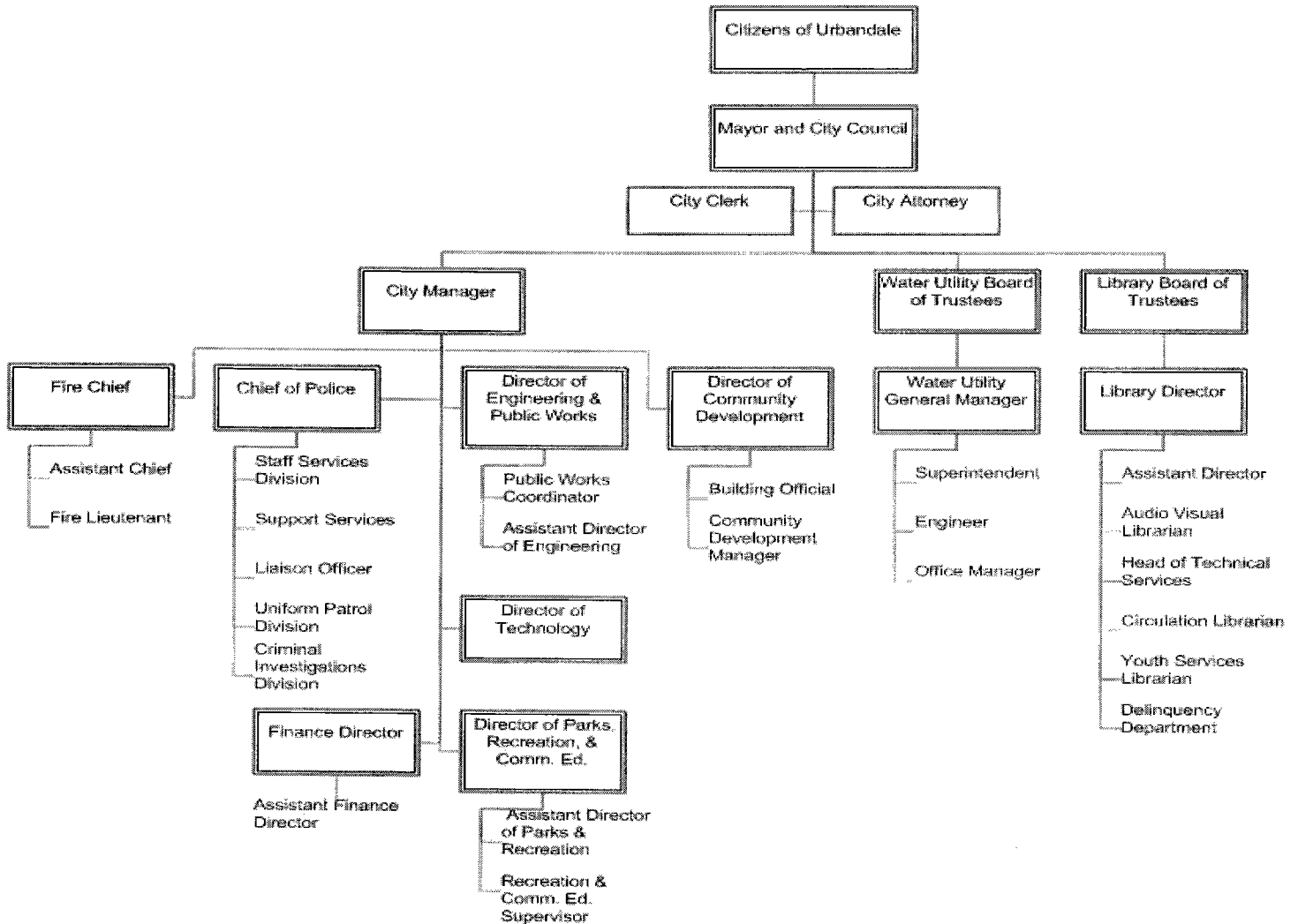
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## CITY OF URBANDALE, IOWA



Note: Library operations are under the supervision of the Library Board.  
 Water operations are under the supervision of the Water Utility Board.

<u>Name</u>	<u>Title</u>
Robert D. Andeweg	Mayor
John Forbes	Mayor Pro Tem
Mike Carver	Council Member
Mary Polson	Council Member
Ron Pogge	Council Member
Tom Gayman	Council Member
A. J. Johnson	City Manager
Nicole Lamb	Finance Director
Kim Keisler	Assistant Finance Director

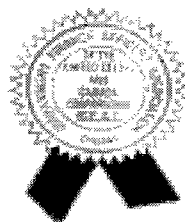
# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Urbandale  
Iowa

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. R. T.", positioned above the printed name of the President.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Erwin", positioned above the printed name of the Executive Director.

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Urbandale, Iowa, for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, which contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.





City of  
Urbandale

December 8, 2009

The Honorable Mayor and  
Members of the City Council  
City of Urbandale, Iowa:

We are pleased to submit the Comprehensive Annual Financial Report of the City of Urbandale, Iowa, (the City) for the fiscal years ending June 30, 2009 and 2008 (FY09 and FY08), in accordance with the provisions of Section 384.22 of the Code of Iowa and accounting principles generally accepted in the United States of America (GAAP).

The Comprehensive Annual Financial Report includes all governmental activities, organizations, and functions controlled by or dependent upon the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The Urbandale Water Utility (the Water Utility) is legally separate but the City is financially accountable for it. A three-member board appointed by the City Council governs the Water Utility, and the Water Utility's operating budget is subject to the approval of the City Council. The Water Utility provides water service exclusively to the citizens of Urbandale on behalf of the City. The Water Utility is reported as a discretely presented component unit of the City.

The City is responsible for the accuracy of the data presented in the Comprehensive Annual Financial Report. To the best of our knowledge and belief, the government-wide financial statements, fund financial statements, budgetary comparison, management's discussion and analysis and statistical tables included in this report, present fairly the financial condition of the City. To provide a reasonable basis for making these representations, internal controls have been established within the Finance and Records Department. The internal control framework is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh their benefits, the City's internal control system has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe that the City's internal accounting controls are adequate to ensure the continued integrity of the City's financial management practices.

The Code of Iowa requires an annual audit be made of the books of accounts, financial records, and transactions of all administrative departments of the City by the State Auditor or by a certified public accountant selected by the City Council. Eide Bailly LLP, Certified Public Accountants, conducted the audits for FY09 and FY08. The independent audits involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audits, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for FY09 and FY08 are fairly presented in conformity with GAAP. The independent auditors' report has been included in this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal was designed to compliment the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## PROFILE OF THE GOVERNMENT

The City of Urbandale, incorporated in 1917, is located in central Iowa, adjacent to the City of Des Moines. The City also shares common borders with five other communities. The City occupies a land area of approximately 22 square miles, located both in Polk and Dallas counties. The City's official 2005 population was 35,904. Since 1980, Urbandale has been one of the fastest growing cities in Iowa, experiencing a population growth of approximately 100% during that period of time.

In 1965, the City Council adopted the Mayor-Council, with City Manager, form of government by ordinance. The policy making and legislative authority is vested in the City Council, which consists of five members. The City Council Members are elected on an at-large basis and serve four-year staggered terms. The Mayor serves as the chief executive officer for the City and presides over the City Council meetings. The City Council is responsible for adopting ordinances and resolutions, appointing board and commission members, adopting the annual operating budget and capital improvements program, authorizing contracts and hiring the City Manager, City Attorney and City Clerk. The City Manager serves as the chief administrative officer and is responsible for executing the policies of the City Council, supervising the day-to-day operations of the organization and hiring, firing and disciplining the organization's employees. However, the City Manager does not directly supervise the activities of the Water Utility and Library. These operations are governed by separate boards, which are appointed by the Mayor and City Council. Each board appoints a director to oversee the administrative operations of the department.

The City provides a wide range of public services, including police, fire and emergency medical service, library, parks and recreation, animal control, street maintenance, solid waste collection, code enforcement, water and sanitary and storm sewer. Additionally, the organization is supported by several administrative operations, including technology, community development, city manager, finance and records and legal. The annual budget represents the operating plan for all of these functions. Additionally, this document serves as a financial planning and control mechanism for the City. All departments are required to submit budget requests to the City Manager's office by early December. These requests are reviewed by the City Manager and a recommended operating budget is formulated for the City Council's consideration. In January and February, the Mayor and City Council participate in a series of work sessions to review the budget recommendations and to formulate a final budget document. The Code of Iowa requires the City Council to conduct a public hearing on the proposed budget and to adopt the final document by March 15. The City's expenditures are grouped into functions. The expenditure levels approved in the budget may not be exceeded on a function level unless a budget amendment is approved by the City Council. To assist the City Council in its monitoring of expenditures and revenues, quarterly budget summaries are prepared by the Finance and Records Department. Budget to actual comparisons are provided for the Governmental Funds in the required supplementary information section of this report.

## ASSESSMENT OF ECONOMIC CONDITION

To better understand the context of the City's financial statements, the following background information is provided for the reader.

### Local Economy

The level of residential construction was sluggish in Urbandale during FY09 for a second year, reflecting the national trend, but has showed some signs of recovery in the second half of calendar 2009. The permit level of FY08 was down from the record levels of the first half of the 2000 decade, but still matched the record residential growth years of the late 1980's and early 1990's. FY09 permits still fell below the 4-decade long average of 250 homes annually, but increased activity in the 4<sup>th</sup> quarter of calendar 2009 suggests increased industry optimism, since those permits anticipate spring sales. A clearly positive note is that by the end of 3<sup>rd</sup> quarter 2009, the overbuilt, unsold new residential units that were held by surviving builders or conveyed to lenders under

foreclosures or deeds in lieu of foreclosure had mostly been sold. A City analysis of the inventory of unsold homes found 270 units in July, 2008 has been reduced to 45 single-family homes near the end of calendar 2009.

Urbandale continues to have significant potential for residential development, with approximately 670 lots currently ready for housing construction and approximately 3,400 units that have received preliminary plat or zoning approval. Public water and sanitary sewer is also available to large amounts of additional vacant land, mostly owned by developers, which would allow Urbandale's current population to nearly double. Developers who have survived the market downturn have taken advantage of the distress/failure of former "competitors" to acquire Urbandale assets.

Commercial and industrial development grew significantly in FY07 in terms of valuation, deviating from the trend of slight growth generally experienced in other jurisdictions in the Des Moines metro area and nationally. Urbandale has approved plans for over 606,000 square feet of commercial and industrial development and has a significant land supply for continued growth. These factors make it likely that Urbandale will continue to experience steady commercial and industrial development during the next several years.

Permit and valuation data for the previous two fiscal years are summarized in the following table:

	Fiscal Year 2009		Fiscal Year 2008	
	# of Permits	Valuation	# of Permits	Valuation
Residential	218	\$ 27,227,888	311	\$ 40,672,611
Nonresidential	85	40,845,124	119	66,952,869
Miscellaneous minor	355	703,550	396	1,207,170
Total	658	\$ 68,776,562	826	\$ 108,832,650

### **Long Term Financial Planning**

- In 1981, the City Council approved fiscal performance goals for the City's operations. These goals concentrated on revenue, expenditure, reserve, investment, capital improvement, debt and financial reporting performance and were designed to maintain or improve the City's financial position. In approving the fiscal performance goals, the City Council emphasized the need for balancing current economic conditions in the community with the residents' demands for effective service delivery. In 2008, these goals were updated to reflect current financial performance standards and benchmarks. The preparation of the City's annual operating budget and the five year capital improvements program are governed by the fiscal performance goals. As a result of these goals, the annual operating budget has been prepared on a two year basis, fund balances have been maintained at adequate levels and the property tax levy rate has remained relatively stable for the past sixteen years. To further assist the planning process for the operating budget, the City Council has approved long term staffing and long term financial plans and adopted a strategic plan for technology.
- The long term improvement of the City's infrastructure is outlined in the five-year capital improvements program (CIP). The 2009-14+ CIP was adopted by the City Council in February, 2009. The approved FY09 CIP anticipated the expenditure of \$11,173,100 for various art, park, bridge, sidewalk, storm sewer, street, street lighting, traffic signal, public building, technology, equipment, and water system improvements. Property tax supported general obligation bonds would provide approximately \$6,351,300 million of the needed funding, with the remaining funds to come from local operating revenues, tax increment debt, and other public and private sources.

- The 2010-2015+ CIP is currently under development and will be reviewed by a citizen's advisory committee in November and December, 2009, with final adoption by the City Council anticipated in January, 2010. This preliminary FY10 CIP proposes the expenditure of \$15,072,400 for various art, park, bridge, sidewalk, storm sewer, street, street lighting, traffic signal, public building, technology, equipment, and water system improvements. Property tax supported general obligation bonds would provide approximately \$5,040,700 million of needed funding. Since the new CIP for 2010-2015+ is currently under development, the above referenced amounts may change as a result of updating the program. It is anticipated that the 2010-2015+ CIP will be substantially completed before the development of the FY2010-11 annual operating budget.

### **FY09 and FY10 Initiatives**

The Mayor and City Council in FY09 and FY10 initiated several programs and policies that will influence the City's financial operations. The key initiatives included the following:

- In 2009, Urbandale was recognized as one of the "Top 100 Best Places to Live" in America by CNN and Money Magazine for cities with populations of 8,500 to 50,000. The City's ranking jumped from 53<sup>rd</sup> in 2005 to 39<sup>th</sup> in 2007. In 2009, Urbandale ranked 42<sup>nd</sup> and was the only city in Iowa in the top 50 for this population size category. Urbandale's ranking was attributed to a favorable housing market, low crime rate, an exceptional quality of life, with a strong local economy and low taxes. This achievement will be highlighted in the City's and the Urbandale Chamber of Commerce's marketing materials during the next two years.
- The American Recovery and Reinvestment Act (ARRA) of 2009 enabled the City to seek formula based funding for projects. In May, 2009, the City Council approved a grant consultant services agreement with Public Technology Inc., to prepare an application in June, 2009, for \$162,900 in formula based funding from the Department of Energy (DOE) for four City projects that would reduce total energy use and fossil fuel emissions. The four projects proposed by the City were to participate in a public education outreach program on energy efficiency, to retrofit garage bay heating systems at several City departments, to retrofit a portion of the streetscape pedestrian lights on Douglas Avenue and 70th Street to efficient LED lights, and to create a revolving loan fund program to leverage future energy efficiency projects. The results of the project applications to the DOE are still pending, but if awarded the projects would be implemented in FY10.
- In November, 2009, the City Council approved a grant consultant services agreement with The Cadmus Group to prepare an energy competitive grant for a multi-metro retrofit that if granted would benefit residential, commercial and governmental facilities and energy conservation. If awarded, Urbandale would serve as the lead agency.
- Four general obligation bonds from 1995, 1999, 2000, and 2001, were refunded by the City Council in April 2009, through the issuance of a new 2009A bond at a lower interest rate, which will save approximately \$345,000 in interest expense over the old bonds. The City also issued \$6.57 million in new general obligation bond in the form of taxable direct pay Build America Bonds in November 2009.
- The Building Zoning Fees were updated in June, 2009, to be effective in January, 2010. The fees include pass-through service fees and separate administrative and notification / postage charges. This was the first comprehensive revision in the Zoning Fees since 1972.

- Westcom is a joint public safety dispatch facility operated by the cities of Clive, Urbandale and West Des Moines. During the past few years, the staffing and equipment requirements for Westcom have grown, forcing the facility into an overcrowded condition. In response to the space limitations, the City Council awarded a 3,000 square foot remodeling contract in September, 2008, for \$519,500, for which Urbandale would cost share 32.3% or approximately \$167,800 for a new center in West Des Moines' Fire Station No. 19. The new center opened in March, 2009.
- Since FY07-08 the Fire Department has gradually retrofitted the City's 11 outdoor warning sirens with a two-way monitoring system. In November 2008, Council approved a contract to update two more sirens for a total of 9 updated sirens. The conversion of the final two sirens is included in the FY10 budget.
- In November, 2009, the City Council approved Ordinance 2009-18 to amend and expand the Downtown/Merle Hay Mall Urban Renewal TIF (Tax Increment Financing) district.
- An RDV (Rapid Deployment Vehicle) capable of transporting 12 police personnel in body armor was purchased for \$50,655 from police Federal forfeiture funds for the Urbandale SERT (Suburban Emergency Response Team) program. The SERT has specialized tactical teams and crisis negotiation teams and includes personnel from five other metro cities. The RDV can also be used as an incident command center.
- An agreement was approved by the City Council in February, 2009, to purchase approximately 19.9 acres of land at 170th Street and Waterford Road for \$404,500, payable over three years. The land would be used for a future Parks and Public Works facility, as programmed in the CIP. This facility will be located west of Interstate 35/80, and will reduce field staff travel time to access supplies and equipment to provide services.
- Financial Policies: In September, 2008, the City Council approved updated fiscal performance goals for revenue, operating expenditures, fund balance, investments, CIP, debt, and financial performance; last updated in 1981. The revised fiscal policies guided the development and GOB debt levels of the CIP approved in February, 2009. In June, 2009, the City Council also updated the Public Improvements procedures manual to conform to new State guidelines, and the Purchase Order purchasing manual to streamline departmental purchases, both last updated in 2007.
- Fire Training Facility: This CIP project was approved for construction in June, 2009, for \$561,413, and will be located adjacent to Fire Station No. 42. The initial 28E agreement, also approved in June, 2009, is for 10 years. Under this agreement, Clive, Urbandale, and Windsor Heights will cost share the construction and annual maintenance costs. This facility will provide essential training in a controlled situation.
- The City Council approved a revised Hazard Mitigation Plan as part of a regional plan with the Polk County Emergency Management Agency to address natural, technological and human caused risks.
- In June, 2009 the City Council approved the addition of two Wellness components for employees in addition to the traditional PPO health insurance programs.
- The Public Art Committee's long range plan was approved by the City Council in June, 2008. The public art is funded through the City's debt issues by assessing projects meeting specific criteria 1% of the project cost. In November 2009, the City Council approved the initial purchase of public art consisting of two bronze sculptures.

- The 1997 Northview Park cell tower lease was extended from September, 2022 until September, 2037. The amended lease approved by the City Council in May, 2009, provided the City with an upfront payment of \$10,000, and also provided for enhanced revenue based on an annual CPI-U adjustment not to exceed 5%. The cell tower revenue will be utilized towards park improvements throughout the City park system.
- The “Charles Gabus Memorial Tree and Gardens”, which is located in the City’s central administrative campus south of the Library, is a ¾ acre park dedicated by the City Council in May, 2009. This park was made possible through a Polk County grant, City matching funds, local business donations, and private donations raised by “Friends of the Park”. As envisioned, this area will be a quiet contemplative place with memorial trees and benches, and easily accessible from pedestrian trails in Walker Johnston Park.
- The City Council approved a professional services agreement to design the dredging project of Parkview Lake at the popular Lakeview Park. The lake was last dredged in 1984, and has silted in again.
- The second phase of the Little Walnut Creek Trail project extended the trail on both sides of the bridge to cross the Little Walnut Creek, and then extended the trail through Walnut Creek Regional Park to connect north to Prairie Avenue off 156th Street. The City Council awarded the construction contract in March, 2009, for \$75,133. This trail extension was vital to cross the creek.
- In preparation for the April-October 2009 mowing season, the City’s park and building grounds, and roadway medians and roadsides, were divided into three mowing zones for private contractors to bid on the mowing services. In January, 2009, the City Council awarded the mowing for Zones 1 and 2, both East of Interstate 35/80; and in February, 2009, awarded the mowing for Zone 3, West of Interstate 35/80. The mowing contracts secured the private services for April-October, 2009, 2010, and 2011 seasons at a lower cost per acre than if the City had resumed the mowing, and has enabled Parks staff to concentrate on other projects. The City has utilized private mowing contractors since April 2003.
- In August, 2008, the City Council approved an IDOT agreement which provided \$75,000 in STP funding for the 10 foot wide North Raccoon Valley Trail connection south from the Douglas Parkway culvert through Timberline Park to the Deer Ridge Park. In June, 2009, the City Council approved the construction contract for \$149,039 to construct the North Raccoon Valley Trail in fall 2009. This trail is in the Capital Improvements Program and is a vital north to south trail that connects Urbandale to the Raccoon Valley Regional Trail system, and to the City of Clive.
- In September, 2008, the City Council provided final approval as constructed for the South Raccoon Valley Trail project at a cost of \$225,874. The South Raccoon Valley Trail project constructed a 10 foot wide trail from Rocklyn Drive through the Country Club North Open Space and the Deer Creek Common Ground. This trail was in the CIP and is a vital east to west trail that connects to the North Raccoon Valley Trail.
- Awarded in July, 2009, for \$231,549, the Timberline/Days Run Trail project will construct an 8-foot wide north from Douglas Parkway north through the Timberline and Days Run neighborhoods, to connect to an existing trail near 125th Street and Tanglewood Drive. This trail is a significant link west of Interstate 35/80 to connect to existing and future trails.
- The City Council approved a development agreement with the developer of Waterford Landing at 156th Street to donate approximately 27 acres, which will enable the development to spread out the park development costs for sanitary sewer, streets and sidewalks to connect to the parkland.
- In November, 2009, the City Council approved the purchase of 100 trees to reforest an area in the Walnut Creek Regional Park that was cleared to install a sewer line for a nearby residential development.

- Union Contracts: The Laborer Union settled in January, 2009, followed by the Police Union in March, 2009, both for three year contracts starting in July 2009. The Firefighters Union settled in May, 2008, for a three year contract that will expire in FY10-11.
- The second phase of the Police Station expansion project was essentially completed in FY09, with a public open house held in May, 2009, during the national “Police Week”. This project included the construction of offices for the detective and internal affairs division, an office for the property officer, a property and evidence storage area, a report writing office, conference rooms, locker rooms, and public restrooms. Additionally, the existing Police Station was partially remodeled. The final cost for this work was \$2,256,858 and was funded through the sale of general obligation capital loan notes. Final approval as constructed was approved by the City Council in August 2009.
- Originally established by Ordinance in 1989, the new Records Retention and Destruction Program was re-established by Resolution approved by the City Council in April, 2009. The new program will provide enhanced flexibility to monitor storage, timelines, and destruction. This program will reduce costs associated with off-site storage and free up needed office space, while providing for monitored storage.
- In order to address the supply problems experienced with roadway salt, the City partnered with nine other jurisdictions to construct a metropolitan salt storage facility in nearby Grimes in FY09, based on the 28E agreement approved by the City Council in July, 2008. The City’s cost for the project was approximately \$121,000, to be funded over 5 years until June, 2013; with facility use until June, 2028. Based on the May, 2009 bids, the 2,000 tons of salt for Urbandale for the 2009-10 winter season will cost less than the prior season.
- The City’s monthly solid waste fee was increased from \$8.00 to \$10.00 on July 1, 2009. This \$2.00 increase was implemented to reduce the property tax support for the solid waste program. The City’s total monthly cost is \$13.61 per household for the program, which includes weekly garbage collection, Spring Cleanup, Yard waste collection, bulk collections, and recycling. It is anticipated that the new fee will generate \$1.4 million in annual revenue. In the future, an increase of \$1.00 is planned in FY2010-11, and another increase of \$1.00 is planned in FY2011-12.
- The Metro Waste Authority awarded the City a \$125,339 Curb It! grant in October, 2008, for FY09. The proceeds from this grant were used to offset the City’s Curb It! recycling program costs. The City’s current cost for the program is \$387,000, and is based on weekly pickup of household bins set at the curb. In July, 2009, the MWA implemented its roll-out containers to be picked up every other week.
- Street project contracts awarded – The City council awarded contracts for the following major projects that are not yet completed:
  - January, 2009: contract awarded for \$526,250, to repave Meredith Drive from 76th west to 86th Street.
  - April, 2009: Urbandale and Clive approved a 28E agreement to design a roadway from the joint boundary on 156th Street to pave Douglas Parkway west. In August, 2009, the agreement was revised to add Waukee to the paving project. Urbandale will serve as the lead agency in this cost sharing paving project.
  - July, 2009: contract awarded for \$556,685, to extend Northpark Drive ¼ miles west to 100th Street. This project will provide a vital east to west concrete roadway from 100th Street to 86th Street in the business corridor north of Interstate 35/80.

- July, 2009: contracts awarded for intersection improvement projects at 86th Street and Meredith Drive, and 100th Street and Douglas Avenue for \$719,932. The 86th Street and Meredith Drive project will add right turn lanes for northbound and southbound onto 86th Street, and westbound onto Meredith Drive. The 100th Street and Douglas Avenue project will add right turn lanes for eastbound and westbound, and a dual northbound left turn lane. The projects will increase intersection capacity and will be completed in 2010.
- August, 2009: Urbandale, Grimes, and Polk County approved a 28E agreement to study the connection of NW 50th Avenue to Iowa Highway 141, and north ramp of Interstate 35/80.
- November, 2009: contract awarded for \$511,248 to widen 86th Street at Northpark Drive/Birchwood Court. The cost of this joint project would be shared almost equally by the Cities of Urbandale and Johnston, and would benefit commercial development and ease traffic congestion at 86th Street off Interstate 35/80.
- December, 2009: bids will be received to reconstruct Aurora Avenue from 128th Street to ¼ miles west of 128th Street, along Webster Elementary School and Jeff Harm Park.
- Street project final approvals - The City Council accepted the following major projects as completed during the year:
  - July, 2008: Douglas Parkway, Walnut Creek Bridge to 147th Street: construction of a four lane bridge with sidewalks over Walnut Creek, and extended Douglas Parkway west of the 142nd roundabout to the bridge. Total cost of \$2,900,070.
  - July, 2008: Douglas Parkway, Walnut Creek Bridge to 155th Street: construction of two traffic lanes and turn lanes on Douglas Parkway, from the bridge over Walnut Creek to 155th Street. Total cost of \$558,619.
  - July, 2008: Waterford Road: construction of a two lane concrete roadway west of 156th Street, including the replacement of the existing bridge over Walnut Creek. Total cost of \$1,021,445.
  - December, 2008: 104th Street and Douglas Avenue: installation of a turn lane and traffic signals at this location, which improved traffic flow in the vicinity of Homemakers Furniture. Total cost of \$263,264.
  - December, 2008: 156th Street Bridges over Little Walnut Creek: constructed two bridges 120ft long by 32ft wide on the west side and on the east side of 156th Street. Total cost of \$1,347,975.
  - January, 2009: 86th Street and Interstate 35/80 Loop Ramp: installed the 86th Street loop ramps and right turn lanes at 86th Street and Interstate 35/80. Total cost of \$1,166,973.
  - January, 2009: Douglas Parkway between 147th Street to 156th Street was paved. Total cost of \$1,709,433.
  - January, 2009: Meredith Drive from 76th east to Merle Hay Road was paved. ADA accessible ramps at 53 locations were also installed. Total cost of \$669,064.
  - June, 2009: 128th Street from Meredith Drive to Aurora was constructed, converting it from a two-lane rural asphalt roadway to a four lane with center median concrete roadway; and added two additional concrete lanes from Aurora Avenue to Douglas Parkway. Total cost of \$2,058,634.
  - June, 2009: Walnut Ridge Business Park: paved 111th Street by relocating the Douglas Avenue frontage road further to the south on 111th Street. The realignment of 111th Street, improved access from Douglas Avenue to Justin Drive. Total cost of \$108,780.

- June, 2009: Plum Drive, west of 100th Street was constructed. This project provided a vital east to west roadway south of Interstate 35/80, for commercial development. Total cost of \$1,622,070.
- July, 2009: Meredith Drive sidewalks: construction of a 10 foot wide sidewalk along the north side of Meredith Drive from the Interstate 35/80 to 128th Street. This sidewalk will provide a vital east to west link to connect to 128th Street. Total cost of \$98,568.
- Street Lighting – MidAmerican Energy installed 50 street lights along the 128th Street median from Douglas Parkway to Meredith Drive, 54 street lights along the 156th Street median from the south corporate boundary to Douglas Parkway, from Tanglewood Drive to Meredith Drive, and on Meredith from 154th to 156<sup>th</sup>, and 25 street lights along Plum Drive and the west side of 100th Street.
- Traffic Signals – The City Council awarded contracts for installation of traffic signals at the following locations: on 128th Street, at its intersection with Douglas Parkway and Meredith Drive, at 72nd Street, and Aurora Avenue, at Aurora Avenue and N.W. Urbandale Drive. The City Council also awarded contracts for installation of three LED pedestrian beacons on Aurora Avenue at 75th Street, the Middle School, and 82nd Street.
- Traffic Signals – Meredith Drive: In September, 2008, the City Council awarded a contract for \$742,720, to install traffic signals on Meredith Drive at its intersections with 121st, 123rd, and 125th Streets and to construct turn lanes. The City Council also approved an agreement for the developer to reimburse the cost the traffic signals and turn lanes at 123rd and 125th Streets. The traffic signals and turn lanes will support the business development corridor along and near Meredith Drive west of Interstate 35/80.
- In FY08, an Aquatic Task Force completed its study of the City’s existing swimming pool operation. This study included the solicitation of resident feedback at 15 public forums and meetings. The Task Force recommended that a new indoor aquatic facility be constructed by 2013 and that improvements be made to the existing pool to keep it functional until that time. It also recommended that the fee structure for the use of the swimming pool be increased. In response to these recommendations, the City Council awarded the Pool remodeling project in December 2008 at \$375,400 and the replacement of two boilers at \$23,280, at a project cost significantly less than the original estimate of \$518,000. The Pool was temporarily closed for the remodeling from March to June, 2009, and had its grand opening during the Urbandale “Fourth of July” celebration. The City Council also approved a revised 28E agreement in February 2009 with the School District to cost share the remodeling costs, and enable the pool to remain open for at least five additional years, and to cost share future demolition costs after 2013. The City Council also approved the revised pool rental rates in August 2009.
- As a recognized “Tree City USA”, the City Council promotes the annual Arbor Day celebration. The FY09 celebration planted 13 trees in North Karen Acres Park, as a storm recovery effort.
- In 2009, the water utility began its project to replace the water main in 72nd Street, from Meredith Drive, north 1,600 feet and from Douglas Avenue south to Maple Drive. This project will improve fire flows and service to the area.
- Urbandale Living Magazine (ULM): The ULM is a monthly in color publication that the City began utilizing in June, 2009, to replace the quarterly “Citizen’s Brief” city newsletter, which has been published since 1998. Communication with residents is a high priority of the City Council.

**Cash Management Policies and Practices**

Cash temporarily idle for operations for more than thirty days was invested in time certificates of deposit at least at the minimum rate as prescribed monthly by the State Treasurer’s office and in financial instruments of the federal government. The City Council’s investment policy is to offer these investments to local banks. During

FY09, all temporarily idle cash was accepted by local banks. If not accepted by local banks, the investments would have been offered to banks in Des Moines, Iowa. Interest income from investments in FY09, exclusive of the Component Unit, was \$772,232, compared to income of \$1,253,439 in FY08.

### **Risk Management**

In 1983, the City converted to a self-funded group health insurance plan. This program was designed to reduce health insurance costs through the assumption of additional risk. During the past twenty-four years, the City has realized a significant savings from self-funding and has been able to establish an insurance reserve fund. Proceeds from this reserve were utilized to reduce the General Fund and Road Use Tax Fund contributions for health insurance in FY09. The City's health insurance program was modified in FY10 to provide employees with two new wellness-based plans in addition to the two existing Preferred Provider Organization (PPO) coverage options. The new plans have higher deductible levels than the existing PPO options, with one qualifying as an IRS designated high-deductible plan, which allows the City to offer an HAS (health savings account) for participants of the high-deductible plan.

FY89 marked the first year of the City's participation in the Iowa Communities Assurance Pool. This program combines traditional insurance coverage with a risk pooling arrangement. The City's comprehensive general liability, automobile, police, property and public officials liability coverage are provided directly by the pool. The remaining portion of the City's insurance program, workers compensation, was once again placed with the Iowa Municipalities Workers Compensation Association. This program also utilizes a pooling concept to provide cities and counties with workers compensation coverage. Both public sector pools are in sound financial condition and should present the City with long-term premium savings.

The City's risk management program also involves a loss control and accident review program. Through the property and casualty insurance pools, the City receives loss control services. The pools review City operations on a periodic basis and submit recommendations for safety improvements. All claims submitted against the City are also reviewed to determine if changes are needed in the safety program. A City-wide safety committee has been established to review all employee accidents and to establish a safety policy manual. The safety committee receives technical assistance from the Des Moines Water Works Safety Officer under a contractual arrangement. The safety committee also meets annually with the City's management staff to discuss possible improvements in the safety program. All of these actions should reduce the City's potential for personal injury, property damage and liability claims.

### **Pension Benefits**

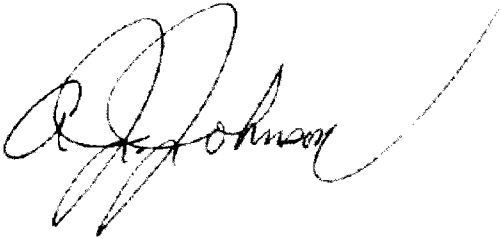
The City contributes to the Municipal Fire and Police Retirement System of Iowa for its sworn officers in the Police Department and full time staff in the Fire Department. The City contributes to the Iowa Public Employees Retirement System for all other employees. Both of these State-wide systems provide retirement, disability and death benefits for its members and beneficiaries, which are established by State statute. The City is required to contribute a percentage of an employee's annual income, as established by the systems. Additional information regarding the two retirement systems is contained in the notes to the financial statements.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for FY08. This is the highest form of recognition in the area of governmental financial reporting. The Comprehensive Annual Financial Report for the year ended June 30, 2009 will be submitted to GFOA for review.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the staff of the Finance and Records Department. Special recognition is due to Ms. Kim Keisler, Assistant Finance Director, Ms. Su Zanna Prophet, Assistant City Manager, and Ms. Debra Mains, City Clerk. During the time of audit preparation, the City was in a period of transition due to the departure of the long time City Manager, Robert Layton. During the transition period before a new City Manager was employed, City staff members continued to provide outstanding service to our community. This is a testament to their dedication and professionalism. We also wish to thank the Mayor and members of the City Council for their interest and support of our efforts in conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



A.J. Johnson  
City Manager



Nicole M. Lamb  
Finance Director

**FINANCIAL SECTION**

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Notes to Financial Statements



CPAs & BUSINESS ADVISORS

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Urbandale, Iowa (City), as of and for the years ended June 30, 2009 and 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the City of Urbandale. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Urbandale, Iowa, as of June 30, 2009 and 2008, and the respective changes in financial position, and, where applicable, cash flows thereof for the years 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 December 8, 2009, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 audits.

The management's discussion and analysis and the other required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City of Urbandale. The introductory section, combining nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and is also not a required part of the basic financial statements of the City of Urbandale. The combining nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Eric Sully LLP". The signature is written in dark ink and is positioned above the typed address and date.

Dubuque, Iowa  
December 8, 2009

**CITY OF URBANDALE, IOWA**  
Management's Discussion and Analysis  
June 30, 2009 and June 30, 2008

This section of the City of Urbandale's (the City) Comprehensive Annual Financial Report presents management's discussion and analysis of the City's fiscal performance during the fiscal years that ended on June 30, 2009 (FY09) and June 30, 2008 (FY08). It should be read in conjunction with the transmittal letter at the front of this report and the City's financial statements, which immediately follow this section.

**Financial Highlights**

- The assets of the City of Urbandale exceeded its liabilities at the close of FY09 and FY08 by \$118,179,664 and \$110,480,973 (net assets), respectively. Of these amounts, \$17,488,224 and \$13,040,900 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$7,698,691 and \$5,857,441 in FY09 and FY08, respectively. This increase was mostly attributable to increased charges for services from solid waste fees, donated infrastructure and increased property taxes for tax increment debt.
- For FY09 and FY08, the City's governmental funds reported combined ending fund balances of \$19,692,938 and \$17,083,674, respectively. The FY09 fund balance represented an increase of \$2,609,264 and was primarily attributed to a \$2.3 million increase in the tax increment financing fund and \$.6 million increase in general fund balance. These increases were offset by \$.5 million decrease in capital projects fund. The FY08 fund balance represented a decrease of \$601,327 and was primarily attributed to a \$1.6 million decrease in nonmajor governmental funds fund balance and was offset \$.6 and \$.4 million increases in capital projects fund and road use fund balances, respectively.
- At the end of FY09, unreserved fund balance for the general fund was \$7,267,746 or 36.9% of total general fund expenditures. At the end of FY08, unreserved fund balance for the general fund was \$6,651,223 or 35.1% of total general fund expenditures.

**Overview of the Financial Statements**

The basic financial statements consist of four parts:

- Management's Discussion and Analysis (this section),
- Government Wide Financial Statements,
- Fund Financial Statements, and
- Notes to the Financial Statements.

This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

**Government-wide financial statements**

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

**CITY OF URBANDALE, IOWA**  
Management's Discussion and Analysis  
June 30, 2009 and June 30, 2008

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

The Statement of Activities shows how the City's net assets have changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years.

The government-wide financial statements report on functions of the City of Urbandale that are principally supported by taxes and intergovernmental revenues, known as governmental activities. The governmental activities of the City include Public Safety, Public Works, Health and Social Services, Culture and Recreation, Community and Economic Development, General Government and interest and fiscal charges.

The government-wide financial statements may also report the functions that are intended to recover all or a significant portion of their costs through user fees and charges, known as business-type activities. However, the City of Urbandale has no business-type activities to report for fiscal years 2009 and 2008.

The government-wide financial statements include not only the City of Urbandale itself, known as the primary government, but also a legally separate Water Utility for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government. See footnote 1(b) to the financial statements for further information.

The government-wide financial statements can be found on pages 18 through 23 of this report.

**Fund financial statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Urbandale, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

***Governmental funds***

Most of the City's basic services are included in governmental funds, which focus on:

1. The inflows and outflows of cash and other financial assets that can be readily converted to cash, and
2. The balances left at year-end that are available for spending.

The governmental funds statements provide a detailed short-term view of the City of Urbandale's finances, indicating whether more or fewer financial resources can be spent in the near future to finance the City's programs. Since this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided in a reconciliation following the governmental funds statements that explains the relationship (or differences) between them.

The City of Urbandale maintains 21 individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the general fund, road use fund, tax increment financing

**CITY OF URBANDALE, IOWA**  
Management's Discussion and Analysis  
June 30, 2009 and June 30, 2008

fund, debt service fund, and capital projects fund, all of which are considered to be major funds. Data from the other 16 governmental funds are combined into a single aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 24 through 31 of this report.

***Proprietary funds***

The City of Urbandale maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Urbandale uses internal service funds to account for equipment replacement, technology, risk management and the general liability insurance program. Because these services benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

The City maintains four internal service funds, which are presented individually in the combining proprietary fund statements. The summary proprietary fund financial statements can be found on pages 32 through 34 of this report.

***Fiduciary funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Urbandale's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The summary fiduciary funds financial statements can be found on page 35 of this report.

**Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36 through 60 of this report.

**Required Supplementary Information**

The City of Urbandale adopts an annual appropriated budget, prepared on a cash basis. A budgetary comparison statement has been provided on pages 62 through 64 to demonstrate compliance with this legal budget. A reconciliation between the revenues and expenditures, prepared on the modified accrual basis, versus the budget, prepared on the cash basis, is also included. In 2009, the City adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other Than Pensions* and has prepared the schedule of funding progress for the City's other postemployment benefit (OPEB) plan on page 65.

**Other information**

In addition to the financial statements and the accompanying notes, this report also presents certain other supplementary information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information section. Combining fund statements can be found on pages 68 through 80 of this report. Statistical information related to the City's financial position can be found on pages 83 through 95 of this report.

**CITY OF URBANDALE, IOWA**

Management's Discussion and Analysis

June 30, 2009 and June 30, 2008

**Government Wide Financial Analysis**

The following condensed financial information serves as the key financial data and indicators for management, monitoring, and planning. Financial data for FY09, FY08, and FY07 is presented for comparative purposes.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Urbandale, assets exceeded liabilities by \$118,179,664, \$110,480,973, and \$104,623,532 at the close of FY09, FY08, and FY07 respectively.

The largest portion of the City's net assets in FY09 (76.9 %) reflects its investment in capital assets (e.g. land, buildings, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to residents; therefore they are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City's investment in capital assets increased by \$3,647,830 from FY08 to FY09, and increased by \$6,233,072 from FY07 to FY08.

An additional portion of the City's net assets (8.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$17,488,224 may be used to meet the government's ongoing obligations to residents and creditors. In FY08, restricted assets represented (9.2%) of the City's net assets and unrestricted net assets totaled \$13,040,900.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets for the government as a whole, which comprises its governmental activities.

**City of Urbandale Net Assets**

	<b>Governmental Activities</b>	<b>Governmental Activities</b>	<b>Governmental Activities</b>
	<b>2009</b>	<b>2008</b>	<b>2007</b>
	<hr/>	<hr/>	<hr/>
Current assets	\$ 56,206,097	52,219,882	48,488,605
Capital assets	133,827,294	123,864,463	116,536,391
	<hr/>	<hr/>	<hr/>
Total assets	190,033,391	176,084,345	165,024,996
	<hr/>	<hr/>	<hr/>
Long-term liabilities	38,385,237	32,593,036	31,469,905
Other liabilities	33,468,490	33,010,336	28,931,559
	<hr/>	<hr/>	<hr/>
Total liabilities	71,853,727	65,603,372	60,401,464
	<hr/>	<hr/>	<hr/>
Net assets:			
Invested in capital assets, net of related debt	90,892,294	87,244,464	81,011,392
Restricted	9,799,146	10,195,609	10,761,007
Unrestricted	17,488,224	13,040,900	12,851,133
	<hr/>	<hr/>	<hr/>
Total net assets	\$ 118,179,664	110,480,973	104,623,532
	<hr/>	<hr/>	<hr/>

**CITY OF URBANDALE, IOWA**

Management's Discussion and Analysis

June 30, 2009 and June 30, 2008

As noted above, the City's net assets increased by \$7,698,691 from FY08 to FY09. This growth can be attributed to the increase in capital asset investment, net of debt, as well as increases in the fund balance of the tax increment financing fund, which is reflected as unrestricted net assets in the prior table.

**Governmental activities**

Governmental activities increased the City's net assets by \$7,698,691, \$5,857,441, and \$10,655,890 for FY09, FY08, and FY07 respectively. The following table depicts that change in net assets.

**City of Urbandale's Changes in Net Assets**

	<b>Governmental Activities 2009</b>	<b>Governmental Activities 2008</b>	<b>Governmental Activities 2007</b>
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues:			
Program revenues:			
Charge for services	\$ 3,998,599	3,292,601	3,950,617
Operating grants and contributions	3,766,839	3,812,429	3,360,153
Capital grants and contributions	1,928,279	2,346,682	5,269,911
General revenues:			
Taxes	25,200,955	22,804,660	21,720,274
Other	1,131,596	1,437,885	1,587,456
Total revenues	<u>36,026,268</u>	<u>33,694,257</u>	<u>35,888,411</u>
Expenses:			
Public safety	7,516,393	7,663,358	6,594,536
Public works	8,819,908	9,397,720	8,468,881
Health and social services	21,813	58,463	12,993
Culture and recreation	5,969,809	5,856,498	5,449,786
Community and economic development	1,962,340	1,032,369	1,118,862
General government	2,177,622	2,162,208	2,030,465
Interest and fiscal charges	1,859,692	1,666,200	1,556,998
Total expenses	<u>28,327,577</u>	<u>27,836,816</u>	<u>25,232,521</u>
Increase in net assets	7,698,691	5,857,441	10,655,890
Net assets – beginning	<u>110,480,973</u>	<u>104,623,532</u>	<u>93,967,642</u>
Net assets – ending	\$ <u><u>118,179,664</u></u>	<u><u>110,480,973</u></u>	<u><u>104,623,532</u></u>

Key elements of the increase in net assets are as follows:

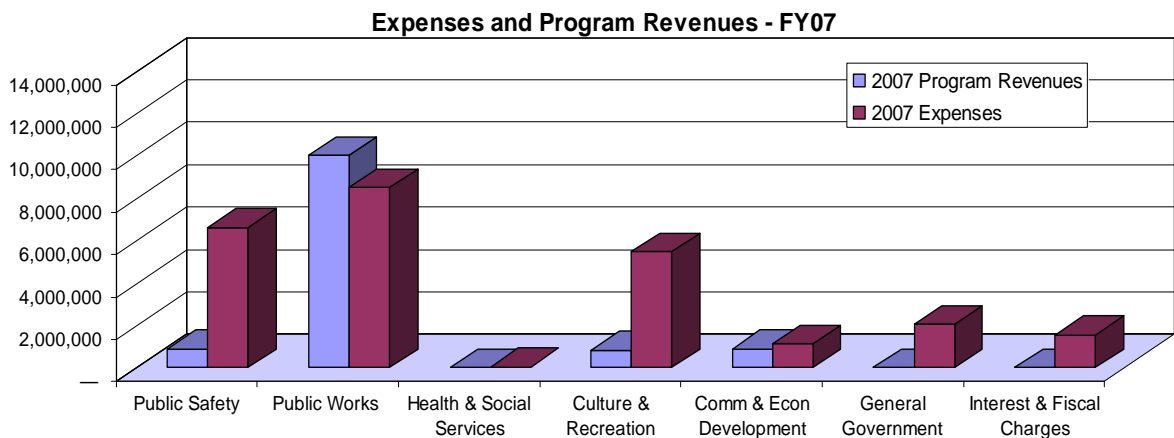
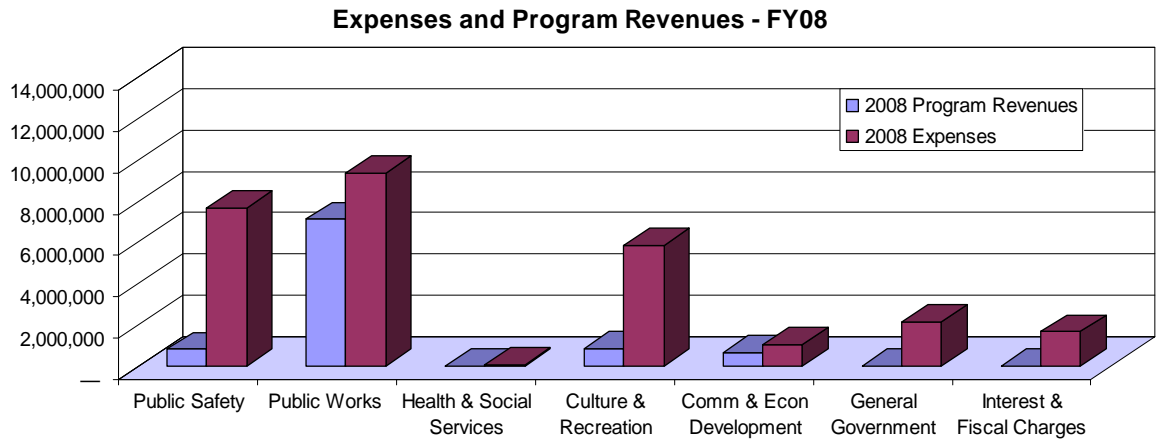
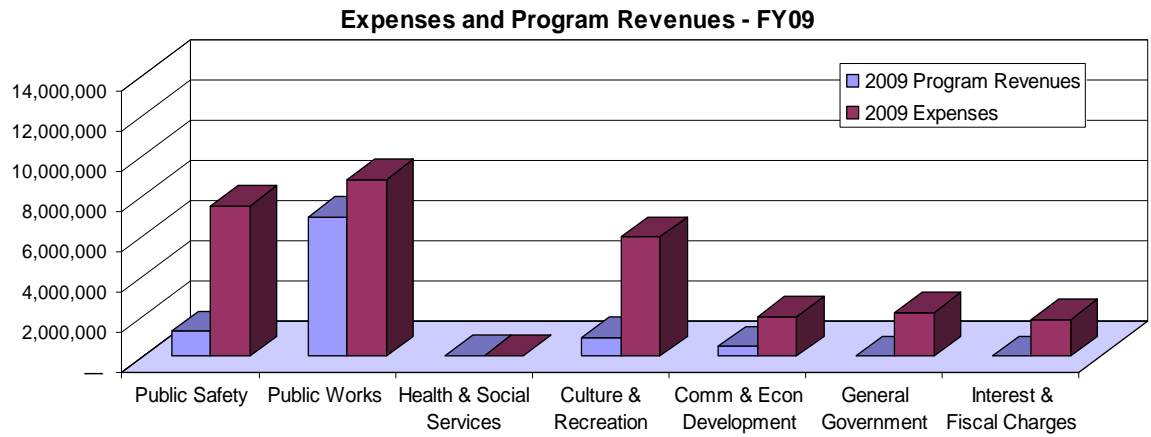
- Charges for services increased by \$705,998 (21.4%) and decreased by \$658,016 (16.7%) during FY09 and FY08, respectively. The FY09 reflects an increase from solid waste monthly fees revenue, but this increase was tempered by the continued slowing in the building permit area due to fewer construction permit issuances and the economy. The FY08 saw a continued decline in the building permit area primarily attributed to the slow down of the construction permit issuances, as well as decreases in special assessment revenues and intergovernmental revenues.

**CITY OF URBANDALE, IOWA**  
Management's Discussion and Analysis  
June 30, 2009 and June 30, 2008

- Total taxes increased by \$2,396,295 (10.0%) and \$1,084,386 (5.0%) during FY09 and FY08, respectively. The receipts for FY09 reflected stable valuation growth within the community along with increased certification in the Northwest Market and Fawn Creek tax increment financing districts. The receipts for FY08 increase is a reflection of continued, but slowing valuation growth within the community.
- Operating grants and contributions decreased \$45,590 (1.2%) in FY09 due partially to lower construction escrow revenues received by the City from developers. These monies are paid to the City to reimburse for costs incurred by the City to complete roads, turn lanes, street signs and lighting for any area that benefits a developer's project. These revenues can fluctuate up and down based on the timing and number of projects in any given year. The decline in escrow funds was offset by increases from intergovernmental revenues in the form of federal police forfeiture funds and FEMA grants. FY08 increased \$452,276 (13.5%) due to increased Road Use taxes received and intergovernmental reimbursements received from winter storm damage cleanup.
- Capital Grants and Contributions decreased \$418,403 (17.8%) in FY09 and \$2,923,229 (55.5%) in FY08 due to fluctuation in infrastructure constructed by private parties (e.g. developers) and donated to the City. These items can fluctuate up and down based on the timing and number of projects completed in any given year. These donations have increased net assets by \$516,852, \$1,327,405, and \$3,525,193, in FY09, FY08, and FY07, respectively.
- Other revenues have decreased \$306,289 (21.3%) in FY09 and \$149,571 (9.4%) in FY08 due to the continued decline in interest rates on investments since early 2008.

**CITY OF URBANDALE, IOWA**  
 Management's Discussion and Analysis  
 June 30, 2009 and June 30, 2008

The following charts depict the expenses and program revenues attributed to each budgetary function for fiscal years 2009, 2008, and 2007:



**CITY OF URBANDALE, IOWA**  
Management's Discussion and Analysis  
June 30, 2009 and June 30, 2008

**Financial Analysis of the Government's Funds**

The City of Urbandale uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

In FY09, FY08, and FY07, the City's governmental funds reported combined fund balances of \$19,692,938, \$17,083,674, and \$17,685,001, respectively. The fluctuations in fund balance can primarily be attributed to the timing of capital improvement projects payments. The increase in fund balances in FY09 is the result of transferring funds being held in the capital projects fund for property tax rebates to the tax increment financing fund due to a change in the state code. In addition, the following changes in fund balances should be noted:

- The general fund balance increased by \$633,000 (9.5%) and \$7,807 (0.1%) in FY09 and FY08, respectively. The City has seen stable, but continued growth of property tax base from the record construction growth in FY05, FY04 and FY03, and continues to see decreasing investment income as a result of decreasing interest rates. A \$2 per household per month increase in garbage service fees have also contributed to the \$1.2 million in general fund revenues. Additionally, expenditures in the public safety, culture and recreation, and community and economic development functions were less than anticipated. Together, these have resulted in a positive change in the general fund balance at year end.
- The road use tax fund balance for the decreased \$180,113 (18.4%) and increased \$399,031 (69.1%) in FY09 and FY08, respectively. The FY09 decrease represents lower than anticipated road use tax receipts and council approved funding for an unanticipated storm sewer project. The increase in FY08 can be primarily attributed to the return of funds originally transferred into the capital projects fund in the prior year for a street project. These funds were returned to the road use tax fund because other debt-financed street projects realized cost savings and those excess bond funds were able to be shifted to finance this and other ongoing street improvement projects.
- The fund balance for the tax increment financing (TIF) fund increased \$2,321,502 (14,954.3%) in FY09 and \$7,372 (90.4%) in FY08. This fund has in prior years been used as a flow-through for the TIF funds received during the year, such that at year end the fund balance should be zero unless there are revenues received after year end that relate to the current fiscal year, and are therefore accrued under the modified accrual basis of accounting. In 2009, the State of Iowa code changed such that the TIF fund was required to only transfer out portions of TIF receipts that were being used to make debt service payments (required to be paid from debt service fund). Any other TIF expenses are now required to be paid directly out of the TIF fund. The City has historically used the capital projects fund to pay expenses related to TIF, so all TIF funds held in capital projects fund were transferred into the TIF fund.
- The fund balance of the debt service fund increased by \$51,225 (25.7%) in FY09 and decreased by \$51,108 (20.4%) in FY08. The FY09 increase is due primarily to the higher property tax receipts and an increase in TIF revenues being collected and transferred to debt service fund to fund TIF supported debt payments. The FY08 decrease was attributable to lower than budgeted interest earnings.
- The \$573,951 (7.3%) decrease in the capital projects fund balance is primarily attributable to timing of project payments. Project expenditures were up \$2.66 million over FY08 due to several significant paving projects being underway. In FY08, the \$590,750 (8.1%) increase in the capital projects fund balance is primarily attributable to transfers of escrowed funds from developers from the nonmajor governmental funds for projects that were beginning and in process during the year. These funds are

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held in the donations and escrow fund until such time that the project gets underway and at that time, the funds are transferred into the capital projects fund for expenditure.

- As mentioned in the previous section, the \$357,601 (27.2%) increase in the nonmajor governmental funds is primarily attributable to the increase in federal police forfeiture receipts. In FY08, the \$1,555,179 (54.2%) decrease was primarily attributable to the transfer out of escrowed funds from developers into the capital projects fund.

**Proprietary funds**

Unrestricted net assets of the proprietary funds were \$7,429,675, \$6,235,869 and \$5,208,627, in FY09, FY08, and FY07, respectively. An additional \$2,315,240, \$2,510,114, and \$2,445,403 in FY09, FY08, and FY07, respectively, of net assets was restricted for funds invested in capital assets of the equipment replacement fund. In FY09 and FY08, the increase in net assets for the proprietary funds resulted from lower than anticipated insurance claims paid in the risk management fund and increased premiums for insurance in the risk management and general liability funds.

**Budgetary Highlights (FY09)**

Differences between the original budget and the final amended budget amounted to a \$4,658,013 increase in appropriations and can be briefly summarized as follows:

- \$3,850,000 for capital improvement projects that were anticipated to be completed ahead of schedule
- \$211,000 for unbudgeted State and Federal forfeiture funds received
- \$182,000 for unanticipated overtime costs and materials costs associated with storm clean-up efforts
- \$101,913 for grant related computer and material purchases in Library
- \$100,000 for Memorial Tree Park improvements made as a result of donated funds
- \$60,000 for unanticipated fire station building repairs
- \$58,100 for purchasing unbudgeted fire turnout gear and equipment with grant funds
- \$50,000 for higher than anticipated utility costs for street lighting
- \$30,000 for unanticipated storm sewer repairs
- \$15,000 for playground safety tile installation purchased with grant funds

The revised expenditures were offset by \$101,913 in library grant funds, \$30,000 in solid waste grant funds, \$151,100 in FEMA grant funds, \$211,000 in State and Federal forfeiture funds, \$100,000 in private donations, \$60,000 from ambulance fees, \$15,000 in state DNR grants, \$3,850,000 in available capital projects fund balance, and \$139,000 in available road use fund balance. These revenue sources were not anticipated in the adopted fiscal year operating budget. Including these adjustments, actual disbursements were \$6,759,406 less than final budget amounts. The City did not exceed budgeted amounts in any of its functions.

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**Budgetary Highlights (FY08)**

Differences between the original budget and the final amended budget amounted to a \$588,200 increase in appropriations and can be briefly summarized as follows:

- \$118,600 for unbudgeted State and Federal forfeiture funds purchases
- \$105,600 for grant related computer and material purchases in Library
- \$100,000 for unanticipated overtime and fuel costs associated with winter storm clean-up efforts
- \$76,000 for higher than anticipated WestCom operating costs
- \$57,100 for contributions to outside agencies due to higher than anticipated Hotel/Motel tax receipts
- \$31,000 for completing the 142<sup>nd</sup> street resurfacing project
- \$27,000 for senior center programming costs
- \$21,500 for higher than anticipated utility, legal and equipment repair costs
- \$19,000 for additional crossing guards required for new elementary school
- \$19,000 for police training and equipment for additional police officers
- \$10,000 for unbudgeted fire equipment and building repairs
- \$3,400 for police equipment and defibrillator purchases resulting from donated monies

The revised expenditures were offset by \$105,600 in library grant funds, \$57,100 in Hotel/Motel receipts, \$94,500 in solid waste grant funds, \$76,000 in EMS service revenues, \$30,000 in court fines, \$60,800 in FEMA grant funds, \$51,000 in additional road use tax revenue, \$27,000 from senior center program revenues, \$18,000 in vehicle impound and storage fees, \$118,600 in State and Federal forfeiture funds, \$3,400 in private donations, \$35,700 from available road use fund balance, and \$5,000 in available general fund balance. These revenue sources were not anticipated in the adopted fiscal year operating budget. Including these adjustments, actual disbursements were \$6,915,229 less than final budget amounts. The City did not exceed budgeted amounts in any of its functions.

Budget to actual schedules for the City are located on pages 62 through 64 of this report.

**Capital Asset and Debt Administration**

***Capital assets***

In FY09, FY08, and FY07, the City had invested \$170,330,799, \$156,689,747, and \$146,226,554, respectively, in a broad range of capital assets, including land, public buildings and improvements, machinery and equipment, art work, and infrastructure (streets, parks, trails, and traffic safety equipment). This amount represents a net increase, including additions and deletions, of \$13,641,052, \$10,463,193, and \$10,910,467, respectively. The value of these capital assets, net of depreciation at June 30, 2009, 2008, and 2007, is depicted below.

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**City of Urbandale's Capital Assets**  
(net of depreciation)

	<u>Governmental Activities</u>	<u>Governmental Activities</u>	<u>Governmental Activities</u>
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Land	\$ 5,972,873	5,332,415	5,332,415
Buildings and improvements	22,214,452	21,575,362	19,499,018
Machinery and equipment	9,686,905	9,402,137	9,276,200
Artwork	253,150	253,150	253,150
Infrastructure	116,948,147	107,323,421	105,788,181
Share of undivided equity interest assets	771,680	629,921	550,980
Construction in progress	14,483,592	12,173,341	5,526,610
Total	\$ 170,330,799	156,689,747	146,226,554
Accumulated depreciation	(36,503,505)	(32,825,284)	(29,690,163)
	<u>\$ 133,827,294</u>	<u>123,864,463</u>	<u>116,536,391</u>

This year's major capital asset additions included:

- The ongoing construction of the 156<sup>th</sup> Street paving and bridge projects (\$4.3 million)
- The ongoing construction of the 128<sup>th</sup> Street paving project (\$2.2 million)
- The ongoing construction of Plum Drive paving project (\$1.2 million)
- The ongoing installation of the Meredith Drive traffic signal project (\$1.2 million)
- The ongoing renovation of the police station (\$672,500)
- The ongoing construction of the 74<sup>th</sup> & Goodman paving project (\$531,000)
- The donation of construction improvements by private parties (\$516,900)
- The completion of swimming pool renovation project (\$465,600)
- The purchase of land for future public works/parks maintenance facility (\$404,400)
- The completion of the Douglas Parkway paving project (\$256,600)
- The purchase of 142<sup>nd</sup> street right of way (\$236,100)
- The completion of the 72<sup>nd</sup> street paving project (\$230,600)
- The completion of the 104<sup>th</sup> & Douglas Avenue turn lane paving project (\$206,300)
- The ongoing construction of the 70<sup>th</sup> & Hickman Road turn lane project (\$203,600)

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Additional information on the City's capital assets can be found in the footnote section of this report.

**Long-term debt**

In FY09, FY08, and FY07 the City had total long-term debt of \$43,270,000, \$37,061,934, and \$35,538,731, respectively. Of these amounts, \$38,290,000, \$31,710,000, and \$30,145,000 represented general obligation bond debt. Another \$955,000, \$1,055,000, and \$1,115,000 represented outstanding certificates of participation debt. The City also had \$3,985,000, \$4,290,000, and \$4,265,000 of general obligation General Fund capital loan notes. Finally, \$0, \$6,934, and \$13,731 represented outstanding government loans payable. All of this debt was backed by the City's full faith and credit.

	<u>Balance</u> <u>June 30, 2008</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2009</u>
General obligation bonds	\$ 31,710,000	16,995,000	10,415,000	\$ 38,290,000
General obligation certificates of participation	1,055,000	—	60,000	995,000
General obligation General Fund capital loan notes	4,290,000	—	305,000	3,985,000
Government loans payable	6,934	—	6,934	—
	<u>\$ 37,061,934</u>	<u>16,995,000</u>	<u>10,786,934</u>	<u>\$ 43,270,000</u>
	<u>Balance</u> <u>June 30, 2007</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2008</u>
General obligation bonds	\$ 30,145,000	7,005,000	5,440,000	\$ 31,710,000
General obligation certificates of participation	1,115,000	—	60,000	1,055,000
General obligation General Fund capital loan notes	4,265,000	300,000	275,000	4,290,000
Government loans payable	13,731	—	6,797	6,934
	<u>\$ 35,538,731</u>	<u>7,305,000</u>	<u>5,781,797</u>	<u>\$ 37,061,934</u>
	<u>Balance</u> <u>June 30, 2006</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2007</u>
General obligation bonds	\$ 30,585,000	4,385,000	4,825,000	\$ 30,145,000
General obligation certificates of participation	1,170,000	—	55,000	1,115,000
General obligation General Fund capital loan notes	2,445,000	1,985,000	165,000	4,265,000
Government loans payable	20,395	—	6,664	13,731
	<u>\$ 34,220,395</u>	<u>6,370,000</u>	<u>5,051,664</u>	<u>\$ 35,538,731</u>

During FY09 and FY08, the City's total debt increased by \$6,208,066 and \$1,523,203, respectively. The key factors in these increases for FY09 were \$12,225,000 in general obligation bond and \$4,770,000 in general obligation refunding bonds and in FY08 \$7,305,000 in general obligation bond and general obligation general fund capital loan notes for various improvement projects.

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In FY09, these projects included:

- The refunding of Series 1995, 1999, 2000 and 2001 general obligation bonds
- The construction of: Clive trail connection (\$278,000), 128<sup>th</sup> Street trail (\$66,400), 86<sup>th</sup> and Northpark turn lanes (\$453,800), 100<sup>th</sup> Street extension (\$715,200), and Douglas and 100<sup>th</sup> Street turn lanes (\$130,000)
- The paving of: 72<sup>nd</sup> Street (\$230,000), 74<sup>th</sup> and Goodman (\$660,300), The improvement of 70<sup>th</sup> Street and Hickman Road intersection (\$64,000), 128<sup>th</sup> Street (\$3,035,800), and 156<sup>th</sup> Street (\$5,470,600)
- The asphalt overlay of Meredith Drive (\$248,000)
- Concrete patching and street rehabilitation at various locations (\$202,000)
- The installation of sidewalks (\$150,000)
- The reconstruction of the Walker Johnston Park tennis courts (\$140,400)
- The installation of a traffic signals at Douglas and 104<sup>th</sup> Street (\$140,000)
- The installation of street lighting along 128<sup>th</sup> Street (\$90,000)

In FY08, these projects included:

- The paving of: Douglas Parkway (\$1,976,400), Northpark Drive extension (\$785,000), 156<sup>th</sup> Street north of Douglas Avenue (\$300,000), 111<sup>th</sup> Street (\$175,000), and 74<sup>th</sup> Street and Goodman (\$50,000)
- The construction of: the 156<sup>th</sup> Street bridge over Little Walnut Creek (\$1,221,900), Douglas Parkway trail (\$226,200), Raccoon River Valley trail connection (\$206,000), Walnut Creek Regional Park trail (\$100,000), 142<sup>nd</sup> Street widening (\$185,000), and 86<sup>th</sup> Street & Northpark Drive turn lanes (\$36,700)
- The installation of a traffic signals at: 82<sup>nd</sup> Street and Hickman Road (\$125,000), and 72<sup>nd</sup> Street and Meredith Drive (\$10,000)
- The construction and remodeling of the police station (\$975,000)
- The purchase of a fire ladder truck (\$750,000)
- The installation of sidewalks (\$60,000)
- The improvement of 70<sup>th</sup> Street and Hickman Road intersection (\$25,000)

The City of Urbandale maintains an Aa2 rating from Moody's Investors Service for its general obligation debt. This rating was most recently affirmed on September 22, 2009.

State statutes limit the amount of debt that a governmental entity may issue to 5% of the actual value of property within the corporate limits. The current debt limitation for the City of Urbandale is \$150,914,675, which is in excess of the City's current outstanding debt.

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Additional information on the City's long-term debt can be found in note 5 on pages 48 through 52 of this report.

**Economic Factors and Next Year's Budget and Rates**

- In 2009, the City will issue an estimated 120 single-family residential permits, which is up from the 105 single-family permits that were issued in 2008. Most of the increase was focused in the last quarter of 2009, suggesting increased optimism in the local building industry since fall permitting anticipates spring sales. In addition single-family inventory had been mostly sold out by the end of 2009, from about 270 units found in a City analysis in July 2008 down to 45 single-family homes by the end of 2009. A total of 235 single-family permits were issued in 2007, compared to above-average permitting of 346 single-family homes in 2006, and 562 in 2005.
- Residential construction has increased the City's population to 38,369 residents according to a July, 2008 Census estimate, making Urbandale the second-fastest growing city in Iowa since the 2000 Census in terms of population gain. A Special Census in 2005 counted 35,904 residents, and the City's 2000 Census population was 29,072 residents.
- The last quarter of 2008 saw a very rapid suspension of commercial and industrial development that carried over into 2009, with an estimated 70 permits with an estimated valuation of \$20.33 million being issued. The number of commercial and industrial permits had remained steady for the whole of 2008 in spite of the 4<sup>th</sup> quarter decline, with issuance of 108 permits carrying a valuation of \$45,111,000. 2008 had the appearance of being a record year for permit valuation before the cancellation of a few projects in the 4<sup>th</sup> quarter due to the worsening national economic news, but still was at a near-record valuation for any prior year with the exception of 2007's record valuation. A total of 112 commercial and industrial permits with a record value of \$82,012,000 were issued in 2007.

All of these factors were considered in preparing the City of Urbandale's budget for fiscal year 2010. The fiscal year 2010 budget anticipated an increase of \$1,382,523 (3.9%) in expenditures over the fiscal year 2009 adopted budget. Of this total, operating expenses will be increased by \$1,145,720 (4.0%), and debt service expenses will be increased by \$236,803 (3.2%). The adopted expenditures for fiscal year 2009 will not require any change in the general tax levy rate of \$7.17. The City's combined tax levy rate is \$9.22/\$1,000 valuation.

The FY10 budget anticipates the creation of three new full time positions in the City. These additions, as well as increases in salary and benefit costs for existing employees will increase personnel costs by approximately \$879,201 (6.3%) in FY10. Additionally, a \$2.00 increase in the monthly solid waste collection fee will be implemented. Other factors impacting the FY10 budget include the financing of infrastructure maintenance and improvement projects, the increasing cost of fuel, the introduction of new technologies in a number of departments, the funding of several business expansion CEBA grant projects, and operating equipment purchases in several departments.

**Contacting the City's Financial Management**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the City Manager's Office, 3600 86<sup>th</sup> Street, Urbandale, Iowa, 50322.



**CITY OF URBANDALE, IOWA**

Statement of Net Assets

June 30, 2009

	<b>Primary Government</b>	
	<b>Governmental Activities</b>	<b>Component Unit</b>
	<hr/>	<hr/>
<b>Assets</b>		
Current assets:		
Cash and pooled cash investments	\$ 28,187,620	49,679
Cash equivalents	—	1,677,934
Restricted cash	—	495,140
Accounts receivable	277,609	680,850
Taxes receivable:		
Current	860,676	—
Succeeding year	23,953,986	—
Special assessments receivable:		
Current	470,939	—
Succeeding year	379,642	—
Accrued interest	16,693	4,410
Due from other governments	1,165,971	1,000
Due from component unit	10,493	—
Due from primary government	—	8,652
Loan receivable	500,000	—
Inventories	148,201	91,317
Discount on bonds and deferred issuance costs	234,267	—
Restricted assets - due from primary government	—	420
Prepaid expense and other assets	—	37,847
	<hr/>	<hr/>
Total current assets	56,206,097	3,047,249
	<hr/>	<hr/>
Noncurrent assets:		
Capital assets		
Equipment	9,686,905	789,002
Buildings	19,516,017	1,181,173
Distribution system	—	26,643,381
Improvements other than building	2,698,435	—
Land	5,972,873	—
Construction in progress	14,483,592	103,710
Artwork	253,150	—
Infrastructure	116,948,147	—
Share of undivided equity interest assets	771,680	—
Accumulated depreciation	(36,503,505)	(7,881,120)
	<hr/>	<hr/>
Total capital assets	133,827,294	20,836,146
	<hr/>	<hr/>
Total assets	\$ 190,033,391	23,883,395
	<hr/>	<hr/>

**CITY OF URBANDALE, IOWA**

Statement of Net Assets

June 30, 2009

	<b>Primary Government</b>	
	<b>Governmental Activities</b>	<b>Component Unit</b>
	<hr/>	<hr/>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 2,764,658	112,181
Water revenue bonds payable	—	170,000
General obligation bonds payable	5,240,000	—
Certificate of participation payable	65,000	—
Capital loan note payable	310,000	—
Interest payable	126,230	11,050
Compensation and payroll taxes	494,784	39,244
Compensated absences - current	513,832	71,775
Due to City of Urbandale	—	10,494
Due to other governments	—	386,764
Customer deposits payable - restricted	—	58,640
Unearned revenue for succeeding year	23,953,986	—
	<hr/>	<hr/>
Total current liabilities	33,468,490	860,148
Noncurrent liabilities:		
Water revenue bonds payable	—	3,230,000
General obligation bond payable	33,050,000	—
Certificate of participation payable	930,000	—
Capital loan note payable	3,675,000	—
Other postemployment benefits	49,987	8,890
Compensated absences	680,250	102,239
	<hr/>	<hr/>
Total noncurrent liabilities	38,385,237	3,341,129
Total liabilities	<hr/>	<hr/>
	71,853,727	4,201,277
<b>Net Assets</b>		
Invested in capital assets, net of related debt	90,892,294	17,486,181
Restricted:		
For capital projects	7,332,633	—
Purpose restricted by legislation	1,346,443	—
Donor restricted purposes	1,120,070	—
Unrestricted	17,488,224	2,245,972
	<hr/>	<hr/>
Total net assets	\$ 118,179,664	19,732,153
	<hr/>	<hr/>

See accompanying notes to financial statements.

**CITY OF URBAN DALE, IOWA**

Statement of Net Assets

June 30, 2008

	<u>Primary Government</u>	
	<u>Governmental</u>	<u>Component</u>
	<u>Activities</u>	<u>Unit</u>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and pooled cash investments	\$ 25,917,490	113,132
Cash equivalents	—	2,217,892
Restricted cash	—	508,766
Accounts receivable	148,561	675,780
Taxes receivable:		
Current	723,840	—
Succeeding year	23,779,335	—
Special assessments receivable:		
Current	430,903	—
Succeeding year	330,388	—
Accrued interest	63,132	17,384
Due from other governments	499,614	—
Due from component unit	14,594	—
Due from primary government	—	2,884
Inventories	98,349	118,627
Discount on bonds and deferred issuance costs	213,676	—
Restricted assets - due from primary government	—	140
Prepaid expense and other assets	—	38,789
	<hr/>	<hr/>
Total current assets	52,219,882	3,693,394
<b>Noncurrent assets:</b>		
Capital assets		
Equipment	9,402,137	657,305
Buildings	19,516,017	1,181,173
Distribution system	—	25,756,469
Improvements other than building	2,059,345	—
Land	5,332,415	—
Construction in progress	12,173,341	—
Artwork	253,150	—
Infrastructure	107,323,421	—
Share of undivided equity interest assets	629,921	—
Accumulated depreciation	(32,825,284)	(7,296,366)
	<hr/>	<hr/>
Total capital assets	123,864,463	20,298,581
	<hr/>	<hr/>
Total assets	\$ 176,084,345	23,991,975

**CITY OF URBANDALE, IOWA**

Statement of Net Assets

June 30, 2008

	<b>Primary Government</b>	
	<b>Governmental Activities</b>	<b>Component Unit</b>
	<hr/>	<hr/>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 2,966,828	69,272
Water revenue bonds payable	—	165,000
General obligation bonds payable	4,880,000	—
Certificate of participation payable	60,000	—
Capital loan note payable	305,000	—
Government loan payable	6,934	—
Interest payable	122,824	11,586
Compensation and payroll taxes	383,497	30,563
Compensated absences - current	505,919	66,079
Due to City of Urbandale	—	14,594
Due to other governments	—	417,359
Customer deposits payable - restricted	—	71,870
Unearned revenue for succeeding year	23,779,334	—
	<hr/>	<hr/>
Total current liabilities	33,010,336	846,323
Noncurrent liabilities:		
Water revenue bonds payable	—	3,400,000
General obligation bond payable	26,830,000	—
Certificate of participation payable	995,000	—
Capital loan note payable	3,985,000	—
Compensated absences	783,036	74,142
	<hr/>	<hr/>
Total noncurrent liabilities	32,593,036	3,474,142
Total liabilities	<hr/>	<hr/>
	65,603,372	4,320,465
	<hr/>	<hr/>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	87,244,464	16,733,581
Restricted:		
For capital projects	7,906,584	—
Purpose restricted by legislation	1,365,854	—
Donor restricted purposes	923,171	—
Unrestricted	13,040,900	2,937,929
	<hr/>	<hr/>
Total net assets	\$ 110,480,973	19,671,510
	<hr/>	<hr/>

See accompanying notes to financial statements.

**CITY OF URBANDALE, IOWA**

Statement of Activities

Year Ended June 30, 2009

					<u>Net (Expense) Revenue and Changes in Net Assets</u>	
	<u>Program Revenues</u>				<u>Primary Government</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities Total</u>	<u>Component Unit</u>
<b>Primary government</b>						
Governmental activities:						
Public safety	\$ 7,516,393	808,148	445,527	—	(6,262,718)	—
Public works	8,819,908	2,014,238	3,006,709	1,928,279	(1,870,682)	—
Health and social services	21,813	—	34,241	—	12,428	—
Culture and recreation	5,969,809	683,512	280,362	—	(5,005,935)	—
Community and economic development	1,962,340	492,701	—	—	(1,469,639)	—
General government	2,177,622	—	—	—	(2,177,622)	—
Interest and fiscal charges	1,859,692	—	—	—	(1,859,692)	—
Total governmental activities	<u>28,327,577</u>	<u>3,998,599</u>	<u>3,766,839</u>	<u>1,928,279</u>	<u>(18,633,860)</u>	<u>—</u>
 <b>Component unit</b>						
Urbandale Water Utility	\$ <u>6,094,811</u>	<u>4,988,245</u>	<u>320,950</u>	<u>664,210</u>		<u>(121,406)</u>
 <b>General Revenues:</b>						
Taxes:						
Property tax				\$ 18,768,124		
Tax increment financing district tax				4,400,172		
Hotel Motel tax				1,064,797		
Franchise taxes				411,915		
Utility excise tax				<u>555,947</u>		
Total taxes					25,200,955	—
Interest					772,232	14,358
Miscellaneous					<u>359,364</u>	<u>117,656</u>
Total general revenues					<u>26,332,551</u>	<u>132,014</u>
Changes in net assets					7,698,691	10,608
Net assets - beginning					<u>110,480,973</u>	<u>19,671,510</u>
Net assets - ending					\$ <u>118,179,664</u>	<u>19,682,118</u>

See accompanying notes to financial statements.

**CITY OF URBANDALE, IOWA**

Statement of Activities

Year Ended June 30, 2008

				<u>Net (Expense) Revenue and Changes in Net Assets</u>	
				<u>Primary Government</u>	
				<u>Governmental Activities Total</u>	<u>Component Unit</u>
		<u>Program Revenues</u>			
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>		
<b>Primary government</b>					
Governmental activities:					
Public safety	\$ 7,663,358	767,670	46,516	—	(6,849,172)
Public works	9,397,720	1,265,580	3,513,630	2,346,682	(2,271,828)
Health and social services	58,463	—	—	—	(58,463)
Culture and recreation	5,856,498	595,242	252,283	—	(5,008,973)
Community and economic development	1,032,369	664,109	—	—	(368,260)
General government	2,162,208	—	—	—	(2,162,208)
Interest and fiscal charges	1,666,200	—	—	—	(1,666,200)
Total governmental activities	<u>27,836,816</u>	<u>3,292,601</u>	<u>3,812,429</u>	<u>2,346,682</u>	<u>(18,385,104)</u>
<b>Component unit</b>					
Urbandale Water Utility	\$ <u>6,152,661</u>	<u>5,136,566</u>	<u>399,501</u>	<u>403,993</u>	<u>(212,601)</u>
<b>General Revenues:</b>					
Taxes:					
Property tax			\$ 17,953,587		
Tax increment financing district tax			2,835,582		
Hotel Motel tax			1,207,270		
Franchise taxes			262,803		
Utility excise tax			<u>545,418</u>		
Total taxes				22,804,660	—
Interest				1,253,439	97,673
Miscellaneous				184,446	299,926
Total general revenues				<u>24,242,545</u>	<u>397,599</u>
Changes in net assets				5,857,441	184,998
Net assets - beginning				<u>104,623,532</u>	<u>19,486,512</u>
Net assets - ending				<u>\$ 110,480,973</u>	<u>19,671,510</u>

See accompanying notes to financial statements.

**CITY OF URBAN DALE, IOWA**

Balance Sheet

Governmental Funds

June 30, 2009

	<u>General Fund</u>	<u>Road Use Tax Fund</u>	<u>Tax Increment Financing Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>							
Cash and pooled cash investments	\$ 7,387,938	634,746	2,302,192	187,425	8,294,189	1,685,271	20,491,761
Taxes receivable:							
Current	191,127	243,056	93,314	61,147	—	272,032	860,676
Succeeding year	15,991,548	—	3,173,571	4,788,867	—	—	23,953,986
Special assessments receivable:							
Current	—	—	—	249,574	221,365	—	470,939
Succeeding years	—	—	—	49,214	330,428	—	379,642
Accounts receivable	253,335	6,755	—	—	—	—	260,090
Accrued interest	16,693	—	—	—	—	—	16,693
Due from component unit	9,204	1,289	—	—	—	—	10,493
Due from other governments	55,903	1,722	—	—	1,107,369	977	1,165,971
Loan receivable	—	—	—	—	500,000	—	500,000
Inventories	38,615	109,586	—	—	—	—	148,201
Total assets	\$ <u>23,944,363</u>	<u>997,154</u>	<u>5,569,077</u>	<u>5,336,227</u>	<u>10,453,351</u>	<u>1,958,280</u>	<u>48,258,452</u>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 184,207	166,614	58,480	—	2,055,306	16,348	2,480,955
Compensation and payroll taxes	411,999	31,606	—	—	—	—	443,605
Employee benefits	48,858	2,321	—	—	—	—	51,179
Deferred revenue	1,390	—	—	296,955	1,065,412	272,032	1,635,789
Deferred revenue for succeeding years	15,991,548	—	3,173,571	4,788,867	—	—	23,953,986
Total liabilities	<u>16,638,002</u>	<u>200,541</u>	<u>3,232,051</u>	<u>5,085,822</u>	<u>3,120,718</u>	<u>288,380</u>	<u>28,565,514</u>
<b>Fund balances</b>							
Reserved for encumbrances	—	—	—	—	3,347,694	—	3,347,694
Reserved for inventories	38,615	109,586	—	—	—	—	148,201
Reserved for debt service	—	—	—	250,405	—	—	250,405
Reserved for note receivable	—	—	—	—	500,000	—	500,000
Unreserved, reported in:							
General fund	7,267,746	—	—	—	—	—	7,267,746
Special revenue funds	—	687,027	2,337,026	—	3,484,939	1,669,900	8,178,892
Total fund balances	<u>7,306,361</u>	<u>796,613</u>	<u>2,337,026</u>	<u>250,405</u>	<u>7,332,633</u>	<u>1,669,900</u>	<u>19,692,938</u>
Total liabilities and fund balances	\$ <u>23,944,363</u>	<u>997,154</u>	<u>5,569,077</u>	<u>5,336,227</u>	<u>10,453,351</u>	<u>1,958,280</u>	<u>48,258,452</u>

See accompanying notes to financial statements.

**CITY OF URBANDALE, IOWA**

Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets

June 30, 2009

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

Total fund balances – governmental funds		\$ 19,692,938
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in Governmental funds:		
Capital assets	\$ 164,449,785	
Less accumulated depreciation	<u>(32,937,731)</u>	131,512,054
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds		1,635,789
Debt issuance costs are reported as "other financing uses" in the governmental funds, but as unamortized assets or liabilities in the statement of net assets		
Unamortized general obligation bond issuance expense		234,267
Internal service funds are used by management to charge the costs of equipment replacement, technology, general liability insurance, and the risk management program to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		
Cash	7,695,859	
Due from customers	17,519	
Capital assets, net of accumulated depreciation	2,315,240	
Accounts payable	<u>(283,703)</u>	9,744,915
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
General obligation bonds payable	38,290,000	
Certificate of participation payable	995,000	
Capital loan note	3,985,000	
Accrued interest on the bonds and certificates	126,230	
Other postemployment benefits	49,987	
Compensated absences	<u>1,194,082</u>	<u>(44,640,299)</u>
Net assets of governmental activities		<u>\$ 118,179,664</u>

See accompanying notes to financial statements.

**CITY OF URBANDALE, IOWA**

Balance Sheet

Governmental Funds

June 30, 2008

	<u>General Fund</u>	<u>Road Use Tax Fund</u>	<u>Tax Increment Financing Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>							
Cash and pooled cash investments	\$ 7,286,897	801,637	—	168,933	9,943,084	1,346,059	19,546,610
Taxes receivable:							
Current	102,126	246,274	15,524	30,247	—	329,669	723,840
Succeeding year	14,807,038	—	4,433,546	4,538,751	—	—	23,779,335
Special assessments receivable:							
Current	—	—	—	242,141	188,762	—	430,903
Succeeding years	—	—	—	—	330,388	—	330,388
Accounts receivable	131,194	—	—	—	—	—	131,194
Accrued interest	63,132	—	—	—	—	—	63,132
Due from component unit	10,728	3,866	—	—	—	—	14,594
Due from other governments	184,854	—	—	—	310,989	3,771	499,614
Inventories	22,138	76,211	—	—	—	—	98,349
<b>Total assets</b>	<b>\$ 22,608,107</b>	<b>1,127,988</b>	<b>4,449,070</b>	<b>4,980,072</b>	<b>10,773,223</b>	<b>1,679,499</b>	<b>45,617,959</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 619,067	120,920	—	—	2,036,500	37,531	2,814,018
Compensation and payroll taxes	312,008	28,345	—	—	—	—	340,353
Employee benefits	41,147	1,997	—	—	—	—	43,144
Deferred revenue	155,486	—	—	242,141	830,139	329,669	1,557,435
Deferred revenue for succeeding years	14,807,038	—	4,433,546	4,538,751	—	—	23,779,335
<b>Total liabilities</b>	<b>15,934,746</b>	<b>151,262</b>	<b>4,433,546</b>	<b>4,780,892</b>	<b>2,866,639</b>	<b>367,200</b>	<b>28,534,285</b>
<b>Fund balances</b>							
Reserved for encumbrances	—	—	—	—	7,906,584	—	7,906,584
Reserved for inventories	22,138	76,211	—	—	—	—	98,349
Reserved for debt service	—	—	—	199,180	—	—	199,180
Unreserved, reported in:							
General fund	6,651,223	—	—	—	—	—	6,651,223
Special revenue funds	—	900,515	15,524	—	—	1,312,299	2,228,338
<b>Total fund balances</b>	<b>6,673,361</b>	<b>976,726</b>	<b>15,524</b>	<b>199,180</b>	<b>7,906,584</b>	<b>1,312,299</b>	<b>17,083,674</b>
<b>Total liabilities and fund balances</b>	<b>\$ 22,608,107</b>	<b>1,127,988</b>	<b>4,449,070</b>	<b>4,980,072</b>	<b>10,773,223</b>	<b>1,679,499</b>	<b>45,617,959</b>

**CITY OF URBANDALE, IOWA**

Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets

June 30, 2008

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

Total fund balances – governmental funds		\$	17,083,674
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in Governmental funds:			
Capital assets	\$	151,072,448	
Less accumulated depreciation		<u>(29,718,530)</u>	121,353,918
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds			1,557,435
Debt issuance costs are reported as "other financing uses" in the governmental funds, but as unamortized assets or liabilities in the statement of net assets			
Unamortized general obligation bond issuance expense			213,676
Internal service funds are used by management to charge the costs of equipment replacement, technology, general liability insurance, and the risk management program to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.			
Cash		6,370,880	
Due from customers		17,799	
Capital assets, net of accumulated depreciation		2,510,114	
Accounts payable		<u>(152,810)</u>	8,745,983
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
General obligation bonds payable		31,710,000	
Certificate of participation payable		1,055,000	
Capital loan note		4,290,000	
Government loan payable		6,934	
Accrued interest on the bonds and certificates		122,824	
Compensated absences		<u>1,288,955</u>	<u>(38,473,713)</u>
Net assets of governmental activities			\$ <u><u>110,480,973</u></u>

See accompanying notes to financial statements.

**CITY OF URBANDALE, IOWA**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2009**

	<u>General Fund</u>	<u>Road Use Tax Fund</u>	<u>Tax Increment Financing Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>							
Taxes	\$ 15,629,354	—	4,400,172	4,632,648	—	596,418	25,258,592
Special assessments	—	—	—	35,269	247,527	—	282,796
Licenses and permits	588,471	—	—	—	—	—	588,471
Use of money and property	164,263	—	38,488	54,900	306,699	14,942	579,292
Intergovernmental	536,437	2,988,543	—	—	1,122,789	348,703	4,996,472
Charges for services	3,067,070	—	—	—	—	—	3,067,070
Miscellaneous	319,324	—	—	—	56,079	—	628,722
<b>Total revenues</b>	<u>20,304,919</u>	<u>2,988,543</u>	<u>4,438,660</u>	<u>4,722,817</u>	<u>1,733,094</u>	<u>1,213,382</u>	<u>35,401,415</u>
<b>Expenditures</b>							
Current operating expenditures:							
Public safety	7,651,990	—	—	—	—	185,393	7,837,383
Public works	3,111,161	3,168,656	—	—	—	—	6,279,817
Health and social services	21,263	—	—	—	—	—	21,263
Culture and recreation	5,248,357	—	—	—	—	662,188	5,910,545
Community and economic development	1,041,575	—	—	—	—	200	1,041,775
General government	2,129,304	—	—	—	—	—	2,129,304
Capital outlay	—	—	966,789	—	12,990,044	—	13,956,833
Debt service:							
Principal	265,000	—	—	5,790,000	—	—	6,055,000
Interest	211,269	—	—	1,618,962	—	—	1,830,231
<b>Total expenditures</b>	<u>19,679,919</u>	<u>3,168,656</u>	<u>966,789</u>	<u>7,408,962</u>	<u>12,990,044</u>	<u>847,781</u>	<u>45,062,151</u>
Excess (deficiency) of revenues over (under) expenditures	<u>625,000</u>	<u>(180,113)</u>	<u>3,471,871</u>	<u>(2,686,145)</u>	<u>(11,256,950)</u>	<u>365,601</u>	<u>(9,660,736)</u>
Other financing sources (uses):							
General obligation bond issuance	—	—	—	—	12,225,000	—	12,225,000
Refunding bond issuance	—	—	—	4,743,905	26,095	—	4,770,000
Current refunding of general obligation debt	—	—	—	(4,725,000)	—	—	(4,725,000)
Transfers in	8,000	—	1,368,096	2,718,465	—	—	4,094,561
Transfers out	—	—	(2,518,465)	—	(1,568,096)	(8,000)	(4,094,561)
<b>Total other financing sources (uses)</b>	<u>8,000</u>	<u>—</u>	<u>(1,150,369)</u>	<u>2,737,370</u>	<u>10,682,999</u>	<u>(8,000)</u>	<u>12,270,000</u>
<b>Net changes in fund balances</b>	<u>633,000</u>	<u>(180,113)</u>	<u>2,321,502</u>	<u>51,225</u>	<u>(573,951)</u>	<u>357,601</u>	<u>2,609,264</u>
Fund balances at beginning of year	6,673,361	976,726	15,524	199,180	7,906,584	1,312,299	17,083,674
Fund balances at end of year	<u>\$ 7,306,361</u>	<u>796,613</u>	<u>2,337,026</u>	<u>250,405</u>	<u>7,332,633</u>	<u>1,669,900</u>	<u>19,692,938</u>

See accompanying notes to financial statements.

**CITY OF URBANDALE, IOWA**

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Governmental Funds to the Statement of Activities

Year ended June 30, 2009

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

Net change in fund balances – governmental funds	\$	2,609,264
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.		
Capital outlays	\$	13,932,490
Depreciation expense		<u>(3,409,167)</u>
		10,523,323
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.		(365,187)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		78,354
In the statement of activities, certain operating expenses— compensated absences and other postemployment benefits – are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (the amount actually paid). The current year difference is (\$89,992) for vacation expense, (\$4,881) for sick leave expense, and \$49,987 for other postemployment benefits.		44,886
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.		10,780,000
Issuance of bond principal, net of premium/discount, is an “other financing source” in the governmental funds, but it increases long-term liabilities in the statement of net assets and does not affect the statement of activities.		(16,948,492)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		(3,406)
Bond issuance costs and discounts are reported as “other financing uses” and expenditures in the governmental funds at the time of issuance. In the government-wide financial statements, these costs are amortized over the life of the debt issue.		(25,917)
Repayment of government loan principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.		6,934
An internal service fund is used by the City's management to charge the costs of equipment replacement, technology, general liability insurance, and the risk management program to the individual funds. The net gain of the internal service funds is reported with governmental activities.		<u>998,932</u>
Change in net assets of governmental activities	\$	<u><u>7,698,691</u></u>

See accompanying notes to financial statements.

**CITY OF URBANDALE, IOWA**  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2008

	<u>General Fund</u>	<u>Road Use Tax Fund</u>	<u>Tax Increment Financing Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>							
Taxes	\$ 14,882,041	—	2,835,582	4,366,550	—	687,264	22,771,437
Special assessments	—	—	—	41,322	132,416	—	173,738
Licenses and permits	805,474	—	—	—	—	—	805,474
Use of money and property	325,643	—	—	95,079	536,469	16,861	974,052
Intergovernmental	341,380	3,137,217	—	—	686,891	—	4,165,488
Charges for services	2,366,423	—	—	—	—	106,946	2,473,369
Miscellaneous	341,312	—	—	—	280,811	214,773	836,896
Total revenues	<u>19,062,273</u>	<u>3,137,217</u>	<u>2,835,582</u>	<u>4,502,951</u>	<u>1,636,587</u>	<u>1,025,844</u>	<u>32,200,454</u>
<b>Expenditures</b>							
Current operating expenditures:							
Public safety	7,491,697	—	—	—	—	108,197	7,599,894
Public works	2,883,986	3,014,146	—	—	—	—	5,898,132
Health and social services	57,913	—	—	—	—	—	57,913
Culture and recreation	4,925,133	—	—	—	—	724,500	5,649,633
Community and economic development	1,023,428	—	—	—	—	32,173	1,055,601
General government	2,097,042	—	—	—	—	—	2,097,042
Capital outlay	—	—	—	—	10,334,941	—	10,334,941
Debt service:							
Principal	255,000	—	—	5,520,000	—	—	5,775,000
Interest	218,059	—	—	1,420,566	—	—	1,638,625
Total expenditures	<u>18,952,258</u>	<u>3,014,146</u>	<u>—</u>	<u>6,940,566</u>	<u>10,334,941</u>	<u>864,870</u>	<u>40,106,781</u>
Excess (deficiency) of revenues over (under) expenditures	<u>110,015</u>	<u>123,071</u>	<u>2,835,582</u>	<u>(2,437,615)</u>	<u>(8,698,354)</u>	<u>160,974</u>	<u>(7,906,327)</u>
Other financing sources (uses):							
General obligation bond issuance	—	—	—	—	7,305,000	—	7,305,000
Transfers in	4,050	275,960	—	2,386,507	3,842,777	13,673	6,522,967
Transfers out	(106,258)	—	(2,828,210)	—	(1,858,673)	(1,729,826)	(6,522,967)
Total other financing sources (uses)	<u>(102,208)</u>	<u>275,960</u>	<u>(2,828,210)</u>	<u>2,386,507</u>	<u>9,289,104</u>	<u>(1,716,153)</u>	<u>7,305,000</u>
Net changes in fund balances	7,807	399,031	7,372	(51,108)	590,750	(1,555,179)	(601,327)
Fund balances at beginning of year	6,665,554	577,695	8,152	250,288	7,315,834	2,867,478	17,685,001
Fund balances at end of year	<u>\$ 6,673,361</u>	<u>976,726</u>	<u>15,524</u>	<u>199,180</u>	<u>7,906,584</u>	<u>1,312,299</u>	<u>17,083,674</u>

See accompanying notes to financial statements.

**CITY OF URBANDALE, IOWA**

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Governmental Funds to the Statement of Activities

Year ended June 30, 2008

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

Net change in fund balances, as restated – governmental funds	\$	(601,327)
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.</p>		
Capital outlays	\$	10,334,941
Depreciation expense		<u>(3,311,289)</u>
		7,023,652
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.		239,278
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(139,585)
In the statement of activities, certain operating expenses-- compensated absences – are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (the amount actually paid). The current year difference is \$104,119 for vacation expense, and \$32,294 for sick leave expense.		(216,366)
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.		5,775,000
Issuance of bond principal, net of premium/discount, is an “other financing source” in the governmental funds, but it increases long-term liabilities in the statement of net assets and does not affect the statement of activities.		(7,294,661)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		(4,435)
Bond issuance costs and discounts are reported as “other financing uses” and expenditures in the governmental funds at the time of issuance. In the government-wide financial statements, these costs are amortized over the life of the debt issue.		(22,865)
Repayment of government loan principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.		6,797
An internal service fund is used by the City's management to charge the costs of equipment replacement, technology, general liability insurance, and the risk management program to the individual funds. The net gain of the internal service funds is reported with governmental activities.		<u>1,091,953</u>
Change in net assets of governmental activities	\$	<u><u>5,857,441</u></u>

See accompanying notes to financial statements.

**CITY OF URBANDALE, IOWA**

Statement of Net Assets –  
Proprietary Funds  
June 30, 2009

	<b>Assets</b>	<b>Total Governmental activities - Internal Service Funds</b>
Current assets:		
Cash and pooled cash investments		\$ 7,695,859
Accounts receivable		17,519
Capital assets, net		<u>2,315,240</u>
Total assets		<u>\$ 10,028,618</u>
	<b>Liabilities</b>	
Current liabilities:		
Accounts payable		<u>283,703</u>
Total liabilities		<u>\$ 283,703</u>
	<b>Net Assets</b>	
Net assets:		
Invested in capital assets		\$ 2,315,240
Unrestricted		<u>7,429,675</u>
Total net assets		<u>\$ 9,744,915</u>

Statement of Net Assets –  
Proprietary Funds  
June 30, 2008

	<b>Assets</b>	<b>Total Governmental activities - Internal Service Funds</b>
Current assets:		
Cash and pooled cash investments		\$ 6,370,880
Accounts receivable		17,799
Capital assets, net		<u>2,510,114</u>
Total assets		<u>\$ 8,898,793</u>
	<b>Liabilities</b>	
Current liabilities:		
Accounts payable		<u>152,810</u>
Total liabilities		<u>\$ 152,810</u>
	<b>Net Assets</b>	
Net Assets		
Invested in capital assets		\$ 2,510,114
Unrestricted		<u>6,235,869</u>
Total net assets		<u>\$ 8,745,983</u>

See accompanying notes to financial statements.

**CITY OF URBANDALE, IOWA**

Statement of Revenues, Expenses, and Changes in  
Net Assets – Proprietary Funds

Year Ended June 30, 2009

	<b>Total Governmental activities - Internal Service Funds</b>
Operating revenues:	
Charges for services	\$ 3,400,348
Other	279,764
Total operating revenues	<u>3,680,112</u>
Operating expenses:	
Insurance premiums and claims	2,265,821
Data processing	468
Depreciation	643,813
Total operating expenses	<u>2,910,102</u>
Operating income	<u>770,010</u>
Nonoperating revenues (expenses):	
Interest income	192,940
Contributed capital	41,223
Gain (loss) on sale of equipment	(5,241)
Total nonoperating revenues (expenses)	<u>228,922</u>
Change in net assets	998,932
Net assets at beginning of year	<u>8,745,983</u>
Net assets at end of year	\$ <u><u>9,744,915</u></u>

Statement of Revenues, Expenses, and Changes in  
Net Assets – Proprietary Funds

Year Ended June 30, 2008

	<b>Total Governmental activities - Internal Service Funds</b>
Operating revenues:	
Charges for services	\$ 3,285,715
Other	163,487
Total operating revenues	<u>3,449,202</u>
Operating expenses:	
Insurance premiums and claims	2,092,117
Data processing	5,320
Depreciation	625,299
Total operating expenses	<u>2,722,736</u>
Operating income	<u>726,466</u>
Nonoperating revenues:	
Interest income	279,387
Gain on sale of equipment	86,100
Total nonoperating revenues	<u>365,487</u>
Change in net assets	1,091,953
Net assets at beginning of year	<u>7,654,030</u>
Net assets at end of year	\$ <u><u>8,745,983</u></u>

See accompanying notes to financial statements.

**CITY OF URBAN DALE, IOWA**

Statement of Cash Flows–  
Proprietary Funds

Year Ended June 30, 2009

	<b>Total Governmental activities - Internal Service Funds</b>
Cash flows from operating activities:	
Receipts from customers and users	\$ 3,680,392
Payments to suppliers	<u>(2,268,824)</u>
Net cash provided by operating activities	<u>1,411,568</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	(283,629)
Proceeds from sale of capital assets	<u>4,100</u>
Net cash used in capital and related financing activities	<u>(279,529)</u>
Cash flows from investing activities:	
Interest on investments	<u>192,940</u>
Net increase in cash and cash equivalents	1,324,979
Cash and cash equivalents at beginning of year	<u>6,370,880</u>
Cash and cash equivalents at end of year	\$ <u><u>7,695,859</u></u>
Reconciliation of operating loss to net cash provided by operating activities	
Operating income	\$ 770,010
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	643,813
Change in accounts receivable	280
Change in accounts payable and accrued liability	<u>(2,535)</u>
Net cash provided by operating activities	\$ <u><u>1,411,568</u></u>

Statement of Cash Flows–  
Proprietary Funds

Year Ended June 30, 2008

	<b>Total Governmental activities - Internal Service Funds</b>
Cash flows from operating activities:	
Receipts from customers and users	\$ 3,432,017
Payments to suppliers	<u>(2,094,627)</u>
Net cash provided by operating activities	<u>1,337,390</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	(1,073,470)
Proceeds from sale of capital assets	<u>86,100</u>
Net cash used in capital and related financing activities	<u>(987,370)</u>
Cash flows from investing activities:	
Interest on investments	<u>279,387</u>
Net increase in cash and cash equivalents	629,407
Cash and cash equivalents at beginning of year	<u>5,741,473</u>
Cash and cash equivalents at end of year	\$ <u><u>6,370,880</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 726,466
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	625,299
Change in accounts receivable	(5,646)
Change in deferred revenue	(11,539)
Change in accounts payable and accrued liability	<u>2,810</u>
Net cash provided by operating activities	\$ <u><u>1,337,390</u></u>

**CITY OF URBAN DALE, IOWA**

Statement of Fiduciary Net Assets

June 30, 2009

<b>Assets</b>	<b>Total Agency Funds</b>
Cash and pooled cash investments	\$ 1,254,640
Other assets	38,970
Total assets	\$ <u>1,293,610</u>
<b>Liabilities</b>	
Liabilities:	
Due to component unit	\$ 9,072
Due to other governments	346,340
Deposits and remittances due	938,198
Total liabilities	\$ <u>1,293,610</u>

Statement of Fiduciary Net Assets

June 30, 2008

<b>Assets</b>	<b>Total Agency Funds</b>
Cash and pooled cash investments	\$ 1,263,513
Other assets	40,300
Total assets	\$ <u>1,303,813</u>
<b>Liabilities</b>	
Liabilities:	
Due to component unit	\$ 3,024
Due to other governments	342,981
Deposits and remittances due	957,808
Total liabilities	\$ <u>1,303,813</u>

See accompanying notes to financial statements.

**CITY OF URBANDALE, IOWA**

Notes to Financial Statements

June 30, 2009 and 2008

**(1) Summary of Significant Accounting Policies**

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

**(a) *The Financial Reporting Entity***

The City of Urbandale, Iowa, (the City) is located in Polk County and was incorporated in 1917 under the laws of the state of Iowa (the State), later amended in July 1975 under the Home Rule City Act. The City operates by ordinance under the mayor-council-manager form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the City and its inhabitants.

In accordance with the *Codification of Governmental Accounting and Financial Reporting Standards*, the basic financial statements include all funds, organizations, agencies, boards, commissions, and authorities for which the City is financially accountable. The reporting entity includes those of the City of Urbandale (the Primary Government) and its Component Unit. The City has also considered all other potential 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 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 that organization to provide specific benefits to or impose specific financial burdens on the City. Based on these criteria, there are no organizations or agencies other than the Component Unit which should be included in these basic financial statements.

**(b) *Discretely Presented Component Unit***

The Component Unit column in the financial statements presents the financial data of the Urbandale Water Utility (the Water Utility). The Water Utility is governed by a three-member board appointed by the City Council (the Council), and the Water Utility's operating budget is subject to the approval of the Council. Accordingly, financial accountability exists and the Water Utility is presented in the reporting entity, although it is legally separate from the City. The Water Utility provides water service exclusively to the citizens of Urbandale on behalf of the City. Complete financial statements of the Water Utility can be obtained directly from its administrative office at the following address:

Urbandale Water Utility  
3720 86th Street  
Urbandale, Iowa 50322

**(c) *Measurement Focus, Basis of Accounting and Basis of Presentation***

Under GASB 34, the annual financial report will now include two separate sets of statements, the government-wide financial statements and the fund financial statements. The measurement focus, basis of accounting and basis of presentation differ between the government-wide financial statements and the fund financial statements. These differences, along with an explanation of the differing purposes and information provided by these separate financial statements, are described in the sections below.

## CITY OF URBANDALE, IOWA

### Notes to Financial Statements

June 30, 2009 and 2008

**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. The structure of the government-wide financial statements is described in the following two paragraphs.

*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.

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

*The Statement of Activities* – 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** - The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

#### **Governmental Funds**

Governmental Fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. The current financial resources measurement focus results in the reporting of only near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. Under the modified accrual basis of

## CITY OF URBANDALE, IOWA

### Notes to Financial Statements

June 30, 2009 and 2008

accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers property tax revenues to be available if they are collected within 60 days after year-end. Other revenues are considered to be available if they are expected to be received within 60 days. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes, investment earnings, and charges for services. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Fines, forfeitures, licenses, and permit revenues are recorded when the City receives cash because they are generally not measurable until actually received. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met as long as they have met the available and measurable criteria.

Property tax receivable is recognized at the time an enforceable legal claim is established, which is March 15, the date that the tax asking is certified by the County Board of Supervisors. Delinquent property taxes are not material and are not recorded as receivables. The succeeding year property tax receivable represents taxes certified by the City to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the City is required to certify its budget in March 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 and will not be recognized as revenue until the year for which it is levied.

Property taxes are levied on July 1 and are payable in two installments on September 30 and March 31 of the fiscal year with a 1½% per month penalty for delinquent payments; are based on January 1, 2007 assessed property valuations; are for the tax accrual period July 1, 2008 through June 30, 2009; and reflect the tax asking contained in the budget certified by the City in March, 2008.

The City reports the following major governmental funds:

*General Fund* – used to account for the general operations of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Many of the more important activities of the City, including operation of the City’s general service departments, street and highway maintenance, public safety, sanitation, parks, library, and recreation programs, are accounted for in this fund.

*Road Use Tax Fund* – utilized to account for the operations of street maintenance. Financing is provided by the City’s share of state gasoline taxes, which are received on a per capita basis. State law requires these revenues to be received and disbursed in a special revenue fund.

*Tax Increment Financing Fund* – used to account for revenues from the tax authorized by ordinance in the urban renewal district and used to pay the principal and interest on the

## CITY OF URBANDALE, IOWA

### Notes to Financial Statements

June 30, 2009 and 2008

general obligation capital loan notes and other indebtedness incurred for urban renewal redevelopment projects.

*Debt Service Fund* – utilized to account for the funding and payment of interest and principal of general obligation debt of the City.

*Capital Projects Fund* – used to account for all resources used in the acquisition and construction of capital facilities and other capital assets, with the exception of those that are financed through internal service funds.

### **Proprietary Funds**

The proprietary funds are used to account for a government's ongoing operations and activities which are similar to those often found in the private sector. The proprietary funds use the *economic resources measurement focus* and the *accrual basis of accounting*. The economic resources measurement focus results in the reporting of all inflows, outflows, and balances affecting or reflecting the fund net assets. Under 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. Proprietary funds distinguish operating revenues and expenses from nonoperating items.

Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges for services. Operating expenses include the cost of services and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The following comprises the City's proprietary funds, none of which are designated as major funds:

*General Liability Fund* – an internal service fund utilized to finance and account for the City's property and casualty and workers compensation insurance transactions.

*Risk Management Fund* – an internal service fund utilized to finance and account for the transactions related to the City's dental, life, long-term disability and self-insured employee health insurance plans.

*Equipment Replacement Fund* – an internal service fund utilized to finance and account for the acquisition of capital assets for designated departments within the City.

*Technology Fund* – an internal service fund utilized to finance and account for the acquisition of major technology-related capital assets that are not funded through the Capital Projects or Equipment Replacement funds.

### **Fiduciary Funds**

The fiduciary funds are used to account for assets held as an agent for others in an agency capacity. The agency funds are custodial in nature and do not present results of operations. The funds are accounted for using the accrual basis of accounting, with no measurement focus. The City has the following fiduciary funds:

*Collections and Deposits Fund* – an agency fund utilized to finance and account for refundable deposits and other flow-through funds collected by the City to be paid out to another party.

## CITY OF URBANDALE, IOWA

### Notes to Financial Statements

June 30, 2009 and 2008

*Revolving Loan Fund* – an agency fund utilized to fund economic development loans and account for repayments of principal and interest from borrowers.

**(d) Use of Estimates**

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

**(e) Encumbrances**

The fund balances in the governmental funds are charged for encumbrances when commitments are made. Fund balances are reserved for outstanding encumbrances, because the City intends to honor these purchase commitments. The City does not treat encumbrances as expenditures for GAAP purposes.

**(f) Fund Balance Reserves**

Governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assets not available for spending in the subsequent year's budget are long-term and subsequent years' receivables, inventories, and prepaid items.

**(g) Cash and Pooled Cash Investments**

Except for the Component Unit, the City maintains a cash and investment pool that is available for use by all funds. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with maturities of three months or less from the date of acquisition. These pooled deposits are invested on a short-term basis, and interest income is generally allocated to each participating fund based upon the percentage of its average balance.

The City's investments are all participating interest-earning contracts with maturities at purchase of less than one year, and are carried at amortized cost as permitted by Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

For purposes of the statement of cash flows, the proprietary funds consider all investments with a maturity of three months or less when purchased to be cash equivalents.

Cash equivalents of the Component Unit include a money market account and an investment in the Iowa Public Agency Investment Trust (IPAIT), which is valued at amortized cost pursuant to Rule 27a-7 under the Investment Company Act of 1940, and is not subject to risk categorization. IPAIT was established under Iowa law to authorize cities, counties, and municipal utilities to jointly invest. IPAIT invests only in permitted investments as specified for public agencies by Iowa law. The board of trustees of IPAIT meets quarterly to monitor investment compliance and performance.

**CITY OF URBANDALE, IOWA**

Notes to Financial Statements

June 30, 2009 and 2008

**(h) Inventories**

Inventories of materials and supplies are valued at average cost. Inventories are recorded as an expenditure at the time of consumption.

**(i) Unbilled Revenues**

Utilizing the first billing subsequent to year-end, the Component Unit accrues unbilled revenues for services rendered subsequent to the last billing date and prior to year-end based upon the number of days unbilled.

**(j) Capital Assets**

Capital assets, which include real property, equipment and vehicles, artwork, buildings, infrastructure assets (e.g. roads, bridges, curbs, gutters, sidewalks and similar items which are immovable and of value only to the government), and the City's share of assets in an undivided equity interest, are reported in the governmental activities column 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 \$2,000 and estimated useful lives in excess of one year.

Capital assets are depreciated using the straight-line method over their estimated useful lives. Capital assets not being depreciated include land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building	50
Improvements other than buildings	5 – 30
Vehicles and equipment	3 – 20
Distribution system	50
Artwork	20
Infrastructure	10 – 65
Share of undivided equity interest assets	5 – 15

**(k) Deferred Revenues**

Although certain revenues are measurable, they are not available. Available means collected within the current period, or expected to be collected soon enough thereafter, to be used to pay liabilities of the current period. Deferred revenue at the fund level represents the amount of assets that have been recognized, but the related revenue has not been recognized since it is not available. Deferred revenue at the fund level consists of the succeeding year property tax receivable and other receivables not collected within sixty days after year-end. Unearned revenue at the government-wide level consists of the succeeding year property tax receivable.

**CITY OF URBANDALE, IOWA**

Notes to Financial Statements

June 30, 2009 and 2008

**(l) Long-Term Debt**

In the government-wide financial statements, long-term debt obligations are reported as liabilities in the statement of net assets. Bonds payable are reported net of the applicable bond premium or discount. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, in the period issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources and discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as expenditures. Interest is reported as an expenditure in the period in which the related payment is made.

**(m) Compensated Absences**

City employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination, death, or retirement. Accumulated vacation and sick leave is reported as an expense and an accrued liability as the benefits accrue to employees in the government-wide financial statements as well as in the Component Unit. A liability for these amounts is reported in the governmental funds only if benefits have matured as a result of employee resignations and retirements.

**(n) Self-insurance**

The City is partially self-insuring for employee health insurance through stop-loss insurance, which provides coverage for claims in excess of \$35,000 per employee and \$1,563,000 and \$1,552,000 in the aggregate for June 30, 2009 and 2008, respectively. The operating funds are charged premiums (based upon historical claim experience) by the Risk Management Fund, which is accounted for as an Internal Service Fund. The accrued liability for estimated claims represents an estimate, based on actuarial valuation, of the eventual loss on claims arising prior to year-end, including claims incurred but not yet reported, and is classified with accounts payable.

The table below presents the changes in claim liabilities for the past two years for the City's employee health insurance.

	<u>2009</u>	<u>2008</u>
Unpaid claims and claim adjustment expenses at beginning of the fiscal year	\$ 140,000	145,000
Incurred claims and claim adjustment expenses	1,212,066	1,079,611
Payments	<u>(1,202,066)</u>	<u>(1,084,611)</u>
Total unpaid claims and claim adjustment expenses at end of the fiscal year	\$ <u>150,000</u>	<u>140,000</u>

## CITY OF URBANDALE, IOWA

### Notes to Financial Statements

June 30, 2009 and 2008

#### (2) Cash and Pooled Cash Investments and Cash Equivalents

The City's and its Component Unit's deposits at June 30, 2009 and 2008 were entirely covered by federal depository insurance, collateralized with securities or letters of credit held by the City or the City's agent in the City's name, or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The investment interest income of the Road Use Tax Fund has been assigned to the City's General Fund.

The City is authorized by state statute to invest public funds in interest bearing savings, money market, or checking accounts at a bank, savings and loan association or credit union in the State of Iowa that is approved by the Council and the Treasurer of the State of Iowa, 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 Council and the Treasurer of the State of Iowa; The Iowa Public Agency Investment Trust (IPAIT), perfected repurchase agreements; and certain registered open-end management investment companies.

Certificates of deposit, money market funds, and obligations of the United States government are classified as cash and pooled cash investments in the financial statements and are included with bank deposits in this note. The cash equivalents of the City's non-fiduciary funds at June 30, 2009 and 2008 are \$28,187,620 and \$25,917,490, respectively. The City's agency funds had cash and pooled cash investments of \$1,254,640 and \$1,263,513 at June 30, 2009 and 2008 respectively.

Included in the City's cash equivalents total noted above, are investments in money market mutual funds totaling \$449,352 and \$0 at June 30, 2009, and June 30, 2008, respectively. These funds are invested in US government obligations and repurchase agreements collateralized by US Government obligations. These money market mutual funds are not rated and do not have a stated maturity date.

At June 30, 2009 and 2008 cash equivalents of the Component Unit include a money market account of \$1,600,123 and \$2,155,280 respectively, and an investment in the Iowa Public Agency Investment Trust (IPAIT) \$136,030, and \$134,342 respectively, which is valued at amortized cost pursuant to Rule 27a-7 under the Investment Company Act of 1940, and is not subject to risk categorization. Additionally, there are two Certificates of Deposit totaling \$411,700.

*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.

*Credit risk.* The City's investment policy prohibits investments in commercial paper and other corporate debt. The Component Unit's investment in Iowa Public Agency Investment Trust is unrated. IPAIT was established under Iowa law to authorize cities, counties, and municipal utilities to jointly invest. IPAIT invests only in permitted investments as specified for public agencies by Iowa law. The board of trustees of IPAIT meets quarterly to monitor investment compliance and performance. All other investments held by the City at June 30, 2009 and 2008 are in certificates of deposit, money market accounts, money market

**CITY OF URBANDALE, IOWA**

Notes to Financial Statements

June 30, 2009 and 2008

mutual funds, and obligations of the United States government held with depository institutions approved by the Council.

*Concentration of credit risk.* The City places dollar limits, ranging from \$6 - \$14 million, on the amount that may be invested in any one approved depository institution. The City also has a diversification policy to reduce risk of loss resulting from over concentration of assets in a specific maturity, a specific issue, or a specific class of securities.

*Custodial credit risk - deposits.* This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposits are 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.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City held no such investments during the year.

**(3) Restricted Assets**

Customer deposits, a sinking fund and a reserve fund as defined by the Component Unit's water revenue bond covenants are separately disclosed in the balance sheet of the Component Unit.

**CITY OF URBANDALE, IOWA**

Notes to Financial Statements

June 30, 2009 and 2008

**(4) Capital Assets**

Capital assets activity for the Primary Government for the year ended June 30, 2009 and 2008 is as follows:

	<u>July 1, 2008</u>			<u>June 30, 2009</u>
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Capital assets not being depreciated:				
Land	\$ 5,124,042	404,352	—	5,528,394
Construction in progress	12,173,341	12,524,165	10,213,914	14,483,592
Right of way	208,373	236,106	—	444,479
Total capital assets not being depreciated	<u>17,505,756</u>	<u>13,164,623</u>	<u>10,213,914</u>	<u>20,456,465</u>
Capital assets being depreciated:				
Equipment	9,402,137	598,901	314,133	9,686,905
Buildings	19,516,017	—	—	19,516,017
Improvements other than buildings	2,059,345	650,169	11,079	2,698,435
Artwork	253,150	—	—	253,150
Infrastructure	107,323,421	9,624,726	—	116,948,147
Share of undivided equity interest assets	629,921	217,120	75,361	771,680
Total capital assets being depreciated	<u>139,183,991</u>	<u>11,090,916</u>	<u>400,573</u>	<u>149,874,334</u>
Less accumulated depreciation for:				
Equipment	4,651,483	951,240	292,979	5,309,744
Buildings	3,513,004	389,634	—	3,902,638
Improvements other than buildings	622,334	110,650	11,079	721,905
Artwork	95,144	12,658	—	107,802
Infrastructure	23,494,143	2,527,194	—	26,021,337
Share of undivided equity interest assets	449,176	61,604	70,701	440,079
Total accumulated depreciation	<u>32,825,284</u>	<u>4,052,980</u>	<u>374,759</u>	<u>36,503,505</u>
Total capital assets, net	\$ <u>123,864,463</u>	<u>20,202,559</u>	<u>10,239,728</u>	<u>133,827,294</u>

**CITY OF URBANDALE, IOWA**

Notes to Financial Statements

June 30, 2009 and 2008

	<u>July 1, 2007</u>			<u>June 30, 2008</u>
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Capital assets not being depreciated:				
Land	\$ 5,124,042	—	—	5,124,042
Construction in progress	5,526,610	8,927,708	2,280,977	12,173,341
Right of way	208,373	—	—	208,373
Total capital assets not being depreciated	<u>10,859,025</u>	<u>8,927,708</u>	<u>2,280,977</u>	<u>17,505,756</u>
Capital assets being depreciated:				
Equipment	9,276,200	945,006	819,069	9,402,137
Buildings	17,442,877	2,073,140	—	19,516,017
Improvements other than buildings	2,056,141	52,170	48,966	2,059,345
Artwork	253,150	—	—	253,150
Infrastructure	105,788,181	1,535,240	—	107,323,421
Share of undivided equity interest assets	550,980	78,941	—	629,921
Total capital assets being depreciated	<u>135,367,529</u>	<u>4,684,497</u>	<u>868,035</u>	<u>139,183,991</u>
Less accumulated depreciation for:				
Equipment	4,509,327	934,213	792,057	4,651,483
Buildings	3,154,107	358,897	—	3,513,004
Improvements other than buildings	530,143	101,169	8,978	622,334
Artwork	82,487	12,657	—	95,144
Infrastructure	21,037,612	2,456,531	—	23,494,143
Share of undivided equity interest assets	376,487	72,689	—	449,176
Total accumulated depreciation	<u>29,690,163</u>	<u>3,936,156</u>	<u>801,035</u>	<u>32,825,284</u>
Total capital assets, net	\$ <u>116,536,391</u>	<u>9,676,049</u>	<u>2,347,977</u>	<u>123,864,463</u>

Depreciation expense of \$4,052,980 and \$3,936,156 for the years ended June 30, 2009 and 2008, respectively, was charged to the following governmental functions:

	<u>2009</u>	<u>2008</u>
Public safety	\$ 551,577	478,883
Public works	2,877,587	2,852,501
Health & Social	550	550
Culture and recreation	465,489	441,172
Community and economic development	23,425	24,529
General government	134,352	138,521
Total depreciation expense	\$ <u>4,052,980</u>	<u>3,936,156</u>

**CITY OF URBANDALE, IOWA**

Notes to Financial Statements

June 30, 2009 and 2008

Capital asset activity for the Component Unit for the years ended June 30, 2009 and 2008 is as follows:

	<b>2009</b>			
	<b>July 1, 2008 Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2009 Balance</b>
Capital assets being depreciated:				
Equipment	\$ 657,305	164,979	33,282	789,002
Buildings	1,181,173	—	—	1,181,173
Distribution system	25,756,469	959,798	72,886	26,643,381
Construction in progress	—	399,298	295,588	103,710
Total capital assets being depreciated	<u>27,594,947</u>	<u>1,524,075</u>	<u>401,756</u>	<u>28,717,266</u>
Less accumulated depreciation for:				
Equipment	428,415	80,869	33,282	476,002
Buildings	438,341	30,617	—	468,958
Distribution system	6,429,610	529,401	22,851	6,936,160
Total accumulated depreciation	<u>7,296,366</u>	<u>640,887</u>	<u>56,133</u>	<u>7,881,120</u>
Total capital assets, net	<u>\$ 20,298,581</u>	<u>883,188</u>	<u>345,623</u>	<u>20,836,146</u>
	<b>2008</b>			
	<b>July 1, 2007 Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2008 Balance</b>
Capital assets being depreciated:				
Equipment	\$ 640,867	32,322	15,884	657,305
Buildings	1,181,173	—	—	1,181,173
Distribution system	21,358,569	4,494,244	96,344	25,756,469
Construction in progress	3,390,317	—	3,390,317	—
Total capital assets being depreciated	<u>26,570,926</u>	<u>4,526,566</u>	<u>3,502,545</u>	<u>27,594,947</u>
Less accumulated depreciation for:				
Equipment	380,890	63,409	15,884	428,415
Buildings	407,724	30,617	—	438,341
Distribution system	5,946,981	511,557	28,928	6,429,610
Total accumulated depreciation	<u>6,735,595</u>	<u>605,583</u>	<u>44,812</u>	<u>7,296,366</u>
Total capital assets, net	<u>\$ 19,835,331</u>	<u>3,920,983</u>	<u>3,457,733</u>	<u>20,298,581</u>

**CITY OF URBANDALE, IOWA**

Notes to Financial Statements

June 30, 2009 and 2008

**(5) Long-Term Obligations**

**(a) General Obligation Bonds**

Details of general obligation bonds payable at June 30, 2009 and 2008 are as follows:

	<u>Date of Issue</u>	<u>Interest Rates</u>	<u>Final Due Date</u>	<u>Annual Principal Payments</u>	<u>Amount Originally Issued</u>	<u>Amount Outstanding June 30, 2009</u>	<u>Amount Outstanding June 30, 2008</u>
Street, fire, and refunding	11/01/95	4.90 to 5.25	6/11	350,000 to 400,000	\$ 3,835,000	—	1,150,000
Street	10/01/98	4.35 to 4.40	6/09	225,000 to 350,000	2,535,000	—	225,000
Library/Misc.	08/01/99	4.60 to 4.875	6/14	300,000 to 575,000	6,520,000	—	2,270,000
Library/Park	05/01/00	5.00 to 5.35	6/14	275,000 to 650,000	6,025,000	—	2,450,000
Street, park, and public works improvements	08/01/01	3.90 to 4.30	6/11	100,000 to 200,000	1,450,000	—	525,000
Street, park and public works improvements	10/01/02	3.00 to 3.50	6/13	550,000 to 725,000	5,720,000	2,705,000	3,280,000
Street, park and public works improvements	09/01/03	3.00 to 3.75	6/14	695,000 to 810,000	7,155,000	3,765,000	4,460,000
Street, park and public works	10/01/04	2.70 to 3.60	6/15	445,000 to 610,000	5,400,000	3,095,000	3,540,000
Housing/Urban Development	10/01/04	4.00 to 5.30	6/19	60,000 to 105,000	1,035,000	805,000	865,000
Street/Bridge	07/01/05	3.40	6/16	415,000 to 525,000	5,225,000	3,330,000	3,745,000
Street/Bridge	08/01/06	3.90 to 4.10	6/16	275,000 to 800,000	4,385,000	3,020,000	3,295,000
Streets	09/01/07	4.00	6/17	950,000 to 490,000	7,005,000	5,385,000	5,905,000
Streets/parks Trails	08/01/08	3.00 to 4.00	6/18	455,000 to 2,100,000	12,225,000	11,415,000	—
Refunding bond	05/01/09	1.10 to 2.30	6/14	585,000 to 1,635,000	4,770,000	4,770,000	—
					<u>\$ 73,285,000</u>	<u>38,290,000</u>	<u>31,710,000</u>

**(b) Water Revenue Bonds**

On June 16, 2005, the Component Unit issued \$4,000,000 in Water Revenue bonds. The bonds were issued for the construction of a 2.0 million gallon elevated storage facility and to install new water mains. Interest is payable semi-annually, each December 1 and June 1, at 3.90%. Principal payments are due June 1 of each year, and range from \$125,000 to 300,000, with final maturity in 2024. At June 30, 2009, the restricted cash on the balance sheet includes \$25,219 in the Sinking fund, \$100,000 in the Improvement Fund, \$311,700 in the Reserve Fund.

## CITY OF URBANDALE, IOWA

### Notes to Financial Statements

June 30, 2009 and 2008

**(c) Government Loans Payable**

The City and two other cities have jointly received loan monies from the State in connection with the construction of certain public safety communication improvements. At June 30, 2009 and 2008, the City's share of loan monies, which bear interest at 2.0%, was \$0 and \$6,934, respectively. Annual loan payments started on June 1, 2005 and were completed on June 1, 2009.

**(d) General Obligation Certificates of Participation**

In 2000, the City issued \$1,430,000 in General Obligation Certificates of Participation for acquiring a structure to house the City's Departments of Community Development and Engineering/Public Works. Principal payments range from \$60,000 to \$120,000 with interest rates from 5.15% to 5.75%. Total outstanding principal at June 30, 2009 and 2008 was \$995,000 and \$1,055,000 respectively, with the final payment due June 2020.

**(e) General Obligation General Fund Capital Loan Notes**

In 2005, the City issued \$2,630,000 in General Obligation General Fund Capital Loan Notes for constructing an addition to the existing community development building to be used for administrative offices and city hall. Principal payments range from \$105,000 to \$190,000 with interest rates from 3.25% to 4.45%. Total outstanding principal at June 30, 2009 and 2008 was \$2,145,000 and \$2,250,000 respectively, with the final payment due June 2024.

In 2006, the City issued \$1,470,000 in General Obligation General Fund Capital Loan Notes for constructing an addition to the existing police station. Principal payments range from \$80,000 to \$130,000 with interest rates from 3.97% to 4.30%. Total outstanding principal at June 30, 2009 and 2008 was \$1,245,000 and \$1,325,000 respectively, with the final payment due June 2021.

Also in 2006, the City also issued \$515,000 in General Obligation General Fund Taxable Capital Loan Notes for an urban renewal project which will fund a loan to Homemakers Corporation. Principal payments range from \$100,000 to \$120,000 with interest rates from 5.60% to 5.90%. Total outstanding principal at June 30, 2009 and 2008 was \$335,000 and \$435,000 respectively, with the final payment due June 2012. This debt has an offsetting loan receivable from Homemakers Corporation that will be used to repay the City for debt service on this capital loan note.

In 2007, the City also issued \$300,000 in General Obligation General Fund Capital Loan Notes for constructing an addition to the existing police station. Principal payments range from \$20,000 to \$30,000 with interest rates from 3.65% to 4.15%. Total outstanding principal at June 30, 2009 and 2008 was \$260,000 and \$280,000, with the final payment due June 2020.

**(f) General Obligation Refunding Bonds**

In 2009, the City issued \$4,770,000 in General Obligation Refunding Bonds for the current refunding of series 1995, 1999, 2000 and 2001 bonds. The refunding was undertaken to capture the benefits of a lower interest rate environment to reduce future debt service interest payments. The reacquisition price exceeded the net carrying amount of the old debt by \$45,000, which covers costs of issuance and will be amortized over the life of the new debt. The maturity schedule and principal payments of the new debt exactly mirror the schedules of the debt being refunded. The transaction

**CITY OF URBANDALE, IOWA**

Notes to Financial Statements

June 30, 2009 and 2008

resulted in a net economic gain of \$330,323 due to lower interest costs. The total difference in debt service between the issuances was \$345,353.

The annual principal and interest requirements to maturity for the City's obligations at June 30, 2009 are as follows:

Years Ending June 30,	General Obligation Bonds		General Obligation Certificates of Participation		General Obligation General Fund Capital Loan Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 5,240,000	1,294,484	65,000	55,030	310,000	165,276
2011	5,395,000	1,149,781	70,000	51,650	325,000	151,937
2012	5,210,000	990,949	75,000	47,975	345,000	137,791
2013	5,035,000	821,011	80,000	44,000	230,000	122,280
2014	4,780,000	651,717	85,000	39,720	240,000	113,620
2015-2019	12,630,000	1,115,065	500,000	122,605	1,380,000	419,090
2020-2024	—	—	120,000	6,900	1,155,000	134,770
	<u>\$ 38,290,000</u>	<u>6,023,007</u>	<u>995,000</u>	<u>367,880</u>	<u>3,985,000</u>	<u>1,244,764</u>

The annual principal and interest requirements to maturity for the Component Unit's obligations at June 30, 2009 are as follows:

Years Ending June 30,	Water Revenue Bonds	
	Principal	Interest
2010	170,000	132,600
2011	175,000	125,970
2012	185,000	119,145
2013	190,000	111,930
2014	200,000	104,520
2015-2019	1,110,000	400,335
2020-2024	1,370,000	165,165
	<u>\$ 3,400,000</u>	<u>1,159,665</u>

**CITY OF URBANDALE, IOWA**

Notes to Financial Statements

June 30, 2009 and 2008

Changes in long-term obligations for the years ended June 30, 2009 and 2008 are as follows:

		<b>2009</b>				
		<u>Balance</u>		<u>Reductions</u>	<u>Balance</u>	<u>Due within</u>
		<u>June 30, 2008</u>	<u>Additions</u>		<u>June 30, 2009</u>	<u>1 year</u>
<b>Primary government:</b>						
General obligation bonds	\$	31,710,000	16,995,000	10,415,000	38,290,000	5,240,000
General obligation certificates of participation		1,055,000	—	60,000	995,000	65,000
General obligation General Fund capital loan notes		4,290,000	—	305,000	3,985,000	310,000
Government loans payable		6,934	—	6,934	—	—
Other postemployment benefits		—	86,543	36,556	49,987	—
Compensated absences		1,288,955	30,637	125,510	1,194,082	513,832
	\$	<u>38,350,889</u>	<u>17,112,180</u>	<u>10,949,000</u>	<u>44,514,069</u>	<u>6,128,832</u>
<b>Component unit:</b>						
Water revenue bonds	\$	3,565,000	—	165,000	3,400,000	170,000
Other postemployment benefits		—	8,890	—	8,890	—
Compensated absences		140,221	33,793	—	174,014	71,775
	\$	<u>3,705,221</u>	<u>42,683</u>	<u>165,000</u>	<u>3,582,904</u>	<u>241,775</u>
		<b>2008</b>				
		<u>Balance</u>		<u>Reductions</u>	<u>Balance</u>	<u>Due within</u>
		<u>June 30, 2007</u>	<u>Additions</u>		<u>June 30, 2008</u>	<u>1 year</u>
<b>Primary government:</b>						
General obligation bonds	\$	30,145,000	7,005,000	5,440,000	31,710,000	4,880,000
General obligation certificates of participation		1,115,000	—	60,000	1,055,000	60,000
General obligation General Fund capital loan notes		4,265,000	300,000	275,000	4,290,000	305,000
Government loans payable		13,731	—	6,797	6,934	6,934
Compensated absences		1,072,589	218,809	2,443	1,288,955	505,919
	\$	<u>36,611,320</u>	<u>7,523,809</u>	<u>5,784,240</u>	<u>38,350,889</u>	<u>5,757,853</u>
<b>Component unit:</b>						
Water revenue bonds		3,725,000	—	160,000	3,565,000	165,000
Compensated absences		117,698	22,523	—	140,221	66,079
	\$	<u>3,842,698</u>	<u>22,523</u>	<u>160,000</u>	<u>3,705,221</u>	<u>231,079</u>

Typically, the general fund has been used in prior years to liquidate long-term liabilities other than debt.

**CITY OF URBANDALE, IOWA**

Notes to Financial Statements

June 30, 2009 and 2008

2008 Actual value of Property (unaudited)	\$ <u>3,883,693,494</u>
Debt limit - 5% of assessed valuation	\$ 194,184,675
Amount of debt applicable to debt limit:	
General obligation certificates of participation	(995,000)
General obligation General Fund capital loan notes	(3,985,000)
General obligation bonds	<u>(38,290,000)</u>
Legal debt margin	\$ <u>150,914,675</u>

**(6) Retirement Plans**

**(a) Plan Descriptions**

The City contributes to the Municipal Fire and Police Retirement System of Iowa (MFPRS) and the Iowa Public Employees Retirement System (IPERS), which are cost-sharing multiple-employer defined benefit pension plans. MFPRS administered by a Board of Trustees while the IPERS plan is administered by the State of Iowa. MFPRS and IPERS provide retirement, disability benefits and death benefits to plan members and beneficiaries. Benefit provisions are established by state statute to plan members and beneficiaries. MFPRS and IPERS issue publicly available financial reports that include financial statements and required supplementary information for the respective plans.

The reports may be obtained by contacting the respective organizations at the following addresses:

Municipal Fire and Police Retirement System of Iowa 7155 Lake Drive, Suite 201 West Des Moines, IA 50266	IPERS PO Box 9117 Des Moines, IA 50306
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**(b) Funding Policy**

MFPRS and IPERS plan members are required to contribute a percentage of their annual covered salary, and the City is required to contribute at an actuarially determined rate of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute.

The contribution rates for plan members and the City in years ended June 30, 2009, 2008, and 2007 under the two plans were as follows:

	<u>Plan Member Contributions</u>			<u>City Contributions</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
IPERS –						
Basic	4.10%	3.90%	3.70%	6.35%	6.05%	5.75%
Fire	5.63%	5.64%	6.08%	8.45%	8.47%	9.12%
MFPRS	9.35%	9.35%	9.35%	18.75%	25.48%	27.75%

**CITY OF URBANDALE, IOWA**

Notes to Financial Statements

June 30, 2009 and 2008

The City's contributions to MFPRS and IPERS for the years ended June 30, 2009, 2008, and 2007 were equal to the required contributions for each year as follows:

		<b>2009</b>	<b>2008</b>	<b>2007</b>
IPERS	\$	451,571	410,711	367,691
MFPRS		661,660	789,822	712,083

The Component Unit's contributions to IPERS for the years ended June 30, 2009, 2008, and 2007 were \$67,994, \$61,410, and \$50,858, respectively.

**(c) Money Purchase Plan**

The Component Unit also offers its employees a money purchase plan created and administered in accordance with Internal Revenue Code Section 401(a). The plan, available to all full-time Water Utility employees, permits them to contribute up to 8% of their salary with the Water Utility matching 60% of the employee's contribution.

All assets and income of the plan are held in trusts established for the exclusive benefit of eligible participants and their beneficiaries in accordance with Internal Revenue Code Section 401(a). No part of the trusts shall revert to the Water Utility or be used for or diverted to purposes other than the exclusive benefit of participants and their beneficiaries. Third-party administrators who act in a trustee capacity manage the plans. Accordingly, these plan assets are not reported in the Water Utility's financial statements. The Water Utility made contributions to the plan of \$24,719 and \$23,404 for the years ended June 30, 2009 and 2008, respectively. The Water Utility's employees made contributions to the plan of \$41,198 and \$39,007 for the years ended June 30, 2009 and 2008, respectively.

**(7) Other Postemployment Benefits (OPEB)**

The City implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other Than Pensions* during the year ended June 30, 2009.

Plan Description - The City operates a partially self-insured single-employer benefit plan which provides medical/prescription drug benefits for active employees, qualified retirees, and their spouses/families. There are 155 active and 9 retired members/spouses in the plan. Participants must meet IPERS/MFPRS retirement system eligibility requirements, or be age 62 or older at retirement to participate in the retiree benefit plan. Plan benefits are not available for retirees past age 65.

The medical/prescription drug coverage is provided through a partially self-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

Funding Policy - The contribution requirements of plan members are established by, and may be amended by the City. The City has established a formal OPEB funding policy, which internally designates a portion of the Risk Management Fund's net asset balance in an amount at least equal to the City's annual required contribution (ARC), as actuarially calculated, to be set aside to provide for future retiree benefit costs. This internal designation does not qualify as "funding" under GASB Statement No.45, so for purposes of

**CITY OF URBANDALE, IOWA**

Notes to Financial Statements

June 30, 2009 and 2008

disclosure and report presentation, the City is considered to be financing the retiree benefit plan on a pay-as-you-go basis.

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

The following table shows the components of the City's annual OPEB cost for the year ended June 30, 2009, the amount actually contributed to the plan and changes in the City's net OPEB obligation:

	<b>2009</b>
Annual required contribution	\$ 86,543
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>86,543</u>
Contributions made, net of retiree contributions	<u>(36,556)</u>
Increase in net OPEB obligation	49,987
Net OPEB obligation beginning of year	-
Net OPEB obligation end of year	<u><u>\$ 49,987</u></u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2009.

For the year ended June 30, 2009, the City contributed \$105,069 to the medical plan for retiree claims expenses. Plan members eligible for benefits contributed \$68,513 in premiums, or 62.4% of the claims costs.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2009 are summarized as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2009	\$ 86,543	42.24%	\$ 49,987

Funded Status and Funding Progress - As of July 1, 2008, the most recent actuarial valuation date for the period July 1, 2008 through June 30, 2009, the actuarial accrued liability was \$1,132,839, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,132,839. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$8,205,000 and the ratio of the UAAL to covered payroll was 13.8%. As of June 30, 2009, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment, mortality and the health care cost trend.

## CITY OF URBANDALE, IOWA

### Notes to Financial Statements

June 30, 2009 and 2008

Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

As of the July 1, 2008 actuarial valuation date, the frozen entry age actuarial cost method was used. The actuarial assumptions include a 2.5% discount rate based on the City's funding policy. The projected annual health cost trend rate is 6%. The ultimate medical trend rate is 6%. Mortality rates are from the 94 Group Annuity Mortality Table Projected to 2000, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the City's past experience. The UAAL is being amortized over 30 years on a closed group basis.

#### **(8) Deferred Compensation Plan**

The City offers its employees several options for deferred compensation plans created and administered in accordance with Internal Revenue Code Section 457. The plans, which are available to all City employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All assets and income of the plans are held in trusts established for the exclusive benefit of eligible participants and their beneficiaries in accordance with Internal Revenue Code Section 457(g). No part of the trusts shall revert to the City or be used for or diverted to purposes other than the exclusive benefit of participants and their beneficiaries. Third-party administrators who act in a trustee capacity manage the plans. Accordingly, these plan assets are not reported in the City's financial statements.

#### **(9) Risk Management**

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City maintains a Risk Management Fund (an Internal Service Fund) to account for its uninsured risks of loss. The Risk Management Fund provides employee health and group life insurance coverage for City employees. Workers compensation and general liability and auto liability coverages are provided through the City's participation in self-insurance risk pools as described in the subsequent paragraphs. Commercial insurance is purchased for all other risks of loss. Settlements have not exceeded coverages for each of the past three fiscal years.

##### ***(a) Iowa Municipalities Workers' Compensation Association***

The City is a member of the Iowa Municipalities Workers' Compensation Association (the Association), which was established to provide members a group self-insurance program for their workers' compensation liabilities. Approximately 300 cities and counties participate in the

**CITY OF URBANDALE, IOWA**

Notes to Financial Statements

June 30, 2009 and 2008

Association. The members participating in the Association to manage and conduct the business and affairs of the Association elect a board of trustees consisting of seven members.

The following table sets forth summarized financial data of the Association as of June 30, 2009 and 2008:

	<b>2009</b>	<b>2008</b>
Cash and cash equivalents	\$ 7,230,664	8,535,935
Investments	39,093,825	33,296,277
Receivables	1,857,808	1,587,842
Other assets	826,016	555,181
Total assets	\$ 49,008,313	43,975,235
Total liabilities	\$ 22,626,518	20,132,854
Total equity	26,381,795	23,842,381
Total liabilities and equity	\$ 49,008,313	43,975,235
Total revenues	\$ 6,163,033	8,727,540
Total expenses	3,623,619	3,056,377
Net increase (decrease) in equity	\$ 2,539,414	5,671,163

**(b) Iowa Communities Assurance Pool**

The City 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 577 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 200 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

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

## CITY OF URBANDALE, IOWA

### Notes to Financial Statements

June 30, 2009 and 2008

The City's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The City's annual contributions to the Pool for the year ended June 30, 2009 and 2008 were \$343,343 and \$349,538 respectively.

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 \$10,000,000 in aggregate per year. For members requiring specific coverage from \$3,000,000 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 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, 2009, no liability has been recorded in the City's financial statements. As of June 30, 2009, 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.

#### **(10) Commitments**

##### **(a) Joint Operation**

In August of 2000, the City entered into a joint operation of a centralized emergency dispatch center (Westcom) with two other Des Moines suburbs. Westcom was established as an undivided interest ownership arrangement, whereby titles to assets in Westcom are held individually by the City and the other two Des Moines suburbs. The City showed expenditures of \$554,367 and \$585,867 and has an undivided interest in assets of the operation, net of depreciation, totaling \$331,601 and \$180,745 as of June 30, 2009 and 2008 respectively. Westcom does not issue separate financial statements. Their operations are included in the financial statements of the City of West Des Moines.

**CITY OF URBANDALE, IOWA**

Notes to Financial Statements

June 30, 2009 and 2008

**b) Construction and Purchase Commitments**

At June 30, 2009 and 2008, the following construction and purchase commitments had been made:

<u>Project</u>	<u>2009</u>	
	<u>Total Contracts</u>	<u>Amount Remaining on Contracts</u>
Capital projects fund	\$ 25,081,308	2,855,056
Special revenue fund – Road Use Tax	626,067	464,449
Total	<u>\$ 25,707,375</u>	<u>3,319,505</u>
	<u>2008</u>	
<u>Project</u>	<u>Total Contracts</u>	<u>Amount Remaining on Contracts</u>
Capital projects fund	\$ 23,236,905	12,173,675
General fund	115,622	—
Total	<u>\$ 23,352,527</u>	<u>12,173,675</u>

**(c) Principal Park Renovation Pledge**

The City, in conjunction with seven other governmental entities, pledged to pay the annual debt service on \$750,000 of City of Des Moines debt through future anticipated hotel/motel receipts, to assist in the renovation of Principal Park Stadium, a triple-A baseball facility located in downtown Des Moines. The City's portion of the pledge is in the form of a loan repayment over fifteen years. The pledge is allocated based upon the City's pro rata share of total hotel/motel tax collections of all seven entities for the year preceding the due date of the debt service obligation. The City made payments totaling \$15,585 and \$14,677 during the years ended June 30, 2009 and 2008, respectively.

**(d) Iowa Events Center**

In 2006, the City Council committed \$640,000 for the Iowa Events Center project, over a 20 year period. The City's contribution will be utilized for the payment of debt service on the bonds issued by Polk County to finance the construction of the downtown arena. The City made payments totaling \$32,000 for each of the years ended June 30, 2009 and 2008.

**(e) Des Moines Water Works**

The Component Unit has entered into agreements with Water Works for the construction of Water Works-owned booster stations, treatment plant, feeder mains, and a storage tank, which will enhance service to the City. Water Works designed, constructed, and financed the booster stations, a treatment plant, feeder mains, and a storage tank through the issuance of revenue bonds. The Component Unit has commitments outstanding at June 30, 2009 and 2008 to contribute to Water Works \$17,709,144 and \$18,648,232, respectively, plus interest at 2.50% to 4.375% in conjunction with these projects.

**CITY OF URBANDALE, IOWA**

Notes to Financial Statements

June 30, 2009 and 2008

Future minimum payments in conjunction with these commitments are:

Years ending June 30,	<u>Principal</u>	<u>Interest</u>
2010	\$ 979,535	701,298
2011	1,023,557	666,451
2012	1,073,229	629,997
2013	1,126,577	590,785
2014	1,179,264	546,084
2015-2019	5,628,232	2,098,059
2020-2024	4,275,000	1,045,085
2025-2027	2,423,750	161,428
	<u>\$ 17,709,144</u>	<u>6,439,187</u>

**(f) Central Iowa Regional Drinking Water Commission**

The Component Unit, in conjunction with 23 other governmental entities that provide water services, created a Central Iowa Regional Drinking Water Commission (the Commission). The Commission was created to (1) jointly plan and coordinate implementation for water supply, treatment, distribution, and storage facilities; (2) enable the participants in the Commission to jointly provide services in a cost effective manner; and (3) enable the participants in the Commission to undertake joint or coordinated procurement of goods and services. The Commission has not set a budget for expenditures. The Water Utility will be responsible for its proportional share of the budgeted expenses, which will be determined on the basis of the ratio of its retail customer accounts to the total retail customers of all participants, using the most recent information available each year.

**(g) Loan Guarantees**

The City is providing loan guarantees for the Urbandale Soccer Club, the Urbandale Girls Recreation Association and the Urbandale Little League, which approximated \$160,000 and \$551,000 at June 30, 2009 and June 30, 2008.

**(h) Conduit Debt**

From time to time, the City has issued Industrial Development Revenue Bonds, under the provisions of Chapter 419 of the Code of Iowa, to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2009 and 2008, there were three series of industrial development revenue bonds outstanding, with an aggregate principal amount payable of \$7,652,376 and \$7,364,716 respectively.

**CITY OF URBANDALE, IOWA**

Notes to Financial Statements

June 30, 2009 and 2008

**(11) Subsequent Events**

In November 2009, the City issued \$6,570,000 in taxable general obligation bonds in the form of Direct Payment Build America Bonds, to be used primarily for street improvement projects, park improvements, and public safety facilities.

**(12) Transfer Reconciliation**

The following is a schedule of transfers of the City for the years ended June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Transfer to General fund from:		
Nonmajor governmental funds	8,000	4,050
Total transfers to General Fund	<u>8,000</u>	<u>4,050</u>
Transfer to TIF fund from:		
Capital projects fund	1,368,096	—
Total transfers to TIF fund	<u>1,368,096</u>	<u>—</u>
Transfer to Road Use fund from:		
Special Revenue Funds	—	275,960
Total transfers to Road Use fund	<u>—</u>	<u>275,960</u>
Transfer to Capital projects fund from:		
General fund	—	106,258
Nonmajor governmental funds	—	1,724,816
TIF fund	—	2,011,703
Total transfers to Capital Projects fund	<u>—</u>	<u>3,842,777</u>
Transfer to Debt Service fund from:		
TIF fund	2,518,465	816,507
Capital projects fund	200,000	1,570,000
Total transfer to Debt Service fund	<u>2,718,465</u>	<u>2,386,507</u>
Transfer to Nonmajor governmental funds from:		
Nonmajor governmental funds	—	1,000
Capital projects fund	—	12,673
Total transfer to Nonmajor government funds	<u>—</u>	<u>13,673</u>
	<u>\$ 4,094,561</u>	<u>6,522,967</u>

Transfers are primarily used to (1) move revenue from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due.

## **FINANCIAL SECTION**

Required Supplementary Financial Schedules

**CITY OF URBANDALE, IOWA**  
 Budgetary Comparison Schedule of  
 Receipts, Disbursements and Changes in Balances  
 Budget and Actual (Cash Basis) -  
 Governmental Funds

Year Ended June 30, 2009

	Governmental	Budgeted Amounts		Final to Actual
	Funds Actual	Original	Final	Variance
<b>Revenues:</b>				
Property tax	\$ 18,648,222	18,781,234	18,781,234	(133,012)
Tax increment financing	4,322,382	3,458,465	3,458,465	863,917
Other city tax	2,014,007	2,015,808	2,015,808	(1,801)
Licenses and permits	577,787	672,600	672,600	(94,813)
Use of money and property	625,733	235,000	235,000	390,733
Intergovernmental	4,396,003	4,288,360	4,797,373	(401,370)
Charges for services	3,021,326	2,752,175	2,812,175	209,151
Special assessments	295,751	790,000	790,000	(494,249)
Miscellaneous	593,276	1,700,800	1,700,800	(1,107,524)
Total receipts	<u>34,494,487</u>	<u>34,694,442</u>	<u>35,263,455</u>	<u>(768,968)</u>
<b>Expenditures:</b>				
Public safety	7,800,507	7,858,401	8,187,501	386,994
Public works	6,272,518	6,230,316	6,410,316	137,798
Health and social services	44,300	35,000	65,000	20,700
Culture and recreation	5,852,707	5,958,056	6,226,969	374,262
Community and economic development	1,948,347	3,116,175	3,116,175	1,167,828
General government	2,590,446	2,648,445	2,648,445	57,999
Debt Service	12,133,962	7,466,634	12,236,634	102,672
Capital projects	13,425,711	14,086,864	17,936,864	4,511,153
Total disbursements	<u>50,068,498</u>	<u>47,399,891</u>	<u>56,827,904</u>	<u>6,759,406</u>
Excess (deficiency) of revenues over (under) expenditures	(15,574,011)	(12,705,449)	(21,564,449)	(5,990,438)
Other financing sources, net	<u>17,006,587</u>	<u>12,074,500</u>	<u>16,944,500</u>	<u>(62,087)</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	1,432,576	(630,949)	(4,619,949)	(6,052,525)
Fund balances at beginning of year	<u>19,059,186</u>	<u>13,422,952</u>	<u>13,422,952</u>	<u>(5,636,234)</u>
Fund balances at end of year	<u>\$ 20,491,762</u>	<u>12,792,003</u>	<u>8,803,003</u>	<u>(11,688,759)</u>

Governmental Funds

	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 34,494,487	906,928	35,401,415
Expenditures/expenses	<u>50,068,498</u>	(5,006,347)	<u>45,062,151</u>
Net	(15,574,011)	5,913,275	(9,660,736)
Other financing sources, net	17,006,587	(4,736,587)	12,270,000
Beginning fund balances/net assets	<u>19,059,186</u>	(1,975,512)	<u>17,083,674</u>
Ending fund balances/net assets	<u>\$ 20,491,762</u>	(798,824)	<u>19,692,938</u>

See accompanying notes to required supplementary information.

**CITY OF URBANDALE, IOWA**  
**Budgetary Comparison Schedule of**  
**Receipts, Disbursements and Changes in Balances**  
**Budget and Actual (Cash Basis) -**  
**Governmental Funds**

Year Ended June 30, 2008

	Governmental Funds Actual	Budgeted Amounts		Final to Actual
		Original	Final	Variance
<b>Revenues:</b>				
Property tax	\$ 17,892,770	18,004,530	18,004,530	(111,760)
Tax increment financing	2,828,210	2,855,336	2,855,336	(27,126)
Other city tax	1,982,267	1,629,420	1,686,520	295,747
Licenses and permits	830,709	1,000,250	1,000,250	(169,541)
Use of money and property	1,017,674	415,000	415,000	602,674
Intergovernmental	4,223,960	4,573,722	5,004,222	(780,262)
Charges for services	2,557,999	2,283,450	2,386,450	171,549
Special assessments	173,841	1,369,700	1,369,700	(1,195,859)
Miscellaneous	766,209	370,300	418,300	347,909
<b>Total receipts</b>	<b>32,273,639</b>	<b>32,501,708</b>	<b>33,140,308</b>	<b>(866,669)</b>
<b>Expenditures:</b>				
Public safety	7,560,367	7,656,003	7,902,003	341,636
Public works	6,077,858	6,049,569	6,197,069	119,211
Health and social services	34,876	35,000	35,000	124
Culture and recreation	5,607,182	5,795,417	5,985,117	377,935
Community and economic development	1,022,933	1,197,712	1,197,712	174,779
General government	2,568,655	2,605,268	2,610,268	41,613
Debt Service	6,940,566	7,010,617	7,010,617	70,051
Capital projects	9,124,938	14,914,818	14,914,818	5,789,880
<b>Total disbursements</b>	<b>38,937,375</b>	<b>45,264,404</b>	<b>45,852,604</b>	<b>6,915,229</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(6,663,736)</b>	<b>(12,762,696)</b>	<b>(12,712,296)</b>	<b>(6,048,560)</b>
<b>Other financing sources, net</b>	<b>7,330,411</b>	<b>9,332,997</b>	<b>9,333,997</b>	<b>2,003,586</b>
<b>Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses</b>	<b>666,675</b>	<b>(3,429,699)</b>	<b>(3,378,299)</b>	<b>(4,044,974)</b>
<b>Fund balances at beginning of year</b>	<b>18,392,511</b>	<b>14,282,573</b>	<b>14,282,573</b>	<b>(4,109,938)</b>
<b>Fund balances at end of year</b>	<b>\$ 19,059,186</b>	<b>10,852,874</b>	<b>10,904,274</b>	<b>(8,154,912)</b>

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 32,273,639	(73,185)	32,200,454
Expenditures/expenses	38,937,375	1,169,406	40,106,781
Net	(6,663,736)	(1,242,591)	(7,906,327)
Other financing sources, net	7,330,411	(25,411)	7,305,000
Beginning fund balances/net assets	18,392,511	(707,510)	17,685,001
Ending fund balances/net assets	\$ 19,059,186	(1,975,512)	17,083,674

See accompanying notes to required supplementary information.

## CITY OF URBAN DALE, IOWA

### Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2009 and 2008

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 on the cash basis 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 cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon 9 major classes of disbursements known as functions, not by fund or fund type. These 9 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. However, emphasis is placed on monitoring budgets by individual funds and by major classifications within functions, such as personnel, operations and maintenance, and capital outlay. Deviations from budgeted amounts by major classifications within programs must be approved by the City Manager. Monthly reports are prepared by Department and program to monitor program expenditures and legally budgeted amounts. All appropriations lapse at the end of the fiscal year.

State law mandates that annual budgets for funds other than Agency and Internal Service for the fiscal year beginning July 1 must be certified to the county auditor no later than March 15, preceding the beginning of the fiscal year. The Council also annually adopts a five-year capital improvement plan. The review and adoption of a budget is handled in accordance with state laws, as there is no City ordinance governing the budget process. Preliminary review of all operating budget requests is conducted by the City manager (the Manager) at a Departmental level. The Manager's budget, considered as a plan of financial operation along with proposed sources of revenues, is presented to the Council at least two months prior to certification. The Council holds hearings with the Manager, department heads, boards, and commissions, as well as a public hearing prior to adopting a budget. By resolution, the Council adopts a budget effective July 1 and certifies it to the county auditor, who, in turn, certifies the City's budget to the State Department of Management. This budget becomes the appropriation and is prepared on a cash basis (budget basis).

Amendments to the budget are considered annually only if revenue sources are available (i.e., unanticipated revenues and budget surpluses). There can be no additional levy of property taxes. The actual amendment process, as prescribed by state law, is identical to the procedures followed for the original budget, including certification. The budgets for the fiscal years ending June 30, 2009 and 2008 were amended during the year to allow the City to increase program expenditures by \$11,233,013 and \$588,200, respectively and increased program revenues by \$7,244,013 and \$639,600, respectively. The budget amendments are reflected in the final budgeted amounts.

The actual expenditures of the Component Unit were \$10,773,269 and \$10,674,091 compared to a legal budget of \$11,510,908 and \$11,907,096 for the years ended June 30, 2009 and 2008, respectively.

**CITY OF URBAN DALE, IOWA**  
 Required Supplementary Information  
 Schedule of Funding Progress for the Retiree Health Plan  
 June 30, 2009 and 2008

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
July 1, 2008	\$ -	\$ 1,132,839	\$ 1,132,839	0.00%	\$ 8,205,000	13.81%

See Note 7 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

## **FINANCIAL SECTION**

Other Supplementary Financial Schedules

## CITY OF URBANDALE, IOWA

### Nonmajor Governmental Funds

#### **Special Revenue Funds:**

*Hotel/motel fund* - to account for revenues and expenditures of hotel/motel tax restricted by local ordinance for the promotion of convention and tourism.

*Parkland* - to account for funds held by the city for future parkland purchases.

*Colby Woods Park* - to account for funds held by the city for Colby Woods park improvements.

*Memorial Tree Park* - to account for funds received from donors and held for improvements at the Urbandale Memorial Tree Park.

*Fire Department training, equipment & donations* - to account for monies held for the specific fire projects.

*Park Improvements* - to account for funds received from donors and cell tower lease payments from third-party vendors, which has been restricted for use on non-budgeted public park improvements throughout the City.

*ERT #1* - to account for funds received from an emergency response team grant.

*Evidence and Forfeited Property* - to account for forfeited funds and property received by the City from drug enforcement efforts, police action or investigation. The City must use these forfeited funds and property to enhance law enforcement.

*Federal Forfeited Property* - to account for funds and property received by the City from federal investigations.

*Police Donations* - to account for money received to be used on specific police projects.

*McDivitt Cemetery* - to account for funds received from McDivitt Cemetery columbarium sales and held for improvements at the cemetery.

*Tobacco Inspection* - to account for funds received from the State for tobacco enforcement activities and held for specific tobacco related projects and programs through the police department.

*Donation and escrow* - to account for money received from builders/investors to be used on specific street/park projects.

*Alcohol Inspection* - to account for funds received from Employee & Family Resources, Inc. for alcohol enforcement activities and held for specific alcohol related projects and programs through the police department.

**CITY OF URBANDALE, IOWA**  
 Combining Balance Sheet Information  
 Nonmajor Governmental Funds

June 30, 2009

	<u>Hotel Motel</u>	<u>Parkland</u>	<u>Colby Woods Park</u>	<u>Memorial Tree Park</u>	<u>Fire Donations</u>	<u>Fire Training</u>	<u>Fire Equipment</u>	<u>Park Improvements</u>
<b>Assets</b>								
Cash and pooled cash investments	\$ 245,706	220,003	52,918	157,056	10,990	6,122	3,544	16,679
Taxes receivable:								
Current	272,032	—	—	—	—	—	—	—
Due from Other Governments	—	—	—	—	—	—	—	—
Total assets	<u>\$ 517,738</u>	<u>220,003</u>	<u>52,918</u>	<u>157,056</u>	<u>10,990</u>	<u>6,122</u>	<u>3,544</u>	<u>16,679</u>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities:</b>								
Accounts payable	\$ —	—	—	984	—	—	—	—
Deferred revenue	272,032	—	—	—	—	—	—	—
Total liabilities	<u>272,032</u>	<u>—</u>	<u>—</u>	<u>984</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Fund balances:</b>								
Unreserved - undesignated	245,706	220,003	52,918	156,072	10,990	6,122	3,544	16,679
Total fund balances	<u>245,706</u>	<u>220,003</u>	<u>52,918</u>	<u>156,072</u>	<u>10,990</u>	<u>6,122</u>	<u>3,544</u>	<u>16,679</u>
Total liabilities and fund balances	<u>\$ 517,738</u>	<u>220,003</u>	<u>52,918</u>	<u>157,056</u>	<u>10,990</u>	<u>6,122</u>	<u>3,544</u>	<u>16,679</u>

## CITY OF URBANDALE, IOWA

Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2009

	<u>ERT #1</u>	<u>Evidence and Forfeited Property</u>	<u>Federal Forfeited Property</u>	<u>Police Donations</u>	<u>McDivitt Cemetery</u>	<u>Tobacco Inspection</u>	<u>Donations and Escrow</u>	<u>Alcohol Inspection</u>	<u>Total</u>
<b>Assets</b>									
Cash and pooled cash investments	\$ 89	5,021	306,309	218	26,433	5,438	627,002	1,743	1,685,271
Taxes receivable:									
Current	—	—	—	—	—	—	—	—	272,032
Due from Other Governments	—	—	877	—	—	100	—	—	977
Total assets	<u>\$ 89</u>	<u>5,021</u>	<u>307,186</u>	<u>218</u>	<u>26,433</u>	<u>5,538</u>	<u>627,002</u>	<u>1,743</u>	<u>1,958,280</u>
<b>Liabilities and Fund Balances</b>									
<b>Liabilities:</b>									
Accounts payable	\$ —	—	15,350	—	—	—	—	14	16,348
Deferred revenue	—	—	—	—	—	—	—	—	272,032
Total liabilities	<u>—</u>	<u>—</u>	<u>15,350</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>14</u>	<u>288,380</u>
<b>Fund balances:</b>									
Unreserved - undesignated	89	5,021	291,836	218	26,433	5,538	627,002	1,729	1,669,900
Total fund balances	<u>89</u>	<u>5,021</u>	<u>291,836</u>	<u>218</u>	<u>26,433</u>	<u>5,538</u>	<u>627,002</u>	<u>1,729</u>	<u>1,669,900</u>
Total liabilities and fund balances	<u>\$ 89</u>	<u>5,021</u>	<u>307,186</u>	<u>218</u>	<u>26,433</u>	<u>5,538</u>	<u>627,002</u>	<u>1,743</u>	<u>1,958,280</u>

**CITY OF URBANDALE, IOWA**  
Combining Balance Sheet Information  
Nonmajor Governmental Funds

June 30, 2008

	<u>Hotel Motel</u>	<u>Parkland</u>	<u>Colby Woods Park</u>	<u>Memorial Tree Park</u>	<u>Fire Donations</u>	<u>Fire Training</u>	<u>Fire Equipment</u>
<b>Assets</b>							
Cash and pooled cash investments	\$ 272,458	214,487	51,591	25,032	2,832	7,430	3,455
Taxes receivable:							
Current	329,669	—	—	—	—	—	—
Due from Other Governments	—	—	—	—	—	—	—
Total assets	<u>\$ 602,127</u>	<u>214,487</u>	<u>51,591</u>	<u>25,032</u>	<u>2,832</u>	<u>7,430</u>	<u>3,455</u>
<b>Liabilities and Fund Balances</b>							
Liabilities:							
Accounts payable	\$ 1,125	—	—	10,173	—	—	—
Deferred revenue	329,669	—	—	—	—	—	—
Total liabilities	<u>330,794</u>	<u>—</u>	<u>—</u>	<u>10,173</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances:							
Unreserved - undesignated	<u>271,333</u>	<u>214,487</u>	<u>51,591</u>	<u>14,859</u>	<u>2,832</u>	<u>7,430</u>	<u>3,455</u>
Total fund balances	<u>271,333</u>	<u>214,487</u>	<u>51,591</u>	<u>14,859</u>	<u>2,832</u>	<u>7,430</u>	<u>3,455</u>
Total liabilities and fund balances	<u>\$ 602,127</u>	<u>214,487</u>	<u>51,591</u>	<u>25,032</u>	<u>2,832</u>	<u>7,430</u>	<u>3,455</u>

CITY OF URBANDALE, IOWA

Schedule 1 (cont'd)

Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2008

<b>Assets</b>	<b>ERT #1</b>	<b>Evidence and Forfeited Property</b>	<b>Federal Forfeited Property</b>	<b>Police Donations</b>	<b>McDivitt Cemetery</b>	<b>Donations and Escrow</b>	<b>Tobacco Inspection</b>	<b>Total</b>
Cash and pooled cash investments	\$ 87	22,288	114,804	218	25,017	603,633	2,727	1,346,059
Taxes receivable:								
Current	—	—	—	—	—	—	—	329,669
Due from Other Governments	—	—	3,771	—	—	—	—	3,771
Total assets	<u>\$ 87</u>	<u>22,288</u>	<u>118,575</u>	<u>218</u>	<u>25,017</u>	<u>603,633</u>	<u>2,727</u>	<u>1,679,499</u>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities:</b>								
Accounts payable	\$ —	4,460	21,335	—	—	438	—	37,531
Deferred revenue	—	—	—	—	—	—	—	329,669
Total liabilities	<u>—</u>	<u>4,460</u>	<u>21,335</u>	<u>—</u>	<u>—</u>	<u>438</u>	<u>—</u>	<u>367,200</u>
<b>Fund balances:</b>								
Unreserved - undesignated	<u>87</u>	<u>17,828</u>	<u>97,240</u>	<u>218</u>	<u>25,017</u>	<u>603,195</u>	<u>2,727</u>	<u>1,312,299</u>
Total fund balances	<u>87</u>	<u>17,828</u>	<u>97,240</u>	<u>218</u>	<u>25,017</u>	<u>603,195</u>	<u>2,727</u>	<u>1,312,299</u>
Total liabilities and fund balances	<u>\$ 87</u>	<u>22,288</u>	<u>118,575</u>	<u>218</u>	<u>25,017</u>	<u>603,633</u>	<u>2,727</u>	<u>1,679,499</u>

**CITY OF URBANDALE, IOWA**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2009

	<u>Hotel Motel</u>	<u>Parkland</u>	<u>Colby Woods Park</u>	<u>Memorial Tree Park</u>	<u>Fire Donations</u>	<u>Fire Training</u>	<u>Fire Equipment</u>	<u>Park Improvements</u>
<b>Revenues</b>								
Taxes	\$ 596,418	—	—	—	—	—	—	—
Use of money and property	—	5,516	1,327	817	210	181	89	25
Intergovernmental	—	—	—	—	—	—	—	—
Miscellaneous	—	—	—	177,814	8,721	1,611	—	16,654
Total revenues	<u>596,418</u>	<u>5,516</u>	<u>1,327</u>	<u>178,631</u>	<u>8,931</u>	<u>1,792</u>	<u>89</u>	<u>16,679</u>
<b>Expenditures</b>								
Current operating expenditures								
Public safety	—	—	—	—	773	3,100	—	—
Culture and recreation	622,045	—	—	37,418	—	—	—	—
Community and Economic Development	—	—	—	—	—	—	—	—
Total expenditures	<u>622,045</u>	<u>—</u>	<u>—</u>	<u>37,418</u>	<u>773</u>	<u>3,100</u>	<u>—</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,627)</u>	<u>5,516</u>	<u>1,327</u>	<u>141,213</u>	<u>8,158</u>	<u>(1,308)</u>	<u>89</u>	<u>16,679</u>
Transfers out	—	—	—	—	—	—	—	—
Total transfers	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net changes in fund balances	<u>(25,627)</u>	<u>5,516</u>	<u>1,327</u>	<u>141,213</u>	<u>8,158</u>	<u>(1,308)</u>	<u>89</u>	<u>16,679</u>
Fund balances - beginning	<u>271,333</u>	<u>214,487</u>	<u>51,591</u>	<u>14,859</u>	<u>2,832</u>	<u>7,430</u>	<u>3,455</u>	<u>—</u>
Fund balances - ending	<u>\$ 245,706</u>	<u>220,003</u>	<u>52,918</u>	<u>156,072</u>	<u>10,990</u>	<u>6,122</u>	<u>3,544</u>	<u>16,679</u>

## CITY OF URBANDALE, IOWA

Combining Schedule of Revenues, Expenditures, and  
Changes in Fund Balances

## Nonmajor Governmental Funds

Year Ended June 30, 2009

	ERT #1	Evidence and Forfeited Property	Federal Forfeited Property	Police Donations	McDivitt Cemetery	Tobacco Inspection	Donations Escrow	Alcohol Inspection	Total
<b>Revenues</b>									
Taxes	—	—	—	—	—	—	—	—	596,418
Use of money and property	2	360	5,762	—	541	91	—	21	14,942
Intergovernmental	—	—	343,103	—	—	2,800	—	2,800	348,703
Miscellaneous	—	12,912	—	—	11,600	—	24,007	—	253,319
Total revenues	2	13,272	348,865	—	12,141	2,891	24,007	2,821	1,213,382
<b>Expenditures</b>									
Current operating expenditures									
Public safety	—	26,079	154,269	—	—	80	—	1,092	185,393
Culture and recreation	—	—	—	—	2,725	—	—	—	662,188
Community and Economic Development	—	—	—	—	—	—	200	—	200
Total expenditures	—	26,079	154,269	—	2,725	80	200	1,092	847,781
Excess (deficiency) of revenues over (under) expenditures	2	(12,807)	194,596	—	9,416	2,811	23,807	1,729	365,601
Transfers out	—	—	—	—	(8,000)	—	—	—	(8,000)
Total transfers	—	—	—	—	(8,000)	—	—	—	(8,000)
Net changes in fund balances	2	(12,807)	194,596	—	1,416	2,811	23,807	1,729	357,601
Fund balances - beginning	87	17,828	97,240	218	25,017	2,727	603,195	—	1,312,299
Fund balances - ending	89	5,021	291,836	218	26,433	5,538	627,002	1,729	1,669,900

**CITY OF URBANDALE, IOWA**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2008

	<u>Hotel Motel</u>	<u>Parkland</u>	<u>Colby Woods Park</u>	<u>Memorial Tree Park</u>	<u>Fire Donations</u>	<u>Fire Training</u>	<u>Fire Equipment</u>
<b>Revenues</b>							
Taxes	\$ 687,264	—	—	—	—	—	—
Use of money and property	—	9,407	2,272	32	150	273	151
Charges for services	—	—	—	—	—	—	—
Miscellaneous	—	—	—	25,000	625	3,858	—
Total revenues	<u>687,264</u>	<u>9,407</u>	<u>2,272</u>	<u>25,032</u>	<u>775</u>	<u>4,131</u>	<u>151</u>
<b>Expenditures</b>							
Current operating expenditures							
Public safety	—	—	—	—	1,424	1,680	—
Culture and recreation	714,327	—	—	10,173	—	—	—
Public works	—	—	—	—	—	—	—
Community and Economic Development	—	—	—	—	—	—	—
Total expenditures	<u>714,327</u>	<u>—</u>	<u>—</u>	<u>10,173</u>	<u>1,424</u>	<u>1,680</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,063)</u>	<u>9,407</u>	<u>2,272</u>	<u>14,859</u>	<u>(649)</u>	<u>2,451</u>	<u>151</u>
Transfers in	1,000	12,673	—	—	—	—	—
Transfers out	—	(6,017)	—	—	—	—	—
Total transfers	<u>1,000</u>	<u>6,656</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net changes in fund balances	<u>(26,063)</u>	<u>16,063</u>	<u>2,272</u>	<u>14,859</u>	<u>(649)</u>	<u>2,451</u>	<u>151</u>
Fund balances - beginning	<u>297,396</u>	<u>198,424</u>	<u>49,319</u>	<u>—</u>	<u>3,481</u>	<u>4,979</u>	<u>3,304</u>
Fund balances - ending	<u>\$ 271,333</u>	<u>214,487</u>	<u>51,591</u>	<u>14,859</u>	<u>2,832</u>	<u>7,430</u>	<u>3,455</u>

## CITY OF URBANDALE, IOWA

Combining Schedule of Revenues, Expenditures, and  
Changes in Fund Balances

## Nonmajor Governmental Funds

Year Ended June 30, 2008

	<u>ERT #1</u>	<u>Evidence and Forfeited Property</u>	<u>Federal Forfeited Property</u>	<u>Police Donations</u>	<u>McDivitt Cemetery</u>	<u>Tobacco Inspection</u>	<u>Donations Escrow</u>	<u>Total</u>
<b>Revenues</b>								
Taxes	—	—	—	—	—	—	—	687,264
Use of money and property	13	1,148	3,351	—	32	32	—	16,861
Charges for services	—	—	103,996	—	—	2,950	—	106,946
Miscellaneous	—	8,674	—	3,044	24,985	—	148,587	214,773
Total revenues	<u>13</u>	<u>9,822</u>	<u>107,347</u>	<u>3,044</u>	<u>25,017</u>	<u>2,982</u>	<u>148,587</u>	<u>1,025,844</u>
<b>Expenditures</b>								
Current operating expenditures								
Public safety	407	17,761	83,287	3,383	—	255	—	108,197
Culture and recreation	—	—	—	—	—	—	—	724,500
Public works	—	—	—	—	—	—	—	—
Community and Economic Development	—	—	—	—	—	—	32,173	32,173
Total expenditures	<u>407</u>	<u>17,761</u>	<u>83,287</u>	<u>3,383</u>	<u>—</u>	<u>255</u>	<u>32,173</u>	<u>864,870</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(394)</u>	<u>(7,939)</u>	<u>24,060</u>	<u>(339)</u>	<u>25,017</u>	<u>2,727</u>	<u>116,414</u>	<u>—</u>
Transfers in	—	—	—	—	—	—	—	13,673
Transfers out	—	—	—	—	—	—	(1,723,809)	(1,729,826)
Total transfers	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,723,809)</u>	<u>(1,716,153)</u>
Net changes in fund balances	<u>(394)</u>	<u>(7,939)</u>	<u>24,060</u>	<u>(339)</u>	<u>25,017</u>	<u>2,727</u>	<u>(1,607,395)</u>	<u>(1,555,179)</u>
Fund balances - beginning	<u>481</u>	<u>25,767</u>	<u>73,180</u>	<u>557</u>	<u>—</u>	<u>—</u>	<u>2,210,590</u>	<u>2,867,478</u>
Fund balances - ending	<u>87</u>	<u>17,828</u>	<u>97,240</u>	<u>218</u>	<u>25,017</u>	<u>2,727</u>	<u>603,195</u>	<u>1,312,299</u>

## CITY OF URBANDALE, IOWA

Combining Statement of Net Assets—  
Proprietary Funds

June 30, 2009

Assets	General Liability	Equipment Replacement	Technology	Risk Management	Total Governmental activities - Internal Service Funds
Current assets:					
Cash and pooled cash investments	\$ 531,745	3,348,422	64,669	3,751,023	7,695,859
Accounts receivable	13,539	—	—	3,980	17,519
Capital assets, net	—	2,315,240	—	—	2,315,240
Total assets	<u>545,284</u>	<u>5,663,662</u>	<u>64,669</u>	<u>3,755,003</u>	<u>10,028,618</u>
<b>Liabilities and Net Assets</b>					
Current liabilities:					
Accounts payable	—	133,428	—	150,275	283,703
Total liabilities	<u>—</u>	<u>133,428</u>	<u>—</u>	<u>150,275</u>	<u>283,703</u>
Net assets:					
Invested in capital assets	—	2,315,240	—	—	2,315,240
Unrestricted	545,284	3,214,994	64,669	3,604,728	7,429,675
Total net assets	<u>\$ 545,284</u>	<u>5,530,234</u>	<u>64,669</u>	<u>3,604,728</u>	<u>9,744,915</u>

Statement of Net Assets—  
Proprietary Funds

June 30, 2008

Assets	General Liability	Equipment Replacement	Technology	Risk Management	Total Governmental activities - Internal Service Funds
Current assets:					
Cash and pooled cash investments	\$ 383,512	2,811,184	68,831	3,107,353	6,370,880
Accounts receivable	17,235	—	—	564	17,799
Capital assets, net	—	2,510,114	—	—	2,510,114
Total assets	<u>400,747</u>	<u>5,321,298</u>	<u>68,831</u>	<u>3,107,917</u>	<u>8,898,793</u>
<b>Liabilities and Net Assets</b>					
Current liabilities:					
Accounts payable	7,490	—	5,320	140,000	152,810
Total liabilities	<u>7,490</u>	<u>—</u>	<u>5,320</u>	<u>140,000</u>	<u>152,810</u>
Net assets:					
Invested in capital assets	—	2,510,114	—	—	2,510,114
Unrestricted	393,257	2,811,184	63,511	2,967,917	6,235,869
Total net assets	<u>\$ 393,257</u>	<u>5,321,298</u>	<u>63,511</u>	<u>2,967,917</u>	<u>8,745,983</u>

**CITY OF URBANDALE, IOWA**  
Combining Statement of Revenues, Expenses, and Changes in  
Net Assets – Proprietary Funds  
Year Ended June 30, 2009

	<b>General Liability</b>	<b>Equipment Replacement</b>	<b>Technology</b>	<b>Risk Management</b>	<b>Total Governmental activities - Internal Service Funds</b>
Operating revenues:					
Charges for services	\$ 670,077	733,418	—	1,996,853	3,400,348
Other	122,103	—	—	157,661	279,764
Total operating revenues	<u>792,180</u>	<u>733,418</u>	<u>—</u>	<u>2,154,514</u>	<u>3,680,112</u>
Operating expenses:					
Insurance premiums and claims	650,943	—	—	1,614,878	2,265,821
Data processing	—	—	468	—	468
Depreciation	—	643,813	—	—	643,813
Total operating expenses	<u>650,943</u>	<u>643,813</u>	<u>468</u>	<u>1,614,878</u>	<u>2,910,102</u>
Operating income (loss)	<u>141,237</u>	<u>89,605</u>	<u>(468)</u>	<u>539,636</u>	<u>770,010</u>
Nonoperating revenues (expenses):					
Interest income	10,790	83,349	1,626	97,175	192,940
Contributed Capital	—	41,223	—	—	41,223
Gain (loss) on sale of equipment	—	(5,241)	—	—	(5,241)
Total nonoperating revenues (expenses)	<u>10,790</u>	<u>119,331</u>	<u>1,626</u>	<u>97,175</u>	<u>228,922</u>
Change in net assets	152,027	208,936	1,158	636,811	998,932
Net assets at beginning of year	393,257	5,321,298	63,511	2,967,917	8,745,983
Net assets at end of year	<u>\$ 545,284</u>	<u>5,530,234</u>	<u>64,669</u>	<u>3,604,728</u>	<u>9,744,915</u>

Statement of Revenues, Expenses, and Changes in  
Net Assets – Proprietary Funds  
Year Ended June 30, 2008

	<b>General Liability</b>	<b>Equipment Replacement</b>	<b>Technology</b>	<b>Risk Management</b>	<b>Total Governmental activities - Internal Service Funds</b>
Operating revenues:					
Charges for services	\$ 656,938	690,085	—	1,938,692	3,285,715
Other	75,166	7,496	—	80,825	163,487
Total operating revenues	<u>732,104</u>	<u>697,581</u>	<u>—</u>	<u>2,019,517</u>	<u>3,449,202</u>
Operating expenses:					
Insurance premiums and claims	609,090	—	—	1,483,027	2,092,117
Data processing	—	—	5,320	—	5,320
Depreciation	—	625,299	—	—	625,299
Total operating expenses	<u>609,090</u>	<u>625,299</u>	<u>5,320</u>	<u>1,483,027</u>	<u>2,722,736</u>
Operating (loss) income	<u>123,014</u>	<u>72,282</u>	<u>(5,320)</u>	<u>536,490</u>	<u>726,466</u>
Nonoperating revenues:					
Interest income	9,112	123,679	3,031	143,565	279,387
Gain on sale of equipment	—	86,100	—	—	86,100
Total nonoperating revenues	<u>9,112</u>	<u>209,779</u>	<u>3,031</u>	<u>143,565</u>	<u>365,487</u>
Change in net assets	132,126	282,061	(2,289)	680,055	1,091,953
Net assets at beginning of year	261,131	5,039,237	65,800	2,287,862	7,654,030
Net assets at end of year	<u>\$ 393,257</u>	<u>5,321,298</u>	<u>63,511</u>	<u>2,967,917</u>	<u>8,745,983</u>

**CITY OF URBANDALE, IOWA**  
**Combining Statement of Cash Flows –**  
**Proprietary Funds**  
**Year Ended June 30, 2009**

	<b>General Liability</b>	<b>Equipment Replacement</b>	<b>Technology</b>	<b>Risk Management</b>	<b>Total Governmental activities - Internal Service Funds</b>
<b>Cash flows from operating activities:</b>					
Receipts from customers and users	\$ 795,876	733,418	—	2,151,098	3,680,392
Payments to suppliers	(658,433)	—	(5,788)	(1,604,603)	(2,268,824)
Net cash (used in) provided by operating activities	<u>137,443</u>	<u>733,418</u>	<u>(5,788)</u>	<u>546,495</u>	<u>1,411,568</u>
<b>Cash flows from capital and related financing activities:</b>					
Purchase of capital assets	—	(283,629)	—	—	(283,629)
Proceeds from sale of capital assets	—	4,100	—	—	4,100
Net cash used in capital and related financing activities	<u>—</u>	<u>(279,529)</u>	<u>—</u>	<u>—</u>	<u>(279,529)</u>
<b>Cash flows from investing activities:</b>					
Interest on investments	10,790	83,349	1,626	97,175	192,940
Net (decrease) increase in cash and cash equivalents	<u>148,233</u>	<u>537,238</u>	<u>(4,162)</u>	<u>643,670</u>	<u>1,324,979</u>
Cash and cash equivalents at beginning of year	383,512	2,811,184	68,831	3,107,353	6,370,880
Cash and cash equivalents at end of year	<u>\$ 531,745</u>	<u>3,348,422</u>	<u>64,669</u>	<u>3,751,023</u>	<u>7,695,859</u>
<b>Reconciliation of operating (loss) income to net cash (used in) provided by operating activities</b>					
Operating (loss) income	\$ 141,237	89,605	(468)	539,636	770,010
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:					
Depreciation	—	643,813	—	—	643,813
Change in accounts receivable	3,696	—	—	(3,416)	280
Change in accounts payable	(7,490)	—	(5,320)	10,275	(2,535)
Net cash (used in) provided by operating activities	<u>137,443</u>	<u>733,418</u>	<u>(5,788)</u>	<u>546,495</u>	<u>1,411,568</u>

**Statement of Cash Flows –**  
**Proprietary Funds**  
**Year Ended June 30, 2008**

	<b>General Liability</b>	<b>Equipment Replacement</b>	<b>Technology</b>	<b>Risk Management</b>	<b>Total Governmental activities - Internal Service Funds</b>
<b>Cash flows from operating activities:</b>					
Receipts from customers and users	\$ 715,483	697,581	—	2,018,953	3,432,017
Payments to suppliers	(606,600)	—	—	(1,488,027)	(2,094,627)
Net cash (used in) provided by operating activities	<u>108,883</u>	<u>697,581</u>	<u>—</u>	<u>530,926</u>	<u>1,337,390</u>
<b>Cash flows from capital and related financing activities:</b>					
Purchase of capital assets	—	(1,073,470)	—	—	(1,073,470)
Proceeds from sale of capital assets	—	86,100	—	—	86,100
Net cash used in capital and related financing activities	<u>—</u>	<u>(987,370)</u>	<u>—</u>	<u>—</u>	<u>(987,370)</u>
<b>Cash flows from investing activities:</b>					
Interest on investments	9,112	123,679	3,031	143,565	279,387
Net (decrease) increase in cash and cash equivalents	<u>117,995</u>	<u>(166,110)</u>	<u>3,031</u>	<u>674,491</u>	<u>629,407</u>
Cash and cash equivalents at beginning of year	265,517	2,977,294	65,800	2,432,862	5,741,473
Cash and cash equivalents at end of year	<u>\$ 383,512</u>	<u>2,811,184</u>	<u>68,831</u>	<u>3,107,353</u>	<u>6,370,880</u>
<b>Reconciliation of operating (loss) income to net cash (used in) provided by operating activities</b>					
Operating (loss) income	\$ 123,014	72,282	(5,320)	536,490	726,466
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:					
Depreciation	—	625,299	—	—	625,299
Change in accounts receivable	(5,082)	—	—	(564)	(5,646)
Change in deferred revenue	(11,539)	—	—	—	(11,539)
Change in accounts payable	2,490	—	5,320	(5,000)	2,810
Net cash (used in) provided by operating activities	<u>108,883</u>	<u>697,581</u>	<u>—</u>	<u>530,926</u>	<u>1,337,390</u>

**CITY OF URBAN DALE, IOWA**

**Schedule 6**

Combining Statement of Fiduciary Net Assets

June 30, 2009

<b>Assets</b>	<b>Agency Funds</b>		
	<b>Collections and Deposits</b>	<b>Revolving Loan</b>	<b>Total Agency Funds</b>
Cash and pooled cash investments	\$ 1,055,254	199,386	1,254,640
Other assets	38,970	—	38,970
Total assets	<u>\$ 1,094,224</u>	<u>199,386</u>	<u>1,293,610</u>
<b>Liabilities</b>			
Liabilities:			
Due to component unit	\$ 9,072	—	9,072
Due to other governments	146,954	199,386	346,340
Deposits and remittances due	938,198	—	938,198
Total liabilities	<u>\$ 1,094,224</u>	<u>199,386</u>	<u>1,293,610</u>

Combining Statement of Fiduciary Net Assets

June 30, 2008

<b>Assets</b>	<b>Agency Funds</b>		
	<b>Collections and Deposits</b>	<b>Revolving Loan</b>	<b>Total Agency Funds</b>
Cash and pooled cash investments	\$ 1,069,126	194,387	1,263,513
Other assets	40,300	—	40,300
Total assets	<u>\$ 1,109,426</u>	<u>194,387</u>	<u>1,303,813</u>
<b>Liabilities</b>			
Liabilities:			
Due to component unit	\$ 3,024	—	3,024
Due to other governments	148,594	194,387	342,981
Deposits and remittances due	957,808	—	957,808
Total liabilities	<u>\$ 1,109,426</u>	<u>194,387</u>	<u>1,303,813</u>

**CITY OF URBAN DALE, IOWA**  
Combining Statement of Changes in Assets  
and Liabilities – Agency Funds  
Year Ended June 30, 2009

<b>Collections and Deposits Fund</b>	<b>Balance</b>			<b>Balance</b>
	<b>June 30, 2008</b>	<b>Additions</b>	<b>Deductions</b>	<b>June 30, 2009</b>
<b>Assets:</b>				
Cash and Pooled Cash Investments	1,069,126	418,462	432,334	1,055,254
Other Assets	40,300	3,670	5,000	38,970
	<u>\$ 1,109,426</u>	<u>422,132</u>	<u>437,334</u>	<u>1,094,224</u>
<b>Liabilities:</b>				
Due to Component Unit	\$ 3,024	55,119	49,071	9,072
Due to Other Governments	148,594	126,294	127,934	146,954
Deposits and Remittances Due	957,808	240,719	260,329	938,198
	<u>\$ 1,109,426</u>	<u>422,132</u>	<u>437,334</u>	<u>1,094,224</u>
<b>Revolving Loan Fund</b>				
<b>Assets:</b>				
Cash and Pooled Cash Investments	\$ 194,387	4,999	—	199,386
<b>Liabilities:</b>				
Due to Other Governments	\$ 194,387	4,999	—	199,386
Total agency funds assets	<u>\$ 1,303,813</u>	<u>427,131</u>	<u>437,334</u>	<u>1,293,610</u>
Total agency funds liabilities	<u>\$ 1,303,813</u>	<u>427,131</u>	<u>437,334</u>	<u>1,293,610</u>

Combining Statement of Changes in Assets  
and Liabilities – Agency Funds  
Year Ended June 30, 2008

<b>Collections and Deposits Fund</b>	<b>Balance</b>			<b>Balance</b>
	<b>June 30, 2007</b>	<b>Additions</b>	<b>Deductions</b>	<b>June 30, 2008</b>
<b>Assets:</b>				
Cash and Pooled Cash Investments	1,167,968	523,879	622,721	1,069,126
Other Assets	41,398	2,500	3,598	40,300
	<u>\$ 1,209,366</u>	<u>526,379</u>	<u>626,319</u>	<u>1,109,426</u>
<b>Liabilities:</b>				
Due to Component Unit	\$ 12,449	89,193	98,618	3,024
Due to Other Governments	194,688	166,472	212,566	148,594
Deposits and Remittances Due	1,002,229	270,714	315,135	957,808
	<u>\$ 1,209,366</u>	<u>526,379</u>	<u>626,319</u>	<u>1,109,426</u>
<b>Revolving Loan Fund</b>				
<b>Assets:</b>				
Cash and Pooled Cash Investments	\$ 173,502	20,885	—	194,387
<b>Liabilities:</b>				
Due to Other Governments	\$ 173,502	20,885	—	194,387
Total agency funds assets	<u>\$ 1,382,868</u>	<u>547,264</u>	<u>626,319</u>	<u>1,303,813</u>
Total agency funds liabilities	<u>\$ 1,382,868</u>	<u>547,264</u>	<u>626,319</u>	<u>1,303,813</u>

**STATISTICAL SECTION**

(Unaudited)

# CITY OF URBANDALE, IOWA

## Statistical Section

This part of the City of Urbandale's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, noted disclosures, and required supplementary information says about the government's overall financial health.

### **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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

**CITY OF URBANDALE, IOWA**

**Table I**  
**Changes in Net Assets**  
**Last Six Fiscal Years**  
**(accrual basis of accounting)**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Expenses</b>						
Governmental activities:						
Public Safety	\$ 5,213,450	5,625,803	6,221,356	6,594,536	7,663,358	7,516,393
Public Works	8,094,446	8,163,032	10,469,810	8,468,881	9,397,720	8,819,908
Health and social services	27,896	26,992	23,975	12,993	58,463	21,813
Culture and recreation	4,737,141	5,079,163	5,121,013	5,449,786	5,856,498	5,969,809
Community and economic development	1,024,584	1,470,696	1,721,213	1,118,862	1,032,369	1,962,340
General government	1,693,262	1,670,787	1,906,563	2,030,465	2,162,208	2,177,622
Interest on long-term debt	1,223,284	1,370,808	1,492,724	1,556,998	1,666,200	1,859,692
Total governmental activities expenses	\$ <u>22,014,063</u>	<u>23,407,281</u>	<u>26,956,654</u>	<u>25,232,521</u>	<u>27,836,816</u>	<u>28,327,577</u>
<b>Program Revenues</b>						
Governmental activities:						
Charges for services:						
Public safety	\$ 562,099	478,114	648,715	683,209	767,670	808,148
Public works	1,152,021	2,008,454	1,325,201	1,800,708	1,265,580	2,014,238
Culture and recreation	584,691	562,110	638,135	573,022	595,242	683,512
Community and economic development	1,275,846	1,152,026	1,237,983	893,678	664,109	492,701
Operating grants and contributions	3,078,828	3,225,412	4,145,283	3,360,153	3,812,429	3,766,839
Capital grants and contributions	8,616,427	4,902,157	7,188,470	5,269,911	2,346,682	1,928,279
Total governmental activities program revenues	\$ <u>15,269,912</u>	<u>12,328,273</u>	<u>15,183,787</u>	<u>12,580,681</u>	<u>9,451,712</u>	<u>9,693,717</u>
Net (expense)/revenue	\$ <u>(6,744,151)</u>	<u>(11,079,008)</u>	<u>(11,772,867)</u>	<u>(12,651,840)</u>	<u>(18,385,104)</u>	<u>(18,633,860)</u>
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental activities:						
Taxes:						
Property taxes	\$ 12,999,952	13,566,423	14,677,676	16,337,862	17,953,587	18,768,124
Tax increment financing district tax	1,134,596	3,451,749	2,747,565	3,510,146	2,835,582	4,400,172
Hotel Motel tax	797,323	1,050,706	1,051,441	1,067,930	1,207,270	1,064,797
Franchise fees	291,212	280,546	253,319	254,940	262,803	411,915
Utility excise tax	585,285	563,766	545,167	549,396	545,418	555,947
Sales tax	6,067	-	-	-	-	-
Investment earnings	295,357	609,911	999,332	1,390,248	1,253,439	772,232
Miscellaneous	327,918	258,526	541,895	197,208	184,446	359,364
Total governmental activities	\$ <u>16,437,710</u>	<u>19,781,627</u>	<u>20,816,395</u>	<u>23,307,730</u>	<u>24,242,545</u>	<u>26,332,551</u>
Change in Net Assets	\$ <u>9,693,559</u>	<u>8,702,619</u>	<u>9,043,528</u>	<u>10,655,890</u>	<u>5,857,441</u>	<u>7,698,691</u>

Note: In fiscal year 2002-03, the City implemented the new accounting standards under GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Prior to this the City did not present information in a full accrual basis.

**CITY OF URBANDALE, IOWA**

**Table II**

**Governmental Activities Tax Revenues By Source  
Last Five Fiscal Years  
(accrual basis of accounting)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>TIF Tax</b>	<b>Hotel Motel Tax</b>	<b>Property Tax Replacement</b>	<b>Franchise Tax</b>	<b>Utility Excise Tax</b>	<b>Sales Tax</b>	<b>Total</b>
2004	12,999,952	1,134,596	797,323	-	291,212	585,285	6,067	15,814,435
2005	13,566,423	3,451,749	1,050,706	-	280,546	563,766	-	18,913,190
2006	14,677,676	2,747,565	1,051,441	-	253,319	545,167	-	19,275,168
2007	16,337,862	3,510,146	1,067,930	-	254,940	549,396	-	21,720,274
2008	17,953,587	2,835,582	1,207,270	-	262,803	545,418	-	22,804,660
2009	18,768,124	4,400,172	1,064,797	-	411,915	555,947	-	25,200,955

Note: In fiscal year 2002-03, the City implemented the new accounting standards under GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Prior to this the City did not present information in a full accrual basis.

**CITY OF URBANDALE, IOWA**

**Table III**

**Net Assets by Component  
Last Five Fiscal Years  
(accrual basis of accounting)**

	<b>Fiscal Year</b>					
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Governmental activities:</b>						
Invested in capital assets, net of related debt	\$ 62,476,418	64,357,733	74,549,310	81,011,392	87,244,464	90,892,294
Restricted	6,392,428	9,959,951	8,373,251	10,761,007	10,195,609	9,799,146
Unrestricted	7,352,649	10,606,430	11,045,081	12,851,133	13,040,900	17,488,224
Total governmental activities net assets	\$ <u>76,221,495</u>	<u>84,924,114</u>	<u>93,967,642</u>	<u>104,623,532</u>	<u>110,480,973</u>	<u>118,179,664</u>

Note: In fiscal year 2002-03, the City implemented the new accounting standards under GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Prior to this the City did not present information in a full accrual basis.

**CITY OF URBANDALE, IOWA**

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund										
Reserved	\$ 5,373	7,516	6,383	9,427	8,064	3,183	39,691	22,321	22,138	38,615
Unreserved	<u>2,209,793</u>	<u>2,660,045</u>	<u>3,241,053</u>	<u>3,955,165</u>	<u>5,129,821</u>	<u>5,719,813</u>	<u>5,888,802</u>	<u>6,643,233</u>	<u>6,651,223</u>	<u>7,267,746</u>
Total general fund	<u>\$ 2,215,166</u>	<u>2,667,561</u>	<u>3,247,436</u>	<u>3,964,592</u>	<u>5,137,885</u>	<u>5,722,996</u>	<u>5,928,493</u>	<u>6,665,554</u>	<u>6,673,361</u>	<u>7,306,361</u>
All other governmental funds										
Reserved	\$ 3,915,175	3,146,111	4,092,967	2,196,110	4,307,679	7,763,252	4,384,598	7,589,796	8,181,975	4,207,685
Unreserved, reported in:										
Special revenue funds	677,140	1,027,504	871,911	2,015,739	1,690,187	2,450,607	3,198,600	-	2,228,338	4,693,953
Capital projects funds	<u>4,014,274</u>	<u>1,991,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>861,478</u>	<u>3,429,651</u>	<u>-</u>	<u>3,484,939</u>
Total all other governmental funds	<u>\$ 8,606,589</u>	<u>6,164,875</u>	<u>4,964,878</u>	<u>4,211,849</u>	<u>5,997,866</u>	<u>10,213,859</u>	<u>8,444,676</u>	<u>11,019,447</u>	<u>10,410,313</u>	<u>12,386,577</u>

**CITY OF URBANDALE, IOWA**

**Table V**

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Revenues:</b>										
Taxes	\$ 10,390,863	12,234,498	13,239,885	14,833,002	15,724,975	18,843,072	19,282,212	21,713,917	22,771,437	25,258,592
Special assessments	114,934	161,159	299,345	47,527	129,326	71,363	174,960	262,161	173,738	282,796
Licenses and permits	708,177	755,571	845,686	973,578	1,484,081	1,227,938	1,046,638	929,211	805,474	588,471
Use of money and property	570,954	612,106	262,675	205,884	238,116	504,228	772,861	1,091,181	974,052	579,292
Intergovernmental	3,387,688	3,762,900	3,658,462	3,000,788	3,501,073	3,231,391	4,618,523	4,049,014	4,165,488	4,996,472
Charges for services	646,067	631,309	771,480	1,131,085	1,686,028	2,217,100	2,282,337	2,419,323	2,473,369	3,067,070
Miscellaneous	743,605	696,084	792,137	722,199	649,467	2,385,991	1,477,583	849,263	836,896	628,722
Total revenues	\$ 16,562,288	18,853,627	19,869,670	20,914,063	23,413,066	28,481,083	29,655,114	31,314,070	32,200,454	35,401,415
<b>Expenditures:</b>										
Public safety	\$			4,771,091	5,128,491	5,439,939	6,258,706	6,609,967	7,599,894	7,837,383
Public works				4,683,208	5,255,628	5,250,496	5,106,124	5,647,118	5,898,132	6,279,817
Health and social services				22,910	27,896	26,992	23,975	18,355	57,913	21,263
Culture and recreation				4,249,781	4,390,807	4,762,141	5,082,065	5,224,415	5,649,633	5,910,545
Community and economic development				858,138	1,008,858	1,398,042	1,748,707	1,118,975	1,055,601	1,041,775
General government				1,271,661	1,336,552	1,476,033	1,761,537	1,949,626	2,097,042	2,129,304
Community Protection	4,267,123	4,615,153	4,830,839							
Human Development	3,603,739	3,527,909	3,891,200							
Home and Community Environment	4,584,870	4,735,950	4,692,349							
Policy and Administration	1,284,263	1,469,068	1,408,005							
Capital outlay	9,382,198	5,033,190	3,567,363	8,784,258	6,033,584	9,235,719	10,569,539	7,234,283	10,334,941	13,956,833
Debt service										
Principal	1,665,000	2,028,014	2,257,660	2,533,340	3,089,040	3,770,000	4,420,000	5,045,000	5,775,000	6,055,000
Interest	767,153	1,136,281	1,076,889	1,099,946	1,210,848	1,342,540	1,473,147	1,524,499	1,638,625	1,830,231
Total expenditures	\$ 25,554,346	22,545,565	21,724,305	28,274,333	27,481,704	32,701,902	36,443,800	34,372,238	40,106,781	45,062,151
Excess of revenues over (under) expenditures	\$ (8,992,058)	(3,691,938)	(1,854,635)	(7,360,270)	(4,068,638)	(4,220,819)	(6,788,686)	(3,058,168)	(7,906,327)	(9,660,736)
<b>Other financing sources (uses):</b>										
Transfers in	\$ -	256,024	-	1,440,084	1,473,523	4,959,765	4,224,262	4,755,032	6,522,967	4,094,561
Transfers out	-	-	-	(1,364,473)	(1,573,523)	(4,959,765)	(4,224,262)	(4,755,032)	(6,522,967)	(4,094,561)
General obligation bond and loan proceeds	12,446,487	1,431,373	1,442,573	5,696,362	7,155,000	9,091,262	5,225,000	6,370,000	7,305,000	12,225,000
Refunding bond issuance	-	-	-	-	-	-	-	-	-	4,770,000
Current refunding of general obligation debt	-	-	-	-	-	-	-	-	-	(4,725,000)
Discounts on bonds	-	-	-	-	(27,052)	(69,339)	-	-	-	-
Total other financing sources (uses)	\$ 12,446,487	1,687,397	1,442,573	5,771,973	7,027,948	9,021,923	5,225,000	6,370,000	7,305,000	12,270,000
Net change in fund balances	\$ 3,454,429	(2,004,541)	(412,062)	(1,588,297)	2,959,310	4,801,104	(1,563,686)	3,311,832	(601,327)	2,609,264
Debt service as a percentage of noncapital expenditures	15.04%	18.07%	18.37%	18.64%	20.05%	21.79%	22.78%	24.21%	24.90%	25.35%

Note: In fiscal year 2002-03 the City implemented the new accounting standards under GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. As a result, departmental expenditures were restructured from a four program expenditure format to a six function expenditure format. None of the previous program alignments were applicable under GASB 34.

**CITY OF URBANDALE, IOWA**

**Table VI**

**Governmental Activities Tax Revenues By Source  
Last Ten Fiscal Years  
(modified basis of accounting)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>TIF Tax</b>	<b>Hotel Motel Tax</b>	<b>Property Tax Replacement</b>	<b>Franchise Tax</b>	<b>Utility Excise Tax</b>	<b>Sales Tax</b>	<b>Total</b>
2000	9,070,026	-	760,008	369,271	191,558	-	-	10,390,863
2001	10,073,243	267,553	760,810	368,182	228,448	536,262	-	12,234,498
2002	10,829,068	357,675	881,262	355,291	272,682	543,907	-	13,239,885
2003	11,889,531	1,256,723	513,567	336,937	268,430	542,847	24,967	14,833,002
2004	13,235,112	1,134,596	472,703	-	291,212	585,285	6,067	15,724,975
2005	13,857,223	3,451,749	689,788	-	280,546	563,766	-	18,843,072
2006	15,022,051	2,747,565	714,110	-	253,319	545,167	-	19,282,212
2007	16,337,862	3,510,146	1,061,573	-	254,940	549,396	-	21,713,917
2008	17,953,587	2,835,582	1,174,047	-	262,803	545,418	-	22,771,437
2009	18,768,124	4,400,172	1,122,434	-	411,915	555,947	-	25,258,592

**CITY OF URBANDALE, IOWA**

**Table VII**

**Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30</b>	<b>Real Property</b>		<b>Personal Property</b>	<b>Utilities</b>	<b>Less: Tax Exempt Real Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Motor Vehicles**</b>						
2000 *	1,696,052,735	***	2,746,456	70,703,563	-	1,769,502,754	8.840	1,220,882,904	144.94%
2001 *	1,782,676,310	***	2,013,603	70,836,949	-	1,855,526,862	8.970	1,314,441,320	141.16%
2002 *	1,993,300,560	***	877,707	71,117,523	-	2,065,295,790	8.961	1,382,611,219	149.38%
2003 *	2,110,349,240	***	-	71,999,960	-	2,182,349,200	8.970	1,486,485,113	146.81%
2004 *	2,306,012,540	***	-	69,266,599	-	2,375,279,139	9.070	1,513,935,720	156.89%
2005 *	2,485,584,468	***	-	73,039,041	-	2,558,623,509	9.073	1,616,728,419	158.26%
2006 *	1,953,108,280	894,663,140	-	79,125,577	-	2,926,896,997	9.070	1,841,892,936	158.91%
2007 *	2,177,142,609	753,509,944	-	84,049,627	-	3,014,702,180	9.074	1,862,794,051	161.84%
2008*	2,421,283,590	820,529,520	-	79,788,938	-	3,321,602,048	9.220	1,936,887,271	171.49%
2009*	2,591,242,390	845,255,940	-	74,752,539	-	3,511,250,869	9.220	2,009,484,002	174.73%

Source: Polk and Dallas County - Auditor's Office.

Tax rate information can be found in Table XI.

\* Total included Polk County and Dallas County.

\*\*Computer equipment and industrial machinery are only items taxed and are being phased out.

\*\*\*Residential & commercial property total is combined.

**CITY OF URBANDALE, IOWA**

**Table VIII**

**Principal Property Taxpayers  
June 30, 2009**

<b>Taxpayer</b>	<b>2009</b>			<b>2000</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
Mid-American Energy	\$ 61,776,503	1	2.049%	\$ 65,244,059	1	4.145%
Aurora Business Park I, LLC	45,515,100	2	1.510%	33,441,770	2	2.125%
Deerfield Retirement Community	20,516,550	3	0.681%			
Berkley Holding Corp	18,467,600	4	0.613%			
Mid-America Inv. Co.	17,806,060	5	0.591%			
Nottingham Square Apartments	17,579,100	6	0.583%			
Brad Johnson Inv LC	17,003,600	7	0.564%			
City I LLC	15,650,610	8	0.519%			
Ladco Properties	14,494,000	9	0.481%			
G.K. Patners	14,210,000	10	0.471%			
Merle Hay Mall, Ltd.				18,217,000	3	1.157%
Shelter Properties VI				14,010,300	4	0.890%
Super Valu Stores, Inc.				10,582,000	8	0.672%
Teachers Ins. & Annuity				12,071,000	6	0.767%
Allied Deveopment				8,754,950	10	0.556%
Jared R. & Elaine E. Johnson				13,458,660	5	0.855%
G.K. Patners				9,778,520	9	0.621%
Continental Western, Ind. Inc.						
Anderson Properties Inc.				10,937,190	7	0.695%

Source: Bond Official Statements from debt issued in each respective year.  
Property valuation data can be found in Table VII.

**CITY OF URBANDALE, IOWA**

**Table IX**

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

<b>Fiscal Year Ended June 30</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2000	9,954,073	10,136,513	101.83%	5,250	10,141,763	101.89%
2001	10,974,319	11,168,356	101.77%	-	11,168,356	101.77%
2002	11,795,895	11,974,338	101.51%	5,673	11,980,011	101.56%
2003	12,534,941	12,617,576	100.66%	14,745	12,632,321	100.78%
2004	13,590,679	13,347,710	98.21%	915	13,348,625	98.22%
2005	14,169,913	14,138,517	99.78%	4,040	14,142,557	99.81%
2006	15,262,673	15,052,537	98.62%	6,290	15,058,827	98.66%
2007	16,938,918	16,887,258	99.70%	26,528	16,913,786	99.85%
2008	18,562,815	18,499,005	99.66%	17,904	18,516,909	99.75%
2009	19,349,838	18,768,123	96.99%	24,376	18,792,499	97.12%

**Notes:**

Taxes are due July and are delinquent on October 1 for first half and April 1 for second half.

Penalty for delinquency: 1 percent per month. No discount allowed.

Uncollected taxes are handled as follows: delinquent real estate tax list is published in the newspaper prior to May 16. Tax sale date is the first Monday in June.

Taxes are collected by Polk County and distributed to the City of Urbandale proportionate to its levy to all levies.

Source: Tax Certifications, Polk and Dallas County Auditor's offices, and Statistical Section information from each respective year.

**CITY OF URBANDALE, IOWA**

**Table X**  
**Ratios of Outstanding Debt by Type and General Bonded Debt**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>GO Certificates of Participation</b>	<b>GO General Fund Capital Notes</b>	<b>Total Primary Government Outstanding Debt</b>	<b>Total Outstanding Debt Per Capita</b>	<b>Percentage of Total Debt Outstanding to Median Family Income</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Net General Obligation Debt Outstanding</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Net General Bonded Debt Per Capita</b>
2000	20,700,000	1,430,000	-	22,130,000	761.21	0.319%	848,967	21,281,033	1.74%	732.01
2001	20,195,000	1,390,000	-	21,585,000	742.47	0.327%	629,055	20,955,945	1.59%	720.83
2002	19,450,000	1,350,000	-	20,800,000	715.47	0.339%	395,485	20,404,515	1.48%	701.86
2003	22,700,000	1,310,000	-	24,010,000	825.88	0.294%	252,361	23,757,639	1.60%	817.20
2004	26,835,000	1,265,000	-	28,100,000	966.57	0.251%	(304,562)	28,404,562	1.88%	977.04
2005	29,635,000	1,220,000	2,540,000	33,395,000	930.12	0.211%	253,909	33,141,091	2.05%	923.05
2006	30,585,000	1,170,000	2,445,000	34,200,000	952.54	0.206%	311,360	33,888,640	1.84%	943.87
2007	30,145,000	1,115,000	4,195,000	35,455,000	987.49	0.199%	250,288	35,204,712	1.89%	980.52
2008	31,710,000	1,055,000	4,290,000	37,055,000	1,032.06	0.190%	199,180	36,855,820	1.90%	1,026.51
2009	38,290,000	995,000	3,985,000	43,270,000	1,205.16	0.163%	250,405	43,019,595	2.14%	1,198.18

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

Population and personal income data can be found in Table XIV.

Property valuation data can be found in Table VII.

\*\* Information not available

**CITY OF URBANDALE, IOWA**

**Table XI**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

*Tax rates per \$1,000 of assessed valuation*

<b>Fiscal Year</b>	<b>City of Urbandale Direct Rates</b>			<b>Overlapping Rates</b>					<b>Total Direct &amp; Overlapping Rates</b>	
	<b>Operating Millage</b>	<b>Debt Service Millage</b>	<b>Total City Millage</b>	<b>Urbandale School District</b>	<b>Counties and Assessors</b>	<b>Transit</b>	<b>Community College</b>	<b>Urbandale Sanitary Sewer</b>		<b>State of Iowa</b>
2000	6.920	1.920	8.840	14.378	9.279	0.000	0.525	0.428	0.005	33.455
2001	6.920	2.050	8.970	12.340	9.459	0.000	0.545	0.391	0.005	31.710
2002	6.918	2.043	8.961	12.911	9.639	0.000	0.545	0.354	0.005	32.415
2003	6.920	2.050	8.970	13.439	9.722	0.000	0.546	0.417	0.004	33.098
2004	7.020	2.050	9.070	12.963	9.762	0.000	0.582	0.425	0.004	32.806
2005	7.022	2.051	9.073	12.128	9.965	0.000	0.599	0.412	0.004	32.181
2006	7.020	2.050	9.070	13.513	9.943	0.000	0.684	0.401	0.004	33.615
2007	7.020	2.050	9.070	13.477	10.175	0.131	0.687	0.385	0.004	33.929
2008	7.170	2.050	9.220	15.719	10.162	0.172	0.603	0.359	0.004	36.239
2009	7.170	2.050	9.220	16.272	10.125	0.229	0.564	0.340	0.004	36.754

**Notes:**

State law limits maximum tax rate for the General Fund to \$8.10 per thousand dollars of assessed valuation (100% basis) effective July 1, 1976.

Limitation does not include debt service and pension requirements.

Sources: Tax Certifications, Polk County Auditor's Office and Official Bond Statements from debt issued in each respective year.

**CITY OF URBANDALE, IOWA**

**Table XII**

**Direct and Overlapping Government Activities Debt  
As of June 30, 2009**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: Polk	\$ 579,444,000	21.62%	\$ <u>125,276,650</u>
Subtotal, overlapping debt			125,276,650
City of Urbandale direct debt			<u>45,195,000</u>
Total direct and overlapping debt			<u>\$ <u>170,471,650</u></u>

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

Source: Bond Official Statement November 2009

**CITY OF URBAN DALE, IOWA**

**Table XIII  
Legal Debt Margin Information  
Last Ten Fiscal Years**

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Debt limit	\$ 88,475,138	92,776,343	92,947,399	103,819,572	115,300,627	126,553,653	137,426,918	159,247,466	187,214,411	194,184,675
Total net debt applicable to limit	\$ 22,130,000	21,585,000	20,800,000	24,010,000	28,100,000	33,428,334	34,220,395	35,538,731	37,061,798	43,270,000
Legal debt margin	\$ 66,345,138	71,191,343	72,147,399	79,809,572	87,200,627	93,125,319	103,206,523	123,708,735	150,152,613	150,914,675
Total net debt applicable to the limit as a percentage of debt limit	33.36%	30.32%	28.83%	30.08%	32.22%	35.90%	33.16%	28.73%	24.68%	28.67%

**Legal Debt Margin Calculation for Fiscal Year 2009**

Actual value of property, 2008	\$ 3,883,693,494
Add back: exempt real property	-
Total assessed value	<u>\$ 3,883,693,494</u>
Debt limit (5% of total assessed value)	\$ 194,184,675
Debt applicable to limit:	
General obligation bonds	(38,290,000)
General obligation certificates of participation	(995,000)
General obligation General Fund capital loan notes	<u>(3,985,000)</u>
Total net debt applicable to limit	<u>(43,270,000)</u>
Legal debt margin	<u>\$ 150,914,675</u>

Source: Notes to the Financial Statements and Bond Official Statements from each respective year.

**CITY OF URBANDALE, IOWA**

**Table XIV**

**Demographic and Economic Statistics  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Population</u>	<u>Median Family Income</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>Unemployment Rate</u>
2000	29,072	70,548	29,021	37.0	2.60%
2001	29,072	70,548	29,021	37.0	3.30%
2002	29,072	70,548	29,021	37.0	4.00%
2003	29,072	70,548	29,021	37.0	4.50%
2004	29,072	70,548	29,021	37.0	4.80%
2005	35,904	70,548	29,021	37.0	5.10%
2006	35,904	70,548	29,021	35.9	3.70%
2007	35,904	70,548	29,021	35.9	3.00%
2008	35,904	70,548	29,021	35.9	3.30%
2009	35,904	70,548	29,021	35.9	5.50%

**Data Sources:**

Population, median family income, per capita income and median age are from the 2000 full census, and the special census in 2005. No data for personal income was reported in either census. Unemployment rates are based on Des Moines Metro area rates; information obtained from Bond Official Statements from each respective year.

**CITY OF URBANDALE, IOWA**

**Table XV**

**Principal Employers  
Current Year and Nine Years Ago**

	<u>2009</u>			<u>2000</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
<b>Employer:</b>						
Marsh & McLennan	1,100	1	0.153%			
CitiGroup	600	2	0.084%			
Wells Fargo Financial	530	3	0.074%			
U.S. Postal Services	500	4	0.070%	500	1	**
Urbandale Community Schools	450	5	0.063%			
Iowa Health Home Care	400	6	0.056%			
MidAmerican Energy	350	7	0.049%	210	7	**
Continental Western Insurance	340	8	0.047%	280	4	**
Allied Group	300	9	0.042%	300	3	**
Compressor Controls	300	10	0.042%	250	5	**
SuperValue Foods				410	2	**
Yellow Freight				243	6	**
Pepsi-cola Bottling Co				200	8	**
Ziegler				200	9	**
First Data's/Donnelly				200	10	**

Data Source: Bond official statements from debt issued in respective fiscal years

Total City Employment Source: Urbandale Chamber of Commerce statistics

\*\*Information not available

**CITY OF URBANDALE, IOWA**

**Table XVI**

**Full-time Equivalent Employees as of June 30**

<b>FUNCTION</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b><u>PUBLIC SAFETY</u></b>										
Police:										
Officers	40.00	41.00	42.00	42.00	42.00	42.00	44.00	46.50	47.00	48.00
Civilians	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00
Fire:										
Firefighters & Officers	* 7.50	7.50	6.75	7.00	7.00	6.25	5.75	6.00	9.75	12.25
Civilians	0.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
EMS	* 8.75	10.75	10.00	11.00	11.75	11.00	12.25	13.25	15.50	20.00
Total	<u>61.75</u>	<u>66.25</u>	<u>65.75</u>	<u>67.00</u>	<u>67.75</u>	<u>66.25</u>	<u>69.00</u>	<u>72.75</u>	<u>79.25</u>	<u>88.25</u>
<b><u>PUBLIC WORKS</u></b>										
Roadway Maintenance	14.75	15.25	15.25	15.75	16.00	16.25	17.50	17.50	20.00	17.50
Traffic Safety	0.75	0.50	0.75	1.25	1.25	1.25	1.25	1.00	1.00	1.00
Engineering Services	4.25	5.25	5.25	5.50	5.50	5.50	5.50	6.00	7.50	6.25
Street Cleaning	1.00	1.00	1.50	1.50	1.50	1.50	1.50	1.50	1.00	1.00
Solid Waste	7.00	5.50	5.50	5.50	5.50	4.50	4.50	4.50	6.00	8.75
Sanitary Sewer	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.50	3.00	2.50
Storm Sewer	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.25	0.50	0.50
Public Works Admin	4.50	4.50	4.50	4.50	4.50	4.50	4.00	4.50	4.50	4.50
Total	<u>34.75</u>	<u>34.50</u>	<u>35.25</u>	<u>36.50</u>	<u>36.75</u>	<u>36.00</u>	<u>36.75</u>	<u>37.75</u>	<u>43.50</u>	<u>42.00</u>
<b><u>HEALTH &amp; SOCIAL SERVICES</u></b>										
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b><u>CULTURE &amp; RECREATION</u></b>										
Library	19.00	23.00	25.50	25.50	25.50	25.50	26.00	25.00	24.50	25.50
Parks	18.00	19.00	22.50	21.50	16.00	16.00	16.00	15.00	17.50	16.75
Grounds Maintenance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Recreation	5.00	5.00	5.00	5.00	5.00	5.00	5.00	3.75	2.00	3.75
Senior Citizens	1.25	1.25	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00
Swimming Pool	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.00	4.25
Total	<u>48.75</u>	<u>53.75</u>	<u>60.25</u>	<u>59.25</u>	<u>53.75</u>	<u>53.75</u>	<u>54.25</u>	<u>51.00</u>	<u>51.00</u>	<u>53.25</u>
<b><u>COMMUNITY &amp; ECONOMIC DEVELOPMENT</u></b>										
Code Enforcement	4.00	4.00	4.00	4.50	4.50	4.50	5.50	6.00	6.00	5.75
Community Development	4.00	4.00	4.50	5.00	5.00	5.00	5.00	4.00	4.00	5.00
Total	<u>8.00</u>	<u>8.00</u>	<u>8.50</u>	<u>9.50</u>	<u>9.50</u>	<u>9.50</u>	<u>10.50</u>	<u>10.00</u>	<u>10.00</u>	<u>10.75</u>
<b><u>GENERAL GOVERNMENT</u></b>										
City Council	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City Manager	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Finance and Records	2.50	2.50	2.50	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Legal Services/Human Resources	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.75
Technology	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.25	1.25
General Support	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00
Total	<u>6.50</u>	<u>6.50</u>	<u>7.50</u>	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>	<u>9.00</u>	<u>10.00</u>	<u>10.75</u>	<u>11.00</u>
Grand total	<u>159.75</u>	<u>169.00</u>	<u>177.25</u>	<u>180.25</u>	<u>175.75</u>	<u>173.50</u>	<u>179.50</u>	<u>181.50</u>	<u>194.50</u>	<u>205.25</u>

Source: City Clerk's office; payroll records for each respective year.

\* Indicates Paid On Call staff hours are not available

**CITY OF URBANDALE, IOWA**

**Table XVII**

**Operating Indicators by Function  
Last Ten Fiscal Years**

<b>Function</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Public Safety</b>										
Police										
Total calls for service	**	**	16,342	19,840	12,942	12,514	17,684	13,262	13,771	13,492
Total arrests	**	1,519	2,024	2,251	1,600	1,029	1,515	1,876	1,842	1,101
Fire										
Number of calls answered/received	**	289	317	340	283	285	102	*1,762	1,972	2,496
Inspections	**	100	210	493	611	413	309	108	176	264
EMS										
Number of calls answered	**	1,229	1,190	1,235	1,294	1,398	1,407	1,593	1,824	1,804
Animal Control										
Pet Licenses issued	**	902	875	1,094	1,260	1,260	1,500	1,561	1,561	1,602
<b>Public Works</b>										
Roadway Maintenance										
Total lane miles maintained	**	364	370	380	396	407	410	413	415	418
Asphalt streets repaired (tons)	**	182	360	396	1,423	1,610	3,180	2,607	2,188	2,186
Solid Waste Collection										
Number of households	**	9,060	9,584	9,930	10,340	10,930	11,450	11,950	12,290	12,540
Tons of refuse collected	**	6,830	8,012	8,761	9,388	9,818	10,307	11,248	11,232	11,369
Tons of recycling collected	**	2,036	1,994	2,257	2,510	2,580	2,814	2,968	3,126	2,941
Tons of yard waste collected	**	1,964	1,662	2,054	1,761	1,955	2,120	2,463	2,325	2,684
Sanitary Sewer and Wastewater										
Linear feet of lines cleaned	**	210,416	346,127	267,404	293,521	261,390	275,170	296,846	213,967	353,954
<b>Culture &amp; Recreation</b>										
Library										
Registered borrowers	**	34,419	32,003	36,897	43,426	44,610	46,214	45,696	44,518	45,122
Circulation	378,004	490,176	548,388	574,581	609,484	617,217	621,395	649,028	644,028	721,363
Recreation										
Programs offered	**	315	361	385	402	421	429	433	447	459
Senior Center										
Total participants in all programs	**	10,982	14,058	15,673	22,730	24,532	26,500	29,047	30,146	30,468
Swimming Pool										
Pool Users	**	73,279	73,359	72,110	67,235	63,974	55,559	62,835	65,566	49,177^^
<b>Community and Economic Development</b>										
Code Enforcement										
Inspections	**	8,561	6,503	9,341	8,741	10,802	8,609	5,760	4,564	3,487
Community Development										
Building Permits	901	877	974	1,201	1,337	1,389	1,158	890	830	712
<b>General Government</b>										
Mayor and City Council										
Quarterly newsletters published	**	57,200	58,200	70,400	74,200	74,200	80,000	80,000	80,000	***
Finance and Records										
Purchase orders processed	**	3,417	2,914	2,610	2,773	3,048	3,235	2,931	2,925	1,785
Technology										
Intelligent workstations	**	**	**	109	112	133	172	205	273	261
General Support										
Safety incidents	**	63	55	37	38	43	35	38	39	50

Source: Performance measurement sections of adopted budget documents for each respective fiscal year

\* The calls answered changed to calls received at dispatch for 06/07.

\*\* Performance measurement information not available for these years.

\*\*\* The Mayor/Council newsletter is now published monthly in the Urbandale Living magazine. No longer applicable.

^^ The swimming pool was closed for renovations for 3 months of the fiscal year, which caused a significant decrease in users.

**CITY OF URBANDALE, IOWA**

**Table XVIII**

**Capital Asset Statistics by Function  
Last Ten Fiscal Years**

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b><u>Function</u></b>										
<b><u>Public Safety</u></b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units/marked & unmarked	21	22	22	21	24	24	24	26	26	29
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
<b><u>Public Works</u></b>										
Roadway Maintenance										
Streets (miles)	129	157	160	166	166	170	171	172	173	174
Streetlights	3,093	3,229	3,321	3,371	3,481	3,724	3,765	3,954	4,160	4,353
Traffic signals	20	24	27	30	31	31	31	33	35	47
Solid Waste Collection										
Collection trucks	6	6	6	6	6	7	7	7	8	8
Sanitary Sewer and Wastewater										
Sanitary Sewers	136	149	150	163	171	181	184	187	194	196
<b><u>Culture &amp; Recreation</u></b>										
Libraries	1	1	1	1	1	1	1	1	1	1
Number of Park Acres	423	534	534	530	676	857	880	903	904	904
Parks	22	23	23	26	27	45	47	47	48	48
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Wading Pools	3	3	3	3	3	3	3	3	3	3
Tennis Courts	12	12	12	12	12	12	12	12	12	12
<b><u>Community and Economic Development</u></b>										
Code Enforcement										
Vehicles	3	3	4	4	5	5	5	5	5	5

Source: Departmental records and capital asset detail ledger

**REPORTS ON COMPLIANCE AND  
INTERNAL CONTROLS**



CPAs & BUSINESS ADVISORS

**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**

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Urbandale, Iowa, as of and for the years ended June 30, 2009 and 2008, which collectively comprise the City's basic financial statements listed in the table of contents, and have issued our report thereon dated December 8, 2009. We conducted our audits 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 audits, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiency in internal control described in Part II of the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe that the significant deficiency described above is a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of non-compliance or other matter that is described in Part III of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2009, 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.

The City's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the City's responses, we did not audit the City's responses, and accordingly, we express no opinion on them.

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 Urbandale, Iowa, and other parties to whom the City of Urbandale, Iowa, 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.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of Urbandale, Iowa, during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

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

Dubuque, Iowa  
December 8, 2009



CPAs & BUSINESS ADVISORS

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO ITS MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the City of Urbandale, Iowa, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2009. The City's major federal program is identified in the summary of the independent auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grant agreements applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Urbandale, Iowa, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the City of Urbandale, Iowa, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grant agreements applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A control deficiency in the City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect non-compliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that non-compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material non-compliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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 Urbandale, Iowa, and other parties to whom the City of Urbandale, Iowa, 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.

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

Dubuque, Iowa  
December 8, 2009

**CITY OF URBAN DALE, IOWA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2009**

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Program Expenditures</u>
Department of Justice:			
Direct Program			
Bulletproof Vest Partnership Program	16.607		\$ <u>1,390</u>
Department of Transportation:			
Passed through State:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	STP-U-7875(624)-70-76	247,000
Highway Planning and Construction	20.205	STP-U-7875(629)-70-77	100,000
Highway Planning and Construction	20.205	STP-U-7875(623)-86-77	200,000
Highway Planning and Construction	20.205	STP-U-7875(628)-86-77	2,909
Highway Planning and Construction	20.205	STP-U-7875(628)-86-77	2,909
Highway Planning and Construction	20.205	STP-U-7875(630)-8V-77	<u>29,648</u>
			<u>582,466</u>
Passed through State:			
Governor's Traffic Safety Bureau:			
Alcohol Traffic Safety and Drunk			
Driving Prevention Incentive Grants	20.601	PAP 08-410, Task 64	8,829
Alcohol Traffic Safety and Drunk			
Driving Prevention Incentive Grants	20.601	PAP 09-410, Task 72	<u>5,642</u>
			<u>14,471</u>
Total Department of Transportation			<u>596,937</u>
Department of Homeland Security			
Direct Program			
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036		106,125
Direct Program			
Assistance to Firefighters Grant	97.044		<u>62,107</u>
Total Department of Homeland Security			<u>168,232</u>
Total federal expenditures			<u>\$ 766,559</u>

See accompanying notes to the schedule of expenditures of federal awards.

**CITY OF URBANDALE, IOWA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2009**

**BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Urbandale, Iowa, and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**CITY OF URBANDALE, IOWA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2009**

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

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weakness identified No  
 Significant deficiency Yes

Noncompliance material to financial statements noted No

Federal Awards

Internal control over major programs:

Material weakness identified No  
 Significant deficiency None reported

Type of auditor's report issued on compliance for the major program Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a) No

Identification of the major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs \$300,000

Auditee qualified as low-risk auditee No

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

**SIGNIFICANT DEFICIENCY:**

II-A-09 Segregation of Duties

Criteria – Properly designed segregation of duties allow entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

Condition – Duties are not able to be properly segregated. Currently one individual prepares the bank reconciliations, has the ability to transfer funds between bank accounts, has the ability to enter invoices into the accounts payable system, and prepares and posts entries to the general ledger.

CITY OF URBANDALE, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2009

**Part II: Findings Related to the Financial Statements: (continued)**

Cause – The limited number of office employees prevents a proper segregation of accounting duties necessary to assure optimal internal control.

Effect – Since job functions were not properly segregated, misstatements may not have been prevented or detected on a timely basis in the normal course of operations.

Recommendation – City officials should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances.

Response – The management of the City is aware of the segregation issue within the Finance and Records Department. However, with a small department, even with careful consideration when assigning duties, these issues are unavoidable. Management believes it has built in sufficient oversight controls throughout the financial management process to effectively mitigate the risk of fraud.

Conclusion – Response accepted.

**Part III: Other Findings Related to Required Statutory Reporting:**

III-A-09 Certified Budget – City expenditures by function during the year ended June 30, 2009, did not exceed the amount budgeted.

III-B-09 Questionable Expenditures – We noted no expenditures that we believe may fail to meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.

III-C-09 Travel Expense – No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

III-D-09 Business Transactions – Business transactions between the City and employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Sara Pearson, Library Director, spouse is a partner in Laden & Pearson	Legal services	\$ 397,174

The transaction with Laden & Pearson may represent a conflict of interest since it was not entered into through competitive bidding in accordance with Chapter 362.5(4) of Code of Iowa.

Response – The City’s relationship with Laden & Pearson has been a longstanding professional one. No issues in the past would support any consideration of a conflict of interest for the City. Mr. Pearson works with the City’s prosecution cases, not general legal matters. As of June 30, 2009, Sara Pearson has retired her position as Library Director. Therefore this will not be an issue going forward.

Conclusion – Response accepted.

**CITY OF URBAN DALE, IOWA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2009**

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

III-E-09 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.

III-F-09 Council Minutes – No transactions were found that we believe should have been approved in the Council minutes but were not.

III-G-09 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City’s investment policy were noted.