



CITY OF IOWA CITY

410 East Washington Street
Iowa City, Iowa 52240-1826
(319) 356-5000
(319) 356-5009 FAX
www.icgov.org

March 24, 2025

Iowa Department of Natural Resources
Planning, Permitting & Engineering Services
Wallace State Office Building
502 East 9th Street
Des Moines, IA 50319

Dear Sir or Madam:

I am the chief financial officer for the City of Iowa City Landfill, hereinafter referred to as the "Owner". This letter is in support of the Owner's use of the Financial Test to demonstrate financial assurance for closure and/or postclosure care costs, as specified in IAC 567 Chapter 113.14(3) and 113.14(4).

The Owner is the owner and operator of the following municipal solid waste sanitary landfill(s) for which financial assurance for closure and/or postclosure care is demonstrated through the financial test, as specified in IAC 567 Chapter 113.14(6)"f":

Facility Name: City of Iowa City Landfill
Address: 410 E. Washington Street, Iowa City, IA 52240
Permit No: 52-SDP-01-72P & 52-COM-02-22

The current closure and/or postclosure care cost estimate, in accordance with IAC 567 Chapter 113.14(3) and 113.14(4), are shown below for each facility covered by the Financial Test:

Closure cost to be assured:	\$3,924,432
Post-closure cost to be assured:	\$1,817,735
Corrective Action cost to be assured	\$ 172,700

The Owner meets or exceeds the financial test criteria as shown below in **Alternative I** and agrees to comply with the requirements, as specified in subrule 113.14(6)"f".

As chief financial officer for the Owner, I hereby certify that the information provided in this letter is true to the best of my knowledge and that this letter is being submitted in accordance with IAC 567 Chapter 113.14(6)"f" for the Local Government Financial Test.

Nicole Davies
Director of Finance

The figures for the following items are derived from the Owner's independently audited, year-end financial statements/audit report for the latest completed fiscal year, ended [Fiscal year end date].

Alternative I

1. Sum of the current closure and/or postclosure cost estimates being assured by the Financial Test	\$5,914,867	\$5,510,970
	From most recent annual auditor's report	From 2nd most recent annual auditor's report
2. Total Revenues	\$194,607,000	\$178,964,000
3. Total Expenditures	\$157,904,000	\$150,408,000
4. Current bond rating of most recent outstanding general obligation bonds	Aaa	Aaa
Must be able to answer "Yes" or "True" to the following		
	Yes/True	No/False
5. Has evidence been provided of most recent bond rating?	Yes	
6. Are outstanding general obligation bonds rated at least Aaa, Aa, A, or Baa, as issued by Moody's or AAA, AA, A or BBB, as issued by Standard & Poor's?	Yes	
7. There are no outstanding general obligation bonds that are currently in default.	True	
8. There are no outstanding general obligation bonds rated lower than Baa as issued by Moody's or BBB as issued by Standard & Poor's.	True	
9. Have financial statements (audit) been prepared in conformity with Generally Accepted Accounting Principles or with Other Comprehensive Basis of Accounting?	Yes	
10. Is line 3 less than line 2 in each of the past two years?	Yes	
11. If answered "no" to line 10, line 3 does not exceed line 2 by more than 5 percent in each of the past two years.	N/A	
12. Is line 1 less than 43 percent of line 2?	Yes	
13. Have not received an adverse opinion or disclaimer of opinion from the independent certified public accountant or office of the auditor of the state of Iowa.	True	
14. Have closure and postclosure costs being assured been referenced in the owner's most recent audit report or instead placed in the owner's files if timing did not permit reference in the most recent audit?	Yes	

Definitions:

"Deficit" - means total annual revenues minus total annual expenditures.

"Total revenues" - means revenues from all taxes and fees but does not include the proceeds from borrowing or asset sales, excluding revenue from funds managed by local government on behalf of a specific third party.

"Total expenditures" - means all expenditures excluding capital outlays and debt repayment.

"Cash plus marketable securities" - means all the cash plus marketable securities held by the local government on the last day of a fiscal year, excluding cash and marketable securities designated to satisfy past obligations such as pensions.

"Debt service" - means the amount of principal and interest due on a loan in a given time period, typically the current year.

City of Iowa City, Iowa

Statement of Activities

For the Year Ended June 30, 2024
(amounts expressed in thousands)

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Public safety	\$ 29,252	\$ 5,331	\$ 301	\$ -	\$ (23,620)	\$ -	\$ (23,620)
Public works	16,733	349	10,581	1,473	(4,330)	-	(4,330)
Culture and recreation	18,664	701	67	-	(17,896)	-	(17,896)
Community and economic development	12,269	20	12,649	20	420	-	420
General government	10,442	1,801	-	-	(8,641)	-	(8,641)
Interest on long-term debt	X 1,624	-	-	-	(1,624)	-	(1,624)
Total governmental activities	88,984	8,202	23,598	1,493	(55,691)	-	(55,691)
Business-type activities:							
Wastewater treatment	12,843	12,795	-	360	-	312	312
Water	11,022	10,997	-	266	-	241	241
Sanitation	12,907	12,767	-	-	-	(140)	(140)
Housing authority	13,277	350	13,297	-	-	370	370
Parking	6,067	5,459	-	18	-	(590)	(590)
Airport	1,677	396	117	632	-	(532)	(532)
Stormwater	2,147	1,886	-	186	-	(75)	(75)
Transit	10,604	958	5,548	-	-	(4,098)	(4,098)
Total business-type activities	70,544	45,608	18,962	1,462	-	(4,512)	(4,512)
Total	\$ 159,528	\$ 53,810	\$ 42,560	\$ 2,955	(55,691)	(4,512)	(60,203)
	X	✓	✓	✓			
General revenues:							
Property taxes, levied for general purposes					70,578	-	70,578
Hotel/motel tax					2,043	-	2,043
Gas and electric tax					748	-	748
Utility franchise tax					983	-	983
Grants and contributions not restricted to specific purposes					1,675	-	1,675
Earnings (loss) on investments					8,894	5,253	14,147
Gain on disposal of capital assets					418	23	441 ✓
Miscellaneous					3,903	1,205	5,108
Transfers					(10,174)	10,174	-
Total general revenues and transfers					79,068	16,655	95,723 ✓
Changes in net position					23,377	12,143	35,520
Net position beginning of year					328,237	438,086	766,323
Net position end of year					\$ 351,614	\$ 450,229	\$ 801,843

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

✓ 194.607
X 157.904

City of Iowa City, Iowa

Statement of Activities

For the Year Ended June 30, 2023
(amounts expressed in thousands)

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Public safety	\$ 26,450	\$ 5,129	\$ 240	\$ -	\$ (21,081)	\$ -	\$ (21,081)
Public works	19,051	112	10,252	2,675	(6,012)	-	(6,012)
Culture and recreation	18,135	696	109	438	(16,892)	-	(16,892)
Community and economic development	13,570	2,066	4,953	-	(6,551)	-	(6,551)
General government	8,774	1,871	(4)	-	(6,907)	-	(6,907)
Interest on long-term debt	X 1,622	-	-	-	(1,622)	-	(1,622)
Total governmental activities	87,602	9,874	15,550	3,113	(59,065)	-	(59,065)
Business-type activities:							
Wastewater treatment	12,869	12,333	-	167	-	(369)	(369)
Water	9,672	10,473	6	235	-	1,042	1,042
Sanitation	10,282	11,853	-	-	-	1,571	1,571
Housing authority	12,067	307	11,529	-	-	(231)	(231)
Parking	6,436	5,296	-	-	-	(1,140)	(1,140)
Airport	1,433	389	147	690	-	(207)	(207)
Stormwater	2,393	1,730	-	540	-	(123)	(123)
Transit	9,276	1,822	5,059	-	-	(2,395)	(2,395)
Total business-type activities	64,428	44,203	16,741	1,632	-	(1,852)	(1,852)
Total	\$ 152,030	\$ 54,077	\$ 32,291	\$ 4,745	(59,065)	(1,852)	(60,917)
	X	✓	✓	✓			
General revenues:							
Property taxes, levied for general purposes					70,824	-	70,824
Hotel/motel tax					1,885	-	1,885
Gas and electric tax					784	-	784
Utility franchise tax					1,117	-	1,117
Grants and contributions not restricted to specific purposes					1,244	-	1,244
Earnings (loss) on investments					4,325	2,605	6,930
Gain on disposal of capital assets					1,242	1	1,243 ✓
Miscellaneous					3,984	1,083	5,067
Transfers					(4,876)	4,876	-
Total general revenues and transfers					80,529	8,565	89,094 ✓
Changes in net position					21,464	6,713	28,177
Net position beginning of year, as restated					306,773	431,373	738,146
Net position end of year					\$ 328,237	\$ 438,086	\$ 766,323

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

✓ 178,964
X 150,488

CREDIT OPINION

1 May 2024



Send Your Feedback

Contacts

Jennifer Card +1.312.706.9983
 Bernhardt
 AVP-Analyst
 jennifer.card@moody's.com

David Strungis +1.312.706.9970
 VP-Senior Analyst
 david.strungis@moody's.com

CLIENT SERVICES

Americas 1-212-553-1653

Asia Pacific 852-3551-3077

Japan 81-3-5408-4100

EMEA 44-20-7772-5454

City of Iowa City, IA

Update to credit analysis

Summary

[Iowa City, IA's](#) (Aaa) credit profile benefits from a strong economic base that is anchored by the [University of Iowa](#) (Aa1 stable) and its associated [University of Iowa Hospitals Clinics](#) (Aa2 stable), very strong available fund balance and cash ratios, moderate long-term liabilities and modest fixed costs. The city's adjusted resident income ratio is below Aaa-rated peers, in part because of a large student population.

The city's [Water Enterprise](#) (Aa2) benefits from a stable service area, though modestly sized relative to peers, history of solid debt service coverage, strong liquidity, very modest debt to operating revenue and unlimited rate-setting authority.

On May 1, 2024 Moody's affirmed the city's Aaa issuer and GOULT ratings, Aa2 water enterprise ratings and removed the stable outlook.

Credit strengths

- » Local economy benefits from the presence of the University of Iowa (Issuer, water utility)
- » Strong available fund balance and cash ratios, healthy days cash on hand (issuer, water)
- » Very low debt to operating revenue (water utility)

Credit challenges

- » Resident income trail medians (issuer, water utility)
- » Small scale of operations compared to other similarly rated entities (water utility)

Rating outlook

Moody's does not assign outlooks to local governments with this amount of debt.

Factors that could lead to an upgrade

- » Not applicable (issuer and GOULT)
- » Material expansion of the system's size and scale of operations closer to peers (water utility)

Factors that could lead to a downgrade

- » Material declines in the city's available fund balance and cash ratios to levels below 50% (issuer and GOULT)
- » Increase of long-term liabilities ratio to levels over 300% (Issuer and GOULT)
- » Weakening of debt service coverage to under 1.5x (water utility)

Key indicators

Exhibit 1

Iowa City (City of) IA

	2020	2021	2022	2023	Aaa Medians
Economy					
Resident income ratio (%)	77.4%	80.9%	80.0%	N/A	170.6%
Full Value (\$000)	\$7,021,739	\$7,250,658	\$7,370,500	\$7,248,396	\$8,680,662
Population	75,849	74,240	74,878	N/A	36,119
Full value per capita (\$)	\$92,575	\$97,665	\$98,433	N/A	N/A
Annual Growth in Real GDP	-4.3%	2.9%	1.0%	N/A	4.9%
Financial Performance					
Revenue (\$000)	\$151,304	\$157,321	\$168,471	\$177,661	\$101,733
Available fund balance (\$000)	\$139,164	\$156,384	\$170,036	\$183,970	\$62,520
Net unrestricted cash (\$000)	\$173,427	\$196,741	\$214,629	\$226,784	\$88,880
Available fund balance ratio (%)	92.0%	99.4%	100.9%	103.6%	61.7%
Liquidity ratio (%)	114.6%	125.1%	127.4%	127.6%	91.1%
Leverage					
Debt (\$000)	\$86,770	\$81,920	\$76,499	\$71,329	\$68,781
Adjusted net pension liabilities (\$000)	\$194,363	\$249,853	\$197,370	\$123,508	\$105,726
Adjusted net OPEB liabilities (\$000)	\$8,602	\$9,287	\$7,909	\$8,270	\$11,674
Other long-term liabilities (\$000)	\$14,253	\$14,884	\$19,806	\$20,297	\$3,903
Long-term liabilities ratio (%)	200.9%	226.3%	179.0%	125.7%	258.2%
Fixed costs					
Implied debt service (\$000)	\$7,084	\$6,214	\$5,746	\$5,343	\$4,899
Pension tread water contribution (\$000)	\$5,706	\$6,370	\$2,923	N/A	\$3,333
OPEB contributions (\$000)	\$641	\$667	\$427	\$221	\$503
Implied cost of other long-term liabilities (\$000)	\$933	\$1,021	\$1,044	\$1,383	\$262
Fixed-costs ratio (%)	9.5%	9.1%	6.0%	5.6%	11.2%

For definitions of the metrics in the table above please refer to the [US Cities and Counties Methodology](#) or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published [US Cities and Counties Median Report](#).

The real GDP annual growth metric cited above is for the Iowa City, IA Metropolitan Statistical Area Metropolitan Statistical Area.

Sources: US Census Bureau, Iowa City (City of) IA's financial statements and Moody's Ratings, US Bureau of Economic Analysis

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

Exhibit 2

Iowa City, IA Water Enterprise					
System Characteristics					
Asset Condition (Net Fixed Assets / Annual Depreciation)	32 years				
System Size - O&M (in \$000s)	\$7,782.00				
Service Area Wealth: MFI % of US median	111.38				
Legal Provisions					
Rate Covenant (x)	1.10				
Debt Service Reserve Requirement	Aa				
Management					
Rate Management	Aa				
Regulatory Compliance and Capital Planning	Aaa				
Financial Strength					
	2019	2020	2021	2022	2023
Operating Revenue (\$000)	\$9,660	\$10,097	\$9,949	\$10,683	\$11,167
System Size - O&M (\$000)	\$6,780	\$6,719	\$7,366	\$7,285	\$7,782
Net Revenues (\$000)	\$3,299	\$3,690	\$2,682	\$3,463	\$4,029
Net Funded Debt (\$000)	\$6,962	\$5,302	\$3,583	\$1,881	\$436
Annual Debt Service (\$000)	\$1,728	\$1,739	\$1,757	\$1,790	\$1,781
Annual Debt Service Coverage (x)	1.9x	2.1x	1.5x	1.9x	2.3x
Cash on Hand	478.38	529.17	494.43	545.87	612.65
Debt to Operating Revenues (x)	0.72	0.53	0.36	0.18	0.04

Source: Iowa City (City of), IA's audited financial statements and Moody's Ratings

Profile

Iowa City is a large city that serves as the county seat of Johnson County. The city's population is currently estimated at about 76,000 residents. The city provides public safety (police and fire), public works, recreation and other general government services. The city's major business-type activities include sewer, sanitation, water, parking, transit and stormwater.

The system provides water treatment and distribution services to a service area largely coterminous with the city. The water system is comprised of nine vertical wells, one sand pit, one river intake, one water treatment facility, 7.8 million gallons of water storage and 289 miles of water distribution lines. City Council has complete authority to set rates and charges.

Detailed credit considerations

The city's healthy financial profile will remain a credit strength, even with planned reserve draw downs, because of its currently strong reserves, favorable revenue trends and conservative budgeting practices (see exhibit 3). For fiscal 2024 (June 30 year-end) city officials anticipate a planned spend down of around \$10.6 million in the general fund for capital projects, affordable housing initiatives and the purchase of land for redevelopment. Other governmental and business type funds were largely balanced for the year. The fiscal 2025 budget reflects a \$11.7 million deficit in the general fund for capital projects, and affordable housing projects. Across all funds the city budgeted for generally balanced operations. Despite these planned draws available fund balance and cash are likely to remain very strong at over 85% of revenue. For fiscal 2023 the city's available fund balance ratio totaled a very healthy 104% of revenue across all funds, while cash was around 128% of revenue.

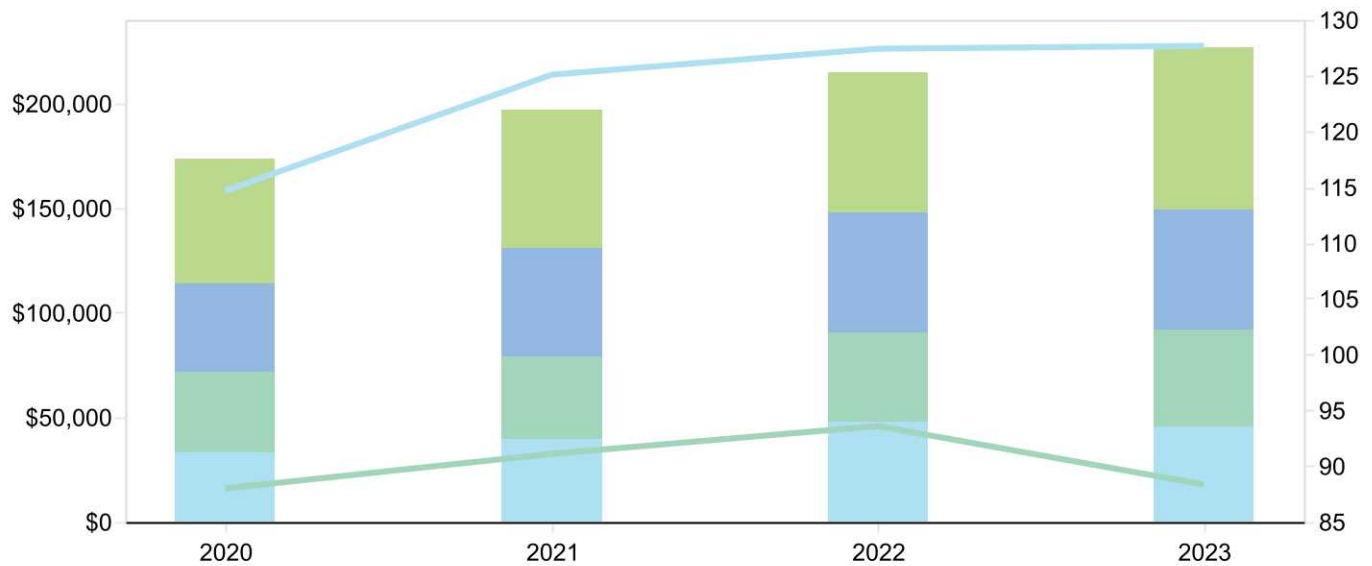
The city's economic base will continue to grow given its diversity and ties to the University of Iowa (Aa1 stable) and its associated University of Iowa Hospitals & Clinics (Aa2 stable), which is the only academic medical center in Iowa (Aaa stable). The city's long-term liabilities ratio is moderate at 126% of revenue (see exhibit 4) and likely to remain so given fast amortization and growing revenue. The city is currently preparing to issue around \$10 million in General Obligation Unlimited tax (GOULT) debt to finance its annual capital needs, and future borrowing plans include around \$33 million in sewer revenue debt in 2024 and about \$16 million in GO debt in 2025.

The water system's financial position will remain strong given annual rate increases, healthy days cash on hand, and limited borrowing plans. At the close of fiscal 2023, debt service coverage was strong 2.3x times and is likely to remain over 2x. City Council has complete authority to set rates and charges, and increased rates by 5% in fiscal 2024 and another 3% for fiscal 2025. Days cash on hand is strong at over 600 days, and is likely to remain at these levels.

Exhibit 3

Cash

General fund Other governmental funds Internal service funds Business-type activities Liquidity ratio (%)
 Aaa median liquidity ratio (%)

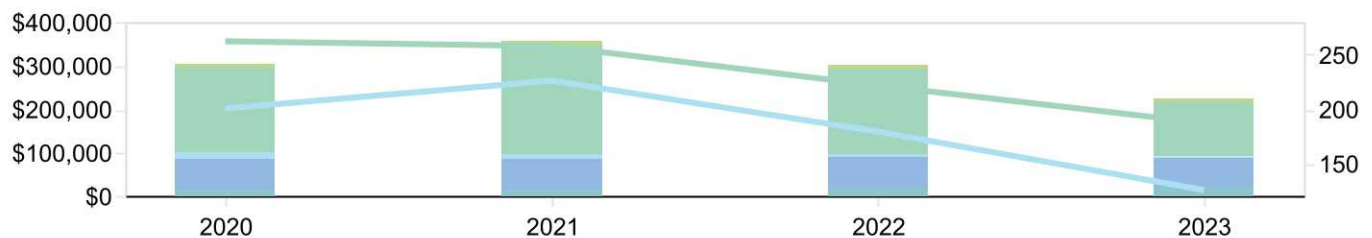


Source: Iowa City (City of), IA's audited financial statements and Moody's Ratings

Exhibit 4

Total Primary Government - Long Term Liabilities

Governmental Debt Business-Type Activity Debt Adjusted net pension liabilities
 Adjusted net other post-employment liabilities Other long-term liabilities Long-term liabilities ratio (%)
 Aaa median long-term liabilities ratio (%)



Source: Iowa City (City of), IA's audited financial statements and Moody's Ratings

ESG considerations

Iowa City (City of) IA's ESG credit impact score is CIS-2

Exhibit 5

ESG credit impact score

CIS-2



ESG considerations do not have a material impact on the current rating.

Source: Moody's Ratings

Iowa City's ESG Credit Impact Score of **CIS-2** indicates that ESG considerations have a neutral-to-low impact on its credit rating, reflecting neutral to low exposure to environmental, social and governance risks.

Exhibit 6

ESG issuer profile scores

ENVIRONMENTAL

E-3



SOCIAL

S-2



GOVERNANCE

G-1



Source: Moody's Ratings

Environmental

Iowa City, IA's Environmental Issuer Profile Score is (**E-3**), reflecting moderate exposure to environmental risks across all categories, including physical climate risk, carbon transition, water management, natural capital, and waste and pollution. The city was hard hit by flooding in 2008, though they continue efforts to mitigate future flood risks.

Social

Iowa City, IA's S Issuer Profile Score is neutral-to-low (**S-2**), reflecting neutral-to-low exposure to social risks in most categories including access to basic services, housing, health and safety, and labor and income. The city has positive exposure to demographic trends and education metrics. Educational attainment metrics are above average compared to the nation and population is steady to growing. The city's population has grown nearly 25% in the last three decades.

Governance

Iowa City, IA's G Issuer Profile Score is positive (**G-1**), reflecting exceptional budget management practices, policy credibility and effectiveness, and transparency and disclosure. The city posts quarterly financial reports and maintains a five-year capital improvement plan. The city has adopted various financial, debt and investment policies, including a formal fund balance policy, which it historically exceeds. Reserves are strong and the city has adequate revenue raising flexibility. Iowa cities benefit from a strong institutional structure and maintain substantial revenue raising flexibility under various property tax levies, which can be increased with board and voter approval. The primary revenue source of most Iowa cities is property taxes, which are mostly stable.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Rating methodology and scorecard factors

The US Cities and Counties Methodology includes a scorecard, which summarizes the rating factors generally most important to city and county credit profiles. Because the scorecard is a summary, and may not include every consideration in the credit analysis for a specific issuer, a scorecard-indicated outcome may or may not map closely to the actual rating assigned.

The assigned rating is two notches above the scorecard-indicated outcome because of considerations outside the scorecard, including being a regional employment center and positive economic concentration from the university and hospital.

Exhibit 7

Iowa City (City of) IA

	Measure	Weight	Score
Economy			
Resident income ratio	80.0%	10.0%	Baa
Full value per capita	98,404	10.0%	A
Economic growth metric	-2.3%	10.0%	A
Financial Performance			
Available fund balance ratio	103.6%	20.0%	Aaa
Liquidity ratio	127.6%	10.0%	Aaa
Institutional Framework			
Institutional Framework	Aa	10.0%	Aa
Leverage			
Long-term liabilities ratio	125.7%	20.0%	Aa
Fixed-costs ratio	5.6%	10.0%	Aaa
Notching factors			
No notchings applied			
Scorecard-Indicated Outcome			Aa2
Assigned Rating			Aaa

The Economic Growth metric cited above compares the five-year CAGR of real GDP for Iowa City, IA Metropolitan Statistical Area to the five-year CAGR of real GDP for the US.

Sources: US Census Bureau, Iowa City (City of) IA's financial statements and Moody's Ratings

Appendix

Exhibit 8

Key Indicators Glossary

	Definition	Typical Source*
Economy		
Resident income ratio	Median Household Income (MHI) for the city or county, adjusted for Regional Price Parity (RPP), as a % of the US MHI	MHI: US Census Bureau - American Community Survey 5-Year Estimates RPP: US Bureau of Economic Analysis
Full value	Estimated market value of taxable property in the city or county	State repositories; audited financial statements; continuing disclosures
Population	Population of the city or county	US Census Bureau - American Community Survey 5-Year Estimates
Full value per capita	Full value / population	
Economic growth metric	Five year CAGR of real GDP for Metropolitan Statistical Area or county minus the five-year CAGR of real GDP for the US	Real GDP: US Bureau of Economic Analysis
Financial performance		
Revenue	Sum of revenue from total governmental funds, operating and non-operating revenue from total business-type activities, and non-operating revenue from internal services funds, excluding transfers and one-time revenue, e.g., bond proceeds or capital contributions	Audited financial statements
Available fund balance	Sum of all fund balances that are classified as unassigned, assigned or committed in the total governmental funds, plus unrestricted current assets minus current liabilities from the city's or county's business-type activities and internal services funds	Audited financial statements
Net unrestricted cash	Sum of unrestricted cash in governmental activities, business type activities and internal services fund, net of short-term debt	Audited financial statements
Available fund balance ratio	Available fund balance (including net current assets from business-type activities and internal services funds) / Revenue	
Liquidity ratio	Net unrestricted cash / Revenue	
Leverage		
Debt	Outstanding long-term bonds and all other forms of long-term debt across the governmental and business-type activities, including debt of another entity for which it has provided a guarantee disclosed in its financial statements	Audited financial statements; official statements
Adjusted net pension liabilities (ANPL)	Total primary government's pension liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Ratings
Adjusted net OPEB liabilities (ANOL)	Total primary government's net other post-employment benefit (OPEB) liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Ratings
Other long-term liabilities (OLTL)	Miscellaneous long-term liabilities reported under the governmental and business-type activities entries	Audited financial statements
Long-term liabilities ratio	Debt + ANPL + ANOL + OLTL / Revenue	
Fixed costs		
Implied debt service	Annual cost to amortize city or county's long-term debt over 20 years with level payments	Audited financial statements; official statements; Moody's Ratings
Pension tread water contribution	Pension contribution necessary to prevent reported unfunded pension liabilities from growing, year over year, in nominal dollars, if all actuarial assumptions are met	Audited financial statements; Moody's Ratings
OPEB contribution	City or county's actual contribution in a given period	Audited financial statements
Implied cost of OLTL	Annual cost to amortize city or county's other long-term liabilities over 20 years with level payments	Audited financial statements; Moody's Ratings
Fixed-costs ratio	Implied debt service + Pension tread water + OPEB contributions + Implied cost of OLTL / Revenue	

*Note: If typical data source is not available then alternative sources or proxy data may be considered. For more detailed definitions of the metrics listed above please refer to the [US Cities and Counties Methodology](#).

Source: Moody's Ratings

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454



Municipal Solid Waste Sanitary Landfill Financial Assurance Report Form

SECTION 1: FACILITY INFORMATION

(please print or type)

Information Requested

Facility Name: City of Iowa City Landfill Permit Number: 52-SDP-01-72P & 52-COM-02-22
Permitted Agency/Entity: City of Iowa City

SECTION 2: CLOSURE/POSTCLOSURE OR CORRECTIVE ACTION COST ESTIMATES

Information Requested	Cost Estimate	Date of Cost Estimate
Updated Closure Cost Estimate	\$ 8,297,995	10/29/24
Updated Postclosure Cost Estimate	\$ 13,398,327	10/29/24
Initial or Updated Corrective Action Cost Estimate	\$ 172,700	10/29/24

*Attach closure/postclosure cost estimate(s) signed and certified by an Iowa-licensed professional engineer. Cost estimates shall include, at a minimum, each of the cost line items defined in 113.14(3)"c" for closure and 113.14(4)"c" for postclosure. Please provide closure and/or postclosure site area acreage information with the estimates.

Provide a cost estimate for corrective action only if corrective action is required and a corrective action plan has been approved by the Department. Attach the corrective action cost estimate signed and certified by an Iowa-licensed professional engineer. The cost estimate shall account for total costs of the activities described in the approved corrective action plan for the corrective action period.

SECTION 3: FACILITY WASTE TONNAGE INFORMATION

Information Requested	Tons
Remaining permitted capacity as of the beginning of permit holder's current fiscal year	1,655,660
Amount of waste disposed of at the facility during the prior year	142,874

SECTION 4: PROOF OF COMPLIANCE

Publicly Owned Municipal Solid Waste Landfills

(ATTACH AUDIT REPORT)

Owner's Most Recent Annual Audit Report

Prepared by: Angie Ogden

For fiscal year ending: 6/30/24

Privately Owned Municipal Solid Waste Landfills

(ATTACH AFFIDAVIT)

Attach owner/operator's affidavit indicating that an annual review has been performed by a certified public accountant to determine whether the privately owned landfill is in compliance with IAC 567 Chapter 113. The affidavit shall state the name of the certified public accountant, the dates and conclusions of the review, and the steps taken to rectify any deficiencies identified by the accountant.

SECTION 5: FINANCIAL ASSURANCE INSTRUMENT**Type and Value of Financial Assurance Instrument(s)****(ATTACH INSTRUMENT(S))**

Assurance Instrument	Establishment Date	Mechanism Covers	Instrument Value*
Trust Fund 567 IAC 113.14(6)"a"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Surety Bond 567 IAC 113.14(6)"b"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Letter of Credit 567 IAC 113.14(6)"c"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Insurance 567 IAC 113.14(6)"d"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Corporate Financial Test 567 IAC 113.14(6)"e"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Local Gov't. Financial Test 567 IAC 113.14(6)"f"	6/30/1995	Closure <input checked="" type="checkbox"/> Postclosure <input checked="" type="checkbox"/> Corrective Action <input checked="" type="checkbox"/>	\$ 667,044
Corporate Guarantee 567 IAC 113.14(6)"g"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Local Gov't Guarantee 567 IAC 113.14(6)"h"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Local Gov't. Dedicated Fund 567 IAC 113.14(6)"i"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$

*Pursuant to IAC 567 113.14(9), if account(s) are restricted/reserved to pay for closure, postclosure or corrective action costs, then the amount of the financial assurance instrument may be reduced by the sum of the cash balance of the account(s) established to comply with subrule 113.14(8).

SECTION 6: INITIAL PROOF OF ESTABLISHMENT OF ACCOUNTS**Check Which Applies:**☐ New Mechanism☒ Previously Submitted

Pursuant to IAC 567 Chapter 113.14(8)"f", documentation of the establishment of accounts is to be submitted to the department by April 1, 2003 for currently permitted MSWLFs. Permit holders for MSWLFs permitted after April 1, 2003, shall submit documentation of the establishment of accounts prior to the MSWLF's initial receipt of waste.

Please attach documentation indicating accounts/fund have been established for closure and postclosure care and if the account(s) are restricted/reserved for closure or postclosure care. Examples of documentation include bank statements for closure/postclosure accounts, letter signed by the chief financial officer, letter from certified public accountant, etc.

Accounts established pursuant to paragraph 113.14(6)"a" for trust funds or paragraph 113.14(6)"i" for local government dedicated funds also satisfies the requirements of this subrule, and the permit holder shall not be required to establish additional closure and postclosure accounts.

SECTION 7: CLOSURE AND POSTCLOSURE ACCOUNTS

Completion of the following closure and postclosure account information complies with the annual financial statement requirements of IAC 567 113.14(3)"a" and 113.14(4)"a" by indicating the current balance(s) of the closure/postclosure account(s) or dedicated/trust fund and the projected amount(s) to be deposited in the account(s).

Under "Beginning Balance", please state the account/fund balance 30 days after the start of the previous fiscal year, for "Ending Balance", indicate the account balance 30 days after the close of the previous fiscal year, and for "Projected Deposit", indicate the amount to be deposited within 30 days of the close of the permit holder's fiscal year.

Information Requested	Beginning Balance	Ending Balance	Projected Deposit
Closure Account Balance (see formula below)	\$ 4,024,268	\$ 4,373,563	\$ 338,611
Postclosure Account Balance (see formula below)	\$ 11,378,124	\$ 11,580,592	\$ 155,733
Or			
Dedicated Fund Balance (see formula below)	\$	\$	\$
Trust Fund Balance (see formula below)	\$	\$	\$

Formula for Projected Deposits

Closure or Postclosure Account

$$\frac{CE - CB}{RPC} \times TR$$

Where "CE" is the closure or postclosure cost estimate, "CB" is the balance 30 days after close of the previous fiscal year, "RPC" is the remaining permitted capacity in tons, of the landfill from the beginning of the current fiscal year, and "TR" is the total number of tons of solid waste disposed in the prior year.

Dedicated/Trust Fund

$$\frac{CE - CB}{Y}$$

Where "CE" is the closure or postclosure cost estimate, "CB" is the balance 30 days after close of the previous fiscal year, and "Y" is number of years remaining in the pay-in period.

If needed, the space below can be used to show calculations for projected deposits

Closure	Postclosure
$\frac{8,297,995 - 4,373,563}{1,655,660} \times 142,874 = 338,611$	$\frac{13,398,327 - 11,580,592}{1,655,660} \times 142,874 = 155,733$

SECTION 8: PERMIT HOLDER ENDORSEMENT

Submittal of this completed and endorsed form along with all required documentation establishes Notification and Proof of Permit Holder Compliance with IAC 567 Chapter 113.

Name of Official: Nicole Davies Title: Finance Director

Agency/Entity: City of Iowa City

Address: 410 E Washington Street

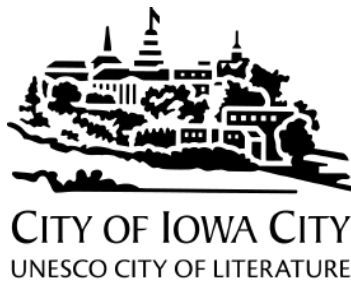
City: Iowa City State: IA Zip: 52240

Telephone: 319-356-5085 Fax: _____

Email Address: NDavies@iowa-city.org

Signature of Official:  Date: 3/24/25

Questions? Contact Bill Blum at (515) 240-6048 or Bill.Blum@dnr.iowa.gov



CITY OF IOWA CITY MEMORANDUM

DATE: 1 October 2024

TO: Nicole Davies, Finance Director; Jacklyn Fleagle, Assistant Finance Director

FROM: Joe Welter, Senior Engineer

SUBJECT: Fiscal Year (FY) 2024 Landfill Capacity Memorandum

Note that the new cell, Cell FY23, was constructed last year and begin receiving wastes in January 2024. In past financial assurance documentation this cell has been referred to as the Future North Cell.

During FY 2024, July 1, 2023 – June 30, 2024, the Iowa City Landfill and Recycling Center (Facility) reported accepting approximately **142,874.45 tons** of waste to the Iowa Department of Natural Resources (DNR) Tonnage Report Data. This information is available by selecting the *Tonnage Report Data* and the four quarters for the past fiscal year at <https://programs.iowadnr.gov/solidwaste/reports/index>. This annual tonnage was determined from the scale operations at the Facility during FY 2024. The accepted wastes in FY 2024 were slightly more than the past fiscal year (FY 2023) amount of approximately 132,898 tons. The accepted wastes for the past fiscal year are comparable to the five-year average between 2020 and 2024. It is believed that the FY 2021 accepted wastes (highest annual amount recorded) were impacted by the derecho storm (10 August 2020) debris and reconstruction as well as the COVID-19 Pandemic. Using available data from scale operations at the Facility (FY 1989 to FY 2022), the data from the *Waste-to-Energy Feasibility Study Update, Stanley Consultants, May 1986* (FY 1979 – FY 1985), and assumed quantities for the remaining years, the amount of wastes accepted at the Facility through the end of FY 2024 is approximately **5,159,949.29 tons**.

The Airspace Analysis Review (Airspace Analysis), an annual review of volumes within the facility is being finalized by HDR Engineering, Inc. The attachment to this memorandum is the draft of the Airspace Analysis. This table shows the analyses for the Current Period (11 July 2023 to 1 July 2024) and projections (Projected) for the remainder of the Facility's life.

Normal facility operations necessitate the use of cover soil to reduce odors and stabilize the fill areas. Some of this soil material is received, mostly from construction projects, through the scale operations. The rest of the soil material is taken from borrow or stockpile areas onsite. Additionally, wood chips were placed within Cells FY06, FY09, FY18, and FY23 in the current period. The Facility has never caught up with excess wood chip generation after the derecho storm event. Within the current period, the amount of soil and wood chip materials including that received into the facility, from borrow areas, and from stockpiles is approximately 131,201 cubic yards (cy). This material was utilized to stabilize equipment transit routes, as daily cover, and to establish intermediate cover over Cells FY09 and FY18. Prior to 2020, the amount of soil and wood chip materials was not considered in the airspace reviews.

Between 2020 and 2023, the Airspace Analysis had a row for in-place waste density (compaction rate) to show the trends for operational waste compaction. This additional row utilizes the methodology development during the 2020 Airspace Review (e.g. subtraction of soil material volumes from the consumed volume).

The current period effective density (compaction rate) is 1,007 pounds per cubic yard (lbs/cy). The average compaction rate during last three periods (FY 2022 through FY 2024) is 1,155 lbs/cy. This is significantly lower than the three-year average value in last year's memorandum of 1,274 lbs/cy. This decrease is likely due to operations moving into the newly constructed FY23 cell and placement of the initial lift of fluff/uncompacted waste material. Potential airspace lost during the placement of this initial lift is anticipated to be recovered through settlement as filling progresses. As it is believed that compact and settlement will recover the volumes lost in the first six months of filling in the new cell, a projected compaction of 1,250 lbs/cy will continue to be used for the calculations in this memorandum. This projected compaction rate is used for the future projections of the constructed cells (up to the active cell, Cell FY23). The overall trend is an increase for waste densities and there is an expectation that future cells will follow this trend. Therefore, a compaction rate of 1,300 lbs/cy will continue to be used for the projections within future cells in the Northeast Expansion and the Future Northwest Areas.

The Remaining Permitted Capacity (RPC) used in last year's financial assurance report was 1,615,625 tons. Subtracting the accepted wastes total for the current fiscal year (FY 2024), 142,874 tons, would yield a subtotal of approximately 1,472,751 tons. Based the current Airspace Analysis, the remaining capacity of the constructed cells (up to the active cell, Cell FY23) is 2,649,056 cubic yards. At the projected compaction (1,250 lbs/cy), the remaining tonnage for these cells is approximately 1,655,660 tons. The difference between these approaches is approximately 62,158 tons. This is a significant difference – nearly half a year of waste. This amount should be recovered through settlement in compaction in the next several years of filling in the new cell. Therefore, the remaining by tonnage capacity of the constructed cells, RPC, will be approximated as **1,655,660 tons**.

Last year, the estimated total capacity of the entire landfill was approximately 8,608,000 tons. Based on the current Airspace Analysis, HDR estimates the total remaining capacity of the future cells (northeast and northwest expansion areas) is 2,589,649 cubic yards (5,238,705 – 2,649,056). At a compacted rate of 1,300 lbs/cy, the remaining by tonnage capacity for the future cells is approximately **1,683,000 tons**. Adding the approximate amount of wastes accepted through FY 2024 (5,159,949 tons), the remaining by tonnage capacity of the constructed cells (1,655,660 tons), and the remaining by tonnage capacity for future cells (1,683,000 tons) yields an approximate by tonnage capacity for the entire Facility (all closed, inactive, active, and future cells) of **8,498,609 tons**. The approximation of **8,499,000 tons** should be considered the best available approximation of the total by tonnage capacity of the entire Facility. The difference of 109,000 tons between last year's analysis and this year's analysis is significant, but should be recovered through settlement in compaction in the next several years of filling in the new cell.

The capacity of the entire Facility considers all cells – closed, inactive, active, and future ones. Using the approximate amount of wastes accepted at the Facility through FY 2024 (5,159,949 tons) and the best available approximation of the total by tonnage capacity of the entire Facility (8,499,000 tons), the

entire Facility (all closed, inactive, active, and future cells) is approximately **60.7%** full. This is an increase of approximately 2.4% from the 2023 Memorandum. This is a higher percentage increase compared to the last three years, but is likely due to the initial uncompacted lift in the new cell.

Adding the approximate amount of wastes accepted through FY 2024 (5,159,949 tons) and the remaining by tonnage capacity of the constructed cells (1,655,660) yields an approximate by tonnage capacity for the open cells portion of the Facility (Cells FY95 through FY23) of 6,815,609 tons. The approximation of **6,816,000 tons** should be considered the best available approximation of the total by tonnage capacity of the open cells (FY95 through FY23).

Using the approximate amount of wastes accepted at the Facility through FY 2024 (5,159,949 tons) and the best available approximation of the total by tonnage capacity of the open cells (6,816,000 tons), the open cells portion of the Facility (Cells FY95 through FY23) is approximately **75.7%** full. This is an increase of approximately 0.1% from the 2023 Memorandum. This percentage change will be better to analyze in future memorandums as the new cell is filled.

These estimates could vary from year to year on a number of factors, including, but not limited to: natural disasters or public health crises; compaction rates and techniques; cover materials and techniques; erosion; and settlement. If you have questions about this information, please contact me at jwelter@iowa-city.org or (319) 356-5144.

Sincerely,



Joseph B. Welter, PE, PMP
Senior Engineer
City of Iowa City Engineering Division
410 East Washington Street
Iowa City, Iowa 52240

Copied:

City of Iowa City – Ron Knoche, Public Works Director; Jen Jordan, Resource Management Superintendent; Jason Havel, City Engineer; and Jacklyn Fleagle, Assistant Finance Director

HDR Engineering – Will Nicholson, Civil Engineer; Katie Kinley, Civil/Environmental Project Manager; and Brendan Bunker, Solid Waste EIT



October 29, 2024

Jennifer Jordan, Resource Management Superintendent
City of Iowa City Landfill & Recycling Center
3900 Hebl Avenue SW
Iowa City, IA 52246

RE: City of Iowa City Landfill and Recycling Center
Permit Nos. 52-SDP-01-72P and 52-COM-02-22
2024 Closure, Post-Closure, Corrective Action, and Compost Cost Estimates


Dear Ms. Jordan,


We have updated the closure, post-closure, and corrective action cost estimates for the City of Iowa City Municipal Solid Waste Landfill (MSWLF) and Compost Facility's permits to be included in the 2024 financial assurance reports submittal. The detailed cost estimates for the Landfill and Compost Facility are included in the Attachments. The cost estimates are summarized in the table below.

Cost Estimate Item	Estimate
City of Iowa City MSWLF Unit – Closure	\$ 8,222,995
City of Iowa City MSWLF Unit – Post-Closure	\$ 13,398,327
City of Iowa City MSWLF Unit – Corrective Action	\$ 172,700
City of Iowa City Compost Facility – Closure	\$ 75,000
Total	\$ 21,869,022

If you have any questions or comments regarding these cost estimates, please contact Katie Kinley at (402) 392-6980 (Kathryn.Kinley@hdrinc.com) or Brendan Bunker at (402) 548-5089 (Brendan.Bunker@hdrinc.com).

Sincerely,
HDR ENGINEERING, INC.


Katie Kinley, P.E.
Environmental/Civil Engineer


Brendan Bunker, E.I.T.
Solid Waste EIT

Attachments: Cost Estimates
CC: Mr. Joe Welter, PE, PMP, Senior Engineer, Iowa City

2024 Closure Cost Estimate - City of Iowa City Sanitary Landfill

Item	Cost Year	Cost of Item
1. Closure and Postclosure Plan Document Revisions	2024	\$ 25,000
2. Site Preparation, Earthwork, and Final Grading	2024	\$ 408,605
3. Drainage Control Culverts, Piping and Structures	2024	\$ -
4. Erosion Control Structures, Sediment Ponds, and Terraces	2024	\$ 363,418
5.1. Final Cap Construction - Cells FY95 through FY06	2024	\$ 616,679
5.2. Final Cap Construction - Cells FY09 through FY23	2024	\$ 2,775,327
6. Cap Vegetative Soil Placement - Cells FY95 through FY23	2024	\$ 894,090
7. Cap Seeding, Mulching and Fertilizing	2024	\$ 148,400
8. Monitoring Well, Piezometer, and Gas Collection System Installation	2024	\$ 2,094,252
9. Leachate System Cleanout and Extraction Well Modifications	2024	\$ 16,250
10. Monitoring Well Installation and Abandonments	2024	\$ 4,500
11. Facility Modifications to Effect Closed Status	2024	\$ 2,000
12. Engineering and Technical Services	2024	\$ 734,852
13. Legal, Financial, and Administrative Services	2024	\$ 110,228
14. Closure Compliance Certifications and Documentation	2024	\$ 29,394
Total Closure Costs:		\$ 8,222,995

Notes:

- | | |
|---|-------------|
| 1. Area requiring non-composite final cover at Closure (FY95 through FY06): | 38.61 acres |
| 2. Area requiring composite final cover at Closure (FY09 and FY23): | 29.60 acres |
| 3. Total area requiring final cover at Closure: | 68.21 acres |
| 4. Area requiring final grading at Closure: | 6.00 acres |

2024 Post-Closure Cost Estimate - City of Iowa City Sanitary Landfill

Item	Cost Year	Cost of Item
1. General Site Facilities, Access Roads, and Fencing Maintenance	2024	\$ 4,497 /year
2. Cap and Vegetative Cover Maintenance	2024	\$ 17,330 /year
3. Drainage and Erosion Control System Maintenance	2024	\$ 4,890 /year
4. Groundwater to Waste Separation Systems Maintenance	2024	\$ 6,413 /year
5. Gas Control Systems Maintenance	2024	\$ 120,370 /year
6. Gas Control Systems Monitoring and Reporting	2024	\$ 61,500 /year
7. Groundwater and Surface Water Monitoring Systems Maintenance	2024	\$ 1,357 /year
8. Groundwater and Surface Water Quality Monitoring and Reporting	2024	\$ 59,047 /year
9. Leachate Control Systems Maintenance	2024	\$ 11,625 /year
10. Leachate Management, Transportation, and Disposal	2024	\$ 134,182 /year
11. Leachate Control Systems Performance Evaluations and Reports	2024	\$ 2,000 /year
12. Engineering and Technical Services	2024	\$ 2,500 /year
13. Legal, Financial, and Administrative Services	2024	\$ 15,000 /year
14. Financial Assurance, Accounting, Audits, and Reports	2024	\$ 5,900 /year
Total Annual Post-Closure Costs:		\$ 446,611 /year
Total Post-Closure Costs (30 Years):		\$ 13,398,327

Notes:

- Item 8 costs do not include work required by the Corrective Action Groundwater Monitoring Program.

2024 Corrective Action Cost Estimate - City of Iowa City Sanitary Landfill

Item	Cost Year	Cost of Item
1. Corrective Action Groundwater Quality Monitoring and Reporting	2024	\$ 5,460 /year
2. Expansion of Leachate Management System	2024	\$ -
3. Remedy Completion Certification and Documentation	2024	\$ 2,500
4. Remedy Decommissioning	2024	\$ 6,400
Total 30-Year Corrective Action Costs:		\$ 172,700

Notes:

1. Selected remedy is source control via leachate and landfill gas management with monitored natural attenuation.
2. Calculation based on a 30-year remedy end date.

2024 Compost Facility Closure Estimate - City of Iowa City Compost

Item	Cost Year	Cost of Item
1. Material Loading and Transport	2024	\$ 75,000
2. Tipping Fees	2024	\$ -
3. Wastewater Disposal	2024	\$ -
Total Compost Facility Closure Costs		\$ 75,000

Notes:

1. Compost volume based on assumed maximum storage of 30,000-cy.



October 29, 2024

Jennifer Jordan, Resource Management Superintendent
City of Iowa City Landfill & Recycling Center
3900 Hebl Avenue SW
Iowa City, IA 52246

RE: City of Iowa City Landfill and Recycling Center
Permit No. 52-SDP-01-72P
2024 NE Expansion Closure and Post-Closure Cost Estimates

Dear Ms. Jordan,

We have updated the closure and post-closure cost estimates for the City of Iowa City Municipal Solid Waste Landfill (MSWLF) unconstructed Northeast Expansion Permitted Footprint. The detailed cost estimates for the Northeast Expansion are included in the Attachments. The cost estimates are summarized in the table below.

Cost Estimate Item	Estimate
City of Iowa City MSWLF, NE Expansion - Closure	\$ 2,232,970
City of Iowa City MSWLF, NE Expansion – Post-Closure	\$ 723,642
Total	\$ 2,956,612

If you have any questions or comments regarding these cost estimates, please contact Katie Kinley at (402) 392-6980 (Kathryn.Kinley@hdrinc.com) or Brendan Bunker at (402) 548-5089 (Brendan.Bunker@hdrinc.com).

Sincerely,
HDR ENGINEERING, INC.

Katie Kinley, P.E.
Environmental/Civil Engineer

Brendan Bunker, E.I.T.
Solid Waste EIT

Attachments: Cost Estimates
CC: Mr. Joe Welter, PE, PMP, Senior Engineer, Iowa City

2024 Closure Costs - City of Iowa City Sanitary Landfill - NE Expansion

Item	Cost Year	Cost of Item
1. Closure and Postclosure Plan Document Revisions	2024	\$ 10,000
2. Site Preparation, Earthwork, and Final Grading	2024	\$ 84,324
3. Drainage Control Culverts, Piping and Structures	2024	\$ -
4. Erosion Control Structures, Sediment Ponds, and Terraces	2024	\$ 193,740
5. Final Cap Construction - NE Expansion	2024	\$ 1,471,766
6. Cap Vegetative Soil Placement - NE Expansion	2024	\$ 199,925
7. Cap Seeding, Mulching and Fertilizing	2024	\$ 30,500
8. Monitoring Well, Piezometer, and Gas Collection System Installation	2024	\$ -
9. Leachate System Cleanout and Extraction Well Modifications	2024	\$ 5,250
10. Monitoring Well Installation and Abandonments	2024	\$ -
11. Facility Modifications to Effect Closed Status	2024	\$ -
12. Engineering and Technical Services	2024	\$ 199,550
13. Legal, Financial, and Administrative Services	2024	\$ 29,933
14. Closure Compliance Certifications and Documentation	2024	\$ 7,982
Total Closure Costs:		\$ 2,232,970

Notes:

1. Total area of NE Expansion: 15.25 acres

2024 Post-Closure Costs - City of Iowa City Sanitary Landfill - NE Expansion

Item	Cost Year	Cost of Item
1. General Site Facilities, Access Roads, and Fencing Maintenance	2024	\$ 420 /year
2. Cap and Vegetative Cover Maintenance	2024	\$ 2,405 /year
3. Drainage and Erosion Control System Maintenance	2024	\$ 1,834 /year
4. Groundwater to Waste Separation Systems Maintenance	2024	\$ 681 /year
5. Gas Control Systems Maintenance	2024	\$ - /year
6. Gas Control Systems Monitoring and Reporting	2024	\$ - /year
7. Groundwater and Surface Water Monitoring Systems Maintenance	2024	\$ 252 /year
8. Groundwater and Surface Water Quality Monitoring and Reporting	2024	\$ 11,880 /year
9. Leachate Control Systems Maintenance	2024	\$ 750 /year
10. Leachate Management, Transportation, and Disposal	2024	\$ - /year
11. Leachate Control Systems Performance Evaluations and Reports	2024	\$ 500 /year
12. Engineering and Technical Services	2024	\$ 500 /year
13. Legal, Financial, and Administrative Services	2024	\$ 2,500 /year
14. Financial Assurance, Accounting, Audits, and Reports	2024	\$ 2,400 /year
Total Annual Post-Closure Costs:		\$ 24,121 /year
Total Post-Closure Costs (30 Years):		\$ 723,642



October 29, 2024

Jennifer Jordan, Resource Management Superintendent
City of Iowa City Landfill & Recycling Center
3900 Hebl Avenue SW
Iowa City, IA 52246

RE: City of Iowa City Landfill and Recycling Center
Permit No. 52-SDP-01-72P
2024 NW Expansion Closure and Post-Closure Cost Estimates

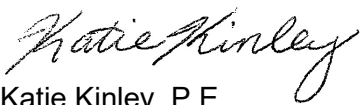
Dear Ms. Jordan,

We have updated the closure and post-closure cost estimates for the City of Iowa City Municipal Solid Waste Landfill (MSWLF) unconstructed Northwest Expansion Permitted Footprint. **This estimate assumes that closure and post-closure care for this expansion is consolidated with currently constructed cells through FY23.** The detailed cost estimates for the Northwest Expansion are included in the Attachments. The cost estimates are summarized in the table below.

Cost Estimate Item	Estimate
City of Iowa City MSWLF, NW Expansion - Closure	\$ 10,530,893
City of Iowa City MSWLF, NW Expansion – Post-Closure	\$ 13,690,370
Total	\$ 24,221,263

If you have any questions or comments regarding these cost estimates, please contact Katie Kinley at (402) 392-6980 (Kathryn.Kinley@hdrinc.com) or Brendan Bunker at (402) 548-5089 (Brendan.Bunker@hdrinc.com).

Sincerely,
HDR ENGINEERING, INC.


Katie Kinley, P.E.
Environmental/Civil Engineer


Brendan Bunker, E.I.T.
Solid Waste EIT

Attachments: Cost Estimates
CC: Mr. Joe Welter, PE, PMP, Senior Engineer, Iowa City

2024 Closure Cost Estimate - City of Iowa City Sanitary Landfill NW Expansion (Full Build)

Item	Cost Year	Cost of Item
1. Closure and Postclosure Plan Document Revisions	2024	\$ 25,000
2. Site Preparation, Earthwork, and Final Grading	2024	\$ 416,684
3. Drainage Control Culverts, Piping and Structures	2024	\$ -
4. Erosion Control Structures, Sediment Ponds, and Terraces	2024	\$ 559,555
5.1. Final Cap Construction - Cells FY95 through FY06	2024	\$ 616,679
5.2. Final Cap Construction - Cells FY09 through FY23	2024	\$ 3,759,580
6. Cap Vegetative Soil Placement - Cells FY95 through FY23	2024	\$ 1,026,499
7. Cap Seeding, Mulching and Fertilizing	2024	\$ 176,600
8. Monitoring Well, Piezometer, and Gas Collection System Installation	2024	\$ 2,806,139
9. Leachate System Cleanout and Extraction Well Modifications	2024	\$ 17,750
10. Monitoring Well Installation and Abandonments	2024	\$ 4,500
11. Facility Modifications to Effect Closed Status	2024	\$ 2,000
12. Engineering and Technical Services	2024	\$ 941,099
13. Legal, Financial, and Administrative Services	2024	\$ 141,165
14. Closure Compliance Certifications and Documentation	2024	\$ 37,644
Total Closure Costs:		\$ 10,530,893

Notes:

- | | |
|---|-------------|
| 1. Area requiring non-composite final cover (FY95 through FY06): | 38.61 acres |
| 2. Area requiring composite final cover (FY09, FY23, and NW Expansion): | 39.69 acres |
| 3. Total area requiring final cover at Closure: | 78.30 acres |
| 4. Area requiring final grading at Closure: | 10.00 acres |

2024 Post-Closure Cost Estimate - City of Iowa City Sanitary Landfill NW Expansion (Full Build)

Item	Cost Year	Cost of Item
1. General Site Facilities, Access Roads, and Fencing Maintenance	2024	\$ 4,580 /year
2. Cap and Vegetative Cover Maintenance	2024	\$ 18,613 /year
3. Drainage and Erosion Control System Maintenance	2024	\$ 5,875 /year
4. Groundwater to Waste Separation Systems Maintenance	2024	\$ 6,626 /year
5. Gas Control Systems Maintenance	2024	\$ 119,836 /year
6. Gas Control Systems Monitoring and Reporting	2024	\$ 68,775 /year
7. Groundwater and Surface Water Monitoring Systems Maintenance	2024	\$ 1,357 /year
8. Groundwater and Surface Water Quality Monitoring and Reporting	2024	\$ 59,466 /year
9. Leachate Control Systems Maintenance	2024	\$ 11,625 /year
10. Leachate Management, Transportation, and Disposal	2024	\$ 134,191 /year
11. Leachate Control Systems Performance Evaluations and Reports	2024	\$ 2,000 /year
12. Engineering and Technical Services	2024	\$ 2,500 /year
13. Legal, Financial, and Administrative Services	2024	\$ 15,000 /year
14. Financial Assurance, Accounting, Audits, and Reports	2024	\$ 5,900 /year
Total Annual Post-Closure Costs:		\$ 456,346 /year
Total Post-Closure Costs (30 Years):		\$ 13,690,370

Notes:

- Item 8 costs do not include work required by the Corrective Action Groundwater Monitoring Program.

Quarterly Solid Waste Fee Schedule & Retained Fees Report

City of Iowa City Sanitary Landfill
Permit #52-SDP-01-72
July 1 - September 30, 2023
due January 1, 2024

Report Form Received 10/16/2023 5:13 PM
Confirmation #2LNLEQY0

Accounting Validation

0050-542-G500-ID-0574 \$60,643.15
0050-542-G550-00-0630 \$21,518.54
City of Iowa City Sanitary Landfill
52-SDP-01-72

Tonnage fees are paid to the DNR on a quarterly basis with payment due by no more than ninety days following the quarter during which the fees were collected. The payment shall be accompanied by this form (542-3276). If any corrections are necessary, please contact the [Report Coordinator](#).

1. Tons of solid waste disposed of at a landfill

Line 1 combines the subtotals from the three tabs below. Include all MSW, commercial/industrial waste, C&D waste, special waste, waste from exceptional event(s) and contaminated soil that was received and disposed of at the landfill.

Waste From Within Planning Area (39,124.61 tons)

County/Service Area	Tonnage
Johnson County, Kalona, Riverside	39,124.61

Waste From Other Planning Area (0.00 tons)

Planning Area	Tonnage
---------------	---------

Out of State Waste (0.00 tons)

State	Tonnage
-------	---------

1. 39,124.61

2. Tons of solid waste used as alternative daily cover

Solid waste materials approved as ADC and used at a ratio of 3 tons of solid waste to 1 ton of cover material are considered a beneficial use and are exempt from tonnage fees and goal progress calculations. The combined total of all ADC is entered in Line 2. **Include in the tonnage the portion of ADC that is soil if a 50/50 blend is required.** To determine the amount of ADC used in excess of the approved ratio, divide the sum of Lines 1 and 2 by four and subtract the result from Line 2. Enter the result in Line 2a. If the result is a negative number, report "0".

Alternative Daily Cover (0.00 tons)

Approved ADC Material	Tonnage
Concover (Spray-on)	0.00
Typex (Exxon) (Tarp)	0.00
Wood chips	0.00

2. 0.00

2a. 0.00
(ADC overage)

3. Tons of solid waste used for beneficial use purposes

Solid waste materials approved by the DNR for lining or capping, or for construction berms, dikes, or roads at a landfill are beneficial uses and are exempt from the tonnage fees and goal progress calculations. The combined total from the Beneficial Use table is entered in Line 3.

Beneficial Use (0.00 tons)

Waste Type / Generator	Use	Tonnage
------------------------	-----	---------

3. 0.00

4. Total solid waste received

Add Lines 1, 2, and 3.

4. 39,124.61

5. 39,124.61

5. Tons of solid waste subject to tonnage fee

Add Lines 1 and 2a and enter the result in Line 5.

6. Late fee penalty/Debit adjustment

A penalty of two percent is assessed for each month that the fee or this form is overdue. Additional fees may also be owed due to miscalculations or ADC fee arrangements. Penalties/Debits will be entered by the DNR in Line 6.

6. 0.00**7. Credit adjustment**

Credits that are a result of reporting or accounting errors as well as exceptional event waste tonnage fee exemption approvals will be entered by the DNR in Line 7.

7. 0.00**8. Total amount to be remitted**

Add Line 6 to the sum of Lines 8a and 8b then subtract Line 7.

8. \$82,161.69

Line 8a - Multiply Line 5 by \$1.55

\$60,643.15

Line 8b - Multiply Line 5 by \$0.55

\$21,518.54**9. Total amount to be retained**

Add figures from Lines 9a and 9b and enter the result in Line 9. See directions for information on allowable uses of retained fees.

9. \$60,643.15

Line 9a - Multiply Line 5 by \$0.50

\$19,562.31

Line 9b - Multiply Line 5 by \$1.05

\$41,080.84☐ True

I certify that retained fees are being used in methods consistent with Iowa Administrative Code 567-101.14(3).

Additional Comments:

I certify that I am the owner, operator or authorized representative of the owner or operator, and that I have examined this return (including any accompanying documents to be mailed or emailed) and that I believe the information to be true, accurate and complete.

Signature: Jennifer L. JordanTitle: Resource Management SuperintendentDate: 10/16/2023

Quarterly Solid Waste Fee Schedule & Retained Fees Report

City of Iowa City Sanitary Landfill
Permit #52-SDP-01-72
October 1 - December 31, 2023
due April 1, 2024

Report Form Received 1/16/2024 3:18 PM
Confirmation #718F0TMDAP

Accounting Validation

0050-542-G500-LD-0574 \$52,798.38
0050-542-G550-00-0630 \$18,734.91
City of Iowa City Sanitary Landfill
52-SDP-01-72

Tonnage fees are paid to the DNR on a quarterly basis with payment due by no more than ninety days following the quarter during which the fees were collected. The payment shall be accompanied by this form (542-3276). If any corrections are necessary, please contact the [Report Coordinator](#).

1. Tons of solid waste disposed of at a landfill

Line 1 combines the subtotals from the three tabs below. Include all MSW, commercial/industrial waste, C&D waste, special waste, waste from exceptional event(s) and contaminated soil that was received and disposed of at the landfill.

Waste From Within Planning Area (34,063.47 tons)

County/Service Area	Tonnage
<u>Johnson County, Kalona and Riverside</u>	<u>34,063.47</u>

Waste From Other Planning Area (0.00 tons)

Planning Area	Tonnage

Out of State Waste (0.00 tons)

State	Tonnage

1. 34,063.47

2. Tons of solid waste used as alternative daily cover

Solid waste materials approved as ADC and used at a ratio of 3 tons of solid waste to 1 ton of cover material are considered a beneficial use and are exempt from tonnage fees and goal progress calculations. The combined total of all ADC is entered in Line 2. **Include in the tonnage the portion of ADC that is soil if a 50/50 blend is required.** To determine the amount of ADC used in excess of the approved ratio, divide the sum of Lines 1 and 2 by four and subtract the result from Line 2. Enter the result in Line 2a. If the result is a negative number, report "0".

Alternative Daily Cover (0.00 tons)

Approved ADC Material	Tonnage
<u>Concover (Spray-on)</u>	<u>0.00</u>
<u>Typer (Exxon) (Tarp)</u>	<u>0.00</u>
<u>Wood chips</u>	<u>0.00</u>

2. 0.00

2a. 0.00
(ADC overage)

3. Tons of solid waste used for beneficial use purposes

Solid waste materials approved by the DNR for lining or capping, or for construction berms, dikes, or roads at a landfill are beneficial uses and are exempt from the tonnage fees and goal progress calculations. The combined total from the Beneficial Use table is entered in Line 3.

Beneficial Use (0.00 tons)

Waste Type / Generator	Use	Tonnage

3. 0.00

4. Total solid waste received

Add Lines 1, 2, and 3.

4. 34,063.47

5. 34,063.47

5. Tons of solid waste subject to tonnage fee

Add Lines 1 and 2a and enter the result in Line 5.

6. Late fee penalty/Debit adjustment

A penalty of two percent is assessed for each month that the fee or this form is overdue. Additional fees may also be owed due to miscalculations or ADC fee arrangements. Penalties/Debits will be entered by the DNR in Line 6.

6. 0.00**7. Credit adjustment**

Credits that are a result of reporting or accounting errors as well as exceptional event waste tonnage fee exemption approvals will be entered by the DNR in Line 7.

7. 0.00**8. Total amount to be remitted**

Add Line 6 to the sum of Lines 8a and 8b then subtract Line 7.

8. \$71,533.29

Line 8a - Multiply Line 5 by \$1.55

\$52,798.38

Line 8b - Multiply Line 5 by \$0.55

\$18,734.91**9. Total amount to be retained**

Add figures from Lines 9a and 9b and enter the result in Line 9. See directions for information on allowable uses of retained fees.

9. \$52,798.38

Line 9a - Multiply Line 5 by \$0.50

\$17,031.74

Line 9b - Multiply Line 5 by \$1.05

\$35,766.64☐ True

I certify that retained fees are being used in methods consistent with Iowa Administrative Code 567-101.14(3).

Additional Comments:

I certify that I am the owner, operator or authorized representative of the owner or operator, and that I have examined this return (including any accompanying documents to be mailed or emailed) and that I believe the information to be true, accurate and complete.

Signature: Jennifer L. JordanTitle: Resource Management SuperintendentDate: 1/16/2024

Quarterly Solid Waste Fee Schedule & Retained Fees Report

City of Iowa City Sanitary Landfill
Permit #52-SDP-01-72
January 1 - March 31, 2024
due July 1, 2024

Report Form Received 4/16/2024 8:13 AM
Confirmation #K5NMUEWHOX

Accounting Validation

0050-542-G500-LD-0574 \$47,527.01
0050-542-G550-00-0630 \$16,864.42
City of Iowa City Sanitary Landfill
52-SDP-01-72

Tonnage fees are paid to the DNR on a quarterly basis with payment due by no more than ninety days following the quarter during which the fees were collected. The payment shall be accompanied by this form (542-3276). If any corrections are necessary, please contact the [Report Coordinator](#).

1. Tons of solid waste disposed of at a landfill

Line 1 combines the subtotals from the three tabs below. Include all MSW, commercial/industrial waste, C&D waste, special waste, waste from exceptional event(s) and contaminated soil that was received and disposed of at the landfill.

Waste From Within Planning Area (30,662.59 tons)

County/Service Area	Tonnage
<u>Johnson County, Kalona, Riverside</u>	<u>30,662.59</u>

Waste From Other Planning Area (0.00 tons)

Planning Area	Tonnage

Out of State Waste (0.00 tons)

State	Tonnage

1. 30,662.59

2. Tons of solid waste used as alternative daily cover

Solid waste materials approved as ADC and used at a ratio of 3 tons of solid waste to 1 ton of cover material are considered a beneficial use and are exempt from tonnage fees and goal progress calculations. The combined total of all ADC is entered in Line 2. **Include in the tonnage the portion of ADC that is soil if a 50/50 blend is required.** To determine the amount of ADC used in excess of the approved ratio, divide the sum of Lines 1 and 2 by four and subtract the result from Line 2. Enter the result in Line 2a. If the result is a negative number, report "0".

Alternative Daily Cover (0.00 tons)

Approved ADC Material	Tonnage
<u>Concover (Spray-on)</u>	<u>0.00</u>
<u>Typer (Exxon) (Tarp)</u>	<u>0.00</u>
<u>Wood chips</u>	<u>0.00</u>

2. 0.00

2a. 0.00
(ADC overage)

3. Tons of solid waste used for beneficial use purposes

Solid waste materials approved by the DNR for lining or capping, or for construction berms, dikes, or roads at a landfill are beneficial uses and are exempt from the tonnage fees and goal progress calculations. The combined total from the Beneficial Use table is entered in Line 3.

Beneficial Use (0.00 tons)

Waste Type / Generator	Use	Tonnage

3. 0.00

4. Total solid waste received

Add Lines 1, 2, and 3.

4. 30,662.59

5. 30,662.59

5. Tons of solid waste subject to tonnage fee

Add Lines 1 and 2a and enter the result in Line 5.

6. Late fee penalty/Debit adjustment

A penalty of two percent is assessed for each month that the fee or this form is overdue. Additional fees may also be owed due to miscalculations or ADC fee arrangements. Penalties/Debits will be entered by the DNR in Line 6.

6. 0.00**7. Credit adjustment**

Credits that are a result of reporting or accounting errors as well as exceptional event waste tonnage fee exemption approvals will be entered by the DNR in Line 7.

7. 0.00**8. Total amount to be remitted**

Add Line 6 to the sum of Lines 8a and 8b then subtract Line 7.

8. \$64,391.43Line 8a - Multiply Line 5 by \$1.55 \$47,527.01Line 8b - Multiply Line 5 by \$0.55 \$16,864.42**9. Total amount to be retained**

Add figures from Lines 9a and 9b and enter the result in Line 9. See directions for information on allowable uses of retained fees.

9. \$47,527.02Line 9a - Multiply Line 5 by \$0.50 \$15,331.30Line 9b - Multiply Line 5 by \$1.05 \$32,195.72☐ True

I certify that retained fees are being used in methods consistent with Iowa Administrative Code 567-101.14(3).

Additional Comments:

I certify that I am the owner, operator or authorized representative of the owner or operator, and that I have examined this return (including any accompanying documents to be mailed or emailed) and that I believe the information to be true, accurate and complete.

Signature: Jennifer L. Jordan**Title:** Resource Management Superintendent**Date:** 4/16/2024

Quarterly Solid Waste Fee Schedule & Retained Fees Report

City of Iowa City Sanitary Landfill
Permit #52-SDP-01-72
April 1 - June 30, 2024
due October 1, 2024

Report Form Received 7/15/2024 11:54 AM
Confirmation #C02NMCAKVQ

Accounting Validation

0050-542-G500-LD-0574 \$60,486.86
0050-542-G550-00-0630 \$21,463.08
City of Iowa City Sanitary Landfill
52-SDP-01-72

Tonnage fees are paid to the DNR on a quarterly basis with payment due by no more than ninety days following the quarter during which the fees were collected. The payment shall be accompanied by this form (542-3276). If any corrections are necessary, please contact the [Report Coordinator](#).

1. Tons of solid waste disposed of at a landfill

Line 1 combines the subtotals from the three tabs below. Include all MSW, commercial/industrial waste, C&D waste, special waste, waste from exceptional event(s) and contaminated soil that was received and disposed of at the landfill.

Waste From Within Planning Area (39,023.78 tons)

County/Service Area	Tonnage
Johnson County, Kalona, Riverside	39,023.78

Waste From Other Planning Area (0.00 tons)

Planning Area	Tonnage
---------------	---------

Out of State Waste (0.00 tons)

State	Tonnage
-------	---------

1. 39,023.78

2. Tons of solid waste used as alternative daily cover

Solid waste materials approved as ADC and used at a ratio of 3 tons of solid waste to 1 ton of cover material are considered a beneficial use and are exempt from tonnage fees and goal progress calculations. The combined total of all ADC is entered in Line 2. **Include in the tonnage the portion of ADC that is soil if a 50/50 blend is required.** To determine the amount of ADC used in excess of the approved ratio, divide the sum of Lines 1 and 2 by four and subtract the result from Line 2. Enter the result in Line 2a. If the result is a negative number, report "0".

Alternative Daily Cover (0.00 tons)

Approved ADC Material	Tonnage
Concover (Spray-on)	0.00
Typer (Exxon) (Tarp)	0.00
Wood chips	0.00

2. 0.00

2a. 0.00
(ADC overage)

3. Tons of solid waste used for beneficial use purposes

Solid waste materials approved by the DNR for lining or capping, or for construction berms, dikes, or roads at a landfill are beneficial uses and are exempt from the tonnage fees and goal progress calculations. The combined total from the Beneficial Use table is entered in Line 3.

Beneficial Use (0.00 tons)

Waste Type / Generator	Use	Tonnage
------------------------	-----	---------

3. 0.00

4. Total solid waste received

Add Lines 1, 2, and 3.

4. 39,023.78

5. 39,023.78

5. Tons of solid waste subject to tonnage fee

Add Lines 1 and 2a and enter the result in Line 5.

6. Late fee penalty/Debit adjustment

A penalty of two percent is assessed for each month that the fee or this form is overdue. Additional fees may also be owed due to miscalculations or ADC fee arrangements. Penalties/Debits will be entered by the DNR in Line 6.

6. 0.00**7. Credit adjustment**

Credits that are a result of reporting or accounting errors as well as exceptional event waste tonnage fee exemption approvals will be entered by the DNR in Line 7.

7. 0.00**8. Total amount to be remitted**

Add Line 6 to the sum of Lines 8a and 8b then subtract Line 7.

8. \$81,949.94

Line 8a - Multiply Line 5 by \$1.55

\$60,486.86

Line 8b - Multiply Line 5 by \$0.55

\$21,463.08**9. Total amount to be retained**

Add figures from Lines 9a and 9b and enter the result in Line 9. See directions for information on allowable uses of retained fees.

9. \$60,486.86

Line 9a - Multiply Line 5 by \$0.50

\$19,511.89

Line 9b - Multiply Line 5 by \$1.05

\$40,974.97☐ True

I certify that retained fees are being used in methods consistent with Iowa Administrative Code 567-101.14(3).

Additional Comments:

I certify that I am the owner, operator or authorized representative of the owner or operator, and that I have examined this return (including any accompanying documents to be mailed or emailed) and that I believe the information to be true, accurate and complete.

Signature: Jennifer L. JordanTitle: Resource Management SuperintendentDate: 7/15/2024



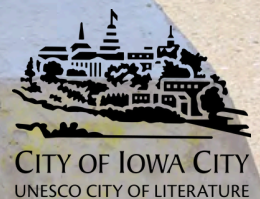
CITY OF IOWA CITY, IOWA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

"High Voltage Herky," 2024, designed by members of the IBEW Local 405 and featured in the 20th Anniversary Edition of the Herky on Parade community-wide public art installation.

ICGOV.ORG



Annual Comprehensive Financial Report

City of Iowa City, Iowa

For the fiscal year ended June 30, 2024

Prepared by:
Finance Department
City of Iowa City, Iowa



Introductory Section Tab

City of Iowa City, Iowa

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June 30, 2024

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City of Iowa City, Iowa

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December 3, 2024



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

The Annual Comprehensive Financial Report (Annual Report) of the City of Iowa City, Iowa (the City) for the fiscal year ended June 30, 2024 is submitted herewith in accordance with the provisions of Chapter 11 of the Code of Iowa. The City's Finance Department prepared this report. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rest with the City. I believe the information, as presented, is accurate in all material respects and presented in a manner designed to fairly present the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included.

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

Bohnsack & Frommelt, LLP, a firm of independent public accountants has issued an unmodified ("clean") opinion on the City's financial statements for the year ended June 30, 2024. Their opinion is included in the Financial Section of this report.

The City is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information to comply with the Uniform Guidance and "Government Auditing Standards" is included in the Compliance Section of 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 is designed to complement 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 Iowa City was incorporated April 6, 1853. The City is governed by a seven member Council; each member serves a four-year term. Elections are held every two years allowing for continuation in office of at least three members at each biennial election. The Council members are elected at large, with three members nominated from specific districts and the remaining four members nominated at large. The Council elects the Mayor from its own members for a two-year term.

The City Council is the legislative body and makes all policy determinations for the City through the enactment of ordinances and resolutions. It also adopts a budget to determine how the City will obtain and spend its funds. The Council appoints members of boards, commissions and committees.

The City Manager is the chief administrative officer for the City and is appointed by the City Council. The City Manager implements policy decisions of the City Council and enforces City ordinances. In addition, the City Manager appoints and directly supervises the directors of the City's operating departments and supervises the administration of the City's personnel system. The City Manager supervises 572 full-time and 62 part-time permanent municipal employees and 290 temporary employees, including a police force of 79 sworn personnel and a fire department of 66 firefighters.

The City Clerk is appointed by the City Council and reports to the Council. The City Clerk's Office administers the City government's documentation, City licenses and permits, and provides information from the Municipal Code and City Ordinances to the public and other City departments. The City Clerk's Office is also responsible for distributing and maintaining accurate records of all City Council proceedings. The Clerk supervises 3 full-time employees.

The City Attorney is also appointed by the City Council and works at the direction of the City Council. The City Attorney supervises the City Attorney's Office, including 4 Assistant City Attorneys and 2 other full-time employees. In addition, the City Attorney acts as Chief Legal Counsel to the City Council, City Manager, the various City departments and staff, and most City commissions, committees and boards.

The City provides a full range of services including police and fire protection, construction and maintenance of roads, streets and infrastructure, inspection and licensing functions, a municipal airport, library, recreational activities, and cultural events. The City owns and operates its water supply and distribution system and sewage collection and treatment system with secondary treatment also provided. Virtually the entire City has separate storm and sanitary sewer systems. The City operates a municipal off-street and on-street parking system in the downtown area. The City also operates a transit system.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the City Manager in October. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Council for review in December. The Council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than April 30th. The appropriated budget is prepared by fund, function (e.g., Public Safety), and department (e.g., Police).

The City adopts a three-year financial plan that includes both operations and capital improvements. This three-year plan permits a more comprehensive review of the City's financial condition, allowing analysis of the current and future needs and requirements. During preparation of the plan, careful review is made of property tax levy rates, utility and user fee requirements, ending cash balances by fund, debt service obligations, bond financing needs, capital outlay for equipment purchases and major capital improvement projects. The state requires at least a one-year operating budget. While legal spending control is exercised at a state mandated function level, management control is set at the Department Manager level. Encumbrance accounting is utilized in all funds for budgetary control. Appropriations that are not spent lapse at the end of the year.

Information Useful in Assessing the Government's Economic Condition

The City's economic strength is based on the educational sector, medical services, and diversified manufacturing. The University of Iowa and the University of Iowa Hospital and Clinics are the City's largest employers with over 25,800 employees. The University of Iowa had an enrollment in fall 2024 of 32,199 students, which is an increase of 543 students from 31,452 students in the fall of 2023. The academic and research missions of the University, along with the health care services provided at its hospitals and clinics, have an extremely positive economic impact on the area.

The City also has a significant number of national and international businesses, including Fortune 500 companies: ACT Inc., NCS Pearson, and Procter & Gamble. In February 2018, Procter & Gamble announced that in approximately two years they would be shifting their beauty care products production from Iowa City to their West Virginia plant. The announced plan was to eventually reduce the workforce from approximately 600 down to 100 employees. This would also impact nearby businesses that produce bottles and labels for this production plant in Iowa City. In May 2020, Procter & Gamble announced that they were going to maintain more employees in Iowa City by maintaining its oral rinse production here and by shifting newer product lines here. In addition, Procter & Gamble has added and is expanding an electric toothbrush plant in Iowa City which is expected to employ several hundred employees; it currently has added approximately 100 employees. The estimated investment in this new facility has been nearly \$100 million. Overall, the continued economic development efforts with the Iowa City and Coralville Chambers of Commerce, private interests, the University of Iowa, other surrounding communities, and Greater Iowa City, have produced positive results with the retention and expansion of businesses.

In addition, Iowa's Creative Corridor is a seven-county alliance surrounding Iowa City and has been identified as one of the major growth areas for new business development in the State of Iowa. This Corridor gives employers workforce access to a region uniquely Iowan, founded with a manufacturing heritage, but actively seeking new frontiers and opportunities in information technology, biotechnology and bioprocessing, renewable energy, insurance and financial services, advanced manufacturing, and educational services. Continued developments within Iowa City and the region have a favorable impact upon the City's economy and growth.

According to the 2020 census, the population of Iowa City is 74,828. This is an increase of 6,966 or 10.3% as compared to the 2010 census of 67,862.

As a whole, the City's economy continues to grow, established firms continue to prosper and expand, and there are opportunities for growth for new businesses; however, the COVID-19 pandemic had a substantial short-term impact on the City's economy. The economy has mostly recovered from the pandemic and Iowa City's economy has continued to improve. As of June 2024, Iowa City's unemployment rate was 2.4% while the State of Iowa was at 3.0%, and the National rate was 4.3%.

The rate of new housing construction also decreased substantially due to the COVID-19 pandemic in 2020 and the City continues to see an increase in 2023 based on the number of building permits issued. New housing building permits consisted of 56 new single-family houses and duplexes in 2023 as compared to 98 in 2022; multi-family dwelling units added during calendar year 2023 was 474, compared to 258 in 2022. Altogether new housing additions totaled 530 units valued at \$155,212,855 in 2023 versus a total of 356 units valued at \$97,581,126 in 2022. The City did see an increase in 2023 of value amounts over pre COVID-19 totals valued at \$124,362,697 in 2019, but still had unit numbers below that of 556 units from 2019.

Also reflecting the impact of the COVID-19 pandemic, the City had a decrease in commercial construction permits between 2019 and 2020. The value of permits for commercial construction increased from \$7,179,000 in 2022 to \$17,979,780 in 2023. The value of remodeling permits for residential and commercial properties increased from \$34,628,799 in 2022 to \$49,991,191 in 2023. Total permits issued in 2022 for all purposes was 543 permits for \$152,715,321 which was more permits but less value than the 2023 total permit issuance of 492 permits for \$275,401,574.

The COVID-19 pandemic has had a significant short-term economic impact on the City of Iowa City; however, the City's unemployment rate has dropped steadily since its peak in April 2020 as the City's economy opened back up. The stability of the University of Iowa coupled with historically steady employment by the City's multi-sector base of manufacturing and service industries helps to insulate the City from significant negative impacts of economic recessions. The City's property valuations continue to rise which is indicative of the City's relative economic stability.

Major Initiatives

The City of Iowa City developed a 5 year Strategic Plan. The strategic planning process involved multiple steps, including gathering input from the general public, front-line City staff, department directors, and the City Council. This Strategic Plan builds on the City's previous plans to foster a more inclusive, just and sustainable Iowa City by prioritizing the physical, mental and economic well-being of all residents.

Values

- Partnerships and Engagement
- Climate Action
- Racial equity, social justice, and human rights

Impact Areas & Strategies

Neighborhoods & Housing

- Update the City Comprehensive Plan and Zoning Code to encourage compact neighborhoods with diverse housing types and land uses.
- Partner in projects that serve as models for desired future development.
- Create inviting and active outdoor spaces with unique and engaging recreation offerings.
- Address the unique needs of vulnerable populations and low-to-moderate income neighborhoods.

Mobility

- Expand the access and convenience of environmentally friendly and regionally connected public transit.
- Design and maintain complete streets that are comfortable and safe for all users.
- Grow and prioritize bike and pedestrian accommodations.

Economy

- Reinforce Iowa City as a premier community to locate and grow a business.
- Ensure appropriate infrastructure is in place for future business growth and development.

- Cultivate a strong entrepreneurial and small businesses ecosystem with a focus on creating new pathways to success for systemically marginalized populations.
- Build Iowa City's image as the Greatest Small City for the Arts.
- Strengthen the Iowa River's role as a signature community amenity and tourism generator.

Safety & Well-being

- Implement and expand innovative public safety models and facilities to improve outcomes and relationships within the community.
- Partner with non-profits to address the most emergent and foundational community safety and well-being needs.
- Build community by fostering social connections and developing safe, accessible public spaces for gathering.

Resources:

Facilities, Equipment & Technology

- Invest in the next generation of public facilities and equipment to create immediate operational efficiencies, boost workplace safety, health, and morale, and improve cross-department collaboration.
- Promote high performance governance leveraging technology, partnerships, and innovation.

People

- Establish the City of Iowa City as an employer of choice in the region with a pay plan, benefits package, and flexible work options that attract and retain high-quality and motivated public service employees.
- Carry out a multi-dimensional staff engagement initiative to ensure every City employee feels welcome, informed, involved, and engaged at work.
- Build a diverse talent pipeline.

Financial

- Grow the tax base, consider alternative revenue sources, and leverage outside funding to maintain core services and pursue community priorities while maintaining equitable property tax rates.
- Exercise fiscal responsibility by maintaining and growing assigned and emergency reserve funds and prudent debt management.

The City Council has also promoted private investment and re-development of other targeted areas throughout the community. The areas that are currently being focused on include the Riverfront Crossings area, the Downtown District, the Riverside Drive commercial area, and the Foster Road Urban Renewal Area.

The Riverfront Crossing area is an initiative to revitalize the area south of Iowa City's downtown district. This area was hard hit by flooding in 2008 and ideas for improving the district were initiated as part of a combined flood mitigation plan. The district features a riverfront park with walking and biking trails, a variety of housing options near shopping, restaurants, a state-of-the-art recital hall and recreational facilities and is a short walk to downtown Iowa City and the University of Iowa campus. This area has seen significant development over the past few years.

The Riverfront Crossings area is anchored by a 76.8 acre park that was formerly comprised of public facilities including the City's north wastewater treatment plant. An \$8.5 million hazard mitigation grant from the State of Iowa assisted the City in removing the public facilities in this area and then converting the area into a riverfront park and wetland. Construction of phases 1 through 3 of the park began in 2017 and were completed during the fall of 2019; phase 4 of the park started in 2019 and was completed in the fall of 2020. On the north side of the Riverfront Crossing area, the University of Iowa recently constructed the Voxman School of Music. On the opposite side of the street, the redevelopment of an empty lot was completed in the spring of 2019 which includes a 7-story, mixed-use building with 40 apartment units, retail space on the street level, and office space on the second floor. An adjacent building houses a 7-story Element Hotel by Marriott. The estimated cost of these developments is approximately \$40 million. On the back side of the School of Music, a new development has been approved for two new 15 story towers with up to 820 total units and 1,575 beds. This area is approximately one city block in size, will provide right-of-way to re-connect Capitol Street, and has an estimated investment of \$200 million.

In the Downtown District, the City completed a streetscape plan for the Central Business District which included lighting, landscaping, parking, utility improvements, artwork, and pedestrian amenities. Reconstruction and enhancements for the Washington Street corridor were completed in 2017 and reconstruction of Black Hawk mini-park and the downtown pedestrian mall were completed in 2020. Dubuque Street reconstruction was recently completed which included updating critical infrastructure, enhanced the retail environment with streetscape components and improved the pedestrian experience. Other future downtown streetscape projects are scheduled in the five-year capital improvement program. The downtown has also seen significant private development over the past few years.

Private development in the downtown area includes a new project completed in 2022, which includes the historical renovation of several commercial buildings along the pedestrian mall and the construction of an 11-story, 120,000 square foot multi-residential with 102 residential units. The total project is estimated to cost \$54.4 million. Other buildings in the downtown that have undergone major re-development recently include the Wilson Building and public space which has been developed into a 15-story mixed-use development known as the Chauncey; this building has 8 floors of residential units, a 35-unit hotel, two floors of commercial space, a movie theatre and a bowling alley. The project was estimated to cost \$49 million. Also completed was the redevelopment of the City Hall parking lot and neighboring church into 126 residential units, parking, and commercial space. The project was estimated to cost \$33.4 million. Also new in 2020, was the addition of a 13,000+ square foot Target in a large downtown store front that had been vacant for years. This store represents a trend away from big box stores on the edges of town and a focus on University related downtown foot traffic.

The Riverside Drive commercial area is an area that stretches from the University of Iowa campus to the intersection of Highways 1 and 6 and is across the river from the Riverfront Crossings development area. The development of a 4-story, \$16.1 million multi-family/student housing development in the Riverside Drive area was completed in late 2016, and adjacent to this development several new retail spaces including a gas station/marketplace and additional multi-residential housing units were also constructed or renovated. The City is developing a streetscape plan for this area which will include lighting, trails, landscaping, and other amenities and improvements. Construction of the streetscape and intersection improvements began in 2018 and were completed in 2020. Additional streetscape and trail improvements are planned for this area in the future.

Development of the Foster Road Urban Renewal Area is underway which will convert a 53.29 acre wooded area north of the Downtown area and near Interstate 80 into a new residential/multi-residential development with a total estimated cost of approximately \$33 million. A 53-unit, 55+ senior living facility was recently constructed, and an additional 52 townhomes are planned adjacent to the facility. The project also extended the Foster Road arterial from Dubuque Street to Prairie Du Chien Road, and the area will provide Low-Middle Income (LMI) funding through a tax increment district that can be used by the City anywhere to assist with the development of affordable housing.

Long-term Financial Planning

It is management's intent to support the major City Council initiatives through budget appropriations, departmental operations, and employee development so that the organization as a whole is moving in the same direction.

The passage of property tax reform (SF295) by the state legislature in 2013 is still impacting the preparation of the year financial plan (FY2025 – FY2027). The property tax reform bill had multiple components including a property tax rollback for commercial and industrial property, which reduced the taxable value of these property types. The bill established a State funded "backfill" to reimburse the City for lost property tax revenues due to the commercial and industrial rollback. The State "backfill" payments began in fiscal year 2015 but were capped at the fiscal year 2017 levels for years thereafter. Beginning in fiscal year 2023, the State began phasing out the "backfill" and it will be fully phased out in five years.

This bill also limited the annual taxable valuation growth of residential and agricultural property to 3 percent, instead of the previous limit of 4 percent. The impact of this provision is that the taxable percentage of residential property is expected grow at a slower pace. The City will not receive any money from the State due to lost revenue from this provision.

SF295 also established a multi-residential property classification that includes mobile home parks, assisted living facilities, and property primarily intended for human habitation. A gradual rollback will be applied to these properties to eventually tax them similarly to residential property, rather than commercial, by fiscal year 2024. This will also not be reimbursed by the State of Iowa.

Due to the passage of SF295, the City estimates its net revenue losses to be \$26,848,000 for fiscal years 2015 through 2022. The cumulative net revenue loss from fiscal years 2015 through 2024 is estimated to be \$41,126,902. It is possible that this could affect the City's ability to finance services at current levels without finding other revenue sources or more efficient ways to deliver services.

In 2023 the state legislature passed additional property tax reform (HF718), which will have a significant impact on the City's budget starting with FY2025. In addition to eliminating two levies (Emergency Levy & Library Levy) that the City currently utilizes the bill also reduces the amount of growth that is allowed for the General Levy. The total impact of this new legislation has not been estimated yet, but it is anticipated that it will be at least a reduction of \$1 million dollars annually.

The City's long-term financial planning strategy is to promote targeted economic development, diversify its revenue structure, control spending and create efficiencies, and to build adequate reserves and contingencies into its financial structure. In addition, the City is annually reviewing and adjusting its user fees, service charges, and fine structures to try to maintain all of its major enterprise funds with a positive net income after depreciation but before capital contributions, transfers, and extraordinary items. The City also continues to strive to reduce the City's property tax levy rate to be competitive for economic development purposes. In fiscal year 2013, the City's property tax levy rate was \$17.269 per \$1,000 of assessed value. The property tax levy rate was reduced for nine consecutive years to \$15.633 in fiscal year 2023 and remained at \$15.633 in fiscal year 2024 and 2025. This has been a reduction of \$1.636 per \$1,000 of assessed value or 9.47% over that time period.

In looking at expenses for the FY2023 – FY2026 Financial Plan and FY2025 operating budget, the City will generally experience increased expenditures; with General Fund expenditures and total operating expenditures growing at approximately 5% or less from FY2024 to FY2025. Bargaining unit cost-of-living wage increases are approximately 2% to 4% each year. In prior years, the budgeted full-time equivalents (FTE) has generally remained flat - from 607.66 in FY2015 to 608.18 in FY2020, but in FY2021, the permanent FTE count increases to 624.08 primarily due to the conversion of temporary workers to permanent part-time or permanent full-time positions. In FY2022 & FY2023, three additional positions were added each year bringing the City's total FTE to 630.90. In FY2024, 16.05 FTEs were added, bringing the total to 646.95. In FY2025, 3.25 FTEs were added, bringing the total to 650.20. The City has averaged a 8.44% increase in its health insurance premium rates over the previous eight years; however, is expecting a continued upward trend for health insurance rates in FY2025 and FY2026. Employee contributions, deductibles, and out-of-pocket maximums for health insurance increased in FY2024, and employee contributions for health insurance also increased in FY2024, which should help mitigate the impact to the City's overall premium increase. In FY2025 we are expecting to see increases as all expenditures are seeing continued increases due to inflation.

In balancing the budget for the three-year period, the City attempts to mitigate the growth of costs while continuing to provide high quality services by identifying ways to provide services more efficiently, reviewing and updating existing revenue sources to meet strategic goals, strategically funding new programming and economic development to ensure strong property value growth, providing for necessary improvements to existing infrastructure, and upholding fiscal integrity by maintaining adequate cash reserves.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (the Certificate) to the City of Iowa City, Iowa for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. The Certificate is the highest form of recognition for excellence in state and local financial reporting.

In order to be awarded the Certificate, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. The Annual Comprehensive Financial Report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

The Certificate is valid for a period of one year only. The City has received the Certificate for the last thirty-seven consecutive years. I believe our current report continues to conform to the Certificate requirements and I will submit it to GFOA to determine its eligibility for another certificate.

In addition, the City received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget beginning July 1, 2024. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient or outstanding in several categories including policy documentation, financial planning, and organization. This is the twelfth consecutive year the City has received this award.

Responsibility and Acknowledgments

The Department of Finance prepared the Annual Comprehensive Financial Report of the City of Iowa City, Iowa for the fiscal year ended June 30, 2024. The City Council, as required by law, is responsible for the complete and accurate preparation of the City's Annual Comprehensive Financial Report. I believe that the information presented is accurate in all material respects and that this report fairly presents the financial position and results of operations of the various funds of the City.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the City's Finance Department. I would like to express my appreciation to all members of the department who assisted and contributed to its preparation. I want to especially recognize the contributions of the Assistant Finance Director, Jacklyn Fleagle, Accounting Coordinator, Mark Messer, Senior Accountants, TaraLynne Werthmann and Riley Davis and Budget Management Analyst, Angie Ogden.

Also, I thank the Mayor, members of the City Council and the City Manager for their interest and support in planning and conducting the financial operations of the City in a dedicated, responsible, and progressive manner.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Nicole Davies".

Nicole Davies
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Iowa City
Iowa**

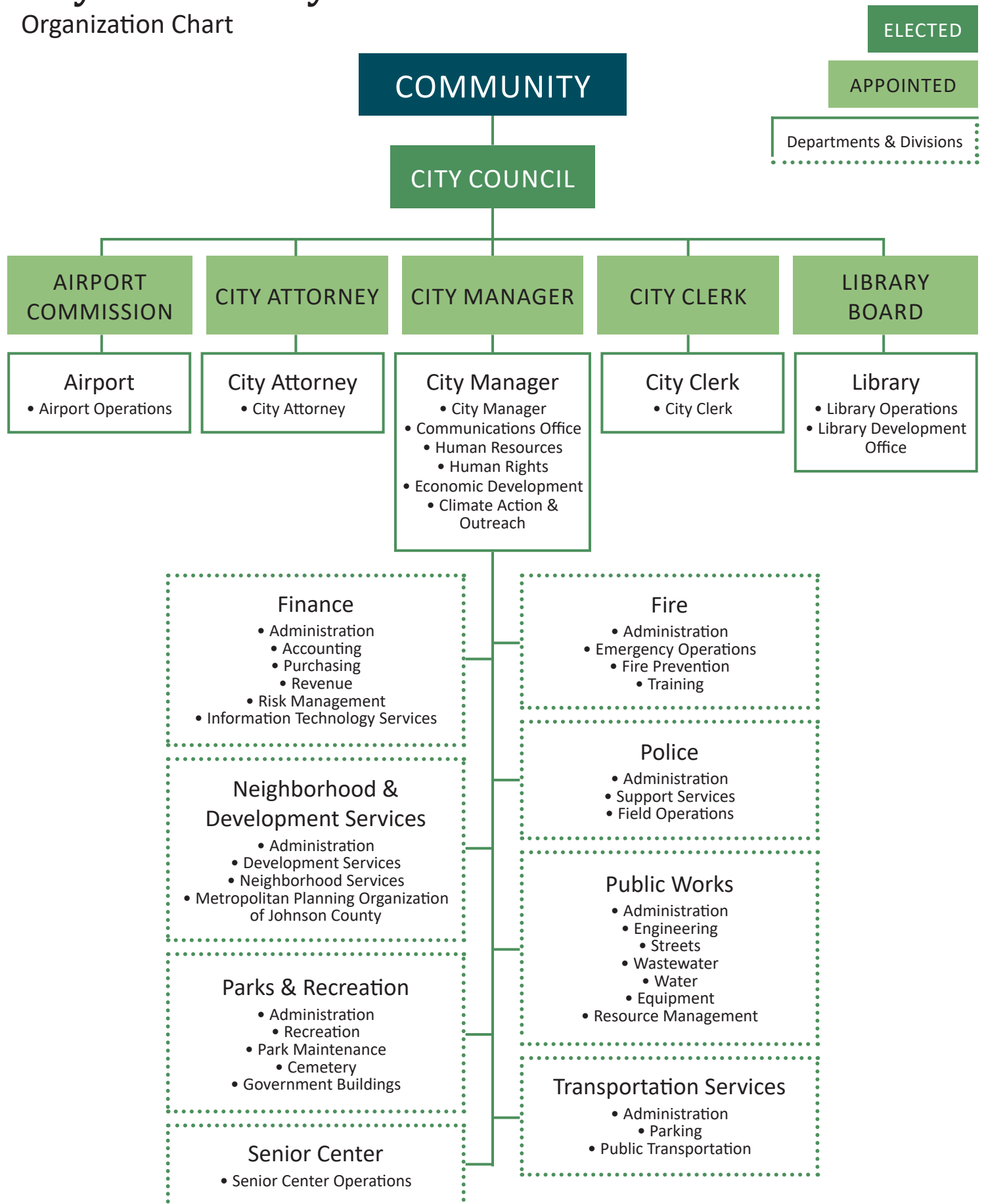
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Executive Director/CEO

City of Iowa City

Organization Chart



City of Iowa City, Iowa

Listing of City Officials

June 30, 2024

Elected Officials

		<u>Term Expires</u>
Mayor	Bruce Teague	January 2, 2026
Council Member and Mayor Pro Tem	Mazahir Salih	January 3, 2028
Council Member	Megan Alter	January 2, 2026
Council Member	Josh Moe	January 3, 2028
Council Member	Shawn Harmsen	January 2, 2026
Council Member	Laura Bergus	January 3, 2028
Council Member	Andrew Dunn	January 3, 2028

Appointed Officials

		<u>Date of Hire</u>
City Manager	Geoff Fruin	November 28, 2011
City Clerk	Kellie Fruehling	July 10, 2000
City Attorney	Eric Goers	September 7, 2005

Department Directors

Deputy City Manager	Chris O'Brien	November 12, 2024
Assistant City Manager	Kirk Lehmann	February 01, 2018
Director of Neighborhood Development Services	Tracy Hightshoe	August 27, 2001
Library Director	Elsworth Carman	January 2, 2019
Director of Public Works	Ron Knoche	April 28, 1999
Director of Transportation Services	Darian Nagle Gamm	May 21, 2008
Senior Center Coordinator	LaTasha DeLoach	July 31, 2018
Fire Chief	Scott Lyon	April 4, 2022
Parks and Recreation Director	Juli Seydell Johnson	January 4, 2016
Director of Finance	Nicole Davies	August 4, 2014
Chief of Police	Dustin Liston	January 11, 2021

Financial Section Tabs



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Iowa City, Iowa (City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance

and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information; schedule of changes in the City's total OPEB liability and related ratios, schedules of the City's proportionate share of the net pension liabilities for pension retirement systems, and schedules of the City's contributions for pension retirement systems, on pages 19-29 and 82-97 be presented to supplement the basic financial statements.

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information, as listed on the table of contents and the Schedule of Expenditures of Federal Awards required by Title 2, *U.S. Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2024, 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Bohnsack & Frommelt LLP

Moline, Illinois
December 3, 2024

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Management's Discussion and Analysis

As management of the City of Iowa City, we present this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. This narrative is intended to be used in conjunction with additional information that is included in the letter of transmittal, which can be found on pages 3 – 11 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Iowa City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ending June 30, 2024 by \$801,843,000 (net position). Of this amount, \$181,797,000 (unrestricted net position) may be used to meet the government's ongoing obligations to its citizens and creditors.
- The City's total net position increased by \$35,520,000 during the fiscal year. Governmental activities increased by \$23,377,000 and business-type activities increased by \$12,143,000.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$135,558,000, an increase of \$12,274,000 in comparison with the prior year. Of this total amount, approximately \$46,146,000 or 34.0% is unassigned and available for spending at the City's discretion.
- At the end of the current fiscal year, the City's unassigned fund balance for the General Fund was \$46,149,000 or 74.5% of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include Public Safety, Public Works (roads and traffic controls), Culture and Recreation, Community and Economic Development, General Government, and Interest on long-term debt. The business-type activities of the City include Airport, Housing Authority, Parking, Sanitation, Stormwater Collection, Transit, Wastewater Treatment, and Water.

The government-wide financial statements may be found on pages 30 – 33 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, 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: Governmental funds are used to account for essentially the same function reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements and is typically the basis that is used in developing the next annual budget.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

The City has six major governmental funds: General Fund, Other Shared Revenue and Grants Fund, Employee Benefits Fund, Other Construction Fund, Bridge, Street and Traffic Control Construction Fund, and Debt Service Fund. 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 these major funds. Data from all other non-major governmental funds is combined into a single aggregated presentation and are referenced under a single column as "Other Governmental Funds". Individual fund data on each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for all governmental funds as required by state statute. Budget comparisons have been provided for the Governmental funds and the Enterprise funds, to demonstrate compliance with the adopted budget.

The basic governmental funds financial statements can be found on pages 34 – 37 of this report.

Proprietary Funds: The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Airport, Housing Authority, Parking, Sanitation, Stormwater Collection, Transit, Wastewater Treatment, and Water activities. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City has four Internal Service Funds: Equipment Maintenance, Central Services, Loss Reserve, and Information Technology. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. Transit, Wastewater Treatment, Water, Sanitation, Stormwater and Housing Authority are considered to be major funds and are reported individually throughout the report. The other two non-major enterprise funds are grouped together for reporting purposes and listed under a single heading "Other Enterprise Funds". Detailed information for each of the non-major funds is provided in the combining statements on pages 103 – 106. Individual fund data for the Internal Service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 38 – 40 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 available to support the City's own programs and therefore are not reflected in the government-wide financial statements. The City has one fiduciary fund: Project Green, which is maintained as a custodial fund.

The basic fiduciary funds financial statements can be found on pages 41 - 42.

Notes to 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 43 – 80 of this report.

Other Information: The combining statements referred to in the above paragraphs in connection with non-major governmental funds and internal service funds are presented immediately following the notes.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$801,843,000 at the close of the fiscal year ended June 30, 2024.

By far, the largest portion of the City's net position reflect its investment in capital assets (e.g., land, building, machinery and equipment, improvements other than buildings, and infrastructure), net any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Iowa City's Net Position

June 30, 2024

(amounts expressed in thousands)

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 246,367	\$ 238,577	\$ 149,469	\$ 141,380	\$ 395,836	\$ 379,957
Capital assets	290,262	284,995	337,574	331,579	627,836	616,574
Total assets	536,629	523,572	487,043	472,959	1,023,672	996,531
Deferred outflows of resources	13,060	8,319	3,030	1,909	16,090	10,228
Long-term liabilities outstanding	110,977	105,954	28,691	25,319	139,668	131,273
Current and other liabilities	15,343	26,717	8,076	7,717	23,419	34,434
Total liabilities	126,320	132,671	36,767	33,036	163,087	165,707
Deferred inflows of resources	71,755	70,983	3,077	3,746	74,832	74,729
Net position:						
Net investment in capital assets	238,351	235,218	332,087	325,391	570,438	560,609
Restricted	44,316	40,048	5,292	7,959	49,608	48,007
Unrestricted	68,947	52,971	112,850	104,736	181,797	157,707
Total net position	<u>\$ 351,614</u>	<u>\$ 328,237</u>	<u>\$ 450,229</u>	<u>\$ 438,086</u>	<u>\$ 801,843</u>	<u>\$ 766,323</u>

A portion of the City's net position, \$49,608,000 or 6.2%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position, \$181,797,000 or 22.7%, may be used to meet the government's ongoing obligations to its citizens and creditors. At the end of the fiscal year ended June 30, 2024, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

The following is a more detailed review of FY24's operation.

Governmental Activities: Governmental activities increased the City's net position by \$23,377,000. The increase in net position of governmental activities is primarily from an increase in earnings on investments and conservative budgeting.

The total revenues for governmental activities for FY24 were \$122,505,000. Governmental activities are primarily funded through taxes, \$74,352,000 or 60.7%, and grants and contributions, \$26,736,000 or 21.8%. Taxes decreased from the prior year by \$258,000, which is relatively flat year over year. Grants and contributions increased from prior year by \$6,829,000 due mainly to additional funding recognized from the American Rescue Plan Act in FY24.

Expenses for governmental activities totaled \$88,954,000. Governmental activities are tracked by function including Public Safety, Public Works, Community and Economic Development, Culture and Recreation, and General Government. In FY24, Public Safety accounted for the highest portion of governmental expenses, \$29,255,000 or 32.9%, and increased over the prior year due to an increase in pension expense due to a increase in the net pension liability. Public Works expenses of \$16,733,000 or 18.8% made up another large portion of the governmental expenses and had a decrease in expenses from the prior year. Culture and Recreation expenses of \$18,664,000 or 21.0% made up the second highest portion of governmental expenses and had a slight increase in expenses from the prior year.

Business-type Activities: Business-type activities increased the City's total net position by \$12,143,000. The increase in net position was primarily from the Water and Stormwater funds. Water generated operating income of \$608,000, had transfers in of \$3,467,000, and received contributions of infrastructure of \$266,000 from capital projects funds.

Revenues for business-type activities totaled \$72,513,000. The primary revenue source for business-type activities is charges for services, \$45,608,000 or 62.9%. In addition for FY24, the City's business type-activities had a significant portion, \$20,424,000 or 28.2%, of their revenues from grants and contributions used to help fund operation and capital projects for business-type activities.

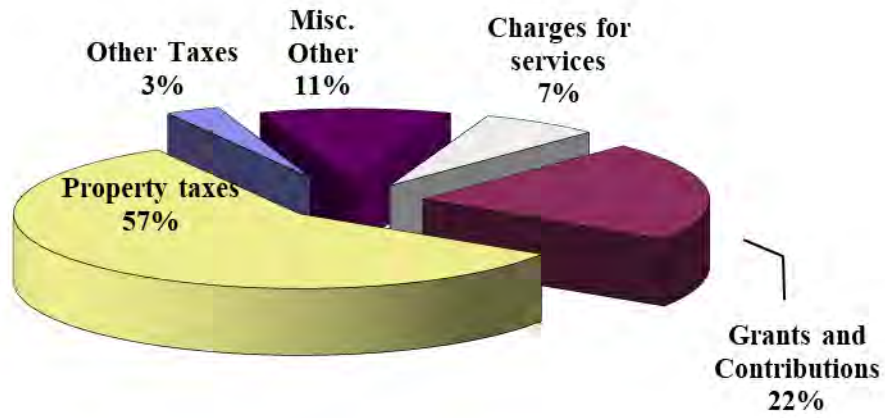
The total expenses for business-type activities in FY24 were \$70,544,000. Housing Authority represented the highest portion of business-type activities, \$13,277,000 or 18.8%, with Wastewater, \$12,843,000 or 18.2%, Sanitation, \$12,907,000 or 18.3% Water, \$11,022,000 or 15.6%, and Transit, \$10,604,000 or 15.0%, making up the remainder of the majority of business-type activities expenses.

City of Iowa City's Changes in Net Position
(amounts expressed in thousands)

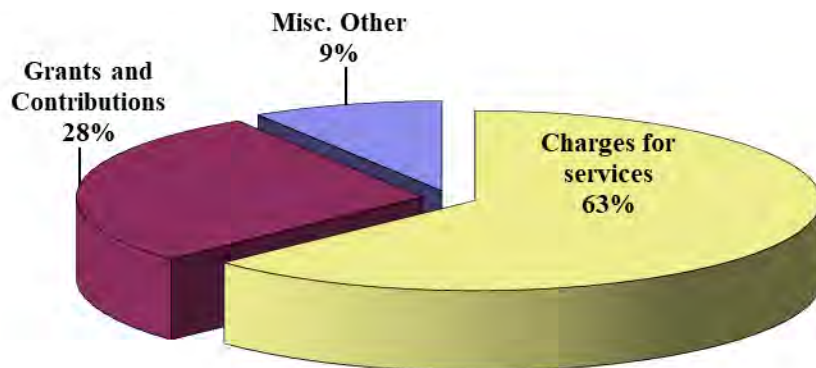
	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for services	\$ 8,202	\$ 9,874	\$ 45,608	\$ 44,203	\$ 53,810	\$ 54,077
Operating grants and contributions	23,568	15,550	19,015	16,741	42,583	32,291
Capital grants and contributions	1,493	3,113	1,409	1,632	2,902	4,745
General Revenues:						
Property taxes	70,578	70,824	-	-	70,578	70,824
Other taxes	3,774	3,786	-	-	3,774	3,786
Grants and contributions not restricted to specific purposes	1,675	1,244	-	-	1,675	1,244
Earnings (loss) on investments	8,894	4,325	5,253	2,605	14,147	6,930
Gain on disposal of capital assets	418	1,205	23	1	441	1,206
Other	<u>3,903</u>	<u>3,984</u>	<u>1,205</u>	<u>1,083</u>	<u>5,108</u>	<u>5,067</u>
Total revenues	122,505	113,905	72,513	66,265	195,018	180,170
Expenses:						
Public safety	29,255	26,413	-	-	29,255	26,413
Public works	16,733	19,051	-	-	16,733	19,051
Culture and recreation	18,664	18,135	-	-	18,664	18,135
Community and economic development	12,269	13,570	-	-	12,269	13,570
General government	10,415	8,774	-	-	10,415	8,774
Interest on long-term debt	1,618	1,622	-	-	1,618	1,622
Wastewater treatment	-	-	12,843	12,869	12,843	12,869
Water	-	-	11,022	9,672	11,022	9,672
Sanitation	-	-	12,907	10,282	12,907	10,282
Housing authority	-	-	13,277	12,067	13,277	12,067
Parking	-	-	6,067	6,436	6,067	6,436
Airport	-	-	1,677	1,433	1,677	1,433
Stormwater	-	-	2,147	2,393	2,147	2,393
Transit	<u>-</u>	<u>-</u>	<u>10,604</u>	<u>9,276</u>	<u>10,604</u>	<u>9,276</u>
Total expenses	88,954	87,565	70,544	64,428	159,498	151,993
Change in net position before transfers	33,551	26,340	1,969	1,837	35,520	28,177
Transfers	<u>(10,174)</u>	<u>(4,876)</u>	<u>10,174</u>	<u>4,876</u>	<u>-</u>	<u>-</u>
Change in net position	23,377	21,464	12,143	6,713	35,520	28,177
Net position beginning of year, as restated	<u>328,237</u>	<u>306,773</u>	<u>438,086</u>	<u>431,373</u>	<u>766,323</u>	<u>738,146</u>
Net position end of year	<u>\$ 351,614</u>	<u>\$ 328,237</u>	<u>\$ 450,229</u>	<u>\$ 438,086</u>	<u>\$ 801,843</u>	<u>\$ 766,323</u>

The graphs on the following pages represent a breakdown of revenue by source and expenses by program area for governmental and business-type activities.

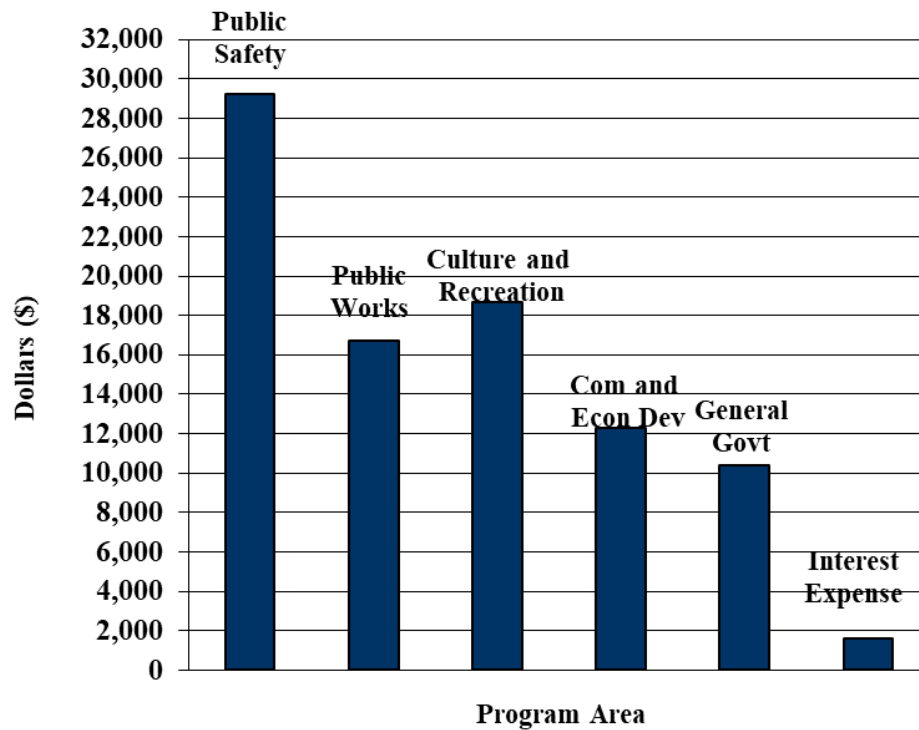
**Governmental Activities
FY2024 Revenue
by Source**



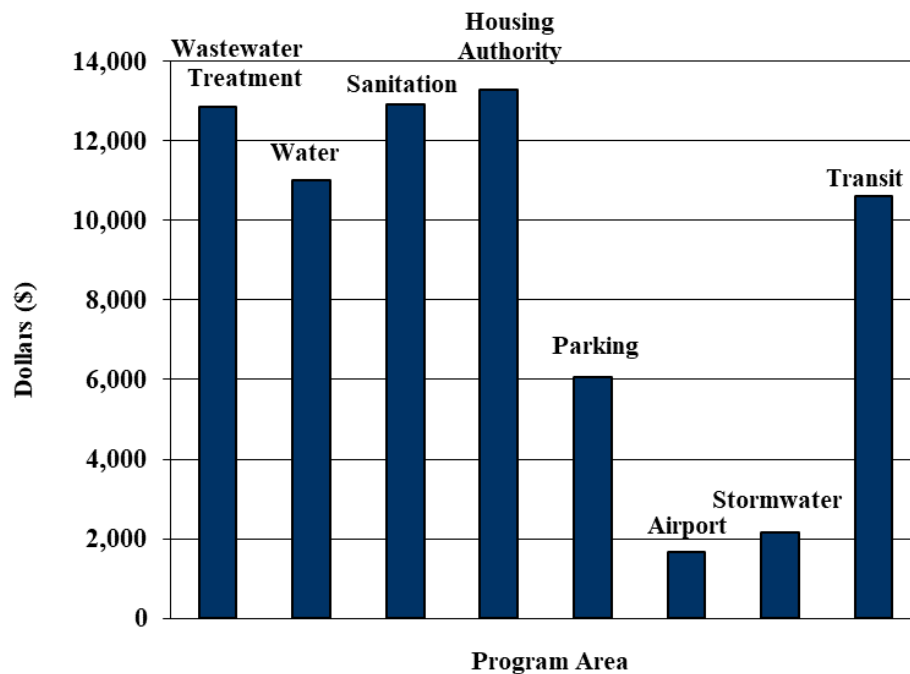
**Business-Type Activities
FY2024 Revenue
by Source**



**Governmental Activities
FY2024 Expenses
by Program Area**
(amounts expressed in thousands)



**Business-Type Activities
FY2024 Expenses
by Program Area**
(amounts expressed in thousands)



Financial Analysis of the Government's Funds

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

Governmental Funds: The financial reporting focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be/is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Fund balances for the governmental funds are reported in classifications that comprise a hierarchy based on the extent to which the government honors constraints on the specific purposes for which amounts in those funds can be spent.

As of the fiscal year ended June 30, 2024, the City's governmental funds reported combined ending fund balances of \$135,558,000, an increase of \$12,274,000 in comparison with the prior year. Of this total amount, \$46,146,000 constitutes unassigned fund balance, which is available to use as working capital for the General Fund since property tax revenues are received only twice a year and the remainder is available to meet the future needs of the City. The remainder of the fund balance is not available for new spending because of constraints imposed externally by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed internally on the specific purposes for which these amounts can be spent. The restricted fund balance of \$64,297,000 or 47.4% contains external restraints on its use. The assigned fund balances of \$18,437,000 or 13.6% have been identified by the City to be used for specific purposes. The nonspendable fund balance is \$6,678,000 or 4.9%, which the City is contractually required to maintain intact or cannot be spent because it is in a nonspendable format, such as inventories.

The General Fund is the chief operating fund of the City. As of the fiscal year ended June 30, 2024, the unassigned fund balance of the General Fund was \$46,149,000 while General Fund's total fund balance was \$73,445,000. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 74.5% of total General Fund expenditures of \$61,923,000, while total fund balance represents 118.6% of that same amount.

During the current fiscal year, the fund balance of the City's General Fund increased by \$11,409,000. This is due to transfers in from other funds.

The fund balance in the Bridge, Street, and Traffic Control Construction Fund was \$16,708,000, an increase of \$1,346,000. This fund accounts for transactions relating to the acquisition or construction of major streets, bridges, and traffic control facilities.

The fund balance in the Other Construction Fund was \$12,049,000, a decrease of \$1,879,000. This fund accounts for the construction or replacement of other governmental general capital assets, such as administrative buildings, with various funding sources, including general obligation bonds, intergovernmental revenues, and contributions. This decrease is mainly due to the timing of bond sales.

The ending fund balance of the Debt Service Fund was \$7,608,000, an increase of \$182,000, all of which is reserved for the payment of debt service (i.e. payment of general obligation principal and interest).

The ending fund balance of the Employee Benefits Fund was \$3,577,000, a decrease of \$711,000.

The ending fund balance of the Other Shared Revenue and Grants Fund was \$17,356,000, an increase of \$1,221,000 due to the recognition of ARPA funds.

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

The ending net position of the enterprise funds was \$424,000,000, an increase in net position of \$10,411,000. This was primarily due to capital contributions of federal and state grants to fund capital improvement projects and transfers of business-type capital assets from governmental capital project funds. Of the enterprise funds' net position, \$332,087,000 is net investment in capital assets. Unrestricted net position totaled \$86,621,000, an increase of \$6,382,000 compared to the previous year.

The Internal Service funds showed net position totaling \$66,494,000 as of June 30, 2024, an increase of \$6,898,000 primarily due to operating income in the Equipment Maintenance and Loss Reserve Funds to build up reserves for future expenses and capital outlay.

Budgetary Highlights

The City presents budgetary information as allowed by GASB Statement No. 41. Budgets are based on nine functional areas as required by state statute, not by fund or fund type.

The City had two budget amendments during the fiscal year. These amendments increased budgeted revenues by \$11,484,000 or 6.5% to a total of \$188,728,000 and the expenditure budget by \$91,187,000 or 41.4% to a total of \$311,295,000. These increases were due primarily to capital projects in governmental and business-type funds because of timing of completion of projects.

Capital Assets and Debt Administration

Capital Assets: The City's investment in capital assets for its governmental and business-type activities as of June 30, 2024 amounts to \$627,836,000, net of accumulated depreciation. This investment in capital assets, including land, buildings, improvements other than buildings, equipment, streets, bridges, trails, wastewater and water systems, and other infrastructure represents the value of resources utilized to provide services to its citizens. The City's investment in capital assets for the fiscal year ended June 30, 2024 increased by \$5,267,000 for governmental activities compared to the prior year and increased by \$5,994,000 for business-type activities from the prior year.

The following table reflects the \$627,836,000 investment in capital assets, net of accumulated depreciation.

City of Iowa City's Capital Assets
(net of depreciation)
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 32,614	\$ 32,542	\$ 30,957	\$ 30,957	\$ 63,571	\$ 63,499
Buildings	33,680	34,397	53,155	55,970	86,835	90,367
Improvements other than buildings	2,971	3,097	3,002	3,099	5,973	6,196
Machinery and equipment	35,077	35,942	16,807	15,505	51,884	51,447
IT subscriptions	337	370	397	349.00	734	719
Infrastructure	159,472	158,841	208,749	210,647	368,221	369,488
Construction in progress	26,111	19,806	24,507	15,053	50,618	34,859
Total	\$ 290,262	\$ 284,995	\$ 337,574	\$ 331,580	\$ 627,836	\$ 616,575

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

- Three large construction projects were completed during FY 24. The first is the Influent Rake & Screen Replacement. This project includes replacing an old asset with new influent rake and screen system. This project had construction in progress balance at the beginning of the year of \$2,042,000 and current year expenditures of \$1,000. The total cost of the project that was capitalized was \$2,044,000. The project was funded through Wastewater operating funds. Another project is the Second Avenue Bridge Replacement. This project consisted of replacing a bridge on Second Avenue. It had construction in progress balance at the beginning of the year of \$1,377,000, and current year expenditures of \$15,000. The total cost of the project that was capitalized was \$1,392,000 and it was primarily funded through federal grants and transfers in of Road Use Tax dollars. The third project, Fairchild Street Reconstruction, reconstructed several blocks along Fairchild Street. This project was capitalized at \$1,790,000 with current year expenses of \$1,140,000 and a beginning construction in progress balance of \$656,000.

Additional information on the City's capital assets can be found in Note 5 to the financial statements.

Debt Administration: At the end of the fiscal year, the City had total bonded debt outstanding of \$64,785,000. Of this amount, \$52,980,000 comprises debt backed by the full faith and credit of the City. \$538,000 or 1.0% of the general obligation bonds is debt that will be paid with Tax Increment Financing revenues. \$11,805,000 represents revenue bonds secured solely by specific revenue sources.

The City issued \$10,140,000 of General Obligation bonds during FY24. This increase in debt was offset by the retirement of debt for a net increase of City's total bonded debt by \$65,000.

City of Iowa City's Outstanding Debt
General Obligation and Revenue Bonds
(amounts expressed in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 52,980	\$ 52,915	\$ -	\$ -	\$ 52,980	\$ 52,915
Revenue bonds	9,925	10,880	1,880	3,625	11,805	14,505
Total	<u>\$ 62,905</u>	<u>\$ 63,795</u>	<u>\$ 1,880</u>	<u>\$ 3,625</u>	<u>\$ 64,785</u>	<u>\$ 67,420</u>

The City continues to have the same excellent bond rating on its General Obligation bonds that it has had for the past several years. This rating is given to those bonds judged to be of the best quality and carrying the smallest degree of investment risks. The City's bond ratings by Moody's Investors Services, Inc. as of June 30, 2024 were as follows:

General obligation bonds	Aaa
Wastewater treatment revenue bonds	Aa2
Water revenue bonds	Aa2

The City continues to operate well under the State debt capacity debt limitations. State statute limits the amount of debt outstanding to 5% of the assessed value of all taxable property in Iowa City. Debt subject to the debt limit includes general obligation debt and revenue bonds issued pursuant to Iowa Code Chapter 403 (tax increment). The current debt limitation for the City is \$368,416,000. With outstanding debt applicable to this limit of \$93,930,000 we are utilizing 25.5% of this limit.

More detailed information on debt administration is provided in Note 6 of the financial statements.

Economic Factors and Next Year's Budget and Rates

The City expects continued constraints by the State's property tax formula. The State passed property tax reform, which will negatively affect the City's general operating funds. Without the potential for new revenue sources, like those mentioned above, the City's opportunities for new initiatives are limited. The Council has established a budget where expenditures exceed revenues by \$11,739,000 in the General Fund for FY25 that strives to maintain current service delivery levels. The tax levy rate per \$1,000 of assessed valuation for FY25 is provided below:

General Levy	\$	8.402
Debt Service Levy		2.577
Employee Benefits Levy		3.344
Transit Levy		0.950
Liability Insurance Levy		<u>0.360</u>
Total City Levy	\$	<u><u>15.633</u></u>

Requests for Information

This report is designed to provide a general overview of the City of Iowa City's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to City of Iowa City, Finance Department, 410 East Washington Street, Iowa City, IA, 52240.

City of Iowa City, Iowa

Statement of Net Position

June 30, 2024

(amounts expressed in thousands)

	Governmental Activities	Business-type Activities	Total
Assets			
Equity in pooled cash and investments	\$ 155,713	\$ 84,484	\$ 240,197
Receivables:			
Property tax	69,847	-	69,847
Accounts and unbilled usage	595	4,494	5,089
Interest	1,148	771	1,919
Notes	5,237	307	5,544
Internal balances	(28,722)	28,722	-
Lease receivable	184	2,267	2,451
Due from other governments	5,380	5,644	11,024
Inventories	944	921	1,865
Assets held for resale	6,335	-	6,335
Restricted assets:			
Equity in pooled cash and investments	29,706	21,859	51,565
Capital assets:			
Land and construction in progress	58,725	55,463	114,188
Other capital assets (net of accum. depreciation/amortization)	231,537	282,111	513,648
Total assets	<u>536,629</u>	<u>487,043</u>	<u>1,023,672</u>
Deferred Outflows of Resources			
Pension related deferred outflows	11,734	2,483	14,217
OPEB related deferred outflows	1,326	547	1,873
Total deferred outflows of resources	<u>13,060</u>	<u>3,030</u>	<u>16,090</u>
Liabilities			
Accounts payable	3,081	2,212	5,293
Contracts payable	3,998	2,604	6,602
Accrued liabilities	3,521	329	3,850
Interest payable	189	20	209
Deposits	1,421	2,757	4,178
Advances from grantors	3,091	-	3,091
Due to other governments	42	74	116
Unearned revenue	-	80	80
Noncurrent liabilities:			
Due within one year:			
Employee vested benefits	1,487	551	2,038
Subscription liability	145	57	202
Bonds payable	12,007	1,360	13,367
Due in more than one year:			
Employee vested benefits	1,139	331	1,470
Subscription liability	110	95	205
Capital loan notes payable	-	788	788
Net pension liability	34,767	6,303	41,070
Other post employment benefits liability	6,736	2,788	9,524
Notes payable	211	-	211
Bonds payable	54,375	560	54,935
Landfill closure/post-closure liability	-	15,858	15,858
Total liabilities	<u>\$ 126,320</u>	<u>\$ 36,767</u>	<u>\$ 163,087</u>

City of Iowa City, Iowa

Statement of Net Position (continued)

June 30, 2024

(amounts expressed in thousands)

	Governmental Activities	Business-type Activities	Total
Deferred Inflows of Resources			
Pension related deferred inflows	\$ 1,036	\$ 77	\$ 1,113
OPEB related deferred inflows	1,715	710	2,425
Lease related deferred inflows	184	2,267	2,451
Deferred amount on refunding	-	23	23
Succeeding year property taxes	68,820	-	68,820
Total deferred inflows of resources	<u>71,755</u>	<u>3,077</u>	<u>74,832</u>
 Net Position			
Net investment in capital assets	238,351	332,087	570,438
Restricted for or by:			
Employee benefits	3,953	-	3,953
Capital projects:			
Expendable	18,750	-	18,750
Nonexpendable	274	-	274
Debt service	7,419	-	7,419
Police	237	-	237
Other purposes			
Expendable	10,363	-	10,363
Nonexpendable	69	-	69
Bond ordinance	-	2,769	2,769
State statute	-	710	710
Future improvements	-	404	404
Grant agreement	3,251	1,409	4,660
Unrestricted	<u>68,947</u>	<u>112,850</u>	<u>181,797</u>
 Total net position	<u><u>\$ 351,614</u></u>	<u><u>\$ 450,229</u></u>	<u><u>\$ 801,843</u></u>

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



City of Iowa City, Iowa

Statement of Activities

For the Year Ended June 30, 2024
(amounts expressed in thousands)

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Public safety	\$ 29,252	\$ 5,331	\$ 301	\$ -	\$ (23,620)	\$ -	\$ (23,620)
Public works	16,733	349	10,581	1,473	(4,330)	-	(4,330)
Culture and recreation	18,664	701	67	-	(17,896)	-	(17,896)
Community and economic development	12,269	20	12,649	20	420	-	420
General government	10,442	1,801	-	-	(8,641)	-	(8,641)
Interest on long-term debt	1,624	-	-	-	(1,624)	-	(1,624)
Total governmental activities	88,984	8,202	23,598	1,493	(55,691)	-	(55,691)
Business-type activities:							
Wastewater treatment	12,843	12,795	-	360	-	312	312
Water	11,022	10,997	-	266	-	241	241
Sanitation	12,907	12,767	-	-	-	(140)	(140)
Housing authority	13,277	350	13,297	-	-	370	370
Parking	6,067	5,459	-	18	-	(590)	(590)
Airport	1,677	396	117	632	-	(532)	(532)
Stormwater	2,147	1,886	-	186	-	(75)	(75)
Transit	10,604	958	5,548	-	-	(4,098)	(4,098)
Total business-type activities	70,544	45,608	18,962	1,462	-	(4,512)	(4,512)
Total	\$ 159,528	\$ 53,810	\$ 42,560	\$ 2,955	(55,691)	(4,512)	(60,203)
General revenues:							
Property taxes, levied for general purposes					70,578	-	70,578
Hotel/motel tax					2,043	-	2,043
Gas and electric tax					748	-	748
Utility franchise tax					983	-	983
Grants and contributions not restricted to specific purposes					1,675	-	1,675
Earnings (loss) on investments					8,894	5,253	14,147
Gain on disposal of capital assets					418	23	441
Miscellaneous					3,903	1,205	5,108
Transfers					(10,174)	10,174	-
Total general revenues and transfers					79,068	16,655	95,723
Changes in net position					23,377	12,143	35,520
Net position beginning of year					328,237	438,086	766,323
Net position end of year					\$ 351,614	\$ 450,229	\$ 801,843

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

City of Iowa City, Iowa

Balance Sheet
Governmental Funds

June 30, 2024
(amounts expressed in thousands)

	Special Revenue			Capital Projects			Other Governmental Funds	Total
	General	Other Shared Revenue and Grants	Employee Benefits	Other Construction	Bridge, Street, and Traffic Control Construction	Debt Service		
Assets								
Equity in pooled cash and investments	\$ 64,686	\$ 11,377	\$ 3,380	\$ 6,754	\$ 9,596	\$ 7,269	\$ 1,444	\$ 104,506
Receivables:								
Property tax	42,704	12	14,704	-	-	11,682	745	69,847
Accounts and unbilled usage	154	10	-	81	171	-	-	416
Interest	408	89	-	127	130	53	26	833
Notes	1,330	481	-	-	-	113	3,313	5,237
Due from other funds	211	-	-	-	-	-	-	211
Lease receivable	164	-	-	-	-	-	-	164
Advances to other funds	-	-	-	-	-	18	-	18
Due from other governments	2,618	874	390	136	1,182	-	163	5,363
Inventories	-	274	-	-	-	-	-	274
Assets held for resale	6,335	-	-	-	-	-	-	6,335
Restricted assets:								
Equity in pooled cash and investments	3,433	7,339	-	9,304	9,630	-	-	29,706
Total assets	\$ 122,043	\$ 20,456	\$ 18,474	\$ 16,402	\$ 20,709	\$ 19,135	\$ 5,691	\$ 222,910
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ 1,774	\$ 349	\$ 2	\$ 87	\$ 267	\$ -	\$ 117	\$ 2,596
Contracts payable	-	-	-	997	3,001	-	-	3,998
Accrued liabilities	997	62	1	-	-	-	12	1,072
Due to other funds	-	-	-	-	-	-	85	85
Advances from other funds	-	18	-	2,619	-	-	-	2,637
Due to other governments	42	-	-	-	-	-	-	42
Liabilities payable from restricted assets:								
Deposits	1,411	10	-	-	-	-	-	1,421
Advances from grantors	19	2,639	-	433	-	-	-	3,091
Total liabilities	4,243	3,078	3	4,136	3,268	-	214	14,942
Deferred Inflows of Resources								
Unavailable revenues:								
Succeeding year property taxes	42,127	-	14,504	-	-	11,527	662	68,820
Lease related deferred inflows	164	-	-	-	-	-	-	164
Grants	1	22	-	22	712	-	-	757
Other	2,063	-	390	195	21	-	-	2,669
Total deferred inflows of resources	44,355	22	14,894	217	733	11,527	662	72,410
Fund Balances								
Nonspendable	6,404	274	-	-	-	-	-	6,678
Restricted	2,455	17,082	3,577	12,049	16,708	7,608	4,818	64,297
Assigned	18,437	-	-	-	-	-	-	18,437
Unassigned	46,149	-	-	-	-	-	(3)	46,146
Total fund balances	73,445	17,356	3,577	12,049	16,708	7,608	4,815	135,558
Total liabilities, deferred inflows of resources and fund balances	\$ 122,043	\$ 20,456	\$ 18,474	\$ 16,402	\$ 20,709	\$ 19,135	\$ 5,691	\$ 222,910

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

City of Iowa City, Iowa

**Reconciliation of the Balance Sheet of the
Governmental Funds to the Statement of Net Position**

June 30, 2024
(amounts expressed in thousands)

Total governmental fund balances	\$	135,558
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Amounts reported for governmental activities in the statement
of net position are different because:

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		66,494
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Other long-term assets are not available to pay for current period expenditures and therefore are unavailable in the funds: Grants and other receivables - Earned but unavailable.		3,426
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Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		272,035
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Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period and therefore are not reported in the funds.

Deferred outflows of resources	\$ 12,587	
Deferred inflows of resources	<u>(2,656)</u>	9,931

Net pension liabilities are not due and payable in the current period and therefore are not reported in the funds.		(33,728)
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Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.		(2,487)
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Accrued post employment benefit liabilities are not due and payable in the current period and therefore are not reported in the funds.		(6,408)
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Subscription liabilities are not due and payable in the current period and therefore are not reported in the funds.		(196)
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Bonds payable are not due and payable in the current period and therefore are not reported in the funds.		(66,382)
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Notes payable are not due and payable in the current period and therefore are not reported in the funds.		(211)
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Accrued interest on bonds		(189)
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Internal balance due to integration of internal service funds		<u>(26,229)</u>
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Total net position of governmental activities	<u>\$</u>	<u>351,614</u>
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The notes to the financial statements are an integral part of this statement.

City of Iowa City, Iowa

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds**

For the Year Ended June 30, 2024
(amounts expressed in thousands)

	Special Revenue			Capital Projects				
	General	Other Shared Revenue and Grants	Employee Benefits	Other Construction	Bridge, Street, and Traffic Control Construction	Debt Service	Other Governmental Funds	Total
Revenues								
Taxes	\$ 43,649	\$ 845	\$ 14,134	\$ -	\$ -	\$ 10,808	\$ 4,917	\$ 74,353
Licenses and permits	3,036	-	-	-	-	-	-	3,036
Intergovernmental	4,750	22,210	346	97	908	261	1,555	30,127
Charges for services	1,201	76	384	85	219	-	-	1,965
Fines and forfeits	392	-	-	-	-	-	-	392
Use of money and property	2,997	1,283	-	854	634	594	171	6,533
Miscellaneous	2,260	114	1	122	292	-	270	3,059
Total revenues	58,285	24,528	14,865	1,158	2,053	11,663	6,913	119,465
Expenditures								
Current:								
Public safety	27,819	-	1,136	78	-	-	-	29,033
Public works	2,844	7,012	-	172	2,103	-	-	12,131
Culture and recreation	15,888	-	-	1,104	-	-	-	16,992
Community and economic development	4,605	2,473	-	79	-	-	5,056	12,213
General government	8,921	485	604	62	-	36	-	10,108
Debt service:								
Principal	95	-	-	-	-	11,030	-	11,125
Interest	6	-	-	-	-	2,156	-	2,162
Capital outlay	1,835	295	-	4,335	7,650	-	-	14,115
Total expenditures	62,013	10,265	1,740	5,830	9,753	13,222	5,056	107,879
Excess (deficiency) of revenues over (under) expenditures	(3,728)	14,263	13,125	(4,672)	(7,700)	(1,559)	1,857	11,586
Other Financing Sources (Uses)								
Issuance of debt	90	-	-	424	9,686	30	-	10,230
Sale of capital assets	211	-	-	-	-	-	-	211
Premiums on issuance of bonds	-	-	-	30	688	2	-	720
Transfers in	23,252	1,664	1	2,339	3,664	1,709	583	33,212
Transfers out	(8,416)	(14,706)	(13,837)	-	(4,992)	-	(1,734)	(43,685)
Total other financing sources and (uses)	15,137	(13,042)	(13,836)	2,793	9,046	1,741	(1,151)	688
Net change in fund balances	11,409	1,221	(711)	(1,879)	1,346	182	706	12,274
Fund Balances, Beginning	62,036	16,135	4,288	13,928	15,362	7,426	4,109	123,284
Fund Balances, Ending	\$ 73,445	\$ 17,356	\$ 3,577	\$ 12,049	\$ 16,708	\$ 7,608	\$ 4,815	\$ 135,558

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

City of Iowa City, Iowa

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

For the Year Ended June 30, 2024
(amounts expressed in thousands)

Net change in fund balances - total governmental funds	\$	12,274
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Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the asset. Capital outlays and contributed capital assets exceeded depreciation expense in the current year as follows:

Expenditures for capital assets	\$ 13,305	
New IT subscription asset, financed	90	
Capital assets contributed	371	
Depreciation/amortization expense	<u>(8,861)</u>	4,905

Bond proceeds are reported as other financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

Debt issued	(10,230)	
Premium on bonds issued	(720)	
Subscription issued	(90)	
Repayments of subscription liability	95	
Repayments of debt	11,030	
Amortization of premium	<u>547</u>	632

Because some revenues will not be collected for several months after the City's year end, they are not considered available revenues in the governmental funds.		(111)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Change in accrued compensated absences		23
Pension expense		1,064
Change in accrued post employment benefit liability		(405)
Change in accrued interest on debt		(9)

In the statement of activities, only the gain on the sale of the capital assets is recognized, whereas in the governmental funds, the proceeds from the sale increased financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital asset sold.		(162)
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

5,166

Change in net position of governmental activities	\$	<u><u>23,377</u></u>
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The notes to the financial statements are an integral part of this statement.

City of Iowa City, Iowa

**Statement of Net Position
Proprietary Funds**

June 30, 2024
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	Transit	Wastewater Treatment	Water	Sanitation	Stormwater	Housing Authority	Other Enterprise Funds	Total
Assets								
Current assets:								
Equity in pooled cash and investments	\$ 11,766	\$ 27,494	\$ 15,350	\$ 16,415	\$ 3,675	\$ 5,759	\$ 4,025	\$ 84,484
Receivables (net of allowance for uncollectibles):								
Accounts and unbilled usage	38	1,614	1,306	1,200	209	52	75	4,494
Interest	92	206	125	208	25	82	33	771
Notes	-	-	-	-	-	307	-	307
Lease	132	-	-	17	-	-	127	276
Due from other governments	4,744	-	-	25	-	99	776	5,644
Inventories	559	-	362	-	-	-	-	921
Total current assets	17,331	29,314	17,143	17,865	3,909	6,299	5,036	96,897
Noncurrent assets:								
Restricted assets:								
Equity in pooled cash and investments	6	2	3,960	14,586	-	2,992	313	21,859
Advances to other funds	-	-	-	3,629	-	-	-	3,629
Lease receivable	1,222	-	-	234	-	-	535	1,991
Capital assets:								
Land	2,630	1,399	6,296	2,264	2,264	620	15,484	30,957
Buildings	15,399	36,801	24,019	5,402	-	7,427	48,122	137,170
Improvements other than buildings	-	7,802	2,721	587	-	34	811	11,955
Machinery and equipment	15,647	15,056	11,844	302	27	72	998	43,946
Infrastructure	431	165,300	76,922	20,123	76,420	-	18,687	357,883
Accumulated depreciation	(17,042)	(106,768)	(52,186)	(21,625)	(23,370)	(5,750)	(42,499)	(269,240)
IT subscriptions	128	-	78	-	-	-	349	555
Accumulated amortization	(16)	-	(26)	-	-	-	(116)	(158)
Construction in progress	452	6,788	5,865	6,066	4,427	34	874	24,506
Total noncurrent assets	18,857	126,380	79,493	31,568	59,768	5,429	43,558	365,053
Total assets	36,188	155,694	96,636	49,433	63,677	11,728	48,594	461,950
Deferred Outflows of Resources								
Pension related deferred outflows	701	365	431	513	39	160	274	2,483
OPEB related deferred outflows	161	70	99	105	5	43	64	547
Total deferred outflows of resources	862	435	530	618	44	203	338	3,030
Liabilities								
Current liabilities:								
Accounts payable	1,182	238	269	203	115	59	146	2,212
Contracts payable	1	1,087	322	378	146	-	670	2,604
Accrued liabilities	87	47	60	68	5	25	37	329
Employee vested benefits	181	73	78	111	6	21	81	551
Subscription liability	31	-	26	-	-	-	-	57
Due to other funds	-	-	-	-	-	-	126	126
Due to other governments	-	1	66	6	-	1	-	74
Unearned revenue	-	-	-	-	-	80	-	80
Interest payable	-	-	20	-	-	-	-	20
Bonded debt payable (net of unamortized premium and discounts)	-	-	1,360	-	-	-	-	1,360
Total current liabilities	1,482	1,446	2,201	766	272	186	1,060	7,413
Noncurrent liabilities:								
Liabilities payable from restricted assets:								
Deposits	4	-	1,157	10	-	1,577	9	2,757
Advances from other funds	-	-	-	-	-	-	1,010	1,010
Employee vested benefits	89	46	47	81	4	16	48	331
Subscription liability	64	-	31	-	-	-	-	95
Capital loan notes payable	-	788	-	-	-	-	-	788
Bonded debt payable (net of unamortized premium and discounts)	-	-	560	-	-	-	-	560
Net pension liability	1,803	944	1,070	1,308	101	383	694	6,303
Other post employment benefits liability	820	355	506	533	27	219	328	2,788
Landfill closure/postclosure liability	-	-	-	15,858	-	-	-	15,858
Total noncurrent liabilities	2,780	2,133	3,371	17,790	132	2,195	2,089	30,490
Total liabilities	4,262	3,579	5,572	18,556	404	2,381	3,149	37,903
Deferred Inflows of Resources								
Lease related deferred inflows	1,355	-	-	250	-	-	662	2,267
Pension related deferred inflows	22	11	13	16	1	5	9	77
OPEB related deferred inflows	209	90	129	136	7	56	83	710
Deferred amount on refunding	-	-	23	-	-	-	-	23
Total deferred inflow of resources	1,586	101	165	402	8	61	754	3,077
Net Position								
Net investment in capital assets	17,533	124,503	73,211	12,741	59,622	2,437	42,040	332,087
Restricted by bond ordinance	-	-	2,769	-	-	-	-	2,769
Restricted by state statute	-	-	-	710	-	-	-	710
Restricted for future improvements	-	-	-	-	-	-	404	404
Restricted by grant agreement	-	-	-	-	-	1,409	-	1,409
Unrestricted	13,669	27,946	15,449	17,642	3,687	5,643	2,585	86,621
Total net position	\$ 31,202	\$ 152,449	\$ 91,429	\$ 31,093	\$ 63,309	\$ 9,489	\$ 45,029	\$ 424,000
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							26,229	
Net position of business-type activities							<u>\$ 450,229</u>	

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

City of Iowa City, Iowa

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds**

For the Year Ended June 30, 2024
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	Transit	Wastewater Treatment	Water	Sanitation	Stormwater	Housing Authority	Other Enterprise Funds	Total
Operating Revenues:								
Charges for services	\$ 832	\$ 12,795	\$10,997	\$12,751	\$ 1,886	\$ 350	\$ 5,740	\$45,351
Miscellaneous	67	112	834	83	17	47	45	1,205
Total operating revenues	899	12,907	11,831	12,834	1,903	397	5,785	46,556
Operating Expenses:								
Personal services	5,125	3,558	4,031	4,330	349	1,245	2,546	21,184
Commodities	1,521	1,768	2,159	303	29	101	600	6,481
Services and charges	2,971	3,368	2,706	8,546	251	11,737	2,308	31,887
	9,617	8,694	8,896	13,179	629	13,083	5,454	59,552
Depreciation & Amortization	1,165	4,324	2,327	592	1,519	233	2,364	12,524
Total operating expenses	10,782	13,018	11,223	13,771	2,148	13,316	7,818	72,076
Operating income (loss)	(9,883)	(111)	608	(937)	(245)	(12,919)	(2,033)	(25,520)
Nonoperating Revenues (Expenses):								
Gain (loss) on disposal of capital assets	-	2	21	-	-	-	-	23
Operating grants	5,548	-	-	-	-	13,297	117	18,962
Lease revenue	126	-	-	16	-	-	115	257
Interest income	718	1,246	997	1,574	138	351	229	5,253
Interest expense	-	-	-	-	-	-	-	-
Total nonoperating revenues (expenses)	6,392	1,248	1,018	1,590	138	13,648	461	24,495
Income (loss) before capital contributions and transfers	(3,491)	1,137	1,626	653	(107)	729	(1,572)	(1,025)
Capital contributions	-	360	266	-	186	-	650	1,462
Transfers in	4,253	328	3,467	93	1,745	30	278	10,194
Transfers out	-	(47)	-	(28)	(32)	(38)	(75)	(220)
Change in net position	762	1,778	5,359	718	1,792	721	(719)	10,411
Net Position, Beginning	30,440	150,671	86,070	30,375	61,517	8,768	45,748	59,596
Net Position, Ending	<u>\$ 31,202</u>	<u>\$ 152,449</u>	<u>\$91,429</u>	<u>\$31,093</u>	<u>\$ 63,309</u>	<u>\$ 9,489</u>	<u>\$ 45,029</u>	<u>\$ 66,494</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							1,732	
Change in net position of business-type activities							<u>\$12,143</u>	

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

City of Iowa City, Iowa

**Statement of Cash Flows
Proprietary Funds**

For the Year Ended June 30, 2024
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds								Governmental Activities - Internal Service Funds
	Transit	Wastewater Treatment	Water	Sanitation	Stormwater	Housing Authority	Other Enterprise Funds	Total	
Cash Flows From Operating Activities									
Receipts from customers and users	\$ 973	\$ 12,822	\$11,835	\$ 12,657	\$ 1,881	\$ 681	\$ 5,779	\$ 46,628	\$ -
Receipts from users	-	-	-	-	-	-	-	-	25,893
Payments to suppliers	(4,655)	(5,214)	(4,918)	(5,979)	(176)	(11,834)	(3,583)	(36,359)	(17,355)
Payments to employees	(5,152)	(3,633)	(4,189)	(4,424)	(363)	(1,249)	(2,496)	(21,506)	(2,979)
Net cash flows from (used for) operating activities	(8,834)	3,975	2,728	2,254	1,342	(12,402)	(300)	(11,237)	5,559
Cash Flows From Noncapital Financing Activities									
Grants received	5,189	61	13	81	-	13,403	120	18,867	-
Transfers from other funds	4,253	58	577	93	6	30	278	5,295	499
Transfers to other funds	-	(47)	-	(28)	(32)	(38)	(75)	(220)	-
Repayment/(payment) of notes receivable	-	-	-	-	-	10	-	10	-
Repayment/(payment) of advances from other funds	-	-	-	570	-	-	(464)	106	-
Net cash flows from (used for) noncapital financing activities	9,442	72	590	716	(26)	13,405	(141)	24,058	499
Cash Flows From Capital and Related Financing Activities									
Capital grants received	-	-	-	-	-	-	315	315	-
Lease revenues received	126	-	-	16	-	-	115	257	20
Acquisition and construction of property and equipment	(166)	(5,662)	(559)	(4,443)	(302)	(35)	(573)	(11,740)	(3,291)
Proceeds from sale of property	-	2	21	-	-	-	-	23	234
Proceeds from issuance of capital loan note	-	788	-	-	-	-	-	788	-
Principal paid on subscription liability	(33)	-	(21)	-	-	-	-	(54)	(57)
Interest paid on subscription liability	-	-	-	-	-	-	-	-	(3)
Principal paid on bonded debt	-	-	(1,747)	-	-	-	-	(1,747)	-
Interest paid on bonded debt	-	-	(51)	-	-	-	-	(51)	-
Net cash flows from (used for) capital and related financing activities	(73)	(4,872)	(2,357)	(4,427)	(302)	(35)	(143)	(12,209)	(3,097)
Cash Flows From Investing Activities									
Interest on investments	667	1,132	917	1,467	122	312	212	4,829	2,187
Net increase (decrease) in cash and cash equivalents	1,202	307	1,878	10	1,136	1,280	(372)	5,441	5,148
Cash and Cash Equivalents, Beginning	10,570	27,189	17,432	30,991	2,539	7,471	4,710	100,902	46,059
Cash and Cash Equivalents, Ending	\$ 11,772	\$ 27,496	\$19,310	\$ 31,001	\$ 3,675	\$ 8,751	\$ 4,338	#####	\$ 51,207
Reconciliation of operating income (loss) to net cash flows from (used for) operating activities:									
Operating income (loss)	\$ (9,883)	\$ (111)	\$ 608	\$ (937)	\$ (245)	\$ (12,919)	\$ (2,033)	\$(25,520)	\$ 3,813
Adjustments to reconcile operating income (loss) to net cash flows from (used for) operating activities:									
Depreciation/amortization expense	1,165	4,324	2,327	592	1,519	233	2,364	12,524	2,650
Changes in:									
Receivables:									
Accounts and unbilled usage	36	(85)	(5)	(210)	(22)	(4)	(4)	(294)	(51)
Due from other governments	37	-	-	30	-	-	(3)	64	64
Inventories	(36)	-	46	-	-	-	-	10	(39)
Accounts payable	(127)	(79)	(96)	(13)	104	4	(675)	(882)	(100)
Accrued liabilities	23	12	19	18	1	9	10	92	(657)
Employee vested benefits	48	6	1	1	(3)	(5)	16	64	20
Due to other governments	-	1	(3)	3	-	-	-	1	-
Unearned revenue	-	-	-	-	-	26	-	26	-
Deposits	1	-	9	3	-	262	1	276	-
Net pension liability	290	155	127	202	14	29	167	984	182
Deferred outflows of resources	(315)	(154)	(191)	(227)	(16)	(88)	(130)	(1,121)	(170)
Deferred inflows of resources	(171)	(101)	(130)	(131)	(11)	(26)	(57)	(627)	(120)
Other post employment benefits liability	98	7	16	43	1	77	44	286	(33)
Landfill closure/postclosure liability	-	-	-	2,880	-	-	-	2,880	-
Total adjustments	1,049	4,086	2,120	3,191	1,587	517	1,733	14,283	1,746
Net cash flows from (used for) operating activities	\$(8,834)	\$ 3,975	\$ 2,728	\$ 2,254	\$ 1,342	\$(12,402)	\$(300)	\$(11,237)	\$ 5,559
Noncash Investing, Capital, and Financing Activities:									
Contributions of capital assets from government and others	\$ -	\$ 630	\$ 3,156	\$ -	\$ 1,925	\$ -	\$ -	\$ 5,711	\$ -
Capital grants not yet received	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 649	\$ 649	\$ -
Operating grants not yet received	\$ 4,740	\$ -	\$ -	\$ -	\$ -	\$ 99	\$ 120	\$ 4,959	\$ -
Subscription asset financed	\$ 128	\$ -	\$ 78	\$ -	\$ -	\$ -	\$ -	\$ 206	\$ -

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

City of Iowa City, Iowa

**Statement of Fiduciary Net Position
Custodial Fund**

June 30, 2024

(amounts expressed in thousands)

	<u>Project Green</u>
Assets	
Equity in pooled cash and investments	\$ 80
Interest receivable	1
Total assets	<u>81</u>
Liabilities	
Accounts payable	1
Total liabilities	<u>1</u>
Net Position	
Restricted for an organization	<u><u>\$ 80</u></u>

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

City of Iowa City, Iowa

**Statement of Changes in Fiduciary Net Position
Custodial Fund**

For the Year Ended June 30, 2024
(amounts expressed in thousands)

	<u>Project Green</u>
Additions:	
Contributions	\$ 37
Interest	4
Total additions	<u>41</u>
Deductions:	
Services and charges	<u>26</u>
Total deductions	<u>26</u>
Change in net position	15
Net Position, Beginning	<u>65</u>
Net Position, Ending	<u><u>\$ 80</u></u>

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

City of Iowa City, Iowa

Notes to Financial Statements

June 30, 2024

1. Accounting Policies

The City of Iowa City, Iowa, (the City) was incorporated April 6, 1853, and operates under the Council/Manager form of government. The City provides a broad range of services to its citizens including general government, public safety, streets, parks, and cultural facilities. It also operates an airport, a mass transportation system, parking facilities, water treatment, wastewater treatment, storm water collection, sanitation collection and disposal (including landfill operations) and a housing authority.

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

The Reporting Entity

For financial reporting purposes, the City includes all of its funds, organizations, agencies, boards, commissions, and authorities. The City has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City. There were no component units required to be included.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Description of Funds

These financial statements include all funds owned or administered by the City or for which the City acts as custodian.

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The fund categories are governmental, proprietary, and fiduciary. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenditures or expenses, as appropriate. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its "measurement focus." The government-wide financial statements, proprietary funds, and custodial funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under the accrual method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

All governmental funds are accounted for using a current financial resources measurement focus, which generally includes only current assets and current liabilities on the balance sheet. The modified accrual basis of accounting is used for these funds. Under the modified accrual basis, revenue is recognized when susceptible to accrual, which is in the period in which it becomes both available (collectible within the current period or soon thereafter to be used to pay liabilities of the current period) and measurable (the amount of the transaction can be determined). Revenue accrued includes property taxes, intergovernmental revenue, and interest earned on investments (if they are collected within 60 days after the year-end). Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City reports the following major governmental funds:

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

The *Other Shared Revenue and Grants Fund* is used to account for revenue from various sources, primarily road use tax monies from the State of Iowa and reimbursable programs funded by federal and state grants.

The *Employee Benefits Fund* is used to account for the employee benefits related to those employees who are paid through governmental fund types, which are funded by a separate property tax levy.

The *Other Construction Fund* accounts for the construction or replacement of other City general capital assets, such as administrative buildings with various funding sources, including general obligation bonds, intergovernmental revenues, and contributions.

The *Bridge, Street, and Traffic Control Construction Fund* accounts for the construction or replacement of infrastructure capital assets, such as streets, bridges, dams, sidewalks, and lighting system.

The *Debt Service Fund* accounts for the accumulation of resources for the payment of general long-term debt principal, interest, and related costs.

The City reports the following major proprietary funds:

The *Transit Fund* is used to account for the operation and maintenance of the public transportation system.

The *Wastewater Treatment Fund* is used to account for the operation and maintenance of the wastewater treatment facility and sanitary sewer system.

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

The *Sanitation Fund* is used to account for the operation and maintenance of the solid waste collection system and landfill.

The *Stormwater Fund* is used to account for the operation and maintenance of the stormwater utility system.

The *Housing Authority Fund* is used to account for the operations and activities of the City's low and moderate income housing assistance and public housing programs.

The City has two nonmajor enterprise funds, the *Airport Fund* is used to account for the operation and maintenance of the airport facility and the *Parking Fund* is used to account for the operation and maintenance of the "on" and "off" street public parking facilities.

Additionally, the City reports internal service funds to account for goods and services provided by one department to other City departments on a cost reimbursement basis. The funds in this category are the *Equipment Maintenance Fund*, *Central Services Fund*, *Loss Reserve Fund*, and the *Information Technology Fund*.

The City also reports a custodial fund account for monies held for Project Green, a local 501(c)(3) not-for-profit agency.

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

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

Uses 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 revenue, expenditures and expenses, as appropriate, during the reporting period. Actual results could differ from these estimates. Material estimates that are particularly susceptible to significant change in the near-term relate to the determination of other postemployment benefit obligation, net pension liability, landfill closure and post-closure care costs, total capacity of the landfill at closure, and calculation of the costs of claims incurred, but not reported.

Cash and Investments

The City maintains one primary demand deposit account through which the majority of its cash resources are processed. Substantially all investment activity is carried on by the City in an investment pool, except for those funds required to maintain their investments separately. The earnings on the pooled investments are allocated to the funds on a systematic basis. All investments are stated at fair value except for the Iowa Public Agency Investment Trust (IPAIT) which is valued at amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

For the purpose of the Statement of Cash Flows, restricted and non-restricted investments with a maturity of three months or less when purchased are considered cash equivalents.

Receivables and Revenue Recognition

Property tax receivable is recognized in governmental funds on the levy or lien date, which is the date that the tax asking is certified by the City to the County Board of Supervisors. Current year delinquent property tax receivable represents unpaid taxes from the current year. 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 to the County Auditor by March 31 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, it will not be recognized as revenue until the year for which it is levied.

Federal and state grants are recorded as receivables and the revenue is recognized during the period in which the City fulfills the requirements for receiving the grant awards, as long as the susceptible to accrual criteria are met.

Income from investments in all fund types and from charges for services in proprietary fund types is recognized when earned. Licenses and permits, fines and forfeitures, fees and refunds, charges for services (in governmental fund types), miscellaneous, and other revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

Inventories

Inventories are recognized only in those funds in which they are material to the extent of affecting operations. For the City, these are the Other Shared Revenue and Grants Fund, Transit Fund, Water Fund, and the Equipment Maintenance Fund. Inventories of materials and supplies are determined by actual count and priced on the FIFO method in the Other Shared Revenue and Grants Fund and the average cost method for the Transit, Water and Equipment Maintenance Fund.

Leases

The City is a lessor for several noncancellable leases of City property. The City recognizes lease receivables and deferred inflows of resources at the commencement of the lease term in the governmental

activities, the business type activities, governmental, business type, and internal service fund financial statements. As lessor, the assets underlying the lease are not derecognized.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

The City uses its most recent borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-Based Information Technology Arrangements (SBITA)

The City has entered into contracts that convey control of the right to use information technology software. The City has recognized subscription liabilities and intangible right-to-use IT subscription assets in the government-wide financial statements, and in the proprietary fund financial statements.

At the commencement of the IT subscription term, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the IT subscription liability is reduced by the principal portion of payments made. The right-to-use IT subscription asset is initially measured as the sum of the initial IT subscription liability, adjusted for payments made at or before the commencement date, plus capitalization implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the right-to-use IT subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to IT subscription arrangements include how the City determines the discount rate it uses to discount the expected payments to present value, term and payments.

The City uses its most recent borrowing rate as the discount rate.

The IT subscription term includes the noncancellable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments.

The City monitors changes in circumstances that would require a remeasurement of its IT subscription and will remeasure the right-to-use IT subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use IT subscription assets are reported with other capital assets and IT subscription liabilities are reported with long-term debt on the statement of net position.

Capital Assets

Capital assets, which include property, buildings, equipment, and infrastructure assets (e.g., roads, bridges, water mains, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City follows the policy of not requiring

capitalization of an asset with an initial, individual cost of less than \$50,000 for infrastructure, \$25,000 for buildings and improvements, and \$5,000 for equipment assets. Such assets are recorded at original purchase cost or at acquisition value at the date of donation when received as donated properties.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Infrastructure	3 – 100 years
Buildings and structures	20 – 50 years
Improvements other than buildings	10 – 50 years
Vehicles	2 – 20 years
Other equipment	3 – 30 years

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

Bond Premiums and Discounts

Debt issued at a premium or discount is recorded net of the unamortized premium or discount. In the governmental funds, premiums and discounts are recorded entirely as other financing sources or uses in the year of issuance. In the proprietary funds and the government-wide statements, they are amortized over the life of the bonds.

Compensated Absences

Permanent City employees accumulate vacation and sick leave hours for subsequent use or for payment upon death, resignation, or retirement. The City pays its employees (except firefighters) one-half of the accumulated sick leave at the time of termination on the basis of the employee's then effective hourly base salary, provided that the dollar amount of the payment may be up to, but not exceed, the amount that an employee would be paid if the employee had terminated on June 28, 1985. Employees hired on or after June 29, 1985, are not eligible for payment of accumulated sick leave upon termination, death, or retirement.

Pensions

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

Landfill Closing Costs

Costs expected to be incurred in ultimately closing the present landfill site are being systematically provided for through charges to expense over the estimated useful life of the landfill on the basis of capacity used (see Note 8).

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of

resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. The lease related deferred inflows is the unamortized portion of the lease receivable. Deferred inflows of resources consist of property tax receivable, lease related deferred inflows, grants receivable and other receivables.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivable that will not be recognized as revenue until the year for which they are levied, the difference in the carrying value of refunded debt and its acquisition price, lease related deferred inflows, and the unamortized portion of pension and OPEB related items.

Budgetary and Legal Appropriation and Amendment Policies

The City prepares and adopts an annual function budget, as prescribed by Iowa statutes, for all funds except internal service and custodial funds. This is formalized in a separate budgetary report, the Financial Plan. This budget is adopted on or before April 30 of each year to become effective July 1 and constitutes the City's appropriation for each program and purpose specified therein until amended. The adopted budget must include the following:

- a. Expenditures for each function:
 - Public safety
 - Public works
 - Health and social services
 - Culture and recreation
 - Community and economic development
 - General government
 - Debt service
 - Capital projects
 - Business-type/enterprise
- b. The amount to be raised by property taxation
- c. Income from sources other than property taxation
- d. Transfers in and transfers out

The legal level of control (the level at which expenditures may not legally exceed appropriations) is the function level for all funds combined, rather than at the individual fund level. Management can transfer appropriations within a function, within a fund type, and between fund types, without the approval of the governing body so long as the total budget by function area will not be exceeded. It is necessary, therefore, to aggregate the expenditures of the budgeted activities within the governmental fund types with the expenditures of the budgeted activities within the enterprise funds on a function basis, and to compare such function totals to function budgeted totals in order to demonstrate legal compliance with the budget. The City's budget for revenue focuses on aggregated totals by revenue source.

The City formally adopts budgets for several funds that are not required by state law to be included in the annual function budget. Annual operating budgets are adopted for the internal service funds for management control purposes. Such budgets, however, are not legally required to be adopted under state statutes.

A City budget for the current fiscal year may be amended for any of the following purposes as prescribed by Iowa statute:

- a. To permit the appropriation and expenditure of unexpended, unencumbered cash balances on hand at the end of the preceding fiscal year.
- b. To permit the appropriation and expenditure of amounts anticipated being available from sources other than property taxation.
- c. To permit transfers between funds.
- d. To permit transfers between functions.

A budget amendment must be prepared and adopted in the same manner as the original budget. The City's budget was amended as prescribed, and the effects of those amendments are shown in the accompanying budgetary comparison schedule. The original budget was increased by \$35,049,504 in revenues and other financing sources and by \$112,860,046 in expenditures and other financing uses. Appropriations, as adopted or amended, lapse at the end of the fiscal year.

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

Restricted Assets

Assets within the individual funds, which can be designated by the City Council for any use within the fund's purpose, are considered to be unrestricted assets. Assets, which are restricted for specific uses by bonded debt requirements, grant provisions, or other requirements, are classified as restricted assets. Liabilities, which are payable from restricted assets, are classified as such.

Classification of Fund Balances

Fund balances for the governmental funds are reported in classifications based on the nature of any limitations requiring the use of resources for specific purposes (see Note 9).

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent bond proceeds. As of June 30, 2024, there were unspent bond proceeds totaling \$18,934,567 in governmental activities. Net position is reported as restricted when there are limitations imposed on its use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Net position restricted through enabling legislation consists of \$3,953,000 for employee benefits, \$19,024,000 for capital projects, \$7,419,000 debt service, \$237,000 for police, \$3,251,000 for grant agreements, and \$10,432,000 for other purposes.

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

2. Cash and Pooled Investments

The City's deposits in banks at June 30, 2024 were entirely covered or collateralized by federal depository insurance, national credit union administration, letters of credit held by the City or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured Iowa depository institutions approved by City Council and secured pursuant to the limitations set forth in Chapter 12C of the Code of Iowa; prime eligible bankers acceptances; certain high rated commercial paper or other short-term corporate debt; perfected repurchase agreements; Iowa Public Agency Investment Trust (IPAIT); certain registered open-end management investment companies registered with the Securities & Exchange Commission under the federal Investment Company Act of 1940; and warrants or improvement certificates of a drainage district.

At June 30, 2024 the City of Iowa City had the following investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Maturities</u>
Federal Home Loan Mortgage Corporation Notes	\$ 1,940,740	February 2025
Federal Farm Credit Bank Notes	3,222,580	December 2024 to September 2040
Federal National Mortgage Association	3,441,160	December 2027 to June 2029
Federal Home Loan Bank	16,996,400	August 2024 to January 2027
	<u>\$ 25,600,880</u>	

The City uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The recurring fair value measurement for the Federal Home Loan Mortgage Corporation securities of \$1,940,740, the Federal Farm Credit Bank Note securities of \$3,222,580, the Federal National Mortgage Association securities of \$3,441,160 and the Federal Home Loan Bank securities of \$16,996,400 determined using the last reported sales price at current exchange rates (Level 1 inputs).

The City had no other investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

In addition, the City had investments in the Iowa Public Agency Investment Trust (IPAIT), which are valued at an amortized cost of \$21,843,943, which approximates fair value. The Diversified Portfolio consists of cash and short-term investments valued at amortized cost, which approximates fair value, pursuant to Governmental Accounting Standards Board Statement No. 79.

The Iowa Public Agency Investment Trust (IPAIT) represents an investment in a pool managed by others. IPAIT is a common trust established under Iowa law pursuant to Iowa Code Chapter 28E in 1987 to enable eligible Iowa public agencies to safely and effectively invest their available operating and reserve funds. IPAIT is registered under the Investment Company Act of 1940.

The IPAIT portfolios have followed established money market mutual fund investment parameters designed to maintain a \$1 per unit net asset value since inception and were registered with the Securities and Exchange Commission (SEC).

Interest rate risk - The City's investment policy limits the investment of operating funds to investments that mature within 397 days. The portion of operating funds in excess of 33% of operating funds may be invested in certificates of deposit which mature within 63 months or less. Funds not identified as operating funds may be invested in instruments with maturities longer than 397 days.

Credit risk. State law limits investments to commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. It is the City's policy to comply with rating restrictions. The investment in Iowa Public Agency Investment Trust is not rated by Moody's Investors service as it is a state security that is backed by the full faith and credit of the issuing government and is not subject to credit risk.

Concentration of credit risk. The City investment policy limits the amount that may be invested in any one issuer to a maximum amount approved by the City Council.

Due to legal and budgetary reasons, the General Fund is assigned a portion of the investment earnings associated with other funds. These funds are the Employee Benefits, Other Shared Revenue and Grants, and Sanitation funds.

3. Interfund Balances and Transfers

Interfund transfers for the year ended June 30, 2024, consisted of the following:

	Transfer from				
	General	Other Shared Revenue and Grants	Employee Benefits	Capital Projects Bridge, Street and Traffic Control Construction	Nonmajor Governmental
<u>Transfer to:</u>					
General	\$ -	\$ 9,996,846	\$ 13,172,408	\$ -	\$ 44,682
Other Shared Revenue and Grants	1,000,000	-	664,334	-	-
Employee Benefits	-	1,274	-	-	-
Debt Service	20,468	-	-	-	1,688,092
Capital Projects Other Construction	2,028,489	309,344	-	-	1,046
Capital Projects Bridge, Street and Traffic Control Construction	418,753	3,245,000	-	-	-
Nonmajor Governmental	231,623	351,698	-	-	-
Transit	4,058,874	119,540	-	-	-
Wastewater Treatment	2,263	55,573	-	269,886	-
Water	502,103	74,677	-	2,890,401	-
Sanitation/Landfill	5,966	86,833	-	-	-
Stormwater	1,195	4,631	-	1,738,807	-
Housing Authority	-	30,102	-	-	-
Nonmajor Enterprise	106,500	171,029	-	-	-
Internal Service	40,176	259,249	-	93,219	-
Total Transfer to	<u>\$ 8,416,410</u>	<u>\$ 14,705,796</u>	<u>\$ 13,836,742</u>	<u>\$ 4,992,313</u>	<u>\$ 1,733,820</u>

Transfers are used to move revenues and bond proceeds from the fund that State statutes or the budget requires to collect them to the fund that the State statutes or the budget requires to expend them.

Transfer from

<u>Wastewater Treatment</u>	<u>Sanitation</u>	<u>Stormwater</u>	<u>Housing Authority</u>	<u>Nonmajor Enterprise</u>	<u>Total Transfer from</u>
\$ -	\$ -	\$ -	\$ 38,193	\$ -	\$ 23,252,129
-	-	-	-	-	1,664,334
-	-	-	-	-	1,274
-	-	-	-	-	1,708,560
-	-	-	-	-	2,338,879
-	-	-	-	-	3,663,753
-	-	-	-	-	583,321
-	-	-	-	75,000	4,253,414
-	-	-	-	-	327,722
-	-	-	-	-	3,467,181
-	-	-	-	-	92,799
-	-	-	-	-	1,744,633
-	-	-	-	-	30,102
-	-	-	-	-	277,529
46,530	27,750	31,830	-	-	498,754
<u>\$ 46,530</u>	<u>\$ 27,750</u>	<u>\$ 31,830</u>	<u>\$ 38,193</u>	<u>\$ 75,000</u>	<u>\$ 43,904,384</u>

Interfund balances for the year ended June 30, 2024, consisted of the following:

	<u>Due from</u> <u>General</u>
<u>Due to:</u>	
Nonmajor Governmental	\$ 84,558
Nonmajor Enterprise	<u>126,390</u>
Total	<u><u>\$ 210,948</u></u>

Interfund balances at June 30, 2024, include due to/from other funds, which represent amounts for negative cash balance funding. The \$84,558 advance to Nonmajor Governmental Funds and the \$126,390 advance to the Nonmajor Enterprise Funds are expected to be repaid within the next year.

	<u>Advances from</u>		
	<u>Debt</u> <u>Service</u>	<u>Sanitation</u>	<u>Total</u>
<u>Advances to:</u>			
Other Shared Revenue and Grants	\$ 17,585	\$ -	\$ 17,585
Other Construction	-	2,619,085	2,619,085
Nonmajor Enterprise	<u>-</u>	<u>1,010,419</u>	<u>1,010,419</u>
Total	<u><u>\$ 17,585</u></u>	<u><u>\$ 3,629,504</u></u>	<u><u>\$ 3,647,089</u></u>

Interfund balances at June 30, 2024, include advances to/from other funds, which represent amounts for construction loans and a revenue bond redemption loan. All of the \$17,585 advance to the Other Shared Revenue and Grants Fund is expected to be repaid within the next year. \$2,424,110 of the \$2,619,085 advance to the Other Construction Fund is not expected to be repaid within the next year. \$715,579 of the \$1,010,419 advance to the Nonmajor Enterprise Funds is not expected to be repaid within the next year.

4. Lease Receivable

During the year ended June 30, 2024, the City recognized the following related to its non-regulated leases in which the maximum possible lease term is noncancelable by both the lessee and the lessor and is more than 12 months. The leases are not considered principal ongoing operations of the City.

Governmental Activities:

On October 6, 2015, the City entered into an agreement to lease building space in the Library building. The initial term of the lease was for a four-year term with an extension of an additional four-year term. The lease was amended in fiscal year 2024 to add another four-year term with another extension of an additional four years. The City believes it is more likely than not that the term will be for sixteen years. The monthly rent is \$2,000. The City recognized \$18,645 in lease revenue and \$5,355 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the City's receivable for lease payments was \$163,704. The City has a deferred inflow of resources associated with this lease of \$163,704 that will be recognized as revenue over the lease term.

On November 10, 2015, the City entered into an agreement to lease space for fiber. The initial term of the lease was for a ten-year term with no option of extension. The City believes it is more likely than not that the term will be for ten years. The annual rent is \$20,793. The City recognized \$19,569 in lease revenue and \$1,224 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the City's receivable for lease payments was \$20,171. The City has a deferred inflow of resources associated with this lease of \$20,171 that will be recognized as revenue over the lease term.

Business-type Activities:

On August 16, 2012, the City entered into an agreement to lease building space in the Court Street Transportation Center. The initial term of the lease was for a three-year term with an extension of up to five additional three-year terms. The City believes it is more likely than not that the term will be for eighteen years. The monthly rent is \$1,450. The City recognized \$14,193 in lease revenue and \$3,207 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the City's receivable for lease payments was \$96,413. The City has a deferred inflow of resources associated with this lease of \$96,413 that will be recognized as revenue over the lease term.

On July 1, 2015, the City entered into an agreement to lease building space in the Court Street Transportation Center. The initial term of the lease was for a five-year term with an extension of an two additional five-year terms. The City believes it is more likely than not that the term will be for fifteen years. The monthly rent is \$9,259. The City recognized \$89,562 in lease revenue and \$21,546 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the City's receivable for lease payments was \$650,812. The City has a deferred inflow of resources associated with this lease of \$650,812 that will be recognized as revenue over the lease term.

On February 11, 2021, the City entered into an agreement to lease building space in the Court Street Transportation Center. The initial term of the lease was for a three-year term with an extension of up to four additional five-year terms. The City believes it is more likely than not that the term will be for fifteen years. The monthly rent is \$3,445. The City recognized \$22,261 in lease revenue and \$19,079 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the City's receivable for lease payments was \$607,350. The City has a deferred inflow of resources associated with this lease of \$607,350 that will be recognized as revenue over the lease term.

On February 21, 2012, the City entered into an agreement to lease building at the East Side Recycling Center. The initial term of the lease was for a ten-year term with an extension of up to three additional five-year terms. The City believes it is more likely than not that the term will be for twenty-five years. The monthly rent is \$1,677.58. The City recognized \$13,444 in lease revenue and \$6,687 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the City's receivable for lease payments was \$209,778. The City has a deferred inflow of resources associated with this lease of \$209,778 that will be recognized as revenue over the lease term.

On February 21, 2012, the City entered into an agreement to lease building at the East Side Recycling Center. The initial term of the lease was for a ten-year term with an extension of up to three additional five-year terms. The City believes it is more likely than not that the term will be for twenty-five years. The monthly rent is \$322.50. The City recognized \$2,585 in lease revenue and \$1,285 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the City's receivable for lease payments was \$40,328. The City has a deferred inflow of resources associated with this lease of \$40,328 that will be recognized as revenue over the lease term.

The City has four leases for land use at and around the Airport that were entered into agreement between February 12, 1991 and November 1, 2018. The initial terms of the leases range between five and eighty years with two of the agreements having options to extend between five and ten years. The City believes it is more likely than not that the terms will be between ten and eighty years. The annual rent for all four of these leases is \$17,284. The City recognized \$11,407 in lease revenue and \$5,877 in interest revenue during the current fiscal year related to these leases. As of June 30, 2024, the City's receivable for lease payments was \$202,567. The City has a deferred inflow of resources associated with these leases of \$202,567 that will be recognized as revenue over the lease terms.

The City has eight leases for hangar use at the Airport that were entered into agreement between April 12, 2012 and October 1, 2023. The initial terms of these leases range between one and thirty years with two of the leases having the option to renew up to another ten years. The City believes it is more likely than not that the terms will be between one and thirty years. The monthly rent for these leases total \$11,915. The City recognized \$103,602 in lease revenue and \$14,309 in interest revenue during the current fiscal year related to these leases. As of June 30, 2024, the City's receivable for lease payments was \$459,133. The City has a deferred inflow of resources associated with these leases of \$459,133 that will be recognized as revenue over the lease terms.

5. Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning July 1, 2023	Acquisitions and Transfers	Disposals and Transfers	Balance June 30, 2024
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 32,542,100	\$ 72,382	\$ -	\$ 32,614,482
Construction in progress	19,805,180	11,269,158	4,963,531	26,110,807
Total capital assets, not being depreciated	<u>52,347,280</u>	<u>11,341,540</u>	<u>4,963,531</u>	<u>58,725,290</u>
Capital assets, being depreciated:				
Buildings	68,730,625	1,035,194	9,600	69,756,219
Improvements other than buildings	8,193,976	253,989	480,805	7,967,160
Machinery and equipment	66,718,874	3,956,905	2,893,108	67,782,670
IT subscriptions	1,077,152	132,758	-	1,209,910
Infrastructure	226,537,977	5,207,414	123,243	231,622,149
Total capital assets being depreciated	<u>371,258,605</u>	<u>10,586,261</u>	<u>3,506,756</u>	<u>378,338,108</u>
Less accumulated depreciation/amortization for:				
Buildings	34,333,229	1,752,313	9,600	36,075,941
Improvements other than buildings	5,097,302	246,754	348,214	4,995,842
Machinery and equipment	30,776,557	4,798,691	2,868,995	32,706,252
IT Subscriptions	707,119	165,606	-	872,725
Infrastructure	67,696,718	4,547,783	93,665	72,150,837
Total accumulated depreciation/amortization	<u>138,610,925</u>	<u>11,511,147</u>	<u>3,320,474</u>	<u>146,801,598</u>
Total capital assets, being depreciated, net	<u>232,647,679</u>	<u>(924,886)</u>	<u>186,282</u>	<u>231,536,511</u>
Governmental activities capital assets, net	<u>\$ 284,994,959</u>	<u>\$ 10,416,654</u>	<u>\$ 5,149,813</u>	<u>\$ 290,261,801</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 30,957,185	\$ -	\$ -	\$ 30,957,185
Construction in progress	15,053,020	15,770,663	6,316,860	24,506,822
Total capital assets, not being depreciated	<u>46,010,205</u>	<u>15,770,663</u>	<u>6,316,860</u>	<u>55,464,007</u>
Capital assets, being depreciated:				
Buildings	137,225,718	312,005	368,300	137,169,423
Improvements other than buildings	11,799,598	155,531	-	11,955,129
Machinery and equipment	41,460,101	2,837,327	351,528	43,945,900
IT subscriptions	348,686	206,809	-	555,495
Infrastructure	352,852,392	5,554,847	524,116	357,883,123
Total capital assets being depreciated	<u>543,686,495</u>	<u>9,066,518</u>	<u>1,243,943</u>	<u>551,509,070</u>
Less accumulated depreciation/amortization for:				
Buildings	81,255,608	3,126,661	368,300	84,013,970
Improvements other than buildings	8,702,059	251,090	-	8,953,149
Machinery and equipment	25,955,029	1,535,200	351,528	27,138,701
IT Subscriptions	-	158,407	-	158,407
Infrastructure	142,204,814	7,453,150	524,116	149,133,848
Total accumulated depreciation/amortization	<u>258,117,510</u>	<u>12,524,508</u>	<u>1,243,943</u>	<u>269,398,075</u>
Total capital assets, being depreciated, net	<u>285,568,985</u>	<u>(3,457,990)</u>	<u>-</u>	<u>282,110,995</u>
Business-type activities capital assets, net	<u>\$ 331,579,190</u>	<u>\$ 12,312,672</u>	<u>\$ 6,316,860</u>	<u>\$ 337,575,002</u>

Depreciation/Amortization expense was charged to functions as follows:

Governmental activities:	
Public safety	\$ 1,736,164
Public works	5,653,442
Culture and recreation	3,572,589
Community and economic development	66,290
General government	<u>482,664</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 11,511,147</u>
Business-type activities:	
Transit	\$ 1,164,825
Wastewater treatment	4,324,326
Water	2,327,164
Sanitation	591,789
Stormwater	1,518,751
Housing authority	233,377
Nonmajor enterprise	<u>2,364,277</u>
Total depreciation expense - business-type activities	<u>\$ 12,524,508</u>

6. Long Term Debt

Changes in Debt for Bonds

Bond debt activity for the year ended June 30, 2024, was as follows:

	July 1, 2023	Issues	Retirements	June 30, 2024	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 52,915,000	\$ 10,140,000	\$ 10,075,000	\$ 52,980,000	\$ 10,545,000
Plus: Unamortized					
Premium	<u>3,304,091</u>	<u>719,865</u>	<u>547,035</u>	<u>3,476,920</u>	<u>511,548</u>
Total general obligation bonds	<u>56,219,091</u>	<u>10,859,865</u>	<u>10,622,035</u>	<u>56,456,920</u>	<u>11,056,548</u>
Revenue bonds	<u>10,880,000</u>	<u>-</u>	<u>955,000</u>	<u>9,925,000</u>	<u>950,000</u>
Total revenue bonds	<u>10,880,000</u>	<u>-</u>	<u>955,000</u>	<u>9,925,000</u>	<u>950,000</u>
	<u>\$ 67,099,091</u>	<u>\$ 10,859,865</u>	<u>\$ 11,577,035</u>	<u>\$ 66,381,920</u>	<u>\$ 12,006,548</u>
Business-type activities:					
Revenue bonds	\$ 3,625,000	\$ -	\$ 1,745,000	\$ 1,880,000	\$ 1,325,000
Plus: Unamortized					
Premium	<u>76,946</u>	<u>-</u>	<u>35,234</u>	<u>41,712</u>	<u>35,234</u>
Total revenue bonds	<u>\$ 3,701,946</u>	<u>\$ -</u>	<u>\$ 1,780,234</u>	<u>\$ 1,921,712</u>	<u>\$ 1,360,234</u>

General Obligation Bonds

Various issues of general obligation bonds totaling \$52,980,000 are outstanding as of June 30, 2024. The bonds have interest rates ranging from 1.80% to 6.00% and mature in varying annual amounts ranging from \$340,000 to \$2,000,000 per issue, with the final maturities due in the year ending June 30, 2034. Interest and principal payments on all general obligation bonds, except tax abated portions recorded in the enterprise funds, are accounted for through the Debt Service Fund.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year Ending June 30	Governmental Activities	
	Principal	Interest
2025	\$ 10,545,000	\$ 1,979,724
2026	8,680,000	1,566,078
2027	7,730,000	1,235,453
2028	6,685,000	947,178
2029	5,705,000	705,328
2030-2034	13,635,000	1,161,645
Total	<u>\$ 52,980,000</u>	<u>\$ 7,595,406</u>

Revenue Bonds

As of June 30, 2024, the following unmatured revenue bond issues are outstanding:

	Water	Taxable Urban Renewal
Original issue amount	\$ 9,560,000	\$ 12,805,000
Interest rates	1.5% to 5.0%	3.0%
Annual maturities	\$ 555,000 to	\$ 725,000 to
	\$ 1,325,000	\$ 950,000
Amount outstanding	\$ 1,880,000	\$ 9,925,000

Revenue bond debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 950,000	\$ 297,750	\$ 1,325,000	\$ 26,081
2026	950,000	269,250	555,000	6,244
2027	825,000	240,750	-	-
2028	725,000	216,000	-	-
2029	740,000	194,250	-	-
2030-2034	3,980,000	627,750	-	-
2035-2036	1,755,000	79,350	-	-
Total	<u>\$ 9,925,000</u>	<u>\$ 1,925,100</u>	<u>\$ 1,880,000</u>	<u>\$ 32,325</u>

The revenue bond ordinances required that water revenues and urban renewal tax revenues be set aside into separate and special accounts as they are received. The use and the amounts to be included in the accounts are as follows:

Account	Amount
(a) Revenue Bond and Interest Sinking Reserve	Amount sufficient to pay current bond and interest maturities.
(b) Revenue Debt Service Reserve	Amount required to be deposited in the Revenue Bond and Interest Reserve until the reserve fund equals: Taxable Urban Renewal Revenue bonds – maximum debt service due on the bonds in any succeeding fiscal year. Water Revenue bonds – 10% of the original principal amounts of all related bond issues.
(c) Improvement Reserve	\$5,000 per month until the reserve balance equals or exceeds \$450,000 for Water Revenue bonds, with no further deposits once the minimum balance is reached. If the reserve falls below the required minimum, monthly transfers in the aforementioned amounts will resume.

In fiscal year ended June 30, 2024, the Water Fund had net revenues of \$3,932,000 and the amount of principal and interest due was \$1,801,000.

Summary of Bond Issues

General obligation and revenue bonds payable at June 30, 2024, are comprised of the following issues:

	Date of Issue	Amount Issued	Interest Rates	Final Maturity	Outstanding June 30, 2024
General Obligation Bonds:					
Multi-Purpose	June 2015	7,785,000	2.0 - 2.25	6/25	880,000
Multi-Purpose	June 2016	8,795,000	2.0 - 3.0	6/26	2,045,000
Multi-Purpose	June 2017	9,765,000	2.0 - 2.5	6/27	3,165,000
Multi-Purpose	June 2018	8,895,000	1.8 - 2.65	6/28	3,795,000
Multi-Purpose	June 2019	12,535,000	2.0 - 2.25	6/29	4,640,000
Multi-Purpose	June 2020	12,145,000	2.0 - 5.0	6/30	4,740,000
Multi-Purpose	June 2021	11,325,000	2.0 - 5.0	6/31	7,920,000
Multi-Purpose	June 2022	10,255,000	3.3 - 5.0	6/32	7,945,000
Multi-Purpose	June 2023	9,105,000	3.0 - 5.0	6/33	7,710,000
Multi-Purpose	June 2024	10,140,000	4.0 - 6.0	6/34	10,140,000
Total General Obligation Bonds					<u>\$ 52,980,000</u>
	Date of Issue	Amount Issued	Interest Rates	Final Maturity	Outstanding June 30, 2024
Revenue Bonds:					
Refunded Water Bonds (1)	June 2016	3,650,000	1.5 - 5.0	7/24	525,000
Refunded Water Bonds (2)	June 2017	5,910,000	2.0 - 2.25	7/25	1,355,000
Taxable Urban Renewal	Sept. 2016	12,805,000	3.0	6/36	9,925,000
Total Revenue Bonds					<u>\$ 11,805,000</u>
					<u><u>\$ 64,785,000</u></u>

(1) This bond issue refunded the October 2008 Water Revenue Bonds.

(2) This bond issued refunded the May 2009 Water Revenue Bonds.

Capital Loan Note Payable

On April 26, 2024 the City entered into an agreement with the Iowa Finance Authority for up to \$3,322,000 to be used for the purpose of paying for the planning and design costs for the Wastewater Gas Digester Improvements project. During the year ended June 30, 2024, the City drew \$788,425 on the note, and as of June 30, 2024, \$788,425 is owed in relationship to this note. This note is due April 26, 2027.

This note was issued pursuant to Chapters 76.13 and 384.24A of the Code of Iowa in anticipation of the receipt of and are payable from the proceeds of an authorized loan agreement and the corresponding issuance of water revenue bonds. The capital loan note payable has a term of three years.

Conduit Debt Obligations

From time to time, the City has issued Industrial Development Revenue Bonds and Midwestern Disaster Area Revenue Bonds to provide financial assistance to private sector entities for the acquisition, construction, and renovation of industrial and commercial facilities deemed to be in the public interest. The bonds are collateralized by the property financed and are payable solely from payments received on the underlying mortgage loans. All payments on the bonds are made by the private sector entities directly to a bond trustee, who is a third-party financial institution, and in turn, disburses the payment to the respective bond holders. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The City has not extended any additional commitments beyond the collateral, the payments from the private sector entities on the underlying mortgage loans, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the City for and of the bonds.

As of June 30, 2024, there were two series of Industrial Development Revenue Bonds outstanding, with an aggregate principal amount payable of \$4,711,298.

Debt Legal Compliance

Legal Debt Margin:

As of June 30, 2024, the general obligation debt issued by the City did not exceed its legal debt limit computed as follows (amounts expressed in thousands):

Assessed valuation:

Real property	\$ 7,206,677
Utilities	<u>161,652</u>
Total valuation	<u>\$ 7,368,329</u>

Debt limit, 5% of total assessed valuation	\$ 368,416
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Debt applicable to debt limit:

General obligation bonds	52,980
Urban renewal revenue bonds	9,925
Capital loan note payable	788
Notes payable (Note 8)	211
Subscription liabilities (Note 8)	406
Other legal indebtedness (TIF rebates)(Note 11)	<u>29,620</u>
Total net debt applicable to limit	<u>93,930</u>
Legal debt margin	<u>\$ 274,486</u>

7. Pension and Retirement Systems

The City contributes to two employee retirement systems, the Municipal Fire and Police Retirement System of Iowa (MFPRSI) and the Iowa Public Employees Retirement System (IPERS). MFPRSI is governed by a nine-member Board of Trustees. Though separate and apart from state government, the Board is authorized by the state legislature, which also establishes by statute the pension and disability benefits and the System's funding mechanism. IPERS is administered by the State of Iowa. All full-time employees must participate in either MFPRSI or IPERS. As of June 30, 2024, the City had the following balances related to its pension accounts:

	IPERS	MFPRSI	Total
Net Pension Liability	\$ 19,005,162	\$ 22,064,192	\$ 41,069,354
Deferred Inflows	229,246	883,593	1,112,839
Deferred Outflows	7,439,034	6,778,287	14,217,321
Pension Expense	1,679,808	2,962,813	4,642,621

For the governmental activities, net pension liability is generally liquidated by the General Fund, Community Development Block Grant Fund and Other Shared Revenue and Grants Fund.

Municipal Fire and Police Retirement System of Iowa (MFPRSI)

Plan Description

MFPRSI membership is mandatory for fire fighters and police officers covered by the provisions of Chapter 411 of the Code of Iowa. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by MFPRSI. MFPRSI issues a stand-alone financial report which is available to the public by mail at 7155 Lake Drive, Suite #201, West Des Moines, Iowa 50266 or at www.mfprsi.org.

MFPRSI benefits are established under Chapter 411 of the Code of Iowa and the administrative rules thereunder. Chapter 411 of the Code of Iowa and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits

Members with 4 or more years of service are entitled to pension benefits beginning at age 55. Full service retirement benefits are granted to members with 22 years of service, while partial benefits are available to those members with 4 to 22 years of service based on the ratio of years completed to years required (i.e., 22 years). Members with less than 4 years of service are entitled to a refund of their contribution only, with interest, for the period of employment.

Benefits are calculated based upon the member's highest 3 years of compensation. The average of these 3 years becomes the member's average final compensation. The base benefit is 66 percent of the member's average final compensation. Additional benefits are available to members who perform more than 22 years of service (2 percent for each additional year of service, up to a maximum of 8 years). Survivor benefits are available to the beneficiary of a retired member according to the provisions of the benefit option chosen plus an additional benefit for each child. Survivor benefits are subject to a minimum benefit for those members who chose the basic benefit with a 50 percent surviving spouse benefit.

Active members, at least 55 years of age, with 22 or more years of service have the option to participate in the Deferred Retirement Option Program (DROP). The DROP is an arrangement whereby a member who is otherwise eligible to retire and commence benefits opts to continue to work. A member can elect a 3-, 4-, or 5-year DROP period. By electing to participate in DROP the member is signing a contract indicating the member will retire at the end of the selected DROP period. During the DROP period the member's retirement benefit is frozen and a DROP benefit is credited to a DROP account established for the member. Assuming the member completes the DROP period, the DROP benefit is equal to 52% of the member's retirement benefit at the member's earliest date eligible and 100% if the member delays enrollment for 24 months. At the member's actual date of retirement, the member's DROP account will be distributed to the member in the form of a lump sum or rollover to an eligible plan.

Disability and Death Benefits

Disability coverage is broken down into two types, accidental and ordinary. Accidental disability is defined as permanent disability incurred in the line of duty, with benefits equivalent to the greater of 60 percent of the member's average final compensation or the member's service retirement benefit calculation amount. Ordinary disability occurs outside the call of duty and pays benefits equivalent to the greater of 50 percent of the member's average final compensation, for those with 5 or more years of service, or the member's service retirement benefit calculation amount, and 25 percent of average final compensation for those with less than 5 years of service.

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

beneficiary equal to 50 percent of the previous year's earnable compensation of the member or equal to the amount of the member's total contributions plus interest.

Benefits are increased annually in accordance with Chapter 411.6 of the Code of Iowa which states a standard formula for the increases.

The surviving spouse or dependents of an active member who dies due to a traumatic personal injury incurred in the line of duty receives a \$100,000 lump-sum payment.

Contributions

Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2024.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1 percent of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the employer's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 22.98% for the year ended June 30, 2024.

The City's contributions to MFPRSI for the year ended June 30, 2024, was \$2,958,187.

If approved by the state legislature, state appropriation may further reduce the employer's contribution rate, but not below the minimum statutory contribution rate of 17.00% of earnable compensation. The State of Iowa therefore is considered to be a nonemployer contributing entity in accordance with the provisions of the Governmental Accounting Standards Board Statement No. 67 – Financial Reporting for Pension Plans, (GASB 67).

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2024.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the City reported a liability of \$22,064,192 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2023, the City's proportion was 3.523511% which was an increase of 0.144427% from its proportions measured as of June 30, 2022.

For the year ended June 30, 2024, the City recognized pension expense of \$2,962,813. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,685,736	\$ -
Change of assumptions	111,153	-
Net difference between projected and actual earnings on pension plan investments	1,404,937	-
Changes in proportion and differences between City contributions and proportionate share of contributions	618,274	883,593
City contributions subsequent to the measurement date	<u>2,958,187</u>	<u>-</u>
Total	<u>\$ 6,778,287</u>	<u>\$ 883,593</u>

\$2,958,187 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Total
June 30, 2025	\$ (28,506)
June 30, 2026	(986,519)
June 30, 2027	3,208,429
June 30, 2028	704,075
June 30, 2029	<u>39,028</u>
	<u>\$ 2,936,507</u>

Actuarial Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	3.00 percent per annum
Salary increases	3.75 to 15.11 percent, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the 10-year period ending June 30, 2022.

Postretirement mortality rates were based on the RP-2014 Blue Collar Combined Healthy Annuitant Table with males set-forward zero years, females set-forward two years and disabled individuals set-forward three years (male only rates), with generational projection of future mortality improvement with 50 percent of Scale BB beginning in 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (i.e., expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Broad Fixed Income	4.9 %
Broad U.S. Equity	7.1
Global Equity	7.2
Broad Non-US Equity	7.4
Managed Futures	5.2
Core Real Estate	6.8
Opportunistic Real Estate	11.1
Global Infrastructure	6.9
Private Credit	10.1
Private Equity	12.1

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and the City contributions will be made at rates equal to the difference between actuarially determined rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the city's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.5%) or 1% higher (8.5%) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability:	\$ 38,641,662	\$ 22,064,192	\$ 8,341,300

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MFPRSI financial report which is available on MFPRSI's website at www.mfprsi.org.

Payables to the Pension Plan

At June 30, 2024, there were no amounts due to MFPRSI.

Iowa Public Employees Retirement System (IPERS)

Plan Description

IPERS membership is mandatory for employees of the City, except for those covered by another retirement system. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by IPERS. IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

Pension Benefits

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

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

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits

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

Contributions

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

In fiscal year 2024, pursuant to the required rate, Regular members contributed 6.29% of pay and the City contributed 9.44% for a total rate of 15.73%.

The City's total contributions to IPERS for the year ended June 30, 2024 were \$3,497,329.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the City reported a liability of \$19,005,162 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2023, the City's proportion was 0.421058% which was an increase of 0.002493% from its proportions measured as of June 30, 2022.

For the year ended June 30, 2024, the City recognized pension expense of \$1,679,808. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,607,862	\$ 78,118
Change of assumptions	-	301
Net difference between projected and actual earnings on pension plan investments	1,760,108	-
Changes in proportion and differences between City contributions and proportionate share of contributions	573,735	150,827
City contributions subsequent to the measurement date	<u>3,497,329</u>	<u>-</u>
Total	<u>\$ 7,439,034</u>	<u>\$ 229,246</u>

\$3,497,329 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Total
June 30, 2025	\$ (408,372)
June 30, 2026	(1,319,854)
June 30, 2027	4,428,433
June 30, 2028	871,806
June 30, 2029	140,446
	<u>\$ 3,712,459</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.60% per annum
Salary increases (effective June 30, 2017)	3.25 to 16.25%, average, including inflation. Rates vary by membership group.
Investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of pension plan investment expense, including inflation
Wage growth (effective June 30, 2017)	3.25% per annum based on 2.60% inflation and 0.65% real wage inflation

The actuarial assumptions used in the June 30, 2023, valuation was based on the results of a quadrennial experience study covering the period July 1, 2017 through June 30, 2021.

Mortality rates were based on the PubG-2010 Mortality tables with future mortality improvements modeled using MP-2021 generational adjustments.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (i.e., expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	21.0 %	4.56 %
International Equity	16.5	6.22
Global Smart Beta Equity	5.0	5.22
Core Plus Fixed Income	23.0	2.69
Public Credit	3.0	4.38
Cash	1.0	1.59
Private Equity	17.0	10.44
Private Real Assets	9.0	3.88
Private Credit	4.5	4.60
Total	<u>100.0 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and that the contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the city's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.0%) or 1% higher (8.0%) than the current rate.

	<u>1% Decrease (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
City's proportionate share of the net pension liability:	\$ 40,409,209	\$ 19,005,162	\$ 1,068,217

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to the Pension Plan

At June 30, 2024, there were no amounts due to IPERS.

8. Other Long-term Liabilities

Changes in Long-Term Liabilities - Notes Payable

Note Payable activity for the year ended June 30, 2024, was as follows:

	<u>July 1, 2023</u>	<u>Issues</u>	<u>Retirements</u>	<u>June 30, 2024</u>	<u>Due Within One Year</u>
Governmental activities:	<u>\$ 210,784</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,784</u>	<u>\$ -</u>

A note payable was issued to Greater Iowa City Housing Fellowship for the purchase of an 11 unit apartment building for low income and disabled housing in the Peninsula Neighborhood. The terms of the loan are 1%, interest only payments for twenty years with a final balloon payment of \$210,784 due on August 1, 2025.

Changes in Long-Term Liabilities - Employee Vested Benefits

Employee Vested Benefits activity for the year ended June 30, 2024, was as follows:

	<u>July 1, 2023</u>	<u>Issues</u>	<u>Retirements</u>	<u>June 30, 2024</u>	<u>Due Within One Year</u>
Governmental activities:	<u>\$ 2,628,969</u>	<u>\$ 1,479,883</u>	<u>\$ 1,483,149</u>	<u>\$ 2,625,703</u>	<u>\$ 1,486,998</u>
Business-type activities:	<u>\$ 819,575</u>	<u>\$ 543,327</u>	<u>\$ 480,794</u>	<u>\$ 882,108</u>	<u>\$ 550,177</u>

For the governmental activities, employee vested benefits are generally liquidated by the General Fund, Community Development Block Grant Fund and Other Shared Revenue and Grants Fund.

Changes in Long-Term Liabilities - Subscription Based Information Technology Liability

Subscription liability activity for the year ended June 30, 2024, was as follows:

	<u>July 1, 2023</u>	<u>Issues</u>	<u>Retirements</u>	<u>June 30, 2024</u>	<u>Due Within One Year</u>
Governmental activities:	<u>\$ 316,763</u>	<u>\$ 90,121</u>	<u>\$ 152,586</u>	<u>\$ 254,298</u>	<u>\$ 144,715</u>
Business-type activities:	<u>\$ -</u>	<u>\$ 206,809</u>	<u>\$ 55,406</u>	<u>\$ 151,403</u>	<u>\$ 56,316</u>

The City has entered into various subscription-based information technology agreements for software programs. The agreements require annual payments varying from \$5,000 to \$65,000 over 3 to 12 years with an interest rates of 2.99% or 3.23% and final payments due August 2027. During the year ended June 30, 2024, principal and interest paid were \$207,992 and \$9,288 respectively. Future principal and interest payments as of June 30, 2024, are as follows:

Fiscal Year Ending June 30	Total SBITA	
	Principal	Interest
2025	\$ 201,031	\$ 12,470
2026	118,408	6,271
2027	66,254	2,750
2028	20,008	646
Total	<u>\$ 405,701</u>	<u>\$ 22,137</u>

Changes in Long-Term Liabilities - Landfill Closure Post-closure Care Costs

Landfill Closure Post-closure care activity for the year ended June 30, 2024, was as follows:

	July 1, 2023	Issues	Retirements	June 30, 2024	Due Within One Year
Business-type activities:	<u>\$ 12,978,256</u>	<u>\$ 2,879,453</u>	<u>\$ -</u>	<u>\$ 15,857,709</u>	<u>\$ -</u>

In August 1993, the GASB issued Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs* (the Statement). Under these rules, in addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill used during the year.

The estimated liability for landfill closure and post-closure care costs as of June 30, 2024, is \$15,857,709, which is based on 60.7% usage (filled) of the landfill and is included in accrued liabilities within the Sanitation Fund. It is estimated that an additional amount of approximately \$10,267,018 will be recognized as closure and post-closure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity by the year ended June 30, 2039. The estimated total current cost of the landfill closure and post-closure care costs at June 30, 2024, was determined by a licensed professional engineer and approximated at \$26,124,727. It is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2024. These amounts are based on an estimated post-closure care and monitoring period of 30 years, consistent with current State Department of Natural Resources regulations. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The City is required by federal and state laws and regulations to provide some form of financial assurance to finance closure and post-closure care. The City will meet its financial assurance obligations through the issuance of general obligation bonds. As of June 30, 2024, the Sanitation Fund had \$15,954,155 in related equity in pooled cash and investments, at fair value designated for satisfaction of closure and post-closure costs. The City estimates that these cash reserves will only provide a fraction of the dollars needed to close and monitor the landfill. The remaining portion of post-closure care costs, anticipated future inflation costs and additional costs that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users as well as City taxpayers.

Changes in Long-Term Liabilities – Other Postemployment Benefits (OPEB)

Plan Description: The City operates a single-employer self-funded medical and dental plan for all employees, which is offered to current and retired employees and their dependents. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

All full-time employees who retire or terminate/resign and their eligible dependents are offered the following post-employment benefit options:

Health insurance and dental insurance – The option of continuing with the City’s health insurance plan at the individual’s expense. These benefits cease upon Medicare eligibility.

Life insurance – The option of converting the employee’s City-paid policy to an individual policy at the individual’s expense with the City’s life insurance carrier.

Long-term disability – For employees who terminate/resign and have been on the plan for a minimum of one year, the option of converting the employee’s City-paid group policy to a personal policy at the individual’s expense with the City’s long-term disability insurance carrier.

The above options, while at the individual’s own expense, are included within the City’s overall insurance package, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	57
Active employees	583
Total	<u>640</u>

Total OPEB Liability: The City’s total OPEB liability of \$9,523,167 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2024)	2.60% per annum
Rates of salary increases (effective June 30, 2024)	3.25% per annum based on 2.60% inflation and 0.65% real wage inflation
Discount rate (effective June 30, 2024)	4.21%, compounded annually, including inflation
Healthcare cost trend rate (effective June 30, 2024)	8.00% initial rate decreasing by .5% annually to an ultimate rate of 4.50%

Discount Rate: The discount rate used to measure the total OPEB liability was 4.21% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates for general participants are from the SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021. Mortality rates for public safety participants are from the SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021. Mortality rates for surviving spouses are from the SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS and MFPRSI.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

	Total OPEB Liability
Total OPEB liability beginning of year	<u>\$ 8,730,093</u>
Changes for the year:	
Service Cost	636,191
Interest	378,025
Difference between expected and actual experience	(418,135)
Changes in assumptions	627,644
Benefit payments	<u>(430,651)</u>
Net changes	<u>793,074</u>
Total OPEB liability end of year	<u><u>\$ 9,523,167</u></u>

Changes of assumptions reflect a change in the discount rate from 4.13% in fiscal year 2023 to 4.21% in fiscal year 2024.

Sensitivity of the City's Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.21%) or 1% higher (5.21%) than the current discount rate.

	1% Decrease (3.21%)	Discount Rate (4.21%)	1% Increase (5.21%)
Total OPEB liability	\$ 10,230,100	\$ 9,523,167	\$ 8,855,433

Sensitivity of the City's Total OPEB Liability to Changes in the Healthcare Cost Trend Rate: The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rate that is 1% lower (7.00%) or 1% higher (9.00%) than the current healthcare cost trend rate.

	1% Decrease (7.00%)	Healthcare Cost Trend Rate (8.0%)	1% Increase (9.00%)
Total OPEB liability	\$ 8,492,330	\$ 9,523,167	\$ 10,738,232

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2024, the City recognized OPEB expense of \$1,021,723. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 739,773	\$ (1,005,001)
Change of assumptions	<u>1,132,804</u>	<u>(1,420,541)</u>
Total	<u>\$ 1,872,577</u>	<u>\$ (2,425,542)</u>

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

Year Ended	Total
June 30, 2025	\$ 7,507
June 30, 2026	7,507
June 30, 2027	7,512
June 30, 2028	(53,041)
June 30, 2029	(191,686)
Thereafter	<u>(330,764)</u>
	<u>\$ (552,965)</u>

For the governmental activities, OPEB liability is generally liquidated by the General Fund, Community Development Block Grant Fund and Other Shared Revenue and Grants Fund

9. Fund Equity

Fund balances for the governmental funds are reported in classifications that comprise a hierarchy based on the extent to which the government honors constraints on the specific purposes for which amounts in those funds can be spent.

- The Nonspendable classification contains amounts not in spendable form or legally or contractually required to be maintained intact.
- Restricted amounts contain restraint on their use externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- Committed amounts can only be used for specific purposes imposed by formal action of the government's highest level of decision-making authority. The highest level of decision-making authority is the City Council and it takes a resolution to establish, modify or rescind a fund balance commitment.

- Amounts intended to be used for specific purposes are Assigned. Assignments should not cause deficits in the Unassigned fund balance. The Finance Director has been delegated authority by the City Council through a resolution to assign amounts to be used for specific purposes.
- Unassigned fund balance is the residual classification for the General Fund. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

The City would use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Components of Fund Balance

	General	Other Shared Revenue and Grants	Employee Benefits	Other Construction	Bridge, Street and Traffic Control Construction	Debt Service	Other Governmental Funds	Total
Round to nearest \$								
Nonspendable:								
Perpetual Care Principal	\$ 69,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,000
Inventory	-	273,990	-	-	-	-	-	273,990
Property Held for Resale	6,335,000	-	-	-	-	-	-	6,335,000
Total Nonspendable	6,404,000	273,990	-	-	-	-	-	6,677,990
Restricted for:								
Public Safety	511,756	-	-	-	-	-	-	511,756
Debt Service	-	-	-	-	-	7,607,584	-	7,607,584
GO Bond Projects	-	-	-	12,049,390	16,708,258	-	-	28,757,648
State Funding	-	6,740,530	-	-	-	-	-	6,740,530
Grant Agreement	-	-	-	-	-	-	3,312,736	3,312,736
Affordable Housing	-	7,372,091	-	-	-	-	-	7,372,091
Economic Development	-	-	-	-	-	-	870,721	870,721
Notes Receivable	1,329,650	-	-	-	-	-	-	1,329,650
Public Safety Employee Benefits	-	-	3,577,051	-	-	-	-	3,577,051
Other Restricted	613,696	2,969,655	-	-	-	-	633,511	4,216,862
Total Restricted	2,455,102	17,082,276	3,577,051	12,049,390	16,708,258	7,607,584	4,816,968	64,296,629
Assigned to:								
Library Programs	1,399,656	-	-	-	-	-	-	1,399,656
Replacement and Acquisition Reserves	17,036,863	-	-	-	-	-	-	17,036,863
Other Assigned	888	-	-	-	-	-	-	888
Total Assigned	18,437,407	-	-	-	-	-	-	18,437,407
Unassigned:	46,148,462	-	-	-	-	-	(3,480)	46,144,982
Total Fund Balances	\$ 73,444,971	\$ 17,356,266	\$ 3,577,051	\$ 12,049,390	\$ 16,708,258	\$ 7,607,584	\$ 4,813,488	\$ 135,557,008

The nonmajor governmental fund, Economic Development Fund, has a deficit unassigned fund balance of \$3,480. The deficit will be resolved with future property taxes.

10. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; workplace accidents, errors and omissions; and natural disasters. During fiscal year 1988 the City established the Loss Reserve Fund, an internal service fund, to account for and finance its uninsured risks of loss. During the year ended June 30, 2024 the City purchased property, liability, and workers' compensation insurance under the program that provides for a \$100,000 self-insured retention per occurrence on property losses except for wind damage losses. The wind damage deductible is the greater of \$250,000 or 2% of the building value. A \$500,000 self-insured retention per occurrence on liability, and a zero self-insured retention on workers' compensation losses for all employees except Fire Department employees. Workers' compensation losses for Fire Department employees are fully self-funded. The liability insurance provides coverage for claims in excess of the aforementioned self-insured retention up to a maximum of \$21,000,000 annual aggregate of losses paid. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The operating funds pay annual premiums to the Loss Reserve Fund. Accumulated monies in the Loss Reserve Fund are available to cover the self-insured retention amounts and any uninsured losses.

The Housing Authority Fund is insured under a separate policy with the Assisted Housing Risk Management Association. The remaining funds participate in the Loss Reserve Fund. The funds make payments to the Loss Reserve Fund based on actuarial estimates of the amounts needed to pay prior- and current-year claims and to establish a reserve for catastrophic losses. The Fund's accrued liabilities balance includes a claims liability at June 30, 2024 based on the requirements of GASB Statement No. 10, as amended, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Loss Reserve Fund's claims liability amount for property, liability, and workers' compensation for the years ended June 30, 2024 and 2023 are as follows:

	Beginning-of- Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2022 - 2023	\$ 2,741,000	\$ 255,000	\$ 553,000	\$ 2,443,000
2023 - 2024	2,443,000	258,000	960,000	1,741,000

Also, the City is partially self-insured, through stop-loss insurance, for employee health care coverage, which is available to all of its permanent employees. This insurance provides stop-loss coverage for claims in excess of \$125,000 per employee with an aggregate stop-loss of \$15,344,182. The operating funds are charged premiums by the Loss Reserve Fund. The City reimburses a health insurance provider for actual medical costs incurred, plus a claims processing\administrative fee. Changes in the Loss Reserve Fund's claims liability amount for health care coverage for the years ended June 30, 2024 and 2023 are as follows:

	Beginning-of- Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2022 - 2023	\$ 583,000	\$ 10,532,000	\$ 10,490,000	\$ 625,000
2023 - 2024	625,000	10,796,000	10,766,000	655,000

11. Commitments and Contingencies

Contractual Commitments

The total outstanding contractual commitments as of June 30, 2024 are as follows:

Fund	Project	Amount
Bridge, street and traffic control construction	Paving and Bridge Construction, Engineering Design and Consulting	\$ 11,598,623
Other construction	Public Works & Culture and Recreation Construction	3,249,430
Parking	Parking Facility Restoration Repair	448,158
Wastewater	Sewer Construction & Influent Rake Replacement	5,124,267
Water	Water Construction & Peninsula Well Field Power Redundancy Project	642,962
Transit	Transit Bus Sign Replacements/Transit Amenities	212,723
Airport	Runway Obstruction Mitigation & Runway Relocation	577,151
Landfill	Landfill Facility Replacement and Landfill Gas Infrastructure	120,153
Stormwater	Stormwater System Improvements & Storm Sewer Replacements	806,785
		<u>\$ 22,780,252</u>

Developer Commitments

In order to encourage development within designated TIF districts, the City Council has approved developer grants to 8 different projects. The grants are to be paid only after certain conditions have been met by each project developer, and are to be paid over many years in the form of a rebate of a predetermined percentage of future property taxes generated by the property. Currently, it is estimated that outstanding commitments totaling \$29,620,446 exist, of which \$2,986,590 is expected to be paid in the next fiscal year. These items are expensed in the period in which they are paid. There were payments made in the current fiscal year in the amount of \$2,163,842. No liability is recognized due to the fact that the agreements are conditional and the payments are to be funded by future property taxes receivable on the project.

Letter of Credit

As of June 30, 2024, the City has an unused letter of credit totaling \$575,000. This letter of credit, issued by MidWestOne Bank, serves as a financial guarantee for self-funded worker's compensation claims. This letter of credit is to expire on June 27, 2025, and there are no fees associated with its maintenance.

The City does not anticipate any financial obligations arising from this letter of credit, as it remains unused as of the reporting date. Management will monitor this letter of credit and ensure compliance with terms set forth by MidWestOne Bank.

12. Contingent Liabilities

Litigation

The City is a defendant in a number of lawsuits arising principally from claims against the City for alleged improper actions by City employees, with such lawsuits typically involving claims of improper police action, unlawful taking of property by zoning, negligence, appeals of condemnations, and discrimination. Total damages claimed are substantial; however, it has been the City's experience that such actions are settled for amounts substantially less than claimed amounts. The City's management estimates that the potential claims against the City, not covered by various insurance policies, would not materially affect the financial condition of the City. The City has the authority to levy additional taxes (outside the regular limit) to cover uninsured judgments against the City.

13. Tax Abatements

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

City Tax Abatements

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

For the year ended June 30, 2024, \$821,419.73 of property tax was diverted from the City under the urban renewal and economic development projects.

Tax Abatements of Other Entities

Property tax revenues of the City were not reduced by any amount for the year ended June 30, 2024 under agreements entered into by any entities.

14. New Governmental Accounting Standards Board (GASB) Standards

The City adopted the following statements during the year ended June 30, 2024:

Statement No. 100, Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

The implementation of the above statement did not have a material impact on the City's Financial Statements.

The Governmental Accounting Standards Board (GASB) has issued four statements not yet implemented by the City. The statements, which might impact the City's financial statements, are as follows:

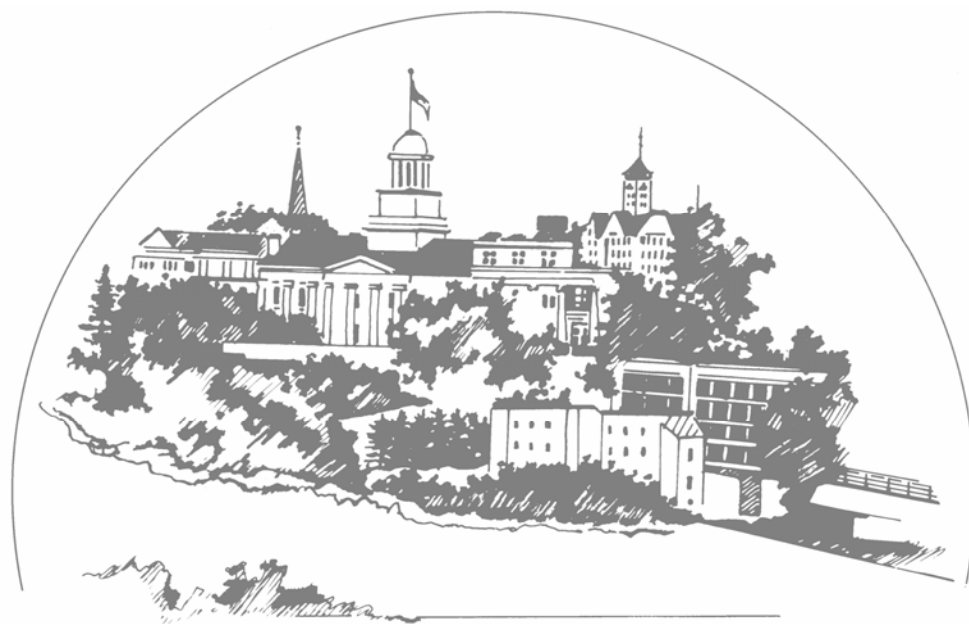
Statement No. 101, Compensated Absences, will be effective for fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Statement No. 102, Certain Risk Disclosures, will be effective for fiscal year ending June 30, 2025. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

Statement No. 103, Financial Reporting Model Improvements, will be effective for the fiscal year ending June 30, 2025. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also address certain application issues.

Statement No. 104, Disclosure of Certain Capital Assets, will be effective for the fiscal year ending June 30, 2026. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

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



City of Iowa City, Iowa

**Budgetary Comparison Schedule
Budget and Actual - All Governmental Funds and Enterprise Funds
Budgetary Basis
Required Supplementary Information**

For the Year Ended June 30, 2024
(dollar amounts expressed in thousands)

	Governmental Fund Types Actual Budgetary Basis	Enterprise Fund Types Actual Budgetary Basis	Total Actual Budgetary Basis
Revenues:			
Property taxes	\$ 66,212	\$ -	\$ 66,212
Delinquent property taxes	13	-	13
Tax increment financing taxes	4,305	-	4,305
Other city taxes	3,822	-	3,822
Special assessments	-	-	-
Licenses and permits	3,036	8	3,044
Intergovernmental	19,407	19,934	39,341
Charges for services	6,898	44,800	51,698
Use of money and property	5,946	5,787	11,733
Miscellaneous	2,567	887	3,454
Total revenues	112,206	71,416	183,622
Expenditures/Expenses:			
Public safety	29,663	-	29,663
Public works	12,255	-	12,255
Health and social services	697	-	697
Culture and recreation	16,899	-	16,899
Community and economic development	16,723	-	16,723
General government	12,627	-	12,627
Debt service	13,190	-	13,190
Capital outlay	20,533	-	20,533
Business-type	-	71,617	71,617
Total expenditures/expenses	122,587	71,617	194,204
Excess (deficiency) of revenues over (under) expenditures/expenses	(10,381)	(201)	(10,582)
Other financing sources and uses, net	6,495	6,164	12,659
Net change in fund balances	(3,886)	5,963	2,077
Balances, beginning of year	133,773	103,606	237,379
Balances, end of year	\$ 129,887	\$ 109,569	\$ 239,456

See Note to Required Supplementary Information.

Budgeted Amounts			
Original	Final	Final to Actual Variance - Positive (Negative)	
\$ 66,313	\$ 66,313	\$ (101)	
-	-	13	
4,083	4,060	245	
3,596	3,597	225	
1	1	(1)	
2,034	2,034	1,010	
36,116	54,055	(14,714)	
51,348	50,485	1,213	
3,172	3,172	8,561	
10,581	5,011	(1,557)	
177,244	188,728	(5,106)	
30,750	31,501	1,838	
12,746	13,089	834	
697	697	-	
17,501	17,789	890	
10,406	31,083	14,360	
12,632	14,312	1,685	
13,211	13,246	56	
31,178	51,922	31,389	
90,987	137,656	66,039	
220,108	311,295	117,091	
(42,864)	(122,567)	111,985	
42,980	43,872	(31,213)	
116	(78,695)	\$ 80,772	
157,640	237,379		
\$ 157,756	\$ 158,684		

City of Iowa City, Iowa

**Budgetary Comparison Schedule
Budget to GAAP Reconciliation
Required Supplementary Information**

For the Year Ended June 30, 2024
(dollar amounts expressed in thousands)

	Governmental Fund Types		
	Budget Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 112,206	\$ 7,259	\$ 119,465
Expenditures	122,587	(14,708)	107,879
Net	(10,381)	21,967	11,586
Other financing sources and uses, net	6,495	(5,807)	688
Beginning Fund Balances	133,773	(10,489)	123,284
Ending Fund Balances	<u>\$ 129,887</u>	<u>\$ 5,671</u>	<u>\$ 135,558</u>

	Enterprise Fund Types		
	Budget Basis	Accrual Adjustments	Accrual Basis
Revenues	\$ 71,416	\$ 1,097	\$ 72,513
Expenditures	71,617	459	72,076
Net	(201)	638	437
Other financing sources and uses, net	6,164	3,810	9,974
Beginning Fund Balances	103,606	309,983	413,589
Ending Fund Balances	<u>\$ 109,569</u>	<u>\$ 314,431</u>	<u>\$ 424,000</u>

See Note to Required Supplementary Information.

City of Iowa City, Iowa
Note to Required Supplementary Information - Budgetary Reporting
For the Year Ended June 30, 2024

In accordance with the Code of Iowa, the City Council annually adopts a budget following required public notice and hearing which includes all funds, except internal service funds and custodial funds. The budget basis of accounting is a modified accrual basis. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund or fund type. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital outlay and business-type. The legal level control is at the aggregated function level, not at the fund or fund type level.

During the year, budget amendments increased budgeted revenues by \$11,484,000 and expenditures by \$91,187,000. The budget amendments were primarily due to changes in the breadth and timing of capital improvement projects, which the City budgets in full during the initial year of the projects and amends future year budgets for carryover.

City of Iowa City, Iowa

**Required Supplementary Information - Schedule of the City's Proportionate
Share of the Net Pension Liability**

**Municipal Fire and Police Retirement System of Iowa
For the Last Ten Years**

(amounts expressed in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
City's proportion of the net pension liability	3.523511%	3.379080%	3.529220%	3.621079%
City's proportionate share of the net pension liability	\$ 22,064	\$ 18,976	\$ 7,926	\$ 28,882
City's covered payroll	12,590	11,413	11,468	11,503
City's proportionate share of the net pension liability as a percentage of its covered payroll	175.25%	166.27%	69.11%	251.08%
Plan fiduciary net position as a percentage of the total pension liability	83.53%	84.62%	93.62%	76.47%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

See Notes to Required Supplementary Information - Pension Liability.

2020	2019	2018	2017	2016	2015
3.684880%	3.706970%	3.648635%	3.697128%	3.704972%	3.778137%
\$ 24,170	\$ 22,071	\$ 21,398	\$ 23,117	\$ 17,406	\$ 13,696
11,155	10,743	10,347	10,019	9,716	9,648
216.67%	205.45%	206.80%	230.73%	179.15%	141.96%
79.94%	81.07%	80.60%	78.20%	83.04%	86.27%

City of Iowa City, Iowa

Required Supplementary Information - Schedule of the City's Contributions

**Municipal Fire and Police Retirement System of Iowa
For the Last Ten Years**

(amounts expressed in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Statutorily required contributions	\$ 2,958	\$ 3,009	\$ 2,988	\$ 2,903
Contributions in relation to the statutorily required contribution	<u>(2,958)</u>	<u>(3,009)</u>	<u>(2,988)</u>	<u>(2,903)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 12,873	\$ 12,590	\$ 11,413	\$ 11,468
Contributions as a percentage of covered payroll	22.98%	23.90%	26.18%	25.31%

See Notes to Required Supplementary Information - Pension Liability.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 2,808	\$ 2,902	\$ 2,759	\$ 2,682	\$ 2,782	\$ 2,955
<u>(2,808)</u>	<u>(2,902)</u>	<u>(2,759)</u>	<u>(2,682)</u>	<u>(2,782)</u>	<u>(2,955)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 11,503	\$ 11,155	\$ 10,743	\$ 10,347	\$ 10,019	\$ 9,716
24.41%	26.02%	25.68%	25.92%	27.77%	30.41%

City of Iowa City, Iowa

Notes to Required Supplementary Information - Pension Liability

**Municipal Fire and Police Retirement System of Iowa
Year ended June 30, 2024**

Changes of benefit terms:

There were no significant changes of benefit terms.

Changes of assumptions:

The 2018 valuation changed postretirement mortality rates on the RP-2014 Blue Collar Healthy Annuitant Table with males set-forward zero years, females set-forward two years and disabled individuals set-forward three years (male only rates), with generational projection of future mortality improvements with 50% of Scale BB beginning in 2017.

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

The 2016 valuation changed postretirement mortality rates to the RP-2000 Blue Collar Combined Healthy Mortality Table with males set-back two years, females set-forward one year and disabled individuals set-forward one year (male only rates), with no projection of future mortality improvement.

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

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



City of Iowa City, Iowa

Required Supplementary Information - Schedule of the City's Proportionate Share of the Net Pension Liability

**Iowa Public Employees' Retirement System
For the Last Ten Years**

(amounts expressed in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
City's proportion of the net pension liability	0.4210580%	0.4185650%	-0.1604936%	0.3947745%
City's proportionate share of the net pension liability	\$ 19,005	\$ 15,814	\$ 554	\$ 27,732
City's covered payroll	37,000	33,752	32,047	31,345
City's proportionate share of the net pension liability as a percentage of its covered payroll	51.36%	46.85%	1.73%	88.47%
Plan fiduciary net position as a percentage of the total pension liability	90.13%	90.34%	100.81%	82.90%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

See Notes to Required Supplementary Information - Pension Liability.

2020	2019	2018	2017	2016	2015
0.4053890%	0.4016869%	0.3968158%	0.3962696%	0.4159256%	0.4378904%
\$ 23,475	\$ 25,420	\$ 26,433	\$ 24,938	\$ 20,549	\$ 17,366
30,852	30,190	29,619	28,448	28,495	28,654
76.09%	84.20%	89.24%	87.66%	72.11%	60.61%
85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

City of Iowa City, Iowa

Required Supplementary Information - Schedule of the City's Contributions

**Iowa Public Employees' Retirement System
For the Last Ten Years**

(amounts expressed in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Statutorily required contributions	\$ 3,497	\$ 3,493	\$ 3,186	\$ 3,025
Contributions in relation to the statutorily required contribution	<u>(3,497)</u>	<u>(3,493)</u>	<u>(3,186)</u>	<u>(3,025)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	37,048	37,000	\$ 33,752	\$ 32,047
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%

See Notes to Required Supplementary Information - Pension Liability.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 2,959	\$ 2,912	\$ 2,696	\$ 2,645	\$ 2,540	\$ 2,545
<u>(2,959)</u>	<u>(2,912)</u>	<u>(2,696)</u>	<u>(2,645)</u>	<u>(2,540)</u>	<u>(2,545)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 31,345	\$ 30,852	\$ 30,190	\$ 29,619	\$ 28,448	\$ 28,495
9.44%	9.44%	8.93%	8.93%	8.93%	8.93%

City of Iowa City, Iowa

Notes to Required Supplementary Information - Pension Liability

Iowa Public Employees' Retirement System

Year ended June 30, 2024

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted termination rates.

The 2018 valuation implemented the following refinements as a result of an experience study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

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

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.5% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

City of Iowa City, Iowa

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

For the Last Seven Years

(amounts expressed in thousands)

	2024	2023	2022	2021	2020	2019	2018
Service Cost	\$ 636	\$ 617	\$ 823	\$ 734	\$ 633	\$ 553	\$ 502
Interest	378	353	226	240	323	297	245
Difference between expected and actual experience	(418)	(118)	(254)	459	(483)	1,161	(377)
Changes in assumptions	628	(25)	(1,942)	305	(83)	225	982
Benefit payments	(431)	(221)	(427)	(667)	(641)	(948)	(174)
Net change in total OPEB liability	793	606	(1,574)	1,071	(251)	1,288	1,178
Total OPEB liability beginning of year	8,730	8,124	9,698	8,627	8,878	7,590	6,412
Total OPEB liability end of year	<u>\$ 9,523</u>	<u>\$ 8,730</u>	<u>\$ 8,124</u>	<u>\$ 9,698</u>	<u>\$ 8,627</u>	<u>\$ 8,878</u>	<u>\$ 7,590</u>
City's covered-employee payroll	\$ 49,921	\$ 49,590	\$ 44,134	\$ 43,515	\$ 42,848	\$ 42,007	\$ 40,933
Total OPEB liability as a percentage of covered-employee payroll	19.08%	17.60%	18.41%	22.29%	20.13%	21.13%	18.54%

Note: GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GAS Statement No. 75.

Changes of benefit terms:

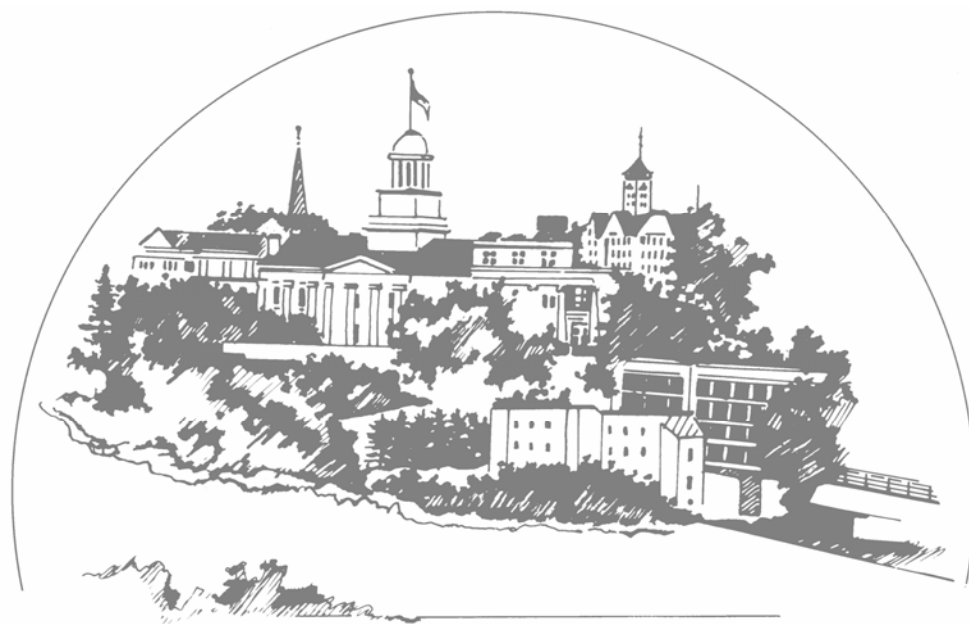
There were no significant changes of benefit terms.

Changes of assumptions:

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

Year ended June 30, 2024	4.21%
Year ended June 30, 2023	4.13%
Year ended June 30, 2022	4.09%
Year ended June 30, 2021	2.19%
Year ended June 30, 2020	2.66%
Year ended June 30, 2019	3.51%
Year ended June 30, 2018	3.87%

Health care trend rates have been updated to an initial trend rate of 8.0% decreasing by 0.5% annually to an ultimate rate of 4.5%.



Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds account for revenues derived from specific sources that are required to be accounted for as separate funds. The funds in this category and their purpose are as follows:

Economic Development Fund – accounts for revenue and expenditures of economic development activities.

Community Development Block Grant Fund – accounts for revenue from the U.S. Department of Housing and Urban Development's Community Development Block Grant programs.

Metropolitan Planning Organization of Johnson County Fund – accounts for the financial activities of the metropolitan/rural cooperative planning organization.

City of Iowa City, Iowa

**Combining Balance Sheet
Nonmajor Governmental Funds**

June 30, 2024

(amounts expressed in thousands)

	Special Revenue			
	Economic Development	Community Development Block Grant	Metropolitan Planning Organization of Johnson County	Total
Assets				
Equity in pooled cash and investments	\$ 839	\$ -	\$ 605	\$ 1,444
Receivables:				
Property tax	745	-	-	745
Interest	21	-	5	26
Notes	-	3,313	-	3,313
Due from other governments	-	92	71	163
 Total assets	 \$ 1,605	 \$ 3,405	 \$ 681	 \$ 5,691
 Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 75	\$ 7	\$ 35	\$ 117
Accrued liabilities	-	-	12	12
Due to other funds	-	\$ 85	-	85
 Total liabilities	 75	 92	 47	 214
 Deferred Inflows of Resources				
Unavailable revenues:				
Succeeding year property taxes	662	-	-	662
Total deferred inflows of resources	662	-	-	662
 Fund Balances				
Restricted	871	3,313	634	4,818
Unassigned	(3)	-	-	(3)
 Total fund balances	 868	 3,313	 634	 4,815
 Total liabilities, deferred inflows of resources and fund balances	 \$ 1,605	 \$ 3,405	 \$ 681	 \$ 5,691

City of Iowa City, Iowa

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds**

For the Year Ended June 30, 2024
(amounts expressed in thousands)

	<u>Special Revenue</u>			
	Economic Development	Community Development Block Grant	Metropolitan Planning Organization of Johnson County	Total
Revenues				
Property taxes	\$ 4,917	\$ -	\$ -	\$ 4,917
Intergovernmental	51	1,103	401	1,555
Use of money and property	114	26	31	171
Miscellaneous	-	126	144	270
Total revenues	<u>5,082</u>	<u>1,255</u>	<u>576</u>	<u>6,913</u>
Expenditures				
Current:				
Community and economic development	<u>2,822</u>	<u>1,331</u>	<u>903</u>	<u>5,056</u>
Total expenditures	<u>2,822</u>	<u>1,331</u>	<u>903</u>	<u>5,056</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,260</u>	<u>(76)</u>	<u>(327)</u>	<u>1,857</u>
Other Financing Sources (Uses)				
Transfers in	159	-	424	583
Transfers out	<u>(1,734)</u>	<u>-</u>	<u>-</u>	<u>(1,734)</u>
Total other financing sources and (uses)	<u>(1,575)</u>	<u>-</u>	<u>424</u>	<u>(1,151)</u>
Net change in fund balances	685	(76)	97	706
Fund Balances, Beginning	<u>183</u>	<u>3,389</u>	<u>537</u>	<u>4,109</u>
Fund Balances, Ending	<u>\$ 868</u>	<u>\$ 3,313</u>	<u>\$ 634</u>	<u>\$ 4,815</u>



Nonmajor Enterprise Funds

Enterprise Funds account for operations and activities of the City that are financed and operated in a manner similar to a private business enterprise, and where the costs of providing services to the general public on a continuing basis are expected to be financed or recovered primarily through user charges, or where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The funds in this category are as follows:

Airport Fund – accounts for the operation and maintenance of the airport facility.

Parking Fund – accounts for the operation and maintenance of the “on” and “off” street public parking facilities.

City of Iowa City, Iowa

**Combining Statement of Net Position
Nonmajor Enterprise Funds**

June 30, 2024
(amounts expressed in thousands)

	Airport	Parking	Total
Assets			
Current assets:			
Equity in pooled cash and investments	\$ 99	\$ 3,926	\$ 4,025
Receivables:			
Accounts and unbilled usage	29	46	75
Interest	-	33	33
Lease	127	-	127
Due from other governments	754	22	776
Total current assets	<u>1,009</u>	<u>4,027</u>	<u>5,036</u>
Noncurrent assets:			
Restricted assets:			
Equity in pooled cash and investments	9	304	313
Lease receivable	535	-	535
Capital assets:			
Land	11,995	3,489	15,484
Buildings	5,458	42,664	48,122
Improvements other than buildings	483	328	811
Machinery and equipment	531	467	998
Infrastructure	18,687	-	18,687
Accumulated depreciation	(15,467)	(27,032)	(42,499)
IT subscriptions	-	349	349
Accumulated amortization	-	(116)	(116)
Construction in progress	845	29	874
Total noncurrent assets	<u>23,076</u>	<u>20,482</u>	<u>43,558</u>
Total assets	<u>24,085</u>	<u>24,509</u>	<u>48,594</u>
Deferred Outflows of Resources			
Pension related deferred outflows	16	258	274
OPEB related deferred outflows	3	61	64
Total deferred outflows of resources	<u>19</u>	<u>319</u>	<u>338</u>
Liabilities			
Current liabilities:			
Accounts payable	10	136	146
Contracts payable	400	270	670
Accrued liabilities	2	35	37
Employee vested benefits	5	76	81
Due to other funds	126	-	126
Total current liabilities	<u>543</u>	<u>517</u>	<u>1,060</u>
Noncurrent liabilities:			
Liabilities payable from restricted assets:			
Deposits	8	1	9
Advances from other funds	-	1,010	1,010
Employee vested benefits	4	44	48
Net pension liability	39	655	694
Other post employment benefits obligation	14	314	328
Total noncurrent liabilities	<u>65</u>	<u>2,024</u>	<u>2,089</u>
Total liabilities	<u>608</u>	<u>2,541</u>	<u>3,149</u>
Deferred Inflows of Resources			
Lease related deferred inflows	662	-	662
Pension related deferred inflows	1	8	9
OPEB related deferred inflows	3	80	83
Total deferred inflows of resources	<u>666</u>	<u>88</u>	<u>754</u>
Net Position			
Net investment in capital assets	22,132	19,908	42,040
Restricted for future improvements	100	304	404
Unrestricted	<u>598</u>	<u>1,987</u>	<u>2,585</u>
Total net position	<u>\$ 22,830</u>	<u>\$ 22,199</u>	<u>\$ 45,029</u>

City of Iowa City, Iowa

**Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Nonmajor Enterprise Funds**

For the Year Ended June 30, 2024
(amounts expressed in thousands)

	<u>Airport</u>	<u>Parking</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 281	\$ 5,459	\$ 5,740
Miscellaneous	31	14	45
Total operating revenues	<u>312</u>	<u>5,473</u>	<u>5,785</u>
Operating Expenses:			
Personal services	107	2,439	2,546
Commodities	22	578	600
Services and charges	<u>537</u>	<u>1,771</u>	<u>2,308</u>
	666	4,788	5,454
Depreciation & amortization	<u>1,022</u>	<u>1,342</u>	<u>2,364</u>
Total operating expenses	<u>1,688</u>	<u>6,130</u>	<u>7,818</u>
Operating loss	<u>(1,376)</u>	<u>(657)</u>	<u>(2,033)</u>
Nonoperating Revenues (Expenses):			
Operating grants	117	-	117
Lease revenue	115	-	115
Interest income	<u>16</u>	<u>213</u>	<u>229</u>
Total nonoperating revenues	<u>248</u>	<u>213</u>	<u>461</u>
Loss before capital contributions and transfers	(1,128)	(444)	(1,572)
Capital contributions	632	18	650
Transfers in	218	60	278
Transfers out	<u>-</u>	<u>(75)</u>	<u>(75)</u>
Change in net position	(278)	(441)	(719)
Net Position, Beginning	<u>23,108</u>	<u>22,640</u>	<u>45,748</u>
Net Position, Ending	<u><u>\$ 22,830</u></u>	<u><u>\$ 22,199</u></u>	<u><u>\$ 45,029</u></u>

CITY OF IOWA CITY, IOWA

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS**

For the Year Ended June 30, 2024
(amounts expressed in thousands)

	<u>Airport</u>	<u>Parking</u>	<u>Total</u>
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 302	\$ 5,477	\$ 5,779
Payments to suppliers	(567)	(3,016)	(3,583)
Payments to employees	(109)	(2,387)	(2,496)
Net cash flows used for operating activities	<u>(374)</u>	<u>74</u>	<u>(300)</u>
Cash Flows From Noncapital Financing Activities			
Operating grants received	118	2	120
Transfers from other funds	218	60	278
Transfers to other funds	-	(75)	(75)
Advances from other funds	-	-	-
Repayment of advances from other funds	(85)	(379)	(464)
Net cash flows from (used for) noncapital financing activities	<u>251</u>	<u>(392)</u>	<u>(141)</u>
Cash Flows From Capital and Related Financing Activities			
Capital grants received	315	-	315
Lease revenues received	115	-	115
Acquisition and construction of property and equipment	(335)	(238)	(573)
Net cash flows used for capital and related financing activities	<u>95</u>	<u>(238)</u>	<u>(143)</u>
Cash Flows From Investing Activities			
Interest on investments	<u>16</u>	<u>196</u>	<u>212</u>
Net increase (decrease) in cash and cash equivalents	(12)	(360)	(372)
Cash and Cash Equivalents, Beginning	<u>120</u>	<u>4,590</u>	<u>4,710</u>
Cash and Cash Equivalents, Ending	<u>\$ 108</u>	<u>\$ 4,230</u>	<u>\$ 4,338</u>
Reconciliation of operating loss to net cash flows from (used for) operating activities:			
Operating loss	\$ (1,376)	\$ (657)	\$ (2,033)
Adjustments to reconcile operating loss to net cash flows used for operating activities:			
Depreciation expense	1,022	1,342	2,364
Changes in:			
Receivables:			
Accounts and unbilled usage	(7)	3	(4)
Due from other governments	(3)	-	(3)
Accounts payable	(8)	(667)	(675)
Accrued liabilities	-	10	10
Net pension liability	8	159	167
Deferred outflows of resources	(8)	(122)	(130)
Deferred inflows of resources	(4)	(53)	(57)
Other post employment benefits asset/obligation	1	43	44
Total adjustments	<u>1,002</u>	<u>731</u>	<u>1,733</u>
Net cash flows used for operating activities	<u>\$ (374)</u>	<u>\$ 74</u>	<u>\$ (300)</u>
Noncash Investing, Capital, and Financing Activities:			
Capital grants not yet received	\$ 631	\$ 18	\$ 649
Operating grants not yet received	\$ 120	\$ -	\$ 120

Internal Service Funds

Internal Service Funds account for goods and services provided by one department to other City departments on a cost-reimbursement basis. The funds in this category are:

Equipment Maintenance Fund – accounts for the provision of maintenance for City vehicles, equipment and vehicle rental from a central vehicle pool, and two-way radios provided to other City departments.

Central Services Fund – accounts for the support services of photocopying, mail and overnight shipping provided to other City departments.

Loss Reserve Fund – accounts for the property, liability, Workers' Compensation and health insurance premiums and claims activity for City departments, including the self-insured retention portion.

Information Technology Fund – accounts for the accumulation and allocation of costs associated with telecommunications and data processing, including the operation and replacement of equipment.

City of Iowa City, Iowa

**Combining Statement of Net Position
Internal Service Funds**

June 30, 2024
(amounts expressed in thousands)

	Equipment Maintenance	Central Services	Loss Reserve	Information Technology	Total
Assets					
Current assets:					
Equity in pooled cash and investments	\$ 22,991	\$ 934	\$ 23,071	\$ 4,211	\$ 51,207
Receivables:					
Accounts and unbilled usage	122	-	53	4	179
Interest	109	8	166	32	315
Lease	-	-	-	20	20
Due from other governments	17	-	-	-	17
Inventories	670	-	-	-	670
Total current assets	23,909	942	23,290	4,267	52,408
Noncurrent assets:					
Capital assets:					
Land	685	-	-	-	685
Buildings	1,370	-	-	183	1,553
Improvements other than buildings	50	-	-	-	50
Machinery and equipment	26,704	147	19	1,858	28,728
Infrastructure	-	-	-	3,634	3,634
Accumulated depreciation	(15,439)	(76)	(19)	(2,336)	(17,870)
IT subscriptions	-	-	-	651	651
Accumulated amortization	-	-	-	(534)	(534)
Construction in progress	832	-	-	498	1,330
Total noncurrent assets	14,202	71	-	3,954	18,227
Total assets	38,111	1,013	23,290	8,221	70,635
Deferred Outflows of Resources					
Pension related deferred outflows	170	5	34	198	407
OPEB related deferred outflows	30	3	3	30	66
Total deferred outflows of resources	200	8	37	228	473
Liabilities					
Current liabilities:					
Accounts payable	268	7	59	151	485
Accrued liabilities	21	-	2,401	27	2,449
Employee vested benefits	40	1	9	29	79
Subscription liability	-	-	-	59	59
Total current liabilities	329	8	2,469	266	3,072
Noncurrent liabilities:					
Employee vested benefits	29	-	7	24	60
Net pension liability	431	14	87	507	1,039
Other post employment benefits liability	150	14	14	150	328
Total noncurrent liabilities	610	28	108	681	1,427
Total liabilities	939	36	2,577	947	4,499
Deferred Inflows of Resources					
Lease related deferred inflows	-	-	-	20	20
Pension related deferred inflows	5	-	1	6	12
OPEB related deferred inflows	38	4	3	38	83
	43	4	4	64	115
Net Position					
Net investment in capital assets	14,202	71	-	3,895	18,168
Unrestricted	23,127	910	20,746	3,543	48,326
Total net position	\$ 37,329	\$ 981	\$ 20,746	\$ 7,438	\$ 66,494

City of Iowa City, Iowa

**Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds**

For the Year Ended June 30, 2024

(amounts expressed in thousands)

	<u>Equipment Maintenance</u>	<u>Central Services</u>	<u>Loss Reserve</u>	<u>Information Technology</u>	<u>Total</u>
Operating Revenues:					
Charges for services	\$ 7,931	\$ 181	\$ 14,977	\$ 2,791	\$ 25,880
Total operating revenues	<u>7,931</u>	<u>181</u>	<u>14,977</u>	<u>2,791</u>	<u>25,880</u>
Operating Expenses:					
Personal services	1,067	36	352	1,417	2,872
Commodities	2,169	5	1	833	3,008
Services and charges	812	114	12,014	597	13,537
	<u>4,048</u>	<u>155</u>	<u>12,367</u>	<u>2,847</u>	<u>19,417</u>
Depreciation & amortization	2,259	28	-	363	2,650
Total operating expenses	<u>6,307</u>	<u>183</u>	<u>12,367</u>	<u>3,210</u>	<u>22,067</u>
Operating income (loss)	<u>1,624</u>	<u>(2)</u>	<u>2,610</u>	<u>(419)</u>	<u>3,813</u>
Nonoperating Revenues:					
Gain (loss) on disposal of capital assets	204	-	-	3	207
Lease Revenue	-	-	-	20	20
Interest income	1,008	47	1,095	212	2,362
Interest expense	-	-	-	(3)	(3)
Total nonoperating revenues	<u>1,212</u>	<u>47</u>	<u>1,095</u>	<u>232</u>	<u>2,586</u>
Income before transfers	2,836	45	3,705	(187)	6,399
Transfers in	<u>378</u>	<u>1</u>	<u>4</u>	<u>116</u>	<u>499</u>
Change in net position	3,214	46	3,709	(71)	6,898
Net Position, Beginning	<u>34,115</u>	<u>935</u>	<u>17,037</u>	<u>7,509</u>	<u>59,596</u>
Net Position, Ending	<u><u>\$ 37,329</u></u>	<u><u>\$ 981</u></u>	<u><u>\$ 20,746</u></u>	<u><u>\$ 7,438</u></u>	<u><u>\$ 66,494</u></u>

City of Iowa City, Iowa

**Combining Statement of Cash Flows
Internal Service Funds**

For the Year Ended June 30, 2024
(amounts expressed in thousands)

	Equipment Maintenance	Central Services	Loss Reserve	Information Technology	Total
Cash Flows From Operating Activities					
Receipts from users	\$ 7,905	\$ 181	\$ 15,018	\$ 2,789	\$ 25,893
Payments to suppliers	(2,945)	(123)	(12,892)	(1,395)	(17,355)
Payments to employees	(1,188)	(39)	(359)	(1,393)	(2,979)
Net cash flows from operating activities	<u>3,772</u>	<u>19</u>	<u>1,767</u>	<u>1</u>	<u>5,559</u>
Cash Flows From Noncapital Financing Activities					
Transfers from other funds	<u>378</u>	<u>1</u>	<u>4</u>	<u>116</u>	<u>499</u>
Net cash flows from (used for) noncapital financing activities	<u>378</u>	<u>1</u>	<u>4</u>	<u>116</u>	<u>499</u>
Cash Flows From Capital and Related Financing Activities					
Acquisition and construction of property and equipment	(2,843)	(13)	-	(435)	(3,291)
Lease revenues received	-	-	-	20	20
Interest paid on subscription liability	-	-	-	(3)	(3)
Principal paid on subscription liability	-	-	-	(57)	(57)
Proceeds from sale of property	231	-	-	3	234
Net cash flows used for capital and related financing activities	<u>(2,612)</u>	<u>(13)</u>	<u>-</u>	<u>(472)</u>	<u>(3,097)</u>
Cash Flows From Investing Activities					
Interest on investments	<u>949</u>	<u>43</u>	<u>999</u>	<u>196</u>	<u>2,187</u>
Net increase in cash and cash equivalents	2,487	50	2,770	(159)	5,148
Cash and Cash Equivalents, Beginning	<u>20,504</u>	<u>884</u>	<u>20,301</u>	<u>4,370</u>	<u>46,059</u>
Cash and Cash Equivalents, Ending	<u>\$ 22,991</u>	<u>\$ 934</u>	<u>\$ 23,071</u>	<u>\$ 4,211</u>	<u>\$ 51,207</u>
Reconciliation of operating income to net cash flows from operating activities:					
Operating income	\$ 1,624	\$ (2)	\$ 2,610	\$ (419)	\$ 3,813
Adjustments to reconcile operating income to net cash flows from operating activities:					
Depreciation/amortization expense	2,259	28	-	363	2,650
Changes in:					
Receivables:					
Accounts and unbilled usage	(88)	-	41	(4)	(51)
Due from other governments	62	-	-	2	64
Inventories	(39)	-	-	-	(39)
Accounts payable	75	(4)	(206)	35	(100)
Accrued liabilities	5	-	(670)	8	(657)
Employee vested benefits	3	(2)	8	11	20
Net pension liability	53	3	9	117	182
Deferred outflows of resources	(62)	(3)	(15)	(90)	(170)
Deferred inflows of resources	(64)	(2)	(11)	(43)	(120)
Other post employment benefits liability	(56)	1	1	21	(33)
Total adjustments	<u>2,148</u>	<u>21</u>	<u>(843)</u>	<u>420</u>	<u>1,746</u>
Net cash flows from operating activities	<u>\$ 3,772</u>	<u>\$ 19</u>	<u>\$ 1,767</u>	<u>\$ 1</u>	<u>\$ 5,559</u>
Noncash Investing, Capital, and Financing Activities:					
Contributions of capital assets from government and others	\$ -	\$ -	\$ -	\$ -	\$ -

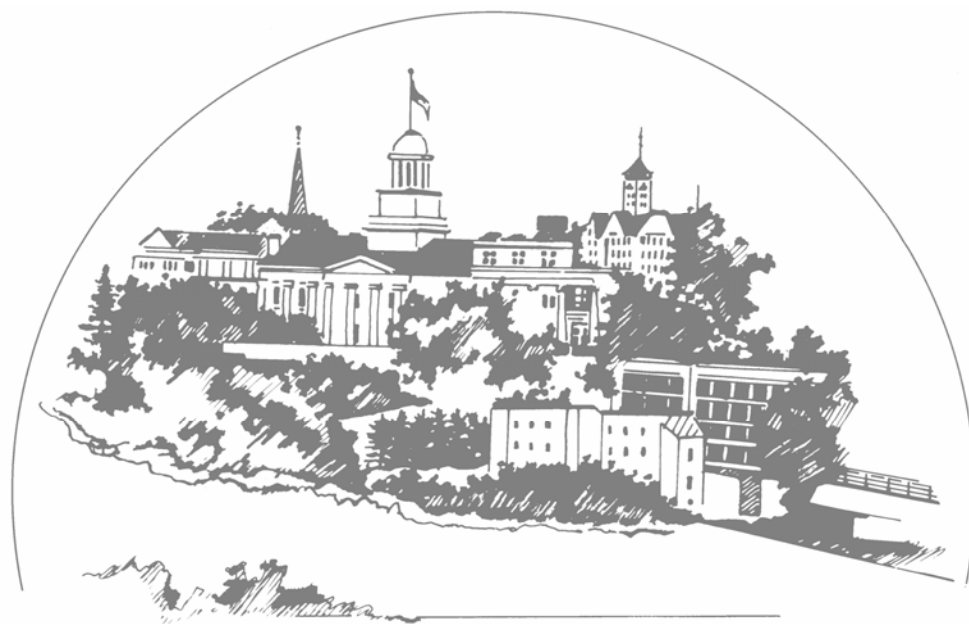
Statistical Section Tabs

Statistical Section

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

Contents	Page
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.	113
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	118
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.	128
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.	134
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.	136

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



City of Iowa City, Iowa

Net Position by Component

Last Ten Fiscal Years
(Accrual basis of accounting)

(amounts expressed in thousands)

	2015	2016 ¹	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 153,729	\$ 163,362	\$ 183,651	\$ 203,077	\$ 208,028	\$ 220,004	\$ 228,418	\$ 230,285	\$ 235,218	\$ 238,351
Restricted	36,447	42,154	47,676	41,490	38,819	33,578	33,664	36,900	40,048	44,316
Unrestricted	15,520	18,402	16,264	17,646	20,124	21,819	25,528	39,505	52,971	68,947
Total governmental activities net position	<u>\$ 205,696</u>	<u>\$ 223,918</u>	<u>\$ 247,591</u>	<u>\$ 262,213</u>	<u>\$ 266,971</u>	<u>\$ 275,401</u>	<u>\$ 287,610</u>	<u>\$ 306,690</u>	<u>\$ 328,237</u>	<u>\$ 351,614</u>
Business-type activities										
Net investment in capital assets	\$ 279,272	\$ 279,679	\$ 285,912	\$ 294,109	\$ 304,111	\$ 314,523	\$ 315,915	\$ 325,787	\$ 325,391	\$ 332,087
Restricted	22,389	22,269	21,238	22,219	18,055	17,558	14,859	13,216	7,959	5,292
Unrestricted	57,367	69,472	76,664	73,126	77,224	76,661	84,097	92,370	104,736	112,850
Total business-type activities net position	<u>\$ 359,028</u>	<u>\$ 371,420</u>	<u>\$ 383,814</u>	<u>\$ 389,454</u>	<u>\$ 399,390</u>	<u>\$ 408,742</u>	<u>\$ 414,871</u>	<u>\$ 431,373</u>	<u>\$ 438,086</u>	<u>\$ 450,229</u>
Primary government										
Net investment in capital assets	\$ 433,001	\$ 443,041	\$ 469,563	\$ 497,186	\$ 512,139	\$ 534,527	\$ 544,333	\$ 556,072	\$ 560,609	\$ 570,438
Restricted	58,836	64,423	68,914	63,709	56,874	51,136	48,523	50,116	48,007	49,608
Unrestricted	72,887	87,874	92,928	90,772	97,348	98,480	109,625	131,875	157,707	181,797
Total primary government net position	<u>\$ 564,724</u>	<u>\$ 595,338</u>	<u>\$ 631,405</u>	<u>\$ 651,667</u>	<u>\$ 666,361</u>	<u>\$ 684,143</u>	<u>\$ 702,481</u>	<u>\$ 738,063</u>	<u>\$ 766,323</u>	<u>\$ 801,843</u>

¹ The City of Iowa City reclassified the Cable Fund from an Enterprise Fund to the General Fund effective July 1, 2015.

City of Iowa City, Iowa

Changes in Net Position

Last Ten Fiscal Years
(Accrual basis of accounting)
(amounts expressed in thousands)

	2015	2016 ¹	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
Public safety	\$ 21,193	\$ 22,029	\$ 24,002	\$ 25,191	\$ 26,265	\$ 29,252	\$ 30,411	\$ 23,609	\$ 26,450	\$ 29,252
Public works	11,037	10,839	12,032	12,813	16,324	16,071	16,363	17,746	19,051	16,733
Culture and recreation	14,049	14,422	15,525	16,363	16,009	16,233	15,774	16,923	18,135	18,664
Community and economic development	7,093	6,786	8,253	12,019	16,022	9,383	8,549	11,074	13,570	12,269
General government	7,752	6,240	6,124	6,858	7,524	7,693	10,529	7,439	8,774	10,442
Debt service	1,517	1,287	1,481	1,414	1,444	1,452	1,561	1,553	1,622	1,624
Total governmental activities expenses	62,641	61,603	67,417	74,658	83,588	80,084	83,187	78,344	87,602	88,984
Business-type activities:										
Wastewater	12,131	11,866	11,233	11,392	11,413	10,807	12,520	12,105	12,869	12,843
Water	8,403	8,149	8,921	9,472	9,543	9,302	10,177	9,477	9,672	11,022
Sanitation	8,114	8,735	9,123	9,408	10,858	10,145	10,045	10,113	10,282	12,907
Housing authority	7,873	8,378	8,798	9,535	10,170	10,021	10,141	11,832	12,067	13,277
Parking	4,678	4,460	4,620	5,590	5,461	5,014	4,613	5,381	6,436	6,067
Airport	1,612	1,597	1,402	1,680	1,466	2,511	1,835	1,509	1,433	1,677
Stormwater	2,091	1,989	2,432	1,844	1,832	2,198	2,105	2,190	2,393	2,147
Cable television	704	-	-	-	-	-	-	-	-	-
Transit	7,379	7,486	7,263	8,071	8,833	9,041	8,107	8,573	9,276	10,604
Total business-type activities expenses	52,985	52,660	53,792	56,992	59,576	59,039	59,543	61,180	64,428	70,544
Total primary government expenses	\$ 115,626	\$ 114,263	\$ 121,209	\$ 131,650	\$ 143,164	\$ 139,123	\$ 142,730	\$ 139,524	\$ 152,030	\$ 159,528
Program Revenues										
Governmental activities:										
Charges for services										
Public safety	\$ 3,926	\$ 4,813	\$ 5,286	\$ 4,438	\$ 4,870	\$ 4,430	\$ 4,277	\$ 4,625	\$ 5,129	\$ 5,331
Public works	388	628	724	62	290	243	482	149	112	349
Culture and recreation	801	823	842	836	854	508	322	627	696	701
Community and economic development	50	1,044	36	441	548	59	1,837	3,625	2,066	20
General government	2,975	1,252	1,524	1,520	1,717	1,551	1,582	1,728	1,871	1,801
Operating grants and contributions	8,701	9,941	10,828	10,245	13,758	13,113	12,479	14,491	15,550	23,598
Capital grants and contributions	11,556	3,999	9,952	1,459	1,972	1,915	2,845	4,316	3,113	1,493
Total governmental activities program revenues	28,397	22,500	29,192	19,001	24,009	21,819	23,824	29,561	28,537	33,293
Business-type activities:										
Charges for services:										
Wastewater	12,189	12,266	12,277	12,626	12,831	12,357	12,155	12,121	12,333	12,795
Water	8,527	9,134	9,275	9,473	9,640	10,048	9,934	10,127	10,473	10,997
Sanitation	9,015	9,215	9,927	10,014	10,017	10,193	11,944	11,289	11,853	12,767
Housing authority	237	300	321	323	295	280	296	282	307	350
Parking	5,502	5,438	5,453	5,648	5,982	4,354	3,758	5,054	5,296	5,459
Airport	349	333	345	348	361	371	376	372	389	396
Stormwater	1,147	1,168	1,544	1,560	1,568	1,730	1,701	1,704	1,730	1,886
Cable Television	750	-	-	-	-	-	-	-	-	-
Transit	2,289	2,099	2,089	2,216	2,171	1,802	1,385	1,745	1,822	958
Capital grants and contributions: Wastewater	1,370	3,415	2,226	1,913	1,827	2,550	1,580	964	167	360
Capital grants and contributions: Water	581	254	869	483	488	965	834	481	235	266
Capital grants and contributions: Sanitation	-	-	-	22	13	-	-	-	-	-
Capital grants and contributions: Airport	137	260	58	49	38	134	267	154	690	632
Capital grants and contributions: Stormwater	792	370	1,251	892	902	876	1,230	696	540	186
Capital grants and contributions: Parking	-	-	-	-	-	-	-	-	-	18
Capital grants and contributions: Transit	-	308	395	3,827	-	-	77	3,416	-	-
Operating grants and contributions: Housing authority	7,628	8,318	8,532	9,065	9,443	9,875	9,691	11,481	11,529	13,297
Operating grants and contributions: Water	2	-	-	-	-	2	45	42	6	-
Operating grants and contributions: Airport	232	128	69	72	14	896	332	259	147	117
Operating grants and contributions: Sanitation	25	3	-	3	104	20	18	105	-	-
Operating grants and contributions: Wastewater	21	-	-	-	-	8	-	77	-	-
Operating grants and contributions: Stormwater	279	95	-	2	-	-	-	-	-	-
Operating grants and contributions: Parking	-	-	-	-	-	3	-	3	-	-
Operating grants and contributions: Transit	2,082	2,095	2,235	2,088	2,152	3,107	3,016	5,096	5,059	5,548
Total business-type activities program revenues	53,154	55,199	56,866	60,624	57,846	59,571	58,639	65,468	62,576	66,032
Total primary government revenues	\$ 81,551	\$ 77,699	\$ 86,058	\$ 79,625	\$ 81,855	\$ 81,390	\$ 82,463	\$ 95,029	\$ 91,113	\$ 99,325
Net (Expense) / Revenues										
Governmental activities	\$ (34,244)	\$ (39,103)	\$ (38,225)	\$ (55,657)	\$ (59,579)	\$ (58,265)	\$ (59,363)	\$ (48,783)	\$ (59,065)	\$ (55,691)
Business-type activities	169	2,539	3,074	3,632	(1,730)	532	(904)	4,288	(1,852)	(4,512)
Total primary government net expense	\$ (34,075)	\$ (36,564)	\$ (35,151)	\$ (52,025)	\$ (61,309)	\$ (57,733)	\$ (60,267)	\$ (44,495)	\$ (60,917)	\$ (60,203)
General Revenues and Other Changes in Net Position										
Governmental activities:										
General revenues:										
Property taxes	\$ 52,205	\$ 53,114	\$ 57,649	\$ 59,046	\$ 61,739	\$ 62,846	\$ 69,482	\$ 70,678	\$ 70,824	\$ 70,578
Other taxes	2,810	2,717	2,802	2,706	2,935	2,696	2,576	3,541	3,786	3,774
Grants and contributions not restricted to specific purposes	1,048	2,080	1,583	1,547	1,552	1,513	1,587	1,555	1,244	1,675
Earnings (loss) on investments	1,188	1,045	1,397	2,368	3,257	2,585	841	(544)	4,325	8,894
Miscellaneous	5,518	4,464	3,369	3,656	3,329	3,331	3,030	3,524	3,984	3,903
Gain on sale of assets	135	218	2,151	140	186	111	213	257	1,242	418
Transfers	(10,057)	(6,395)	(7,053)	1,814	(8,661)	(6,387)	(6,157)	(11,148)	(4,876)	(10,174)
Reassignments	-	82	-	-	-	-	-	-	-	-
Total governmental activities	52,847	57,325	61,898	71,277	64,337	66,695	71,572	67,863	80,529	79,068

(continued)

City of Iowa City, Iowa
Changes in Net Position (continued)

Last Ten Fiscal Years
(Accrual basis of accounting)
(amounts expressed in thousands)

	2015	2016 ¹	2017	2018	2019	2020	2021	2022	2023	2024
Business-type activities:										
General revenues:										
Earnings (loss) on investments	707	715	938	1,496	2,166	1,794	426	(190)	2,605	5,253
Gain on sale of assets	856	2,463	69	2,438	1	74	22	23	1	23
Miscellaneous	374	362	1,260	456	838	565	428	1,233	1,083	1,205
Transfers	10,057	6,395	7,053	(1,814)	8,661	6,387	6,157	11,148	4,876	10,174
Reassignments	-	(82)	-	-	-	-	-	-	-	-
Special items	(574)	-	-	-	-	-	-	-	-	-
Total business-type activities	11,420	9,853	9,320	2,576	11,666	8,820	7,033	12,214	8,565	16,655
Total primary government	<u>\$ 64,267</u>	<u>\$ 67,178</u>	<u>\$ 71,218</u>	<u>\$ 73,853</u>	<u>\$ 76,003</u>	<u>\$ 75,515</u>	<u>\$ 78,605</u>	<u>\$ 80,077</u>	<u>\$ 89,094</u>	<u>\$ 95,723</u>
Change in Net Position										
Governmental activities	\$ 18,603	\$ 18,222	\$ 23,673	\$ 15,620	\$ 4,758	\$ 8,430	\$ 12,209	\$ 19,080	\$ 21,464	\$ 23,377
Business-type activities	11,589	12,392	12,394	6,208	9,936	9,352	6,129	16,502	6,713	12,143
Total primary government	<u>\$ 30,192</u>	<u>\$ 30,614</u>	<u>\$ 36,067</u>	<u>\$ 21,828</u>	<u>\$ 14,694</u>	<u>\$ 17,782</u>	<u>\$ 18,338</u>	<u>\$ 35,582</u>	<u>\$ 28,177</u>	<u>\$ 35,520</u>

¹ The City of Iowa City reclassified the Cable Fund from an Enterprise Fund to the General Fund effective July 1, 2015.

City of Iowa City, Iowa

Fund Balances, Governmental Funds

Last Ten Fiscal Years
(Modified accrual basis of accounting)

(amounts expressed in thousands)

	2015	2016 ¹	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 69	\$ 69	\$ 788	\$ 793	\$ 887	\$ 549	\$ 469	\$ 1,889	\$ 2,127	\$ 6,404
Restricted	25,291	18,975	9,974	1,942	1,808	1,747	1,455	2,015	2,310	2,455
Committed	-	4,699	5,199	4,962	-	-	-	-	-	-
Assigned	-	1,143	1,342	1,437	3,565	5,708	9,883	14,852	19,622	18,437
Reserved	4,483	-	-	-	-	-	-	-	-	-
Unassigned	19,286	23,366	24,793	28,516	34,358	35,369	40,414	40,074	37,977	46,149
Total general fund	<u>\$ 49,129</u>	<u>\$ 48,252</u>	<u>\$ 42,096</u>	<u>\$ 37,650</u>	<u>\$ 40,618</u>	<u>\$ 43,373</u>	<u>\$ 52,221</u>	<u>\$ 58,830</u>	<u>\$ 62,036</u>	<u>\$ 73,445</u>
All other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ 344	\$ 165	\$ 224	\$ 278	\$ 218	\$ 243	\$ 269	\$ 274
Restricted	27,897	38,266	63,941	64,033	50,966	48,728	51,931	57,346	61,230	61,842
Unassigned	-	-	-	(38)	(59)	(611)	(27)	(417)	(251)	(3)
Total all other governmental funds	<u>\$ 27,897</u>	<u>\$ 38,266</u>	<u>\$ 64,285</u>	<u>\$ 64,160</u>	<u>\$ 51,131</u>	<u>\$ 48,395</u>	<u>\$ 52,122</u>	<u>\$ 57,172</u>	<u>\$ 61,248</u>	<u>\$ 62,113</u>

¹ The City of Iowa City reclassified the Cable Fund from an Enterprise Fund to the General Fund effective July 1, 2015.

City of Iowa City, Iowa

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

(amounts expressed in thousands)

	2015	2016 ¹	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Property taxes and assessments	\$ 55,014	\$ 55,831	\$ 60,452	\$ 61,753	\$ 64,672	\$ 65,542	\$ 72,058	\$ 74,220	\$ 74,611	\$ 74,353
Licenses and permits	1,806	3,056	3,521	2,734	2,981	2,352	2,541	2,786	2,854	3,036
Intergovernmental	21,086	20,230	24,140	14,944	16,828	18,603	20,127	22,756	23,443	30,127
Charges for services	2,204	3,357	2,355	2,295	2,690	1,715	3,446	5,314	3,890	1,965
Fines and forfeits	-	760	750	695	776	609	375	434	372	392
Use of money and property	1,080	946	1,235	1,937	2,564	1,872	773	506	3,547	6,533
Miscellaneous	7,045	2,913	2,101	2,875	2,261	2,440	2,112	2,591	3,477	3,059
Total governmental activities revenues	<u>\$ 88,235</u>	<u>\$ 87,093</u>	<u>\$ 94,554</u>	<u>\$ 87,233</u>	<u>\$ 92,772</u>	<u>\$ 93,133</u>	<u>\$ 101,432</u>	<u>\$ 108,607</u>	<u>\$ 112,194</u>	<u>\$ 119,465</u>
Expenditures										
Current										
Public safety	\$ 21,996	\$ 21,701	\$ 22,513	\$ 23,360	\$ 24,295	\$ 25,637	\$ 26,167	\$ 26,821	\$ 27,649	\$ 29,033
Public works	12,071	9,466	9,186	10,052	10,894	10,586	11,447	10,883	11,440	12,131
Culture and recreation	11,821	12,257	13,341	14,208	13,709	13,653	12,979	15,090	16,009	16,992
Community and economic development	5,711	5,346	7,695	11,074	15,723	8,627	8,305	11,076	13,629	12,213
General government	7,608	6,007	5,882	6,017	6,579	6,789	9,788	7,907	8,748	10,108
Debt service										
Principal	12,564	13,230	13,305	11,895	12,080	11,385	12,745	11,220	11,085	11,125
Interest	1,669	1,475	1,597	1,570	1,589	1,648	1,905	1,956	2,072	2,162
Capital projects	14,762	14,848	18,405	28,225	22,632	21,211	12,173	12,073	20,824	14,115
Total expenditures	<u>\$ 88,202</u>	<u>\$ 84,330</u>	<u>\$ 91,924</u>	<u>\$ 106,401</u>	<u>\$ 107,501</u>	<u>\$ 99,536</u>	<u>\$ 95,509</u>	<u>\$ 97,026</u>	<u>\$ 111,456</u>	<u>\$ 107,879</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 33</u>	<u>\$ 2,763</u>	<u>\$ 2,630</u>	<u>\$ (19,168)</u>	<u>\$ (14,729)</u>	<u>\$ (6,403)</u>	<u>\$ 5,923</u>	<u>\$ 11,581</u>	<u>\$ 738</u>	<u>\$ 11,586</u>
Other financing sources (uses):										
Issuance of long-term debt	\$ 7,785	\$ 9,405	\$ 22,570	\$ 11,995	\$ 12,535	\$ 12,145	\$ 11,325	\$ 10,255	\$ 9,105	\$ 10,230
Sale of capital assets	165	252	2,292	140	758	111	233	256	1,538	211
Premium (discount) on issuance of bonds	199	441	120	236	81	927	1,464	553	894	720
Transfers in	13,089	25,133	34,675	34,666	25,663	21,236	21,223	24,229	24,631	33,212
Transfers out	(23,430)	(28,502)	(47,033)	(32,440)	(34,369)	(27,997)	(27,593)	(35,215)	(29,624)	(43,685)
Total other financing sources (uses)	<u>\$ (2,192)</u>	<u>\$ 6,729</u>	<u>\$ 12,624</u>	<u>\$ 14,597</u>	<u>\$ 4,668</u>	<u>\$ 6,422</u>	<u>\$ 6,652</u>	<u>\$ 78</u>	<u>\$ 6,544</u>	<u>\$ 688</u>
Net change in fund balances	<u>\$ (2,159)</u>	<u>\$ 9,492</u>	<u>\$ 15,254</u>	<u>\$ (4,571)</u>	<u>\$ (10,061)</u>	<u>\$ 19</u>	<u>\$ 12,575</u>	<u>\$ 11,659</u>	<u>\$ 7,282</u>	<u>\$ 12,274</u>
Debt service as a percentage of noncapital expenditures	19.8%	21.2%	19.9%	17.1%	15.6%	15.9%	17.1%	14.6%	13.8%	14.0%
Debt services as a percentage of expenditures and transfers	12.7%	13.0%	10.7%	9.7%	9.6%	10.2%	11.9%	10.0%	9.3%	8.8%

¹ The City of Iowa City reclassified the Cable Fund from an Enterprise Fund to the General Fund effective July 1, 2015.

City of Iowa City, Iowa

General Government Tax Revenues by Source

Last Ten Fiscal Years
(Modified accrual basis of accounting)

(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Road Use Tax</u>	<u>Hotel/Motel Tax</u>	<u>Utility Franchise Fee</u>	<u>Total</u>
2015	53,056	7,231	1,057	902	62,246
2016	53,878	8,320	1,079	874	64,151
2017	58,375	8,672	1,137	939	69,123
2018	59,730	8,427	1,046	976	70,179
2019	62,407	8,820	1,302	965	73,494
2020	63,523	9,163	1,135	884	74,705
2021	70,126	10,077	938	994	82,135
2022	71,362	9,900	1,708	1,149	84,119
2023	71,608	10,346	1,885	1,117	84,956
2024	71,326	10,580	2,043	983	84,932

City of Iowa City, Iowa
Assessed and Taxable Value of Property

Last Ten Fiscal Years

Assessed Valuation

	Tax Collection Year:									
	FY2024	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015
Residential	\$ 5,932,542,314	\$ 5,302,710,934	\$ 5,067,120,030	\$ 4,958,648,218	\$ 4,399,451,083	\$ 4,255,597,838	\$ 4,001,761,478	\$ 3,882,757,454	\$ 3,603,743,609	\$ 3,488,112,611
Agricultural (taxed at Ag rate)	1,650,370	1,574,220	1,727,980	1,748,000	2,539,080	2,625,810	3,425,692	3,720,671	3,553,520	3,680,920
Multi-Residential ¹	-	544,717,108	539,398,739	539,636,381	489,176,499	471,420,082	411,460,472	410,426,868	-	-
Commercial	1,058,466,499	1,048,701,445	1,056,414,063	1,060,943,044	932,699,374	915,964,068	821,949,555	805,734,128	1,129,397,979	1,144,437,631
Industrial	77,109,703	77,491,638	79,998,654	80,663,794	76,905,588	71,553,904	72,635,554	73,206,895	74,399,739	80,153,614
Railroads	4,628,817	4,380,355	4,072,190	4,488,469	3,601,348	3,549,414	3,984,932	4,096,577	4,015,580	3,827,506
Utilities w/out Gas & Electric	269,478	2,779,716	4,339,508	6,152,547	7,386,408	7,099,293	6,734,894	7,375,066	8,239,789	9,599,528
Gross valuation	7,074,667,181	6,982,355,416	6,753,071,164	6,652,280,453	5,911,759,380	5,727,810,409	5,321,952,577	5,187,317,659	4,823,350,216	4,729,811,810
Less: Military exemption	2,150,172	2,239,068	2,392,784	2,435,380	2,489,088	2,579,836	2,635,396	2,727,994	2,828,002	2,939,122
Net valuation	7,072,517,009	6,980,116,348	6,750,678,380	6,649,845,073	5,909,270,292	5,725,230,573	5,319,317,181	5,184,589,665	4,820,522,214	4,726,872,688
Incremental value	134,159,857	133,492,758	142,496,667	89,469,635	115,175,495	85,379,709	80,577,275	72,666,677	42,307,287	21,131,574
Gas and Electric Utilities	161,652,144	134,787,151	126,171,274	118,583,613	109,124,421	97,050,716	94,582,279	92,987,351	87,728,294	78,642,915
Total Assessed valuation	\$ 7,368,329,010	\$ 7,248,396,257	\$ 7,019,346,321	\$ 6,857,898,321	\$ 6,133,570,208	\$ 5,907,660,998	\$ 5,494,476,735	\$ 5,350,243,693	\$ 4,950,557,795	\$ 4,826,647,177
Percent change	1.655%	3.263%	2.354%	11.809%	3.824%	7.520%	2.696%	8.074%	2.567%	3.392%

Taxable Valuation

	Tax Collection Year:									
	FY2024	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015
Assessment Limitation:										
Residential rollback	54.6501%	54.1302%	56.4094%	55.0743%	56.9180%	55.6209%	56.9391%	55.6259%	55.7335%	54.4002%
Agricultural rollback	91.6430%	89.0412%	84.0305%	81.4832%	56.1324%	54.4480%	47.4996%	46.1068%	44.7021%	43.3997%
Multi-Residential rollback ¹	N/A	63.75%	67.50%	71.25%	75.00%	78.75%	82.50%	86.25%	NA	NA
Commercial and Railroad rollback	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	95.0%
Industrial rollback	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	95.0%
Utilities rollback	100.0%	100.0%	98.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Residential	\$ 3,208,598,660	\$ 2,841,405,824	\$ 2,837,384,852	\$ 2,719,569,602	\$ 2,490,442,298	\$ 2,356,529,643	\$ 2,274,451,551	\$ 2,155,033,296	\$ 2,008,493,138	\$ 1,894,079,854
Agricultural (taxed at Ag rate)	1,512,444	1,401,705	1,452,029	1,424,328	1,425,151	1,429,547	1,618,090	1,706,955	1,588,496	1,597,501
Multi-Residential ¹	-	343,613,885	360,829,356	382,070,966	363,613,829	368,969,925	337,946,106	353,335,857	-	-
Commercial	901,891,655	937,999,668	944,990,382	950,525,463	832,628,954	819,505,276	734,200,396	720,036,878	1,016,458,199	1,086,556,293
Industrial	68,348,823	69,541,657	71,998,513	72,596,824	68,970,889	64,152,540	64,688,055	65,301,535	66,959,765	76,128,877
Railroads	4,150,574	3,942,320	3,664,971	4,039,622	3,241,213	3,194,473	3,586,439	3,686,919	3,614,022	3,636,130
Utilities w/out Gas & Electric	269,478	2,779,716	4,276,538	6,152,547	7,386,408	7,099,293	6,734,894	7,375,066	8,239,789	9,599,528
Gross valuation	4,184,771,634	4,200,684,775	4,224,596,641	4,136,379,352	3,767,708,742	3,620,880,697	3,423,225,531	3,306,476,506	3,105,353,409	3,071,598,183
Less: Military exemption	2,150,172	2,239,068	2,392,784	2,435,380	2,489,088	2,579,836	2,635,396	2,727,994	2,828,002	2,939,122
Net valuation	4,182,621,462	4,198,445,707	4,222,203,857	4,133,943,972	3,765,219,654	3,618,300,861	3,420,590,135	3,303,748,512	3,102,525,407	3,068,659,061
Incremental value	134,159,857	133,492,758	131,180,258	84,077,937	115,175,495	85,379,369	80,559,947	72,650,838	33,331,128	21,131,574
Gas and Electric Utilities	43,501,718	44,017,962	40,595,608	40,156,239	42,719,065	41,797,475	41,702,196	44,986,783	46,785,426	47,004,994
Total Taxable Valuation	\$ 4,360,283,037	\$ 4,375,956,427	\$ 4,393,979,723	\$ 4,258,178,148	\$ 3,923,114,214	\$ 3,745,477,705	\$ 3,542,852,278	\$ 3,421,386,133	\$ 3,182,641,961	\$ 3,136,795,629
Percent change	-0.358%	-0.410%	3.189%	8.541%	4.743%	5.719%	3.550%	7.501%	1.462%	3.320%

Total Direct Tax Rate

City of Iowa City	\$ 15.633	\$ 15.633	\$ 15.673	\$ 15.773	\$ 15.833	\$ 16.183	\$ 16.333	\$ 16.583	\$ 16.651	\$ 16.705
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Sources:

Iowa Department of Management, IC Budget

Notes:

Property is reassessed in the odd numbered years to make adjustments to all property values, according to current market values. As per the Code of Iowa, all real property subject to taxation shall be valued at its actual value and, except as otherwise provided, shall be reassessed at 100% of its actual value.

¹ Beginning in FY2024 Multi-Residential is included with Residential.

City of Iowa City, Iowa

Property Tax Rates - Direct and Overlapping Governments

Last Ten Fiscal Years

(per \$1,000 assessed valuation)

	Fiscal Year:	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Levy Year:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
City:											
General Fund	\$	8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000
Emergency Levy		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.24000	0.24000	0.20000	0.20000
Debt Service Fund		4.12963	3.92833	3.82846	3.57846	3.22846	2.97846	2.57846	2.47846	2.47846	2.47846
Employee Benefits		2.96331	3.11277	3.14415	3.14415	3.34415	3.24415	3.34415	3.34415	3.34415	3.34415
Capital Improvement		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Other		<u>1.51226</u>	<u>1.50986</u>	<u>1.51044</u>	<u>1.51044</u>	<u>1.51044</u>	<u>1.51044</u>	<u>1.51044</u>	<u>1.51044</u>	<u>1.51044</u>	<u>1.51044</u>
Total City	\$	16.70520	\$ 16.65096	\$ 16.58305	\$ 16.33305	\$ 16.18305	\$ 15.83305	\$ 15.77305	\$ 15.67305	\$ 15.63305	\$ 15.63305
Johnson County	\$	6.74168	\$ 6.90337	\$ 6.77140	\$ 6.85143	\$ 6.53594	\$ 6.49278	\$ 6.34581	\$ 6.16774	\$ 6.04075	\$ 6.43080
Iowa City Community School District		13.69999	13.86773	13.98935	13.95855	14.85629	14.79097	14.83935	14.85066	14.93382	16.81865
Kirkwood		1.05754	1.06125	1.08048	1.13174	1.20354	1.21331	1.25730	1.31195	1.34462	1.39550
Other		<u>0.32315</u>	<u>0.32784</u>	<u>0.32450</u>	<u>0.33036</u>	<u>0.30557</u>	<u>0.27066</u>	<u>0.33110</u>	<u>0.32744</u>	<u>0.30673</u>	<u>0.31388</u>
Total Tax Rate	\$	38.52756	\$ 38.81115	\$ 38.74878	\$ 38.60513	\$ 39.08439	\$ 38.60077	\$ 38.54661	\$ 38.33084	\$ 38.25897	\$ 40.59188

Source: "Tax Levies for Johnson County, Iowa," compiled by the Johnson County Auditor.

Note:

Does not include the tax rate for agriculture.

Taxpayers in the Iowa City Community School District Area

On county web excel sheet ICI is the row that you use. For **Total City Millage** column N, **ICSD** column K, **KCC** column G. **State of Iowa** column H, Operating Millage and Total Direct and overlapping are calculated fields

City of Iowa City, Iowa

Levies and Collections

Last Ten Fiscal Years
(Cash basis of accounting)

(amounts expressed in thousands)

<u>Collection Year</u>	<u>Total Tax Levied</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections¹</u>	<u>Total Tax Collections</u>	<u>Total as a Percent of Levy</u>
2015	51,609	51,292	99.4	3	51,295	99.4
2016	52,034	52,074	100.1	0	52,074	100.1
2017	55,330	55,331	100.0	0	55,331	100.0
2018	56,458	56,346	99.8	1	56,347	99.8
2019	59,174	59,252	100.1	2	59,254	100.1
2020	60,297	58,971	97.8	1	58,972	97.8
2021	65,849	65,656	99.7	1058	66,714	101.3
2022	66,912	67,075	100.2	29	67,104	100.3
2023	66,474	66,259	99.7	3	66,262	99.7
2024	66,313	66,083	99.7	0	66,083	99.7

Source: Certificate of City Taxes and Johnson County Treasurer's Office

Note: This schedule is presented on a cash basis of accounting. Taxes are collected by the Johnson County Treasurer and submitted to the City in the following month. Because of the month delay, some years will show Current Tax Collections in excess of the Total Tax Levied.

¹ Delinquent tax collection is presented by collection year, rather than levy year, because information is not available from Johnson County Treasurer by levy year.

City of Iowa City, Iowa

Principal Taxpayers

Current Year and Nine Years Ago

(amounts expressed in thousands)

<u>Ten largest taxpayers¹</u>	<u>Type of Business</u>	<u>2015</u>			<u>2024</u>		
		<u>Taxable</u> <u>Valuation</u>	<u>Rank</u>	<u>% of Total</u> <u>Taxable</u> <u>Valuation</u>	<u>Taxable</u> <u>Valuation</u>	<u>Rank</u>	<u>% of Total</u> <u>Taxable</u> <u>Valuation</u>
Rise at Riverfront Crossing Owner LLC	Real Estate Developer	\$ -	-	N/A	\$ 68,695	1	1.58 %
Tailwind Iowa City LLC	Real Estate Mangment	-	-	N/A	57,607	2	1.32
BBCS Hawkeye Housing LLC	Real Estate Mangment	-	-	N/A	50,041	3	1.15
1201 Gilbert LLC	Real Estate Mangment	-	-	N/A	45,412	4	1.04
Mid-American Energy Company	Public Gas and Electric Utility	44,302	1	1.41 %	32,055	5	0.74
Hollingsworth Capital Partners Iowa LLC	Real Estate Developer	-	-	N/A	31,989	6	0.73
Webber - Iowa LLC	Domestic Limited Liability Company	-	-	N/A	31,810	7	0.73
Augusta Place LLC	Real Estate Mangment	-	-	N/A	29,355	8	0.67
Vesper Iowa City LLC	Real Estate Mangment	-	-	N/A	28,000	9	0.64
McLaughlin, Michael T	Real Estate Mangment & Dev	-	-	N/A	25,787	10	0.59
ACT Inc (Am College Testing Prgrm)	Educational Testing Service	44,151	2	1.41	-	-	N/A
Ann Gerdin Trust (formerly Russell Gerdin)	Warehousing	21,233	3	0.68	-	-	N/A
Dealer Properties IC LLC (Billion Auto)	Car Dealerships	18,676	4	0.60	-	-	N/A
Proctor & Gamble LLC	Manufacturing Company	15,419	5	0.49	-	-	N/A
Alpha Inc.	Industrial	14,616	6	0.47	-	-	N/A
CCAL 100 Hawk Ridge Drive LLC The Lodge	Housing Complex	13,171	7	0.42	-	-	N/A
National Computer Systems (Pearson)	Information Services	12,428	8	0.40	-	-	N/A
Wal-Mart Real Estate	Retail	12,078	9	0.39	-	-	N/A
Kobrin Deve Co Inc (Southgate Dev Co)	Real Estate Developer	11,712	10	0.37	-	-	N/A
		<u>\$ 207,786</u>		<u>6.62 %</u>	<u>\$ 400,751</u>		<u>9.19 %</u>

Sources:

¹City of Iowa City Assessor's Office, Johnson County Auditors Office



City of Iowa City, Iowa

Larger Water System Customers

Current Year and Nine Years Ago

<u>Customer Name</u>	<u>2015</u>			<u>2024</u>		
	<u>Charges</u>	<u>Rank</u>	<u>Percentage</u>	<u>Charges</u>	<u>Rank</u>	<u>Percentage</u>
Proctor & Gamble	\$ 611,186	1	7.51 %	\$ 697,783	1	6.50 %
Veterans Administration Medical Center	102,194	2	1.26	189,497	2	1.76
Tailwind Iowa City LLC formerly Dolphin Lake/Lakeside Manor	76,188	3	0.94	88,513	3	0.82
Graduate Hotel (formerly RBD Iowa City LLC & Sheraton Hotel)	35,860	8	0.44	82,527	4	0.77
Mercy Hospital	66,050	4	0.81	79,859	5	0.74
Campus Apartments	59,240	6	0.73	78,756	6	0.73
Dominium JIT Srv formerly Mark IV Apts	60,058	5	0.74	62,832	7	0.59
Rise at Riverfront Crossing	-	-	N/A	50,735	8	0.47
Seville Apts	31,979	10	0.39	46,396	9	0.43
Oaknoll Retirement Residence	-	-	N/A	45,679	10	0.43
University of Iowa, Mayflower Apt.	41,017	7	0.50	-	-	N/A
CCAL 100 Hawk Ridge Drive	32,187	9	0.40	-	-	N/A
	<u>\$ 1,115,959</u>		<u>13.72 %</u>	<u>\$ 1,422,577</u>		<u>13.24 %</u>
Total Water System Charges	\$ 8,136,670			\$ 10,739,382		

Sources:

City of Iowa City Revenue Division

City of Iowa City

Sales History and Water System Charges

Last Ten Fiscal Years

Fiscal Year	Water Sales Cubic Feet Sold	Water System Charges
2015 ¹	240,423,612	8,161,522
2016	255,524,943	8,758,683
2017	267,511,531	9,156,005
2018	293,046,636	9,953,510
2019	289,055,329	10,139,587
2020	285,102,926	10,705,168
2021	237,035,139	9,459,987
2022	237,722,261	10,209,841
2023	249,812,176	11,172,513
2024	246,654,877	10,739,382

Sources:

City of Iowa City Revenue Department

Notes:

¹Beginning in March 2015, Water Sales by Cubic Feet Sold also includes unbilled usage.

City of Iowa City, Iowa

Larger Sewer System Charges

Current Year and Nine Years Ago

<u>Customer Name</u>	<u>2015</u>			<u>2024</u>		
	<u>Charges</u>	<u>Rank</u>	<u>Percentage</u>	<u>Charges</u>	<u>Rank</u>	<u>Percentage</u>
University of Iowa	\$ 1,831,543	1	14.95 %	\$ 1,972,383	1	14.64 %
Proctor & Gamble	1,111,847	2	9.08	802,484	2	5.96
Iowa City Landfill	137,895	3	1.13	196,737	3	1.46
Veterans Administration Medical Center	126,782	4	1.04	185,096	4	1.37
Graduate Hotel (formerly RBD Iowa City LLC)	59,569	10	0.49	115,118	5	0.85
Mercy Hospital	105,044	6	0.86	106,480	6	0.79
Tailwind Iowa City LLC formerly Dolphin Lake	123,920	5	1.01	91,060	7	0.68
Campus Apartments	73,486	8	0.60	83,052	8	0.62
Rise at Riverfront Crossing	-	-	N/A	66,416	9	0.49
Dominium JIT Srv formerly Mark IV Apts	80,811	7	0.66	64,954	10	0.48
University of Iowa/Mayflower Apartments	68,369	9	0.56	-	-	N/A
	<u>\$ 3,719,266</u>		<u>30.37 %</u>	<u>\$ 3,683,780</u>		<u>27.34 %</u>
Total Sewer System Charges	\$ 12,248,082			\$ 13,474,832		

Sources:

City of Iowa City Revenue Department

City of Iowa City, Iowa

Sales History and Sewer System Charges

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Sewer Sales Cubic Feet Sold</u>	<u>Sewer System Charges</u>
2015 ¹	266,830,947	12,278,153
2016	270,547,701	12,022,203
2017	277,712,785	12,404,360
2018	283,246,320	12,524,540
2019	288,537,266	12,822,250
2020	279,106,456	12,503,764
2021	265,605,446	11,819,500
2022	265,503,359	12,407,521
2023	304,100,257	12,605,172
2024	308,883,017	13,474,832

Sources:

City of Iowa City Revenue Department

Notes:

¹Beginning in March 2015, Sewer Sales by Cubic Feet Sold also includes unbilled usage.

City of Iowa City, Iowa

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Governmental Activities</u>				<u>Business-Type Activities</u>					<u>Total Primary Government</u>	<u>Percentage of Personal Income²</u>	<u>Per Capita²</u>
	<u>General Obligation Bonds¹</u>	<u>Revenue Bonds¹</u>	<u>Capital Loan Note</u>	<u>Subscription Liability</u>	<u>General Obligation Bonds¹</u>	<u>Revenue Bonds¹</u>	<u>Lease</u>	<u>Subscription Liability</u>	<u>Capital Loan Note</u>			
2015	59,421,203	2,618,892	210,784	-	590,000	45,566,903	-	-	-	108,407,782	1.40	1,475
2016	55,998,392	2,491,016	210,784	-	295,000	39,951,661	-	-	-	98,946,853	1.23	1,327
2017	52,571,254	15,168,140	210,784	-	-	34,420,914	14,482,714	-	-	116,853,806	1.34	1,544
2018	52,883,524	15,035,264	210,784	-	-	29,095,062	11,958,305	-	-	109,182,939	1.18	1,442
2019	53,402,638	14,902,388	210,784	-	-	21,155,710	9,413,024	-	-	99,084,544	1.02	1,319
2020	55,007,945	14,764,512	210,784	-	-	16,786,358	-	-	-	86,769,599	0.86	1,158
2021	56,685,493	12,781,636	210,784	-	-	12,242,006	-	-	-	81,919,919	0.77	1,098
2022	56,823,948	11,818,760	210,784	443,158	-	7,645,204	-	-	-	76,498,696	0.66	1,009
2023	56,219,091	10,880,000	210,784	316,763	-	3,701,946	-	-	-	71,328,584	0.60	943
2024	56,456,920	9,925,000	210,784	254,298	-	1,921,712	-	151,403	788,425	69,708,542	0.57	917

Notes:

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

¹ Bonds reported net of related premiums and discounts.

² Population and personal income information can be found on page 134.

City of Iowa City Iowa

**Ratios of General Obligation Bonded Debt¹
to Assessed Value and Net Bonded Debt per Capita**

Last Ten Fiscal Years

(amounts expressed in thousands, except per capita)

<u>Fiscal Year</u>	<u>Gross General Obligation Bonded Debt</u> ¹	<u>Less: Debt Service Fund Balance</u>	<u>Net General Obligation Bonded Debt</u>	<u>Net Bonded Debt per \$1,000 of Assessed Value</u>	<u>Net Bonded Debt Per Capita</u> ²
2015	60,011	3,921	56,090	10.97 : 1000	764
2016	56,293	6,463	49,830	10.04 : 1000	671
2017	52,571	7,221	45,350	8.38 : 1000	599
2018	52,884	8,423	44,461	8.09 : 1000	587
2019	53,403	9,514	43,889	7.43 : 1000	584
2020	55,008	9,590	45,418	7.40 : 1000	606
2021	56,685	7,388	49,297	7.19 : 1000	661
2022	56,824	7,190	49,634	7.07 : 1000	654
2023	56,219	7,246	48,973	6.76 : 1000	647
2024	56,457	7,608	48,849	6.63 : 1000	643

Notes:

¹ General Obligation bonds, net of related premiums and discounts.

² Population data can be found on page 134.

City of Iowa City, Iowa

Computation of Direct and Overlapping Debt

June 30, 2024

(amounts expressed in thousands, except per capita)

Name of Governmental Unit	Total General Long-Term Direct Debt Outstanding	Percent Applicable to the City of Iowa City	Amount Applicable to the City of Iowa City
City of Iowa City ²	\$ 66,847	100.00 %	\$ 66,847
Iowa City Community School District ¹	156,815	57.65	90,404
Johnson County ¹	25,502	41.87	10,678
Clear Creek- Amana Community School District ¹	89,794	0.03	27
Kirkwood Comm. College ¹	124,495	14.12	17,579
Total Overlapping Debt	396,606		118,688
Total Direct & Overlapping Debt	\$ 463,453		\$ 185,535

¹ Long term debt outstanding includes only GO debt.

² Net direct debt includes premiums & discounts

Source: Johnson County Auditor's Office.

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 Iowa City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

City of Iowa City, Iowa

Legal Debt Margin Information¹

Last Ten Fiscal Years

(amounts expressed in thousands)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assessed Valuation	\$ 4,826,648	\$ 4,950,559	\$ 5,350,228	\$ 5,494,459	\$ 5,907,661	\$ 6,133,570	\$ 6,857,898	\$ 7,019,346	\$ 7,248,396	\$ 7,368,329
Debt Limit	241,332	247,528	267,511	274,723	295,383	306,679	342,895	350,967	362,420	368,416
G.O. Bonds	59,340	55,350	51,645	51,880	52,470	53,370	53,935	53,935	52,915	52,980
TIF Rev. Bonds	2,655	2,525	15,200	15,065	14,930	14,790	12,805	11,840	10,880	9,925
Capital loan note payable	-	-	-	-	-	-	-	-	-	788
Letters of credit	2,005	582	663	475	603	-	-	-	-	-
Notes payable	211	211	211	211	211	211	211	211	211	211
Subscription Liability	-	-	-	-	-	-	-	443	317	406
TIF rebates	18,206	13,506	17,356	25,012	27,954	25,877	36,944	33,765	31,784	29,620
Total net debt applicable to limit	82,417	72,174	85,075	92,643	96,168	94,248	103,895	100,194	96,107	93,930
Legal debt margin	<u>\$ 158,915</u>	<u>\$ 175,354</u>	<u>\$ 182,436</u>	<u>\$ 182,080</u>	<u>\$ 199,215</u>	<u>\$ 212,431</u>	<u>\$ 239,000</u>	<u>\$ 250,773</u>	<u>\$ 266,313</u>	<u>\$ 274,486</u>
Total net debt applicable to the limit as a percentage of debt limit	34.15%	29.16%	31.80%	33.72%	32.56%	30.73%	30.30%	28.55%	26.52%	25.50%

¹As reported in the Annual Financial Report to the State

Note: Under Iowa code, the city's outstanding general obligation debt should not exceed 5 percent of total assessed property value.

City of Iowa City, Iowa
Schedule of Revenue Bond Coverage

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year Ended June 30	Revenue	Expenses ¹	Net Revenue Available for Debt Service	Annual Debt Service ²			Ratio of Coverage
				Principal	Interest	Total	
Parking Revenue ³							
2015 ⁶	5,620	3,828	1,792	540	254	794	2.26
2016	-	-	-	-	-	-	-
2017	5,531	3,683	1,848	1,015	86	1,101	1.68
2018	5,812	3,790	2,022	524	576	1,100	1.84
2019	6,205	3,724	2,481	545	476	1,021	2.43
2020 ⁸	4,577	3,476	1,101	567	375	942	1.17
2021	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-
Wastewater Treatment Revenue ⁴							
2015	12,620	6,574	6,046	3,370	1,305	4,675	1.29
2016	12,681	6,513	6,168	3,520	1,175	4,695	1.31
2017	13,383	6,357	7,026	3,625	985	4,610	1.52
2018	13,181	6,622	6,559	3,580	756	4,336	1.51
2019 ⁷	13,548	6,840	6,708	3,465	539	4,004	1.68
2020	12,917	6,366	6,551	2,510	367	2,877	2.28
2021	12,449	7,874	4,575	2,620	257	2,877	1.59
2022	12,473	7,525	4,948	2,660	153	2,813	1.76
2023	13,069	8,742	4,327	2,085	52	2,137	2.02
2024	-	-	-	-	-	-	-
Water Revenue ⁵							
2015	8,715	5,632	3,083	1,380	610	1,990	1.55
2016	9,323	5,387	3,936	1,715	579	2,294	1.72
2017	9,529	6,332	3,197	1,760	524	2,284	1.40
2018	9,838	6,949	2,889	1,455	394	1,849	1.56
2019	10,078	6,888	3,190	1,510	280	1,790	1.78
2020	10,399	6,752	3,647	1,565	238	1,803	2.02
2021	10,048	7,471	2,577	1,630	193	1,823	1.41
2022	10,748	7,006	3,742	1,690	146	1,836	2.04
2023	11,811	7,535	4,276	1,755	97	1,852	2.31
2024	12,828	8,896	3,932	1,747	56	1,803	2.18

Notes:

¹ Excludes depreciation and interest.

² Includes principal and interest of revenue bonds only.

³ Parking Revenue bonds ratio of "Net Revenue Available for Debt Service" to "Total Annual Debt Service" is required to be at least 1.25.

⁴ Wastewater Treatment Revenue bonds ratio of "Net Revenue Available for Debt Service" to "Total Annual Debt Service" is required to be at least 1.10.

⁵ Water Revenue bonds ratio of "Net Revenue Available for Debt Service" to "Total Annual Debt Service" is required to be at least 1.10.

⁶ Parking Revenue Bonds defeased are excluded from the principal and interest of Annual Debt Service.

⁷ Debt Service excludes the amount called early of \$2,670,000.

⁸ Parking Capital Lease called early is excluded from the principal and interest of Annual Debt Service.

City of Iowa City, Iowa

Schedule of TIF Revenue Bond Coverage

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year Ended June 30	Taxable Valuation Available for Certification (1)	TIF Tax Rate (2)	Available Tax Increment Revenues (3)	2012D TIF Revenue Bonds	2016E TIF Revenue Bonds	Total	Available Debt Coverage
2015	141,518	29.79	4,215	75	-	75	55.95
2016	156,898	30.49	4,784	205	-	205	23.30
2017	195,411	30.41	5,943	204	273	477	12.45
2018	226,439	30.34	6,870	207	384	591	11.61
2019	297,479	29.66	8,822	205	384	589	14.97
2020	341,736	29.93	10,228	207	384	591	17.31
2021	539,721	30.03	16,208	205	384	589	27.52
2022	620,560	29.99	18,611	-	1,349	1,349	13.80
2023	643,237	30.08	19,349	-	1,315	1,315	14.71
2024	625,949	31.38	19,642	-	1,281	1,281	15.33

(1) Total taxable valuation available for certification will decrease in fiscal year 2024-25 due to the retirement of the tax increment of the 2001 Amended portion of the Urban Renewal Area.

(2) The tax increment rate in fiscal year 2013-14 reflects the loss of the local school district's instruction support levy (ISPL) of \$.12405 due to recent legislative changes. TIF tax rate does not include the SSMID levy rate of \$2.00 per \$1,000 of value. Starting in fiscal year 2012-13, a portion of the taxable valuation certified will be at the higher rate due to its location in the SSMID.

(3) The available tax increment revenues do not reflect an estimate for the portion of the available valuation that would be taxed at the higher SSMID rate.

City of Iowa City, Iowa
Demographic and Economic Statistics

Last Ten Calendar Years

Calendar Year	Population⁶	Personal Income¹	Per Capita Personal Income¹	Average Increase	School Enrollment²	Unemployment Rate³	Retail Sales⁴
2015	73,497	8,035,139	48,343	2.11	14,495	2.9	838,853,686
2016	74,587	8,296,973	49,461	2.31	15,186	3.2	853,258,347
2017	75,690	8,713,868	51,198	3.51	15,299	3.0	874,928,988
2018	75,696	9,238,484	54,803	7.04	15,334	2.2	854,538,416
2019	75,130	9,681,989	55,518	1.30	15,619	2.4	865,628,890
2020	74,916	10,063,781	57,345	3.29	15,363	8.4	832,475,900
2021	74,596	10,690,422	60,316	5.18	15,636	4.0	858,860,019
2022	75,835	11,526,759	64,399	6.77	15,828	2.5	893,575,646
2023	75,671	11,807,120	65,563	1.81	15,438	2.6	987,817,621
2024 ^{5,7}	75,996	12,240,518	67,970	3.67	16,083	2.4	1,024,076,948

Sources and Notes:

¹ Personal Income and Per Capita Personal Income based on metropolitan Iowa City / Coralville and based on figures from Bureau of Economic Analysis. Personal Income expressed in thousands.

² Iowa City Community School District and local private schools

³ Iowa Workforce Development Center

⁴ Iowa Retail Sales & Use Report, Iowa Department of Revenue and Finance. Fiscal year ending June 30.

⁵ Personal Income for 2024 and Per Capita Personal Income for 2024 is not available. Amounts projected based on average increase over previous 5 years.

⁶ US Census Bureau Population number is not available for 2024. Amounts projected based on an average over previous 9 years

⁷ Quarter reports were not yet available so amount projected based on average increase over previous 5 years.

City of Iowa City, Iowa

Principal Employers

Current Year and Nine Years Ago

<u>Employers</u>	2015			2024		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage</u>
University of Iowa Hospitals & Clinics	-	-	N/A %	15,500	1	16.4 %
University of Iowa *	27,354	1	27.8	10,300	2	10.9
Iowa City Community School District	2,346	2	2.4	2,000	3	2.1
Veterans Administration Medical Center	1,562	3	1.6	2,000	4	2.1
Procter & Gamble	-	-	N/A	1,300	5	1.4
City of Iowa City	990	8	1.0	988	6	1.0
ACT Inc. (formerly American College Testing Program)	1,089	7	1.1	985	7	1.0
NCS Pearson	1,200	5	1.2	800	8	0.8
Goodwill of the Heartland	-	-	N/A	638	9	0.7
System Unlimited	890	9	0.9	500	10	0.5
Mercy Hospital	1,559	4	1.6	-	-	N/A
Hy-Vee	1,166	6	1.2	-	-	N/A
Internation Automotive Components formerly Lear Corp	785	10	0.8	-	-	N/A
	<u>38,941</u>		<u>39.6 %</u>	<u>35,011</u>		<u>36.9 %</u>
Total Employees	98,500			94,400		

Sources:

Iowa City Area Development Group

Various Employers and documents

* Starting 2025 University of Iowa and University of Iowa Hospitals & Clinics are broken out separately.

City of Iowa City, Iowa

Full-time Equivalent City Government Employees by Function

Last Ten Fiscal Years

Full-Time Equivalent Employees as of June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety										
Police	105	105	105	105	107	107	109.26	110.76	110.76	113.26
Fire	64	64	64	64	64	64	64	64	64	66
Inspection Services	13.55	12.85	13.5	13.5	15.6	15.6	17.6	17.6	16.6	16.6
Public Works										
Public Works Admin	2	2	2	2	2	2	2	2	2	2
Engineering ²	12.1	12	16	16	16	16	18	18	18	19.4
Culture and Recreation										
Parks and Rec Admin	2	2	2	2	2	2	2	2	2	2
Recreation	15.42	14.42	15.42	14.75	14	14.5	14.5	14.5	14.5	14.5
Parks	13	13	16	16	16	16	16	16	16	16
Forestry	3	3	3	3	5	5	7	7	7	7
Cemetery	3	3	3	3	3	3	3	3	3	3
CBD Maintenance	3	3	-	-	-	-	-	-	-	-
Library	45.13	44.77	46.17	46.17	46.17	46.05	45.92	45.92	45.92	45.92
Senior Center	6.5	6.5	7	7	7	7	7.76	7.76	7.76	7.76
Community and Economic Development	8.95	10.8	12.63	13.13	13.13	13.13	12.13	12.13	13.5	13.5
Economic Development	1	2	1	1	1	1	1	1	1	1
General Government										
City Council	7	7	7	7	7	7	7	7	7	7
City Clerk	4	4	4	4	4	4	4	4	4	4
City Attorney	5.6	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
City Manager	6	10.5	10.5	9	9	9	13.89	14.89	15.26	17.26
Finance	22.47	23.07	23.13	22.13	22.28	22.28	22.28	22.28	22.28	22.28
Government Buildings	4.83	5.33	4.33	5	4	5	4	4	4	4
Special Revenue										
Employee Benefits	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
Community Development	2.98	2.83	-	-	-	-	-	-	-	-
Traffic Engineering	4.15	3.9	4.5	3	3	3	3	3	4	4
Streets	25.5	25.25	25.5	29	29	29	29	29	29	29
MPOJC (formerly JCCOG)	5.6	4.7	4.7	4.7	5.2	5.2	5.2	5.2	5.2	5.2
Capital Projects Administration ²	5	4	-	-	-	-	-	-	-	-
Internal Service Funds										
Information Technology	9.86	9.86	9.8	10.8	9.8	9.8	9.8	9.8	10.5	11
Equipment	10.75	10.75	10.75	10.75	10.75	10.75	11.75	12	11	11
Central Services	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Risk Management	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Business-Type Activities										
Parking	26.25	23.13	21.63	21.63	21.38	19.63	21.38	21.38	21.88	22.88
Mass Transit	51.25	51.13	53.63	54.63	53.38	53.38	54.13	54.13	54.63	56.88
Wastewater Treatment	24.65	24.65	25.4	26	26	26	26	26	26	26.25
Water	32	32	31.75	31.75	31.75	31.75	31.25	31.25	31.25	32.25
Sanitation	35.85	33.35	31.5	31.5	32.76	34.76	35.26	35.51	36.51	37.51
Airport	1	1	1	1	1	1	1	1	1	1
Cable Television ¹	5.63	-	-	-	-	-	-	-	-	-
Stormwater	2.6	2.6	2.1	1.5	1.5	2.5	2	2	2	2.1
Housing Authority	10.19	10.19	9.6	9.6	9.5	9.5	10.62	10.62	11	12
Total	607.66	598.93	599.89	601.89	605.55	608.18	624.08	627.08	630.90	646.95

Source: City's Financial Plan

City of Iowa City, Iowa

Operating Indicators by Function

Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Public Safety										
Police ¹										
Physical arrests	5,595	5,465	4,482	4,488	5,212	2,891	2,525	2,998	2,619	2,255
Traffic Violations	3,356	2,989	2,246	3,103	3,422	1,052	1,627	2,708	2,468	3,298
Fire ¹										
Number of calls answered	6,016	6,974	6,749	7,122	7,532	6,979	8,106	9,039	9,212	8,574
Inspections conducted	1,903	2,459	874	1,031	1,300	181	1,194	1,194	1,250	1,806
Parking										
Parking Violations	65,196	57,549	62,930	50,346	61,330	48,042	45,727	69,502	72,491	97,412
Wastewater Treatment										
Daily average treatment in million gallons	9.76	10.48	8.32	7.77	10.97	8.58	7.93	7.38	7.80	7.58
Maximum daily capacity of plant in million gallons	43.3	43.3	43.3	43.3	43.3	43.3	43.3	43.3	43.3	43.3
Number of sewer system customers	24,533	25,085	25,485	26,069	26,270	26,576	26,892	27,021	27,105	27,172
Water										
Daily average consumption in million gallons	5.33	5.32	5.50	5.84	5.69	5.33	5.57	5.52	5.60	5.60
Maximum daily capacity of plant in million gallons	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7
Customers by Classification										
Residential	23,089	23,638	24,025	24,595	24,818	25,133	25,452	25,588	25,555	25,612
Commercial	1,409	1,415	1,425	1,436	1,431	1,448	1,448	1,442	1,449	1,463
Industrial	14	14	14	15	15	15	15	15	15	15
Other	<u>135</u>	<u>131</u>	<u>134</u>	<u>136</u>	<u>139</u>	<u>138</u>	<u>137</u>	<u>137</u>	<u>133</u>	<u>130</u>
Total Customers	24,647	25,198	25,598	26,182	26,403	26,734	27,052	27,182	27,152	27,220
Sanitation										
Number of Customers	14,811	15,620	15,917	15,960	16,112	16,180	16,330	16,481	16,606	16,681
Tonnage	9,210	9,476	9,623	9,694	8,989	9,682	10,339	10,247	9,747	9,742
Landfill										
Tonnage	123,692	126,875	137,025	140,658	127,587	128,210	151,823	135,557	132,672	142,874

Sources: Various city divisions.

Notes:

¹ Numbers are based on a calendar year and 2024 year-to-date figures are compiled through 11/11/24 for FIRE and 11/04/24 for Police.

City of Iowa City, Iowa

Capital Assets by Function

Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	20	20	24	23	23	23	23	23	23	23
Fire										
Stations	4	4	4	4	4	4	4	4	4	4
Fire apparatus	11	10	10	10	10	10	10	10	10	10
Public Works										
Streets										
Miles	281	283	286	288	292	293	295	298	299	300
Street lights	3,412	3,412	3,412	3,307	3,166	3,202	3,246	3,227	3,287	3,270
Culture and Recreation										
Library	1	1	1	1	1	1	1	1	1	1
Cemetery	1	1	1	1	1	1	1	1	1	1
Acreage	40	40	40	40	40	40	40	40	40	40
Parks	46	46	49	50	51	56	56	58	58	58
Acreage	1,897	1,902	1,932	1,942	1,947	1,950	1,980	1,987	1,987	2,008
Recreation										
Recreation centers	2	2	2	2	2	2	2	2	2	2
Swimming pools	3	3	3	3	3	3	3	3	3	3
Ball diamonds	27	27	27	27	27	27	27	27	27	27
Tennis courts	12	12	9	9	9	9	9	9	9	8
Soccer fields	20	20	20	20	20	20	20	20	21	21
Pickle Ball Courts	-	-	8	8	8	8	8	8	8	9
Futsal Courts	-	-	2	2	2	2	2	2	2	2
Full Basketball Courts	-	-	3	3	3	6	6	6	6	6
Gaga Pits	-	-	-	2	2	2	2	2	2	2
Bocce Court	-	-	-	-	-	-	1	1	1	1
Parking										
Facilities	5	5	6	6	6	6	6	6	6	6
Spaces	3,086	3,086	3,686	3,686	3,686	3,686	3,686	3,686	3,686	3,686
Wastewater Treatment										
Miles of sanitary sewer	300	301	304	306	307	308	310	312	313	314
Miles of storm sewer	133	136	139	140	142	144	146	147	148	150
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of service connectors	24,533	25,085	25,485	26,069	26,270	26,576	26,892	27,021	26,995	27,062
Water										
Miles of water mains	273	275	277	279	281	283	286	288	289	291
Number of city owned fire hydrants	3,415	3,447	3,503	3,529	3,564	3,611	3,647	3,687	3,717	3,749
Sanitation										
Landfills	1	1	1	1	1	1	1	1	1	1
Acreage	418	418	418	418	418	418	418	418	418	418

Sources: Various city divisions.

Compliance Section Tab



**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance With Government Auditing Standards**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Iowa City, Iowa, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 3, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Iowa City, Iowa's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Iowa City, Iowa's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Iowa City, Iowa's internal control.

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

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

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2024 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Purpose of this Report

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

The image shows a handwritten signature in black ink that reads "Bohnsack & Frommelt LLP". The script is cursive and fluid.

Moline, Illinois
December 3, 2024



**Independent Auditor's Report on Compliance For
Each Major Federal Program and On Internal Control
Over Compliance Required By the Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Iowa City, Iowa's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, City of Iowa City, Iowa complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit,
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Bohnsack & Frommelt LLP

Moline, Illinois
December 3, 2024

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City of Iowa City, Iowa

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture:				
Indirect:				
Pass-Through Iowa Department of Natural Resources:				
Community Forestry Grant Program	10.664	n/a	\$ -	\$ 5,000
Total U.S. Department of Agriculture			-	5,000
U.S. Department of Housing and Urban Development				
Direct:				
Community Development Block Grants (CDBG)-				
Entitlement Grants Cluster:				
CDBG/Entitlement Grants	14.218	B-21-MC-19-0009	107,482	126,977
CDBG/Entitlement Grants	14.218	B-22-MC-19-0009	254,091	495,040
CDBG/Entitlement Grants	14.218	B-23-MC-19-0009	186,321	306,425
CDBG/Entitlement Grants	14.218	B-24-MC-19-0009	116	145
Subtotal CDBG/Entitlement Grants Cluster			548,010	928,587
Home Investment Partnerships Program	14.239	M-18-MC-190205	7,606	7,606
Home Investment Partnerships Program	14.239	M-19-MC-190205	17,394	17,394
Home Investment Partnerships Program	14.239	M-20-MC-190205	139,866	139,866
Home Investment Partnerships Program	14.239	M-21-MC-190205	48,900	48,900
Home Investment Partnerships Program	14.239	M-21-MP-190205	-	7,564
Home Investment Partnerships Program	14.239	M-22-MC-190205	-	41,834
Home Investment Partnerships Program	14.239	M-23-MC-190205	132,702	162,841
Home Investment Partnerships Program	14.239	M-24-MC-190205	27,596	29,857
			374,064	455,862
Public and Indian Housing	14.850	IA022-00000118D	-	46
Public and Indian Housing	14.850	IA022-00000123D	-	148,261
			-	148,307
Housing Voucher Program Cluster:				
Section 8 Housing Choice Vouchers	14.871	IA022EF	-	60,511
Section 8 Housing Choice Vouchers	14.871	IA022EH	-	458,152
Section 8 Housing Choice Vouchers	14.871	IA022ES	-	38,735
Section 8 Housing Choice Vouchers	14.871	IA022VO0286	-	12,549
Section 8 Housing Choice Vouchers	14.871	IA022AF	-	15,000
Section 8 Housing Choice Vouchers	14.871	IA022VO	-	11,640,613
			-	12,225,560
Mainstream Vouchers	14.879	IA0228FR	-	66,431
Mainstream Vouchers	14.879	IA022DV	-	470,060
			-	536,491
Subtotal Housing Voucher Program Cluster			-	12,762,051
Public Housing Capital Fund	14.872	IA05P022501-22	-	165,504
Family Self-Sufficiency	14.896	FSS221A4192	-	123,618
Family Self-Sufficiency	14.896	FSS23IA555601	-	97,866
			-	221,484
Indirect:				
Pass-through Iowa Economic Development Authority,				
COVID-19 Community Development Block Grants	14.228	20-CVE-005	-	2,036
Total U.S. Department of Housing and Urban Development			922,074	14,683,831

(Continued)

City of Iowa City, Iowa

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Justice				
Direct:				
Bulletproof Vest Partnership Program	16.607	2023BUBX23034675	\$ -	\$ 3,383
Bulletproof Vest Partnership Program	16.607	2022BUBX22029447	-	6,763
			-	10,146
Equitable Sharing Program	16.922		-	21,418
Indirect:				
Pass-through Iowa Department of Justice:				
Violence Against Women Formula Grants	16.588	LE-2024-00064	-	75,307
Pass-through Iowa Governor's Office of Drug Control Policy:				
Public Safety Partnership and Community Policing Grants	16.710	21-CAMP-06	6,752	7,916
Public Safety Partnership and Community Policing Grants	16.710	22-COPS Heroin-03	8,665	15,502
			15,417	23,418
Edward Byrne Memorial Justice Assistance Grant	16.738	21-JAG-502085	63,333	95,000
Total U.S. Department of Justice			78,750	225,289
U.S. Department of Transportation				
Direct:				
Airport Improvement Program	20.106	3-19-0047-031-2021	-	(45,513)
Airport Improvement Program	20.106	3-19-0047-025-2019	-	(830)
Airport Improvement Program	20.106	3-19-0047-034-2022	-	38,819
Airport Improvement Program	20.106	3-19-0047-035-2023	-	426,428
Airport Improvement Program	20.106	3-19-0047-036-2023	-	163,730
Airport Improvement Program	20.106	3-19-0047-037-2024	-	136,970
			-	719,604
Federal Transit Cluster:				
Federal Transit-Formula Grants	20.507	IA-2020-029-01-00	-	1,509,870
Federal Transit-Formula Grants	20.507	IA-2023-05-00	-	599,878
Federal Transit-Formula Grants	20.507	IA-2024-008-00	-	1,669,806
Federal Transit-Formula Grants	20.507	IA-2023-009-00	-	782,974
Subtotal Federal Transit Cluster			-	4,562,528
Indirect:				
Pass-through Iowa Department of Transportation:				
Highway Planning and Construction Program	20.205	BROS-3715(664)- -8J-52	-	22,211
Highway Planning and Construction Program	20.205	BRM-3715(667)- -8N-52	-	723,278
Highway Planning and Construction Program	20.205	STP-U-3715(669)- -70-52	-	356,595
Pass-through Iowa Department of Transportation and Metropolitan Planning Organization of Johnson County:				
Highway Planning and Construction Program	20.205	24MPO-MPOJC	-	168,753
			-	1,270,837

(Continued)

City of Iowa City, Iowa

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Transportation (Continued)				
Indirect:				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	24MPO-MPOJC	\$ -	\$ 61,247
Pass-through Iowa Department of Transportation:				
Transit Services Programs Cluster:				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	IA-2023-006-01-00-SFY24	-	177,523
Subtotal Transit Services Programs Cluster			-	177,523
Pass-through Iowa Department of Public Safety/				
Governor's Traffic Safety Bureau				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	PAP-402-PT-2024, Task 05-40-40	-	31,954
National Priority Safety Programs	20.600	PAP-402-AL-2024, Task 02-40-40	-	22,952
Subtotal Highway Safety Cluster			-	54,906
Total U.S. Department of Transportation			-	6,846,645
U.S. Department of the Treasury				
Direct:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	853,357	11,314,982
U.S. Department of Energy				
Direct:				
Energy Efficiency and Community Block Grant	81.128	EECEQ-00083	-	19,737
Total Expenditures of Federal Awards			\$ 1,854,181	\$ 33,095,484

See Notes to the Schedule of Expenditures of Federal Awards.

City of Iowa City, Iowa

**Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (schedule) includes the federal grant activity of the City under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the entity.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting for governmental funds and accrual basis of accounting for proprietary funds. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Expenditures of federal awards are recognized in the accounting period when the liability is incurred and has met the eligibility criteria of the federal grant.

Revenue from federal awards is recognized when the City has done everything necessary to establish its right to the revenue. In the governmental funds, revenue from federal grants is recognized when the revenue is both measurable and available. In proprietary funds, revenue from federal grants is recognized when it is earned.

Pass-through entity identifying numbers are presented where available.

Note 3. Indirect Cost Rate

The City has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



CITY OF IOWA CITY

410 East Washington Street
Iowa City, Iowa 52240-1826
(319) 356-5000
(319) 356-5009 FAX
www.icgov.org

City of Iowa City, Iowa

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024**

Findings	Status	Corrective Action Plan or Other Explanation
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Not applicable.

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City of Iowa City, Iowa

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency identified?
- Noncompliance material to financial statements noted?

☐ Yes ☒ No
☐ Yes ☒ None Reported
☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency identified?

☐ Yes ☒ No
☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for major programs:

Unmodified

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ Yes ☒ No

Identification of major programs:

Federal Assistance

Listing Number	Name of Federal Program or Cluster
Housing Voucher Program Cluster:	
14.871	Section 8 Housing Choice Vouchers
14.879	Mainstream Vouchers
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Fund

Dollar threshold used to distinguish between type A and type B programs: \$992,865

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

(Continued)

City of Iowa City, Iowa

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2024

II. Findings Relating to the Basic Financial Statements as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

A. Internal Control

No matters reported.

B. Instances of Noncompliance

No matters reported.

III. Findings and Questioned Costs for Federal Awards

A. Internal Control for Federal Awards

No matters reported.

B. Instances of Noncompliance

No matters reported.

IV. Other Findings Related to Required Statutory Reporting

IV-A-24 Certified Budget – Expenditures for the year ended June 30, 2024 did not exceed the amounts budgeted.

IV-B-24 Questionable Expenditures – No expenditures were noted that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

IV-C-24 Travel Expenses – No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

IV-D-24 Business Transactions – No business transactions between the City and City officials or employees were noted except the following:

<u>Official</u>	<u>Transaction Description</u>	<u>Amount</u>
Bruce Teague, Mayor		
Owner Charm Homes LLC	Landlord Rents	\$15,918
Andrew Martin, Board of Appeals member		
Owner Martin Construction	On Behalf HOME Loan Payment	\$22,080

The transactions do not appear to represent a conflict of interest in accordance with Chapter 362.5(3)(g) of the Code of Iowa.

IV-E-24 Restricted Donor Activity– No transactions were noted between City, City officials, City employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

IV-F-24 Bond Coverage – Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

IV-G-24 Council Minutes – No transactions requiring Council approval which had not been approved by the Council were noted.

(Continued)

City of Iowa City, Iowa

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2024

IV-H-24 Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the City's investment policy were noted.

IV-I-24 Revenue Notes – There were no instances of noncompliance with revenue note provisions.

IV-J-24 Annual Urban Renewal Report – The annual urban renewal report was properly approved and certified to the Iowa Department of Management on or before December 1.

IV-K-24 Payment of General Obligation Bonds – The City appears to be in compliance with Chapter 384.4 of the Code of Iowa.

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Corrective Action Plan Year Ended June 30, 2024

		Anticipated Date of Completion and Responsible Contact Person
Findings	Corrective Action Plan	

Not applicable.

