



CITY OF IOWA CITY

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March 23, 2026

Iowa Department of Natural Resources  
Planning, Permitting & Engineering Services  
Wallace State Office Building  
502 East 9<sup>th</sup> 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:          | \$4,164,241 |
| Post-closure cost to be assured:     | \$1,921,560 |
| Corrective Action cost to be assured | \$ 190,025  |

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]. 6/30/25

### Alternative I

|  |   |  |
|--|---|--|
| 1. Sum of the current closure and/or postclosure cost estimates being assured by the Financial Test  | \$6,275,826                                     | \$5,914,867  |
|  | <b>From most recent annual auditor's report</b> | <b>From 2<sup>nd</sup> most recent annual auditor's report</b> |
| 2. Total Revenues  | \$196,586,000                                   | \$194,607,000  |
| 3. Total Expenditures  | \$165,925,000                                   | \$157,904,000  |
| 4. Current bond rating of most recent outstanding general obligation bonds   | Aaa   | Aaa  |
| <b>Must be able to answer "Yes" or "True" to the following</b>   |   |  |
|  | <b>Yes/True</b>                                 | <b>No/False</b>  |
| 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, 2025  
(amounts expressed in thousands)

| Functions/Programs:  | Program Revenues  |                      |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          |                   |
|--|-------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-------------------|
|  | Expenses          | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                           | Business-type Activities | Total             |
| <b>Governmental activities:</b>                              |                   |                      |                                    |                                  |   |                          |                   |
| Public safety  | \$ 29,883         | \$ 5,037             | \$ 271                             | \$ 9                             | \$ (24,566)                                       | \$ -                     | \$ (24,566)       |
| Public works   | 16,452            | 60                   | 10,808                             | 1,905                            | (3,679)   | -                        | (3,679)           |
| Culture and recreation                                       | 19,115            | 677                  | 211                                | -                                | (18,227)  | -                        | (18,227)          |
| Community and economic development                           | 19,364            | 15                   | 5,369                              | -                                | (13,980)  | -                        | (13,980)          |
| General government   | 7,951             | 1,521                | -                                  | -                                | (6,430)   | -                        | (6,430)           |
| Interest on long-term debt                                   | X 1,696           | -                    | -                                  | -                                | (1,696)   | -                        | (1,696)           |
| <b>Total governmental activities</b>                         | <b>94,461</b>     | <b>7,310</b>         | <b>16,659</b>                      | <b>1,914</b>                     | <b>(68,578)</b>                                   | <b>-</b>                 | <b>(68,578)</b>   |
| <b>Business-type activities:</b>                             |                   |                      |                                    |                                  |   |                          |                   |
| Wastewater treatment   | 13,593            | 13,175               | -                                  | 1,502                            | -   | 1,084                    | 1,084             |
| Water  | 11,131            | 11,160               | -                                  | 782                              | -   | 811                      | 811               |
| Sanitation   | 12,545            | 12,826               | -                                  | 300                              | -   | 581                      | 581               |
| Housing authority  | 13,904            | 366                  | 13,453                             | -                                | -   | (85)                     | (85)              |
| Parking  | 7,246             | 7,251                | -                                  | -                                | -   | 5                        | 5                 |
| Airport  | 1,407             | 479                  | (2)                                | 933                              | -   | 3                        | 3                 |
| Stormwater   | 2,896             | 1,922                | -                                  | 1,491                            | -   | 517                      | 517               |
| Transit  | 10,438            | 1,179                | 5,026                              | 342                              | -   | (3,891)                  | (3,891)           |
| <b>Total business-type activities</b>                        | <b>73,160</b>     | <b>48,358</b>        | <b>18,477</b>                      | <b>5,350</b>                     | <b>-</b>  | <b>(975)</b>             | <b>(975)</b>      |
| <b>Total</b>   | <b>\$ 167,621</b> | <b>\$ 55,668</b>     | <b>\$ 35,136</b>                   | <b>\$ 7,264</b>                  | <b>(68,578)</b>                                   | <b>(975)</b>             | <b>(69,553)</b>   |
|  | X                 | ✓                    | ✓                                  | ✓                                |   |                          |                   |
| <b>General revenues:</b>                                     |                   |                      |                                    |                                  |   |                          |                   |
| Property taxes, levied for general purposes                  |                   |                      |                                    |                                  | 73,058  | -                        | 73,058            |
| Hotel/motel tax  |                   |                      |                                    |                                  | 2,070   | -                        | 2,070             |
| Gas and electric tax   |                   |                      |                                    |                                  | 735   | -                        | 735               |
| Utility franchise tax  |                   |                      |                                    |                                  | 1,003   | -                        | 1,003             |
| Grants and contributions not restricted to specific purposes |                   |                      |                                    |                                  | 1,373   | -                        | 1,373             |
| Earnings (loss) on investments                               |                   |                      |                                    |                                  | 8,916   | 5,340                    | 14,256            |
| Gain on disposal of capital assets                           |                   |                      |                                    |                                  | 341   | -                        | 341 ✓             |
| Miscellaneous  |                   |                      |                                    |                                  | 4,681   | 1,342                    | 6,023             |
| Transfers  |                   |                      |                                    |                                  | (8,534)   | 8,534                    | -                 |
| <b>Total general revenues and transfers</b>                  |                   |                      |                                    |                                  | <b>83,643</b>                                     | <b>15,216</b>            | <b>98,859 ✓</b>   |
| Changes in net position                                      |                   |                      |                                    |                                  | 15,065  | 14,241                   | 29,306            |
| Net position beginning of year, as restated                  |                   |                      |                                    |                                  | <b>345,879</b>                                    | <b>448,558</b>           | <b>794,437</b>    |
| Net position end of year                                     |                   |                      |                                    |                                  | <b>\$ 360,944</b>                                 | <b>\$ 462,799</b>        | <b>\$ 823,743</b> |

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

✓ 196,584  
X 165,925

City of Iowa City, Iowa

Statement of Activities

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

| Functions/Programs:  | Program Revenues |                      |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          |             |
|--|------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-------------|
|  | Expenses         | 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.

✓ 194,667  
X 157,904

## CREDIT OPINION

1 May 2025



Send Your Feedback

### Contacts

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# 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 [State 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.

### Credit strengths

- » Local economy benefits from the presence of the University of Iowa
- » Strong available fund balance and cash ratios

### Credit challenges

- » Resident income and full value per capita trail national medians

### Rating outlook

We do not assign outlooks to local governments with this amount of debt outstanding.

### Factors that could lead to an upgrade

- » Not applicable

### Factors that could lead to a downgrade

- » Material declines in the city's available fund balance and cash ratios to levels below 50%
- » Increase of long-term liabilities ratio to levels over 300%

## Key indicators

Exhibit 1

### Iowa City (City of) IA

|   | 2021        | 2022        | 2023        | 2024        | Aaa Medians |
|---|-------------|-------------|-------------|-------------|-------------|
| <b>Economy</b>                                      |             |             |             |             |             |
| Resident income ratio (%)                           | 80.9%       | 80.0%       | 79.8%       | N/A         | 168.9%      |
| Full Value (\$000)                                  | \$7,250,658 | \$7,370,500 | \$8,723,100 | \$8,815,295 | \$9,011,663 |
| Population  | 74,240      | 74,878      | 75,264      | N/A         | 36,103      |
| Full value per capita (\$)                          | \$97,665    | \$98,433    | \$115,900   | N/A         | \$218,941   |
| Annual Growth in Real GDP                           | 5.2%        | 0.7%        | -0.4%       | N/A         | 2.4%        |
| <b>Financial Performance</b>                        |             |             |             |             |             |
| Revenue (\$000)                                     | \$157,321   | \$168,471   | \$177,661   | \$193,105   | \$108,194   |
| Available fund balance (\$000)                      | \$156,384   | \$170,036   | \$183,970   | \$205,430   | \$68,159    |
| Net unrestricted cash (\$000)                       | \$196,741   | \$214,629   | \$226,784   | \$240,197   | \$99,090    |
| Available fund balance ratio (%)                    | 99.4%       | 100.9%      | 103.6%      | 106.4%      | 62.6%       |
| Liquidity ratio (%)                                 | 125.1%      | 127.4%      | 127.6%      | 124.4%      | 95.0%       |
| <b>Leverage</b>                                     |             |             |             |             |             |
| Debt (\$000)  | \$81,920    | \$76,499    | \$71,329    | \$69,709    | \$72,678    |
| Adjusted net pension liabilities (\$000)            | \$249,853   | \$197,370   | \$123,508   | \$135,594   | \$89,696    |
| Adjusted net OPEB liabilities (\$000)               | \$9,287     | \$7,909     | \$8,270     | \$8,781     | \$10,915    |
| Other long-term liabilities (\$000)                 | \$14,884    | \$19,806    | \$20,297    | \$23,133    | \$4,029     |
| Long-term liabilities ratio (%)                     | 226.3%      | 179.0%      | 125.7%      | 122.8%      | 217.2%      |
| <b>Fixed costs</b>                                  |             |             |             |             |             |
| Implied debt service (\$000)                        | \$6,214     | \$5,746     | \$5,343     | \$4,955     | \$4,949     |
| Pension tread water contribution (\$000)            | \$6,370     | \$2,923     | \$4,854     | \$2,723     | \$2,629     |
| OPEB contributions (\$000)                          | \$667       | \$427       | \$221       | \$431       | \$594       |
| Implied cost of other long-term liabilities (\$000) | \$1,021     | \$1,044     | \$1,383     | \$1,410     | \$274       |
| Fixed-costs ratio (%)                               | 9.1%        | 6.0%        | 6.6%        | 4.9%        | 10.0%       |

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

## 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.

## 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. For fiscal 2024 the city's available fund balance ratio totaled a very healthy 106% of revenue across all funds, while cash was around 124% of revenue (see exhibit 2). The city had originally budgeted for \$11 million draw in general fund for capital, but ended with a \$11 million increase, driven by unspent American Rescue Plan (ARPA) funds, delayed capital, expenditure savings related to salaries and benefits and health insurance. The city's economic base will continue to grow given its diversity and ties to the University of Iowa and its associated University of Iowa Hospitals & Clinics, which is the only academic medical center in Iowa (Aaa stable). As of fiscal 2024 the city's long-term liabilities ratio is moderate at 123% of revenue (see exhibit 3).

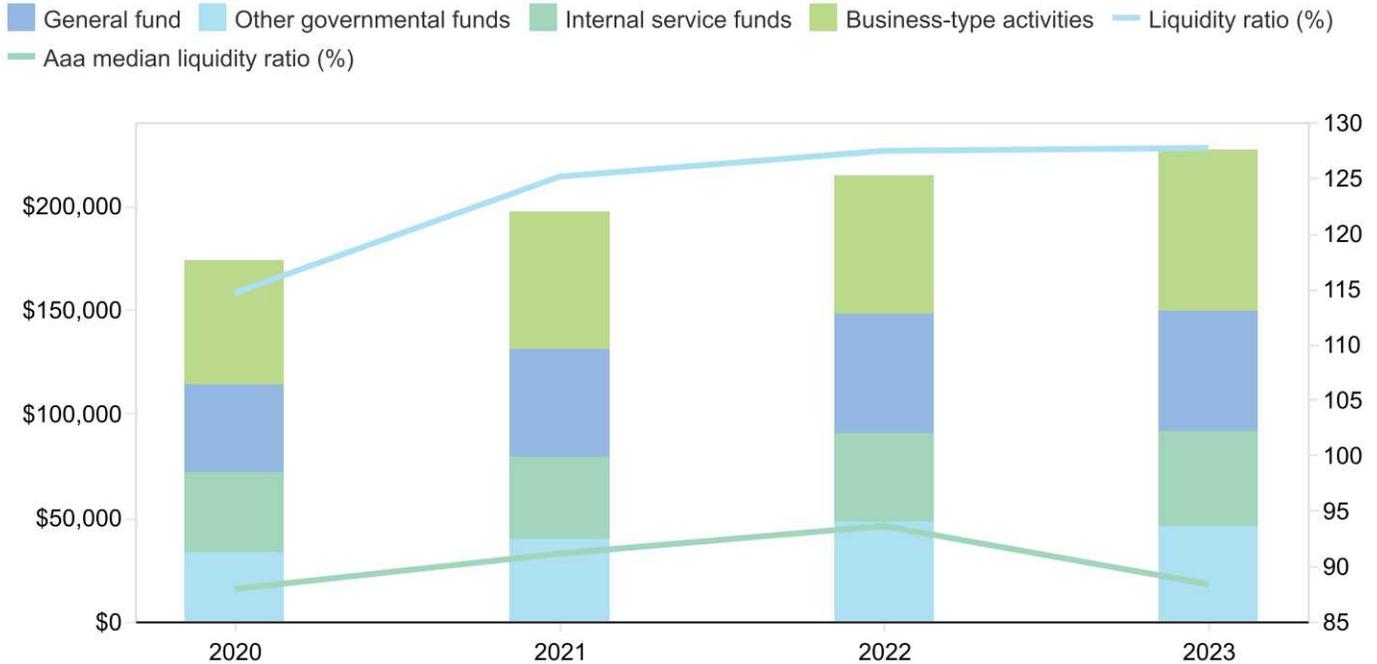
For fiscal 2025 (June 30 year-end) city officials anticipate a planned spend down of around \$19.5 million in the general fund for capital projects and unspent ARPA funds. Other governmental and business type funds are largely balanced for the year. The fiscal 2026 budget reflects a \$2.9 million deficit 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

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's.com> for the most updated credit rating action information and rating history.

strong at well over 85% of revenue. The city is currently preparing to issue around \$14.5 million in General Obligation Unlimited tax (GOULT) debt to finance its annual capital needs, and future borrowing plans include around \$36 million in sewer revenue debt in 2025 and about \$13.8 million in GO debt in 2026.

Exhibit 2

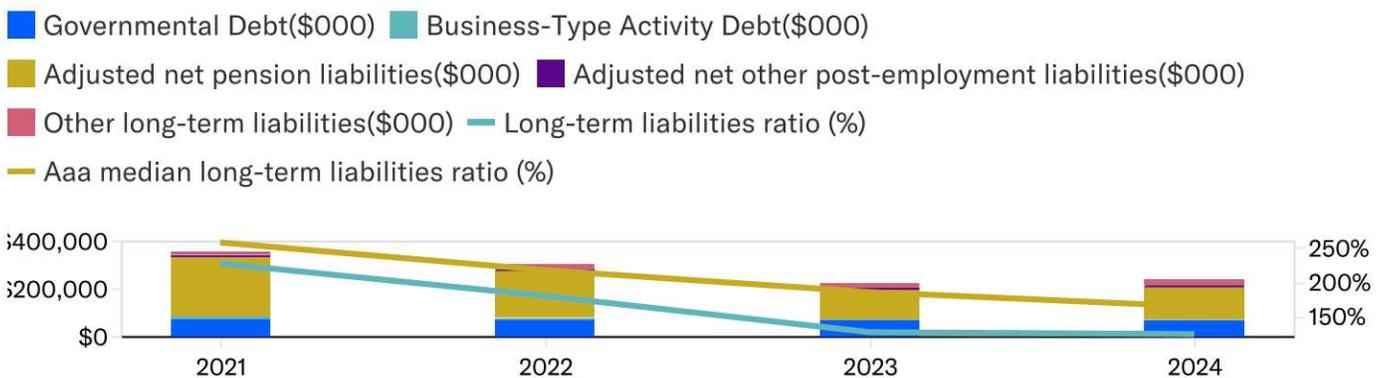
**Cash ratios are very strong and expected to remain healthy**



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

Exhibit 3

**Long Term Liabilities will remain moderate despite future borrowing needs**



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

**Pensions and OPEB**

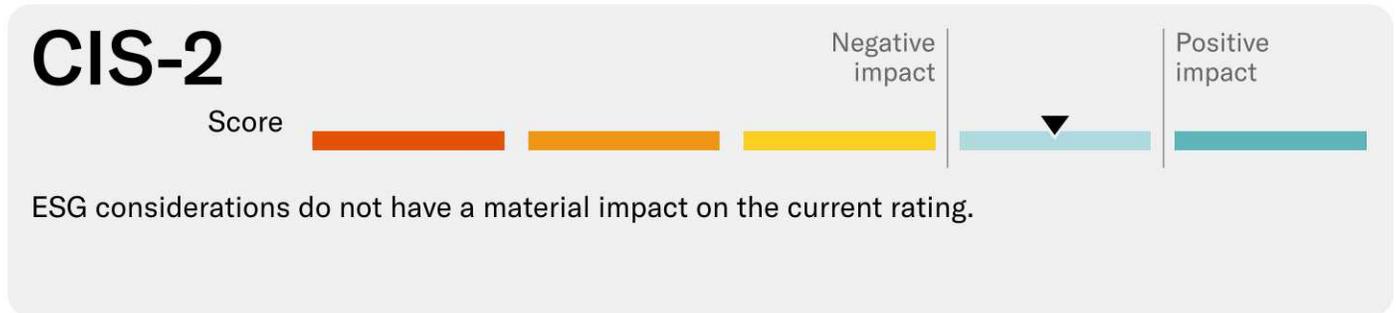
Iowa cities participate in two cost sharing plans, the Iowa Public Employees' Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MFPRSI). Based on reporting by IPERS and MFPRSI, we project that cities' ANPLs will increase by around 15% in fiscal 2024, driven in part by salary increases which exceeded actuarial assumptions. While results will vary across US public pension systems, we generally expect local governments' fiscal year 2025 ANPLs to fall by around 20% based on our aggregate

estimates, due to rising interest rates and above-target investment returns in 2024. Government contributions in aggregate to both IPERS and MFPRSI modestly exceeded our tread water indicator as of each system's most recently audited financial reporting.

**ESG considerations**

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

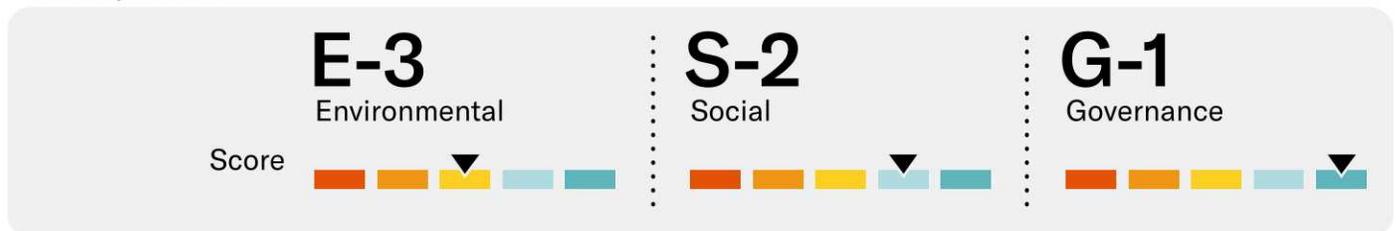
Exhibit 4  
ESG credit impact score



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 5  
ESG issuer profile scores



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 6

### Iowa City (City of) IA

|                                | Measure | Weight | Score      |
|--------------------------------|---------|--------|------------|
| <b>Economy</b>                 |         |        |            |
| Resident income ratio          | 79.8%   | 10.0%  | Baa        |
| Full value per capita          | 117,125 | 10.0%  | Aa         |
| Economic growth metric         | -2.3%   | 10.0%  | A          |
| <b>Financial Performance</b>   |         |        |            |
| Available fund balance ratio   | 106.4%  | 20.0%  | Aaa        |
| Liquidity ratio                | 124.4%  | 10.0%  | Aaa        |
| <b>Institutional Framework</b> |         |        |            |
| Institutional Framework        | Aa      | 10.0%  | Aa         |
| <b>Leverage</b>                |         |        |            |
| Long-term liabilities ratio    | 122.8%  | 20.0%  | Aa         |
| Fixed-costs ratio              | 4.9%    | 10.0%  | Aaa        |
| <b>Notching factors</b>        |         |        |            |
| No notchings applied           |         |        |            |
| Scorecard-Indicated Outcome    |         |        | Aa2        |
| <b>Assigned Rating</b>         |         |        | <b>Aaa</b> |

The Economic Growth metric cited above compares the five-year CAGR of real GDP for Iowa City, IA Metropolitan Statistical Area 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 7

### Key Indicators Glossary

|   | Definition  | Typical Source*   |
|---|---|---|
| <b>Economy</b>                          |   |   |
| 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<br>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  |
| <b>Financial performance</b>            |   |   |
| 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   |   |
| <b>Leverage</b>                         |   |   |
| 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   |   |
| <b>Fixed costs</b>                      |   |   |
| 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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REPORT NUMBER 1445574

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 Permit Number: 52-SDP-01-72P and  
 Permitted Agency/Entity: City of Iowa City 52-COM-02-22

## SECTION 2: CLOSURE/POSTCLOSURE OR CORRECTIVE ACTION COST ESTIMATES

| Information Requested                              | Cost Estimate | Date of Cost Estimate |
|--|---------------|-----------------------|
| Updated Closure Cost Estimate                      | \$ 8,876,460  | 3/19/26               |
| Updated Postclosure Cost Estimate                  | \$ 13,668,326 | 3/19/26               |
| Initial or Updated Corrective Action Cost Estimate | \$ 190,025    | 3/19/26               |

\*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 | 1,344,440 |
| Amount of waste disposed of at the facility during the prior fiscal year                | 130,686   |

## SECTION 4: PROOF OF COMPLIANCE

### Publicly Owned Municipal Solid Waste Landfills

*(ATTACH AUDIT REPORT)*

Owner's Most Recent Annual Audit Report

Prepared by: Bohnsack & Frommelt, LLP

For fiscal year ending: 6/30/25

### 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<br>567 IAC 113.14(6)"a"                  |                    | Closure <input type="checkbox"/><br>Postclosure <input type="checkbox"/><br>Corrective Action <input type="checkbox"/>                                  | \$                |
| Surety Bond<br>567 IAC 113.14(6)"b"                 |                    | Closure <input type="checkbox"/><br>Postclosure <input type="checkbox"/><br>Corrective Action <input type="checkbox"/>                                  | \$                |
| Letter of Credit<br>567 IAC 113.14(6)"c"            |                    | Closure <input type="checkbox"/><br>Postclosure <input type="checkbox"/><br>Corrective Action <input type="checkbox"/>                                  | \$                |
| Insurance<br>567 IAC 113.14(6)"d"                   |                    | Closure <input type="checkbox"/><br>Postclosure <input type="checkbox"/><br>Corrective Action <input type="checkbox"/>                                  | \$                |
| Corporate Financial Test<br>567 IAC 113.14(6)"e"    |                    | Closure <input type="checkbox"/><br>Postclosure <input type="checkbox"/><br>Corrective Action <input type="checkbox"/>                                  | \$                |
| Local Gov't. Financial Test<br>567 IAC 113.14(6)"f" | 6/30/1995          | Closure <input checked="" type="checkbox"/><br>Postclosure <input checked="" type="checkbox"/><br>Corrective Action <input checked="" type="checkbox"/> | \$ 781,594        |
| Corporate Guarantee<br>567 IAC 113.14(6)"g"         |                    | Closure <input type="checkbox"/><br>Postclosure <input type="checkbox"/><br>Corrective Action <input type="checkbox"/>                                  | \$                |
| Local Gov't Guarantee<br>567 IAC 113.14(6)"h"       |                    | Closure <input type="checkbox"/><br>Postclosure <input type="checkbox"/><br>Corrective Action <input type="checkbox"/>                                  | \$                |
| Local Gov't. Dedicated Fund<br>567 IAC 113.14(6)"i" |                    | Closure <input type="checkbox"/><br>Postclosure <input type="checkbox"/><br>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<br><i>(see formula below)</i>     | \$ 4,373,563      | \$ 4,712,219   | \$ 404,784        |
| Postclosure Account Balance<br><i>(see formula below)</i> | \$ 11,580,592     | \$ 11,746,766  | \$ 186,785        |
| <b>Or</b>   |                   |                |                   |
| Dedicated Fund Balance<br><i>(see formula below)</i>      | \$                | \$             | \$                |
| Trust Fund Balance<br><i>(see formula below)</i>          | \$                | \$             | \$                |

**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  |
|--|--|
| $\frac{8,876,460 - 4,712,219}{1,344,440} \times 130,686 = 404,784$ | $\frac{13,668,326 - 11,746,766}{1,344,440} \times 130,686 = 186,785$ |

**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

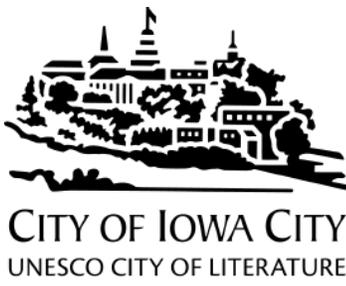
City: Iowa City State: IA Zip: 52240

Telephone: 319-356-5085 Fax: \_\_\_\_\_

Email Address: NDavies@iowa-city.org

Signature of Official:  Date: \_\_\_\_\_

Questions? Contact Mary Klemesrud at (515) 802-8835 or [Mary.Klemesrud@dnr.iowa.gov](mailto:Mary.Klemesrud@dnr.iowa.gov)



# CITY OF IOWA CITY MEMORANDUM

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**DATE:** 17 September 2025

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

**FROM:** Joe Welter, Senior Engineer

**SUBJECT:** Fiscal Year (FY) 2025 Landfill Capacity Memorandum

Note that the current cell, Cell FY23, was constructed in 2023 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 2025, July 1, 2024 – June 30, 2025, the Iowa City Landfill and Recycling Center (Facility) reported accepting approximately **130,685.62 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 2025. The accepted wastes in FY 2025 were 8.5% less than the past fiscal year (FY 2024) amount of approximately 142,874.45 tons. The accepted wastes for the past fiscal year are less than the five-year average (138,762 tons) between FY 2021 and FY 2025. 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. This Using available data from scale operations at the Facility (FY 1989 to FY 2025), 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 2025 is approximately **5,290,634.91 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. Part 6 of this document has a table, which shows the analyses for the evaluated periods. The Current Period was from 2 July 2024 through 30 June 2025. Part 8 of this document shows the remaining space and estimates the Facility's remaining 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. 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 125,301 cubic yards (cy). This material was utilized to stabilize equipment transit routes, as daily cover, and to establish intermediate cover over Cells FY06, 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). In FY 2024, and continuing this year, the Airspace Analysis includes cover materials that were received into the facility to provide an analysis that encapsulates the entirety of cover materials used throughout the year.

The current period effective density (compaction rate) is 1,065 pounds per cubic yard (lbs/cy). The average compaction rate during last three periods (FY 2022 through FY 2024) is 1,097 lbs/cy. This is lower than the three-year average value in last year's memorandum of 1,143 lbs/cy and significantly lower than the three-year average in FY 2023 of 1,241 lbs/cy. It was believed in last year's memorandum that the decrease was due to operations moving into the newly constructed FY23 cell and placement of the initial lift of fluff/uncompacted waste material. Further, it was believed that the potential airspace lost during the placement of this initial lift would be recovered through settlement as filling progresses. The current trend is downward, and a recovery trend cannot be assumed at this time. The five-year average compaction rate is 1,160 lbs/cy. This rate is used for the calculations in this memorandum. This lower projected compaction rate has a significant impact on the projected life expectancy of the constructed cells (up to the active cell, Cell FY23). It is expected that the waste densities in future cells will follow the trend established in Cell FY18. 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 2024 Financial Assurance Report was 1,615,625 tons. Subtracting the accepted wastes total for the last two years (FY 2024 – 142,874 tons and current fiscal year, FY 2025 – 130,686 tons), would yield a subtotal of approximately 1,342,065 tons. Based the current Airspace Analysis, the remaining capacity of the constructed cells (up to the active cell, Cell FY23) is 2,318,000 cubic yards. At the projected compaction (1,160 lbs/cy), the remaining tonnage for these cells is approximately 1,344,440 tons. The difference between these approaches is approximately 2,375 tons. There is hardly any difference in these two approaches. Therefore, the remaining by tonnage capacity of the constructed cells, RPC, will be approximated as **1,344,440 tons**.

Last year, the estimated total capacity of the entire landfill was approximately 8,499,000 tons. Based on the current Airspace Analysis, HDR estimates the total remaining capacity of the future cells (northeast and northwest expansion areas) is 2,557,036 cubic yards (4,875,036 – 2,318,000). At a compacted rate of 1,300 lbs/cy, the remaining by tonnage capacity for the future cells is approximately **1,662,000 tons**. Adding the approximate amount of wastes accepted through FY 2025 (5,290,635 tons), the remaining by tonnage capacity of the constructed cells (1,344,440 tons), and the remaining by tonnage capacity for future cells (1,662,000 tons) yields an approximate by tonnage capacity for the entire Facility (all closed, inactive, active, and future cells) of **8,298,000 tons**. The approximation of **8,298,000 tons** should be considered the best available approximation of the total by tonnage capacity of the entire Facility. The difference of 201,000 tons between last year's analysis and this year's analysis is significant. This difference is directly related to the decreases in compaction rate in the current cell. It is unclear at this time if the downward trend in compaction rate will correct itself through regular operations and additional settlement in the next several years.

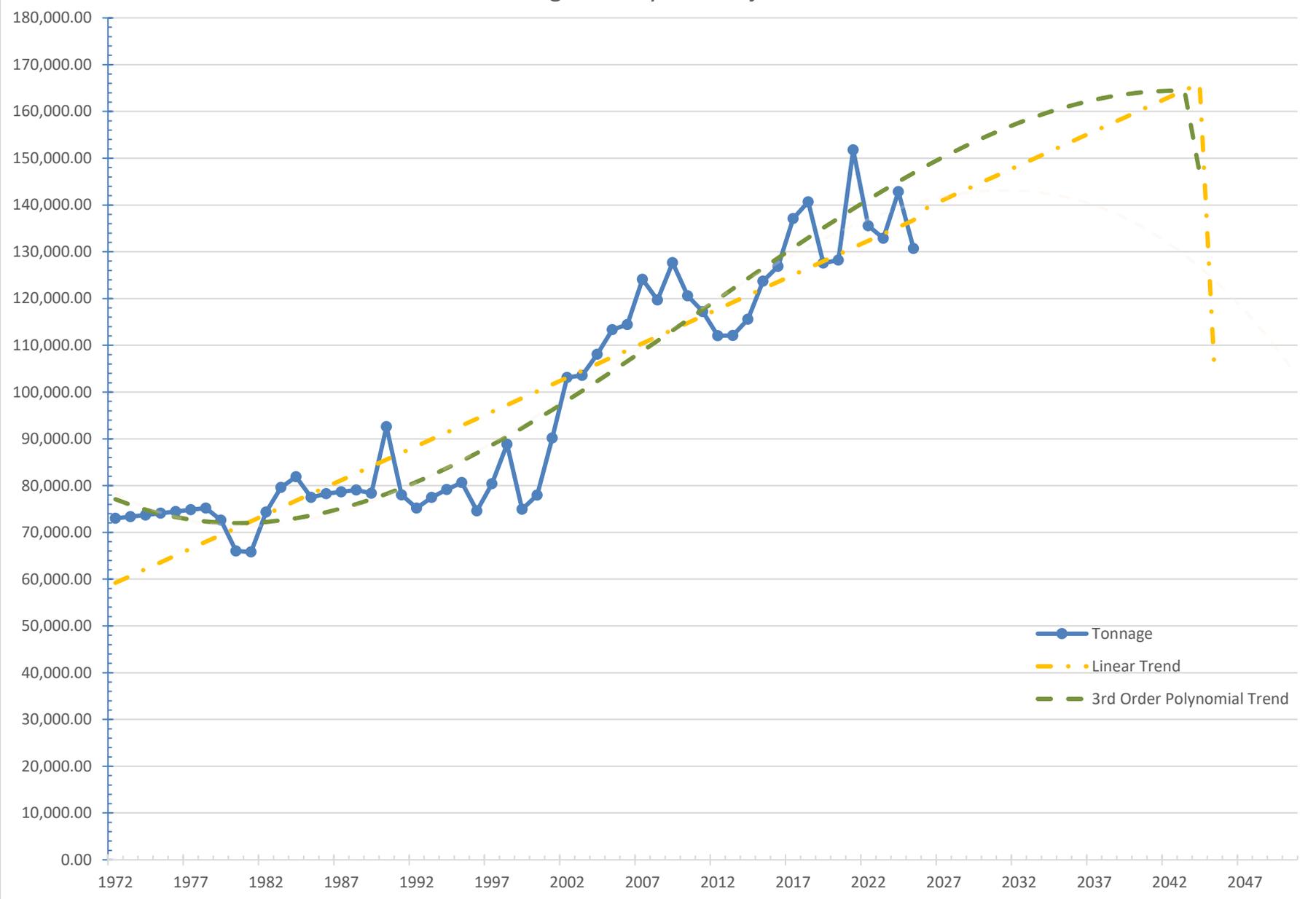
The capacity of the entire Facility considers all cells – closed, inactive, active, and future ones. Using the approximate amount of wastes accepted at the Facility through FY 2025 (5,290,635 tons) and the best available approximation of the total by tonnage capacity of the entire Facility (8,298,000 tons), the entire Facility (all closed, inactive, active, and future cells) is approximately **63.8%** full. This is an increase of approximately 3% from the 2024 Memorandum. Like last year, this is a higher percentage increase compared to the last three years in Cell FY18. Through regular operations and additional settlement in the initial lifts, it is possible that this trend corrects itself in the next several years. This percentage change will be better to analyze in future memorandums as the current cell is filled.

Adding the approximate amount of wastes accepted through FY 2025 (5,290,635 tons) and the remaining by tonnage capacity of the constructed cells (1,344,440) yields an approximate by tonnage capacity for the open cells portion of the Facility (Cells FY95 through FY23) of 6,635,000 tons. The approximation of **6,635,000 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 2025 (5,290,635 tons) and the best available approximation of the total by tonnage capacity of the open cells (6,635,000 tons), the open cells portion of the Facility (Cells FY95 through FY23) is approximately **79.7%** full. This is an increase of approximately 4% from the 2024 Memorandum. This percentage change will be better to analyze in future memorandums as the current cell is filled.

Two approximations of the life expectancy of the entire Facility are attached. One is a linear trend and the other is a third-order polynomial trend. The linear trend line has the life expectancy out to August 2045. This is nearly identical to the estimate of July 2045 in Part 8, Remaining Site Life, of the Airspace Analysis. The polynomial trend has the life expectancy out to November 2044.

### Tonnage History and Projections



The estimations within this memorandum could vary from year to year based on several factors, including, but not limited to natural disasters or public health crises; compaction rates, cover materials, and operational techniques; erosion; and settlement. If you have questions about this information, please contact me at [jwelter@iowa-city.org](mailto: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

# Memo

Date: Tuesday, August 12, 2025

---

Project: July 2024 - June 2025 Airspace Analysis

---

To: City of Iowa City  
 ATTN: Joe Welter, PE, Jennifer Jordan, Jason Eckrich

---

From: HDR Engineering, Inc.  
 Will Nicholson, PE, Katie Kinley, PE, Brendan Bunker, EIT

## Introduction

The June 2025 airspace analysis for the City of Iowa City Landfill and Recycling Center (site) is comprised of tonnage and survey data spanning from July 1, 2024 to June 30, 2025 (period). The calculations provided below summarize the site's soil use, airspace utilization, and remaining site life as of June 30, 2025.

## References/Assumptions

1. Aerial topographic map dated July 1, 2024 (Previous Aerial - Sheet C102).
2. Aerial topographic map dated June 30, 2025 (Current Aerial - Sheet C103).
3. Landfill tonnages from July 1, 2024 to June 30, 2025.
4. Historic waste receipt and airspace utilization factors (SCS Engineers/Barker Lemar).
5. It is assumed that aerial topographic maps represent existing grades at the end of the day on the date flown.
6. Calculations for remaining life and remaining tonnages are based on the average 3-year waste acceptance and compaction.

## Analysis

### 1. Site Areas

|                         |              |    |                                    |
|-------------------------|--------------|----|------------------------------------|
| Total Permitted Area:   | <u>164.3</u> | AC | (Cells FY72 - FY23 + Future Cells) |
| Total Constructed Area: | <u>138.9</u> | AC | (Cells FY72 - FY23)                |
| Total Capped Area:      | <u>96.1</u>  | AC | (Cells FY72 - FY91)                |
| Cap Area Remaining:     | <u>68.2</u>  | AC | (Cells FY95 - FY23 + Future Cells) |

### 2. Soil Usage This Period

Tonnage data provided by the City from this period included cover materials attained from outside sources and wood chips utilized as cover. This information, along with the soil borrow volume attained from the survey analysis, was used to obtain the volume of cover materials used during the period. This volume is used to estimate daily cover placement. Additionally, a comparison of current topography to the remaining to construct landfill base grades is used to estimate the soil available for future construction events and daily cover needs.

|  |               |       |                           |              |    |
|--|---------------|-------|---------------------------|--------------|----|
| A: Cover Materials (Scaled) <sup>1</sup> : | <u>31,765</u> | CY    | C: Wood Chips (Internal): | <u>3,330</u> | CY |
| B: Cover Materials (Survey Analysis):      | <u>29,856</u> | CY    |                           |              |    |
| Est. Daily/Int. Cover Use (A + B + C):     | <u>64,951</u> | CY    |                           |              |    |
| Operational Cover Use <sup>2</sup> :       | <u>26.4%</u>  | CY/CY |                           |              |    |

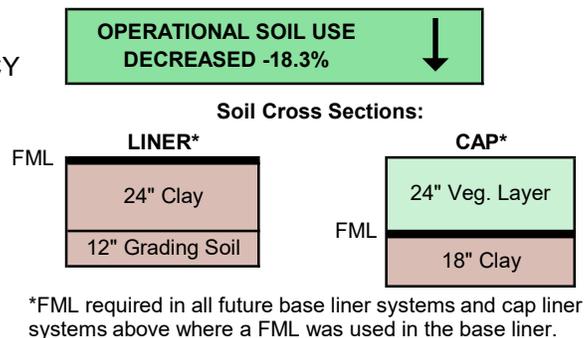
<sup>1</sup>Assuming a Soil Density of 110 LBS/CF

<sup>2</sup>(Cover CY / Airspace Consumed CY)

### 3. Soil Requirements

|  |                  |    |
|--|------------------|----|
| Remaining Final Cover Construction:                | <u>404,358</u>   | CY |
| Remaining Liner Construction:                      | <u>128,575</u>   | CY |
| Daily Cover, Remaining Life of Site <sup>3</sup> : | <u>1,853,914</u> | CY |
| Est. Rem. Structural Fill Placement:               | <u>366,400</u>   | CY |
| Total Remaining Soil Required:                     | <u>2,753,246</u> | CY |

<sup>3</sup>Based on 3-yr rolling average borrow soil use percentage multiplied by remaining airspace





4. Available Soils

|                                 |                   |    |
|---------------------------------|-------------------|----|
| Rem. Excavation, Cut (NW Area): | <u>564,100</u>    | CY |
| Rem. Excavation, Cut (NE Area): | <u>205,500</u>    | CY |
| Stockpiles <sup>4</sup> :       | <u>770,000</u>    | CY |
| Total Remaining Soil Available: | <u>1,539,600</u>  | CY |
| Total Est. Soil Deficit:        | <u>-1,213,646</u> | CY |

<sup>4</sup>Total stockpiles available estimated based on 20-acres in the existing stockpile area at about 25-feet of excavation for future borrow.

Based on current soil usage, **additional soil will be required outside of cell excavation and current stockpile areas.** The total soil needs shown above do not include the soil needed for liner construction as excavation volumes are calculated to the top of clay liner.

5. Operational Density

Operational density captures both compaction efforts and consolidation from settlement in the waste mass underneath the current active area. This report assesses areas of active waste placement during the analysis period and conservatively does not include inactive areas. Settlement occurs in inactive areas over time, which can increase the site’s overall density, but these areas are excluded from this analysis in order to specifically assess the waste density achieved by operations.

The “active” area of the landfill is determined by identifying grade changes between surveys. Fill areas generally represent waste placement, and cut areas are identified as soil borrow operations. Soil for operations is currently sourced from soil stockpiles west of the landfill.

6. Waste Acceptance and Compaction

Historic waste acceptance and period densities appear below along with this period’s waste acceptance and density. Waste acceptance for this period showed a decrease of -6.9%, while compaction showed an increase of 5.8%, likely due to a maturing waste column in the FY23 cell. A continuing increase in compaction and settlement is anticipated as filling continues to progress.

|    | Survey Period          | Waste Acceptance (TONS) | Period Volume Consumed (CY) | Period Density (LBS/CY) | In-Place Density <sup>5</sup> (LBS/CY) |
|----|------------------------|-------------------------|-----------------------------|-------------------------|--|
| 1  | 10/7/2011 to 3/20/2014 | 277,439                 | 462,445                     | 1,026                   | 1,101                                  |
| 2  | 3/20/2014 to 5/14/2015 | 142,868                 | 278,321                     | 1,027                   | 1,395                                  |
| 3  | 5/15/2015 to 6/7/2016  | 145,286                 | 244,295                     | 1,189                   | 1,316                                  |
| 4  | 6/8/2016 to 5/12/2017  | 116,828                 | 240,275                     | 972                     | 1,005                                  |
| 5  | 5/13/2017 to 8/1/2018  | 163,924                 | 320,699                     | 1,022                   | 1,186                                  |
| 6  | 8/2/2018 to 6/27/2019  | 115,914                 | 200,042                     | 1,159                   | 1,298                                  |
| 7  | 6/28/2019 to 6/30/2020 | 128,210                 | 221,853                     | 1,156                   | 1,393                                  |
| 8  | 7/1/2020 to 7/8/2021   | 156,542                 | 240,895                     | 1,300                   | 2,078                                  |
| 9  | 7/8/2021 to 6/29/2022  | 132,668                 | 220,626                     | 1,203                   | 2,252                                  |
| 10 | 6/30/2022 to 7/10/2023 | 138,747                 | 227,408                     | 1,220                   | 1,756                                  |
| 11 | 7/11/2023 to 7/1/2024  | 140,998                 | 280,127                     | 1,007                   | 1,821                                  |
| 12 | 7/2/2024 to 6/30/2025  | 131,222                 | 246,383                     | 1,065                   | 1,462                                  |

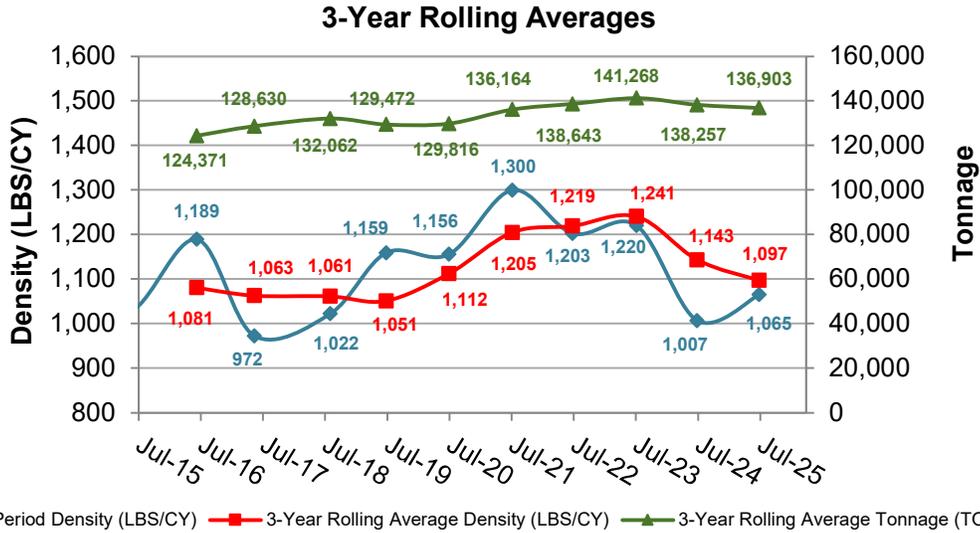
<sup>5</sup>In-place density removes soil use.



### 7. 3-Year Rolling Averages

3-year rolling averages are calculated with each airspace analysis to look for trends and for use in long-term planning. The 3-year rolling averages for this period are shown below, and trends in tonnages and densities for each period are shown in the chart below:

|                 |                |         |
|-----------------|----------------|---------|
| Compaction:     | <b>1,097</b>   | LBS/CY  |
| Annual Tonnage: | <b>136,903</b> | TONS/YR |
| Soil Usage:     | <b>38.0%</b>   | CY/CY   |



### 8. Remaining Site Life

The remaining airspace for the MSW footprint has been evaluated in two (2) ways, both of which appear below:

- o **Remaining Constructed Airspace**

Remaining constructed airspace is the volume of waste that can be placed within the constructed waste footprint given current topography and remaining projected fill. This volume is used to project when the next cell construction will be required.

In order to plan for cell construction, 12-months of airspace is maintained at all times to allow for roads, operational space, and minor construction delays. Based on the life end date of October 2034 below, the next cell construction is required to take place in the spring of 2033 to maintain the airspace buffer required. The next cell may be constructed in advance of this date based on operational needs.

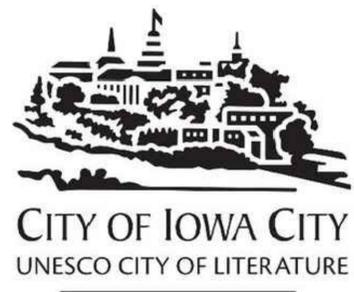
- o **Remaining Permitted Airspace**

Remaining permitted airspace is calculated from the permitted top of waste (top of intermediate cover) grades compared to existing topography and future permitted cell top of clay grades per the current permit. This incorporates all potential waste that can be disposed within the current waste limits.

| Scenario                       | Remaining Airspace (CY) | Remaining Tonnage (TONS) <sup>6</sup> | Remaining Life (Years & Months) <sup>6</sup> | Life End Date |
|--------------------------------|-------------------------|---------------------------------------|--|---------------|
| Remaining Constructed Airspace | 2,318,000               | 1,271,423                             | 9 Years, 4 Months                            | October 2034  |
| Remaining Permitted Airspace   | 4,876,036               | 2,674,506                             | 19 Years, 7 Months                           | January 2045  |

<sup>6</sup>The remaining site life and tonnages above were calculated using the 3-year rolling averages for density and tonnage, both shown in section 7 above.

Please feel free to reach to us with any questions and/or comments on any information presented within this report.



VICINITY MAP  
SCALE: 1" = 500'

Planning Drawings For

# City of Iowa City Landfill and Recycling Center

## 2025 Airspace Analysis

Project No.  
10405856

Iowa City, Iowa  
August 2025

Issued for Client Use

### INDEX OF DRAWINGS

|      |   |
|------|---|
| G000 | COVER SHEET                                     |
| C101 | 2024 AERIAL PHOTOGRAPHY                         |
| C102 | 2023 TOPOGRAPHIC SURVEY                         |
| C103 | 2024 TOPOGRAPHIC SURVEY                         |
| C104 | PERIOD AIRSPACE CONSUMED                        |
| C105 | REMAINING CONSTRUCTED TOP OF INTERMEDIATE COVER |
| C106 | REMAINING CONSTRUCTED AIRSPACE ISOPACH          |
| C107 | REMAINING PERMITTED EXCAVATION GRADES           |
| C108 | REMAINING PERMITTED EXCAVATION ISOPACH          |
| C109 | REMAINING PERMITTED TOP OF INTERMEDIATE COVER   |
| C110 | REMAINING PERMITTED AIRSPACE ISOPACH            |



**LEGEND**  
 - - - - - PROP - PROPERTY BOUNDARY  
 - - - - - WASTE - LIMITS OF WASTE  
 - - - - - CELL BOUNDARY

**NOTES**  
 1. AERIAL PHOTOGRAPHY PROVIDED BY HDR, Inc DATED JUNE 30, 2025.



| ISSUE | DATE       | DESCRIPTION           |
|-------|------------|-----------------------|
| 0     | 08/12/2025 | ISSUED FOR CLIENT USE |

|                 |              |
|-----------------|--------------|
| PROJECT MANAGER | W. NICHOLSON |
| CIVIL           | W. NICHOLSON |
| DRAWN BY        | M. BICKFORD  |
| DRAWN BY        | O. ROCK      |
| PROJECT NUMBER  | 10405856     |

FOR PLANNING PURPOSES ONLY



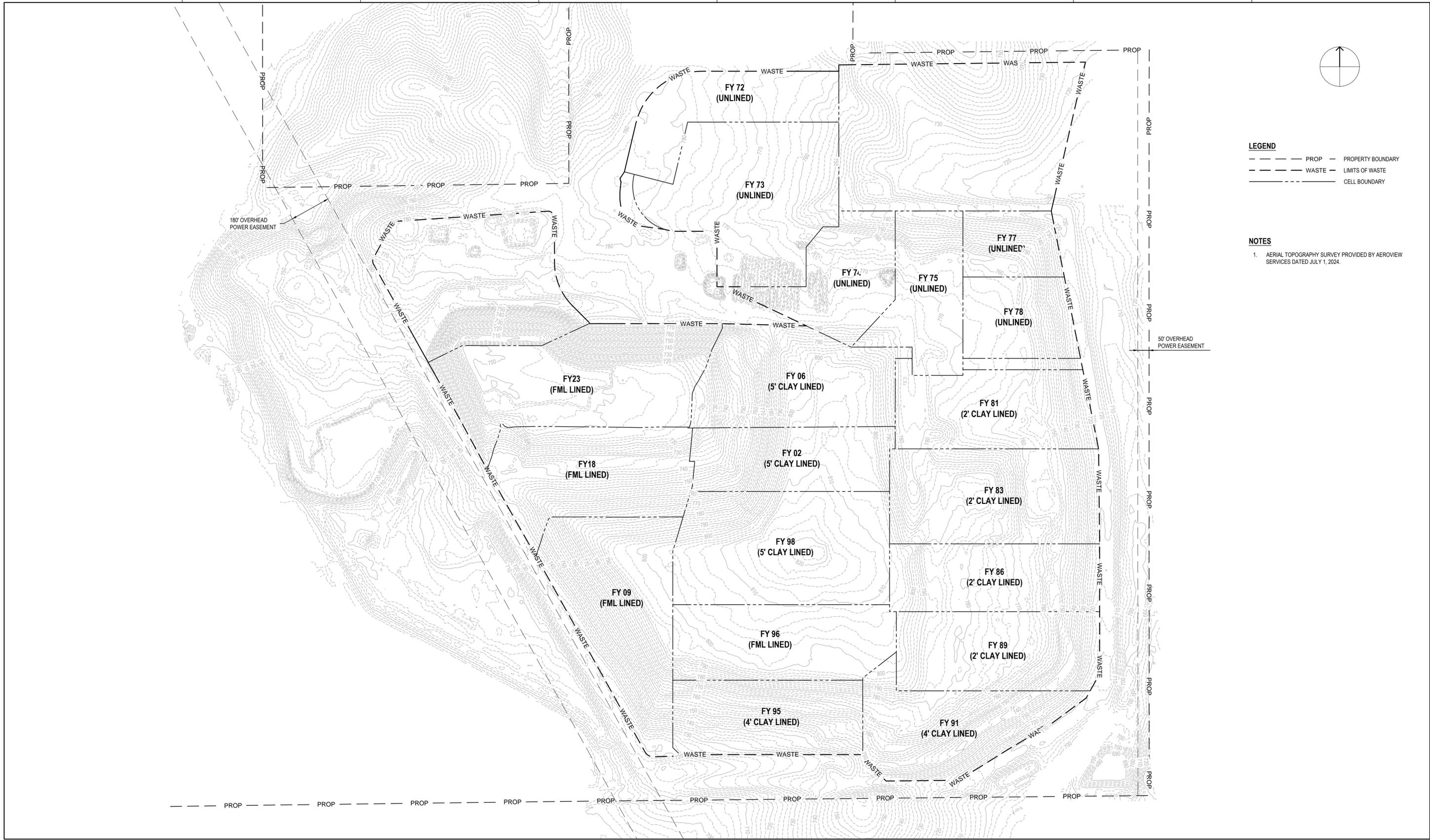
**CITY OF IOWA CITY  
 LANDFILL & RECYCLING CENTER  
 2025 AIRSPACE ANALYSIS**



2025 AERIAL PHOTOGRAPHY

FILENAME | C101.dwg  
 SCALE | 1" = 200'

SHEET  
**C101**



**LEGEND**  
 - - - - - PROP - PROPERTY BOUNDARY  
 - - - - - WASTE - LIMITS OF WASTE  
 - - - - - CELL BOUNDARY

**NOTES**  
 1. AERIAL TOPOGRAPHY SURVEY PROVIDED BY AEROVIEW SERVICES DATED JULY 1, 2024.



| ISSUE | DATE       | DESCRIPTION           |
|-------|------------|-----------------------|
| 0     | 08/12/2025 | ISSUED FOR CLIENT USE |

|                 |              |
|-----------------|--------------|
| PROJECT MANAGER | W. NICHOLSON |
| CIVIL           | W. NICHOLSON |
| DRAWN BY        | M. BICKFORD  |
| DRAWN BY        | O. ROCK      |
| PROJECT NUMBER  | 10405856     |

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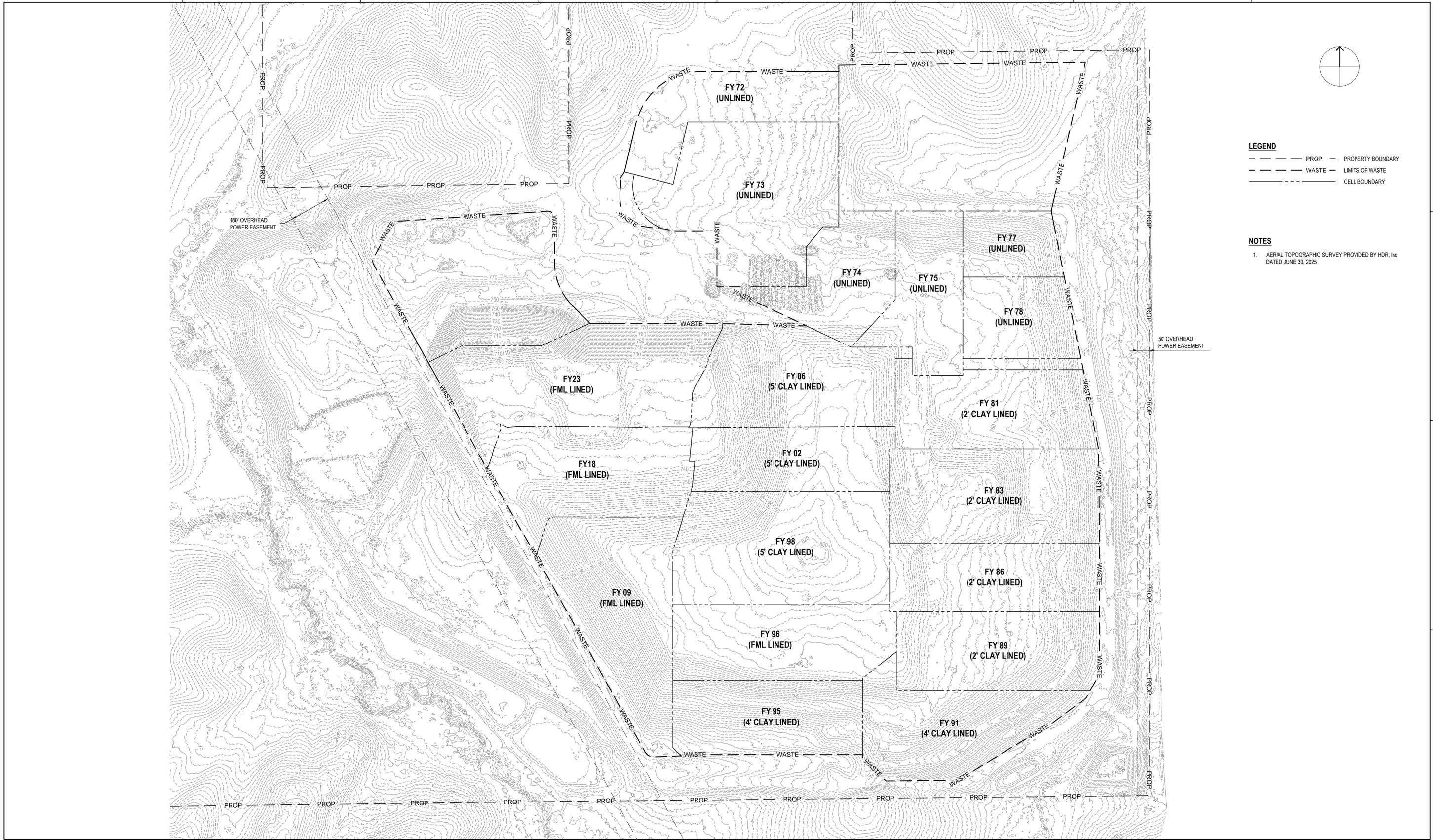
**CITY OF IOWA CITY  
 LANDFILL & RECYCLING CENTER  
 2025 AIRSPACE ANALYSIS**

2024 TOPOGRAPHIC SURVEY



FILENAME | C102.dwg  
 SCALE | 1" = 200'

SHEET  
**C102**



**LEGEND**

- PROP --- PROPERTY BOUNDARY
- WASTE --- LIMITS OF WASTE
- CELL BOUNDARY

**NOTES**

1. AERIAL TOPOGRAPHIC SURVEY PROVIDED BY HDR, Inc DATED JUNE 30, 2025



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|-------|------------|-----------------------|
| 0     | 08/12/2025 | ISSUED FOR CLIENT USE |

|                 |              |
|-----------------|--------------|
| PROJECT MANAGER | W. NICHOLSON |
| CIVIL           | W. NICHOLSON |
| DRAWN BY        | M. BICKFORD  |
| DRAWN BY        | O. ROCK      |
| PROJECT NUMBER  | 10405856     |

**FOR PLANNING PURPOSES ONLY**



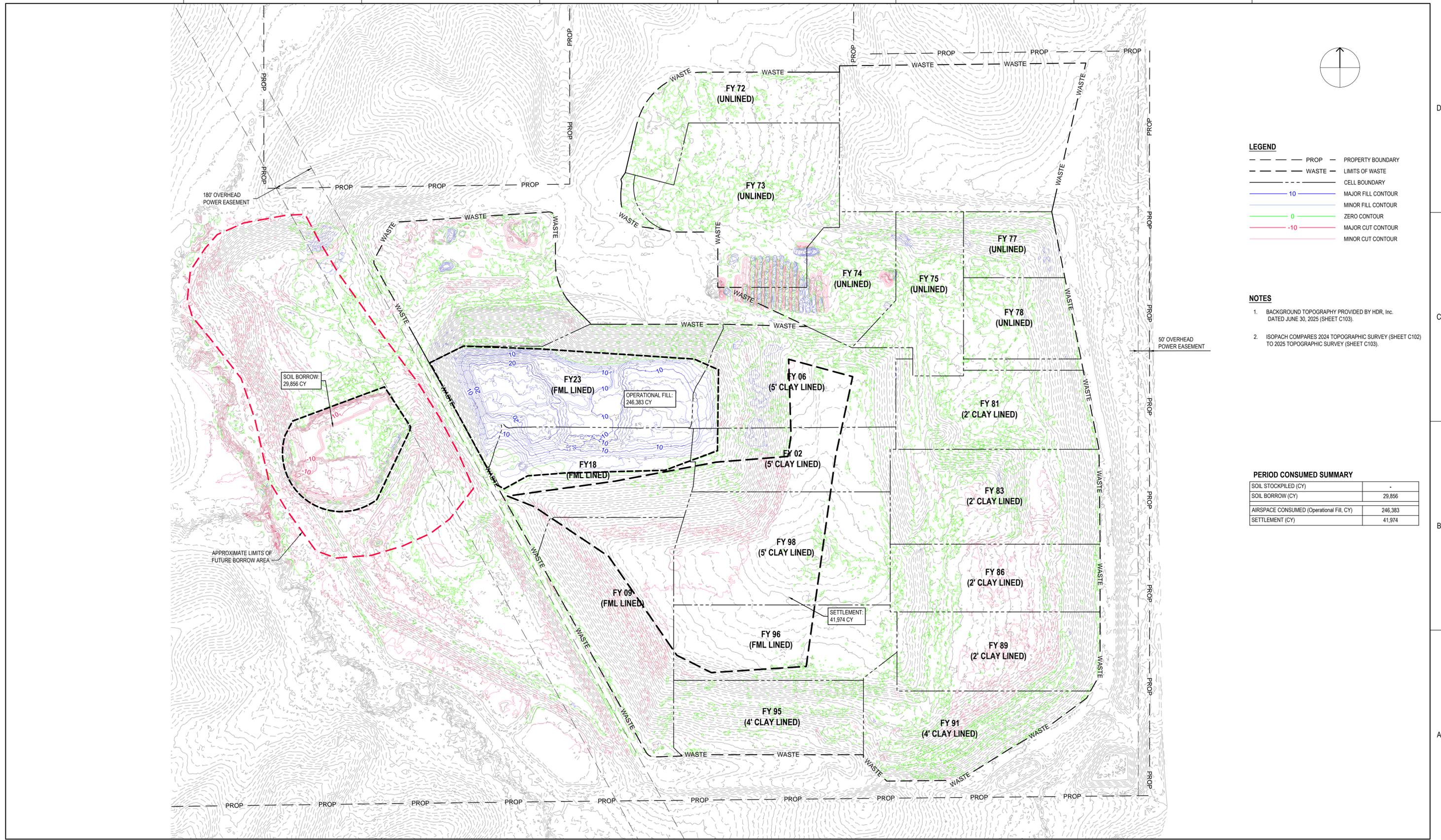
**CITY OF IOWA CITY  
LANDFILL & RECYCLING CENTER  
2025 AIRSPACE ANALYSIS**

**2025 TOPOGRAPHIC SURVEY**



FILENAME | C103.dwg  
SCALE | 1" = 200'

SHEET  
**C103**



**LEGEND**

|       |       |                    |
|-------|-------|--------------------|
| ---   | PROP  | PROPERTY BOUNDARY  |
| - - - | WASTE | LIMITS OF WASTE    |
| ---   |       | CELL BOUNDARY      |
| ---   | 10    | MAJOR FILL CONTOUR |
| ---   |       | MINOR FILL CONTOUR |
| ---   | 0     | ZERO CONTOUR       |
| ---   | -10   | MAJOR CUT CONTOUR  |
| ---   |       | MINOR CUT CONTOUR  |

- NOTES**
- BACKGROUND TOPOGRAPHY PROVIDED BY HDR, Inc. DATED JUNE 30, 2025 (SHEET C103).
  - ISOPACH COMPARES 2024 TOPOGRAPHIC SURVEY (SHEET C102) TO 2025 TOPOGRAPHIC SURVEY (SHEET C103).

**PERIOD CONSUMED SUMMARY**

|  |         |
|--|---------|
| SOIL STOCKPILED (CY)                     | -       |
| SOIL BORROW (CY)                         | 29,856  |
| AIRSPACE CONSUMED (Operational Fill, CY) | 246,383 |
| SETTLEMENT (CY)                          | 41,974  |

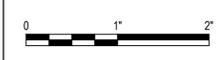


|                              |              |                       |
|------------------------------|--------------|-----------------------|
| PROJECT MANAGER W. NICHOLSON |              |                       |
| CIVIL                        | W. NICHOLSON |                       |
| DRAWN BY                     | M. BICKFORD  |                       |
| DRAWN BY                     | O. ROCK      |                       |
| ISSUE                        | DATE         | DESCRIPTION           |
| 0                            | 08/12/2025   | ISSUED FOR CLIENT USE |
| PROJECT NUMBER 10405856      |              |                       |

FOR PLANNING PURPOSES ONLY



**CITY OF IOWA CITY  
LANDFILL & RECYCLING CENTER  
2025 AIRSPACE ANALYSIS**

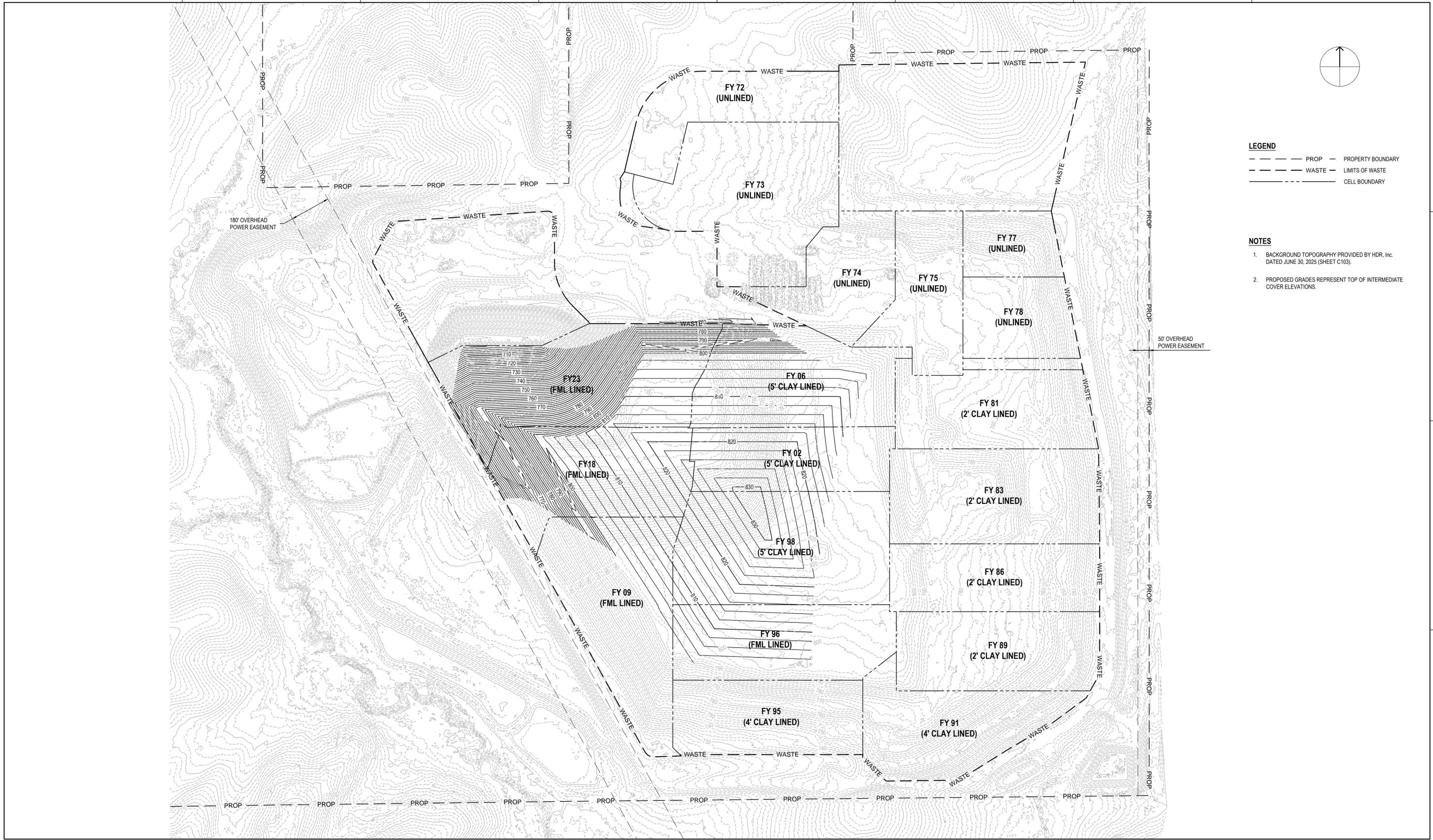


**PERIOD AIRSPACE CONSUMED**

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SHEET  
**C104**

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**LEGEND**

- PROP --- PROPERTY BOUNDARY
- - - - WASTE - - - - LIMITS OF WASTE
- CELL BOUNDARY

**NOTES**

1. BACKGROUND TOPOGRAPHY PROVIDED BY HDR, Inc. DATED JUNE 30, 2025 (SHEET C103).
2. PROPOSED GRADES REPRESENT TOP OF INTERMEDIATE COVER ELEVATIONS.



| ISSUE | DATE       | DESCRIPTION           |
|-------|------------|-----------------------|
| 0     | 08/12/2025 | ISSUED FOR CLIENT USE |

|                 |              |
|-----------------|--------------|
| PROJECT MANAGER | W. NICHOLSON |
| CIVIL           | W. NICHOLSON |
| DRAWN BY        | M. BICKFORD  |
| DRAWN BY        | O. ROCK      |
| PROJECT NUMBER  | 10405856     |

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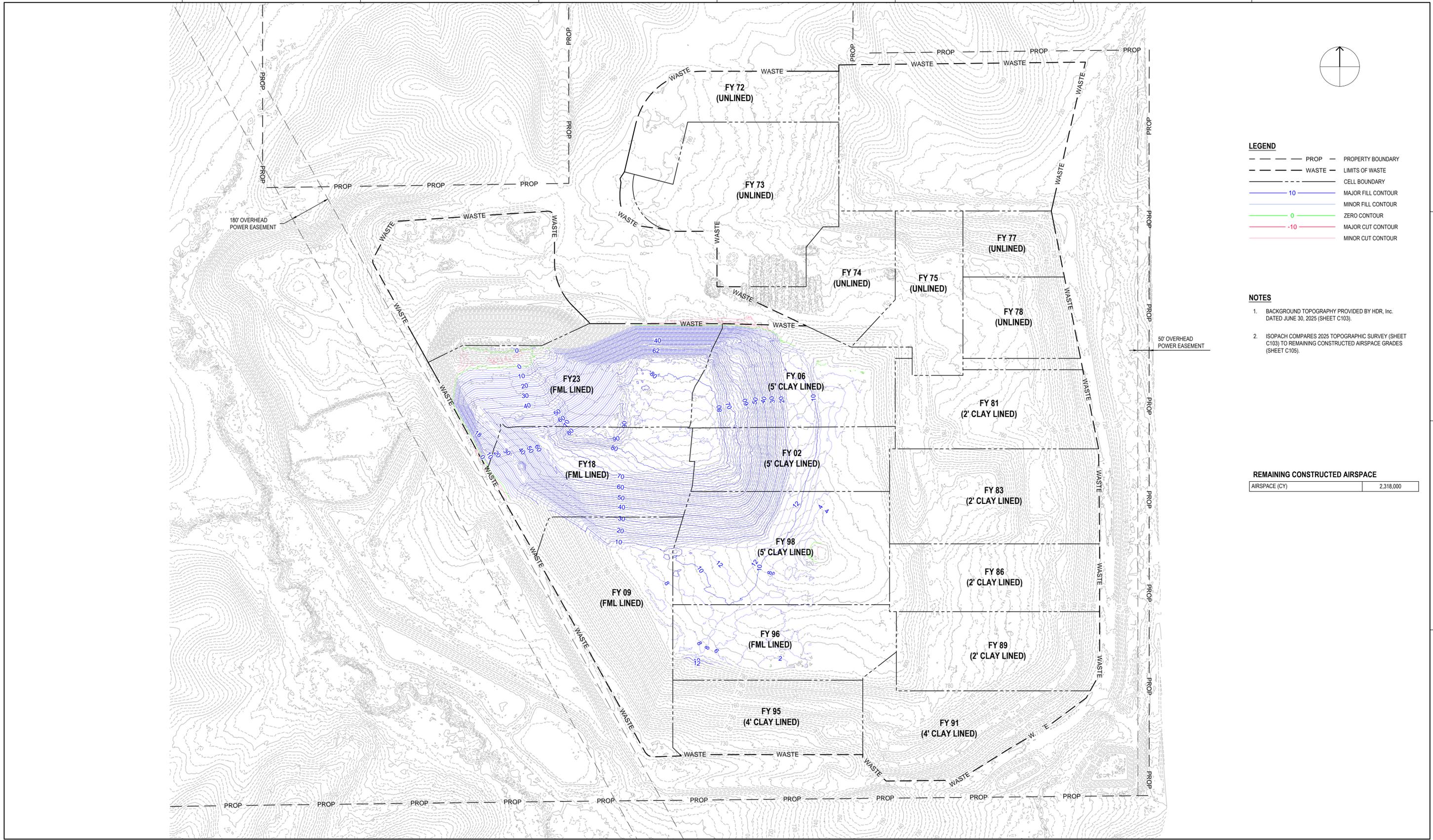
**CITY OF IOWA CITY  
LANDFILL & RECYCLING CENTER  
2025 AIRSPACE ANALYSIS**



**REMAINING CONSTRUCTED  
AIRSPACE GRADES**

FILENAME | C105.dwg  
SCALE | 1" = 200'

SHEET  
**C105**



**LEGEND**

|       |       |                    |
|-------|-------|--------------------|
| ---   | PROP  | PROPERTY BOUNDARY  |
| - - - | WASTE | LIMITS OF WASTE    |
| ---   |       | CELL BOUNDARY      |
| ---   | 10    | MAJOR FILL CONTOUR |
| ---   |       | MINOR FILL CONTOUR |
| ---   | 0     | ZERO CONTOUR       |
| ---   | -10   | MAJOR CUT CONTOUR  |
| ---   |       | MINOR CUT CONTOUR  |

- NOTES**
- BACKGROUND TOPOGRAPHY PROVIDED BY HDR, Inc. DATED JUNE 30, 2025 (SHEET C103).
  - ISOPACH COMPARES 2025 TOPOGRAPHIC SURVEY (SHEET C103) TO REMAINING CONSTRUCTED AIRSPACE GRADES (SHEET C105).

**REMAINING CONSTRUCTED AIRSPACE**

|               |           |
|---------------|-----------|
| AIRSPACE (CY) | 2,318,000 |
|---------------|-----------|



|                 |              |                       |
|-----------------|--------------|-----------------------|
| PROJECT MANAGER | W. NICHOLSON |                       |
| CIVIL           | W. NICHOLSON |                       |
| DRAWN BY        | M. BICKFORD  |                       |
| DRAWN BY        | O. ROCK      |                       |
| ISSUE           | DATE         | DESCRIPTION           |
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|                |          |
|----------------|----------|
| PROJECT NUMBER | 10405856 |
|----------------|----------|

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**CITY OF IOWA CITY  
LANDFILL & RECYCLING CENTER  
2025 AIRSPACE ANALYSIS**



**REMAINING CONSTRUCTED AIRSPACE ISOPACH**

FILENAME: C106.dwg  
SCALE: 1" = 200'

SHEET  
**C106**



**LEGEND**

- PROP — PROPERTY BOUNDARY
- - - WASTE - - - LIMITS OF WASTE
- CELL BOUNDARY

**NOTES**

1. BACKGROUND TOPOGRAPHY PROVIDED BY HDR, Inc. DATED JUNE 30, 2025 (SHEET C103).
2. PROPOSED GRADES REPRESENT PERMITTED TOP OF CLAY LINER ELEVATIONS.



| ISSUE | DATE       | DESCRIPTION           |
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| 0     | 08/12/2025 | ISSUED FOR CLIENT USE |

|                 |              |              |
|-----------------|--------------|--------------|
| PROJECT MANAGER |              | W. NICHOLSON |
| CIVIL           | W. NICHOLSON |              |
| DRAWN BY        | M. BICKFORD  |              |
| DRAWN BY        | O. ROCK      |              |
| PROJECT NUMBER  |              | 10405856     |

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**CITY OF IOWA CITY  
LANDFILL & RECYCLING CENTER  
2025 AIRSPACE ANALYSIS**



REMAINING PERMITTED EXCAVATION GRADES

FILENAME | C107.dwg  
SCALE | 1" = 200'

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**LEGEND**

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|-------|-------|--------------------|
| ---   | PROP  | PROPERTY BOUNDARY  |
| - - - | WASTE | LIMITS OF WASTE    |
| ---   |       | CELL BOUNDARY      |
| ---   | 10    | MAJOR FILL CONTOUR |
| ---   |       | MINOR FILL CONTOUR |
| ---   | 0     | ZERO CONTOUR       |
| ---   | -10   | MAJOR CUT CONTOUR  |
| ---   |       | MINOR CUT CONTOUR  |

- NOTES**
- BACKGROUND TOPOGRAPHY PROVIDED BY HDR, INC. DATED JUNE 30, 2025 (SHEET C103).
  - ISOPACH COMPARES 2025 TOPOGRAPHIC SURVEY (SHEET C103) TO REMAINING PERMITTED EXCAVATION GRADES (SHEET C107).

**REMAINING EXCAVATION**

| NORTHWEST EXPANSION AREA  |         |
|---------------------------|---------|
| REMAINING EXCAVATION (CY) | 571,000 |
| FILL (CY)                 | 6,900   |
| NORTHEAST EXPANSION AREA  |         |
| EXCAVATION (CY)           | 215,000 |
| FILL (CY)                 | 9,500   |



| ISSUE | DATE       | DESCRIPTION           |
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| 0     | 08/12/2025 | ISSUED FOR CLIENT USE |

|                 |              |
|-----------------|--------------|
| PROJECT MANAGER | W. NICHOLSON |
| CIVIL           | W. NICHOLSON |
| DRAWN BY        | M. BICKFORD  |
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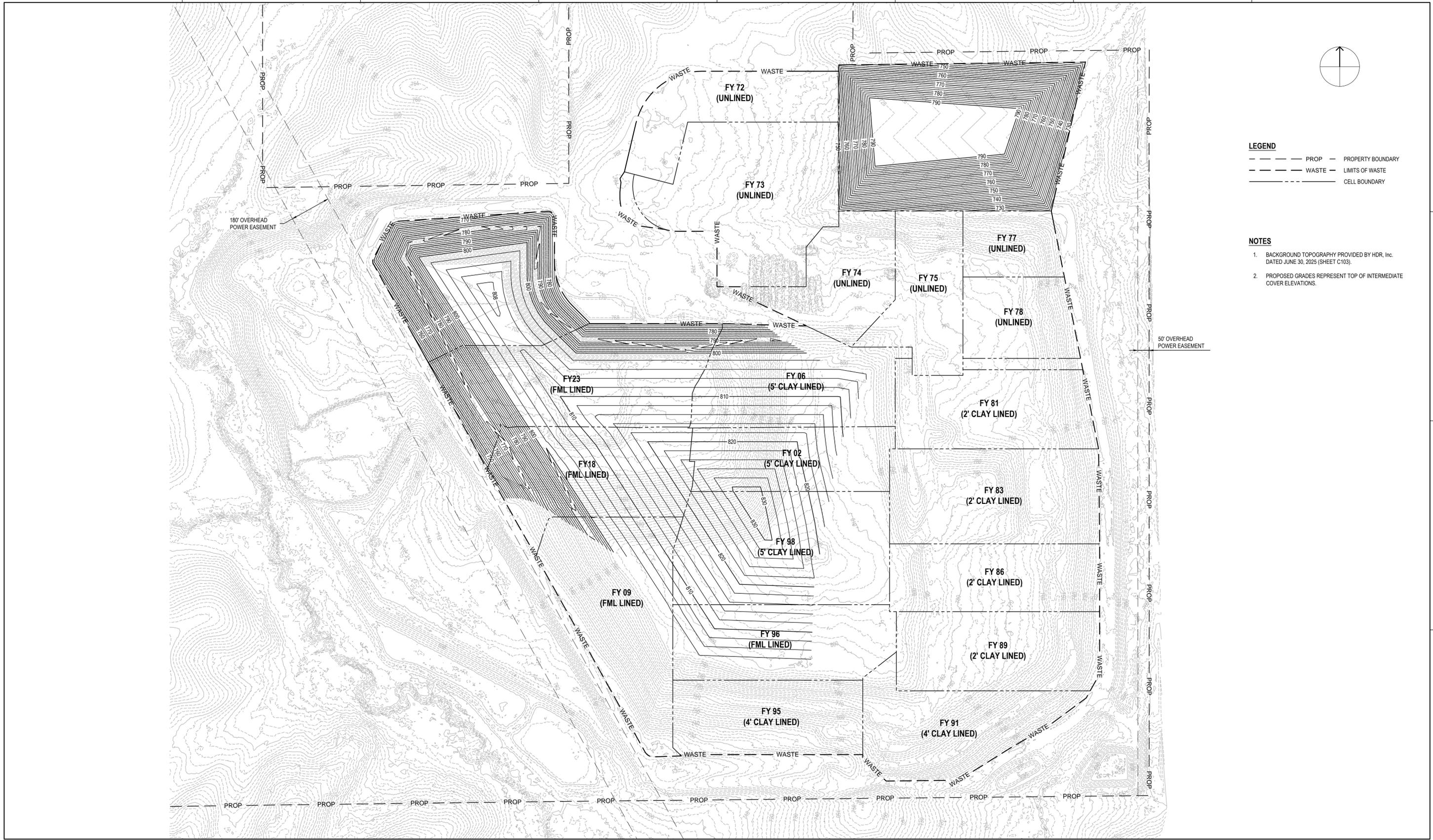
**CITY OF IOWA CITY  
LANDFILL & RECYCLING CENTER  
2025 AIRSPACE ANALYSIS**



**REMAINING PERMITTED EXCAVATION ISOPACH**

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**LEGEND**

- PROP --- PROPERTY BOUNDARY
- WASTE --- LIMITS OF WASTE
- CELL BOUNDARY

**NOTES**

1. BACKGROUND TOPOGRAPHY PROVIDED BY HDR, Inc. DATED JUNE 30, 2025 (SHEET C109).
2. PROPOSED GRADES REPRESENT TOP OF INTERMEDIATE COVER ELEVATIONS.



| ISSUE | DATE       | DESCRIPTION           |
|-------|------------|-----------------------|
| 0     | 08/12/2025 | ISSUED FOR CLIENT USE |

|                 |              |              |
|-----------------|--------------|--------------|
| PROJECT MANAGER |              | W. NICHOLSON |
| CIVIL           | W. NICHOLSON |              |
| DRAWN BY        | M. BICKFORD  |              |
| DRAWN BY        | O. ROCK      |              |
| PROJECT NUMBER  |              | 10405856     |

FOR PLANNING PURPOSES ONLY



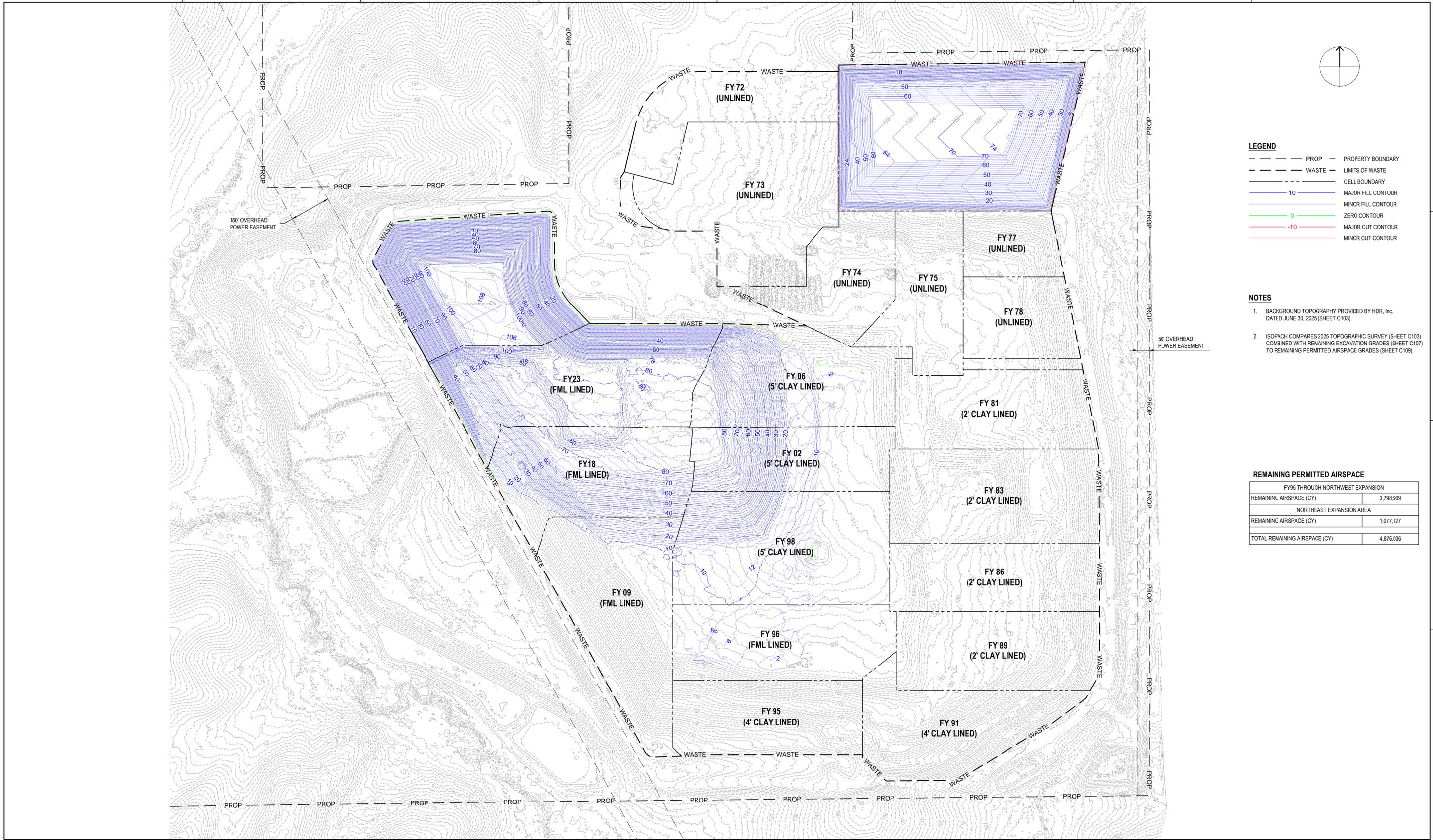
**CITY OF IOWA CITY  
LANDFILL & RECYCLING CENTER  
2025 AIRSPACE ANALYSIS**



**REMAINING PERMITTED AIRSPACE GRADES**

FILENAME | C109.dwg  
SCALE | 1" = 200'

SHEET  
**C109**



**LEGEND**

|       |       |                    |
|-------|-------|--------------------|
| ---   | PROP  | PROPERTY BOUNDARY  |
| - - - | WASTE | LIMITS OF WASTE    |
| ---   |       | CELL BOUNDARY      |
| ---   | 10    | MAJOR FILL CONTOUR |
| ---   |       | MINOR FILL CONTOUR |
| ---   | 0     | ZERO CONTOUR       |
| ---   | -10   | MAJOR CUT CONTOUR  |
| ---   |       | MINOR CUT CONTOUR  |

- NOTES**
- BACKGROUND TOPOGRAPHY PROVIDED BY HDR, Inc. DATED JUNE 30, 2025 (SHEET C103).
  - ISOPACH COMPARES 2025 TOPOGRAPHIC SURVEY (SHEET C103) COMBINED WITH REMAINING EXCAVATION GRADES (SHEET C107) TO REMAINING PERMITTED AIRSPACE GRADES (SHEET C109).

**REMAINING PERMITTED AIRSPACE**

|                                  |           |
|----------------------------------|-----------|
| FY95 THROUGH NORTHWEST EXPANSION |           |
| REMAINING AIRSPACE (CY)          | 3,798,909 |
| NORTHEAST EXPANSION AREA         |           |
| REMAINING AIRSPACE (CY)          | 1,077,127 |
| TOTAL REMAINING AIRSPACE (CY)    | 4,876,036 |



|                              |              |                       |
|------------------------------|--------------|-----------------------|
| PROJECT MANAGER W. NICHOLSON |              |                       |
| CIVIL                        | W. NICHOLSON |                       |
| DRAWN BY                     | M. BICKFORD  |                       |
| DRAWN BY                     | O. ROCK      |                       |
| ISSUE                        | DATE         | DESCRIPTION           |
| 0                            | 08/12/2025   | ISSUED FOR CLIENT USE |
| PROJECT NUMBER 10405856      |              |                       |

FOR PLANNING PURPOSES ONLY



**CITY OF IOWA CITY  
LANDFILL & RECYCLING CENTER  
2025 AIRSPACE ANALYSIS**



**REMAINING PERMITTED AIRSPACE ISOPACH**

FILENAME C110.dwg  
SCALE 1" = 200'

SHEET  
**C110**



March 19, 2026

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  
2025 Closure, Post-Closure, Corrective Action, and Compost Cost Estimates  
*March 2026 Update*

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 for use in the financial assurance submittal required by Iowa Administrative Code (IAC) Chapter 567-113.14(3). The updates to the attached cost estimates reflect an increase based on the *published* IDNR inflation factor for 2025 (1.033). 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           | \$ 8,789,760         |
| City of Iowa City MSWLF Unit – Post-Closure      | \$ 13,668,326        |
| City of Iowa City MSWLF Unit – Corrective Action | \$ 190,025           |
| City of Iowa City Compost Facility – Closure     | \$ 86,700            |
| <b>Total</b>                                     | <b>\$ 22,734,811</b> |

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

Sincerely,  
HDR ENGINEERING, INC.

Brendan Bunker, P.E.  
Environmental Engineer

Katie Kinley, P.E.  
Environmental/Civil Engineer

Attachments: Cost Estimates  
Cc: Joe Welter, P.E., PMP, Senior Engineer, Iowa City



D=130,685.62

### Quarterly Solid Waste Fee Schedule & Retained Fees Report

City of Iowa City Sanitary Landfill  
 Permit #52-SDP-01-72  
 July 1 - September 30, 2024  
 due January 1, 2025

---

Report Form Received 10/23/2024 9:11 AM  
 Confirmation #WVWMMTK8NI

**Accounting Validation**  
 0050-542-G500-LD-0574 \$59,031.44  
 0050-542-G550-00-0630 \$20,946.64  
 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 (38,084.80 tons)**

| County/Service Area                      | Tonnage          |
|--|------------------|
| <u>Johnson County, Kalona, Riverside</u> | <u>38,084.80</u> |

**Waste From Other Planning Area (0.00 tons)**

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

**Out of State Waste (0.00 tons)**

| State | Tonnage |
|-------|---------|
|       |         |

1. 38,084.80

**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>Typex (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. 38,084.80

5. 38,084.80

**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. \$79,978.08Line 8a - Multiply Line 5 by \$1.55 \$59,031.44Line 8b - Multiply Line 5 by \$0.55 \$20,946.64**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. \$59,031.44Line 9a - Multiply Line 5 by \$0.50 \$19,042.40Line 9b - Multiply Line 5 by \$1.05 \$39,989.04 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: 10/23/2024

## Quarterly Solid Waste Fee Schedule & Retained Fees Report

City of Iowa City Sanitary Landfill  
 Permit #52-SDP-01-72  
 October 1 - December 31, 2025  
 due April 1, 2026

---

Report Form Received 1/21/2025 10:07 AM  
 Confirmation #F304QFVHOF

**Accounting Validation**

0050-542-G500-LD-0574 \$48,997.62  
 0050-542-G550-00-0630 \$17,386.25  
 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 (31,611.37 tons)**

| County/Service Area                      | Tonnage          |
|--|------------------|
| <u>Johnson County, Kalona, Riverside</u> | <u>31,611.37</u> |

**Waste From Other Planning Area (0.00 tons)**

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

**Out of State Waste (0.00 tons)**

| State | Tonnage |
|-------|---------|
|       |         |

1. 31,611.37

**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. 31,611.37

5. 31,611.37

**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.

|                                     |                    |
|-------------------------------------|--------------------|
| Line 8a - Multiply Line 5 by \$1.55 | <u>\$48,997.62</u> |
| Line 8b - Multiply Line 5 by \$0.55 | <u>\$17,386.25</u> |

8. \$66,383.87

**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.

|                                     |                    |
|-------------------------------------|--------------------|
| Line 9a - Multiply Line 5 by \$0.50 | <u>\$15,805.69</u> |
| Line 9b - Multiply Line 5 by \$1.05 | <u>\$33,191.94</u> |

9. \$48,997.63

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: Superintendent  
Date: 1/21/2025

## Quarterly Solid Waste Fee Schedule & Retained Fees Report

City of Iowa City Sanitary Landfill  
 Permit #52-SDP-01-72  
 January 1 - March 31, 2025  
 due July 1, 2025

---

Report Form Received 4/15/2025 12:14 PM  
 Confirmation #VWUQ8PWHX

**Accounting Validation**

0050-542-G500-LD-0574 \$42,121.68  
 0050-542-G550-00-0630 \$14,946.40  
 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. Line 1a excludes non-fee-paying tons.

**Waste From Within Planning Area (27,175.28 tons)**

| County/Service Area               | Tonnage   |
|-----------------------------------|-----------|
| Johnson County, Kalona, Riverside | 27,175.28 |

**Waste From Other Planning Area (0.00 tons)**

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

**Out of State Waste (0.00 tons)**

| State | Tonnage |
|-------|---------|
|       |         |

1. 27,175.28

1a. 27,175.28

**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. 27,175.28

5. 27,175.28

**5. Tons of solid waste subject to tonnage fee**

Add Lines 1a 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. \$57,068.08Line 8a - Multiply Line 5 by \$1.55 \$42,121.68Line 8b - Multiply Line 5 by \$0.55 \$14,946.40**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. \$42,121.68Line 9a - Multiply Line 5 by \$0.50 \$13,587.64Line 9b - Multiply Line 5 by \$1.05 \$28,534.04 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: SuperintendentDate: 4/15/2025

## Quarterly Solid Waste Fee Schedule & Retained Fees Report

City of Iowa City Sanitary Landfill  
 Permit #52-SDP-01-72  
 April 1 - June 30, 2025  
 due October 1, 2025

Report Form Received 7/7/2025 3:35 PM  
 Confirmation #LH7A1GDDS

### Accounting Validation

0050-542-G500-LD-0574 \$52,411.96  
 0050-542-G550-00-0630 \$18,597.79  
 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. Line 1a excludes non-fee-paying tons.

1. 33,814.17

1a. 33,814.17

#### Waste From Within Planning Area (33,814.17 tons)

| County/Service Area               | Tonnage          |
|-----------------------------------|------------------|
| Johnson County, Kalona, Riverside | <u>33,814.17</u> |

#### Waste From Other Planning Area (0.00 tons)

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

#### Out of State Waste (0.00 tons)

| State | Tonnage |
|-------|---------|
|       |         |

### 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".

2. 252.00

2a. 0.00  
(ADC overage)

#### Alternative Daily Cover (252.00 tons)

| Approved ADC Material | Tonnage       |
|-----------------------|---------------|
| Concover (Spray-on)   | <u>0.00</u>   |
| Typex (Exxon) (Tarp)  | <u>0.00</u>   |
| Wood chips            | <u>252.00</u> |

### 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.

3. 0.00

#### Beneficial Use (0.00 tons)

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

### 4. Total solid waste received

Add Lines 1, 2, and 3.

4. 34,066.17

5. 33,814.17

**5. Tons of solid waste subject to tonnage fee**

Add Lines 1a 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. \$71,009.75Line 8a - Multiply Line 5 by \$1.55 \$52,411.96Line 8b - Multiply Line 5 by \$0.55 \$18,597.79**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. \$52,411.97Line 9a - Multiply Line 5 by \$0.50 \$16,907.09Line 9b - Multiply Line 5 by \$1.05 \$35,504.88 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: SuperintendentDate: 7/7/2025

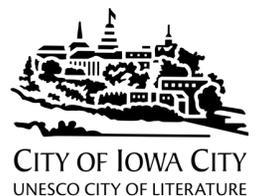
City of Iowa City, Iowa

# Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025



New pickleball courts and resurfacing at the Mercer Park tennis court complex



ICGOV.ORG

# **Annual Comprehensive Financial Report**

**City of Iowa City, Iowa**

**For the fiscal year ended June 30, 2025**

**Prepared by:  
Finance Department**  
City of Iowa City, Iowa



# Introductory Section Tab

**City of Iowa City, Iowa**

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June 30, 2025

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**City of Iowa City, Iowa**

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December 12, 2025



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, 2025 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, 2025. 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 591 full-time and 58 part-time permanent municipal employees and 276 temporary employees, including a police force of 81 sworn personnel and a fire department of 67 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 30<sup>th</sup>. 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 2025 of 31,563 students, which is a decrease of 636 students from 32,199 students in the fall of 2024. 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 3.1% while the State of Iowa was at 3.7%, and the National rate was 4.1%.

The rate of new housing construction also decreased substantially due to the COVID-19 pandemic in 2020 and the City continues to see little growth or decreases in 2024 based on the number of building permits issued. New housing building permits consisted of 111 new single-family houses and duplexes in 2024 as compared to 56 in 2023; multi-family dwelling units added during calendar year 2024 was 0, compared to 474 in 2023. Altogether new housing additions totaled 111 units valued at \$42,920,122 in 2024 versus a total of 530 units valued at \$155,212,855 in 2023. These amounts are well below pre COVID-19 totals of 556 units valued at \$124,362,697 in 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 \$17,979,780 in 2023 to \$34,187,309 in 2024. The value of remodeling permits for

residential and commercial properties decreased from \$49,991,191 in 2023 to \$40,579,749 in 2024. Total permits issued in 2024 for all purposes was 613 permits for \$130,444,866 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 Sycamore Mall commercial area, the former ACT campus, and the I-80 corridor.

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.

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:

In 2022, a \$54.4 million project was completed which renovated several historic commercial buildings along the pedestrian mall and constructed an 11-story, 120,000 square foot multi-residential with 102 residential units. The Chauncey is a \$49 million 15-story mixed use development completed in 2019 which includes 8 floors of residential units, a 35-unit hotel, two floors of commercial space, a movie theatre and a bowling alley. Also completed in 2019 was a \$35 million redevelopment of the City Hall parking lot and neighboring church into 126 residential units, parking, and commercial space. In 2022, a large downtown vacant storefront was converted into a 13,000+ square foot Target, anchoring a national retailer in the Downtown District and serving University related downtown foot traffic. Finally, in 2024 the City initiated a public-private partnership project to redevelop a vacant lot at 21 S. Linn Street and, through a competitive Request for Proposals process, selected a developer to construct a 6-8 story mixed-use building including ground-floor commercial and office and residential uses on the upper levels.

The Sycamore Mall area is an older commercial area in the south east end of Iowa City which includes an outdated and underperforming former mall building. The strengths of the area include legacy homegrown businesses, low lease rates, surrounding residential neighborhoods, and the presence of social services. Challenges of the area include a need to reactive the former mall, targeted improvement of older commercial buildings, mobility improvements to improve pedestrian connectivity and traffic congestion, the need to diversify and repurpose commercial space into residential density, and the need to create more community spaces and a strong sense of place. To address this area, where market forces may not alone drive progress, the City is working in partnership with the Greater Iowa City economic development organization to create a Strategic Investment District which will seek to stimulate growth and redevelopment in the area through targeted private investment paired with public incentives and policy.

Along the I-80 corridor north of Iowa City there are several key frontage areas where development and redevelopment is picking up after several years of no action. First, in the northeast area of Iowa City, redevelopment of the 400-acre former ACT, Inc. campus is underway. Development plans include affordable senior housing, market-rate housing, and commercial development along the highway frontage including restaurant and entertainment, grocery, and hotel. The first senior housing project is underway and will provide 44 units for those 55+ with limited incomes. To the north of the ACT campus, the former Pearson Campus along Dodge Street will also see a substantial revitalization to create new warehouse, Class A office, and retail space and a volleyball training facility.

## 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 (FY2026 – FY2028). 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, 2025 and 2026. 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 FY2024 – FY2027 Financial Plan and FY2026 operating budget, the City will generally experience increased expenditures; with General Fund expenditures and total operating expenditures growing at approximately 5% or less from FY2025 to FY2026. Bargaining unit cost-of-living wage increases are approximately 2% to 4% each year. The City has increased 50.9 permanent FTEs since FY2019. In FY2021, 15.9FTEs of temporary workers were converted to permanent full-time or part-time positions. Not including the conversions, FTE's have increased 5.8% over this time period. The City has averaged a 6.53% increase in its health insurance premium rates over the previous eight years; however, is expecting a continued upward trend for health insurance rates in FY2027. 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 helped mitigate the impact to the City's overall premium increase. In FY2026 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, 2024. 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-eight 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, 2025. 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, 2025. 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 I Davies".

Nicole Davies  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
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Presented to

**City of Iowa City  
Iowa**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

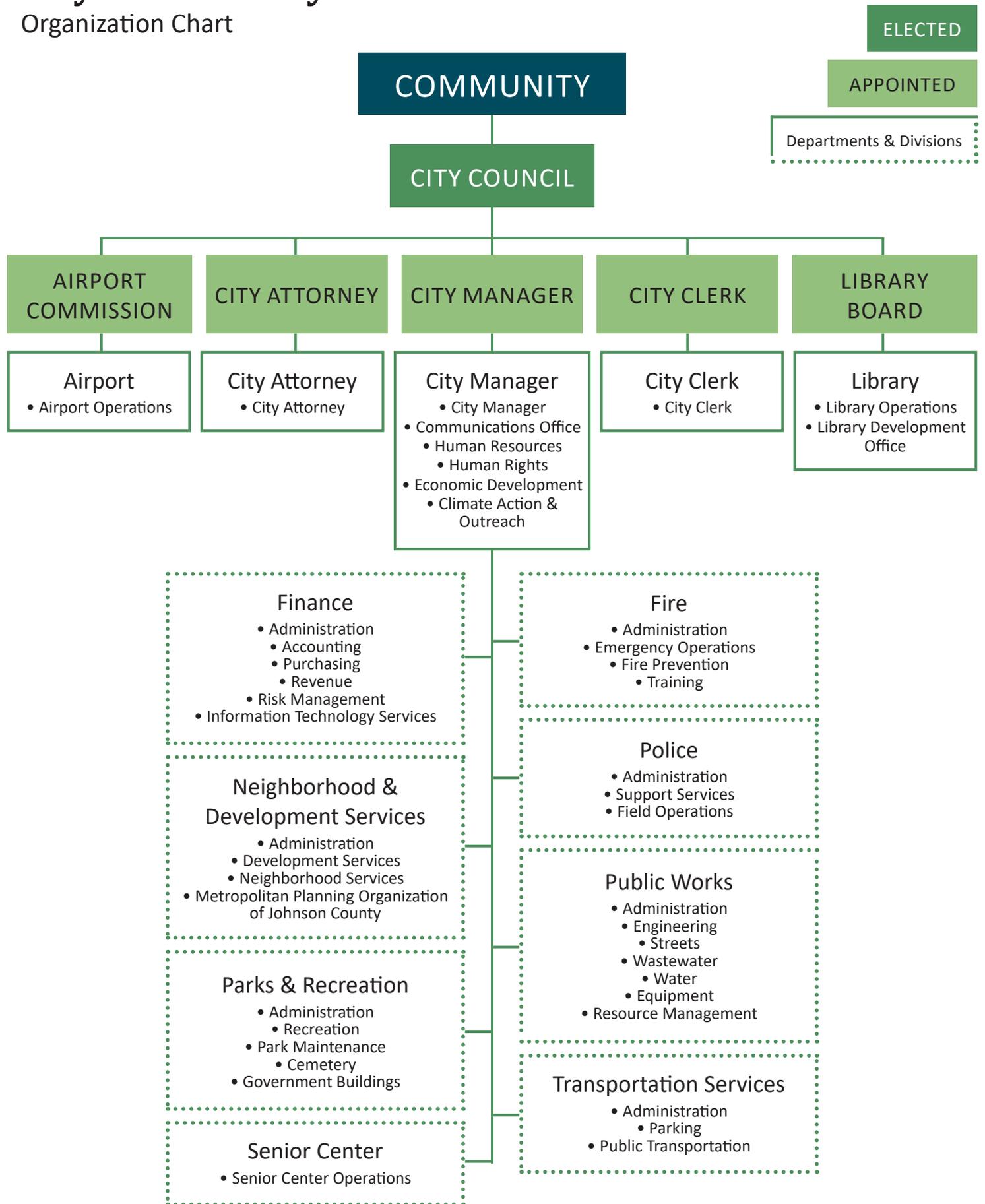
June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

# City of Iowa City

## Organization Chart



## City of Iowa City, Iowa

### Listing of City Officials

June 30, 2025

#### 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                   | Oliver Weilein | 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                              | Anne Mangano         | January 08, 2008  |
| 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, 2025, 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, 2025, 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.

#### ***Emphasis of Matter***

As discussed in Note 14 to the financial statements, the City adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. As a result, June 30, 2024 governmental activities, business-type activities, Transit Fund, Wastewater Treatment Fund, Water Fund, Sanitation Fund, Stormwater Fund, Housing Authority Fund and aggregate remaining fund information of the internal service funds and nonmajor enterprise funds net position was restated.

#### ***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 judgment 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 12, 2025, 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 12, 2025

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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, 2025. 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, 2025 by \$823,743,000 (net position). Of this amount, \$186,614,000 (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 \$29,306,000 during the fiscal year. Governmental activities increased by \$15,065,000 and business-type activities increased by \$14,241,000.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$141,877,000, an increase of \$6,319,000 in comparison with the prior year. Of this total amount, approximately \$46,855,000 or 33.0% 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 \$46,855,000 or 69.8% 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 – 81 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 \$823,743,000 at the close of the fiscal year ended June 30, 2025.

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, 2025

(amounts expressed in thousands)

|                                   | Governmental activities |            | Business-type activities |            | Total        |            |
|-----------------------------------|-------------------------|------------|--------------------------|------------|--------------|------------|
|                                   | Not Restated            |            | Not Restated             |            | Not Restated |            |
|                                   | 2025                    | 2024       | 2025                     | 2024       | 2025         | 2024       |
| Current and other assets          | \$ 255,281              | \$ 246,367 | \$ 157,001               | \$ 149,469 | \$ 412,282   | \$ 395,836 |
| Capital assets                    | 298,041                 | 290,262    | 344,868                  | 337,574    | 642,909      | 627,836    |
| Total assets                      | 553,322                 | 536,629    | 501,869                  | 487,043    | 1,055,191    | 1,023,672  |
| Deferred outflows of resources    | 12,302                  | 13,060     | 2,345                    | 3,030      | 14,647       | 16,090     |
| Long-term liabilities outstanding | 118,621                 | 110,977    | 30,871                   | 28,691     | 149,492      | 139,668    |
| Current and other liabilities     | 12,155                  | 15,343     | 7,641                    | 8,076      | 19,796       | 23,419     |
| Total liabilities                 | 130,776                 | 126,320    | 38,512                   | 36,767     | 169,288      | 163,087    |
| Deferred inflows of resources     | 73,904                  | 71,755     | 2,903                    | 3,077      | 76,807       | 74,832     |
| Net position:                     |                         |            |                          |            |              |            |
| Net investment in capital assets  | 248,335                 | 238,351    | 339,943                  | 332,087    | 588,278      | 570,438    |
| Restricted                        | 44,648                  | 44,316     | 4,203                    | 5,292      | 48,851       | 49,608     |
| Unrestricted                      | 67,961                  | 68,947     | 118,653                  | 112,850    | 186,614      | 181,797    |
| Total net position                | \$ 360,944              | \$ 351,614 | \$ 462,799               | \$ 450,229 | \$ 823,743   | \$ 801,843 |

A portion of the City's net position, \$48,851,000 or 5.9%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position, \$186,614,000 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, 2025, 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 FY25's operation.

**Governmental Activities:** Governmental activities increased the City's net position by \$15,605,000. 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 FY25 were \$118,060,000. Governmental activities are primarily funded through taxes, \$76,866,000 or 65.1%, and grants and contributions, \$18,573,000 or 15.7%. Taxes increased from the prior year by \$2,514,000, which reflects approximately a 3.4% increase. Grants and contributions decreased from prior year by \$6,488,000 due mainly to additional funding recognized from the American Rescue Plan Act (ARPA) in FY24.

Expenses for governmental activities totaled \$94,461,000. Governmental activities are tracked by function including Public Safety, Public Works, Community and Economic Development, Culture and Recreation, and General Government. In FY25, Public Safety accounted for the highest portion of governmental expenses, \$29,883,000 or 31.6%, and increased over the prior year due to normal cost of living increases. Public Works expenses of \$16,452,000 or 17.4% made up another large portion of the governmental expenses and had a decrease in expenses from the prior year. Community and economic development expenses of \$19,364,000 or 20.5% made up the second highest portion of governmental expenses and had an increase in expenses from the prior year due to the spend down of ARPA Revenue Replacement funds.

**Business-type Activities:** Business-type activities increased the City's total net position by \$14,241,000. The increase in net position was primarily from the Wastewater and Stormwater funds. Wastewater had an operating loss of \$405,000, had transfers in of \$1,475,000, interest income of \$1,179 and received contributions of infrastructure of \$1,502,000 from capital projects funds.

Revenues for business-type activities totaled \$78,867,000. The primary revenue source for business-type activities is charges for services, \$48,358,000 or 61.3%. In addition for FY25, the City's business type-activities had a significant portion, \$23,827,000 or 30.2%, of their revenues from grants and contributions used to help fund operation and capital projects for business-type activities.

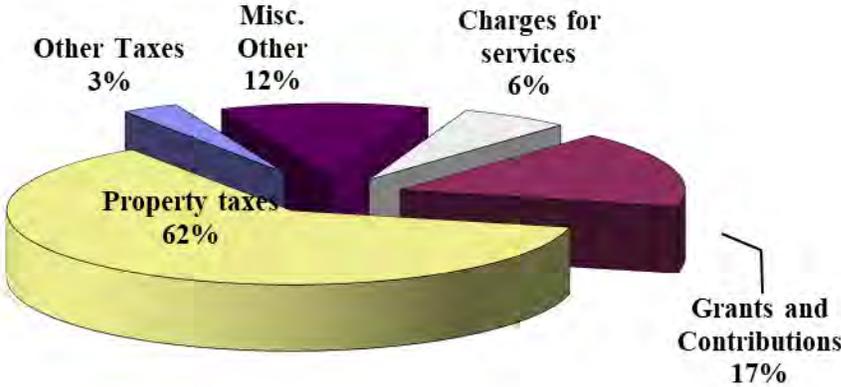
The total expenses for business-type activities in FY25 were \$73,160,000. Housing Authority represented the highest portion of business-type activities, \$13,904,000 or 19.0%, with Wastewater, \$13,593,000 or 18.6%, Sanitation, \$12,545,000 or 17.2% Water, \$11,131,000 or 15.2%, and Transit, \$10,438,000 or 14.3%, 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)

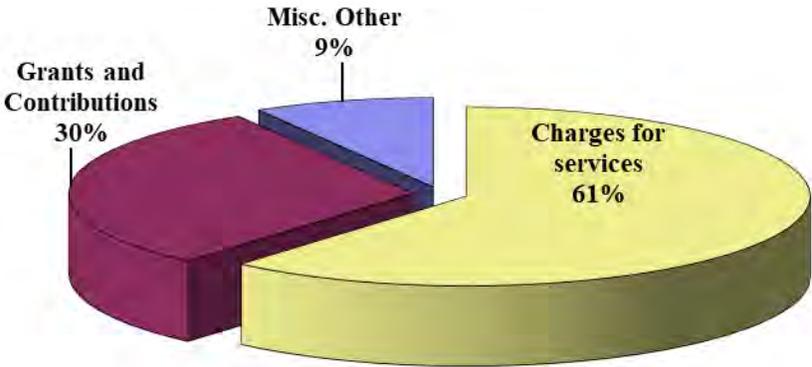
|   | <b>Governmental</b> |                              | <b>Business-type</b> |                              | <b>Total</b>      |                              |
|---|---------------------|------------------------------|----------------------|------------------------------|-------------------|------------------------------|
|   | <b>activities</b>   |                              | <b>activities</b>    |                              |                   |                              |
|   | <b>2025</b>         | <b>Not Restated<br/>2024</b> | <b>2025</b>          | <b>Not Restated<br/>2024</b> | <b>2025</b>       | <b>Not Restated<br/>2024</b> |
| <b>Revenues:</b>  |                     |                              |                      |                              |                   |                              |
| <b>Program Revenues:</b>  |                     |                              |                      |                              |                   |                              |
| Charges for services  | \$ 7,310            | \$ 8,202                     | \$ 48,358            | \$ 45,608                    | \$ 55,668         | \$ 53,810                    |
| Operating grants and contributions                              | 16,659              | 23,568                       | 18,477               | 19,015                       | 35,136            | 42,583                       |
| Capital grants and contributions                                | 1,914               | 1,493                        | 5,350                | 1,409                        | 7,264             | 2,902                        |
| <b>General Revenues:</b>  |                     |                              |                      |                              |                   |                              |
| Property taxes  | 73,058              | 70,578                       | -                    | -                            | 73,058            | 70,578                       |
| Other taxes   | 3,808               | 3,774                        | -                    | -                            | 3,808             | 3,774                        |
| Grants and contributions not restricted<br>to specific purposes | 1,373               | 1,675                        | -                    | -                            | 1,373             | 1,675                        |
| Earnings (loss) on investments                                  | 8,916               | 8,894                        | 5,340                | 5,253                        | 14,256            | 14,147                       |
| Gain on disposal of capital assets                              | 341                 | 418                          | -                    | 23                           | 341               | 441                          |
| Other   | <u>4,681</u>        | <u>3,903</u>                 | <u>1,342</u>         | <u>1,205</u>                 | <u>6,023</u>      | <u>5,108</u>                 |
| Total revenues  | 118,060             | 122,505                      | 78,867               | 72,513                       | 196,927           | 195,018                      |
| <b>Expenses:</b>  |                     |                              |                      |                              |                   |                              |
| Public safety   | 29,883              | 29,255                       | -                    | -                            | 29,883            | 29,255                       |
| Public works  | 16,452              | 16,733                       | -                    | -                            | 16,452            | 16,733                       |
| Culture and recreation  | 19,115              | 18,664                       | -                    | -                            | 19,115            | 18,664                       |
| Community and economic development                              | 19,364              | 12,269                       | -                    | -                            | 19,364            | 12,269                       |
| General government  | 7,951               | 10,415                       | -                    | -                            | 7,951             | 10,415                       |
| Interest on long-term debt                                      | 1,696               | 1,618                        | -                    | -                            | 1,696             | 1,618                        |
| Wastewater treatment  | -                   | -                            | 13,593               | 12,843                       | 13,593            | 12,843                       |
| Water   | -                   | -                            | 11,131               | 11,022                       | 11,131            | 11,022                       |
| Sanitation  | -                   | -                            | 12,545               | 12,907                       | 12,545            | 12,907                       |
| Housing authority   | -                   | -                            | 13,904               | 13,277                       | 13,904            | 13,277                       |
| Parking   | -                   | -                            | 7,246                | 6,067                        | 7,246             | 6,067                        |
| Airport   | -                   | -                            | 1,407                | 1,677                        | 1,407             | 1,677                        |
| Stormwater  | -                   | -                            | 2,896                | 2,147                        | 2,896             | 2,147                        |
| Transit   | -                   | -                            | <u>10,438</u>        | <u>10,604</u>                | <u>10,438</u>     | <u>10,604</u>                |
| Total expenses  | 94,461              | 88,954                       | 73,160               | 70,544                       | 167,621           | 159,498                      |
| Change in net position before transfers                         | 23,599              | 33,551                       | 5,707                | 1,969                        | 29,306            | 35,520                       |
| Transfers   | <u>(8,534)</u>      | <u>(10,174)</u>              | <u>8,534</u>         | <u>10,174</u>                | <u>-</u>          | <u>-</u>                     |
| Change in net position  | 15,065              | 23,377                       | 14,241               | 12,143                       | 29,306            | 35,520                       |
| Net position beginning of year, as restated                     | <u>345,879</u>      | <u>328,237</u>               | <u>448,558</u>       | <u>438,086</u>               | <u>794,437</u>    | <u>766,323</u>               |
| Net position end of year  | <u>\$ 360,944</u>   | <u>\$ 351,614</u>            | <u>\$ 462,799</u>    | <u>\$ 450,229</u>            | <u>\$ 823,743</u> | <u>\$ 801,843</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.

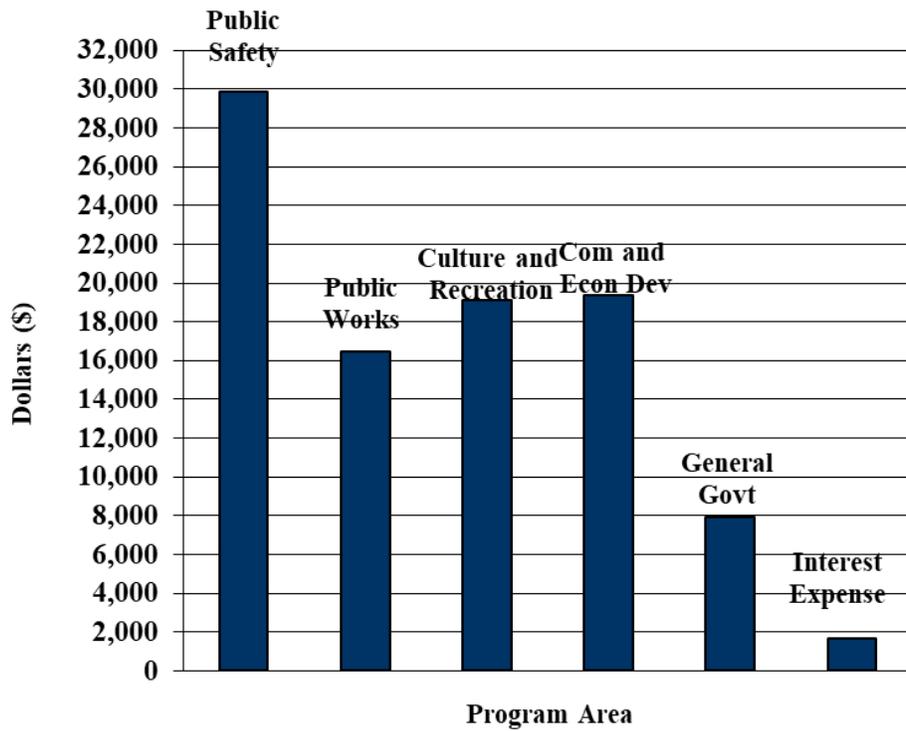
**Governmental Activities  
FY2025 Revenue  
by Source**



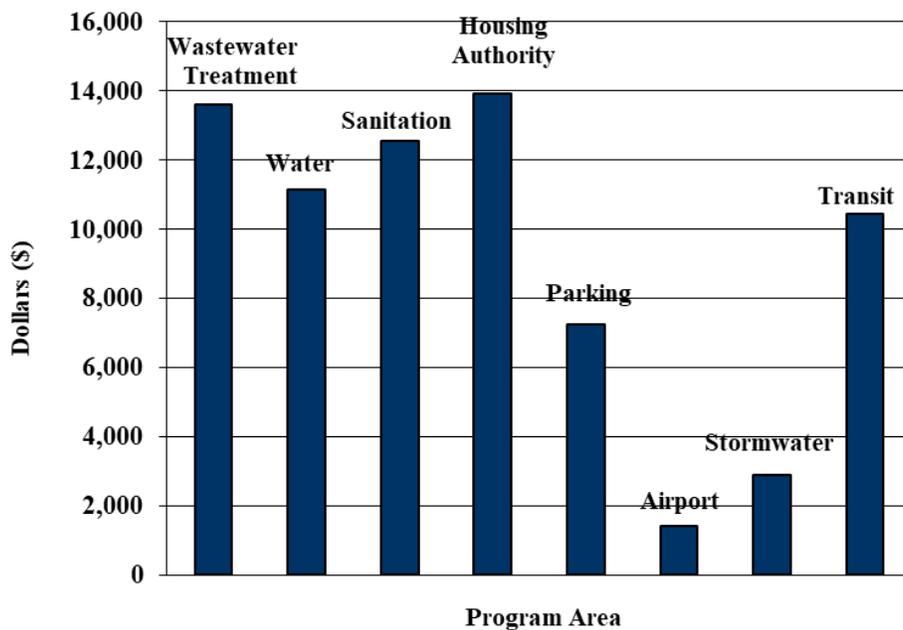
**Business-Type Activities  
FY2025 Revenue  
by Source**



**Governmental Activities  
FY2025 Expenses  
by Program Area**  
(amounts expressed in thousands)



**Business-Type Activities  
FY2025 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, 2025, the City's governmental funds reported combined ending fund balances of \$141,877,000, an increase of \$6,319,000 in comparison with the prior year. Of this total amount, \$46,855,000 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 \$69,983,000 or 49.3% contains external restraints on its use. The assigned fund balances of \$18,734,000 or 13.2% have been identified by the City to be used for specific purposes. The nonspendable fund balance is 6,305,000 or 4.4%, 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, 2025, the unassigned fund balance of the General Fund was \$46,855,000 while General Fund's total fund balance was \$74,001,000. 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 69.8% of total General Fund expenditures of \$67,129,000, while total fund balance represents 110.2% of that same amount.

During the current fiscal year, the fund balance of the City's General Fund increased by \$556,000. This is due to transfers in from other funds.

The fund balance in the Bridge, Street, and Traffic Control Construction Fund was \$18,063,000, an increase of \$1,355,000. 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 \$16,105,000, an increase of \$4,056,000. 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 increase is mainly due to the timing project expenses.

The ending fund balance of the Debt Service Fund was \$7,670,000, an increase of \$62,000, 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 \$3,431,000, a decrease of \$146,000.

The ending fund balance of the Other Shared Revenue and Grants Fund was \$17,882,000, an increase of \$526,000.

**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 \$434,963,000, an increase in net position of \$12,634,000. 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, \$339,943,000 is net investment in capital assets. Unrestricted net position totaled \$90,817,000, an increase of \$4,196,000 compared to the previous year.

The Internal Service funds showed net position totaling \$72,975,000 as of June 30, 2025, an increase of \$6,728,000 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 decreased budgeted revenues by \$15,049,000 or 7.0% to a total of \$199,533,000 and increased the expenditure budget by \$95,438,000 or 39.5% to a total of \$337,145,000. 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, 2025 amounts to \$642,909,000, 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, 2025 increased by \$7,779,000 for governmental activities compared to the prior year and increased by \$7,294,000 for business-type activities from the prior year.

The following table reflects the \$642,909,000 investment in capital assets, net of accumulated depreciation.

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

|                                      | Governmental<br>Activities |                   | Business-type<br>Activities |                   | Total             |                   |
|--------------------------------------|----------------------------|-------------------|-----------------------------|-------------------|-------------------|-------------------|
|                                      | 2025                       | 2024              | 2025                        | 2024              | 2025              | 2024              |
| Land                                 | \$ 33,035                  | \$ 32,614         | \$ 30,957                   | \$ 30,957         | \$ 63,992         | \$ 63,571         |
| Buildings                            | 35,091                     | 33,680            | 51,070                      | 53,155            | 86,161            | 86,835            |
| Improvements other than<br>buildings | 3,935                      | 2,971             | 2,751                       | 3,002             | 6,686             | 5,973             |
| Machinery and equipment              | 34,947                     | 35,077            | 21,805                      | 16,807            | 56,752            | 51,884            |
| IT subscriptions                     | 1,159                      | 337               | 223                         | 397               | 1,382             | 734               |
| Infrastructure                       | 178,377                    | 159,472           | 222,077                     | 208,749           | 400,454           | 368,221           |
| Construction in progress             | 11,497                     | 26,111            | 15,985                      | 24,507            | 27,482            | 50,618            |
| <b>Total</b>                         | <u>\$ 298,041</u>          | <u>\$ 290,262</u> | <u>\$ 344,868</u>           | <u>\$ 337,574</u> | <u>\$ 642,909</u> | <u>\$ 627,836</u> |

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

- Three large construction projects were completed during FY 25. The first is the Rohret South Sewer. This project includes extending the sewer system to the west of Highway 218. This project had construction in progress balance at the beginning of the year of \$4,475,000 and current year expenditures of \$15,000. The total cost of the project that was capitalized was \$4,490,000. The project was funded through Wastewater operating funds. Another project is the new Landfill Cell. This project consisted of designing and constructing a new landfill cell. It had construction in progress balance at the beginning of the year of \$4,623,000, and current year expenditures of \$11,000. The total cost of the project that was capitalized was \$4,634,000 and it was funded through landfill replacement dollars. The third project, American Legion Road project, reconstructed part of the road to be paved. This project was capitalized at \$9,747,000 with no current year expenses. The project was funded through federal grant funds and bond issuance.

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 \$66,500,000. Of this amount, \$56,970,000 comprises debt backed by the full faith and credit of the City. \$314,000 or 0.5% of the general obligation bonds is debt that will be paid with Tax Increment Financing revenues. \$9,530,000 represents revenue bonds secured solely by specific revenue sources.

The City issued \$14,535,000 of General Obligation bonds during FY25. This increase in debt was offset by the retirement of debt for a net increase of City's total bonded debt by \$1,715,000.

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

|                          | <b>Governmental</b> |                  | <b>Business-type</b> |                 | <b>Total</b>     |                  |
|--------------------------|---------------------|------------------|----------------------|-----------------|------------------|------------------|
|                          | <b>Activities</b>   |                  | <b>Activities</b>    |                 |                  |                  |
|                          | <u>2025</u>         | <u>2024</u>      | <u>2025</u>          | <u>2024</u>     | <u>2025</u>      | <u>2024</u>      |
| General obligation bonds | \$ 56,970           | \$ 52,980        | \$ -                 | \$ -            | \$ 56,970        | \$ 52,980        |
| Revenue bonds            | 8,975               | 9,925            | 555                  | 1,880           | 9,530            | 11,805           |
| Total                    | <u>\$ 65,945</u>    | <u>\$ 62,905</u> | <u>\$ 555</u>        | <u>\$ 1,880</u> | <u>\$ 66,500</u> | <u>\$ 64,785</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, 2025 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 \$435,368,000. With outstanding debt applicable to this limit of \$96,593,000 we are utilizing 22.19% 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 \$2,911,000 in the General Fund for FY26 that strives to maintain current service delivery levels. The tax levy rate per \$1,000 of assessed valuation for FY26 is provided below:

|                          |    |                      |
|--------------------------|----|----------------------|
| General Levy             | \$ | 8.402                |
| Debt Service Levy        |    | 2.660                |
| Employee Benefits Levy   |    | 3.261                |
| 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, 2025

(amounts expressed in thousands)

|  | Governmental<br>Activities | Business-type<br>Activities | Total      |
|--|----------------------------|-----------------------------|------------|
| <b>Assets</b>  |                            |                             |            |
| Equity in pooled cash and investments                          | \$ 156,694                 | \$ 93,076                   | \$ 249,770 |
| Receivables:   |                            |                             |            |
| Property tax   | 70,980                     | -                           | 70,980     |
| Accounts and unbilled usage                                    | 838                        | 4,404                       | 5,242      |
| Interest   | 2,686                      | 1,605                       | 4,291      |
| Notes  | 4,664                      | 297                         | 4,961      |
| Internal balances  | (30,260)                   | 30,260                      | -          |
| Lease receivable   | 144                        | 2,074                       | 2,218      |
| Due from other governments                                     | 4,942                      | 2,661                       | 7,603      |
| Inventories  | 938                        | 1,104                       | 2,042      |
| Assets held for resale   | 5,974                      | -                           | 5,974      |
| Restricted assets:   |                            |                             |            |
| Equity in pooled cash and investments                          | 37,681                     | 21,520                      | 59,201     |
| Capital assets:  |                            |                             |            |
| Land and construction in progress                              | 44,532                     | 46,942                      | 91,474     |
| Other capital assets (net of accum. depreciation/amortization) | 253,509                    | 297,926                     | 551,435    |
| Total assets   | 553,322                    | 501,869                     | 1,055,191  |
| <b>Deferred Outflows of Resources</b>                          |                            |                             |            |
| Pension related deferred outflows                              | 11,064                     | 1,833                       | 12,897     |
| OPEB related deferred outflows                                 | 1,238                      | 512                         | 1,750      |
| Total deferred outflows of resources                           | 12,302                     | 2,345                       | 14,647     |
| <b>Liabilities</b>   |                            |                             |            |
| Accounts payable   | 2,932                      | 1,959                       | 4,891      |
| Contracts payable  | 3,125                      | 1,729                       | 4,854      |
| Accrued liabilities  | 4,128                      | 390                         | 4,518      |
| Interest payable   | 213                        | 6                           | 219        |
| Deposits   | 1,251                      | 3,107                       | 4,358      |
| Advances from grantors   | 455                        | 212                         | 667        |
| Due to other governments                                       | 39                         | 64                          | 103        |
| Unearned revenue   | 12                         | 174                         | 186        |
| Noncurrent liabilities:  |                            |                             |            |
| Due within one year:   |                            |                             |            |
| Compensated absences   | 2,938                      | 955                         | 3,893      |
| Subscription liability   | 282                        | 62                          | 344        |
| Notes payable  | 211                        | -                           | 211        |
| Bonds payable  | 12,441                     | 562                         | 13,003     |
| Other post employment benefits liability                       | 6,181                      | 2,673                       | 8,854      |
| Due in more than one year:                                     |                            |                             |            |
| Compensated absences   | 5,215                      | 1,444                       | 6,659      |
| Subscription liability   | 715                        | 33                          | 748        |
| Capital loan notes payable                                     | -                          | 2,527                       | 2,527      |
| Net pension liability  | 32,394                     | 4,911                       | 37,305     |
| Other post employment benefits liability                       | 778                        | 207                         | 985        |
| Bonds payable  | 57,466                     | -                           | 57,466     |
| Landfill closure/post-closure liability                        | -                          | 17,497                      | 17,497     |
| Total liabilities  | \$ 130,776                 | \$ 38,512                   | \$ 169,288 |

(continued)

**City of Iowa City, Iowa**

**Statement of Net Position (continued)**

June 30, 2025  
(amounts expressed in thousands)

|                                      | Governmental<br>Activities | Business-type<br>Activities | Total             |
|--------------------------------------|----------------------------|-----------------------------|-------------------|
| <b>Deferred Inflows of Resources</b> |                            |                             |                   |
| Pension related deferred inflows     | \$ 1,306                   | \$ 194                      | \$ 1,500          |
| OPEB related deferred inflows        | 1,875                      | 776                         | 2,651             |
| Lease related deferred inflows       | 143                        | 1,922                       | 2,065             |
| Deferred amount on refunding         | -                          | 11                          | 11                |
| Succeeding year property taxes       | 70,580                     | -                           | 70,580            |
| Total deferred inflows of resources  | <u>73,904</u>              | <u>2,903</u>                | <u>76,807</u>     |
| <b>Net Position</b>                  |                            |                             |                   |
| Net investment in capital assets     | 248,335                    | 339,943                     | 588,278           |
| Restricted for or by:                |                            |                             |                   |
| Employee benefits                    | 3,901                      | -                           | 3,901             |
| Capital projects:                    |                            |                             |                   |
| Expendable                           | 17,186                     | -                           | 17,186            |
| Nonexpendable                        | 262                        | -                           | 262               |
| Debt service                         | 7,457                      | -                           | 7,457             |
| Police                               | 541                        | -                           | 541               |
| Other purposes                       |                            |                             |                   |
| Expendable                           | 11,523                     | -                           | 11,523            |
| Nonexpendable                        | 69                         | -                           | 69                |
| Bond ordinance                       | -                          | 1,566                       | 1,566             |
| State statute                        | -                          | 768                         | 768               |
| Future improvements                  | -                          | 404                         | 404               |
| Grant agreement                      | 3,709                      | 1,465                       | 5,174             |
| Unrestricted                         | <u>67,961</u>              | <u>118,653</u>              | <u>186,614</u>    |
| Total net position                   | <u>\$ 360,944</u>          | <u>\$ 462,799</u>           | <u>\$ 823,743</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, 2025  
(amounts expressed in thousands)

| Functions/Programs:  | Program Revenues |                         |  |  | Net (Expense) Revenue and<br>Changes in Net Position |                             |             |
|--|------------------|-------------------------|--|--|--|-----------------------------|-------------|
|  | Expenses         | Charges<br>for Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-type<br>Activities | Total       |
| Governmental activities:                                     |                  |                         |  |  |  |                             |             |
| Public safety  | \$ 29,883        | \$ 5,037                | \$ 271                                   | \$ 9                                   | \$ (24,566)  | \$ -                        | \$ (24,566) |
| Public works   | 16,452           | 60                      | 10,808                                   | 1,905                                  | (3,679)  | -                           | (3,679)     |
| Culture and recreation                                       | 19,115           | 677                     | 211                                      | -                                      | (18,227)   | -                           | (18,227)    |
| Community and economic development                           | 19,364           | 15                      | 5,369                                    | -                                      | (13,980)   | -                           | (13,980)    |
| General government   | 7,951            | 1,521                   | -  | -                                      | (6,430)  | -                           | (6,430)     |
| Interest on long-term debt                                   | 1,696            | -                       | -  | -                                      | (1,696)  | -                           | (1,696)     |
| Total governmental activities                                | 94,461           | 7,310                   | 16,659                                   | 1,914                                  | (68,578)   | -                           | (68,578)    |
| Business-type activities:                                    |                  |                         |  |  |  |                             |             |
| Wastewater treatment   | 13,593           | 13,175                  | -  | 1,502                                  | -  | 1,084                       | 1,084       |
| Water  | 11,131           | 11,160                  | -  | 782                                    | -  | 811                         | 811         |
| Sanitation   | 12,545           | 12,826                  | -  | 300                                    | -  | 581                         | 581         |
| Housing authority  | 13,904           | 366                     | 13,453                                   | -                                      | -  | (85)                        | (85)        |
| Parking  | 7,246            | 7,251                   | -  | -                                      | -  | 5                           | 5           |
| Airport  | 1,407            | 479                     | (2)                                      | 933                                    | -  | 3                           | 3           |
| Stormwater   | 2,896            | 1,922                   | -  | 1,491                                  | -  | 517                         | 517         |
| Transit  | 10,438           | 1,179                   | 5,026                                    | 342                                    | -  | (3,891)                     | (3,891)     |
| Total business-type activities                               | 73,160           | 48,358                  | 18,477                                   | 5,350                                  | -  | (975)                       | (975)       |
| Total  | \$ 167,621       | \$ 55,668               | \$ 35,136                                | \$ 7,264                               | (68,578)   | (975)                       | (69,553)    |
| General revenues:  |                  |                         |  |  |  |                             |             |
| Property taxes, levied for general purposes                  |                  |                         |  |  | 73,058   | -                           | 73,058      |
| Hotel/motel tax  |                  |                         |  |  | 2,070  | -                           | 2,070       |
| Gas and electric tax   |                  |                         |  |  | 735  | -                           | 735         |
| Utility franchise tax  |                  |                         |  |  | 1,003  | -                           | 1,003       |
| Grants and contributions not restricted to specific purposes |                  |                         |  |  | 1,373  | -                           | 1,373       |
| Earnings (loss) on investments                               |                  |                         |  |  | 8,916  | 5,340                       | 14,256      |
| Gain on disposal of capital assets                           |                  |                         |  |  | 341  | -                           | 341         |
| Miscellaneous  |                  |                         |  |  | 4,681  | 1,342                       | 6,023       |
| Transfers  |                  |                         |  |  | (8,534)  | 8,534                       | -           |
| Total general revenues and transfers                         |                  |                         |  |  | 83,643   | 15,216                      | 98,859      |
| Changes in net position                                      |                  |                         |  |  | 15,065   | 14,241                      | 29,306      |
| Net position beginning of year, as restated                  |                  |                         |  |  | 345,879  | 448,558                     | 794,437     |
| Net position end of year                                     |                  |                         |  |  | \$ 360,944   | \$ 462,799                  | \$ 823,743  |

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

City of Iowa City, Iowa

Balance Sheet  
Governmental Funds

June 30, 2025

(amounts expressed in thousands)

|   | Special Revenue   |  |                      | Capital Projects      |  |                  | Other<br>Governmental<br>Funds | Total             |
|---|-------------------|--|----------------------|-----------------------|--|------------------|--------------------------------|-------------------|
|   | General           | Other<br>Shared<br>Revenue and<br>Grants | Employee<br>Benefits | Other<br>Construction | Bridge,<br>Street, and<br>Traffic<br>Control<br>Construction | Debt<br>Service  |                                |                   |
| <b>Assets</b>   |                   |  |                      |                       |  |                  |                                |                   |
| Equity in pooled cash and investments   | \$ 63,612         | \$ 8,579                                 | \$ 3,433             | \$ 5,025              | \$ 10,070  | \$ 7,428         | \$ 1,715                       | \$ 99,862         |
| Receivables:  |                   |  |                      |                       |  |                  |                                |                   |
| Property tax  | 43,461            | -  | 14,593               | -                     | -  | 12,231           | 695                            | 70,980            |
| Accounts and unbilled usage   | 470               | 15                                       | -                    | 81                    | 16   | -                | -                              | 582               |
| Interest  | 976               | 143                                      | -                    | 307                   | 289  | 115              | 26                             | 1,856             |
| Notes   | 1,216             | 468                                      | -                    | -                     | -  | 66               | 2,914                          | 4,664             |
| Due from other funds  | 97                | -  | -                    | -                     | -  | -                | -                              | 97                |
| Lease receivable  | 144               | -  | -                    | -                     | -  | -                | -                              | 144               |
| Due from other governments  | 2,410             | 1,141                                    | 483                  | 95                    | 475  | -                | 337                            | 4,941             |
| Inventories   | -                 | 262                                      | -                    | -                     | -  | -                | -                              | 262               |
| Assets held for resale  | 5,974             | -  | -                    | -                     | -  | -                | -                              | 5,974             |
| Restricted assets:  |                   |  |                      |                       |  |                  |                                |                   |
| Equity in pooled cash and investments   | 5,244             | 7,907                                    | -                    | 14,927                | 9,603  | -                | -                              | 37,681            |
| <b>Total assets</b>   | <b>\$ 123,604</b> | <b>\$ 18,515</b>                         | <b>\$ 18,509</b>     | <b>\$ 20,435</b>      | <b>\$ 20,453</b>   | <b>\$ 19,840</b> | <b>\$ 5,687</b>                | <b>\$ 227,043</b> |
| <b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>           |                   |  |                      |                       |  |                  |                                |                   |
| <b>Liabilities</b>  |                   |  |                      |                       |  |                  |                                |                   |
| Accounts payable  | \$ 1,604          | \$ 327                                   | \$ 79                | \$ 159                | \$ 151   | \$ -             | \$ 140                         | \$ 2,460          |
| Contracts payable   | -                 | -  | -                    | 1,169                 | 1,956  | -                | -                              | 3,125             |
| Accrued liabilities   | 1,113             | 76                                       | 1                    | -                     | -  | -                | 15                             | 1,205             |
| Due to other funds  | -                 | -  | -                    | -                     | -  | -                | 97                             | 97                |
| Advances from other funds   | -                 | -  | -                    | 2,424                 | -  | -                | -                              | 2,424             |
| Due to other governments  | 39                | -  | -                    | -                     | -  | -                | -                              | 39                |
| Unearned revenue  | -                 | -  | -                    | -                     | -  | -                | 12                             | 12                |
| Liabilities payable from restricted assets:                                   |                   |  |                      |                       |  |                  |                                |                   |
| Deposits  | 1,233             | 18                                       | -                    | -                     | -  | -                | -                              | 1,251             |
| Advances from grantors  | 19                | 34                                       | -                    | 402                   | -  | -                | -                              | 455               |
| <b>Total liabilities</b>  | <b>4,008</b>      | <b>455</b>                               | <b>80</b>            | <b>4,154</b>          | <b>2,107</b>   | <b>-</b>         | <b>264</b>                     | <b>11,068</b>     |
| <b>Deferred Inflows of Resources</b>  |                   |  |                      |                       |  |                  |                                |                   |
| Unavailable revenues:   |                   |  |                      |                       |  |                  |                                |                   |
| Succeeding year property taxes  | 43,234            | -  | 14,515               | -                     | -  | 12,170           | 661                            | 70,580            |
| Lease related deferred inflows  | 137               | -  | -                    | -                     | -  | -                | -                              | 137               |
| Grants  | 10                | 178                                      | -                    | -                     | 267  | -                | 14                             | 469               |
| Other   | 2,214             | -  | 483                  | 176                   | 16   | -                | 23                             | 2,912             |
| <b>Total deferred inflows of resources</b>                                    | <b>45,595</b>     | <b>178</b>                               | <b>14,998</b>        | <b>176</b>            | <b>283</b>   | <b>12,170</b>    | <b>698</b>                     | <b>74,098</b>     |
| <b>Fund Balances</b>  |                   |  |                      |                       |  |                  |                                |                   |
| Nonspendable  | 6,043             | 262                                      | -                    | -                     | -  | -                | -                              | 6,305             |
| Restricted  | 2,369             | 17,620                                   | 3,431                | 16,105                | 18,063   | 7,670            | 4,725                          | 69,983            |
| Assigned  | 18,734            | -  | -                    | -                     | -  | -                | -                              | 18,734            |
| Unassigned  | 46,855            | -  | -                    | -                     | -  | -                | -                              | 46,855            |
| <b>Total fund balances</b>  | <b>74,001</b>     | <b>17,882</b>                            | <b>3,431</b>         | <b>16,105</b>         | <b>18,063</b>  | <b>7,670</b>     | <b>4,725</b>                   | <b>141,877</b>    |
| <b>Total liabilities, deferred inflows<br/>of resources and fund balances</b> | <b>\$ 123,604</b> | <b>\$ 18,515</b>                         | <b>\$ 18,509</b>     | <b>\$ 20,435</b>      | <b>\$ 20,453</b>   | <b>\$ 19,840</b> | <b>\$ 5,687</b>                | <b>\$ 227,043</b> |

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, 2025  
(amounts expressed in thousands)

|   |                |                       |
|---|----------------|-----------------------|
| Total governmental fund balances  | \$             | 141,877               |
| 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. |                | 72,975                |
| Other long-term assets are not available to pay for current period expenditures and therefore are unavailable in the funds:<br>Grants and other receivables - Earned but unavailable.   |                | 3,381                 |
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.   |                | 278,984               |
| 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  | \$ 11,951      |                       |
| Deferred inflows of resources   | <u>(3,058)</u> | 8,893                 |
| Net pension liabilities are not due and payable in the current period and therefore are not reported in the funds.  |                | (31,592)              |
| Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.   |                | (7,789)               |
| Accrued post employment benefit liabilities are not due and payable in the current period and therefore are not reported in the funds.  |                | (6,621)               |
| Subscription liabilities are not due and payable in the current period and therefore are not reported in the funds.   |                | (997)                 |
| Bonds payable are not due and payable in the current period and therefore are not reported in the funds.  |                | (69,907)              |
| Notes payable are not due and payable in the current period and therefore are not reported in the funds.  |                | (211)                 |
| Accrued interest on bonds   |                | (213)                 |
| Internal balance due to integration of internal service funds   |                | <u>(27,836)</u>       |
| Total net position of governmental activities   | \$             | <u><u>360,944</u></u> |

*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, 2025  
(amounts expressed in thousands)

|  | Special Revenue |  |                      | Capital Projects      |  |                 | Other<br>Governmental<br>Funds | Total      |
|--|-----------------|--|----------------------|-----------------------|--|-----------------|--------------------------------|------------|
|  | General         | Other<br>Shared<br>Revenue and<br>Grants | Employee<br>Benefits | Other<br>Construction | Bridge,<br>Street, and<br>Traffic<br>Control<br>Construction | Debt<br>Service |                                |            |
| <b>Revenues</b>  |                 |  |                      |                       |  |                 |                                |            |
| Taxes  | \$ 45,452       | \$ -                                     | \$ 14,590            | \$ -                  | \$ -   | \$ 11,594       | \$ 5,230                       | \$ 76,866  |
| Licenses and permits   | 2,426           | -  | -                    | -                     | -  | -               | -                              | 2,426      |
| Intergovernmental  | 4,458           | 14,039                                   | 284                  | 268                   | 1,071  | 218             | 2,161                          | 22,499     |
| Charges for services   | 1,178           | -  | 390                  | 114                   | -  | -               | -                              | 1,682      |
| Fines and forfeits   | 646             | -  | -                    | -                     | -  | -               | -                              | 646        |
| Use of money and property                                    | 3,822           | 691                                      | -                    | 647                   | 650  | 533             | 124                            | 6,467      |
| Miscellaneous  | 1,842           | 100                                      | -                    | 418                   | 862  | -               | 209                            | 3,431      |
| Total revenues   | 59,824          | 14,830                                   | 15,264               | 1,447                 | 2,583  | 12,345          | 7,724                          | 114,017    |
| <b>Expenditures</b>  |                 |  |                      |                       |  |                 |                                |            |
| Current:   |                 |  |                      |                       |  |                 |                                |            |
| Public safety  | 28,523          | -  | 734                  | 118                   | -  | -               | -                              | 29,375     |
| Public works   | 2,770           | 7,302                                    | -                    | 439                   | 2,287  | -               | -                              | 12,798     |
| Culture and recreation                                       | 16,041          | -  | -                    | 1,830                 | -  | -               | -                              | 17,871     |
| Community and economic development                           | 7,948           | 2,735                                    | -                    | 85                    | -  | -               | 6,676                          | 17,444     |
| General government   | 8,397           | -  | 452                  | 130                   | -  | 86              | -                              | 9,065      |
| Debt service:  |                 |  |                      |                       |  |                 |                                |            |
| Principal  | 323             | -  | -                    | -                     | -  | 11,495          | -                              | 11,818     |
| Interest   | 6               | -  | -                    | -                     | -  | 2,277           | -                              | 2,283      |
| Capital outlay   | 3,121           | 1,914                                    | -                    | 4,244                 | 6,012  | -               | -                              | 15,291     |
| Total expenditures   | 67,129          | 11,951                                   | 1,186                | 6,846                 | 8,299  | 13,858          | 6,676                          | 115,945    |
| Excess (deficiency) of revenues over<br>(under) expenditures | (7,305)         | 2,879                                    | 14,078               | (5,399)               | (5,716)  | (1,513)         | 1,048                          | (1,928)    |
| <b>Other Financing Sources (Uses)</b>                        |                 |  |                      |                       |  |                 |                                |            |
| Issuance of debt   | 1,124           | -  | -                    | 7,341                 | 7,181  | 12              | -                              | 15,658     |
| Sale of capital assets                                       | 163             | 17                                       | -                    | -                     | -  | -               | -                              | 180        |
| Premiums on issuance of bonds                                | -               | -  | -                    | 554                   | 542  | 1               | -                              | 1,097      |
| Transfers in   | 13,682          | 1,727                                    | -                    | 1,655                 | 4,433  | 1,562           | 578                            | 23,637     |
| Transfers out  | (7,108)         | (4,097)                                  | (14,224)             | (95)                  | (5,085)  | -               | (1,716)                        | (32,325)   |
| Total other financing sources and (uses)                     | 7,861           | (2,353)                                  | (14,224)             | 9,455                 | 7,071  | 1,575           | (1,138)                        | 8,247      |
| Net change in fund balances                                  | 556             | 526                                      | (146)                | 4,056                 | 1,355  | 62              | (90)                           | 6,319      |
| <b>Fund Balances, Beginning</b>                              | 73,445          | 17,356                                   | 3,577                | 12,049                | 16,708   | 7,608           | 4,815                          | 135,558    |
| <b>Fund Balances, Ending</b>                                 | \$ 74,001       | \$ 17,882                                | \$ 3,431             | \$ 16,105             | \$ 18,063  | \$ 7,670        | \$ 4,725                       | \$ 141,877 |

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, 2025  
(amounts expressed in thousands)

Net change in fund balances - total governmental funds \$ 6,319

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                              | \$ 14,633      |       |
| New IT subscription asset, financed                          | 1,124          |       |
| Transfers of capital assets (to)\from enterprise funds - net | (21)           |       |
| Capital assets contributed                                   | 1,279          |       |
| Depreciation/amortization expense                            | <u>(9,725)</u> | 7,290 |

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                          | (14,534)   |         |
| Premium on bonds issued              | (1,097)    |         |
| Subscription issued                  | (1,124)    |         |
| Repayments of subscription liability | 323        |         |
| Repayments of debt                   | 11,495     |         |
| Amortization of premium              | <u>611</u> | (4,326) |

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. (45)

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              | 186   |  |
| Pension expense                                     | 1,333 |  |
| Change in accrued post employment benefit liability | (448) |  |
| Change in accrued interest on debt                  | (24)  |  |

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. (341)

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. 5,121

Change in net position of governmental activities \$ 15,065

*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, 2025  
(amounts expressed in thousands)

|  | Business-type Activities - Enterprise Funds |                         |           |            |            |                      |                              | Total      | Governmental<br>Activities -<br>Internal<br>Service<br>Funds |
|--|---|-------------------------|-----------|------------|------------|----------------------|------------------------------|------------|--|
|  | Transit                                     | Wastewater<br>Treatment | Water     | Sanitation | Stormwater | Housing<br>Authority | Other<br>Enterprise<br>Funds |            |  |
| <b>Assets</b>  |   |                         |           |            |            |                      |                              |            |  |
| <b>Current assets:</b>   |   |                         |           |            |            |                      |                              |            |  |
| Equity in pooled cash and investments                          | \$ 15,339                                   | \$ 29,095               | \$ 16,991 | \$ 15,974  | \$ 4,156   | \$ 5,881             | \$ 5,640                     | \$ 93,076  | \$ 56,832  |
| Receivables (net of allowance for uncollectibles):             |   |                         |           |            |            |                      |                              |            |  |
| Accounts and unbilled usage                                    | 21  | 1,425                   | 1,417     | 1,111      | 211        | 60                   | 159                          | 4,404      | 256  |
| Interest   | 242   | 418                     | 268       | 381        | 59         | 155                  | 82                           | 1,605      | 830  |
| Notes  | -   | -                       | -         | -          | -          | 297                  | -                            | 297        | -  |
| Lease  | 139   | -                       | -         | 17         | -          | -                    | 72                           | 228        | -  |
| Due from other governments                                     | 1,828                                       | -                       | -         | 307        | -          | 296                  | 230                          | 2,661      | 1  |
| Inventories  | 651   | -                       | 453       | -          | -          | -                    | -                            | 1,104      | 676  |
| Total current assets   | 18,220                                      | 30,938                  | 19,129    | 17,790     | 4,426      | 6,689                | 6,183                        | 103,375    | 58,595   |
| <b>Noncurrent assets:</b>                                      |   |                         |           |            |            |                      |                              |            |  |
| <b>Restricted assets:</b>                                      |   |                         |           |            |            |                      |                              |            |  |
| Equity in pooled cash and investments                          | 6   | 3                       | 2,894     | 15,052     | -          | 3,243                | 322                          | 21,520     | -  |
| Advances to other funds  | -   | -                       | -         | 3,140      | -          | -                    | -                            | 3,140      | -  |
| Lease receivable   | 1,084                                       | -                       | -         | 217        | -          | -                    | 545                          | 1,846      | -  |
| <b>Capital assets:</b>   |   |                         |           |            |            |                      |                              |            |  |
| Land   | 2,630                                       | 1,399                   | 6,296     | 2,264      | 2,264      | 620                  | 15,484                       | 30,957     | 685  |
| Buildings  | 15,383                                      | 36,801                  | 24,019    | 6,441      | -          | 7,463                | 47,432                       | 137,539    | 1,553  |
| Improvements other than buildings                              | -   | 7,802                   | 2,721     | 587        | -          | 34                   | 811                          | 11,955     | 50   |
| Machinery and equipment  | 15,857                                      | 20,667                  | 11,907    | 1,098      | 27         | 72                   | 998                          | 50,626     | 31,587   |
| Infrastructure   | 431   | 167,026                 | 83,166    | 24,757     | 84,490     | -                    | 19,440                       | 379,310    | 3,635  |
| Accumulated depreciation                                       | (18,088)                                    | (111,068)               | (54,581)  | (22,873)   | (24,984)   | (5,973)              | (44,160)                     | (281,727)  | (19,745)   |
| IT subscriptions   | 128   | -                       | 78        | -          | -          | -                    | 349                          | 555        | 592  |
| Accumulated amortization                                       | (48)  | -                       | (52)      | -          | -          | -                    | (232)                        | (332)      | (536)  |
| Construction in progress                                       | 351   | 6,747                   | 2,420     | 4,672      | 703        | -                    | 1,092                        | 15,985     | 1,236  |
| Total noncurrent assets  | 17,734                                      | 129,377                 | 78,868    | 35,355     | 62,500     | 5,459                | 42,081                       | 371,374    | 19,057   |
| Total assets   | 35,954                                      | 160,315                 | 97,997    | 53,145     | 66,926     | 12,148               | 48,264                       | 474,749    | 77,652   |
| <b>Deferred Outflows of Resources</b>                          |   |                         |           |            |            |                      |                              |            |  |
| Pension related deferred outflows                              | 514   | 262                     | 326       | 369        | 28         | 130                  | 204                          | 1,833      | 289  |
| OPEB related deferred outflows                                 | 150   | 65                      | 93        | 98         | 5          | 40                   | 61                           | 512        | 62   |
| Total deferred outflows of resources                           | 664   | 327                     | 419       | 467        | 33         | 170                  | 265                          | 2,345      | 351  |
| <b>Liabilities</b>   |   |                         |           |            |            |                      |                              |            |  |
| <b>Current liabilities:</b>                                    |   |                         |           |            |            |                      |                              |            |  |
| Accounts payable   | 426   | 167                     | 184       | 967        | 63         | 64                   | 88                           | 1,959      | 472  |
| Contracts payable  | 1   | 458                     | 427       | 343        | 51         | -                    | 449                          | 1,729      | -  |
| Accrued liabilities  | 104   | 56                      | 69        | 79         | 7          | 29                   | 46                           | 390        | 2,923  |
| Compensated absences   | 262   | 112                     | 139       | 243        | 15         | 41                   | 143                          | 955        | 135  |
| Subscription liability   | 31  | -                       | 31        | -          | -          | -                    | -                            | 62         | -  |
| Due to other governments                                       | -   | 1                       | 59        | 3          | -          | 1                    | -                            | 64         | -  |
| Unearned revenue   | 95  | -                       | -         | -          | -          | 79                   | -                            | 174        | -  |
| Interest payable   | -   | -                       | 6         | -          | -          | -                    | -                            | 6          | -  |
| Other post employment benefits liability                       | 790   | 361                     | 473       | 543        | 28         | 182                  | 296                          | 2,673      | 332  |
| Bonded debt payable (net of unamortized premium and discounts) | -   | -                       | 562       | -          | -          | -                    | -                            | 562        | -  |
| Total current liabilities                                      | 1,709                                       | 1,155                   | 1,950     | 2,178      | 164        | 396                  | 1,022                        | 8,574      | 3,862  |
| <b>Noncurrent liabilities:</b>                                 |   |                         |           |            |            |                      |                              |            |  |
| <b>Liabilities payable from restricted assets:</b>             |   |                         |           |            |            |                      |                              |            |  |
| Deposits   | 5   | -                       | 1,309     | 12         | -          | 1,772                | 9                            | 3,107      | -  |
| Advances from grantors   | -   | -                       | -         | -          | -          | -                    | 212                          | 212        | -  |
| Advances from other funds                                      | -   | -                       | -         | -          | -          | -                    | 716                          | 716        | -  |
| Compensated absences   | 310   | 131                     | 219       | 460        | 33         | 54                   | 237                          | 1,444      | 229  |
| Subscription liability   | 33  | -                       | -         | -          | -          | -                    | -                            | 33         | -  |
| Capital loan notes payable                                     | -   | 2,527                   | -         | -          | -          | -                    | -                            | 2,527      | -  |
| Net pension liability  | 1,368                                       | 708                     | 873       | 1,009      | 76         | 337                  | 540                          | 4,911      | 802  |
| Other post employment benefits liability                       | 57  | 6                       | 49        | 8          | -          | 44                   | 43                           | 207        | 6  |
| Landfill closure/postclosure liability                         | -   | -                       | -         | 17,497     | -          | -                    | -                            | 17,497     | -  |
| Total noncurrent liabilities                                   | 1,773                                       | 3,372                   | 2,450     | 18,986     | 109        | 2,207                | 1,757                        | 30,654     | 1,037  |
| Total liabilities  | 3,482                                       | 4,527                   | 4,400     | 21,164     | 273        | 2,603                | 2,779                        | 39,228     | 4,899  |
| <b>Deferred Inflows of Resources</b>                           |   |                         |           |            |            |                      |                              |            |  |
| Lease related deferred inflows                                 | 1,136                                       | -                       | -         | 221        | -          | -                    | 565                          | 1,922      | 6  |
| Pension related deferred inflows                               | 54  | 28                      | 35        | 40         | 3          | 13                   | 21                           | 194        | 31   |
| OPEB related deferred inflows                                  | 228   | 99                      | 141       | 148        | 8          | 61                   | 91                           | 776        | 92   |
| Deferred amount on refunding                                   | -   | -                       | 11        | -          | -          | -                    | -                            | 11         | -  |
| Total deferred inflow of resources                             | 1,418                                       | 127                     | 187       | 409        | 11         | 74                   | 677                          | 2,903      | 129  |
| <b>Net Position</b>  |   |                         |           |            |            |                      |                              |            |  |
| Net investment in capital assets                               | 16,579                                      | 126,389                 | 74,943    | 16,603     | 62,449     | 2,216                | 40,764                       | 339,943    | 19,057   |
| Restricted by bond ordinance                                   | -   | -                       | 1,566     | -          | -          | -                    | -                            | 1,566      | -  |
| Restricted by state statute                                    | -   | -                       | -         | 768        | -          | -                    | -                            | 768        | -  |
| Restricted for future improvements                             | -   | -                       | -         | -          | -          | -                    | 404                          | 404        | -  |
| Restricted by grant agreement                                  | -   | -                       | -         | -          | -          | 1,465                | -                            | 1,465      | -  |
| Unrestricted   | 15,139                                      | 29,599                  | 17,320    | 14,668     | 4,226      | 5,960                | 3,905                        | 90,817     | 53,918   |
| Total net position   | \$ 31,718                                   | \$ 155,988              | \$ 93,829 | \$ 32,039  | \$ 66,675  | \$ 9,641             | \$ 45,073                    | \$ 434,963 | \$ 72,975  |

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.  
Net position of business-type activities

27,836  
\$ 462,799

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, 2025  
(amounts expressed in thousands)

|  | Business-type Activities - Enterprise Funds |                         |          |            |            |                      |                              | Total       | Governmental<br>Activities -<br>Internal<br>Service<br>Funds |
|--|---|-------------------------|----------|------------|------------|----------------------|------------------------------|-------------|--|
|  | Transit                                     | Wastewater<br>Treatment | Water    | Sanitation | Stormwater | Housing<br>Authority | Other<br>Enterprise<br>Funds |             |  |
| <b>Cash Flows From Operating Activities</b>  |   |                         |          |            |            |                      |                              |             |  |
| Receipts from customers and users  | \$ 1,161                                    | \$ 13,486               | \$12,151 | \$ 12,999  | \$ 1,939   | \$ 598               | \$ 7,706                     | \$ 50,040   | \$ -   |
| Receipts from users  | -   | -                       | -        | -          | -          | -                    | -                            | -           | 26,167   |
| Payments to suppliers  | (5,420)                                     | (5,615)                 | (4,865)  | (5,390)    | (952)      | (12,341)             | (3,532)                      | (38,115)    | (16,371)   |
| Payments to employees  | (5,275)                                     | (3,760)                 | (4,270)  | (4,465)    | (385)      | (1,352)              | (2,604)                      | (22,111)    | (2,802)  |
| Net cash flows from (used for) operating activities  | (9,534)                                     | 4,111                   | 3,016    | 3,144      | 602        | (13,095)             | 1,570                        | (10,186)    | 6,994  |
| <b>Cash Flows From Noncapital Financing Activities</b>   |   |                         |          |            |            |                      |                              |             |  |
| Grants received  | 8,189                                       | -                       | -        | -          | -          | 13,257               | 74                           | 21,520      | -  |
| Transfers from other funds   | 4,247                                       | 30                      | 30       | 56         | (8)        | 10                   | 100                          | 4,465       | 596  |
| Transfers to other funds   | -   | -                       | (998)    | (75)       | (11)       | (66)                 | (52)                         | (1,202)     | (308)  |
| Repayment/(payment) of notes receivable  | -   | -                       | -        | -          | -          | 10                   | -                            | 10          | -  |
| Repayment/(payment) of advances from other funds   | -   | -                       | -        | 489        | -          | -                    | (420)                        | 69          | -  |
| Net cash flows from (used for) noncapital financing activities   | 12,436                                      | 30                      | (968)    | 470        | (19)       | 13,211               | (298)                        | 24,862      | 288  |
| <b>Cash Flows From Capital and Related Financing Activities</b>  |   |                         |          |            |            |                      |                              |             |  |
| Capital grants received  | 95  | -                       | -        | -          | -          | -                    | 1,399                        | 1,494       | -  |
| Lease revenues received  | 219   | -                       | -        | 29         | -          | -                    | 179                          | 427         | 14   |
| Lease related deferred inflows of resources  | (219)                                       | -                       | -        | (29)       | -          | -                    | (97)                         | (345)       | -  |
| Lease receivable   | 131   | -                       | -        | 17         | -          | -                    | 45                           | 193         | -  |
| Acquisition and construction of property and equipment   | (109)                                       | (5,245)                 | (992)    | (5,099)    | (220)      | (2)                  | (1,341)                      | (13,008)    | (3,721)  |
| Proceeds from sale of property   | -   | -                       | -        | -          | -          | -                    | -                            | -           | 171  |
| Proceeds from issuance of capital loan note  | -   | 1,739                   | -        | -          | -          | -                    | -                            | 1,739       | -  |
| Principal paid on subscription liability   | (31)  | -                       | (26)     | -          | -          | -                    | -                            | (57)        | (59)   |
| Interest paid on subscription liability  | -   | -                       | -        | -          | -          | -                    | -                            | -           | (2)  |
| Principal paid on bonded debt  | -   | -                       | (1,323)  | -          | -          | -                    | -                            | (1,323)     | -  |
| Interest paid on bonded debt   | -   | -                       | (49)     | -          | -          | -                    | -                            | (49)        | -  |
| Net cash flows from (used for) capital and related financing activities                                  | 86  | (3,506)                 | (2,390)  | (5,082)    | (220)      | (2)                  | 185                          | (10,929)    | (3,597)  |
| <b>Cash Flows From Investing Activities</b>  |   |                         |          |            |            |                      |                              |             |  |
| Interest on investments  | 585   | 967                     | 917      | 1,493      | 118        | 259                  | 167                          | 4,506       | 1,934  |
| Net increase (decrease) in cash and cash equivalents   | 3,573                                       | 1,602                   | 575      | 25         | 481        | 373                  | 1,624                        | 8,253       | 5,625  |
| <b>Cash and Cash Equivalents, Beginning</b>  | 11,772                                      | 27,496                  | 19,310   | 31,001     | 3,675      | 8,751                | 4,338                        | 106,343     | 51,207   |
| <b>Cash and Cash Equivalents, Ending</b>   | \$ 15,345                                   | \$ 29,098               | \$19,885 | \$ 31,026  | \$ 4,156   | \$ 9,124             | \$ 5,962                     | \$114,596   | \$ 56,832  |
| <b>Reconciliation of operating income (loss) to net cash flows from (used for) operating activities:</b> |   |                         |          |            |            |                      |                              |             |  |
| Operating income (loss)  | \$ (9,568)                                  | \$ (405)                | \$ 789   | \$ (498)   | \$ (955)   | \$ (13,527)          | \$ (939)                     | \$ (25,103) | \$ 3,818   |
| Adjustments to reconcile operating income (loss) to net cash flows from (used for) operating activities: |   |                         |          |            |            |                      |                              |             |  |
| Depreciation/amortization expense  | 1,093                                       | 4,512                   | 2,421    | 1,237      | 1,614      | 223                  | 2,246                        | 13,346      | 2,881  |
| Changes in:  |   |                         |          |            |            |                      |                              |             |  |
| Receivables:   |   |                         |          |            |            |                      |                              |             |  |
| Accounts and unbilled usage  | 17  | 189                     | (111)    | 89         | (2)        | (8)                  | (84)                         | 90          | (77)   |
| Due from other governments   | -   | -                       | -        | 18         | -          | (1)                  | 4                            | 21          | 16   |
| Inventories  | (92)  | -                       | (91)     | -          | -          | -                    | -                            | (183)       | (6)  |
| Advances from grantors   | -   | -                       | -        | -          | -          | -                    | 212                          | 212         | -  |
| Accounts payable   | (756)                                       | (71)                    | (85)     | 764        | (52)       | 5                    | 90                           | (105)       | (13)   |
| Accrued liabilities  | 17  | 9                       | 9        | 11         | 2          | 4                    | 9                            | 61          | 474  |
| Compensated absences   | (182)                                       | (33)                    | (13)     | (21)       | 5          | 8                    | 82                           | (154)       | (22)   |
| Due to other governments   | -   | -                       | (7)      | (3)        | -          | -                    | -                            | (10)        | -  |
| Unearned revenue   | 95  | -                       | -        | -          | -          | (1)                  | -                            | 94          | -  |
| Deposits   | 1   | -                       | 152      | 2          | -          | 195                  | -                            | 350         | -  |
| Net pension liability  | (435)                                       | (236)                   | (197)    | (299)      | (25)       | (46)                 | (154)                        | (1,392)     | (237)  |
| Deferred outflows of resources   | 198   | 108                     | 111      | 151        | 11         | 33                   | 73                           | 685         | 122  |
| Deferred inflows of resources  | 51  | 26                      | 22       | 36         | 3          | 13                   | 20                           | 171         | 28   |
| Other post employment benefits liability   | 27  | 12                      | 16       | 18         | 1          | 7                    | 11                           | 92          | 10   |
| Landfill closure/postclosure liability   | -   | -                       | -        | 1,639      | -          | -                    | -                            | 1,639       | -  |
| Total adjustments  | 34  | 4,516                   | 2,227    | 3,642      | 1,557      | 432                  | 2,509                        | 14,917      | 3,176  |
| Net cash flows from (used for) operating activities  | (9,534)                                     | 4,111                   | 3,016    | 3,144      | 602        | (13,095)             | 1,570                        | (10,186)    | 6,994  |
| <b>Noncash Investing, Capital, and Financing Activities:</b>   |   |                         |          |            |            |                      |                              |             |  |
| Contributions of capital assets from government and others   | \$ -  | \$ 2,947                | \$ 1,765 | \$ -       | \$ 4,221   | \$ -                 | \$ -                         | \$ 8,933    | \$ -   |
| Capital grants not yet received  | \$ 247                                      | \$ -                    | \$ -     | \$ 300     | \$ -       | \$ -                 | \$ 183                       | \$ 730      | \$ -   |
| Operating grants not yet received  | \$ 1,577                                    | \$ -                    | \$ -     | \$ -       | \$ -       | \$ 294               | \$ 47                        | \$ 1,918    | \$ -   |

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, 2025

(amounts expressed in thousands)

|                                       | <u>Project Green</u> |
|---------------------------------------|----------------------|
| <b>Assets</b>                         |                      |
| Equity in pooled cash and investments | \$ 96                |
| Interest receivable                   | 2                    |
| Total assets                          | <u>98</u>            |
| <b>Liabilities</b>                    |                      |
| Accounts payable                      | <u>1</u>             |
| Total liabilities                     | <u>1</u>             |
| <b>Net Position</b>                   |                      |
| Restricted for an organization        | <u><u>\$ 97</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, 2025  
(amounts expressed in thousands)

|                                | <u>Project Green</u> |
|--------------------------------|----------------------|
| <b>Additions:</b>              |                      |
| Contributions                  | \$ 36                |
| Interest                       | 4                    |
| Total additions                | <u>40</u>            |
| <b>Deductions:</b>             |                      |
| Services and charges           | <u>23</u>            |
| Total deductions               | <u>23</u>            |
| Change in net position         | 17                   |
| <b>Net Position, Beginning</b> | <u>80</u>            |
| <b>Net Position, Ending</b>    | <u><u>\$ 97</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, 2025

### 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, compensatory, and sick leave hours for subsequent use or for payment upon death, resignation, or retirement. A liability is recorded when each of the following have occurred: the leave is attributable to services already rendered, the leave accumulates and carries forward from one reporting period to the next and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The City estimates the compensated absences liability for leave benefits that are more likely than not to be used or otherwise paid or settled based on historical information on employees use or payment of the benefits provided. The liability is measured using the pay rates in effect at year-end, the measurement date, and includes salary-related payments that are directly and incrementally associated with the leave liability measurement.

### **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 \$26,179,192 in revenues and other financing sources and by \$103,512,925 in expenditures and other financing uses. During the year ended June 30, 2025, the City over expended the Debt Service Function by \$57,000. 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, 2025, there were unspent bond proceeds totaling \$24,530,774 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 \$3,901,000 for employee benefits, \$17,448,000 for capital projects, \$7,457,000 debt service, \$541,000 for police, \$5,174,000 for grant agreements, \$11,592,000 for other purposes, \$1,566,000 for bond ordinance, \$768,000 for State statute, and \$404,000 for future improvements.

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, 2025 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, 2025 the City of Iowa City had the following investments:

| Investment                            | Fair Value    | Maturities                     |
|---------------------------------------|---------------|--------------------------------|
| Federal Farm Credit Bank Notes        | \$ 1,295,580  | September 2040                 |
| Federal National Mortgage Association | 3,652,340     | December 2027 to June 2029     |
| Federal Home Loan Bank                | 23,699,100    | September 2025 to January 2027 |
| United States Treasury                | 20,553,634    | November 2025                  |
|                                       | \$ 49,200,654 |                                |

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 Farm Credit Bank Note securities of \$1,295,580, the Federal National Mortgage Association securities of \$3,652,340, the Federal Home Loan Bank securities of \$23,699,100, and the United States Treasury securities of \$20,553,634 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 \$2,298,785, 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, 2025, consisted of the following:

|  | Transfer from       |                                 |                                 |  |                                     |                       |
|--|---------------------|---------------------------------|---------------------------------|--|-------------------------------------|-----------------------|
|  | General             | Other Shared Revenue and Grants | Transfer from Employee Benefits | Capital Projects Bridge, Street and Traffic Control Construction | Capital Projects Other Construction | Nonmajor Governmental |
| <b>Transfer to:</b>  |                     |                                 |                                 |  |                                     |                       |
| General  | \$ -                | \$ 81,200                       | \$ 13,527,100                   | \$ -   | \$ -                                | \$ 42,540             |
| Other Shared Revenue and Grants                                  | 1,030,000           | -                               | 697,100                         | -  | -                                   | -                     |
| Debt Service   | 20,052              | -                               | -                               | -  | -                                   | 1,542,059             |
| Capital Projects Other Construction                              | 897,054             | 96,958                          | -                               | 449,507  | -                                   | 239                   |
| Capital Projects Bridge, Street and Traffic Control Construction | 325,853             | 3,378,000                       | -                               | (449,507)  | -                                   | 120,425               |
| Nonmajor Governmental  | 278,220             | 299,000                         | -                               | -  | -                                   | -                     |
| Transit  | 4,247,200           | -                               | -                               | -  | -                                   | -                     |
| Wastewater Treatment   | 29,909              | -                               | -                               | 1,445,112  | -                                   | -                     |
| Water  | 30,089              | -                               | -                               | 983,049  | -                                   | -                     |
| Sanitation/Landfill  | 55,683              | -                               | -                               | -  | -                                   | -                     |
| Stormwater   | 13,353              | -                               | -                               | 2,593,268  | 94,561                              | -                     |
| Housing Authority  | -                   | -                               | -                               | -  | -                                   | 10,233                |
| Nonmajor Enterprise  | 100,000             | -                               | -                               | -  | -                                   | -                     |
| Internal Service   | 79,854              | 242,318                         | -                               | 63,944   | -                                   | -                     |
| <b>Total Transfer to</b>   | <b>\$ 7,107,267</b> | <b>\$ 4,097,476</b>             | <b>\$ 14,224,200</b>            | <b>\$ 5,085,373</b>  | <b>\$ 94,561</b>                    | <b>\$ 1,715,496</b>   |

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   |                  |                  |                   |                     |                   |                      |                      |  |
|---|------------------|------------------|-------------------|---------------------|-------------------|----------------------|----------------------|--|
| Water   | Sanitation       | Stormwater       | Housing Authority | Nonmajor Enterprise | Internal Services | Total Transfer from  |                      |  |
| \$ -  | \$ -             | \$ -             | \$ 30,700         | \$ -                | \$ -              | 13,681,540           |                      |  |
| -   | -                | -                | -                 | -                   | -                 | 1,727,100            |                      |  |
| -   | -                | -                | -                 | -                   | -                 | 1,562,111            |                      |  |
| -   | -                | 11,461           | -                 | -                   | 200,000           | 1,655,219            |                      |  |
| 950,121   | -                | -                | -                 | -                   | 107,816           | 4,432,708            |                      |  |
| -   | -                | -                | -                 | -                   | -                 | 577,220              |                      |  |
| -   | -                | -                | -                 | -                   | -                 | 4,247,200            |                      |  |
| -   | -                | -                | -                 | -                   | -                 | 1,475,021            |                      |  |
| -   | -                | -                | -                 | -                   | -                 | 1,013,138            |                      |  |
| -   | -                | -                | -                 | -                   | -                 | 55,683               |                      |  |
| -   | -                | -                | -                 | -                   | -                 | 2,701,182            |                      |  |
| -   | -                | -                | -                 | -                   | -                 | 10,233               |                      |  |
| -   | -                | -                | -                 | -                   | -                 | 100,000              |                      |  |
| 48,291  | 75,000           | -                | 35,534            | 51,244              | -                 | 596,185              |                      |  |
| <u>\$ 998,412</u>   | <u>\$ 75,000</u> | <u>\$ 11,461</u> | <u>\$ 66,234</u>  | <u>\$ 51,244</u>    | <u>\$ 307,816</u> | <u>\$ 33,834,540</u> |                      |  |
| Transfers from governmental activities capital assets to enterprise funds |                  |                  |                   |                     |                   |                      | 21,078               |  |
|   |                  |                  |                   |                     |                   |                      | <u>\$ 33,855,618</u> |  |

Interfund balances for the year ended June 30, 2025, consisted of the following:

|                       | <u>Due from</u><br><u>General</u> |
|-----------------------|-----------------------------------|
| <u>Due to:</u>        |                                   |
| Nonmajor Governmental | \$ 97,403                         |
| Total                 | <u>\$ 97,403</u>                  |

Interfund balances at June 30, 2025, include due to/from other funds, which represent amounts for negative cash balance funding. The \$97,403 advance to Nonmajor Governmental Funds is expected to be repaid within the next year.

|                     | <u>Advances from</u> |                     |
|---------------------|----------------------|---------------------|
|                     | <u>Sanitation</u>    | <u>Total</u>        |
| <u>Advances to:</u> |                      |                     |
| Other Construction  | \$ 2,424,110         | \$ 2,424,110        |
| Nonmajor Enterprise | <u>715,579</u>       | <u>715,579</u>      |
| Total               | <u>\$ 3,139,689</u>  | <u>\$ 3,139,689</u> |

Interfund balances at June 30, 2025, include advances to/from other funds, which represent amounts for construction loans and a revenue bond redemption loan. \$2,226,190 of the \$2,424,110 advance to the Other Construction Fund is not expected to be repaid within the next year. \$617,896 of the \$715,579 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, 2025, 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 \$20,451 in lease revenue and \$4,772 in interest revenue during the current fiscal year related to this lease. As of June 30, 2025, the City's receivable for lease payments was \$144,475. The City has a deferred inflow of resources associated with this lease of \$136,624 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 \$17,289 in lease revenue and \$621 in interest revenue during the current fiscal year related to this lease. As of June 30, 2025, the City's receivable for lease payments was \$0. The City has a deferred inflow of resources associated with this lease of \$6,195 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 \$15,111 in lease revenue and \$2,764 in interest revenue during the current fiscal year related to this lease. As of June 30, 2025, the City's receivable for lease payments was \$81,777. The City has a deferred inflow of resources associated with this lease of \$77,445 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 \$9,444. The City recognized \$100,826 in lease revenue and \$18,717 in interest revenue during the current fiscal year related to this lease. As of June 30, 2025, the City's receivable for lease payments was \$556,201. The City has a deferred inflow of resources associated with this lease of \$504,129 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 \$29,776 in lease revenue and \$18,384 in interest revenue during the current fiscal year related to this lease. As of June 30, 2025, the City's receivable for lease payments was \$584,394. The City has a deferred inflow of resources associated with this lease of \$554,172 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 \$15,929 in lease revenue and \$6,267 in interest revenue during the current fiscal year related to this lease. As of June 30, 2025, the City's receivable for lease payments was \$195,914. The City has a deferred inflow of resources associated with this lease of \$185,398 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 \$3,062 in lease revenue and \$1,205 in interest revenue during the current fiscal year related to this lease. As of June 30, 2025, the City's receivable for lease payments was \$37,666. The City has a deferred inflow of resources associated with this lease of \$35,641 that will be recognized as revenue over the lease term.

The City has five leases for land use at and around the Airport that were entered into agreement between February 12, 1991 and May 1, 2025. 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 \$18,138. The City recognized \$15,260 in lease revenue and \$6,149 in interest revenue during the current fiscal year related to these leases. As of June 30, 2025, the City's receivable for lease payments was \$245,529. The City has a deferred inflow of resources associated with these leases of \$234,529 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, 2024. 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 \$11,982. The City recognized \$140,157 in lease revenue and \$13,147 in interest revenue during the current fiscal year related to these leases. As of June 30, 2025, the City's receivable for lease payments was \$371,905. The City has a deferred inflow of resources associated with these leases of \$330,013 that will be recognized as revenue over the lease terms.

## 5. Capital Assets

Capital asset activity for the year ended June 30, 2025, was as follows:

|   | Beginning<br>July 1, 2024 | Acquisitions<br>and<br>Transfers | Disposals<br>and<br>Transfers | Balance<br>June 30, 2025 |
|---|---------------------------|----------------------------------|-------------------------------|--------------------------|
| Governmental activities:                        |                           |                                  |                               |                          |
| Capital assets, not being depreciated:          |                           |                                  |                               |                          |
| Land  | \$ 32,614,482             | \$ 421,143                       | \$ -                          | \$ 33,035,626            |
| Construction in progress                        | 26,110,807                | 7,693,200                        | 22,306,035                    | 11,497,972               |
| Total capital assets, not being depreciated     | <u>58,725,290</u>         | <u>8,114,343</u>                 | <u>22,306,035</u>             | <u>44,533,597</u>        |
| Capital assets, being depreciated:              |                           |                                  |                               |                          |
| Buildings                                       | 69,756,219                | 3,279,982                        | 63,402                        | 72,972,799               |
| Improvements other than buildings               | 7,967,160                 | 1,527,042                        | 849,338                       | 8,644,864                |
| Machinery and equipment                         | 67,782,670                | 5,176,588                        | 1,949,064                     | 71,010,194               |
| IT subscriptions                                | 1,209,910                 | 1,124,255                        | 143,702                       | 2,190,463                |
| Infrastructure                                  | 231,622,149               | 23,822,189                       | 51,477                        | 255,392,860              |
| Total capital assets being depreciated          | <u>378,338,108</u>        | <u>34,930,055</u>                | <u>3,056,983</u>              | <u>410,211,180</u>       |
| Less accumulated depreciation/amortization for: |                           |                                  |                               |                          |
| Buildings                                       | 36,075,941                | 1,850,608                        | 44,787                        | 37,881,762               |
| Improvements other than buildings               | 4,995,842                 | 268,823                          | 554,644                       | 4,710,021                |
| Machinery and equipment                         | 32,706,252                | 5,295,205                        | 1,938,394                     | 36,063,064               |
| IT Subscriptions                                | 872,725                   | 302,543                          | 143,702                       | 1,031,567                |
| Infrastructure                                  | 72,150,837                | 4,888,731                        | 23,594                        | 77,015,974               |
| Total accumulated depreciation/amortization     | <u>146,801,598</u>        | <u>12,605,910</u>                | <u>2,705,121</u>              | <u>156,702,387</u>       |
| Total capital assets, being depreciated, net    | <u>231,536,511</u>        | <u>22,324,145</u>                | <u>351,862</u>                | <u>253,508,793</u>       |
| Governmental activities capital assets, net     | <u>\$ 290,261,801</u>     | <u>\$ 30,438,488</u>             | <u>\$ 22,657,898</u>          | <u>\$ 298,042,391</u>    |
| Business-type activities:                       |                           |                                  |                               |                          |
| Capital assets, not being depreciated:          |                           |                                  |                               |                          |
| Land  | \$ 30,957,185             | \$ -                             | \$ -                          | \$ 30,957,185            |
| Construction in progress                        | 24,506,822                | 12,460,927                       | 20,981,692                    | 15,986,057               |
| Total capital assets, not being depreciated     | <u>55,464,007</u>         | <u>12,460,927</u>                | <u>20,981,692</u>             | <u>46,943,242</u>        |
| Capital assets, being depreciated:              |                           |                                  |                               |                          |
| Buildings                                       | 137,169,423               | 1,105,928                        | 735,115                       | 137,540,236              |
| Improvements other than buildings               | 11,955,129                | -                                | -                             | 11,955,129               |
| Machinery and equipment                         | 43,945,900                | 6,702,397                        | 24,094                        | 50,624,203               |
| IT subscriptions                                | 555,495                   | -                                | -                             | 555,495                  |
| Infrastructure                                  | 357,883,123               | 21,680,918                       | 254,318                       | 379,309,723              |
| Total capital assets being depreciated          | <u>551,509,070</u>        | <u>29,489,243</u>                | <u>1,013,526</u>              | <u>579,984,786</u>       |
| Less accumulated depreciation/amortization for: |                           |                                  |                               |                          |
| Buildings                                       | 84,013,970                | 2,968,780                        | 512,354                       | 86,470,396               |
| Improvements other than buildings               | 8,953,149                 | 250,997                          | -                             | 9,204,146                |
| Machinery and equipment                         | 27,138,701                | 1,704,640                        | 24,094                        | 28,819,247               |
| IT Subscriptions                                | 158,407                   | 174,462                          | -                             | 332,869                  |
| Infrastructure                                  | 149,133,848               | 8,294,351                        | 194,977                       | 157,233,222              |
| Total accumulated depreciation/amortization     | <u>269,398,075</u>        | <u>13,393,230</u>                | <u>731,425</u>                | <u>282,059,880</u>       |
| Total capital assets, being depreciated, net    | <u>282,110,995</u>        | <u>16,096,013</u>                | <u>282,102</u>                | <u>297,924,906</u>       |
| Business-type activities capital assets, net    | <u>\$ 337,575,002</u>     | <u>\$ 28,556,939</u>             | <u>\$ 21,263,794</u>          | <u>\$ 344,868,147</u>    |

Depreciation/Amortization expense was charged to functions as follows:

|   |                      |
|---|----------------------|
| Governmental activities:  |                      |
| Public safety   | \$ 1,998,062         |
| Public works  | 6,051,278            |
| Culture and recreation  | 3,979,764            |
| Community and economic development                                | 53,101               |
| General government  | <u>523,704</u>       |
| Total depreciation/amortization expense - governmental activities | <u>\$ 12,605,909</u> |
| Business-type activities:   |                      |
| Transit   | \$ 1,092,800         |
| Wastewater treatment  | 4,511,562            |
| Water   | 2,420,920            |
| Sanitation  | 1,236,714            |
| Stormwater  | 1,613,682            |
| Housing authority   | 222,887              |
| Nonmajor enterprise   | <u>2,245,988</u>     |
| Total depreciation expense - business-type activities             | <u>\$ 13,344,553</u> |

## 6. Long Term Debt

### Changes in Debt for Bonds

Bond debt activity for the year ended June 30, 2025, was as follows:

|                                | <u>July 1, 2024</u>  | <u>Issues</u>        | <u>Retirements</u>   | <u>June 30, 2025</u> | <u>Due Within<br/>One Year</u> |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|--------------------------------|
| Governmental activities:       |                      |                      |                      |                      |                                |
| General obligation bonds       | \$ 52,980,000        | \$ 14,535,000        | \$ 10,545,000        | \$ 56,970,000        | \$ 10,880,000                  |
| Plus: Unamortized              |                      |                      |                      |                      |                                |
| Premium                        | <u>3,476,920</u>     | <u>1,095,819</u>     | <u>611,168</u>       | <u>3,961,571</u>     | <u>611,168</u>                 |
| Total general obligation bonds | <u>56,456,920</u>    | <u>15,630,819</u>    | <u>11,156,168</u>    | <u>60,931,571</u>    | <u>11,491,168</u>              |
| Revenue bonds                  | <u>9,925,000</u>     | <u>-</u>             | <u>950,000</u>       | <u>8,975,000</u>     | <u>950,000</u>                 |
| Less: Unamortized              |                      |                      |                      |                      |                                |
| Discounts                      | <u>-</u>             | <u>-</u>             | <u>-</u>             | <u>-</u>             | <u>-</u>                       |
| Total revenue bonds            | <u>9,925,000</u>     | <u>-</u>             | <u>950,000</u>       | <u>8,975,000</u>     | <u>950,000</u>                 |
|                                | <u>\$ 66,381,920</u> | <u>\$ 15,630,819</u> | <u>\$ 12,106,168</u> | <u>\$ 69,906,571</u> | <u>\$ 12,441,168</u>           |
| Business-type activities:      |                      |                      |                      |                      |                                |
| Revenue bonds                  | \$ 1,880,000         | \$ -                 | \$ 1,325,000         | \$ 555,000           | \$ 555,000                     |
| Plus: Unamortized              |                      |                      |                      |                      |                                |
| Premium                        | <u>41,712</u>        | <u>-</u>             | <u>35,234</u>        | <u>6,478</u>         | <u>6,478</u>                   |
| Total revenue bonds            | <u>\$ 1,921,712</u>  | <u>\$ -</u>          | <u>\$ 1,360,234</u>  | <u>\$ 561,478</u>    | <u>\$ 561,478</u>              |

## General Obligation Bonds

Various issues of general obligation bonds totaling \$56,970,000 are outstanding as of June 30, 2025. The bonds have interest rates ranging from 2.00% to 6.00% and mature in varying annual amounts ranging from \$340,000 to \$2,200,000 per issue, with the final maturities due in the year ending June 30, 2035. 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<br>June 30 | Governmental Activities |                     |
|-------------------------------|-------------------------|---------------------|
|                               | Principal               | Interest            |
| 2026                          | \$ 10,880,000           | \$ 2,288,790        |
| 2027                          | 9,105,000               | 1,852,203           |
| 2028                          | 8,055,000               | 1,495,178           |
| 2029                          | 7,075,000               | 1,184,828           |
| 2030                          | 6,115,000               | 913,828             |
| 2031-2035                     | 15,740,000              | 1,686,318           |
| Total                         | <u>\$ 56,970,000</u>    | <u>\$ 9,421,143</u> |

## Revenue Bonds

As of June 30, 2025, the following unmatured revenue bond issues are outstanding:

|                       | Water         | Taxable Urban<br>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            |
|                       | \$ 555,000    | \$ 950,000               |
| Amount outstanding    | \$ 555,000    | \$ 8,975,000             |

Revenue bond debt service requirements to maturity are as follows:

| Fiscal Year Ending<br>June 30 | Governmental Activities |                     | Business-type Activities |                 |
|-------------------------------|-------------------------|---------------------|--------------------------|-----------------|
|                               | Principal               | Interest            | Principal                | Interest        |
| 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                          | 755,000                 | 172,050             | -                        | -               |
| 2031-2035                     | 4,090,000               | 508,350             | -                        | -               |
| 2036-2040                     | 890,000                 | 26,700              | -                        | -               |
| <b>Total</b>                  | <b>\$ 8,975,000</b>     | <b>\$ 1,627,350</b> | <b>\$ 555,000</b>        | <b>\$ 6,244</b> |

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 – maximum amount of principal and interest coming due in any succeeding year on a combination of all 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, 2025, the Water Fund had net revenues of \$4,270,000 and the amount of principal and interest due was \$1,351,000.

## Summary of Bond Issues

General obligation and revenue bonds payable at June 30, 2025, are comprised of the following issues:

|                                  | Date of<br>Issue | Amount<br>Issued | Interest<br>Rates | Final<br>Maturity | Outstanding<br>June 30, 2025 |
|----------------------------------|------------------|------------------|-------------------|-------------------|------------------------------|
| <b>General Obligation Bonds:</b> |                  |                  |                   |                   |                              |
| Multi-Purpose                    | June 2016        | 8,795,000        | 2.0 - 3.0         | 6/26              | 1,035,000                    |
| Multi-Purpose                    | June 2017        | 9,765,000        | 2.0 - 2.5         | 6/27              | 2,140,000                    |
| Multi-Purpose                    | June 2018        | 8,895,000        | 3.0               | 6/28              | 2,880,000                    |
| Multi-Purpose                    | June 2019        | 12,535,000       | 2.0 - 2.25        | 6/29              | 3,765,000                    |
| Multi-Purpose                    | June 2020        | 12,145,000       | 2.0 - 5.0         | 6/30              | 3,950,000                    |
| Multi-Purpose                    | June 2021        | 11,325,000       | 2.0 - 5.0         | 6/31              | 6,785,000                    |
| Multi-Purpose                    | June 2022        | 10,255,000       | 3.3 - 5.0         | 6/32              | 6,950,000                    |
| Multi-Purpose                    | June 2023        | 9,105,000        | 3.0 - 5.0         | 6/33              | 6,790,000                    |
| Multi-Purpose                    | June 2024        | 10,140,000       | 4.0 - 6.0         | 6/34              | 8,140,000                    |
| Multi-Purpose                    | June 2025        | 14,535,000       | 5.0               | 6/35              | 14,535,000                   |
| Total General Obligation Bonds   |                  |                  |                   |                   | \$ 56,970,000                |
| <br>                             |                  |                  |                   |                   |                              |
|                                  | Date of<br>Issue | Amount<br>Issued | Interest<br>Rates | Final<br>Maturity | Outstanding<br>June 30, 2025 |
| <b>Revenue Bonds:</b>            |                  |                  |                   |                   |                              |
| Refunded Water Bonds (1)         | June 2017        | 5,910,000        | 2.0 - 2.25        | 7/25              | 555,000                      |
| Taxable Urban Renewal            | Sept. 2016       | 12,805,000       | 3.0               | 6/36              | 8,975,000                    |
| Total Revenue Bonds              |                  |                  |                   |                   | \$ 9,530,000                 |
|                                  |                  |                  |                   |                   | <u>\$ 66,500,000</u>         |

(1) 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, 2025, the City drew \$1,738,761 on the note, and as of June 30, 2025, \$2,527,187 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, 2025, there were two series of Industrial Development Revenue Bonds outstanding, with an aggregate principal amount payable of \$4,448,871.

## Debt Legal Compliance

### Legal Debt Margin:

As of June 30, 2025, 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   | \$ 8,533,650        |
| Utilities       | <u>173,706</u>      |
| Total valuation | <u>\$ 8,707,356</u> |

|  |            |
|--|------------|
| Debt limit, 5% of total assessed valuation | \$ 435,368 |
|--|------------|

Debt applicable to debt limit:

|   |                   |
|---|-------------------|
| General obligation bonds                        | 56,970            |
| Urban renewal revenue bonds                     | 8,975             |
| Capital loan note payable                       | 2,527             |
| Notes payable (Note 8)                          | 211               |
| Subscription liabilities (Note 8)               | 1,092             |
| Other legal indebtedness (TIF rebates)(Note 11) | <u>26,818</u>     |
| Total net debt applicable to limit              | <u>96,593</u>     |
| Legal debt margin                               | <u>\$ 338,775</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, 2025, the City had the following balances related to its pension accounts:

|                       | IPERS         | MFPRSI        | Total         |
|-----------------------|---------------|---------------|---------------|
| Net Pension Liability | \$ 14,613,786 | \$ 22,692,657 | \$ 37,306,443 |
| Deferred Inflows      | 581,940       | 920,054       | 1,501,994     |
| Deferred Outflows     | 5,423,582     | 7,473,697     | 12,897,279    |
| Pension Expense       | 1,619,760     | 2,986,414     | 4,606,174     |

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](http://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 9.55% of earnable compensation for the year ended June 30, 2025.

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 22.66% for the year ended June 30, 2025.

The City's contributions to MFPRSI for the year ended June 30, 2025, was \$3,012,568.

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, 2025.

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

At June 30, 2025, the City reported a liability of \$22,692,657 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024, the City's proportion was 3.434210% which was an decrease of 0.089301% from its proportions measured as of June 30, 2023.

For the year ended June 30, 2025, the City recognized pension expense of \$2,986,414. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience  | \$ 2,392,927                      | \$ -                             |
| Change of assumptions   | 81,913                            | -                                |
| Net difference between projected and actual earnings on pension plan investments                          | 1,518,813                         | -                                |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 467,476                           | 920,054                          |
| City contributions subsequent to the measurement date   | <u>3,012,568</u>                  | <u>-</u>                         |
| Total   | <u>\$ 7,473,697</u>               | <u>\$ 920,054</u>                |

\$3,012,568 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, 2026. 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, 2026 | \$ (807,391)        |
| June 30, 2027 | 3,283,743           |
| June 30, 2028 | 846,562             |
| June 30, 2029 | 196,154             |
| June 30, 2030 | <u>22,007</u>       |
|               | <u>\$ 3,541,075</u> |

**Actuarial Assumptions**

The total pension liability in the June 30, 2024, 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, 2024 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<br>Real Rate of Return |
|---------------------------|---|
| Broad Fixed Income        | 4.8 %                                     |
| Broad U.S. Equity         | 7.5                                       |
| Global Equity             | 7.6                                       |
| Broad Non-US Equity       | 7.7                                       |
| Managed Futures           | 5.5                                       |
| Core Real Estate          | 6.0                                       |
| Opportunistic Real Estate | 9.8                                       |
| Global Infrastructure     | 6.7                                       |
| Private Credit            | 9.4                                       |
| Private Equity            | 10.2                                      |

### **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<br>(6.5%) | Discount Rate<br>(7.5%) | 1% Increase (8.5%) |
|---|-----------------------|-------------------------|--------------------|
| City's proportionate share of<br>the net pension liability: | \$ 39,482,003         | \$ 22,692,657           | \$ 8,795,693       |

### **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](http://www.mfprsi.org).

### **Payables to the Pension Plan**

At June 30, 2025, 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](http://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 2025, 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, 2025 were \$3,644,609.

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

At June 30, 2025, the City reported a liability of \$14,613,786 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024, the City's proportion was 0.401313% which was an decrease of 0.019745% from its proportions measured as of June 30, 2023.

For the year ended June 30, 2025, the City recognized pension expense of \$1,619,760. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience  | \$ 1,162,831                      | \$ 9,078                         |
| Change of assumptions   | -                                 | 204                              |
| Net difference between projected and actual earnings on pension plan investments                          | 182,770                           | -                                |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 433,372                           | 572,658                          |
| City contributions subsequent to the measurement date   | 3,644,609                         | -                                |
| Total   | <u>\$ 5,423,582</u>               | <u>\$ 581,940</u>                |

\$3,644,609 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, 2026. 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, 2026 | \$ (1,949,367) |
| June 30, 2027 | 3,575,364      |
| June 30, 2028 | 157,918        |
| June 30, 2029 | (547,746)      |
| June 30, 2030 | (39,136)       |
|               | \$ 1,197,033   |

There were no non-employer contributing entities to IPERS.

**Actuarial Assumptions**

The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|  |  |
|--|--|
| Rate of inflation<br>(effective June 30, 2017)         | 2.60% per annum  |
| Salary increases<br>(effective June 30, 2017)          | 3.25 to 16.25%, average, including inflation. Rates vary by membership group.          |
| Investment rate of return<br>(effective June 30, 2017) | 7.00% compounded annually, net of pension plan investment expense, including inflation |
| Wage growth<br>(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, 2024, 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<br/>Real Rate of Return</u> |
|--------------------------|--------------------------|---|
| Domestic Equity          | 21.0 %                   | 3.52 %  |
| International Equity     | 13.0                     | 5.18  |
| Global Smart Beta Equity | 5.0                      | 4.12  |
| Core Plus Fixed Income   | 25.5                     | 3.04  |
| Public Credit            | 3.0                      | 4.53  |
| Cash                     | 1.0                      | 1.69  |
| Private Equity           | 17.0                     | 8.89  |
| Private Real Assets      | 9.0                      | 4.25  |
| Private Credit           | 5.5                      | 6.62  |
| 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<br/>(6.0%)</u> | <u>Discount Rate<br/>(7.0%)</u> | <u>1% Increase (8.0%)</u> |
|---|-------------------------------|---------------------------------|---------------------------|
| City's proportionate share of<br>the net pension liability: | \$ 35,861,970                 | \$ 14,613,786                   | \$ (3,181,679)            |

### **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](http://www.ipers.org).

### **Payables to the Pension Plan**

At June 30, 2025, 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, 2025, was as follows:

|                          | <u>July 1, 2024</u> | <u>Issues</u> | <u>Retirements</u> | <u>June 30, 2025</u> | <u>Due Within<br/>One Year</u> |
|--------------------------|---------------------|---------------|--------------------|----------------------|--------------------------------|
| Governmental activities: | <u>\$ 210,784</u>   | <u>\$ -</u>   | <u>\$ -</u>        | <u>\$ 210,784</u>    | <u>\$ 210,784</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 - Compensated Absences

Compensated absences activity for the year ended June 30, 2025, was as follows:

|                           | <u>Restated<br/>July 1, 2024</u> | <u>Issues</u> | <u>Retirements</u> | <u>June 30, 2025</u> | <u>Due Within<br/>One Year</u> |
|---------------------------|----------------------------------|---------------|--------------------|----------------------|--------------------------------|
| Governmental activities:  | <u>\$ 8,359,920</u>              | <u>\$ -</u>   | <u>\$ 206,751</u>  | <u>\$ 8,153,169</u>  | <u>\$ 2,937,783</u>            |
| Business-type activities: | <u>\$ 2,553,478</u>              | <u>\$ -</u>   | <u>\$ 155,636</u>  | <u>\$ 2,397,842</u>  | <u>\$ 955,339</u>              |

\* The change in the compensated absences liability is presented as a net change.

For the governmental activities, compensated absences 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, 2025, was as follows:

|                           | <u>July 1, 2024</u> | <u>Issues</u>       | <u>Retirements</u> | <u>June 30, 2025</u> | <u>Due Within<br/>One Year</u> |
|---------------------------|---------------------|---------------------|--------------------|----------------------|--------------------------------|
| Governmental activities:  | <u>\$ 254,298</u>   | <u>\$ 1,124,256</u> | <u>\$ 382,155</u>  | <u>\$ 996,399</u>    | <u>\$ 282,266</u>              |
| Business-type activities: | <u>\$ 151,403</u>   | <u>\$ -</u>         | <u>\$ 56,316</u>   | <u>\$ 95,087</u>     | <u>\$ 62,485</u>               |

The City has entered into various subscription-based information technology agreements for software programs. The agreements require annual payments varying from \$0 to \$91,080 over 3 to 10 years with an interest rates of 2.321% or 3.23% and final payments due December 2029. During the year ended June 30, 2025, principal and interest paid were \$438,471 and \$12,530 respectively. Future principal and interest payments as of June 30, 2025, are as follows:

| Fiscal Year Ending<br>June 30 | Total SBITA         |                  |
|-------------------------------|---------------------|------------------|
|                               | Principal           | Interest         |
| 2026                          | \$ 344,751          | \$ 28,049        |
| 2027                          | 301,860             | 18,926           |
| 2028                          | 257,526             | 10,981           |
| 2029                          | 187,349             | 4,555            |
| Total                         | <u>\$ 1,091,486</u> | <u>\$ 62,511</u> |

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

Landfill Closure Post-closure care activity for the year ended June 30, 2025, was as follows:

|                           | July 1, 2024         | Issues              | Retirements | June 30, 2025        | Due Within<br>One Year |
|---------------------------|----------------------|---------------------|-------------|----------------------|------------------------|
| Business-type activities: | <u>\$ 15,857,709</u> | <u>\$ 1,639,808</u> | <u>\$ -</u> | <u>\$ 17,497,517</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, 2025, is \$17,497,517, which is based on 63.8% usage (filled) of the landfill and is included in accrued liabilities within the Sanitation Fund. It is estimated that an additional amount of approximately \$9,928,058 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, 2045. The estimated total current cost of the landfill closure and post-closure care costs at June 30, 2025, was determined by a licensed professional engineer and approximated at \$27,425,575. 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, 2025. 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, 2025, the Sanitation Fund had \$16,458,985 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, 2025, the following employees were covered by the benefit terms:

|  |                   |
|--|-------------------|
| Inactive employees or beneficiaries currently receiving benefit payments | 44                |
| Active employees   | <u>644</u>        |
| Total  | <u><u>688</u></u> |

**Total OPEB Liability:** The City’s total OPEB liability of \$9,839,853 was measured as of June 30, 2025 and was determined by an actuarial valuation as of that date.

**Actuarial Assumptions:** The total OPEB liability in the June 30, 2025 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<br>(effective June 30, 2023)          | 2.60% per annum   |
| Rates of salary increases<br>(effective June 30, 2023)  | 3.25% per annum based on 2.60% inflation and 0.65%<br>real wage inflation     |
| Discount rate<br>(effective June 30, 2025)              | 5.20%, compounded annually, including inflation                               |
| Healthcare cost trend rate<br>(effective June 30, 2025) | 8.00% initial rate decreasing by .5% annually to an ultimate<br>rate of 4.50% |

**Discount Rate:** The discount rate used to measure the total OPEB liability was 5.20% 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, 2025 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

|  | Total OPEB<br>Liability    |
|--|----------------------------|
| Total OPEB liability beginning of year               | <u>\$ 9,523,167</u>        |
| Changes for the year:                                |                            |
| Service Cost   | 707,608                    |
| Interest   | 421,720                    |
| Difference between expected and actual<br>experience | (659,268)                  |
| Changes in assumptions                               | 278,440                    |
| Benefit payments                                     | <u>(431,814)</u>           |
| Net changes  | <u>316,686</u>             |
| Total OPEB liability end of year                     | <u><u>\$ 9,839,853</u></u> |

Changes of assumptions reflect a change in the discount rate from 4.21% in fiscal year 2024 to 5.20% in fiscal year 2025.

**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 (4.20%) or 1% higher (6.20%) than the current discount rate.

|                      | 1% Decrease<br>(4.20%) | Discount Rate<br>(5.20%) | 1% Increase<br>(6.20%) |
|----------------------|------------------------|--------------------------|------------------------|
| Total OPEB liability | \$ 10,601,802          | \$ 9,839,853             | \$ 9,127,104           |

**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<br>(7.0%) | Healthcare Cost<br>Trend Rate (8.0%) | 1% Increase<br>(9.00%) |
|----------------------|-----------------------|--------------------------------------|------------------------|
| Total OPEB liability | \$ 8,709,561          | \$ 9,839,853                         | \$ 11,175,248          |

**OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to**

**OPEB**: For the year ended June 30, 2025, the City recognized OPEB expense of \$1,098,752. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual<br>experience | \$ 577,782                        | \$ (1,434,462)                   |
| Change of assumptions                                 | <u>1,169,345</u>                  | <u>(1,215,882)</u>               |
| Total   | <u>\$ 1,747,127</u>               | <u>\$ (2,650,344)</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, 2026 | \$ (30,576)         |
| June 30, 2027 | (30,571)            |
| June 30, 2028 | (91,124)            |
| June 30, 2029 | (229,769)           |
| June 30, 2030 | (173,249)           |
| Thereafter    | <u>(347,928)</u>    |
|               | <u>\$ (903,217)</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**

| <b>Round to nearest \$</b>           | <b>General</b>       | <b>Other<br/>Shared<br/>Revenue and<br/>Grants</b> | <b>Employee<br/>Benefits</b> | <b>Other<br/>Construction</b> | <b>Bridge,<br/>Street and<br/>Traffic<br/>Control<br/>Construction</b> | <b>Debt<br/>Service</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total</b>          |
|--------------------------------------|----------------------|--|------------------------------|-------------------------------|--|-------------------------|---|-----------------------|
| <b>Nonspendable:</b>                 |                      |  |                              |                               |  |                         |   |                       |
| Perpetual Care Principal             | \$ 69,000            | \$ -   | \$ -                         | \$ -                          | \$ -   | \$ -                    | \$ -                                    | \$ 69,000             |
| Inventory                            | -                    | 262,440  | -                            | -                             | -  | -                       | -                                       | 262,440               |
| Property Held for Resale             | 5,974,000            | -  | -                            | -                             | -  | -                       | -                                       | 5,974,000             |
| <b>Total Nonspendable</b>            | <b>6,043,000</b>     | <b>262,440</b>                                     | <b>-</b>                     | <b>-</b>                      | <b>-</b>   | <b>-</b>                | <b>-</b>                                | <b>6,305,440</b>      |
| <b>Restricted for:</b>               |                      |  |                              |                               |  |                         |   |                       |
| Public Safety                        | 541,484              | -  | -                            | -                             | -  | -                       | -                                       | 541,484               |
| Debt Service                         | -                    | -  | -                            | -                             | -  | 7,670,102               | -                                       | 7,670,102             |
| GO Bond Projects                     | -                    | -  | -                            | 16,105,303                    | 18,063,416   | -                       | -                                       | 34,168,719            |
| State Funding                        | -                    | 6,677,118  | -                            | -                             | -  | -                       | -                                       | 6,677,118             |
| Grant Agreement                      | -                    | -  | -                            | -                             | -  | -                       | 2,958,588                               | 2,958,588             |
| Affordable Housing                   | -                    | 8,011,060  | -                            | -                             | -  | -                       | -                                       | 8,011,060             |
| Economic Development                 | -                    | -  | -                            | -                             | -  | -                       | 1,187,710                               | 1,187,710             |
| Notes Receivable                     | 1,216,020            | -  | -                            | -                             | -  | -                       | -                                       | 1,216,020             |
| Public Safety Employee Benefits      | -                    | -  | 3,430,561                    | -                             | -  | -                       | -                                       | 3,430,561             |
| Other Restricted                     | 611,302              | 2,931,297  | -                            | -                             | -  | -                       | 577,636                                 | 4,120,235             |
| <b>Total Restricted</b>              | <b>2,368,806</b>     | <b>17,619,475</b>                                  | <b>3,430,561</b>             | <b>16,105,303</b>             | <b>18,063,416</b>  | <b>7,670,102</b>        | <b>4,723,934</b>                        | <b>69,981,597</b>     |
| <b>Assigned to:</b>                  |                      |  |                              |                               |  |                         |   |                       |
| Library Programs                     | 1,463,292            | -  | -                            | -                             | -  | -                       | -                                       | 1,463,292             |
| Replacement and Acquisition Reserves | 17,269,457           | -  | -                            | -                             | -  | -                       | -                                       | 17,269,457            |
| Other Assigned                       | 929                  | -  | -                            | -                             | -  | -                       | -                                       | 929                   |
| <b>Total Assigned</b>                | <b>18,733,678</b>    | <b>-</b>   | <b>-</b>                     | <b>-</b>                      | <b>-</b>   | <b>-</b>                | <b>-</b>                                | <b>18,733,678</b>     |
| <b>Unassigned:</b>                   | <b>46,855,666</b>    | <b>-</b>   | <b>-</b>                     | <b>-</b>                      | <b>-</b>   | <b>-</b>                | <b>-</b>                                | <b>46,855,666</b>     |
| <b>Total Fund Balances</b>           | <b>\$ 74,001,150</b> | <b>\$ 17,881,915</b>                               | <b>\$ 3,430,561</b>          | <b>\$ 16,105,303</b>          | <b>\$ 18,063,416</b>   | <b>\$ 7,670,102</b>     | <b>\$ 4,723,934</b>                     | <b>\$ 141,876,381</b> |

## 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, 2025 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 \$500,000 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, 2025 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, 2025 and 2024 are as follows:

|             | Beginning-of-<br>Fiscal-Year<br>Liability | Current-Year<br>Claims and<br>Changes in<br>Estimates | Claim<br>Payments | Balance at<br>Fiscal<br>Year-End |
|-------------|---|---|-------------------|----------------------------------|
| 2023 – 2024 | \$ 2,443,000                              | \$ 258,000  | \$ 960,000        | \$ 1,741,000                     |
| 2024 - 2025 | 1,741,000                                 | 1,526,000   | 1,153,000         | 2,114,000                        |

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 \$15,203,458. 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, 2025 and 2024 are as follows:

|             | Beginning-of-<br>Fiscal-Year<br>Liability | Current-Year<br>Claims and<br>Changes in<br>Estimates | Claim<br>Payments | Balance at<br>Fiscal<br>Year-End |
|-------------|---|---|-------------------|----------------------------------|
| 2023 – 2024 | \$ 625,000                                | \$ 10,796,000   | \$ 10,766,000     | \$ 655,000                       |
| 2024 - 2025 | 655,000                                   | 10,225,000  | 10,130,000        | 750,000                          |

## 11. Commitments and Contingencies

### Contractual Commitments

The total outstanding contractual commitments as of June 30, 2025 are as follows:

| <u>Fund</u>                                     | <u>Project</u>   | <u>Amount</u>        |
|---|--|----------------------|
| Bridge, street and traffic control construction | Paving and Bridge Construction, Engineering Design and Consulting  | \$ 14,589,374        |
| Other construction                              | Public Works & Culture and Recreation Construction                 | 19,609,798           |
| Parking   | Parking Facility Restoration Repair                                | 480,625              |
| Wastewater                                      | Sewer Construction & Influent Rake Replacement                     | 3,840,065            |
| Water   | Water Construction & Peninsula Well Field Power Redundancy Project | 493,491              |
| Transit   | Transit Bus Sign Replacements/Transit Amenities                    | 212,723              |
| Airport   | Runway Obstruction Mitigation & Runway Relocation                  | 6,500                |
| Landfill  | Lanfill Facility Replacement and Landfill Gas Infrastructure       | 451,060              |
| Stormwater                                      | Stormwater System Improvements & Storm Sewer Replacements          | <u>791,166</u>       |
|   |  | <u>\$ 40,474,802</u> |

### Developer Commitments

In order to encourage development within designated TIF districts, the City Council has approved developer grants to 9 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 \$26,818,415 exist, of which \$2,520,032 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 \$2,802,032. 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, 2025, the City has an unused letter of credit totaling \$675,000. 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, 2026, 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, 2025, \$1,026,199 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, 2025 under agreements entered into by any entities.

## 14. Restatement

The City implemented GASB Statement No. 101, *Compensated Absences*, which required the City to restate net position as of June 30, 2024, as follows:

|                                      | Net position June 30, 2024,<br>as previously reported | GASB 101<br>Implementation<br>at June 30, 2024 | Net position June 30, 2024,<br>as restated |
|--------------------------------------|---|--|--|
| Governmental                         | \$ 311,349  | \$ 5,488                                       | \$ 305,861                                 |
| Internal Service                     | 40,265  | 247  | 40,018                                     |
| <b>Total Governmental Activites</b>  | <b>\$ 351,614</b>                                     | <b>\$ 5,735</b>                                | <b>\$ 345,879</b>                          |
| Transit Fund                         | \$ 31,202   | \$ 484   | \$ 30,718                                  |
| Wastewater Treatment Fund            | 152,449   | 157  | 152,292                                    |
| Water Fund                           | 91,429  | 246  | 91,183                                     |
| Sanitation Fund                      | 31,093  | 532  | 30,561                                     |
| Stormwater Fund                      | 63,309  | 33   | 63,276                                     |
| Housing Authority Fund               | 9,489   | 50   | 9,439                                      |
| Nonmajor Fund                        | 45,029  | 169  | 44,860                                     |
| Internal Service                     | 26,229  | -  | 26,229                                     |
| <b>Total Business Type Activites</b> | <b>\$ 450,229</b>                                     | <b>\$ 1,671</b>                                | <b>\$ 448,558</b>                          |

## 15. New Governmental Accounting Standards Board (GASB) Standards

The City adopted the following statements during the year ended June 30, 2025:

GASB Statement No. 101, *Compensated Absences*, issued June 2022. 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. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirements to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (As long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

GASB Statement No. 102, *Certain Risk Disclosures*, issued December 2024. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should provide information in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact associated with the concentration or constraint. The disclosures should include descriptions of the following: (a) The concentration or constraint (b) Each event associated with the concentration or constraint that could cause a substantial impact if the

event had occurred or had begun to occur prior to the issuance of the financial statements (c) Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

The above statements did not have a significant impact to the City except for GASB Statement No. 101 required the City to restate beginning net position as disclosed in Note 14 to the financial statements.

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

GASB Statement No. 103, *Financial Reporting Model Improvements*, issued April 2024, will be effective for the City beginning with its fiscal year ending June 30, 2026. 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 addresses certain application issues.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, issued September 2024, will be effective for the City beginning with its 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. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale

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, 2025  
(dollar amounts expressed in thousands)

|   | Governmental<br>Fund Types<br>Actual Budgetary<br>Basis | Enterprise Fund<br>Types Actual<br>Budgetary Basis | Total Actual<br>Budgetary Basis |
|---|---|--|---------------------------------|
| <b>Revenues:</b>  |   |  |                                 |
| Property taxes  | \$ 68,441   | \$ -   | \$ 68,441                       |
| Delinquent property taxes   | (1)   | -  | (1)                             |
| Tax increment financing taxes   | 4,568   | -  | 4,568                           |
| Other city taxes  | 3,859   | -  | 3,859                           |
| Special assessments   | -   | -  | -                               |
| Licenses and permits  | 2,426   | 17   | 2,443                           |
| Intergovernmental   | 20,382  | 19,899   | 40,281                          |
| Charges for services  | 6,991   | 47,219   | 54,210                          |
| Use of money and property   | 6,106   | 5,798  | 11,904                          |
| Miscellaneous   | 4,135   | 1,174  | 5,309                           |
| <b>Total revenues</b>   | <b>116,907</b>  | <b>74,107</b>                                      | <b>191,014</b>                  |
| <b>Expenditures/Expenses:</b>   |   |  |                                 |
| Public safety   | 29,975  | -  | 29,975                          |
| Public works  | 12,499  | -  | 12,499                          |
| Health and social services  | 684   | -  | 684                             |
| Culture and recreation  | 17,027  | -  | 17,027                          |
| Community and economic development  | 18,602  | -  | 18,602                          |
| General government  | 11,915  | -  | 11,915                          |
| Debt service  | 13,845  | -  | 13,845                          |
| Capital outlay  | 19,991  | -  | 19,991                          |
| Business-type   | -   | 74,178   | 74,178                          |
| <b>Total expenditures/expenses</b>  | <b>124,538</b>  | <b>74,178</b>                                      | <b>198,716</b>                  |
| <b>Excess (deficiency) of revenues over<br/>(under) expenditures/expenses</b> | <b>(7,631)</b>  | <b>(71)</b>  | <b>(7,702)</b>                  |
| Other financing sources and uses, net   | 11,713  | 5,828  | 17,541                          |
| <b>Net change in fund balances</b>  | <b>4,082</b>  | <b>5,757</b>                                       | <b>9,839</b>                    |
| Balances, beginning of year   | 129,887   | 109,569  | 239,456                         |
| Balances, end of year   | \$ 133,969  | \$ 115,326   | \$ 249,295                      |

See Note to Required Supplementary Information.

| Budgeted Amounts  |                   |    |   |
|-------------------|-------------------|----|---|
| Original          | Final             |    | Final to Actual<br>Variance -<br>Positive<br>(Negative) |
| \$ 68,821         | \$ 68,821         | \$ | (380)   |
| -                 | -                 |    | (1)   |
| 4,388             | 4,388             |    | 180   |
| 3,576             | 3,576             |    | 283   |
| 2                 | 2                 |    | (2)   |
| 2,123             | 2,123             |    | 320   |
| 65,769            | 57,211            |    | (16,930)  |
| 56,580            | 54,476            |    | (266)   |
| 3,171             | 3,171             |    | 8,733   |
| 10,152            | 5,765             |    | (456)   |
| <u>214,582</u>    | <u>199,533</u>    |    | <u>(8,519)</u>  |
| 31,911            | 32,281            |    | 2,306   |
| 13,161            | 13,253            |    | 754   |
| 688               | 688               |    | 4   |
| 17,695            | 17,751            |    | 724   |
| 10,230            | 25,779            |    | 7,177   |
| 13,627            | 14,517            |    | 2,602   |
| 13,788            | 13,788            |    | (57)  |
| 41,048            | 74,006            |    | 54,015  |
| 99,559            | 145,082           |    | 70,904  |
| <u>241,707</u>    | <u>337,145</u>    |    | <u>138,429</u>  |
| (27,125)          | (137,612)         |    | 129,910   |
| 16,771            | 49,923            |    | (32,382)  |
| (10,354)          | (87,689)          | \$ | <u>97,528</u>   |
| 158,684           | 239,457           |    |   |
| <u>\$ 148,330</u> | <u>\$ 151,768</u> |    |   |

**City of Iowa City, Iowa**

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

For the Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

|                                       | Governmental Fund Types |                     |                        |
|---------------------------------------|-------------------------|---------------------|------------------------|
|                                       | Budget Basis            | Accrual Adjustments | Modified Accrual Basis |
| Revenues                              | \$ 116,907              | \$ (2,890)          | \$ 114,017             |
| Expenditures                          | 124,538                 | (8,593)             | 115,945                |
| Net                                   | (7,631)                 | 5,703               | (1,928)                |
| Other financing sources and uses, net | 11,713                  | (3,466)             | 8,247                  |
| Beginning Fund Balances               | 129,887                 | 5,671               | 135,558                |
| Ending Fund Balances                  | \$ 133,969              | \$ 7,908            | \$ 141,877             |

|                                       | Enterprise Fund Types |                     |               |
|---------------------------------------|-----------------------|---------------------|---------------|
|                                       | Budget Basis          | Accrual Adjustments | Accrual Basis |
| Revenues                              | \$ 74,107             | \$ 4,781            | \$ 78,888     |
| Expenditures                          | 74,178                | 476                 | 74,654        |
| Net                                   | (71)                  | 4,305               | 4,234         |
| Other financing sources and uses, net | 5,828                 | 2,572               | 8,400         |
| Beginning Fund Balances, as restated  | 109,569               | 312,760             | 422,329       |
| Ending Fund Balances                  | \$ 115,326            | \$ 319,637          | \$ 434,963    |

See Note to Required Supplementary Information.

**City of Iowa City, Iowa**  
**Note to Required Supplementary Information - Budgetary Reporting**  
**For the Year Ended June 30, 2025**

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 decreased budgeted revenues by \$15,049,000 and increased expenditures by \$95,438,000. 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>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|---|-------------|-------------|-------------|-------------|
| City's proportion of the net pension liability  | 3.434210%   | 3.523511%   | 3.379080%   | 3.529220%   |
| City's proportionate share of the net pension liability   | \$ 22,693   | \$ 22,064   | \$ 18,976   | \$ 7,926    |
| City's covered payroll  | 12,873      | 12,590      | 11,413      | 11,468      |
| City's proportionate share of the net pension liability<br>as a percentage of its covered payroll | 176.28%     | 175.25%     | 166.27%     | 69.11%      |
| Plan fiduciary net position as a percentage of the<br>total pension liability                     | 83.37%      | 83.53%      | 84.62%      | 93.62%      |

\* 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.*

| <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 3.621079%   | 3.684880%   | 3.706970%   | 3.648635%   | 3.697128%   | 3.704972%   |
| \$ 28,882   | \$ 24,170   | \$ 22,071   | \$ 21,398   | \$ 23,117   | \$ 17,406   |
| 11,503      | 11,155      | 10,743      | 10,347      | 10,019      | 9,716       |
| 251.08%     | 216.67%     | 205.45%     | 206.80%     | 230.73%     | 179.15%     |
| 76.47%      | 79.94%      | 81.07%      | 80.60%      | 78.20%      | 83.04%      |

**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>2025</u>    | <u>2024</u>    | <u>2023</u>    | <u>2022</u>    |
|---|----------------|----------------|----------------|----------------|
| Statutorily required contributions                                    | \$ 3,013       | \$ 2,958       | \$ 3,009       | \$ 2,988       |
| Contributions in relation to the<br>statutorily required contribution | <u>(3,013)</u> | <u>(2,958)</u> | <u>(3,009)</u> | <u>(2,988)</u> |
| Contribution deficiency (excess)                                      | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    |
| City's covered payroll  | \$ 13,295      | \$ 12,873      | \$ 12,590      | \$ 11,413      |
| Contributions as a percentage of<br>covered payroll                   | 22.66%         | 22.98%         | 23.90%         | 26.18%         |

*See Notes to Required Supplementary Information - Pension Liability.*

| <u>2021</u>    | <u>2020</u>    | <u>2019</u>    | <u>2018</u>    | <u>2017</u>    | <u>2016</u>    |
|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 2,903       | \$ 2,808       | \$ 2,902       | \$ 2,759       | \$ 2,682       | \$ 2,782       |
| <u>(2,903)</u> | <u>(2,808)</u> | <u>(2,902)</u> | <u>(2,759)</u> | <u>(2,682)</u> | <u>(2,782)</u> |
| <u>\$ -</u>    |
| \$ 11,468      | \$ 11,503      | \$ 11,155      | \$ 10,743      | \$ 10,347      | \$ 10,019      |
| 25.31%         | 24.41%         | 26.02%         | 25.68%         | 25.92%         | 27.77%         |

**City of Iowa City, Iowa**

**Notes to Required Supplementary Information - Pension Liability**

**Municipal Fire and Police Retirement System of Iowa  
Year ended June 30, 2025**

*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.



**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>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|---|-------------|-------------|-------------|-------------|
| City's proportion of the net pension liability  | 0.4013130%  | 0.4210580%  | 0.4185650%  | -0.1604936% |
| City's proportionate share of the net pension liability   | \$ 14,614   | \$ 19,005   | \$ 15,814   | \$ 554      |
| City's covered payroll  | 37,048      | 37,000      | 33,752      | 32,047      |
| City's proportionate share of the net pension liability<br>as a percentage of its covered payroll | 39.45%      | 51.36%      | 46.85%      | 1.73%       |
| Plan fiduciary net position as a percentage of the<br>total pension liability                     | 92.30%      | 90.13%      | 90.34%      | 100.81%     |

\* 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.*

| <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 0.3947745%  | 0.4053890%  | 0.4016869%  | 0.3968158%  | 0.3962696%  | 0.4159256%  |
| \$ 27,732   | \$ 23,475   | \$ 25,420   | \$ 26,433   | \$ 24,938   | \$ 20,549   |
| 31,345      | 30,852      | 30,190      | 29,619      | 28,448      | 28,495      |
| 88.47%      | 76.09%      | 84.20%      | 89.24%      | 87.66%      | 72.11%      |
| 82.90%      | 85.45%      | 83.62%      | 82.21%      | 81.82%      | 85.19%      |

**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>2025</u>    | <u>2024</u>    | <u>2023</u>    | <u>2022</u>    |
|---|----------------|----------------|----------------|----------------|
| Statutorily required contributions                                    | \$ 3,645       | \$ 3,497       | \$ 3,493       | \$ 3,186       |
| Contributions in relation to the<br>statutorily required contribution | <u>(3,645)</u> | <u>(3,497)</u> | <u>(3,493)</u> | <u>(3,186)</u> |
| Contribution deficiency (excess)                                      | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    |
| City's covered payroll  | 38,608         | 37,048         | 37,000         | \$ 33,752      |
| Contributions as a percentage of<br>covered payroll                   | 9.44%          | 9.44%          | 9.44%          | 9.44%          |

*See Notes to Required Supplementary Information - Pension Liability.*

| <u>2021</u>    | <u>2020</u>    | <u>2019</u>    | <u>2018</u>    | <u>2017</u>    | <u>2016</u>    |
|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 3,025       | \$ 2,959       | \$ 2,912       | \$ 2,696       | \$ 2,645       | \$ 2,540       |
| <u>(3,025)</u> | <u>(2,959)</u> | <u>(2,912)</u> | <u>(2,696)</u> | <u>(2,645)</u> | <u>(2,540)</u> |
| <u>\$ -</u>    |
| \$ 32,047      | \$ 31,345      | \$ 30,852      | \$ 30,190      | \$ 29,619      | \$ 28,448      |
| 9.44%          | 9.44%          | 9.44%          | 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, 2025**

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%.

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 Eight Years

(amounts expressed in thousands)

|  | 2025      | 2024      | 2023      | 2022      | 2021      | 2020      | 2019      | 2018      |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Service Cost   | \$ 708    | \$ 636    | \$ 617    | \$ 823    | \$ 734    | \$ 633    | \$ 553    | \$ 502    |
| Interest   | 422       | 378       | 353       | 226       | 240       | 323       | 297       | 245       |
| Difference between expected and actual experience                | (659)     | (418)     | (118)     | (254)     | 459       | (483)     | 1,161     | (377)     |
| Changes in assumptions   | 278       | 628       | (25)      | (1,942)   | 305       | (83)      | 225       | 982       |
| Benefit payments   | (432)     | (431)     | (221)     | (427)     | (667)     | (641)     | (948)     | (174)     |
| Net change in total OPEB liability                               | 317       | 793       | 606       | (1,574)   | 1,071     | (251)     | 1,288     | 1,178     |
| Total OPEB liability beginning of year                           | 9,523     | 8,730     | 8,124     | 9,698     | 8,627     | 8,878     | 7,590     | 6,412     |
| Total OPEB liability end of year                                 | \$ 9,840  | \$ 9,523  | \$ 8,730  | \$ 8,124  | \$ 9,698  | \$ 8,627  | \$ 8,878  | \$ 7,590  |
| City's covered-employee payroll                                  | \$ 51,903 | \$ 49,921 | \$ 49,590 | \$ 44,134 | \$ 43,515 | \$ 42,848 | \$ 42,007 | \$ 40,933 |
| Total OPEB liability as a percentage of covered-employee payroll | 18.96%    | 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, 2025 | 5.20% |
| 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, 2025

(amounts expressed in thousands)

|   | Special Revenue         |  |  | Total           |
|---|-------------------------|--|--|-----------------|
|   | Economic<br>Development | Community<br>Development<br>Block<br>Grant | Metropolitan<br>Planning<br>Organization<br>of Johnson<br>County |                 |
| <b>Assets</b>   |                         |  |  |                 |
| Equity in pooled cash and investments   | \$ 1,195                | \$ -                                       | \$ 520   | \$ 1,715        |
| Receivables:  |                         |  |  |                 |
| Property tax  | 695                     | -  | -  | 695             |
| Interest  | 18                      | -  | 8  | 26              |
| Notes   | -                       | 2,914                                      | -  | 2,914           |
| Due from other governments  | -                       | 206  | 131  | 337             |
| <b>Total assets</b>   | <b>\$ 1,908</b>         | <b>\$ 3,120</b>                            | <b>\$ 659</b>  | <b>\$ 5,687</b> |
| <b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>           |                         |  |  |                 |
| <b>Liabilities</b>  |                         |  |  |                 |
| Accounts payable  | \$ 59                   | \$ 63                                      | \$ 18  | \$ 140          |
| Accrued liabilities   | -                       | 1  | 14   | 15              |
| Due to other funds  | -                       | 97   | -  | 97              |
| Deferred revenue  | -                       | -  | 12   | 12              |
| <b>Total liabilities</b>  | <b>59</b>               | <b>161</b>                                 | <b>44</b>  | <b>264</b>      |
| <b>Deferred Inflows of Resources</b>  |                         |  |  |                 |
| Unavailable revenues:   |                         |  |  |                 |
| Succeeding year property taxes  | 661                     | -  | -  | 661             |
| Grants  | -                       | -  | 14   | 14              |
| Other   | -                       | -  | 23   | 23              |
| <b>Total deferred inflows of resources</b>                                    | <b>661</b>              | <b>-</b>                                   | <b>37</b>  | <b>698</b>      |
| <b>Fund Balances</b>  |                         |  |  |                 |
| Restricted  | 1,188                   | 2,959                                      | 578  | 4,725           |
| <b>Total fund balances</b>  | <b>1,188</b>            | <b>2,959</b>                               | <b>578</b>   | <b>4,725</b>    |
| <b>Total liabilities, deferred inflows<br/>of resources and fund balances</b> | <b>\$ 1,908</b>         | <b>\$ 3,120</b>                            | <b>\$ 659</b>  | <b>\$ 5,687</b> |

**City of Iowa City, Iowa**

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

For the Year Ended June 30, 2025  
(amounts expressed in thousands)

|  | Special Revenue         |  |  | Total    |
|--|-------------------------|--|--|----------|
|  | Economic<br>Development | Community<br>Development<br>Block<br>Grant | Metropolitan<br>Planning<br>Organization<br>of Johnson<br>County |          |
| <b>Revenues</b>  |                         |  |  |          |
| Property taxes   | \$ 5,230                | \$ -                                       | \$ -   | \$ 5,230 |
| Intergovernmental  | 43                      | 1,658                                      | 460  | 2,161    |
| Use of money and property                                    | 80                      | 20   | 24   | 124      |
| Miscellaneous  | -                       | 195  | 14   | 209      |
| Total revenues   | 5,353                   | 1,873                                      | 498  | 7,724    |
| <b>Expenditures</b>  |                         |  |  |          |
| Current:   |                         |  |  |          |
| Community and economic development                           | 3,631                   | 2,096                                      | 949  | 6,676    |
| Total expenditures   | 3,631                   | 2,096                                      | 949  | 6,676    |
| Excess (deficiency) of revenues over<br>(under) expenditures | 1,722                   | (223)                                      | (451)  | 1,048    |
| <b>Other Financing Sources (Uses)</b>                        |                         |  |  |          |
| Transfers in   | 183                     | -  | 395  | 578      |
| Transfers out  | (1,585)                 | (131)                                      | -  | (1,716)  |
| Total other financing sources<br>and (uses)                  | (1,402)                 | (131)                                      | 395  | (1,138)  |
| Net change in fund balances                                  | 320                     | (354)                                      | (56)   | (90)     |
| <b>Fund Balances, Beginning</b>                              | 868                     | 3,313                                      | 634  | 4,815    |
| <b>Fund Balances, Ending</b>                                 | \$ 1,188                | \$ 2,959                                   | \$ 578   | \$ 4,725 |



# 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, 2025  
(amounts expressed in thousands)

|   | Airport          | Parking          | Total            |
|---|------------------|------------------|------------------|
| <b>Assets</b>                               |                  |                  |                  |
| Current assets:                             |                  |                  |                  |
| Equity in pooled cash and investments       | \$ 188           | \$ 5,452         | \$ 5,640         |
| Receivables:                                |                  |                  |                  |
| Accounts and unbilled usage                 | 29               | 130              | 159              |
| Interest                                    | 1                | 81               | 82               |
| Lease                                       | 72               | -                | 72               |
| Due from other governments                  | 230              | -                | 230              |
| Total current assets                        | <u>520</u>       | <u>5,663</u>     | <u>6,183</u>     |
| Noncurrent assets:                          |                  |                  |                  |
| Restricted assets:                          |                  |                  |                  |
| Equity in pooled cash and investments       | 20               | 302              | 322              |
| Lease receivable                            | 545              | -                | 545              |
| Capital assets:                             |                  |                  |                  |
| Land  | 11,995           | 3,489            | 15,484           |
| Buildings                                   | 5,458            | 41,974           | 47,432           |
| Improvements other than buildings           | 483              | 328              | 811              |
| Machinery and equipment                     | 531              | 467              | 998              |
| Infrastructure                              | 19,440           | -                | 19,440           |
| Accumulated depreciation                    | (16,483)         | (27,677)         | (44,160)         |
| IT subscriptions                            | -                | 349              | 349              |
| Accumulated amortization                    | -                | (232)            | (232)            |
| Construction in progress                    | 1,092            | -                | 1,092            |
| Total noncurrent assets                     | <u>23,081</u>    | <u>19,000</u>    | <u>42,081</u>    |
| Total assets                                | <u>23,601</u>    | <u>24,663</u>    | <u>48,264</u>    |
| <b>Deferred Outflows of Resources</b>       |                  |                  |                  |
| Pension related deferred outflows           | 12               | 192              | 204              |
| OPEB related deferred outflows              | 3                | 58               | 61               |
| Total deferred outflows of resources        | <u>15</u>        | <u>250</u>       | <u>265</u>       |
| <b>Liabilities</b>                          |                  |                  |                  |
| Current liabilities:                        |                  |                  |                  |
| Accounts payable                            | 11               | 77               | 88               |
| Contracts payable                           | 50               | 399              | 449              |
| Accrued liabilities                         | 2                | 44               | 46               |
| Compensated absences                        | 12               | 131              | 143              |
| Other post employment benefits obligation   | 14               | 282              | 296              |
| Total current liabilities                   | <u>89</u>        | <u>933</u>       | <u>1,022</u>     |
| Noncurrent liabilities:                     |                  |                  |                  |
| Liabilities payable from restricted assets: |                  |                  |                  |
| Deposits                                    | 8                | 1                | 9                |
| Advances from grantors                      | 10               | 202              | 212              |
| Advances from other funds                   | -                | 716              | 716              |
| Compensated absences                        | 25               | 212              | 237              |
| Net pension liability                       | 32               | 508              | 540              |
| Other post employment benefits obligation   | -                | 43               | 43               |
| Total noncurrent liabilities                | <u>75</u>        | <u>1,682</u>     | <u>1,757</u>     |
| Total liabilities                           | <u>164</u>       | <u>2,615</u>     | <u>2,779</u>     |
| <b>Deferred Inflows of Resources</b>        |                  |                  |                  |
| Lease related deferred inflows              | 565              | -                | 565              |
| Pension related deferred inflows            | 1                | 20               | 21               |
| OPEB related deferred inflows               | 4                | 87               | 91               |
| Total deferred inflows of resources         | <u>570</u>       | <u>107</u>       | <u>677</u>       |
| <b>Net Position</b>                         |                  |                  |                  |
| Net investment in capital assets            | 22,465           | 18,299           | 40,764           |
| Restricted for future improvements          | 100              | 304              | 404              |
| Unrestricted                                | 317              | 3,588            | 3,905            |
| Total net position                          | <u>\$ 22,882</u> | <u>\$ 22,191</u> | <u>\$ 45,073</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, 2025  
(amounts expressed in thousands)

|  | <u>Airport</u>   | <u>Parking</u>   | <u>Total</u>     |
|--|------------------|------------------|------------------|
| <b>Operating Revenues:</b>                         |                  |                  |                  |
| Charges for services                               | \$ 300           | \$ 7,251         | \$ 7,551         |
| Miscellaneous                                      | -                | 23               | 23               |
| Total operating revenues                           | <u>300</u>       | <u>7,274</u>     | <u>7,574</u>     |
| <b>Operating Expenses:</b>                         |                  |                  |                  |
| Personal services                                  | 110              | 2,535            | 2,645            |
| Commodities  | -                | 820              | 820              |
| Services and charges                               | 291              | 2,511            | 2,802            |
|  | 401              | 5,866            | 6,267            |
| Depreciation & amortization                        | 1,017            | 1,229            | 2,246            |
| Total operating expenses                           | <u>1,418</u>     | <u>7,095</u>     | <u>8,513</u>     |
| Operating loss                                     | <u>(1,118)</u>   | <u>179</u>       | <u>(939)</u>     |
| <b>Nonoperating Revenues (Expenses):</b>           |                  |                  |                  |
| Loss on disposal of capital assets                 | -                | (222)            | (222)            |
| Operating grants                                   | (2)              | -                | (2)              |
| Lease revenue                                      | 179              | -                | 179              |
| Interest income                                    | 10               | 206              | 216              |
| Total nonoperating revenues                        | <u>187</u>       | <u>(16)</u>      | <u>171</u>       |
| Loss before capital contributions<br>and transfers | (931)            | 163              | (768)            |
| Capital contributions                              | 933              | -                | 933              |
| Transfers in                                       | 100              | -                | 100              |
| Transfers out                                      | (23)             | (29)             | (52)             |
| Change in net position                             | 79               | 134              | 213              |
| <b>Net Position, Beginning, as restated</b>        | <u>22,803</u>    | <u>22,057</u>    | <u>44,860</u>    |
| <b>Net Position, Ending</b>                        | <u>\$ 22,882</u> | <u>\$ 22,191</u> | <u>\$ 45,073</u> |

**CITY OF IOWA CITY, IOWA**

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

For the Year Ended June 30, 2025  
(amounts expressed in thousands)

|   | Airport    | Parking  | Total    |
|---|------------|----------|----------|
| <b>Cash Flows From Operating Activities</b>   |            |          |          |
| Receipts from customers and users   | \$ 313     | \$ 7,393 | \$ 7,706 |
| Payments to suppliers   | (271)      | (3,261)  | (3,532)  |
| Payments to employees   | (111)      | (2,493)  | (2,604)  |
| Net cash flows used for operating activities  | (69)       | 1,639    | 1,570    |
| <b>Cash Flows From Noncapital Financing Activities</b>  |            |          |          |
| Operating grants received   | 71         | 3        | 74       |
| Transfers from other funds  | 100        | -        | 100      |
| Transfers to other funds  | (23)       | (29)     | (52)     |
| Repayment of advances from other funds  | (126)      | (294)    | (420)    |
| Net cash flows from (used for) noncapital financing activities                                  | 22         | (320)    | (298)    |
| <b>Cash Flows From Capital and Related Financing Activities</b>                                 |            |          |          |
| Capital grants received   | 1,381      | 18       | 1,399    |
| Lease revenues received   | 179        | -        | 179      |
| Lease related deferred inflows of resources   | (97)       | -        | (97)     |
| Lease receivable  | 45         | -        | 45       |
| Acquisition and construction of property and equipment  | (1,370)    | 29       | (1,341)  |
| Net cash flows used for capital and related financing activities                                | 138        | 47       | 185      |
| <b>Cash Flows From Investing Activities</b>   |            |          |          |
| Interest on investments   | 9          | 158      | 167      |
| Net increase (decrease) in cash and cash equivalents  | 100        | 1,524    | 1,624    |
| <b>Cash and Cash Equivalents, Beginning</b>   | 108        | 4,230    | 4,338    |
| <b>Cash and Cash Equivalents, Ending</b>  | \$ 208     | \$ 5,754 | \$ 5,962 |
| <b>Reconciliation of operating loss to net cash flows from (used for) operating activities:</b> |            |          |          |
| Operating loss  | \$ (1,118) | \$ 179   | \$ (939) |
| Adjustments to reconcile operating loss to net cash flows used for operating activities:        |            |          |          |
| Depreciation expense  | 1,017      | 1,229    | 2,246    |
| Changes in:   |            |          |          |
| Receivables:  |            |          |          |
| Accounts and unbilled usage   | -          | (84)     | (84)     |
| Due from other governments  | 3          | 1        | 4        |
| Advances from grantors  | 10         | 202      | 212      |
| Accounts payable  | 20         | 70       | 90       |
| Accrued liabilities   | -          | 9        | 9        |
| Compensated absences  | 1          | 81       | 82       |
| Net pension liability   | (7)        | (147)    | (154)    |
| Deferred outflows of resources  | 4          | 69       | 73       |
| Deferred inflows of resources   | 1          | 19       | 20       |
| Other post employment benefits asset/obligation   | -          | 11       | 11       |
| Total adjustments   | 1,049      | 1,460    | 2,509    |
| Net cash flows used for operating activities  | \$ (69)    | \$ 1,639 | \$ 1,570 |
| <b>Noncash Investing, Capital, and Financing Activities:</b>                                    |            |          |          |
| Capital grants not yet received   | \$ 183     | \$ -     | \$ 183   |
| Operating grants not yet received   | \$ 47      | \$ -     | \$ 47    |

# 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, 2025  
(amounts expressed in thousands)

|  | Equipment<br>Maintenance | Central<br>Services | Loss<br>Reserve  | Information<br>Technology | Total            |
|--|--------------------------|---------------------|------------------|---------------------------|------------------|
| <b>Assets</b>                            |                          |                     |                  |                           |                  |
| Current assets:                          |                          |                     |                  |                           |                  |
| Equity in pooled cash and investments    | \$ 25,235                | \$ 734              | \$ 27,120        | \$ 3,743                  | \$ 56,832        |
| Receivables:                             |                          |                     |                  |                           |                  |
| Accounts and unbilled usage              | 30                       | -                   | 226              | -                         | 256              |
| Interest                                 | 361                      | 12                  | 399              | 58                        | 830              |
| Due from other governments               | 1                        | -                   | -                | -                         | 1                |
| Inventories                              | 676                      | -                   | -                | -                         | 676              |
| Total current assets                     | <u>26,303</u>            | <u>746</u>          | <u>27,745</u>    | <u>3,801</u>              | <u>58,595</u>    |
| Noncurrent assets:                       |                          |                     |                  |                           |                  |
| Capital assets:                          |                          |                     |                  |                           |                  |
| Land                                     | 685                      | -                   | -                | -                         | 685              |
| Buildings                                | 1,370                    | -                   | -                | 183                       | 1,553            |
| Improvements other than buildings        | 50                       | -                   | -                | -                         | 50               |
| Machinery and equipment                  | 29,379                   | 140                 | 19               | 2,049                     | 31,587           |
| Infrastructure                           | -                        | -                   | -                | 3,635                     | 3,635            |
| Accumulated depreciation                 | (17,021)                 | (73)                | (19)             | (2,632)                   | (19,745)         |
| IT subscriptions                         | -                        | -                   | -                | 592                       | 592              |
| Accumulated amortization                 | -                        | -                   | -                | (536)                     | (536)            |
| Construction in progress                 | 686                      | -                   | -                | 550                       | 1,236            |
| Total noncurrent assets                  | <u>15,149</u>            | <u>67</u>           | <u>-</u>         | <u>3,841</u>              | <u>19,057</u>    |
| Total assets                             | <u>41,452</u>            | <u>813</u>          | <u>27,745</u>    | <u>7,642</u>              | <u>77,652</u>    |
| <b>Deferred Outflows of Resources</b>    |                          |                     |                  |                           |                  |
| Pension related deferred outflows        | 118                      | 3                   | 25               | 143                       | 289              |
| OPEB related deferred outflows           | 28                       | 3                   | 3                | 28                        | 62               |
| Total deferred outflows of resources     | <u>146</u>               | <u>6</u>            | <u>28</u>        | <u>171</u>                | <u>351</u>       |
| <b>Liabilities</b>                       |                          |                     |                  |                           |                  |
| Current liabilities:                     |                          |                     |                  |                           |                  |
| Accounts payable                         | 252                      | 8                   | 198              | 14                        | 472              |
| Accrued liabilities                      | 22                       | 1                   | 2,869            | 31                        | 2,923            |
| Compensated Absences                     | 58                       | 1                   | 20               | 56                        | 135              |
| Other post employment benefits liability | 149                      | 14                  | 14               | 155                       | 332              |
| Total current liabilities                | <u>481</u>               | <u>24</u>           | <u>3,101</u>     | <u>256</u>                | <u>3,862</u>     |
| Noncurrent liabilities:                  |                          |                     |                  |                           |                  |
| Compensated Absences                     | 91                       | -                   | 45               | 93                        | 229              |
| Net pension liability                    | 338                      | 9                   | 68               | 387                       | 802              |
| Other post employment benefits liability | 6                        | -                   | -                | -                         | 6                |
| Total noncurrent liabilities             | <u>435</u>               | <u>9</u>            | <u>113</u>       | <u>480</u>                | <u>1,037</u>     |
| Total liabilities                        | <u>916</u>               | <u>33</u>           | <u>3,214</u>     | <u>736</u>                | <u>4,899</u>     |
| <b>Deferred Inflows of Resources</b>     |                          |                     |                  |                           |                  |
| Lease related deferred inflows           | -                        | -                   | -                | 6                         | 6                |
| Pension related deferred inflows         | 13                       | -                   | 3                | 15                        | 31               |
| OPEB related deferred inflows            | 42                       | 4                   | 4                | 42                        | 92               |
|  | <u>55</u>                | <u>4</u>            | <u>7</u>         | <u>63</u>                 | <u>129</u>       |
| <b>Net Position</b>                      |                          |                     |                  |                           |                  |
| Net investment in capital assets         | 15,149                   | 67                  | -                | 3,841                     | 19,057           |
| Unrestricted                             | 25,478                   | 715                 | 24,552           | 3,173                     | 53,918           |
| Total net position                       | <u>\$ 40,627</u>         | <u>\$ 782</u>       | <u>\$ 24,552</u> | <u>\$ 7,014</u>           | <u>\$ 72,975</u> |

**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, 2025  
(amounts expressed in thousands)

|   | Equipment<br>Maintenance | Central<br>Services | Loss<br>Reserve  | Information<br>Technology | Total            |
|---|--------------------------|---------------------|------------------|---------------------------|------------------|
| <b>Operating Revenues:</b>                  |                          |                     |                  |                           |                  |
| Charges for services                        | \$ 7,823                 | \$ 152              | \$ 15,398        | \$ 2,855                  | \$ 26,228        |
| Total operating revenues                    | <u>7,823</u>             | <u>152</u>          | <u>15,398</u>    | <u>2,855</u>              | <u>26,228</u>    |
| <b>Operating Expenses:</b>                  |                          |                     |                  |                           |                  |
| Personal services                           | 1,066                    | 30                  | 250              | 1,364                     | 2,710            |
| Commodities                                 | 1,825                    | 12                  | 1                | 770                       | 2,608            |
| Services and charges                        | 874                      | 111                 | 12,440           | 786                       | 14,211           |
|   | <u>3,765</u>             | <u>153</u>          | <u>12,691</u>    | <u>2,920</u>              | <u>19,529</u>    |
| Depreciation & amortization                 | 2,450                    | 30                  | -                | 401                       | 2,881            |
| Total operating expenses                    | <u>6,215</u>             | <u>183</u>          | <u>12,691</u>    | <u>3,321</u>              | <u>22,410</u>    |
| Operating income (loss)                     | <u>1,608</u>             | <u>(31)</u>         | <u>2,707</u>     | <u>(466)</u>              | <u>3,818</u>     |
| <b>Nonoperating Revenues:</b>               |                          |                     |                  |                           |                  |
| Gain (loss) on disposal of capital assets   | 164                      | (6)                 | -                | 3                         | 161              |
| Lease Revenue                               | -                        | -                   | -                | 14                        | 14               |
| Interest income                             | 1,102                    | 39                  | 1,145            | 163                       | 2,449            |
| Interest expense                            | -                        | -                   | -                | (2)                       | (2)              |
| Total nonoperating revenues                 | <u>1,266</u>             | <u>33</u>           | <u>1,145</u>     | <u>178</u>                | <u>2,622</u>     |
| Income before transfers                     | 2,874                    | 2                   | 3,852            | (288)                     | 6,440            |
| Transfers in                                | 532                      | -                   | -                | 64                        | 596              |
| Transfers out                               | <u>-</u>                 | <u>(200)</u>        | <u>-</u>         | <u>(108)</u>              | <u>(308)</u>     |
| Change in net position                      | 3,406                    | (198)               | 3,852            | (332)                     | 6,728            |
| <b>Net Position, Beginning, as restated</b> | <u>37,221</u>            | <u>980</u>          | <u>20,700</u>    | <u>7,346</u>              | <u>66,247</u>    |
| <b>Net Position, Ending</b>                 | <u>\$ 40,627</u>         | <u>\$ 782</u>       | <u>\$ 24,552</u> | <u>\$ 7,014</u>           | <u>\$ 72,975</u> |

**City of Iowa City, Iowa**

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

For the Year Ended June 30, 2025  
(amounts expressed in thousands)

|  | Equipment<br>Maintenance | Central<br>Services | Loss<br>Reserve  | Information<br>Technology | Total            |
|--|--------------------------|---------------------|------------------|---------------------------|------------------|
| <b>Cash Flows From Operating Activities</b>  |                          |                     |                  |                           |                  |
| Receipts from users  | \$ 7,931                 | \$ 152              | \$ 15,225        | \$ 2,859                  | \$ 26,167        |
| Payments to suppliers  | (2,721)                  | (122)               | (11,835)         | (1,693)                   | (16,371)         |
| Payments to employees  | (1,115)                  | (33)                | (253)            | (1,401)                   | (2,802)          |
| Net cash flows from operating activities   | <u>4,095</u>             | <u>(3)</u>          | <u>3,137</u>     | <u>(235)</u>              | <u>6,994</u>     |
| <b>Cash Flows From Noncapital Financing Activities</b>                                 |                          |                     |                  |                           |                  |
| Transfers from other funds   | <u>532</u>               | <u>-</u>            | <u>-</u>         | <u>64</u>                 | <u>596</u>       |
| Net cash flows from (used for) noncapital financing activities                         | <u>532</u>               | <u>(200)</u>        | <u>-</u>         | <u>(44)</u>               | <u>288</u>       |
| <b>Cash Flows From Capital and Related Financing Activities</b>                        |                          |                     |                  |                           |                  |
| Acquisition and construction of property and equipment                                 | (3,401)                  | (32)                | -                | (288)                     | (3,721)          |
| Lease revenues received  | -                        | -                   | -                | 14                        | 14               |
| Lease related deferred inflows of resources  | -                        | -                   | -                | (14)                      | (14)             |
| Lease receivable   | -                        | -                   | -                | 20                        | 20               |
| Interest paid on subscription liability  | -                        | -                   | -                | (2)                       | (2)              |
| Principal paid on subscription liability   | -                        | -                   | -                | (59)                      | (59)             |
| Proceeds from sale of property   | <u>168</u>               | <u>-</u>            | <u>-</u>         | <u>3</u>                  | <u>171</u>       |
| Net cash flows used for capital and related financing activities                       | <u>(3,233)</u>           | <u>(32)</u>         | <u>-</u>         | <u>(326)</u>              | <u>(3,591)</u>   |
| <b>Cash Flows From Investing Activities</b>  |                          |                     |                  |                           |                  |
| Interest on investments  | <u>850</u>               | <u>35</u>           | <u>912</u>       | <u>137</u>                | <u>1,934</u>     |
| Net increase in cash and cash equivalents  | 2,244                    | (200)               | 4,049            | (468)                     | 5,625            |
| <b>Cash and Cash Equivalents, Beginning</b>  | <u>22,991</u>            | <u>934</u>          | <u>23,071</u>    | <u>4,211</u>              | <u>51,207</u>    |
| <b>Cash and Cash Equivalents, Ending</b>   | <u>\$ 25,235</u>         | <u>\$ 734</u>       | <u>\$ 27,120</u> | <u>\$ 3,743</u>           | <u>\$ 56,832</u> |
| <b>Reconciliation of operating income to net cash flows from operating activities:</b> |                          |                     |                  |                           |                  |
| Operating income   | \$ 1,608                 | \$ (31)             | \$ 2,707         | \$ (466)                  | \$ 3,818         |
| Adjustments to reconcile operating income to net cash flows from operating activities: |                          |                     |                  |                           |                  |
| Depreciation/amortization expense  | 2,450                    | 30                  | -                | 401                       | 2,881            |
| Changes in:  |                          |                     |                  |                           |                  |
| Receivables:   |                          |                     |                  |                           |                  |
| Accounts and unbilled usage  | 92                       | -                   | (173)            | 4                         | (77)             |
| Due from other governments   | 16                       | -                   | -                | -                         | 16               |
| Inventories  | (6)                      | -                   | -                | -                         | (6)              |
| Accounts payable   | (16)                     | 1                   | 139              | (137)                     | (13)             |
| Accrued liabilities  | 1                        | 1                   | 468              | 4                         | 474              |
| Compensated absences   | (28)                     | (1)                 | 3                | 4                         | (22)             |
| Net pension liability  | (93)                     | (5)                 | (19)             | (120)                     | (237)            |
| Deferred outflows of resources   | 54                       | 2                   | 9                | 57                        | 122              |
| Deferred inflows of resources  | 12                       | -                   | 3                | 13                        | 28               |
| Other post employment benefits liability   | 5                        | -                   | -                | 5                         | 10               |
| Total adjustments  | <u>2,487</u>             | <u>28</u>           | <u>430</u>       | <u>231</u>                | <u>3,176</u>     |
| Net cash flows from operating activities   | <u>\$ 4,095</u>          | <u>\$ (3)</u>       | <u>\$ 3,137</u>  | <u>\$ (235)</u>           | <u>\$ 6,994</u>  |

# 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.

| <b>Contents</b>   | <b>Page</b> |
|---|-------------|
| Financial Trends<br>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<br>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.   | 118         |
| Debt Capacity<br>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<br>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<br>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)

|   | <u>2016<sup>1</sup></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>       | <u>2025</u>       |
|---|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Governmental activities                     |                         |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Net investment in capital assets            | \$ 163,362              | \$ 183,651        | \$ 203,077        | \$ 208,028        | \$ 220,004        | \$ 228,418        | \$ 230,285        | \$ 235,218        | \$ 238,351        | \$ 248,335        |
| Restricted                                  | 42,154                  | 47,676            | 41,490            | 38,819            | 33,578            | 33,664            | 36,900            | 40,048            | 44,316            | 44,648            |
| Unrestricted                                | 18,402                  | 16,264            | 17,646            | 20,124            | 21,819            | 25,528            | 39,505            | 52,971            | 68,947            | 67,961            |
| Total governmental activities net position  | <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> | <u>\$ 360,944</u> |
| Business-type activities                    |                         |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Net investment in capital assets            | \$ 279,679              | \$ 285,912        | \$ 294,109        | \$ 304,111        | \$ 314,523        | \$ 315,915        | \$ 325,787        | \$ 325,391        | \$ 332,087        | \$ 339,943        |
| Restricted                                  | 22,269                  | 21,238            | 22,219            | 18,055            | 17,558            | 14,859            | 13,216            | 7,959             | 5,292             | 4,203             |
| Unrestricted                                | 69,472                  | 76,664            | 73,126            | 77,224            | 76,661            | 84,097            | 92,370            | 104,736           | 112,850           | 118,653           |
| Total business-type activities net position | <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> | <u>\$ 462,799</u> |
| Primary government                          |                         |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Net investment in capital assets            | \$ 443,041              | \$ 469,563        | \$ 497,186        | \$ 512,139        | \$ 534,527        | \$ 544,333        | \$ 556,072        | \$ 560,609        | \$ 570,438        | \$ 588,278        |
| Restricted                                  | 64,423                  | 68,914            | 63,709            | 56,874            | 51,136            | 48,523            | 50,116            | 48,007            | 49,608            | 48,851            |
| Unrestricted                                | 87,874                  | 92,928            | 90,772            | 97,348            | 98,480            | 109,625           | 131,875           | 157,707           | 181,797           | 186,614           |
| Total primary government net position       | <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> | <u>\$ 823,743</u> |

<sup>1</sup> 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)

|  | 2016 <sup>1</sup> | 2017        | 2018        | 2019        | 2020        | 2021        | 2022        | 2023        | 2024        | 2025        |
|--|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Expenses</b>  |                   |             |             |             |             |             |             |             |             |             |
| Governmental activities:                                     |                   |             |             |             |             |             |             |             |             |             |
| Public safety  | \$ 22,029         | \$ 24,002   | \$ 25,191   | \$ 26,265   | \$ 29,252   | \$ 30,411   | \$ 23,609   | \$ 26,450   | \$ 29,252   | \$ 29,883   |
| Public works   | 10,839            | 12,032      | 12,813      | 16,324      | 16,071      | 16,363      | 17,746      | 19,051      | 16,733      | 16,452      |
| Culture and recreation                                       | 14,422            | 15,525      | 16,363      | 16,009      | 16,233      | 15,774      | 16,923      | 18,135      | 18,664      | 19,115      |
| Community and economic development                           | 6,786             | 8,253       | 12,019      | 16,022      | 9,383       | 8,549       | 11,074      | 13,570      | 12,269      | 19,364      |
| General government   | 6,240             | 6,124       | 6,858       | 7,524       | 7,693       | 10,529      | 7,439       | 8,774       | 10,442      | 7,951       |
| Debt service   | 1,287             | 1,481       | 1,414       | 1,444       | 1,452       | 1,561       | 1,553       | 1,622       | 1,624       | 1,696       |
| Total governmental activities expenses                       | 61,603            | 67,417      | 74,658      | 83,588      | 80,084      | 83,187      | 78,344      | 87,602      | 88,984      | 94,461      |
| Business-type activities:                                    |                   |             |             |             |             |             |             |             |             |             |
| Wastewater   | 11,866            | 11,233      | 11,392      | 11,413      | 10,807      | 12,520      | 12,105      | 12,869      | 12,843      | 13,593      |
| Water  | 8,149             | 8,921       | 9,472       | 9,543       | 9,302       | 10,177      | 9,477       | 9,672       | 11,022      | 11,131      |
| Sanitation   | 8,735             | 9,123       | 9,408       | 10,858      | 10,145      | 10,045      | 10,113      | 10,282      | 12,907      | 12,545      |
| Housing authority  | 8,378             | 8,798       | 9,535       | 10,170      | 10,021      | 10,141      | 11,832      | 12,067      | 13,277      | 13,904      |
| Parking  | 4,460             | 4,620       | 5,590       | 5,461       | 5,014       | 4,613       | 5,381       | 6,436       | 6,067       | 7,246       |
| Airport  | 1,597             | 1,402       | 1,680       | 1,466       | 2,511       | 1,835       | 1,509       | 1,433       | 1,677       | 1,407       |
| Stormwater   | 1,989             | 2,432       | 1,844       | 1,832       | 2,198       | 2,105       | 2,190       | 2,393       | 2,147       | 2,896       |
| Transit  | 7,486             | 7,263       | 8,071       | 8,833       | 9,041       | 8,107       | 8,573       | 9,276       | 10,604      | 10,438      |
| Total business-type activities expenses                      | 52,660            | 53,792      | 56,992      | 59,576      | 59,039      | 59,543      | 61,180      | 64,428      | 70,544      | 73,160      |
| Total primary government expenses                            | \$ 114,263        | \$ 121,209  | \$ 131,650  | \$ 143,164  | \$ 139,123  | \$ 142,730  | \$ 139,524  | \$ 152,030  | \$ 159,528  | \$ 167,621  |
| <b>Program Revenues</b>                                      |                   |             |             |             |             |             |             |             |             |             |
| Governmental activities:                                     |                   |             |             |             |             |             |             |             |             |             |
| Charges for services:  |                   |             |             |             |             |             |             |             |             |             |
| Public safety  | \$ 4,813          | \$ 5,286    | \$ 4,438    | \$ 4,870    | \$ 4,430    | \$ 4,277    | \$ 4,625    | \$ 5,129    | \$ 5,331    | \$ 5,037    |
| Public works   | 628               | 724         | 62          | 290         | 243         | 482         | 149         | 112         | 349         | 60          |
| Culture and recreation                                       | 823               | 842         | 836         | 854         | 508         | 322         | 627         | 696         | 701         | 677         |
| Community and economic development                           | 1,044             | 36          | 441         | 548         | 59          | 1,837       | 3,625       | 2,066       | 20          | 15          |
| General government   | 1,252             | 1,524       | 1,520       | 1,717       | 1,551       | 1,582       | 1,728       | 1,871       | 1,801       | 1,521       |
| Operating grants and contributions                           | 9,941             | 10,828      | 10,245      | 13,758      | 13,113      | 12,479      | 14,491      | 15,550      | 23,598      | 16,659      |
| Capital grants and contributions                             | 3,999             | 9,952       | 1,459       | 1,972       | 1,915       | 2,845       | 4,316       | 3,113       | 1,493       | 1,914       |
| Total governmental activities program revenues               | 22,500            | 29,192      | 19,001      | 24,009      | 21,819      | 23,824      | 29,561      | 28,537      | 33,293      | 25,883      |
| Business-type activities:                                    |                   |             |             |             |             |             |             |             |             |             |
| Charges for services:  |                   |             |             |             |             |             |             |             |             |             |
| Wastewater   | 12,266            | 12,277      | 12,626      | 12,831      | 12,357      | 12,155      | 12,121      | 12,333      | 12,795      | 13,175      |
| Water  | 9,134             | 9,275       | 9,473       | 9,640       | 10,048      | 9,934       | 10,127      | 10,473      | 10,997      | 11,160      |
| Sanitation   | 9,215             | 9,927       | 10,014      | 10,017      | 10,193      | 11,944      | 11,289      | 11,853      | 12,767      | 12,826      |
| Housing authority  | 300               | 321         | 323         | 295         | 280         | 296         | 282         | 307         | 350         | 366         |
| Parking  | 5,438             | 5,453       | 5,648       | 5,982       | 4,354       | 3,758       | 5,054       | 5,296       | 5,459       | 7,251       |
| Airport  | 333               | 345         | 348         | 361         | 371         | 376         | 372         | 389         | 396         | 479         |
| Stormwater   | 1,168             | 1,544       | 1,560       | 1,568       | 1,730       | 1,701       | 1,704       | 1,730       | 1,886       | 1,922       |
| Transit  | 2,099             | 2,089       | 2,216       | 2,171       | 1,802       | 1,385       | 1,745       | 1,822       | 958         | 1,179       |
| Capital grants and contributions: Wastewater                 | 3,415             | 2,226       | 1,913       | 1,827       | 2,550       | 1,580       | 964         | 167         | 360         | 1,502       |
| Capital grants and contributions: Water                      | 254               | 869         | 483         | 488         | 965         | 834         | 481         | 235         | 266         | 782         |
| Capital grants and contributions: Sanitation                 | -                 | -           | 22          | 13          | -           | -           | -           | -           | -           | 300         |
| Capital grants and contributions: Airport                    | 260               | 58          | 49          | 38          | 134         | 267         | 154         | 690         | 632         | 933         |
| Capital grants and contributions: Stormwater                 | 370               | 1,251       | 892         | 902         | 876         | 1,230       | 696         | 540         | 186         | 1,491       |
| Capital grants and contributions: Parking                    | -                 | -           | -           | -           | -           | -           | -           | -           | 18          | -           |
| Capital grants and contributions: Transit                    | 308               | 395         | 3,827       | -           | -           | 77          | 3,416       | -           | -           | 342         |
| Operating grants and contributions: Housing authority        | 8,318             | 8,532       | 9,065       | 9,443       | 9,875       | 9,691       | 11,481      | 11,529      | 13,297      | 13,453      |
| Operating grants and contributions: Water                    | -                 | -           | -           | -           | 2           | 45          | 42          | 6           | -           | -           |
| Operating grants and contributions: Airport                  | 128               | 69          | 72          | 14          | 896         | 332         | 259         | 147         | 117         | (2)         |
| Operating grants and contributions: Sanitation               | 3                 | -           | 3           | 104         | 20          | 18          | 105         | -           | -           | -           |
| Operating grants and contributions: Wastewater               | -                 | -           | -           | -           | 8           | -           | 77          | -           | -           | -           |
| Operating grants and contributions: Stormwater               | 95                | -           | 2           | -           | -           | -           | -           | -           | -           | -           |
| Operating grants and contributions: Parking                  | -                 | -           | -           | -           | 3           | -           | 3           | -           | -           | -           |
| Operating grants and contributions: Transit                  | 2,095             | 2,235       | 2,088       | 2,152       | 3,107       | 3,016       | 5,096       | 5,059       | 5,548       | 5,026       |
| Total business-type activities program revenues              | 55,199            | 56,866      | 60,624      | 57,846      | 59,571      | 58,639      | 65,468      | 62,576      | 66,032      | 72,185      |
| Total primary government revenues                            | \$ 77,699         | \$ 86,058   | \$ 79,625   | \$ 81,855   | \$ 81,390   | \$ 82,463   | \$ 95,029   | \$ 91,113   | \$ 99,325   | \$ 98,068   |
| <b>Net (Expense) / Revenues</b>                              |                   |             |             |             |             |             |             |             |             |             |
| Governmental activities                                      | \$ (39,103)       | \$ (38,225) | \$ (55,657) | \$ (59,579) | \$ (58,265) | \$ (59,363) | \$ (48,783) | \$ (59,065) | \$ (55,691) | \$ (68,578) |
| Business-type activities                                     | 2,539             | 3,074       | 3,632       | (1,730)     | 532         | (904)       | 4,288       | (1,852)     | (4,512)     | (975)       |
| Total primary government net expense                         | \$ (36,564)       | \$ (35,151) | \$ (52,025) | \$ (61,309) | \$ (57,733) | \$ (60,267) | \$ (44,495) | \$ (60,917) | \$ (60,203) | \$ (69,553) |
| <b>General Revenues and Other Changes in Net Position</b>    |                   |             |             |             |             |             |             |             |             |             |
| Governmental activities:                                     |                   |             |             |             |             |             |             |             |             |             |
| General revenues:  |                   |             |             |             |             |             |             |             |             |             |
| Property taxes   | \$ 53,114         | \$ 57,649   | \$ 59,046   | \$ 61,739   | \$ 62,846   | \$ 69,482   | \$ 70,678   | \$ 70,824   | \$ 70,578   | \$ 73,058   |
| Other taxes  | 2,717             | 2,802       | 2,706       | 2,935       | 2,696       | 2,576       | 3,541       | 3,786       | 3,774       | 3,808       |
| Grants and contributions not restricted to specific purposes | 2,080             | 1,583       | 1,547       | 1,552       | 1,513       | 1,587       | 1,555       | 1,244       | 1,675       | 1,373       |
| Earnings (loss) on investments                               | 1,045             | 1,397       | 2,368       | 3,257       | 2,585       | 841         | (544)       | 4,325       | 8,894       | 8,916       |
| Miscellaneous  | 4,464             | 3,369       | 3,656       | 3,329       | 3,331       | 3,030       | 3,524       | 3,984       | 3,903       | 4,681       |
| Gain on sale of assets                                       | 218               | 2,151       | 140         | 186         | 111         | 213         | 257         | 1,242       | 418         | 341         |
| Transfers  | (6,395)           | (7,053)     | 1,814       | (8,661)     | (6,387)     | (6,157)     | (11,148)    | (4,876)     | (10,174)    | (8,534)     |
| Reassignments  | 82                | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| Total governmental activities                                | 57,325            | 61,898      | 71,277      | 64,337      | 66,695      | 71,572      | 67,863      | 80,529      | 79,068      | 83,643      |

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

(continued)

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

Last Ten Fiscal Years  
(Accrual basis of accounting)

(amounts expressed in thousands)

|                                  | 2016 <sup>1</sup> | 2017             | 2018             | 2019             | 2020             | 2021             | 2022             | 2023             | 2024             | 2025             |
|----------------------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Business-type activities:</b> |                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| General revenues:                |                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Earnings (loss) on investments   | 715               | 938              | 1,496            | 2,166            | 1,794            | 426              | (190)            | 2,605            | 5,253            | 5,340            |
| Gain on sale of assets           | 2,463             | 69               | 2,438            | 1                | 74               | 22               | 23               | 1                | 23               | -                |
| Miscellaneous                    | 362               | 1,260            | 456              | 838              | 565              | 428              | 1,233            | 1,083            | 1,205            | 1,342            |
| Transfers                        | 6,395             | 7,053            | (1,814)          | 8,661            | 6,387            | 6,157            | 11,148           | 4,876            | 10,174           | 8,534            |
| Reassignments                    | (82)              | -                | -                | -                | -                | -                | -                | -                | -                | -                |
| Total business-type activities   | <u>9,853</u>      | <u>9,320</u>     | <u>2,576</u>     | <u>11,666</u>    | <u>8,820</u>     | <u>7,033</u>     | <u>12,214</u>    | <u>8,565</u>     | <u>16,655</u>    | <u>15,216</u>    |
| Total primary government         | <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> | <u>\$ 98,859</u> |
| <b>Change in Net Position</b>    |                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Governmental activities          | \$ 18,222         | \$ 23,673        | \$ 15,620        | \$ 4,758         | \$ 8,430         | \$ 12,209        | \$ 19,080        | \$ 21,464        | \$ 23,377        | \$ 15,065        |
| Business-type activities         | 12,392            | 12,394           | 6,208            | 9,936            | 9,352            | 6,129            | 16,502           | 6,713            | 12,143           | 14,241           |
| Total primary government         | <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> | <u>\$ 29,306</u> |

<sup>1</sup> 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)

|   | 2016 <sup>1</sup> | 2017             | 2018             | 2019             | 2020             | 2021             | 2022             | 2023             | 2024             | 2025             |
|---|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>General Fund</b>                       |                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Nonspendable                              | \$ 69             | \$ 788           | \$ 793           | \$ 887           | \$ 549           | \$ 469           | \$ 1,889         | \$ 2,127         | \$ 6,404         | \$ 6,043         |
| Restricted                                | 18,975            | 9,974            | 1,942            | 1,808            | 1,747            | 1,455            | 2,015            | 2,310            | 2,455            | 2,369            |
| 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           | 18,734           |
| Unassigned                                | 23,366            | 24,793           | 28,516           | 34,358           | 35,369           | 40,414           | 40,074           | 37,977           | 46,149           | 46,855           |
| <b>Total general fund</b>                 | <b>\$ 48,252</b>  | <b>\$ 42,096</b> | <b>\$ 37,650</b> | <b>\$ 40,618</b> | <b>\$ 43,373</b> | <b>\$ 52,221</b> | <b>\$ 58,830</b> | <b>\$ 62,036</b> | <b>\$ 73,445</b> | <b>\$ 74,001</b> |
| <b>All other Governmental Funds</b>       |                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Nonspendable                              | \$ -              | \$ 344           | \$ 165           | \$ 224           | \$ 278           | \$ 218           | \$ 243           | \$ 269           | \$ 274           | \$ 262           |
| Restricted                                | 38,266            | 63,941           | 64,033           | 50,966           | 48,728           | 51,931           | 57,346           | 61,230           | 61,842           | 67,614           |
| Unassigned                                | -                 | -                | (38)             | (59)             | (611)            | (27)             | (417)            | (251)            | (3)              | -                |
| <b>Total all other governmental funds</b> | <b>\$ 38,266</b>  | <b>\$ 64,285</b> | <b>\$ 64,160</b> | <b>\$ 51,131</b> | <b>\$ 48,395</b> | <b>\$ 52,122</b> | <b>\$ 57,172</b> | <b>\$ 61,248</b> | <b>\$ 62,113</b> | <b>\$ 67,876</b> |

<sup>1</sup> 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)

|  | 2016 <sup>1</sup> | 2017             | 2018               | 2019               | 2020              | 2021              | 2022              | 2023              | 2024              | 2025              |
|--|-------------------|------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Revenues:</b>   |                   |                  |                    |                    |                   |                   |                   |                   |                   |                   |
| Property taxes and assessments                                     | \$ 55,831         | \$ 60,452        | \$ 61,753          | \$ 64,672          | \$ 65,542         | \$ 72,058         | \$ 74,220         | \$ 74,611         | \$ 74,353         | \$ 76,866         |
| Licenses and permits   | 3,056             | 3,521            | 2,734              | 2,981              | 2,352             | 2,541             | 2,786             | 2,854             | 3,036             | 2,426             |
| Intergovernmental  | 20,230            | 24,140           | 14,944             | 16,828             | 18,603            | 20,127            | 22,756            | 23,443            | 30,127            | 22,499            |
| Charges for services   | 3,357             | 2,355            | 2,295              | 2,690              | 1,715             | 3,446             | 5,314             | 3,890             | 1,965             | 1,682             |
| Fines and forfeits   | 760               | 750              | 695                | 776                | 609               | 375               | 434               | 372               | 392               | 646               |
| Use of money and property  | 946               | 1,235            | 1,937              | 2,564              | 1,872             | 773               | 506               | 3,547             | 6,533             | 6,467             |
| Miscellaneous  | 2,913             | 2,101            | 2,875              | 2,261              | 2,440             | 2,112             | 2,591             | 3,477             | 3,059             | 3,431             |
| <b>Total governmental activities revenues</b>                      | <b>\$ 87,093</b>  | <b>\$ 94,554</b> | <b>\$ 87,233</b>   | <b>\$ 92,772</b>   | <b>\$ 93,133</b>  | <b>\$ 101,432</b> | <b>\$ 108,607</b> | <b>\$ 112,194</b> | <b>\$ 119,465</b> | <b>\$ 114,017</b> |
| <b>Expenditures</b>  |                   |                  |                    |                    |                   |                   |                   |                   |                   |                   |
| <b>Current</b>   |                   |                  |                    |                    |                   |                   |                   |                   |                   |                   |
| Public safety  | \$ 21,701         | \$ 22,513        | \$ 23,360          | \$ 24,295          | \$ 25,637         | \$ 26,167         | \$ 26,821         | \$ 27,649         | \$ 29,033         | \$ 29,375         |
| Public works   | 9,466             | 9,186            | 10,052             | 10,894             | 10,586            | 11,447            | 10,883            | 11,440            | 12,131            | 12,798            |
| Culture and recreation   | 12,257            | 13,341           | 14,208             | 13,709             | 13,653            | 12,979            | 15,090            | 16,009            | 16,992            | 17,871            |
| Community and economic development                                 | 5,346             | 7,695            | 11,074             | 15,723             | 8,627             | 8,305             | 11,076            | 13,629            | 12,213            | 17,444            |
| General government   | 6,007             | 5,882            | 6,017              | 6,579              | 6,789             | 9,788             | 7,907             | 8,748             | 10,108            | 9,065             |
| <b>Debt service</b>  |                   |                  |                    |                    |                   |                   |                   |                   |                   |                   |
| Principal  | 13,230            | 13,305           | 11,895             | 12,080             | 11,385            | 12,745            | 11,220            | 11,085            | 11,125            | 11,818            |
| Interest   | 1,475             | 1,597            | 1,570              | 1,589              | 1,648             | 1,905             | 1,956             | 2,072             | 2,162             | 2,283             |
| <b>Capital projects</b>  | <b>14,848</b>     | <b>18,405</b>    | <b>28,225</b>      | <b>22,632</b>      | <b>21,211</b>     | <b>12,173</b>     | <b>12,073</b>     | <b>20,824</b>     | <b>14,115</b>     | <b>15,291</b>     |
| <b>Total expenditures</b>  | <b>\$ 84,330</b>  | <b>\$ 91,924</b> | <b>\$ 106,401</b>  | <b>\$ 107,501</b>  | <b>\$ 99,536</b>  | <b>\$ 95,509</b>  | <b>\$ 97,026</b>  | <b>\$ 111,456</b> | <b>\$ 107,879</b> | <b>\$ 115,945</b> |
| <b>Excess (deficiency) of revenues over (under) expenditures</b>   | <b>\$ 2,763</b>   | <b>\$ 2,630</b>  | <b>\$ (19,168)</b> | <b>\$ (14,729)</b> | <b>\$ (6,403)</b> | <b>\$ 5,923</b>   | <b>\$ 11,581</b>  | <b>\$ 738</b>     | <b>\$ 11,586</b>  | <b>\$ (1,928)</b> |
| <b>Other financing sources (uses):</b>                             |                   |                  |                    |                    |                   |                   |                   |                   |                   |                   |
| Issuance of long-term debt   | \$ 9,405          | \$ 22,570        | \$ 11,995          | \$ 12,535          | \$ 12,145         | \$ 11,325         | \$ 10,255         | \$ 9,105          | \$ 10,230         | \$ 15,658         |
| Sale of capital assets   | 252               | 2,292            | 140                | 758                | 111               | 233               | 256               | 1,538             | 211               | 180               |
| Premium (discount) on issuance of bonds                            | 441               | 120              | 236                | 81                 | 927               | 1,464             | 553               | 894               | 720               | 1,097             |
| Transfers in   | 25,133            | 34,675           | 34,666             | 25,663             | 21,236            | 21,223            | 24,229            | 24,631            | 33,212            | 23,637            |
| Transfers out  | (28,502)          | (47,033)         | (32,440)           | (34,369)           | (27,997)          | (27,593)          | (35,215)          | (29,624)          | (43,685)          | (32,325)          |
| <b>Total other financing sources (uses)</b>                        | <b>\$ 6,729</b>   | <b>\$ 12,624</b> | <b>\$ 14,597</b>   | <b>\$ 4,668</b>    | <b>\$ 6,422</b>   | <b>\$ 6,652</b>   | <b>\$ 78</b>      | <b>\$ 6,544</b>   | <b>\$ 688</b>     | <b>\$ 8,247</b>   |
| <b>Net change in fund balances</b>                                 | <b>\$ 9,492</b>   | <b>\$ 15,254</b> | <b>\$ (4,571)</b>  | <b>\$ (10,061)</b> | <b>\$ 19</b>      | <b>\$ 12,575</b>  | <b>\$ 11,659</b>  | <b>\$ 7,282</b>   | <b>\$ 12,274</b>  | <b>\$ 6,319</b>   |
| <b>Debt service as a percentage of noncapital expenditures</b>     | <b>21.2%</b>      | <b>19.9%</b>     | <b>17.1%</b>       | <b>15.6%</b>       | <b>15.9%</b>      | <b>17.1%</b>      | <b>14.6%</b>      | <b>13.8%</b>      | <b>14.0%</b>      | <b>13.9%</b>      |
| <b>Debt services as a percentage of expenditures and transfers</b> | <b>13.0%</b>      | <b>10.7%</b>     | <b>9.7%</b>        | <b>9.6%</b>        | <b>10.2%</b>      | <b>11.9%</b>      | <b>10.0%</b>      | <b>9.3%</b>       | <b>8.8%</b>       | <b>9.5%</b>       |

<sup>1</sup> 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)

| <b><u>Fiscal Year</u></b> | <b><u>Property Tax</u></b> | <b><u>Road Use Tax</u></b> | <b><u>Hotel/Motel Tax</u></b> | <b><u>Utility Franchise Fee</u></b> | <b><u>Total</u></b> |
|---------------------------|----------------------------|----------------------------|-------------------------------|-------------------------------------|---------------------|
| 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              |
| 2025                      | 73,793                     | 10,593                     | 2,070                         | 1,003                               | 87,459              |

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

Last Ten Fiscal Years

**Assessed Valuation**

|                                 | Tax Collection Year |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|---------------------------------|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                 | FY2025              | FY2024           | FY2023           | FY2022           | FY2021           | FY2020           | FY2019           | FY2018           | FY2017           | FY2016           |
| Residential                     | \$ 7,078,353,727    | \$ 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 |
| Agricultural (taxed at Ag rate) | 1,789,188           | 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        |
| Multi-Residential <sup>1</sup>  | -                   | -                | 544,717,108      | 539,398,739      | 539,636,381      | 489,176,499      | 471,420,082      | 411,460,472      | 410,426,868      | -                |
| Commercial                      | 1,187,202,405       | 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    |
| Industrial                      | 87,930,360          | 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       |
| Railroads                       | 5,041,874           | 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        |
| Utilities w/out Gas & Electric  | 276,868             | 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        |
| Gross valuation                 | 8,360,594,422       | 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    |
| Less: Military exemption        | 15,527,428          | 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        |
| Net valuation                   | 8,345,066,994       | 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    |
| Incremental value               | 188,582,994         | 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       |
| Gas and Electric Utilities      | 173,705,884         | 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       |
| Total Assessed valuation        | \$ 8,707,355,872    | \$ 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 |
| Percent change                  | 18.173%             | 1.655%           | 3.263%           | 2.354%           | 11.809%          | 3.824%           | 7.520%           | 2.696%           | 8.074%           | 2.567%           |

**Taxable Valuation**

|   | Tax Collection Year: |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|---|----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|   | FY2025               | FY2024           | FY2023           | FY2022           | FY2021           | FY2020           | FY2019           | FY2018           | FY2017           | FY2016           |
| Assessment Limitation:                  |                      |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Residential rollback                    | 46.3428%             | 54.6501%         | 54.1302%         | 56.4094%         | 55.0743%         | 56.9180%         | 55.6209%         | 56.9391%         | 55.6259%         | 55.7335%         |
| Agricultural rollback                   | 71.8370%             | 91.6430%         | 89.0412%         | 84.0305%         | 81.4832%         | 56.1324%         | 54.4480%         | 47.4996%         | 46.1068%         | 44.7021%         |
| Multi-Residential rollback <sup>1</sup> | N/A                  | N/A              | 63.75%           | 67.50%           | 71.25%           | 75.00%           | 78.75%           | 82.50%           | 86.25%           | NA               |
| Commercial and Railroad rollback        | 90.0%                | 90.0%            | 90.0%            | 90.0%            | 90.0%            | 90.0%            | 90.0%            | 90.0%            | 90.0%            | 90.0%            |
| Industrial rollback                     | 90.0%                | 90.0%            | 90.0%            | 90.0%            | 90.0%            | 90.0%            | 90.0%            | 90.0%            | 90.0%            | 90.0%            |
| Utilities rollback                      | 100.0%               | 100.0%           | 100.0%           | 98.5%            | 100.0%           | 100.0%           | 100.0%           | 100.0%           | 100.0%           | 100.0%           |
| Residential                             | \$ 3,260,915,759     | \$ 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 |
| Agricultural (taxed at Ag rate)         | 1,285,294            | 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        |
| Multi-Residential <sup>1</sup>          | -                    | -                | 343,613,885      | 360,829,356      | 382,070,966      | 363,613,829      | 368,969,925      | 337,946,106      | 353,335,857      | -                |
| Commercial                              | 1,008,744,853        | 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    |
| Industrial                              | 78,155,039           | 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       |
| Railroads                               | 4,518,715            | 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        |
| Utilities w/out Gas & Electric          | 276,868              | 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        |
| Gross valuation                         | 4,353,896,528        | 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    |
| Less: Military exemption                | 15,527,428           | 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        |
| Net valuation                           | 4,338,369,100        | 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    |
| Incremental value                       | 137,141,542          | 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       |
| Gas and Electric Utilities              | 41,986,461           | 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       |
| Total Taxable Valuation                 | \$ 4,517,497,103     | \$ 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 |
| Percent change                          | 3.606%               | -0.358%          | -0.410%          | 3.189%           | 8.541%           | 4.743%           | 5.719%           | 3.550%           | 7.501%           | 1.462%           |

**Total Direct Tax Rate**

|                   |           |           |           |           |           |           |           |           |           |           |
|-------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| City of Iowa City | \$ 15.633 | \$ 15.633 | \$ 15.633 | \$ 15.673 | \$ 15.773 | \$ 15.833 | \$ 16.183 | \$ 16.333 | \$ 16.583 | \$ 16.651 |
|-------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|

**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.

<sup>1</sup> 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: | 2015/16  | 2016/17     | 2017/18     | 2018/19     | 2019/20     | 2020/21     | 2021/22     | 2022/23     | 2023/24     | 2024/25     |
|-------------------------------------|--------------|----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                     | Levy Year:   | 2014     | 2015        | 2016        | 2017        | 2018        | 2019        | 2020        | 2021        | 2022        | 2023        |
| 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     | 0.24000     | 0.24000     | 0.20000     | 0.20000     | 0.20000     |
| Debt Service Fund                   |              | 3.92833  | 3.82846     | 3.57846     | 3.22846     | 2.97846     | 2.57846     | 2.47846     | 2.47846     | 2.47846     | 2.47846     |
| Employee Benefits                   |              | 3.11277  | 3.14415     | 3.14415     | 3.34415     | 3.24415     | 3.34415     | 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                               |              | 1.50986  | 1.51044     | 1.51044     | 1.51044     | 1.51044     | 1.51044     | 1.51044     | 1.51044     | 1.51044     | 1.51044     |
| Total City                          | \$           | 16.65096 | \$ 16.58305 | \$ 16.33305 | \$ 16.18305 | \$ 15.83305 | \$ 15.77305 | \$ 15.67305 | \$ 15.63305 | \$ 15.63305 | \$ 15.63305 |
| Johnson County                      | \$           | 6.90337  | \$ 6.77140  | \$ 6.85143  | \$ 6.53594  | \$ 6.49278  | \$ 6.34581  | \$ 6.16774  | \$ 6.04075  | \$ 6.06180  | \$ 6.43080  |
| Iowa City Community School District |              | 13.86773 | 13.98935    | 13.95855    | 14.85629    | 14.79097    | 14.83935    | 14.85066    | 14.93382    | 16.27411    | 16.81865    |
| Kirkwood                            |              | 1.06125  | 1.08048     | 1.13174     | 1.20354     | 1.21331     | 1.25730     | 1.31195     | 1.34462     | 1.39550     | 1.39550     |
| Other                               |              | 0.32784  | 0.32450     | 0.33036     | 0.30557     | 0.27066     | 0.33110     | 0.32744     | 0.30673     | 0.29613     | 0.31388     |
| Total Tax Rate                      | \$           | 38.81115 | \$ 38.74878 | \$ 38.60513 | \$ 39.08439 | \$ 38.60077 | \$ 38.54661 | \$ 38.33084 | \$ 38.25897 | \$ 39.66059 | \$ 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

**City of Iowa City, Iowa**

**Levies and Collections**

Last Ten Fiscal Years  
(Cash basis of accounting)

(amounts expressed in thousands)

| <b><u>Collection Year</u></b> | <b><u>Total Tax Levied</u></b> | <b><u>Current Tax Collections</u></b> | <b><u>Percent of Levy Collected</u></b> | <b><u>Delinquent Tax Collections<sup>1</sup></u></b> | <b><u>Total Tax Collections</u></b> | <b><u>Total as a Percent of Levy</u></b> |
|-------------------------------|--------------------------------|---------------------------------------|---|--|-------------------------------------|--|
| 2016                          | 52,034                         | 52,021                                | 100.0                                   | 0  | 52,074                              | 100.1                                    |
| 2017                          | 55,330                         | 55,357                                | 100.0                                   | 1  | 55,331                              | 100.0                                    |
| 2018                          | 56,458                         | 56,524                                | 100.1                                   | 1  | 56,347                              | 99.8                                     |
| 2019                          | 59,174                         | 59,113                                | 99.9                                    | 2  | 59,115                              | 99.9                                     |
| 2020                          | 60,297                         | 59,257                                | 98.3                                    | 103  | 59,360                              | 98.4                                     |
| 2021                          | 65,849                         | 65,796                                | 99.9                                    | 985  | 66,781                              | 101.4                                    |
| 2022                          | 66,912                         | 66,604                                | 99.5                                    | 0  | 66,604                              | 99.5                                     |
| 2023                          | 66,474                         | 66,682                                | 100.3                                   | 3  | 66,685                              | 100.3                                    |
| 2024                          | 66,313                         | 66,212                                | 99.8                                    | 13   | 66,225                              | 99.9                                     |
| 2025                          | 68,821                         | 68,441                                | 99.4                                    | 0  | 67,942                              | 98.7                                     |

**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.

<sup>1</sup> 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**

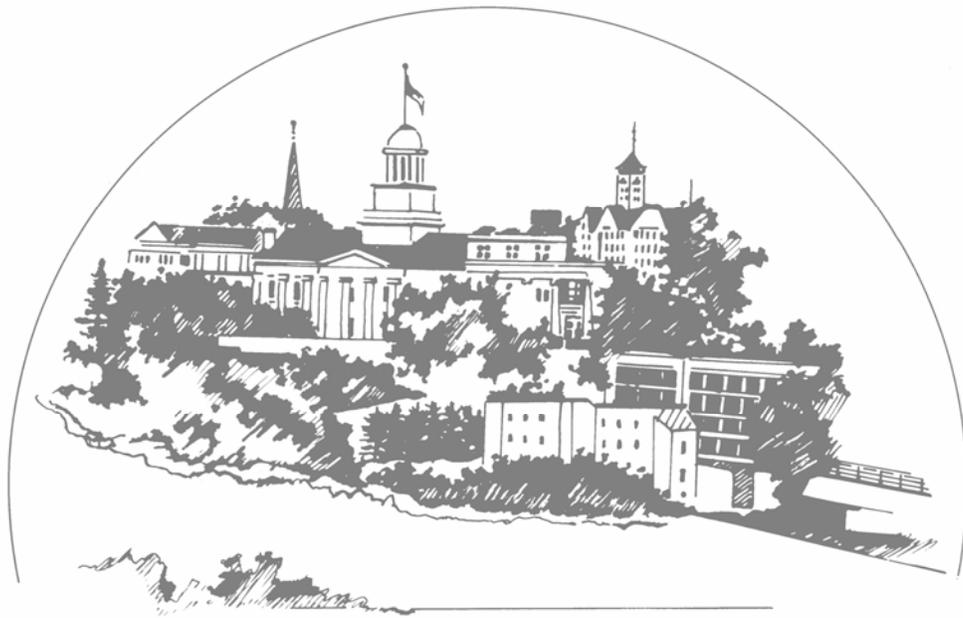
Current Year and Nine Years Ago

(amounts expressed in thousands)

| <u>Ten largest taxpayers<sup>1</sup></u>   | <u>Type of Business</u>         | <u>2016</u>              |             |                                     | <u>2025</u>              |             |                                     |
|--|---------------------------------|--------------------------|-------------|-------------------------------------|--------------------------|-------------|-------------------------------------|
|  |                                 | <u>Taxable Valuation</u> | <u>Rank</u> | <u>% of Total Taxable Valuation</u> | <u>Taxable Valuation</u> | <u>Rank</u> | <u>% of Total Taxable Valuation</u> |
| Mid-American Energy Company                | Public Gas and Electric Utility | \$ 42,664                | 2           | 1.34 %                              | \$ 39,179                | 1           | 0.87 %                              |
| Rise at Riverfront Crossing Owner LLC      | Real Estate Developer           | \$ -                     | -           | N/A                                 | 31,835                   | 2           | 0.70                                |
| Hollingsworth Capital Partners Iowa LLC    | Real Estate Developer           | -                        | -           | N/A                                 | 28,659                   | 3           | 0.63                                |
| Midwestone Bank                            | Financial                       | 15,014                   | 7           | 0.47                                | 27,281                   | 4           | 0.60                                |
| BBCS Hawkeye Housing LLC                   | Real Estate Mangment            | -                        | -           | N/A                                 | 26,696                   | 5           | 0.59                                |
| Tailwind Iowa City LLC                     | Real Estate Mangment            | -                        | -           | N/A                                 | 23,190                   | 6           | 0.51                                |
| Dealer Properties IC LLC (Billion Auto)    | Car Dealerships                 | 18,889                   | 4           | 0.59                                | 22,716                   | 7           | 0.50                                |
| Tailwind College Street, LLC               | Real Estate Mangment & Dev      | -                        | -           | N/A                                 | 22,065                   | 8           | 0.49                                |
| 1201 Gilbert LLC                           | Real Estate Mangment            | -                        | -           | N/A                                 | 22,029                   | 9           | 0.49                                |
| Proctor & Gamble LLC                       | Manufacturing Company           | 16,414                   | 5           | 0.52                                | 18,893                   | 10          | 0.42                                |
| Vesper Iowa City LLC                       | Real Estate Mangment            | 14,027                   | 8           | 0.44                                | -                        | -           | N/A                                 |
| ACT Inc (Am College Testing Prgm)          | Educational Testing Service     | 47,639                   | 1           | 1.50                                | -                        | -           | N/A                                 |
| Ann Gerdin Trust (formerly Russell Gerdin) | Warehousing                     | 22,803                   | 3           | 0.72                                | -                        | -           | N/A                                 |
| Christian Retirement Community             | Retirement Community            | 15,667                   | 6           | 0.49                                | -                        | -           | N/A                                 |
| Alpha Inc.                                 | Industrial                      | 13,860                   | 9           | 0.44                                | -                        | -           | N/A                                 |
| National Computer Systems (Pearson)        | Information Services            | 12,815                   | 10          | 0.40                                | -                        | -           | N/A                                 |
|  |                                 | <u>\$ 219,792</u>        |             | <u>6.91 %</u>                       | <u>\$ 262,543</u>        |             | <u>5.80</u>                         |

**Sources:**

<sup>1</sup>City 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>2016</u>         |             |                   | <u>2025</u>         |             |                   |
|---|---------------------|-------------|-------------------|---------------------|-------------|-------------------|
|   | <u>Charges</u>      | <u>Rank</u> | <u>Percentage</u> | <u>Charges</u>      | <u>Rank</u> | <u>Percentage</u> |
| Proctor & Gamble  | \$ 673,690          | 1           | 7.69 %            | \$ 663,684          | 1           | 6.09 %            |
| Veterans Administration Medical Center                      | 104,250             | 2           | 1.19              | 133,102             | 2           | 1.22              |
| Tailwind Iowa City LLC formerly Dolphin Lake/Lakeside Manor | 50,139              | 6           | 0.57              | 110,763             | 3           | 1.02              |
| UIHC Downtown Hospital Campus formerly Mercy Hospital       | 64,349              | 3           | 0.73              | 97,208              | 4           | 0.89              |
| Campus Apartments   | 61,112              | 4           | 0.70              | 71,044              | 5           | 0.65              |
| Oral B  | -                   | -           | N/A               | 70,141              | 6           | 0.64              |
| Dominium JIT Srv formerly Mark IV Apts                      | 53,473              | 5           | 0.61              | 67,028              | 7           | 0.62              |
| Seville Apts  | -                   | -           | N/A               | 60,392              | 8           | 0.55              |
| Oaknoll Retirement Residence                                | 37,955              | 10          | 0.43              | 49,446              | 9           | 0.45              |
| Club Carwash  | -                   | -           | N/A               | 48,728              | 10          | 0.45              |
| University of Iowa, Mayflower Apt.                          | 46,061              | 7           | 0.53              | -                   | -           | N/A               |
| Iowa City Community School District                         | 43,465              | 8           | 0.50              | -                   | -           | N/A               |
| CCAL 100 Hawk Ridge Drive                                   | 39,301              | 9           | 0.45              | -                   | -           | N/A               |
|   | <u>\$ 1,173,795</u> |             | <u>13.40 %</u>    | <u>\$ 1,371,536</u> |             | <u>12.58 %</u>    |
| Total Water System Charges                                  | \$ 8,758,683        |             |                   | \$ 10,898,257       |             |                   |

**Sources:**

City of Iowa City Revenue Division

**City of Iowa City**

**Sales History and Water System Charges**

Last Ten Fiscal Years

| <b><u>Fiscal Year</u></b> | <b><u>Water Sales<br/>Cubic Feet Sold</u></b> | <b><u>Water System<br/>Charges</u></b> |
|---------------------------|---|--|
| 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                             |
| 2025                      | 241,672,265                                   | 10,898,257                             |

**Sources:**

City of Iowa City Revenue Department

**City of Iowa City, Iowa**

**Larger Sewer System Charges**

Current Year and Nine Years Ago

| <u>Customer Name</u>                                  | <u>2016</u>         |             |                   | <u>2025</u>         |             |                   |
|---|---------------------|-------------|-------------------|---------------------|-------------|-------------------|
|   | <u>Charges</u>      | <u>Rank</u> | <u>Percentage</u> | <u>Charges</u>      | <u>Rank</u> | <u>Percentage</u> |
| University of Iowa Fac Svcs                           | \$ 1,900,317        | 1           | 15.81 %           | \$ 2,032,826        | 1           | 15.33 %           |
| Proctor & Gamble                                      | 893,069             | 2           | 7.43              | 743,611             | 2           | 5.61              |
| Iowa City Landfill                                    | 219,432             | 3           | 1.83              | 176,564             | 3           | 1.33              |
| Veterans Administration Medical Center                | 119,193             | 4           | 0.99              | 129,634             | 4           | 0.98              |
| UHIC Downtown Hospital Campus formerly Mercy Hospital | 102,693             | 5           | 0.85              | 123,785             | 5           | 0.93              |
| Tailwind Iowa City (formerly Dolphin Lake)            | 76,609              | 6           | 0.64              | 93,383              | 6           | 0.70              |
| Seville Apts  | -                   | -           | N/A               | 75,483              | 7           | 0.57              |
| Campus Apts   | 72,228              | 8           | 0.60              | 73,250              | 8           | 0.55              |
| Dominium-Jet Services (formerly Mark IV Apts)         | 58,512              | 10          | 0.49              | 71,168              | 9           | 0.54              |
| University of Iowa Mayflower HSG                      | 73,827              | 7           | 0.61              | 64,656              | 10          | 0.49              |
| CCAL 100 Hawk Ridge Drive                             | 68,909              | 9           | 0.57              | -                   | -           | N/A               |
|   | <u>\$ 3,584,789</u> |             | <u>29.82 %</u>    | <u>\$ 3,584,360</u> |             | <u>27.03 %</u>    |
| Total Sewer System Charges                            | \$ 12,022,203       |             |                   | \$ 13,260,750       |             |                   |

**Sources:**

City of Iowa City Revenue Department

**City of Iowa City, Iowa**

**Sales History and Sewer System Charges**

Last Ten Fiscal Years

| <b><u>Fiscal Year</u></b> | <b><u>Sewer Sales<br/>Cubic Feet Sold</u></b> | <b><u>Sewer System<br/>Charges</u></b> |
|---------------------------|---|--|
| 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                             |
| 2025                      | 300,744,191                                   | 13,260,754                             |

**Sources:**

City of Iowa City Revenue Department

**City of Iowa City, Iowa**

**Ratios of Outstanding Debt by Type**

Last Ten Fiscal Years

| Fiscal Year | Governmental Activities               |                            |                   |                        | Business-Type Activities              |                            |            |                        |                   | Total Primary Government | Percentage of Personal Income <sup>2</sup> | Per Capita <sup>2</sup> |
|-------------|---------------------------------------|----------------------------|-------------------|------------------------|---------------------------------------|----------------------------|------------|------------------------|-------------------|--------------------------|--|-------------------------|
|             | General Obligation Bonds <sup>1</sup> | Revenue Bonds <sup>1</sup> | Capital Loan Note | Subscription Liability | General Obligation Bonds <sup>1</sup> | Revenue Bonds <sup>1</sup> | Lease      | Subscription Liability | Capital Loan Note |                          |  |                         |
| 2016        | 55,998,392                            | 2,491,016                  | 210,784           | -                      | 295,000                               | 39,951,661                 | -          | -                      | -                 | 98,946,853               | 1.19                                       | 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                                       | 909                     |
| 2025        | 60,931,571                            | 8,975,000                  | 210,784           | 996,399                | -                                     | 561,478                    | -          | 95,087                 | 2,527,186         | 74,297,505               | 0.59                                       | 964                     |

**Notes:**

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

<sup>1</sup> Bonds reported net of related premiums and discounts.

<sup>2</sup> Population and personal income information can be found on page 134.

**City of Iowa City Iowa**

**Ratios of General Obligation Bonded Debt<sup>1</sup>  
to Assessed Value and Net Bonded Debt per Capita**

Last Ten Fiscal Years

(amounts expressed in thousands, except per capita)

| <b><u>Fiscal Year</u></b> | <b><u>Property Assessed Value<sup>2</sup></u></b> | <b><u>Gross General Obligation Bonded Debt<sup>1</sup></u></b> | <b><u>Less: Debt Service Fund Balance</u></b> | <b><u>Net General Obligation Bonded Debt</u></b> | <b><u>Net Bonded Debt per \$1,000 of Assessed Value</u></b> | <b><u>Net Bonded Debt Per Capita<sup>2</sup></u></b> |
|---------------------------|---|--|---|--|---|--|
| 2016                      | 4,950,558   | 56,293   | 6,463   | 49,830   | 10.04 : 1000  | 671  |
| 2017                      | 5,350,244   | 52,571   | 7,221   | 45,350   | 8.38 : 1000   | 599  |
| 2018                      | 5,494,477   | 52,884   | 8,423   | 44,461   | 8.09 : 1000   | 587  |
| 2019                      | 5,907,661   | 53,403   | 9,514   | 43,889   | 7.43 : 1000   | 584  |
| 2020                      | 6,133,570   | 55,008   | 9,590   | 45,418   | 7.40 : 1000   | 606  |
| 2021                      | 6,857,898   | 56,685   | 7,388   | 49,297   | 7.19 : 1000   | 661  |
| 2022                      | 7,019,346   | 56,824   | 7,190   | 49,634   | 7.07 : 1000   | 654  |
| 2023                      | 7,248,396   | 56,219   | 7,246   | 48,973   | 6.76 : 1000   | 647  |
| 2024                      | 7,368,329   | 56,457   | 7,608   | 48,849   | 6.63 : 1000   | 637  |
| 2025                      | 8,707,356   | 60,932   | 7,670   | 53,262   | 6.12 : 1000   | 691  |

**Notes:**

<sup>1</sup>General Obligation bonds, net of related premiums and discounts.

<sup>2</sup>Population data can be found on page 134.

**City of Iowa City, Iowa**

**Computation of Direct and Overlapping Debt**

June 30, 2025

(amounts expressed in thousands, except per capita)

| <b>Name of<br/>Governmental Unit</b>                         | <b>Total General<br/>Long-Term<br/>Direct Debt<br/>Outstanding</b> | <b>Percent<br/>Applicable<br/>to the City of<br/>Iowa City</b> | <b>Amount<br/>Applicable<br/>to the City of<br/>Iowa City</b> |
|--|--|--|---|
| City of Iowa City <sup>2</sup>                               | \$ 71,114  | 100.00 %   | \$ 71,114   |
| Iowa City Community<br>School District <sup>1</sup>          | 141,250  | 57.56  | 81,304  |
| Johnson County <sup>1</sup>                                  | 27,451   | 41.48  | 11,387  |
| Clear Creek- Amana<br>Community School District <sup>1</sup> | 97,224   | 0.03   | 29  |
| Kirkwood Comm. College <sup>1</sup>                          | 85,285   | 13.98  | 11,923  |
| Total Overlapping Debt                                       | <u>351,210</u>   |  | <u>104,643</u>  |
| Total Direct & Overlapping Debt                              | <u>\$ 422,324</u>  |  | <u>\$ 175,757</u>   |

<sup>1</sup>Long term debt outstanding includes only GO debt.

<sup>2</sup>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 Information<sup>1</sup>**

Last Ten Fiscal Years

(amounts expressed in thousands)

|  | <b>Fiscal Year</b> |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|--|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | <b>2016</b>        | <b>2017</b>       | <b>2018</b>       | <b>2019</b>       | <b>2020</b>       | <b>2021</b>       | <b>2022</b>       | <b>2023</b>       | <b>2024</b>       | <b>2025</b>       |
| Total Assessed Valuation   | \$ 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      | \$ 8,707,356      |
| Debt Limit   | 247,528            | 267,511           | 274,723           | 295,383           | 306,679           | 342,895           | 350,967           | 362,420           | 368,416           | 435,368           |
| G.O. Bonds   | 55,350             | 51,645            | 51,880            | 52,470            | 53,370            | 53,935            | 53,935            | 52,915            | 52,980            | 56,970            |
| TIF Rev. Bonds   | 2,525              | 15,200            | 15,065            | 14,930            | 14,790            | 12,805            | 11,840            | 10,880            | 9,925             | 8,975             |
| Capital loan note payable  | -                  | -                 | -                 | -                 | -                 | -                 | -                 | -                 | 788               | 2,527             |
| Letters of credit  | 582                | 663               | 475               | 603               | -                 | -                 | -                 | -                 | -                 | -                 |
| Notes payable  | 211                | 211               | 211               | 211               | 211               | 211               | 211               | 211               | 211               | 211               |
| Subscription Liability   | -                  | -                 | -                 | -                 | -                 | -                 | 443               | 317               | 406               | 1,092             |
| TIF rebates  | 13,506             | 17,356            | 25,012            | 27,954            | 25,877            | 36,944            | 33,765            | 31,784            | 29,620            | 26,818            |
| Total net debt applicable to limit                                   | 72,174             | 85,075            | 92,643            | 96,168            | 94,248            | 103,895           | 100,194           | 96,107            | 93,930            | 96,593            |
| Legal debt margin  | <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> | <u>\$ 338,775</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 29.16%             | 31.80%            | 33.72%            | 32.56%            | 30.73%            | 30.30%            | 28.55%            | 26.52%            | 25.50%            | 22.19%            |

<sup>1</sup>As 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<br>Year<br>Ended<br>June 30              | Revenue | Expenses <sup>1</sup> | Net Revenue<br>Available for<br>Debt Service | Annual Debt Service <sup>2</sup> |          |       | Ratio of<br>Coverage |
|---|---------|-----------------------|--|----------------------------------|----------|-------|----------------------|
|   |         |                       |  | Principal                        | Interest | Total |                      |
| <b>Parking Revenue<sup>3</sup></b>              |         |                       |  |                                  |          |       |                      |
| 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 <sup>7</sup>                               | 4,577   | 3,476                 | 1,101  | 567                              | 375      | 942   | 1.17                 |
| 2021  | -       | -                     | -  | -                                | -        | -     | -                    |
| 2022  | -       | -                     | -  | -                                | -        | -     | -                    |
| 2023  | -       | -                     | -  | -                                | -        | -     | -                    |
| 2024  | -       | -                     | -  | -                                | -        | -     | -                    |
| 2025  | -       | -                     | -  | -                                | -        | -     | -                    |
| <b>Wastewater Treatment Revenue<sup>4</sup></b> |         |                       |  |                                  |          |       |                      |
| 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 <sup>6</sup>                               | 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  | -       | -                     | -  | -                                | -        | -     | -                    |
| 2025  | -       | -                     | -  | -                                | -        | -     | -                    |
| <b>Water Revenue<sup>5</sup></b>                |         |                       |  |                                  |          |       |                      |
| 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                 |
| 2025  | 13,170  | 8,900                 | 4,270  | 1,325                            | 26       | 1,351 | 3.16                 |

**Notes:**

<sup>1</sup>Excludes depreciation and interest.

<sup>2</sup>Includes principal and interest of revenue bonds only.

<sup>3</sup>Parking Revenue bonds ratio of "Net Revenue Available for Debt Service" to "Total Annual Debt Service" is required to be at least 1.25.

<sup>4</sup>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.

<sup>5</sup>Water Revenue bonds ratio of "Net Revenue Available for Debt Service" to "Total Annual Debt Service" is required to be at least 1.10.

<sup>6</sup>Debt Service excludes the amount called early of \$2,670,000.

<sup>7</sup>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)

| <b>Fiscal Year Ended June 30</b> | <b>Taxable Valuation Available for Certification (1)</b> | <b>TIF Tax Rate (2)</b> | <b>Available Tax Increment Revenues (3)</b> | <b>2012D TIF Revenue Bonds</b> | <b>2016E TIF Revenue Bonds</b> | <b>Total</b> | <b>Available Debt Coverage</b> |
|----------------------------------|--|-------------------------|---|--------------------------------|--------------------------------|--------------|--------------------------------|
| 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                          |
| 2025                             | 661,932  | 32.59                   | 21,572                                      | -                              | 1,248                          | 1,248        | 17.29                          |

(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) TIF tax rate does not include the SSMID levy rate of \$2.50 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

| <u>Calendar Year</u> | <u>Population<sup>6</sup></u> | <u>Personal Income<sup>1</sup></u> | <u>Per Capita Personal Income<sup>1</sup></u> | <u>Average Increase</u> | <u>School Enrollment<sup>2</sup></u> | <u>Unemployment Rate<sup>3</sup></u> | <u>Retail Sales<sup>4</sup></u> |
|----------------------|-------------------------------|------------------------------------|---|-------------------------|--------------------------------------|--------------------------------------|---------------------------------|
| 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 <sup>5</sup>    | 76,710                        | 12,240,518                         | 65,225  | -0.52                   | 16,083                               | 2.4                                  | 1,028,890,305                   |
| 2025 <sup>5,7</sup>  | 77,079                        | 12,645,264                         | 67,382  | 3.31                    | 15,931                               | 3.8                                  | 1,062,911,678                   |

**Sources and Notes:**

<sup>1</sup> 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.

<sup>2</sup> Iowa City Community School District and local private schools

<sup>3</sup> Iowa Workforce Development Center

<sup>4</sup> Iowa Retail Sales & Use Report, Iowa Department of Revenue and Finance. Fiscal year ending June 30. (Look up each quarter County/City Tab)

<sup>5</sup> Personal Income for 2024 & 2025 and Per Capita Personal Income for 2025 is not available. Amounts projected based on average increase over previous 5 years.

<sup>6</sup> US Census Bureau Population number is not available for 2025. Amounts projected based on an average over previous 9 years

<sup>7</sup> 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

| <b>Employers</b>                                     | <b>2016</b>      |             |                   | <b>2025</b>      |             |                   |
|--|------------------|-------------|-------------------|------------------|-------------|-------------------|
|  | <b>Employees</b> | <b>Rank</b> | <b>Percentage</b> | <b>Employees</b> | <b>Rank</b> | <b>Percentage</b> |
| University of Iowa                                   | 27,354           | 1           | 26.9 %            | 22,000           | 1           | 21.7 %            |
| Iowa City Community School District                  | 2,346            | 2           | 2.3               | 2,208            | 2           | 2.2               |
| Veterans Administration Medical Center               | 1,562            | 3           | 1.5               | 2,000            | 3           | 2.0               |
| Procter & Gamble                                     | -                | -           | N/A               | 1,300            | 4           | 1.3               |
| City of Iowa City                                    | 1,108            | 8           | 1.1               | 952              | 5           | 0.9               |
| Johnson County                                       | -                | 0           | N/A               | 700              | 6           | 0.7               |
| ACT Inc. (formerly American College Testing Program) | 1,350            | 5           | 1.3               | 335              | 7           | 0.3               |
| Hills Bank   | -                | -           | N/A               | 335              | 8           | 0.3               |
| MidWestOne Bank                                      | -                | -           | N/A               | 270              | 9           | 0.3               |
| Alpla  | -                | -           | N/A               | 226              | 10          | 0.2               |
| NCS Pearson  | 1,200            | 6           | 1.2               | -                | -           | N/A               |
| System Unlimited                                     | 890              | 9           | 0.9               | -                | -           | N/A               |
| Mercy Hospital                                       | 1,559            | 4           | 1.5               | -                | -           | N/A               |
| Hy-Vee   | 1,166            | 7           | 1.1               | -                | -           | N/A               |
| Internation Automotive Components formerly Lear Corp | 750              | 10          | 0.7               | -                | -           | N/A               |
|  | <u>39,285</u>    |             | <u>38.5 %</u>     | <u>30,326</u>    |             | <u>29.9 %</u>     |
| <b>Total Employees</b>                               | 101,500          |             |                   | 101,500          |             |                   |

**Sources:**

Iowa City Area Development Group  
 Various Employers and documents

**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

|  | <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>   | <u>2025</u>   |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Public Safety                                |               |               |               |               |               |               |               |               |               |               |
| Police                                       | 105           | 105           | 105           | 107           | 107           | 109.26        | 110.76        | 110.76        | 113.26        | 114.26        |
| Fire   | 64            | 64            | 64            | 64            | 64            | 64            | 64            | 64            | 66            | 66            |
| Inspection Services                          | 12.85         | 13.5          | 13.5          | 15.6          | 15.6          | 17.6          | 17.6          | 16.6          | 16.6          | 16.6          |
| Public Works                                 |               |               |               |               |               |               |               |               |               |               |
| Public Works Admin                           | 2             | 2             | 2             | 2             | 2             | 2             | 2             | 2             | 2             | 2             |
| Engineering <sup>1</sup>                     | 12            | 16            | 16            | 16            | 16            | 18            | 18            | 18            | 19.4          | 20.4          |
| Culture and Recreation                       |               |               |               |               |               |               |               |               |               |               |
| Parks and Rec Admin                          | 2             | 2             | 2             | 2             | 2             | 2             | 2             | 2             | 2             | 2             |
| Recreation                                   | 14.42         | 15.42         | 14.75         | 14            | 14.5          | 14.5          | 14.5          | 14.5          | 14.5          | 14.5          |
| Parks  | 13            | 16            | 16            | 16            | 16            | 16            | 16            | 16            | 16            | 16            |
| Forestry                                     | 3             | 3             | 3             | 5             | 5             | 7             | 7             | 7             | 7             | 7             |
| Cemetery                                     | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 3             |
| CBD Maintenance                              | 3             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Library                                      | 44.77         | 46.17         | 46.17         | 46.17         | 46.05         | 45.92         | 45.92         | 45.92         | 45.92         | 45.92         |
| Senior Center                                | 6.5           | 7             | 7             | 7             | 7             | 7.76          | 7.76          | 7.76          | 7.76          | 7.76          |
| Community and Economic Development           | 10.8          | 12.63         | 13.13         | 13.13         | 13.13         | 12.13         | 12.13         | 13.5          | 13.5          | 13.5          |
| Economic Development                         | 2             | 1             | 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                                | 5.5           | 5.5           | 5.5           | 5.5           | 5.5           | 5.5           | 5.5           | 5.5           | 5.5           | 5.5           |
| City Manager                                 | 10.5          | 10.5          | 9             | 9             | 9             | 13.89         | 14.89         | 15.26         | 17.26         | 17.26         |
| Personnel                                    | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 3             |
| Human Rights                                 | 2             | 2             | 2             | 2             | 2             | 2             | 2             | 2             | 3             | 3             |
| Finance                                      | 23.07         | 23.13         | 22.13         | 22.28         | 22.28         | 22.28         | 22.28         | 22.28         | 22.28         | 22.28         |
| Government Buildings                         | 5.33          | 4.33          | 5             | 4             | 5             | 4             | 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                        | 2.83          | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Traffic Engineering                          | 3.9           | 4.5           | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 3             |
| Streets                                      | 25.25         | 25.5          | 29            | 29            | 29            | 29            | 29            | 30            | 30.25         | 30.25         |
| Other Shared Revenue                         | -             | -             | -             | -             | -             | -             | -             | -             | -             | 2             |
| MPOJC (formerly JCCOG)                       | 4.7           | 4.7           | 4.7           | 5.2           | 5.2           | 5.2           | 5.2           | 5.2           | 5.2           | 5.2           |
| Capital Projects Administration <sup>1</sup> | 4             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Internal Service Funds                       |               |               |               |               |               |               |               |               |               |               |
| Information Technology                       | 9.86          | 9.8           | 10.8          | 9.8           | 9.8           | 9.8           | 9.8           | 10.5          | 10.8          | 10.8          |
| Equipment                                    | 10.75         | 10.75         | 10.75         | 10.75         | 10.75         | 11.75         | 12            | 11            | 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                                      | 23.13         | 21.63         | 21.63         | 21.38         | 19.63         | 21.38         | 21.38         | 21.88         | 23.13         | 24.13         |
| Mass Transit                                 | 51.13         | 53.63         | 54.63         | 53.38         | 53.38         | 54.13         | 54.13         | 54.63         | 53.88         | 54.63         |
| Wastewater Treatment                         | 24.65         | 25.4          | 26            | 26            | 26            | 26            | 26            | 26            | 26.25         | 26.25         |
| Water  | 32            | 31.75         | 31.75         | 31.75         | 31.75         | 31.25         | 31.25         | 31.25         | 32.25         | 32.25         |
| Sanitation                                   | 33.35         | 31.5          | 31.5          | 32.76         | 34.76         | 35.26         | 35.51         | 36.51         | 37.51         | 37.51         |
| Airport                                      | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             |
| Stormwater                                   | 2.6           | 2.1           | 1.5           | 1.5           | 2.5           | 2             | 2             | 2             | 2.1           | 2.1           |
| Housing Authority                            | 10.19         | 9.6           | 9.6           | 9.5           | 9.5           | 10.62         | 10.62         | 11            | 12            | 13            |
| Total  | <u>598.10</u> | <u>600.89</u> | <u>602.89</u> | <u>606.55</u> | <u>609.18</u> | <u>625.08</u> | <u>628.08</u> | <u>631.90</u> | <u>645.20</u> | <u>651.95</u> |

Source: City's Financial Plan

<sup>1</sup>Beginning in FY17, Capital Project Administration was moved to Engineering

City of Iowa City, Iowa

Operating Indicators by Function

Last Ten Fiscal Years

|  | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | 2023    | 2024    | 2025    |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Public Safety                                      |         |         |         |         |         |         |         |         |         |         |
| Police <sup>1</sup>                                |         |         |         |         |         |         |         |         |         |         |
| Physical arrests                                   | 5,465   | 4,482   | 4,488   | 5,212   | 2,891   | 2,525   | 2,998   | 2,619   | 2,255   | 1,964   |
| Traffic Violations                                 | 2,989   | 2,246   | 3,103   | 3,422   | 1,052   | 1,627   | 2,708   | 2,468   | 3,298   | 4,255   |
| Fire   |         |         |         |         |         |         |         |         |         |         |
| Number of calls answered                           | 6,974   | 6,749   | 7,122   | 7,532   | 6,979   | 8,106   | 9,039   | 9,212   | 8,574   | 10,634  |
| Inspections conducted                              | 2,459   | 874     | 1,031   | 1,300   | 181     | 1,194   | 1,194   | 1,250   | 1,806   | 1,033   |
| Parking  |         |         |         |         |         |         |         |         |         |         |
| Parking Violations                                 | 57,549  | 62,930  | 50,346  | 61,330  | 48,042  | 45,727  | 69,502  | 72,491  | 97,412  | 90,455  |
| Wastewater Treatment                               |         |         |         |         |         |         |         |         |         |         |
| Daily average treatment in million gallons         | 10.48   | 8.32    | 7.77    | 10.97   | 8.58    | 7.93    | 7.38    | 7.80    | 7.58    | 9.11    |
| 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                   | 25,085  | 25,485  | 26,069  | 26,270  | 26,576  | 26,892  | 27,021  | 27,105  | 27,172  | 27,172  |
| Water  |         |         |         |         |         |         |         |         |         |         |
| Daily average consumption in million gallons       | 5.32    | 5.50    | 5.84    | 5.69    | 5.33    | 5.57    | 5.52    | 5.60    | 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  | 23,638  | 24,025  | 24,595  | 24,818  | 25,133  | 25,452  | 25,588  | 25,555  | 25,612  | 25,802  |
| Commercial   | 1,415   | 1,425   | 1,436   | 1,431   | 1,448   | 1,448   | 1,442   | 1,449   | 1,463   | 1,505   |
| Industrial   | 14      | 14      | 15      | 15      | 15      | 15      | 15      | 15      | 15      | 15      |
| Other  | 131     | 134     | 136     | 139     | 138     | 137     | 137     | 133     | 130     | 133     |
| Total Customers                                    | 25,198  | 25,598  | 26,182  | 26,403  | 26,734  | 27,052  | 27,182  | 27,152  | 27,220  | 27,455  |
| Sanitation   |         |         |         |         |         |         |         |         |         |         |
| Number of Customers                                | 15,620  | 15,917  | 15,960  | 16,112  | 16,180  | 16,330  | 16,481  | 16,606  | 16,681  | 16,807  |
| Tonnage  | 9,476   | 9,623   | 9,694   | 8,989   | 9,682   | 10,339  | 10,247  | 9,747   | 9,742   | 9,888   |
| Landfill   |         |         |         |         |         |         |         |         |         |         |
| Tonnage  | 126,875 | 137,025 | 140,658 | 127,587 | 128,210 | 151,823 | 135,557 | 132,672 | 142,874 | 130,686 |

Sources: Various city divisions.

Notes:

<sup>1</sup> Numbers are based on a calendar year and 2025 year-to-date figures are compiled through 11/30/25 for Police.

City of Iowa City, Iowa

Capital Assets by Function

Last Ten Fiscal Years

|                                    | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | 2024   | 2025   |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Public Safety                      |        |        |        |        |        |        |        |        |        |        |
| Police                             |        |        |        |        |        |        |        |        |        |        |
| Stations                           | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Patrol units                       | 20     | 24     | 23     | 23     | 23     | 23     | 23     | 23     | 23     | 23     |
| Fire                               |        |        |        |        |        |        |        |        |        |        |
| Stations                           | 4      | 4      | 4      | 4      | 4      | 4      | 4      | 4      | 4      | 4      |
| Fire apparatus                     | 10     | 10     | 10     | 10     | 10     | 10     | 10     | 10     | 10     | 10     |
| Public Works                       |        |        |        |        |        |        |        |        |        |        |
| Streets                            |        |        |        |        |        |        |        |        |        |        |
| Miles                              | 283    | 286    | 288    | 292    | 293    | 295    | 298    | 299    | 300    | 300    |
| Street lights                      | 3,412  | 3,412  | 3,307  | 3,166  | 3,202  | 3,246  | 3,227  | 3,287  | 3,270  | 3,260  |
| 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     | 49     | 50     | 51     | 56     | 56     | 58     | 58     | 58     | 58     |
| Acreage                            | 1,902  | 1,932  | 1,942  | 1,947  | 1,950  | 1,980  | 1,987  | 1,987  | 2,008  | 2,047  |
| 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     | 9      | 9      | 9      | 9      | 9      | 9      | 9      | 8      | 8      |
| Soccer fields                      | 20     | 20     | 20     | 20     | 20     | 20     | 20     | 21     | 21     | 21     |
| Pickle Ball Courts                 | -      | 8      | 8      | 8      | 8      | 8      | 8      | 8      | 9      | 9      |
| Futsal Courts                      | -      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| Full Basketball Courts             | -      | 3      | 3      | 3      | 6      | 6      | 6      | 6      | 6      | 6      |
| Gaga Pits                          | -      | -      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 1      |
| Bocce Court                        | -      | -      | -      | -      | -      | 1      | 1      | 1      | 1      | 1      |
| Parking                            |        |        |        |        |        |        |        |        |        |        |
| Facilities                         | 5      | 6      | 6      | 6      | 6      | 6      | 6      | 6      | 6      | 6      |
| Spaces                             | 3,086  | 3,686  | 3,686  | 3,686  | 3,686  | 3,686  | 3,686  | 3,686  | 3,686  | 3,695  |
| Wastewater Treatment               |        |        |        |        |        |        |        |        |        |        |
| Miles of sanitary sewer            | 301    | 304    | 306    | 307    | 308    | 310    | 312    | 313    | 314    | 329    |
| Miles of storm sewer               | 136    | 139    | 140    | 142    | 144    | 146    | 147    | 148    | 150    | 148    |
| Number of treatment plants         | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Number of service connectors       | 25,085 | 25,485 | 26,069 | 26,270 | 26,576 | 26,892 | 27,021 | 26,995 | 27,062 | 27,091 |
| Water                              |        |        |        |        |        |        |        |        |        |        |
| Miles of water mains               | 275    | 277    | 279    | 281    | 283    | 286    | 288    | 289    | 291    | 286    |
| Number of city owned fire hydrants | 3,447  | 3,503  | 3,529  | 3,564  | 3,611  | 3,647  | 3,687  | 3,717  | 3,749  | 3,097  |
| 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, 2025, 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 12, 2025.

Our report includes an emphasis of matter paragraph for the implementation of Governmental Accounting Standards Board Statement No. 101.

**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*. However, we noted a certain immaterial instance of noncompliance or other matters which is described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2025 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.

*Government Auditing Standards* require the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **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.

*Bohnsack & Frommelt LLP*

Moline, Illinois  
December 12, 2025

**Independent Auditor’s Report on Compliance For Each Major Federal Program and Report 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, 2025. 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, 2025.

***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 12, 2025

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City of Iowa City, Iowa

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025

| Federal Grantor/Pass-Through Grantor/<br>Program Title or Cluster Title                          | Federal<br>Assistance<br>Listing<br>Number | Pass-Through<br>Entity Identifying<br>Number | Provided to<br>Subrecipients | Total<br>Federal<br>Expenditures |
|--|--|--|------------------------------|----------------------------------|
| <b>U.S. Department of Housing<br/>and Urban Development</b>                                      |  |  |                              |                                  |
| Direct:  |  |  |                              |                                  |
| Community Development Block Grant (CDBG)-<br>PRO Housing Competition                             | 14.023                                     | B-23-PH-0002                                 | \$ - \$                      | 204,034                          |
| CDBG/Entitlement Cluster:  |  |  |                              |                                  |
| CDBG/Entitlement Grants  | 14.218                                     | B-19-MC-19-0009                              | 56,920                       | 56,920                           |
| CDBG/Entitlement Grants  | 14.218                                     | B-22-MC-19-0009                              | 54,500                       | 54,500                           |
| CDBG/Entitlement Grants  | 14.218                                     | B-23-MC-19-0009                              | 190,949                      | 336,374                          |
| CDBG/Entitlement Grants  | 14.218                                     | B-24-MC-19-0009                              | 477,938                      | 736,786                          |
| CDBG/Entitlement Grants  | 14.218                                     | B-25-MC-19-0009                              | 384                          | 480                              |
| Subtotal CDBG/Entitlement Cluster  |  |  | 780,691                      | 1,185,060                        |
| Home Investment Partnerships Program   | 14.239                                     | M-21-MC-190205                               | 128,000                      | 131,116                          |
| Home Investment Partnerships Program   | 14.239                                     | M-21-MP-190205                               | 650,000                      | 724,982                          |
| Home Investment Partnerships Program   | 14.239                                     | M-23-MC-190205                               | -                            | 31,809                           |
| Home Investment Partnerships Program   | 14.239                                     | M-24-MC-190205                               | 221,734                      | 229,783                          |
| Home Investment Partnerships Program   | 14.239                                     | M-25-MC-190205                               | 7,013                        | 7,792                            |
|  |  |  | 1,006,747                    | 1,125,482                        |
| Public and Indian Housing  | 14.850                                     | IA022-00000119D                              | -                            | 30                               |
| Public and Indian Housing  | 14.850                                     | IA022-00000121D                              | -                            | 336                              |
| Public and Indian Housing  | 14.850                                     | IA022-00000124D                              | -                            | 302,081                          |
| Public and Indian Housing  | 14.850                                     | IA022-00000125D                              | -                            | 170,902                          |
| Public and Indian Housing  | 14.850                                     | IA022-00000221D                              | -                            | 20                               |
|  |  |  | -                            | 473,369                          |
| Housing Voucher Cluster:   |  |  |                              |                                  |
| Section 8 Housing Choice Vouchers  | 14.871                                     | IA022EF                                      | -                            | 57,541                           |
| Section 8 Housing Choice Vouchers  | 14.871                                     | IA022EH                                      | -                            | 423,814                          |
| Section 8 Housing Choice Vouchers  | 14.871                                     | IA022AF                                      | -                            | 30,329                           |
| Section 8 Housing Choice Vouchers  | 14.871                                     | IA022VO                                      | -                            | 11,595,313                       |
|  |  |  | -                            | 12,106,997                       |
| Mainstream Vouchers  | 14.879                                     | IA0228FR                                     | -                            | 51,678                           |
| Mainstream Vouchers  | 14.879                                     | IA022DV                                      | -                            | 492,616                          |
|  |  |  | -                            | 544,294                          |
| Subtotal Housing Voucher Cluster   |  |  | -                            | 12,651,291                       |
| Public Housing Capital Fund  | 14.872                                     | IA05P022501-21                               | -                            | 576                              |
| Public Housing Capital Fund  | 14.872                                     | IA05P022501-22                               | -                            | 1,580                            |
| Public Housing Capital Fund  | 14.872                                     | IA05P022501-23                               | -                            | 104,603                          |
|  |  |  | -                            | 106,759                          |
| Family Self-Sufficiency  | 14.896                                     | FSS25IA6082                                  | -                            | 123,887                          |
| Family Self-Sufficiency  | 14.896                                     | FSS23IA555601                                | -                            | 97,735                           |
|  |  |  | -                            | 221,622                          |
| Indirect:  |  |  |                              |                                  |
| Pass-through Iowa Economic Development Authority,<br>COVID-19 Community Development Block Grants | 14.228                                     | 20-CVE-005                                   | -                            | 669,567                          |
| <b>Total U.S. Department of Housing<br/>and Urban Development</b>                                |  |  | 1,787,438                    | 16,637,184                       |

(Continued)

**City of Iowa City, Iowa**

**Schedule of Expenditures of Federal Awards (Continued)  
Year Ended June 30, 2025**

| Federal Grantor/Pass-Through Grantor/<br>Program Title or Cluster Title                                     | Federal<br>Assistance<br>Listing<br>Number | Pass-Through<br>Entity Identifying<br>Number | Provided to<br>Subrecipients | Total<br>Federal<br>Expenditures |
|---|--|--|------------------------------|----------------------------------|
| <b>U.S. Department of Justice</b>   |  |  |                              |                                  |
| Direct:   |  |  |                              |                                  |
| Bulletproof Vest Partnership Program  | 16.607                                     | 2024BUBX24042072                             | \$ -                         | \$ 6,677                         |
| Bulletproof Vest Partnership Program  | 16.607                                     | 2023BUBX23034675                             | -                            | 1,155                            |
|   |  |  | -                            | 7,832                            |
| Equitable Sharing Program   | 16.922                                     | n/a  | -                            | 479                              |
| Indirect:   |  |  |                              |                                  |
| Pass-through Iowa Department of Justice:  |  |  |                              |                                  |
| Violence Against Women Formula Grants   | 16.588                                     | LE-2024-00004                                | -                            | 16,222                           |
| Violence Against Women Formula Grants   | 16.588                                     | LE-2025-00069                                | -                            | 76,034                           |
|   |  |  | -                            | 92,256                           |
| Pass-through Iowa Governor's Office of Drug<br>Control Policy:  |  |  |                              |                                  |
| Public Safety Partnership and<br>Community Policing Grants  | 16.710                                     | 21-CAMP-18                                   | 2,410                        | 4,750                            |
| Public Safety Partnership and<br>Community Policing Grants  | 16.710                                     | 24-CAMP-09                                   | 2,550                        | 4,502                            |
| Public Safety Partnership and<br>Community Policing Grants  | 16.710                                     | 22-COPS Heroin-03                            | 2,473                        | 5,155                            |
|   |  |  | 7,433                        | 14,407                           |
| Edward Byrne Memorial Justice Assistance Grant  | 16.738                                     | 22-JAG-554325                                | 60,000                       | 90,000                           |
| <b>Total U.S. Department of Justice</b>   |  |  | 67,433                       | 204,974                          |
| <b>U.S. Department of Transportation</b>  |  |  |                              |                                  |
| Direct:   |  |  |                              |                                  |
| Airport Improvement Program   | 20.106                                     | 3-19-0047-031-2021                           | -                            | (10,031)                         |
| Airport Improvement Program   | 20.106                                     | 3-19-0047-026-2019                           | -                            | 3,135                            |
| Airport Improvement Program   | 20.106                                     | 3-19-0047-027-2020                           | -                            | (46,066)                         |
| Airport Improvement Program   | 20.106                                     | 3-19-0047-034-2022                           | -                            | 44,200                           |
| Airport Improvement Program   | 20.106                                     | 3-19-0047-035-2023                           | -                            | 381,894                          |
| Airport Improvement Program   | 20.106                                     | 3-19-0047-036-2023                           | -                            | 7,558                            |
| Airport Improvement Program   | 20.106                                     | 3-19-0047-037-2024                           | -                            | 540,548                          |
|   |  |  | -                            | 921,238                          |
| Federal Transit Cluster:  |  |  |                              |                                  |
| Federal Transit-Formula Grants  | 20.507                                     | IA-2023-005-00                               | -                            | 1,600,000                        |
| Federal Transit-Formula Grants  | 20.507                                     | IA-2025-028-00                               | -                            | 1,375,000                        |
| Federal Transit-Formula Grants  | 20.507                                     | IA-2024-008-00                               | -                            | 1,156,997                        |
| Subtotal Federal Transit Cluster  |  |  | -                            | 4,131,997                        |
| Indirect:   |  |  |                              |                                  |
| Pass-through Iowa Department of Transportation:   |  |  |                              |                                  |
| Highway Planning and Construction Program   | 20.205                                     | BROS-3715(664)- -8J-52                       | -                            | (1,834)                          |
| Highway Planning and Construction Program   | 20.205                                     | BRM-3715(667)- -8N-52                        | -                            | 276,722                          |
| Highway Planning and Construction Program   | 20.205                                     | HDP-3715(671)--71-52                         | -                            | 263,129                          |
| Highway Planning and Construction Program   | 20.205                                     | NHSX-001-5(120)- -3H-52                      | -                            | 40,519                           |
| Pass-through Iowa Department of Transportation<br>and Metropolitan Planning Organization of Johnson County: |  |  |                              |                                  |
| Highway Planning and Construction Program   | 20.205                                     | 25MPO-MPOJC                                  | -                            | 214,392                          |
|   |  |  | -                            | 792,928                          |

(Continued)

**City of Iowa City, Iowa**

**Schedule of Expenditures of Federal Awards (Continued)  
Year Ended June 30, 2025**

| Federal Grantor/Pass-Through Grantor/<br>Program Title or Cluster Title                   | Federal<br>Assistance<br>Listing<br>Number | Pass-Through<br>Entity Identifying<br>Number | Provided to<br>Subrecipients | Total<br>Federal<br>Expenditures |
|---|--|--|------------------------------|----------------------------------|
| <b>U.S. Department of Transportation (Continued)</b>                                      |  |  |                              |                                  |
| Indirect:   |  |  |                              |                                  |
| Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research | 20.505                                     | 25MPO-MPOJC                                  | \$ -                         | \$ 65,608                        |
| Pass-through Iowa Department of Transportation:   |  |  |                              |                                  |
| Transit Services Programs Cluster:  |  |  |                              |                                  |
| Enhanced Mobility of Seniors and Individuals with Disabilities                            | 20.513                                     | IA-2025-012-01-00 SFY25                      | -                            | 201,509                          |
| Subtotal Transit Services Programs Cluster  |  |  | -                            | 201,509                          |
| Community Project Funding   | 20.534                                     | IA-2023-018-00                               | -                            | 342,498                          |
| Pass-through Iowa Department of Public Safety/<br>Governor's Traffic Safety Bureau        |  |  |                              |                                  |
| Highway Safety Cluster:   |  |  |                              |                                  |
| State and Community Highway Safety  | 20.600                                     | PAP-402-PT-2025, Task 05-47-00               | -                            | 21,495                           |
| State and Community Highway Safety  | 20.600                                     | PAP-402-PT-2024, Task 05-40-40               | -                            | 7,128                            |
| State and Community Highway Safety  | 20.600                                     | PAP-402-AL-2024, Task 02-40-40               | -                            | 4,186                            |
|   |  |  | -                            | 32,809                           |
| National Priority Safety Programs   | 20.616                                     | PAP-AL-2025, Task 02-47-00                   | -                            | 15,293                           |
| Subtotal Highway Safety Cluster   |  |  | -                            | 48,102                           |
| Safe Streets and Roads for All  | 20.939                                     | 693JJ32540185                                | -                            | 13,721                           |
| <b>Total U.S. Department of Transportation</b>  |  |  | -                            | <b>6,517,601</b>                 |
| <b>U.S. Department of the Treasury</b>  |  |  |                              |                                  |
| Direct:   |  |  |                              |                                  |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds                                | 21.027                                     | N/A  | -                            | 2,604,924                        |
| <b>U.S. Environmental Protection Agency</b>   |  |  |                              |                                  |
| Direct:   |  |  |                              |                                  |
| Solid Waste Infrastructure Financing- Save Our Seas Act Grant                             | 66.920                                     | 4Z-96712301-0                                | -                            | 200,000                          |
| <b>U.S. Department of Energy</b>  |  |  |                              |                                  |
| Direct:   |  |  |                              |                                  |
| Energy Efficiency and Community Block Grant   | 81.128                                     | EECEQ-00083                                  | -                            | 110,065                          |
| <b>Total Expenditures of Federal Awards</b>   |  |  | <b>\$ 1,854,871</b>          | <b>\$ 26,274,748</b>             |

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, 2025**

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**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, 2025. 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**

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**City of Iowa City, Iowa**

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2025**

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| Findings | Status | Corrective Action Plan or<br>Other Explanation |
|----------|--------|--|
|----------|--------|--|

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**Not applicable.**

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Schedule of Findings and Questioned Costs  
Year Ended June 30, 2025

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**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?  Yes  No
- Significant deficiency identified?  Yes  None Reported
- Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency identified?  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 |
|---------------------------|------------------------------------|
| 20.106                    | Airport Improvement Program        |
| CDBG/Entitlement Cluster: |                                    |
| 14.218                    | CDBG/Entitlement Grants            |
| Federal Transit Cluster:  |                                    |
| 20.507                    | Federal Transit-Formula Grants     |

Dollar threshold used to distinguish between type A and type B programs: \$788,242

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, 2025

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**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-25** Certified Budget –

Finding: The City exceeded the amended budget in the debt service function as of June 30, 2025.

Recommendation: The certified budget should be amended in accordance with Chapter 24.0 of the Code of Iowa before expenditures exceed budget.

Response and Corrective Action Plan: The City will amend future budgets in sufficient amounts to ensure the certified budget is not exceeded.

Conclusion: Response accepted.

**IV-B-25** 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-25** Travel Expenses – No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

**IV-D-25** 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-25** 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.

(Continued)

**City of Iowa City, Iowa**

**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2025**

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**IV-F-25** 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-25** Council Minutes – No transactions requiring Council approval which had not been approved by the Council were noted.

**IV-H-25** 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-25** Revenue Notes – There were no instances of noncompliance with revenue note provisions.

**IV-J-25** 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-25** 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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**City of Iowa City, Iowa**

**Corrective Action Plan  
Year Ended June 30, 2025**

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| Findings | Corrective Action Plan | Anticipated<br>Date of Completion<br>and Responsible<br>Contact Person |
|----------|------------------------|--|
|----------|------------------------|--|

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

|   |  |                                |
|---|--|--------------------------------|
| <b>IV-A-25</b> The City exceeded the amended budget in the debt service function. | See corrective action plan at IV-A-25. | June 30, 2026<br>Nicole Davies |
|---|--|--------------------------------|

