



AGENDA
CITY OF CEDAR FALLS, IOWA
STANDING COMMITTEE MEETING
MONDAY, NOVEMBER 06, 2023
5:15 PM AT CITY HALL, 220 CLAY STREET

Committee meetings will begin at the time noted above with succeeding Committee meetings starting immediately following the conclusion of the previous meeting. Time periods for individual topics represent an estimate and is based on the time of completion of the previous Committee topic.

Call to Order

Roll Call

Finance & Business Operations Committee

1. FY2023 Audit Report.
(10 Minutes, Controller/City Treasurer Lisa Roeding)

Public Works Committee

1. Main Street RAISE Grant Update.
(30 Minutes, Public Works Director Chase Schrage)
2. Royal Drive & Seerley Boulevard One-Ways.
(25 Minutes, City Engineer David Wicke)

Community Development Committee

1. College Hill Area Zoning Districts Review.
(30 Minutes, Planning & Community Services Manager Karen Howard)

Adjournment



DEPARTMENT OF FINANCE & BUSINESS OPERATIONS

CITY OF CEDAR FALLS, IOWA
220 CLAY STREET
CEDAR FALLS, IOWA 50613
319-273-8600
FAX 319-268-5126

INTEROFFICE MEMORANDUM

Financial Services Division

TO: Mayor Green & City Council Members
FROM: Lisa Roeding, Controller/City Treasurer
DATE: October 30, 2023
SUBJECT: FY2023 Annual Comprehensive Financial Report

The FY2023 Annual Comprehensive Financial Report will be reviewed at the Finance and Business Operations Committee meeting on November 6, 2023. Attached for your review are the following items:

FY2023 Annual Comprehensive Financial Report – This report includes the transmittal letter; the Independent Auditor's Report; Management's Discussion and Analysis; the audited financial statements for the year ending June 30, 2023; supplementary information; and statistical information about the City of Cedar Falls.

Management Letter – This document addresses any issues that the auditors noted during their engagement and also provides suggestions for improvement.

FY2023 Information to Comply with Government Auditing Standards and Uniform Guidance – This report contains the Auditor's reports on the financial information and internal control as it relates to the Federal Financial Programs; a summary of the Auditor's results; and the findings related to required statutory reporting.

The FY2023 Annual Comprehensive Financial Report will be on the Council Agenda for the November 6, 2023 Council meeting. City of Cedar Falls staff recommends that the City Council receive and file the FY2023 Annual Comprehensive Financial Report. After the Council meeting tonight, these reports will be filed with the State Auditor's Office and sent to the appropriate agencies.

If you have any further questions regarding these audit reports or about our annual audit, please feel free to contact Jennifer Rodenbeck or myself.

cc: Jennifer Rodenbeck, Director of Finance & Business Operations



City of Cedar Falls, Iowa

**Annual Comprehensive
Financial Report
For the Fiscal Year Ended
June 30, 2023**

Prepared by the Department of Finance & Business
Operations

CITY OF CEDAR FALLS, IOWA

Annual Comprehensive Financial Report

**For the Fiscal Year Ended
June 30, 2023**

Prepared by:
Financial Services
Of
Finance & Business Operations

Lisa Roeding, CMFO
Controller/City Treasurer

**City of Cedar Falls, Iowa
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023**

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DEPARTMENT OF FINANCE AND BUSINESS OPERATIONS

CITY OF CEDAR FALLS, IOWA

220 CLAY STREET
CEDAR FALLS, IOWA 50613
PHONE 319-273-8600
FAX 319-268-5126
www.cedarfalls.com

November 6, 2023

To the Honorable Mayor, Members of the City Council and Citizens of the City of Cedar Falls:

The City of Cedar Falls, Iowa (City) is required by the Code of Iowa to publish a complete set of audited financial statements presented in conformity with generally accepted accounting principles. Pursuant to these requirements, I am pleased to submit to you the Annual Comprehensive Financial Report of the City of Cedar Falls, Iowa, for the year ended June 30, 2023. This is the second Annual Comprehensive Financial Report completed in compliance with the Government Standards Board (GASB) Statements No. 87.

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

Eide Bailly, 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, 2023. Their opinion is included in the Financial Section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

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 another report under a separate cover.

PROFILE OF THE CITY OF CEDAR FALLS

The City, incorporated in 1854, is located in the northeastern part of the state, has a land area of 28.9 square miles and a population of 40,713. The City is empowered to levy a property tax on both real and

personal property located within its boundaries, and has the power by state statute to extend its corporate limits by annexation, which occur periodically when deemed appropriate by the City Council.

The City operates under a mayor-council form of government with an appointed city administrator. Policy-making and legislative authority are vested in the governing council, which consists of seven members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, setting goals, and approving mayor-appointed committees. The mayor is responsible for supervising the City Administrator. The City Administrator is appointed by the Council and serves as the chief administrative officer. The mayor and council members are elected on a nonpartisan basis. The Council consists of two council members elected at large and one council member elected from each of the five wards as established by ordinance, elected for terms of four years. The mayor is elected at large and to a two-year term.

The City of Cedar Falls provides many municipal services including fire and police protection, streets, garbage collection, parks, recreation, cultural arts, planning, zoning, general administration, and sewer and storm water services. For financial reporting purposes, all funds, agencies, boards, commissions, trusts and authorities involved in the provision of these services are included if the City is financially accountable. Financial accountability is determined by several different factors, including fiscal dependence, ability to impose will upon the entity's governing body, provision of specific financial burdens or benefits and separate legal entity status. After careful evaluation of these factors, the City has included in this financial report the Cedar Falls Electric Utility, Gas Utility, Water Utility, and Communications Utility, as well as all funds of the City. The Utilities are each reported as discretely presented component units.

The City Council is required by Chapter 384 of the Code of Iowa to adopt an annual budget on or before March 31 of each year. The annual budget serves as the foundation for the City's financial planning and control and is prepared by function. The adopted budget provides appropriations (authority to spend) for program operations for the fiscal year that begins on July 1 and ends on June 30 of the following year. Budget amendments must be prepared and adopted in the same manner as the original budget.

ECONOMIC CONDITION AND OUTLOOK

The economic condition and outlook of Cedar Falls continues to be strong. The Cedar Falls economy was insulated from many of the impacts created by the recent recession due to the stability of the University of Northern Iowa and a diverse service business sector.

Grow Cedar Valley was formed in the metro area to organize the human resources and generate needed development capital to attract new business and industry to the area and to encourage expansion of businesses already in the area. As a result, many new businesses have located offices and plants in the metro area. Target Corporation constructed a distribution center with an assessed value of approximately \$45 million in FY02 and in FY08 completed a second refrigeration center. The Cedar Falls Industrial and Technology Park continues to show tremendous expansion.

Since the devaluation of property in 1986-1988, Cedar Falls has had steady growth in property values. Assessed values increased in FY24 by \$73.8 million. With the implementation of the commercial rollback by the State of Iowa, taxable values increased by approximately \$4.6 million. (See Attachment A)

The City of Cedar Falls maintains a comparatively low tax rate. Cedar Falls has the fourth lowest tax rate per capita of the twenty largest cities in the state of Iowa for FY23 (See Attachment B). This low rate can be attributed to the efforts of the City to streamline operations over the past twenty four years. This has been accomplished by maintaining the approximate same number of employees, however City Council may need to prioritize services or focus on key services to address the over extension of City staff. Cedar Falls has one of the lowest numbers of full-time employees per 1,000 residents in FY22. (See Attachment C). The Waterloo-Cedar Falls Metropolitan area has historically enjoyed a relatively low unemployment rate. As of June 2023, 3.1% of the Waterloo-Cedar Falls Metropolitan workforce was unemployed.

Over the past ten years Cedar Falls' residential housing sales prices have significantly increased. In 2012, the average sales price reported was \$206,773. In 2022, the average sales price was \$289,568, which is a forty (40) percent increase in the past ten years (See Attachment D). These statistics indicate that Cedar Falls' local economy is sound and there is a strong market for Cedar Falls homes.

Housing values have surged from the recession and devaluation of the mid-1980's to values that once again place the homeowners living in Cedar Falls in an advantageous market position. This market growth is a credit to businesses, the school system, utilities, and quality of City services in Cedar Falls. Each entity has worked together to strengthen the local economy, create jobs, and improve Cedar Falls' quality of life.

MAJOR INITIATIVES

Street Projects

The City has partnered with the Iowa DOT to substantially upgrade some of the major transportation routes through the City. In 2018, significant improvements to the Highway 58 and Viking Road Intersection corridor began, which will include pedestrian accommodations. The \$32 million project was completed in FY2020 without debt and with the assistance of TIF revenues as well as federal transportation funding. The most recent of these reconstruction projects include Greenhill Road and Main Street Intersection project which will reconstruct the intersection to a roundabout to improve the capacity, efficiency, and safety of the intersection. The intersection was part of the adopted Greenhill Road Corridor Study. Right of way acquisition began in September 2021 and the project will be funded by G.O. bond and local option sales tax funds. Cedar Heights Drive Reconstruction began in 2019 with construction of the roadway to include two roundabouts at Greenhill Road and Huntington Drive. The reconstruction of Cedar Heights Drive should be complete by fall of 2023. Federal/State funding, Local option sales tax funding, Road Use Tax funding and G.O. Bond funding will be used to fund this project. With the building of the new Cedar Falls high school on 27th Street, reconstruction of this corridor started spring of 2022. This section of roadway will go from a two-lane to a four-lane road to help with the additional traffic from the new high school. Road Use tax, local option sales tax, and G.O. bond funding along with funding from Cedar Falls Community School District will pay for this project.

Construction on Main Street Reconstruction project kicked off in Spring 2023, with a phased street reconstruction along Main Street from 6th Street to almost University Avenue. The reconstruction expects to be completed by 2025 and includes changing from 4 to 3 lanes and adding bicycle lanes in both directions. It will include three new roundabout intersections, replacing the traffic signal at 6th Street, a decorative gateway feature near 7th Street, and landscaping throughout the corridor. The Main Street Reconstruction project will be funded by a Surface Transportation Block Grant (STBG) and a grant

through the Traffic Safety Improvement Program (TSIP). The remaining funds will be provided by General Obligation Bonds, Local Sales Tax, Street Construction Fund, American Rescue Plan, Stormwater Fund, Tax Increment Financing, and Cedar Falls Utilities.

Other Projects

The City started a City Hall Repurpose and Remodel project in 2020, which will include the rebuild of offices with the departure of Public Safety Police Operations from the lower level. Phase I was completed October 2022, with the final phase completed spring 2023. The project was funded by capital reserves.

The Cedar River Recreational Project Phase I is a \$6.7 million endeavor that will provide a multi-use park, including kayak play areas, fishing jetties, habitat spawning pools, and water access points, along with riverbank improvement and trail additions. This project is not only a recreational endeavor but will directly improve the local economy and draw families and visitors to the Cedar Valley. The City entered into a contract for construction in FY23 with groundbreaking in the Fall 2023. Phase I of the Cedar River Recreational project will be funded with private donations of \$500,000, along with Emergency Reserve funds, Black Hawk County Gaming grant, General Obligation Bonds, and an American Rescue Plan Act Travel, Tourism and Outdoor Recreation Grant.

Global Pandemic

In an effort to accelerate and sustain the nation's economic recovery from the impacts of the COVID-19 pandemic, the Federal Government enacted the American Rescue Plan Act (ARPA) signed into law in March 2021, which provides over \$350 billion of relief funds to state and local governments. Under ARPA the City was awarded \$6.5 million. The use of these funds is broadly defined in the bill from revenue replacement to costs related to COVID-19 response, as well as certain infrastructure projects. The City has two projects slated to use the ARPA funding award. The first is Main Street Reconstruction Project which began in FY2023; this project will use an estimated \$2,650,000 of the awarded ARPA funding on sewer and stormwater repairs. The second project is the Nutrient Reduction Improvement Project, which will start in FY2024; this project is estimated to use \$3,850,000 in ARPA funds on centralized wastewater treatment.

LONG-TERM FINANCIAL PLANNING

The City Council and administration routinely consider the long-term view regarding financial matters. Operating budget decisions are based on the long-term impact of appropriations and funding. A three-year budget financial plan is prepared each year for all funds of the City. The City has a detailed Capital Improvements Plan (CIP) that considers the impact of the investment in infrastructure, the associated debt burden, and any changes in operating costs associated with maintaining new assets.

In addition to the financial plan and CIP, the City Council each year has a goal setting session where they identify goals for the upcoming fiscal year and discuss strategy in dealing with any upcoming financial challenges. Each department prior to the goal setting session prepares a document outlining their accomplishments during the past year and the goals for their department in the upcoming year.

RELEVANT FINANCIAL POLICIES

The City Council through their annual goals and financial plan document has adopted a comprehensive set of budget and fiscal policies relating to financial management.

Budget – Adopt a balanced budget, which is reflective of the community’s economic climate and needs. Maintain a stable property tax rate, depositing annually funds in excess of operations expenses in a capital reserve account for one-time expenses as approved by the City Council. Evaluate each newly proposed service to determine cost, relative importance and value of each service. Study methods of saving energy.

Cash Reserves – The City will maintain an unreserved balance at year-end at a level determined to meet cash flow requirements, emergency needs, and bond rating criteria. The minimum criteria shall be:

- General Fund – The City Council has established that the General Fund balance be maintained between 15% and 25% and preferably at the 20-25% level.
- Refuse Fund – 20-30%, but no less than \$500,000.
- Sewer Fund – 65-75%, but no less than \$1,500,000.
- Street Fund – 20-30%, but no less than \$1,000,000.
- Storm Water Fund – 10-20%, but no less than \$200,000.
- Emergency Fund – not less than \$1,500,000.

Economic Development – The City will take active measures to encourage economic development of the community with the intent of increasing jobs and the tax base.

Debt Administration – Long-term debt will fund the design, inspection, and construction of capital improvement projects and will not be used for annual operating expenses. The total general obligation debt will not exceed 5% of the total assessed value of real property as required under the Code of Iowa. The issuance of new debt shall not exceed a replacement debt level. Whenever possible, existing debt should be refinanced to secure the lowest possible interest costs.

Capital Improvement Budget Policies – The City will make all capital improvements in accordance with an adopted capital improvements program and will develop a multi-year plan for capital improvements on an annual basis. The development of the capital improvements program is coordinated with the annual budget process and will determine the least costly financing method for all new projects. The City will maintain all assets at a level adequate to protect the City’s capital investment and to minimize future maintenance and replacement costs. A maintenance and replacement schedule for equipment will be developed and followed.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cedar Falls for its annual comprehensive financial report for the year ended June 30, 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government 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.

A Certificate of Achievement is valid for a period of one year only. The City of Cedar Falls has received a Certificate of Achievement for the last thirty three consecutive years (fiscal years ended 1990-2022). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the efficient and dedicated service of the entire staff of the Financial Services Division, particularly Jennifer Rodenbeck, Director of Finance and Business Operations, Cathy Niebergall, Financial Technician, and Paul Kockler, Accountant. Each member of the division has my sincere appreciation for the contributions made in the preparation of this report. I would also like to thank the members of the City Council for their continued interest and support in planning and conducting the financial operations of the City in a responsible and prudent manner.

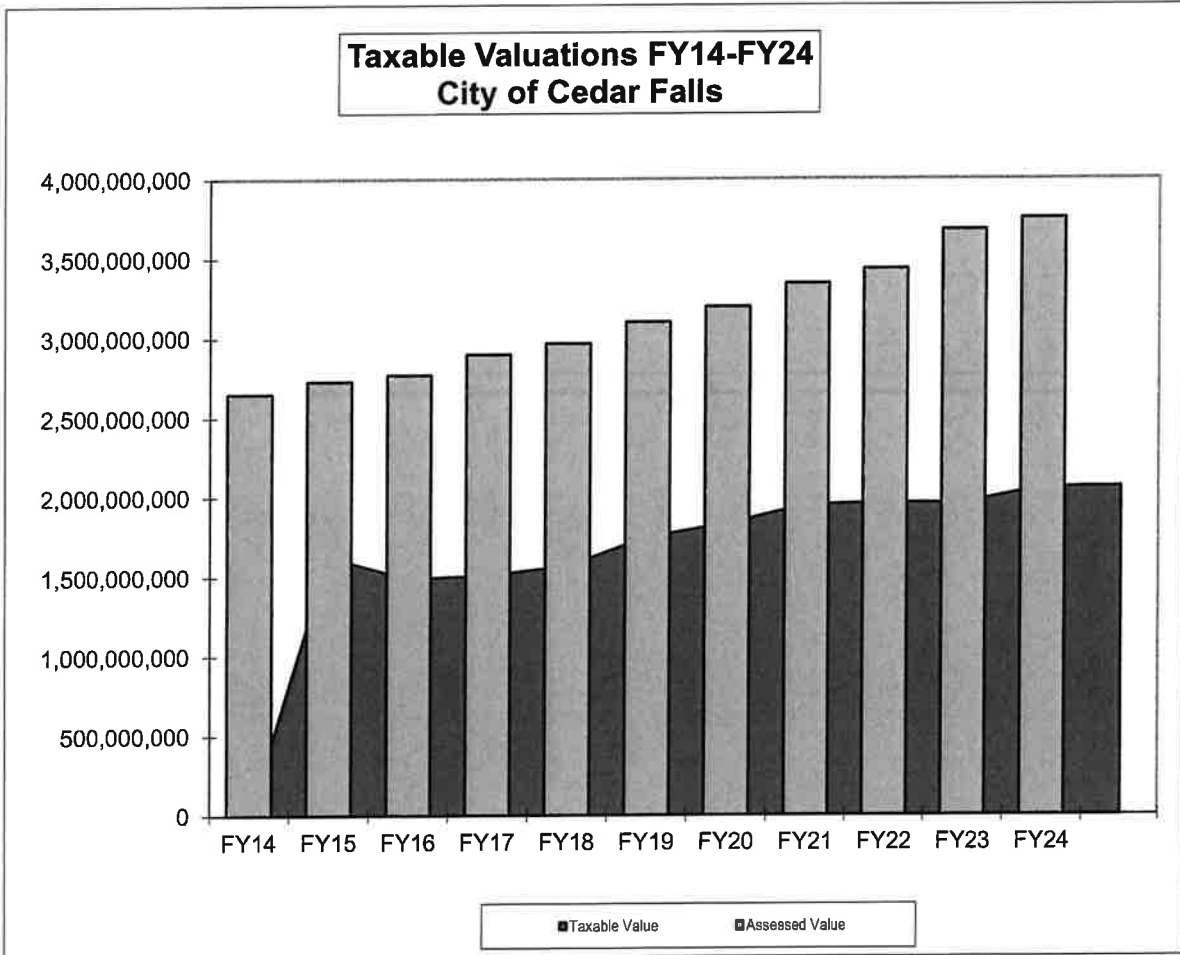
Sincerely,



Lisa Roeding, CMFO
Controller/City Treasurer

ATTACHMENT A

taxvalue24



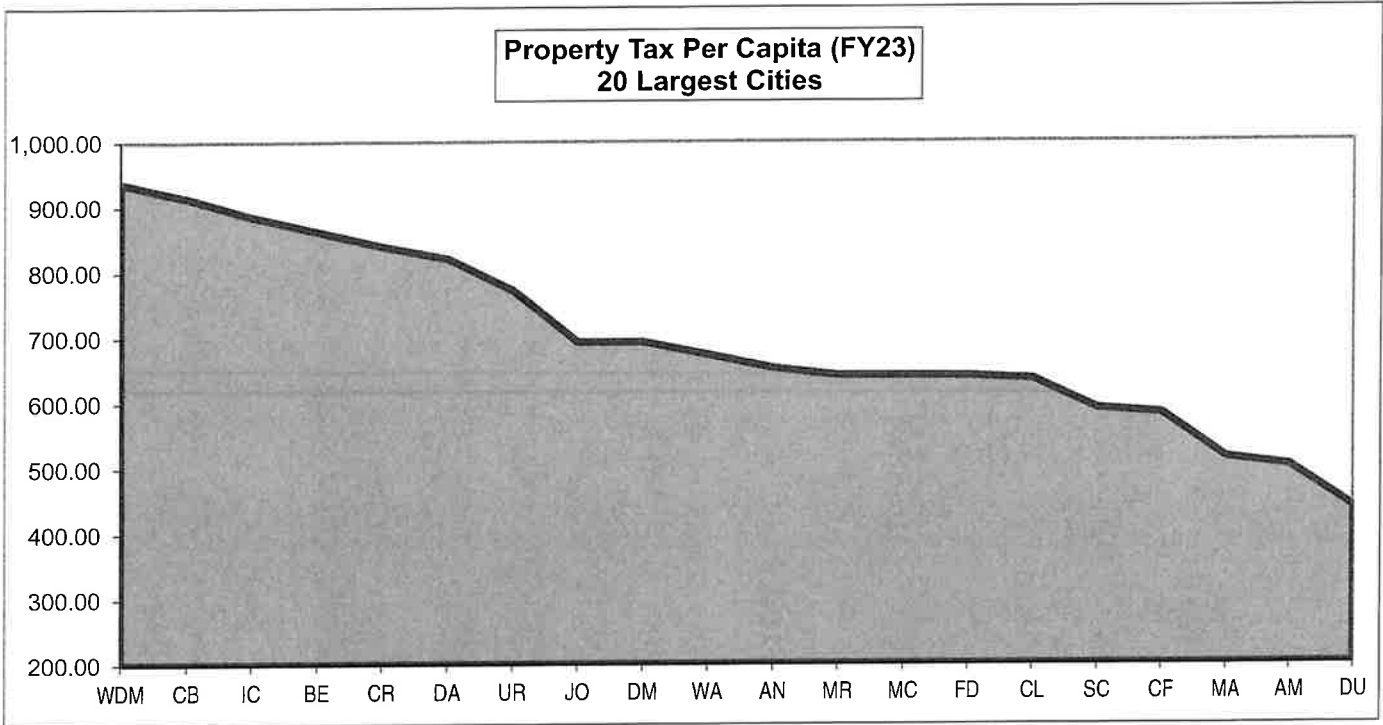
Year	Taxable Value	Assessed Value
FY14	1,622,862,335	2,650,433,900
FY15	1,490,616,188	2,729,240,639
FY16	1,509,722,828	2,769,405,368
FY17	1,569,292,287	2,897,854,208
FY18	1,750,040,895	2,965,854,183
FY19	1,832,652,499	3,099,765,282
FY20	1,950,451,511	3,195,848,285
FY21	1,963,719,839	3,341,492,657
FY22	1,960,696,679	3,432,518,333
FY23	2,060,390,605	3,678,278,016
FY24	2,065,050,971	3,752,134,587

The last ten years have provided a steady growth trend in assessed valuations. In addition, FY19 was the first year that assessed values exceeded \$3 billion.

For FY24, assessed values increased by \$73,856,571. Taxable values increased by \$4,660,366.

ATTACHMENT B

Citytaxr



**Property Tax Per Capita (FY23)
20 Largest Iowa Cities**

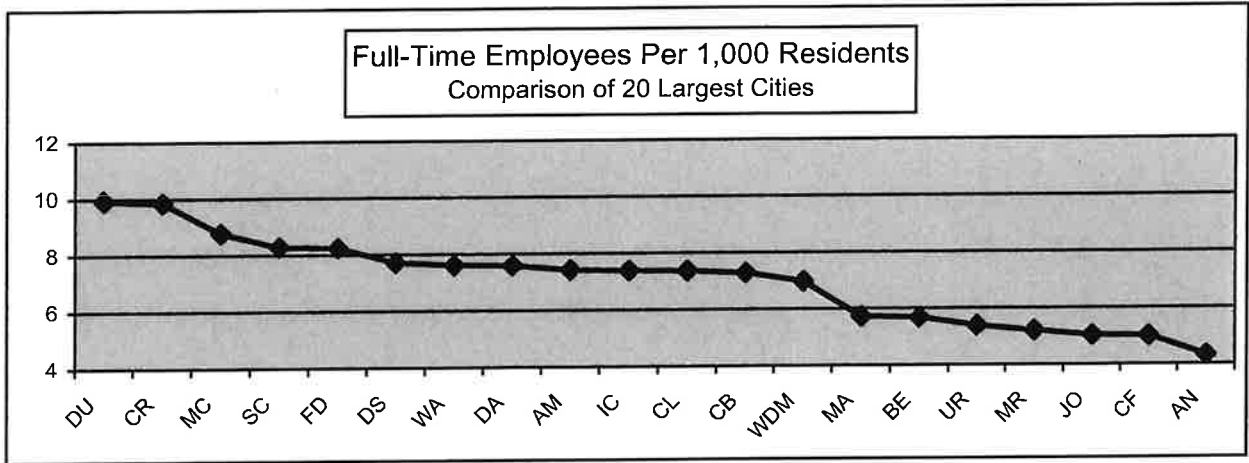
City	FY23 Tax Per Person	2020 Population	Abbreviation
West Des Moines	936.83	68,723	WDM
Council Bluffs	914.23	62,799	CB
Iowa City	886.04	74,828	IC
Bettendorf	862.85	39,102	BE
Cedar Rapids	840.39	137,710	CR
Davenport	820.86	101,724	DA
Urbandale	772.75	45,580	UR
Johnston	693.16	24,064	JO
Des Moines	693.03	214,133	DM
Waterloo	673.57	67,314	WA
Ankeny	652.80	67,887	AN
Marion	641.49	41,535	MR
Mason City	641.28	27,338	MC
Fort Dodge	640.35	24,871	FD
Clinton	636.05	24,469	CL
Sioux City	590.36	85,797	SC
Cedar Falls	583.78	40,713	CF
Marshalltown	515.55	27,591	MA
Ames	503.06	66,427	AM
Dubuque	439.02	59,667	DU
Average	696.87		

For over two decades Cedar Falls' local government has operated at one of the lowest per capita property tax rates among the 20 largest cities in Iowa.

At a cost of \$583.78 per person, the City is substantially below the average rate of \$696.87. This rate can be attributed to the City's concerted efforts to streamline operations over the past 20 years.

If the City of Cedar Falls operated at the state average property tax per capita, an additional 4.60 million dollars would be devoted to operations. This would be an increase of 19% of taxes levied in FY23.

ATTACHMENT C



City	FY22 Employees	2020 Population	Employees Per 1,000
Dubuque	592.0	59,667	9.92
Cedar Rapids	1289	137,710	9.36
Mason City	240.0	27,338	8.78
Fort Dodge	208.0	24,871	8.36
Sioux City	712.0	85,797	8.30
Des Moines	1750.0	214,133	8.17
Ames	513.0	66,427	7.72
Waterloo	515.0	67,314	7.65
Davenport	772.0	101,724	7.59
Iowa City	562.0	74,828	7.51
Clinton	180.0	24,469	7.36
Council Bluffs	457.0	62,799	7.28
W. Des Moines	488.0	68,723	7.10
Bettendorf	230.0	39,102	5.88
Urbandale	251.0	45,580	5.51
Marshalltown	149.0	27,591	5.40
Marion	218.0	41,535	5.24
Johnston	121.0	24,064	5.03
Cedar Falls	204.0	40,713	5.01
Ankeny	293.0	67,887	4.32
Average:			7.07

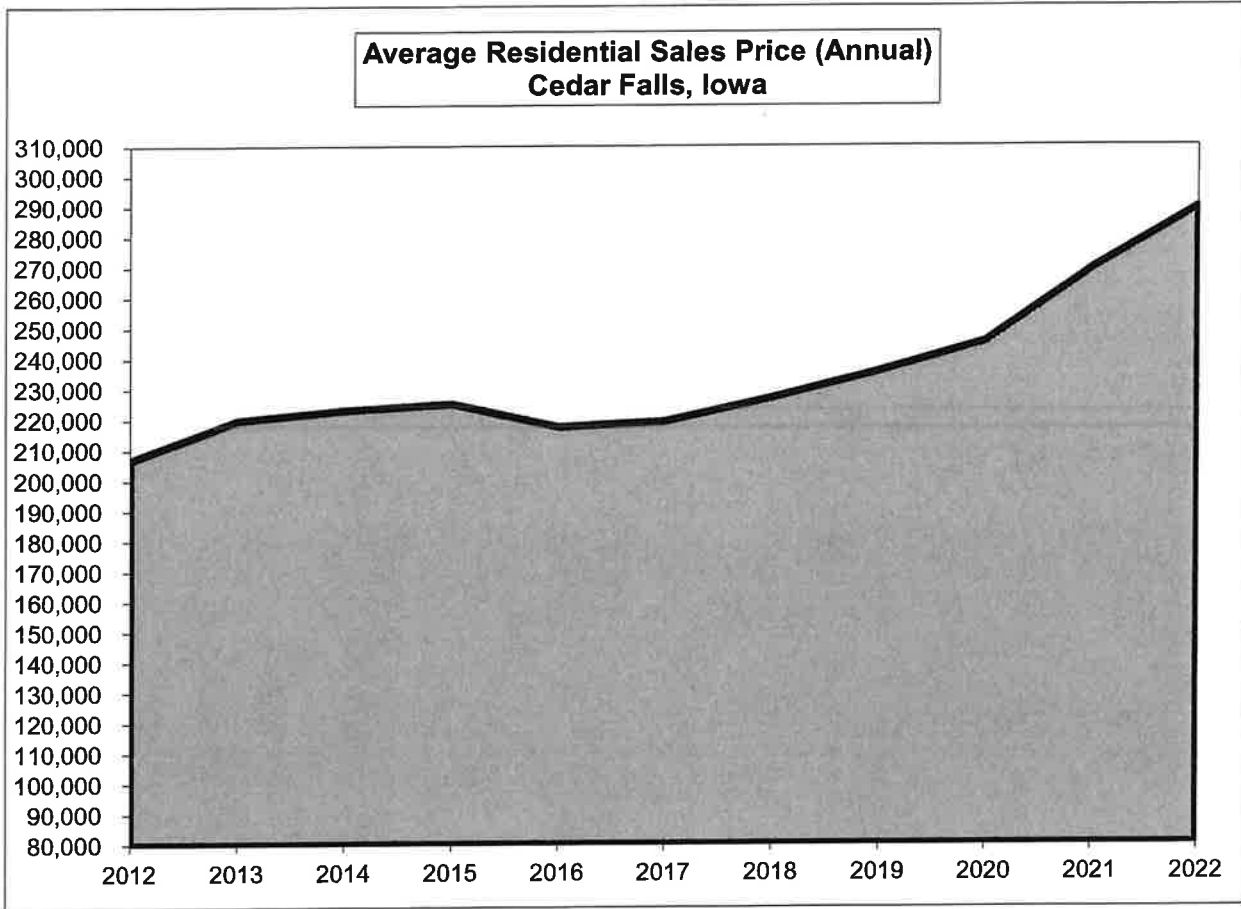
Cedar Falls city government continued to have one of the lowest number of employees per 1,000 capita comparing the top 20 largest cities.

Cedar Falls has 2.06 employees per 1,000 capita less than the state average, which is equivalent to 84 fewer full-time employees.

Among the top twenty largest cities in the State of Iowa, the City of Cedar Falls continues to have one of the lowest number of employees per capita. The pressures of new construction growth, road development, and societal values have placed greater demands on existing staff. In the near future, the City Council will need to prioritize services or focus on key services to address the over extension of City staff.

ATTACHMENT D

Resale



Year	Average Sales Price
2012	206,773
2013	219,746
2014	223,093
2015	225,048
2016	217,393
2017	219,263
2018	226,890
2019	235,621
2020	245,349
2021	269,165
2022	289,568
Average	234,355

The average sale price of residential properties in Cedar Falls has grown by 40% between 2012- 2022 from \$206,773 to \$289,568



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Cedar Falls
Iowa**

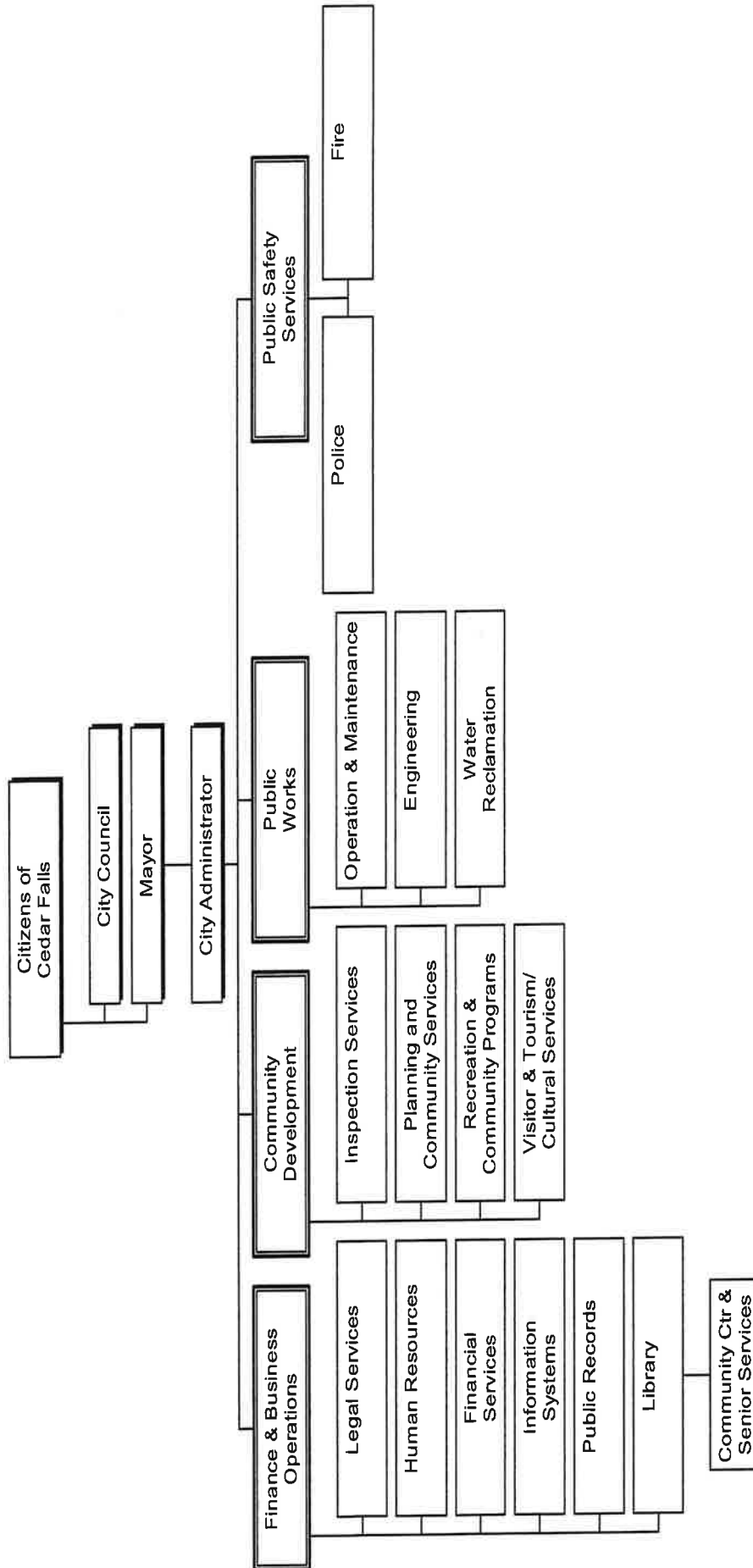
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

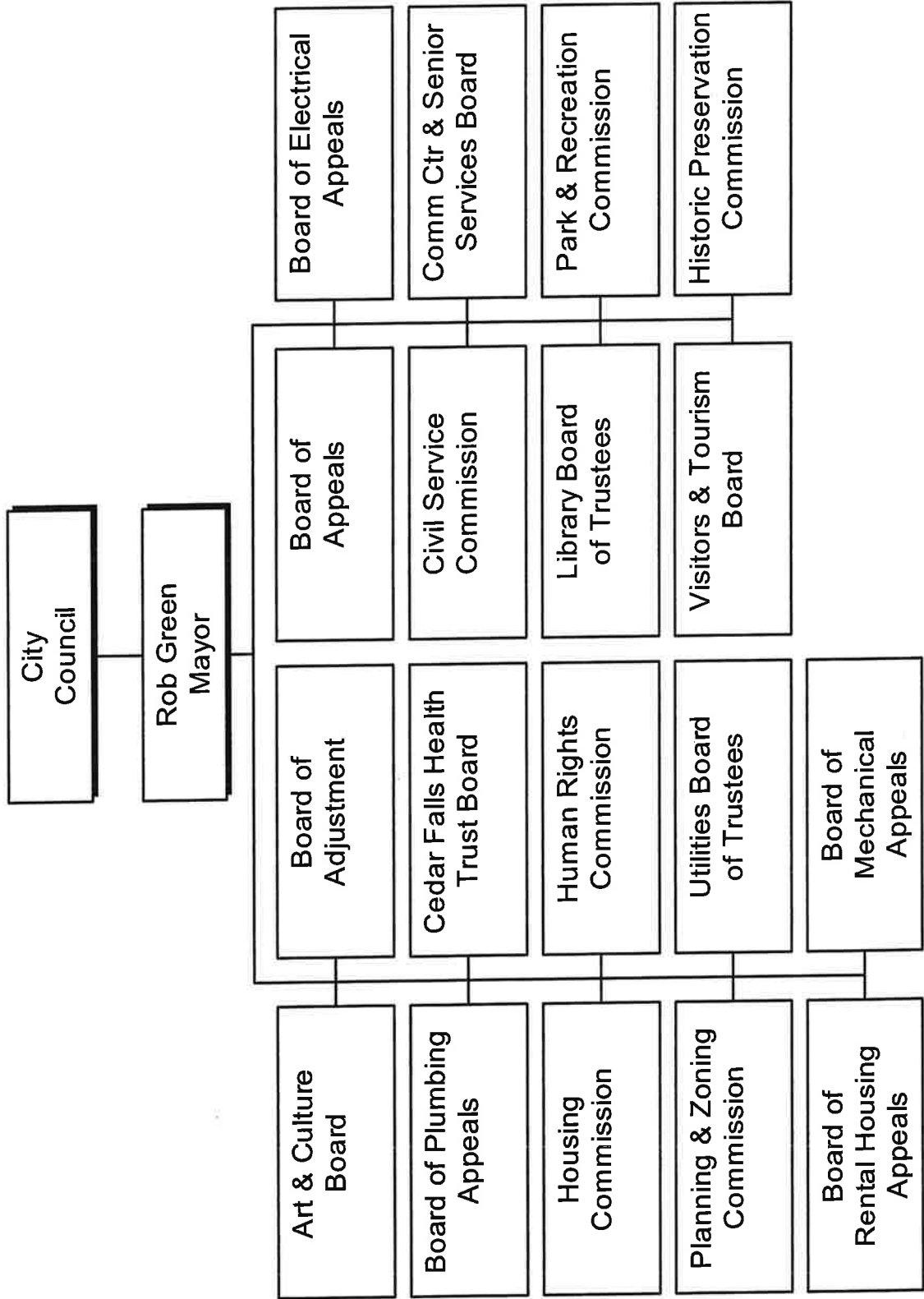
Christopher P. Morill

Executive Director/CEO

**City of Cedar Falls, Iowa
Organizational Chart**



City of Cedar Falls, Iowa Boards and Commissions



CITY OF CEDAR FALLS, IOWA

PRINCIPAL OFFICIALS

June 30, 2023

Title	Name
Mayor	Rob Green
Council Member – 1 st Ward	Gil Schultz
Council Member – 2 nd Ward	Susan DeBuhr
Council Member – 3 rd Ward	Daryl Kruse
Council Member – 4 th Ward	Simon Harding
Council Member – 5 th Ward	Dustin Ganfield
Council Member – At Large	Kelly Dunn
Council Member – At Large	Dave Sires
City Administrator	Ron Gaines
Finance & Business Operations Director	Jennifer Rodenbeck
Community Development Director	Stephanie Houk Sheetz
Public Works Director	Chase Schrage
Public Safety Services Director	Craig Berte
Asst. Director of Public Safety /Fire Chief	John Zolondek
Asst. Director of Public Safety/Police Chief	Mark Howard
City Attorney	Kevin Rogers
Controller/City Treasurer	Lisa Roeding
Human Resources Manager	Bailey Schindel
City Clerk	Jacque Danielsen
Information Systems Manager	Julia Sorensen
Cedar Falls Public Library Director	Kelly Stern
Recreation & Community Programs Manager	Mike Soppe
V&T/Cultural Programs Manager	Jennifer Pickar
Planning & Community Srv. Manager	Karen Howard
Inspection Services Manager	Jamie Castle
City Engineer	David Wicke
Water Reclamation Manager	Tyler Griffin
O & M Parks Manager	Brian Heath
Cedar Falls Utilities General Manager	Steve Bernard



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cedar Falls, Iowa (City) as of and for the year ended June 30, 2023, 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, 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 financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional 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 and the other required supplementary information listed in the table of contents 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 GAAS, 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 combining nonmajor fund financial statements and capital asset schedules 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 GAAS. In our opinion, the combining nonmajor fund financial statements and capital asset schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial 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 October 27, 2023 on our consideration of 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 solely 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 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 of Cedar Falls's internal control over financial reporting and compliance.



Dubuque, IA
October 27, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Cedar Falls' financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the transmittal letter found on pages 1 – 10 of this report.

2023 FINANCIAL HIGHLIGHTS

- Revenues of the City's governmental activities increased 6.12%, or \$3,647,365, from fiscal year 2022 to fiscal year 2023, primarily due to the increase in use of money and property revenue. Property taxes increased approximately \$800,000 for all activities.
- Program expenses of the City's governmental activities and business activities decreased by 2.5% in fiscal year 2023 from fiscal year 2022.
- The City's net position increased 4.78%, or \$20,737,027, over the June 30, 2022 balance. Of this amount, the net position of the governmental activities increased by \$18,085,714 and the net position of the business-type activities increased by \$2,651,313.

USING THIS ANNUAL REPORT

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the City's financial activities.
- Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the City as a whole and present an overall view of the City's finances.
- The Fund Financial Statements tell how governmental activities were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.
- Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.
- Required Supplementary Information further explains and supports the financial statements with a comparison of the City's budget for the year, the City's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.
- Other Supplementary Information provides detailed information about the nonmajor Special Revenue and Capital Projects Funds and the Internal Service Funds.

REPORTING THE CITY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

One of the most important questions asked about the City's finances is, "Is the City of Cedar Falls in a better financial position at the end of the fiscal year, compared to last year?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position presents all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as "net position". Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. A person will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's infrastructure, to assess the overall health of the City.

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 change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

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

- **Governmental activities** – Most of the City's basic services are reported here, including the general administration, streets, fire, police, parks, recreation, library, and housing and block grant assistance. Property taxes, local option sales taxes, road use taxes, and federal and state grants finance most of these activities.
- **Business-type activities** – The City of Cedar Falls charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's sewer, refuse, and storm water are reported in this section.

The Government-wide financial statements include not only the City itself (known as the primary government), but also legally separate electric, gas, water, and communications utilities. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The Government-wide financial statements can be found on pages 31 - 34 of this report.

Fund Financial Statements

The Fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law or by bond requirements. The City has two kinds of funds:

- **Governmental Funds** – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the "modified accrual basis" of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance City programs.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures, and changes in fund balances. We describe the relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements.

The City maintains 22 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Hospital Fund, TIF Fund, Street Construction Fund, Street Repair Fund, Debt Service Fund, Capital Improvements Fund, and Bond Fund, all of which are considered to be major funds.

Data from the other thirteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements located in the supplementary information section of this report.

The basic Governmental Fund Financial Statements can be found on pages 35 - 39 of this report.

- Proprietary Funds – When the City charges customers for the service it provides, these services are generally reported in 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 sewer, refuse and storm water activities.

Internal Service Funds are used to accumulate and allocate costs internally. The City uses internal service funds for its information systems, vehicle maintenance, and various risk management activities. 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 provide the same information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Fund, Refuse Fund, and Storm Water Fund, all of which are considered major funds. Internal Service Funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for internal service funds is provided in the form of combining statements located in the supplementary information section of this report.

The basic Proprietary Fund Financial Statements can be found on pages 40 - 45 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Current and						
other assets	\$ 152,282,077	\$ 159,740,794	\$ 19,432,398	\$ 17,901,057	\$ 171,714,475	\$ 177,641,851
Capital assets	276,040,837	248,905,921	90,676,210	91,910,010	366,717,047	340,815,931
Total assets	\$ 428,322,914	\$ 408,646,715	\$ 110,108,608	\$ 109,811,067	\$ 538,431,522	\$ 518,457,782
Deferred Outflows						
of Resources	\$ 4,892,909	\$ 5,240,086	\$ 315,427	\$ 345,587	\$ 5,208,336	\$ 5,585,673
Long-term liabilities	\$ 30,089,218	\$ 16,142,827	\$ 10,776,078	\$ 11,059,183	\$ 40,865,296	\$ 27,202,010
Other liabilities	14,821,367	15,953,597	880,272	1,786,406	15,701,639	17,740,003
Total liabilities	\$ 44,910,585	\$ 32,096,424	\$ 11,656,350	\$ 12,845,589	\$ 56,566,935	\$ 44,942,013
Deferred Inflows of						
Resources	\$ 32,737,364	\$ 44,308,217	\$ 68,750	\$ 1,263,443	\$ 32,806,114	\$ 45,571,660
Net position:						
Net investment						
in capital assets	\$ 266,321,640	\$ 242,518,284	\$ 81,369,077	\$ 81,353,542	\$ 347,690,717	\$ 323,871,826
Restricted	34,920,339	38,412,903	41,540	41,540	34,961,879	38,454,443
Unrestricted	54,325,895	56,550,973	17,288,318	14,652,540	71,614,213	71,203,513
Total net position	\$ 355,567,874	\$ 337,482,160	\$ 98,698,935	\$ 96,047,622	\$ 454,266,809	\$ 433,529,782

Net position of governmental activities increased from FY22 by approximately \$18 million, or 5.4%. This increase was due primarily to the City Hall remodel project, Downtown Streetscape, Cedar Heights Drive, W. 27th Street and Viking Road street projects. The increase is also due to the continued strength of the property tax base and the small amount of general obligation debt outstanding by the City. Net position of business-type activities increased from FY22 by approximately \$2.7 million or 2.76%. This increase was due to the reduction in long-term liabilities. The sewer fund continues to pay down outstanding debt, including the internal loans. The largest portion of the City's net position is the net investment in capital assets (e.g., land, infrastructure, buildings, and equipment). The debt related to the investment in capital assets is liquidated with sources other than capital assets. Restricted net position represent resources that are subject to external restrictions, bond covenants, constitutional provisions or enabling legislation on how they can be used. Unrestricted net position, the part of net position that can be used to finance day-to-day operations are approximately \$71 million at the end of the year.

For the year ended June 30, 2023, net position changed as follows:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for services	\$ 4,042,702	\$ 4,114,166	\$ 12,778,516	\$ 12,036,036	\$ 16,821,218	\$ 16,150,202
Operating grants and contributions	2,142,355	2,746,064	-	-	2,142,355	2,746,064
Capital grants and contributions	2,143,277	2,731,155	722,890	91,786	2,866,167	2,822,941
General Revenues						
Property taxes	29,863,928	29,063,485	-	-	29,863,928	29,063,485
Local Option Sales Tax	6,708,131	7,360,971	-	-	6,708,131	7,360,971
Hotel/Motel Tax & Other	1,611,823	1,514,779	-	-	1,611,823	1,514,779
Use of money and property	3,453,982	1,065,179	560,850	82,703	4,014,832	1,147,882
Intergovernmental	7,656,462	6,948,043	76,985	-	7,733,447	6,948,043
Miscellaneous	2,659,903	1,476,082	-	-	2,659,903	1,476,082
Gain/Loss on Sale of assets	8,354	-	-	4,364	8,354	4,364
Utility contribution	2,988,665	2,612,293	-	-	2,988,665	2,612,293
Total revenues	\$ 63,279,582	\$ 59,632,217	\$ 14,139,241	\$ 12,214,889	\$ 77,418,823	\$ 71,847,106
Expenses						
Public safety	\$ 13,684,358	\$ 11,596,217	\$ -	\$ -	\$ 13,684,358	\$ 11,596,217
Public works	14,537,822	18,503,503	-	-	14,537,822	18,503,503
Health and social services	175,448	174,754	-	-	175,448	174,754
Culture and recreation	8,389,572	7,989,443	-	-	8,389,572	7,989,443
Community and economic development	4,667,924	4,637,338	-	-	4,667,924	4,637,338
General government	5,633,997	5,012,842	-	-	5,633,997	5,012,842
Debt service	295,198	128,515	-	-	295,198	128,515
Sewer	-	-	4,849,239	5,594,416	4,849,239	5,594,416
Refuse	-	-	3,297,786	3,451,795	3,297,786	3,451,795
Storm Water	-	-	1,150,452	1,034,120	1,150,452	1,034,120
Total expenses	\$ 47,384,319	\$ 48,042,612	\$ 9,297,477	\$ 10,080,331	\$ 56,681,796	\$ 58,122,943
Increase in net position						
before transfers	\$ 15,895,263	\$ 11,589,605	\$ 4,841,764	\$ 2,134,558	\$ 20,737,027	\$ 13,724,163
Transfers	2,190,451	(1,331,074)	(2,190,451)	1,331,074	-	-
Increase in net position	\$ 18,085,714	\$ 10,258,531	\$ 2,651,313	\$ 3,465,632	\$ 20,737,027	\$ 13,724,163
Net position, beginning	337,482,160	327,223,629	96,047,622	92,581,990	433,529,782	419,805,619
Net position, ending	\$ 355,567,874	\$ 337,482,160	\$ 98,698,935	\$ 96,047,622	\$ 454,266,809	\$ 433,529,782

Use of money and property increased by \$2.4 million in the governmental activities. This is due to the dramatic increase in interest rates received on the City's Investments. Revenues increased in business activities due to sewer and storm water charges for services.

The cost of all governmental activities this year was approximately \$47 million which was very comparable to last year. However, as shown in the Statement of Activities on pages 33 and 34, the amount taxpayers ultimately financed for these activities was only \$39 million because some of the cost was paid by those directly benefiting from the programs or by other governments and organizations which subsidized certain programs with grants and contributions. The City paid the remaining "public benefit" portion of governmental activities with property tax (some of which could only be used for certain programs) and with other receipts, such as interest, local option sales tax and miscellaneous receipts.

INDIVIDUAL MAJOR FUND ANALYSIS

Governmental Fund Highlights

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$88,168,787. \$755,729 is nonspendable for inventory. \$34,420,586 is restricted for TIF, debt service, local option sales tax, employee retirement systems, road use taxes and various grants. \$20,511,367 is committed for the City's health trust fund and parking fund. \$46,769,551 is assigned for recreational capital funds, police forfeiture funds, economic development and capital improvements. This leaves a negative (\$14,288,446) for unassigned fund balances in the governmental funds.

The Governmental fund balances decreased by \$3,647,386, or 3.98%. This decrease was primarily due to increases in major project expenses.

The General Fund is the chief operating fund of the City of Cedar Falls. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$9,719,009, while the total fund balance totaled \$13,303,887. As a measure of the General Funds liquidity, it may be useful to compare both unreserved fund balances and total fund balances to total fund expenditures. Unassigned fund balance represents 38.04% of the total General Fund expenditures, while the total fund balance represents 52.07% of that same amount. The General Fund fund balance did increase in FY23 due to the increase in property tax revenue and use of money and property revenue. Property tax revenue increased due to a 3.22% increase in residential property taxes. Use of money and property increased due to an increase in interest rates..

The following fund balances in the other major funds, which comprise the Total Governmental Funds are listed below:

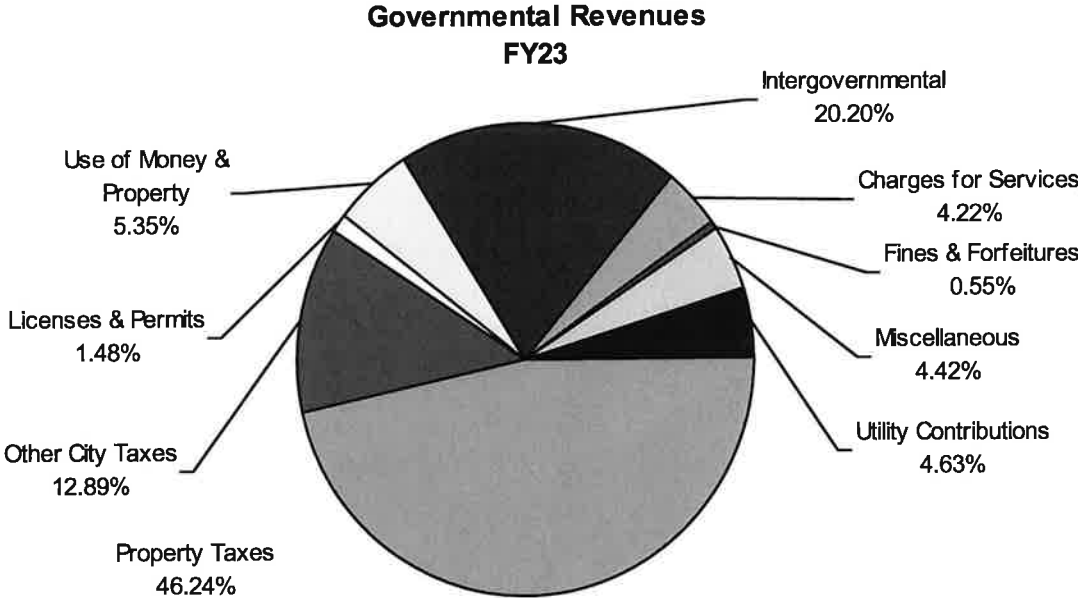
	FY23 Amount	FY22 Amount	Increase (Decrease)
Hospital Fund	\$ 20,055,350	\$ 19,253,243	\$ 802,107
TIF Fund	36,096	81,956	(45,860)
Street Construction Fund	8,837,403	11,588,990	(2,751,587)
Street Repair Fund	16,990,382	17,444,127	(453,745)
Debt Service Fund	315,110	401,055	(85,945)
Capital Improvements Fund	30,558,079	28,917,532	1,640,547
Bond Fund	(23,997,385)	(21,029,595)	(2,967,790)
Other Governmental Funds	22,069,865	22,668,304	(598,439)

The Capital Improvements Fund had an increase in fund balance due to the repayment of internal financing by the Sewer Fund and increase in use of money and property. The Street Construction Fund had a decrease in fund balance due to the W. 27th Street project. The Bond Fund had the largest decrease in fund balance due to Downtown Streetscape, Cedar Heights Drive, Viking Road, and Greenhill and S. Main intersection.

The following schedule presents a summary of the governmental fund revenues for the fiscal year ended June 30, 2023 and June 30, 2022.

Revenues	FY23 Amount	Percent of Total	FY22 Amount	Increase (Decrease) from FY22	Percent of Increase (Decrease)
Property taxes and assessments	\$ 29,868,327	46.24 %	\$ 29,056,384	\$ 811,943	11.24 %
Other city taxes	8,319,954	12.89	8,875,750	(555,796)	(7.70)
Licenses and permits	957,514	1.48	1,012,235	(54,721)	(0.76)
Use of money and property	3,453,982	5.35	1,065,179	2,388,803	33.07
Intergovernmental	13,039,930	20.20	10,090,582	2,949,348	40.83
Charges for services	2,726,241	4.22	2,732,528	(6,287)	(0.09)
Fines and forfeitures	357,902	0.55	369,403	(11,501)	(0.16)
Miscellaneous	2,854,438	4.42	1,530,142	1,324,296	18.34
Utility contribution in lieu of taxes	2,988,665	4.63	2,612,293	376,372	5.21
	<u>\$ 64,566,953</u>	<u>100.00 %</u>	<u>\$ 57,344,496</u>	<u>\$ 7,222,457</u>	<u>100.00 %</u>

The most significant increase in revenues was in Intergovernmental. The increase was due to the \$3.2 million grant received on the Cedar Heights Drive Project. The other large increase was the use of money and property revenue due to the increase in interest rates.

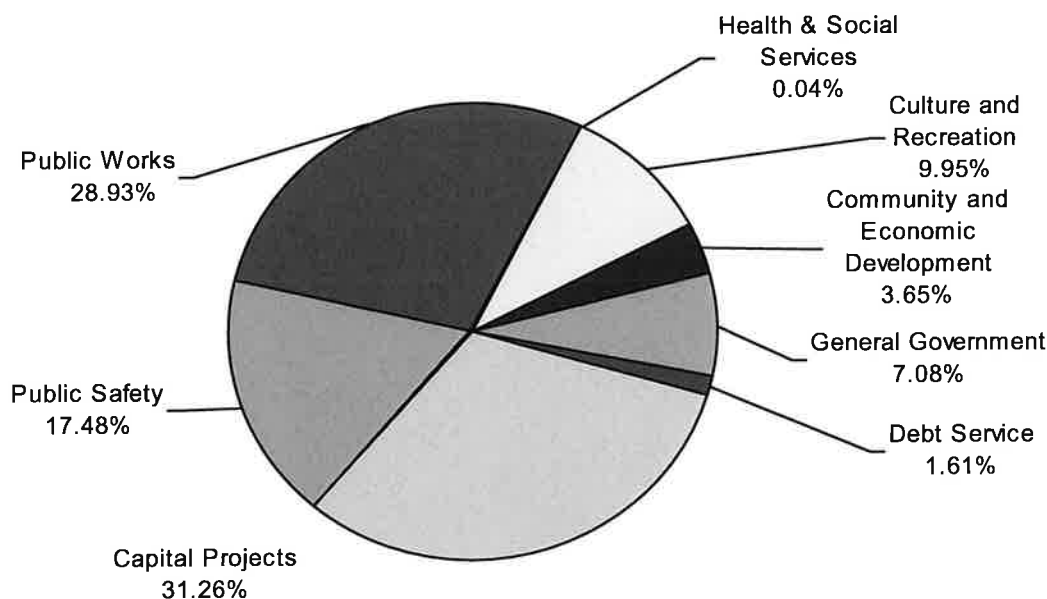


The following schedule presents a summary of governmental expenditures for the fiscal years ended June 30, 2023 and June 30, 2022.

Expenditures	FY23 Amount	Percent of Total	FY22 Amount	Increase (Decrease) from FY22	Percent of Increase (Decrease)
Public Safety	\$ 12,761,120	17.48 %	\$ 12,410,233	\$ 350,887	2.17 %
Public Works	21,128,754	28.93	13,858,681	7,270,073	44.70
Health & Social Services	26,470	0.04	25,776	694	0.00
Culture & Recreation	7,266,263	9.95	7,000,740	265,523	1.63
Community and Economic Development	2,666,192	3.65	3,104,803	(438,611)	(2.70)
General Government	5,166,671	7.08	4,831,771	334,900	2.06
Debt Service	1,179,108	1.61	1,062,100	117,008	0.72
Capital Projects	22,828,330	31.26	14,462,964	8,365,366	51.43
	<u>\$ 73,022,908</u>	<u>100.00 %</u>	<u>\$ 56,757,068</u>	<u>\$ 16,265,840</u>	<u>100.00 %</u>

The most significant increases in expenditures occurred in the Capital Projects and the Public Woks functions. This was due to several large projects under construction.

**Governmental Expenditures
FY23**



Proprietary Funds

City of Cedar Falls proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

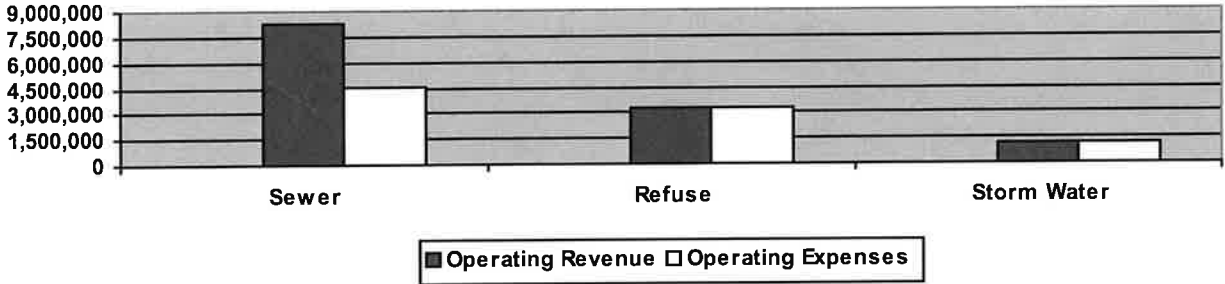
Net position of the Sewer, Refuse and Storm Water funds at the end of the year amounted to \$98,698,935. Net position in the Governmental Activities Internal Service funds was \$14,035,387.

These funds were established for the City operations that are financed and operated in a manner similar to private business enterprises. The cost of providing the services to the general public is recovered, in whole or in part, through user charges.

The City's enterprise operations are comprised of three separate and distinct activities: Sewer, Refuse and Storm Water. Results of operations for these funds for the years ended June 30, 2023 and June 30, 2022 are as follows:

	Sewer		Refuse		Storm Water	
	2023	2022	2023	2022	2023	2022
Operating Revenues	\$ 8,334,109	\$ 7,694,631	\$ 3,257,768	\$ 3,271,061	\$ 1,186,639	\$ 1,070,344
Operating Expenses	4,524,178	5,211,623	3,296,730	3,429,314	1,133,029	1,012,426
Non-Operating Rev (Exp)	42,221	(330,905)	129,864	2,079	122,210	41,425
Capital Contributions	211,394	17,920	-	-	511,496	21,366
Operating Transfers, net	(309,200)	1,272,408	109,590	113,784	(1,990,841)	(55,118)
Change in Net Position	3,754,346	3,442,431	200,492	(42,390)	(1,303,525)	65,591

**Proprietary Fund Operating Revenues & Expenses
FY23**



BUDGETARY HIGHLIGHTS

Over the course of the year, the City Council revised the budget once in May 2023. The amendment was needed due to several large projects under construction. At the end of the year, the City did not exceed the amended budgeted amounts in any of its functions.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2023, the City had approximately \$367 million invested in capital assets including police and fire equipment, public buildings, park facilities, roads, bike trails, bridges, water treatment facilities, sanitary sewer lines, and storm water improvements. (See Table following.) This represents a net increase of approximately \$25.9 million or 7.6% over last year.

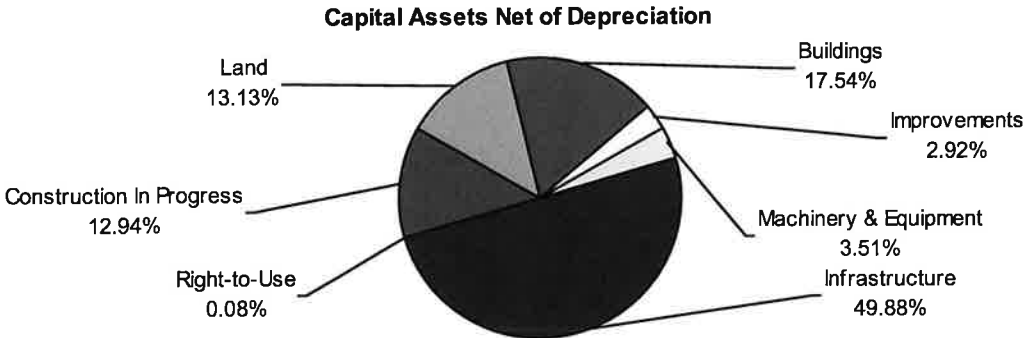
**City of Cedar Falls Capital Assets
(net of depreciation/amortization)**

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 46,552,219	\$ 43,116,319	\$ 1,612,581	\$ 1,612,581	\$ 48,164,800	\$ 44,728,900
Buildings	25,058,951	21,930,531	39,261,078	40,438,019	64,320,029	62,368,550
Improvements other than buildings	10,711,816	11,315,224	-	-	10,711,816	11,315,224
Machinery and equipment	8,111,140	7,474,911	4,747,833	4,980,290	12,858,973	12,455,201
Infrastructure	138,497,435	141,688,504	44,495,046	44,069,807	182,992,481	185,758,311
Right-to use asset	182,671	--	40,886	--	223,557	--
Construction in progress	46,926,605	23,380,432	518,786	809,313	47,445,391	24,189,745
Total	\$ 276,040,837	\$ 248,905,921	\$ 90,676,210	\$ 91,910,010	\$ 366,717,047	\$ 340,815,931

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

- Viking Road
- Downtown Streetscape
- Cedar Heights Drive Reconstruction
- City Hall Remodel
- Main Street Reconstruction
- West 27th Street
- Olive Street Box Culvert
- Greenhill & S. Main Intersection

More detailed information about the City's capital assets is presented in Note 3 to the financial statements.



Debt

At year-end, the City had \$17,968,000 in outstanding debt compared to \$16,242,000 last year. That is an increase of \$1,726,000 or 10.6%. This increase is due to the City issuing \$3,860,000 in general obligation bonds for various projects.

**City of Cedar Falls Outstanding Debt
General Obligation Debt and Revenue Debt**

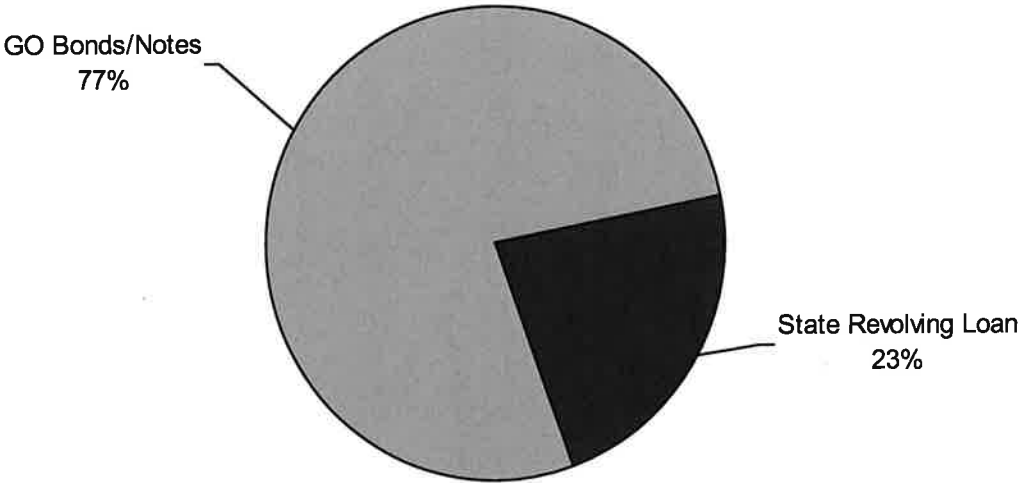
	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds/notes	\$ 8,960,000	\$ 5,995,000	\$ 4,955,000	\$ 5,855,000	\$ 13,915,000	\$ 11,850,000
State Revolving Loan	--	--	4,053,000	4,392,000	4,053,000	4,392,000
Total	<u>\$ 8,960,000</u>	<u>\$ 5,995,000</u>	<u>\$ 9,008,000</u>	<u>\$ 10,247,000</u>	<u>\$ 17,968,000</u>	<u>\$ 16,242,000</u>

The City of Cedar Falls received an upgrade to the Aaa rating from Moody's Investor Services in June 2020 for all general obligation issuances. This was a major achievement by the City. The Aaa rating was confirmed by Moody's in June 2023 as well.

State statutes limit the amount of general obligation debt a government entity may issue to 5% of its total assessed valuation. As of June 30, 2023, the City's legal debt margin was \$171,562,970.

More detailed information about the City's long-term debt is presented in Note 3 to the financial statements.

**City of Cedar Falls Outstanding Debt
FY23**



ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

COVID-19 had a major operational impact on city operations for the past three years. COVID relief funds, CARES Act funding, and American Rescue Act funding have helped with revenue reductions and future infrastructure improvements. In addition, revenues increased in FY23 back to pre-pandemic amounts. The City will continue to monitor the continued effects of the pandemic and continue to look for grant funding opportunities.

During the state legislative session in 2014, the legislature reduced the taxable valuation of commercial property and created a new class of property for multi-residential. This greatly affects the City’s general operating fund. In 2022 the state legislative session established a phase out of the backfill revenue the City receives. In 2023 the state legislative session passed a major property tax bill in HF718. This will start to impact City property taxes in FY25.

Even with the State reductions, the City Council did establish a balanced budget in the General Fund for FY24. The tax levy rate per \$1,000 of taxable valuation for FY24 is provided below:

General levy	\$ 8.10
Trust and Agency levy	1.46
Debt Service levy	.64
Transit levy	.23
Library levy	.27
Liability Insurance levy	.15
Emergency Management levy	.53
Municipal Band levy	<u>.02</u>
Total levy	\$ 11.40

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City’s finances and to show the City’s accountability for the money it receives. The City’s discretely presented component units, Cedar Falls Utilities, have separately issued financial statements. If you have questions about this report or need additional information, contact the Department of Finance and Business Operations, 220 Clay Street, Cedar Falls, Iowa 50613.

City of Cedar Falls, Iowa
Statement of Net Position
June 30, 2023

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash	\$ 100,466,246	\$ 25,152,251	\$ 125,618,497
Certificates of deposit	--	--	--
Receivables, net of allowance for uncollectible amounts:			
Property taxes	29,932,467	--	29,932,467
Lease receivable	1,644,422	--	1,644,422
Other city taxes	900,473	--	900,473
Accrued interest	1,617,151	279,881	1,897,032
Special assessments	141,366	--	141,366
Customers	--	--	--
Human & leisure services contributions	4,864,772	--	4,864,772
Other	1,082,868	1,791,749	2,874,617
Due from component unit	1,218,229	--	1,218,229
Internal balances	8,110,000	(8,110,000)	--
Due from other governments	1,465,298	76,985	1,542,283
Inventories	838,785	229,812	1,068,597
Prepays and other assets	--	11,720	11,720
Restricted assets:			
Cash	--	--	--
Certificates of deposit	--	--	--
Capital assets:			
Land	46,552,219	1,612,581	48,164,800
Land rights	--	--	--
Land improvements	21,186,653	--	21,186,653
Buildings	40,918,055	56,271,588	97,189,643
Machinery and equipment	23,457,006	10,656,244	34,113,250
Infrastructure	278,020,309	71,770,679	349,790,988
Right-to-use leased/subscription assets	289,813	47,867	337,680
Construction in progress	46,926,605	518,786	47,445,391
Accumulated depreciation/amortization	(181,309,823)	(50,201,535)	(231,511,358)
Total assets	<u>\$ 428,322,914</u>	<u>\$ 110,108,608</u>	<u>\$ 538,431,522</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	3,799,065	315,427	4,114,492
OPEB related deferred outflows	1,093,844	--	1,093,844
Total deferred outflows of resources	<u>\$ 4,892,909</u>	<u>\$ 315,427</u>	<u>\$ 5,208,336</u>
LIABILITIES			
Accounts payable	\$ 7,644,969	\$ 792,815	\$ 8,437,784
Grant proceeds received in advance	5,872,405	--	5,872,405
Accrued liabilities	1,303,993	87,457	1,391,450
Due to primary government	--	--	--
Long-term liabilities:			
Portion due or payable within one year:			
Bonds payable	1,175,000	1,285,000	2,460,000
Lease/Subscription related	121,528	11,451	132,979
Compensated absences	1,370,306	178,188	1,548,494
Portion due or payable after one year:			
Bonds payable	8,359,697	7,980,889	16,340,586
Lease/Subscription related	62,972	29,793	92,765
Compensated absences	1,449,653	152,125	1,601,778
Net OPEB liability	3,541,710	--	3,541,710
Net pension liability	14,008,352	1,138,632	15,146,984
Total liabilities	<u>\$ 44,910,585</u>	<u>\$ 11,656,350</u>	<u>\$ 56,566,935</u>
DEFERRED INFLOWS OF RESOURCES			
Succeeding year property taxes	\$ 29,727,381	\$ --	\$ 29,727,381
TIF related deferred inflows	--	--	--
OPEB related deferred inflows	150,572	--	150,572
Pension related deferred inflows	1,276,558	68,750	1,345,308
Leases	1,582,853	--	1,582,853
Total deferred inflows of resources	<u>\$ 32,737,364</u>	<u>\$ 68,750</u>	<u>\$ 32,806,114</u>
NET POSITION			
Net investment in capital assets	\$ 266,321,640	\$ 81,369,077	\$ 347,690,717
Restricted:			
Streets	25,689,978	--	25,689,978
Debt service	315,110	--	315,110
Employee retirement system	6,207,620	--	6,207,620
TIF	36,096	--	36,096
Other	2,671,535	41,540	2,713,075
Unrestricted	54,325,895	17,288,318	71,614,213
Total net position	<u>\$ 355,567,874</u>	<u>\$ 98,698,935</u>	<u>\$ 454,266,809</u>

See notes to financial statements

Component Units			
Electric Utility	Gas Utility	Water Utility	Communications Utility
\$ 33,002,846	\$ 8,232,827	\$ 6,261,414	\$ 11,801,594
14,950,066	4,378,272	578,991	6,848,921
--	--	--	--
117,737	--	4,159,759	108,329
50,792	9,251	2,130	14,854
6,064,920	5,182,201	642,498	2,334,396
10,979,446	1,569,080	909,410	1,271,920
--	--	--	--
5,016,577	314,830	157,554	2,582,211
906,916	183,247	101,722	602,475
1,521,815	422,999	299,773	526,533
3,981,251	116,773	68,219	156,029
1,878,208	25,617	63,466	2,177
255,094	--	--	--
41,806,907	4,287,240	2,750,754	--
21,099,863	557,841	1,448,393	24,795,813
213,853,787	27,092,579	46,144,423	21,350,671
51,571	10,817	6,867	570,339
2,250,144	15,460	36,695	2,534,448
(118,919,122)	(16,459,368)	(15,348,250)	(20,334,042)
<u>\$ 238,868,818</u>	<u>\$ 35,939,666</u>	<u>\$ 48,283,818</u>	<u>\$ 55,166,668</u>
647,326	218,513	143,970	308,366
266,982	60,880	42,151	98,357
<u>\$ 914,308</u>	<u>\$ 279,393</u>	<u>\$ 186,121</u>	<u>\$ 406,723</u>
\$ 3,557,305	\$ 3,644,535	\$ 273,721	\$ 1,675,824
3,920,530	1,081,412	198,062	502,167
2,543,741	--	--	--
3,045,000	--	--	--
11,091	2,336	1,491	67,502
6,858,853	--	--	--
22,457	4,639	2,895	324,950
677,756	154,576	107,014	249,700
1,006,213	229,486	158,873	370,708
3,538,723	1,200,389	776,483	1,641,441
<u>\$ 25,181,669</u>	<u>\$ 6,317,373</u>	<u>\$ 1,518,539</u>	<u>\$ 4,832,292</u>
\$ --	\$ --	\$ --	\$ --
9,518,311	133,893	882,310	94,843
45,258	10,168	7,239	16,835
527,062	178,790	115,652	244,476
133,638	--	4,066,563	738,236
<u>\$ 10,224,269</u>	<u>\$ 322,851</u>	<u>\$ 5,071,764</u>	<u>\$ 1,094,390</u>
\$ 152,513,313	\$ 15,523,210	\$ 35,097,963	\$ 28,526,955
3,891,751	--	--	--
1,341,408	504,672	343,191	635,263
46,630,716	13,550,953	6,438,482	20,484,491
<u>\$ 204,377,188</u>	<u>\$ 29,578,835</u>	<u>\$ 41,879,636</u>	<u>\$ 49,646,709</u>

City of Cedar Falls, Iowa
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Public safety	\$ 13,684,358	\$ 652,117	\$ 50,588	\$ --
Public works	14,537,822	182,739	--	1,682,176
Health and social services	175,448	--	--	--
Culture and recreation	8,389,572	1,744,839	47,159	461,101
Community and economic development	4,667,924	--	2,044,608	--
General government	5,633,997	1,463,007	--	--
Interest on long-term debt and related fees	295,198	--	--	--
Total governmental activities	<u>\$ 47,384,319</u>	<u>\$ 4,042,702</u>	<u>\$ 2,142,355</u>	<u>\$ 2,143,277</u>
Business-type activities:				
Sewer	\$ 4,849,239	\$ 8,334,109	\$ --	\$ 211,394
Refuse	3,297,786	3,257,768	--	--
Storm Water	1,150,452	1,186,639	--	511,496
Total business-type activities	<u>\$ 9,297,477</u>	<u>\$ 12,778,516</u>	<u>\$ --</u>	<u>\$ 722,890</u>
Total primary government	<u>\$ 56,681,796</u>	<u>\$ 16,821,218</u>	<u>\$ 2,142,355</u>	<u>\$ 2,866,167</u>
Component units				
Electric Utility	\$ 67,038,733	\$ 75,574,787	\$ --	\$ 906,616
Gas Utility	22,492,451	22,789,224	--	8,124
Water Utility	4,478,212	5,913,313	--	787,806
Communications Utility	18,192,435	23,163,582	--	10,565
Total component units	<u>\$ 112,201,831</u>	<u>\$ 127,440,906</u>	<u>\$ --</u>	<u>\$ 1,713,111</u>

General revenues:

Property taxes and assessments
Local option sales tax
Hotel/motel taxes
Other city taxes
Use of money and property
Intergovernmental, not restricted to specific programs
Gain/Loss on sale of assets
Miscellaneous
Utility contribution in lieu of taxes

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning, as restated

Net position - ending

See notes to financial statements

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units			
Governmental Activities	Business-type Activities	Total	Electric Utility	Gas Utility	Water Utility	Communications Utility
\$ (12,981,653)	\$ --	\$ (12,981,653)	\$ --	\$ --	\$ --	\$ --
(12,672,907)	--	(12,672,907)	--	--	--	--
(175,448)	--	(175,448)	--	--	--	--
(6,136,473)	--	(6,136,473)	--	--	--	--
(2,623,316)	--	(2,623,316)	--	--	--	--
(4,170,990)	--	(4,170,990)	--	--	--	--
(295,198)	--	(295,198)	--	--	--	--
<u>\$ (39,055,985)</u>	<u>\$ --</u>	<u>\$ (39,055,985)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
\$ --	\$ 3,696,264	\$ 3,696,264	\$ --	\$ --	\$ --	\$ --
--	(40,018)	(40,018)	--	--	--	--
--	547,683	547,683	--	--	--	--
<u>\$ --</u>	<u>\$ 4,203,929</u>	<u>\$ 4,203,929</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
<u>\$ (39,055,985)</u>	<u>\$ 4,203,929</u>	<u>\$ (34,852,056)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
\$ --	\$ --	\$ --	\$ 9,442,670	\$ --	\$ --	\$ --
--	--	--	--	304,897	--	--
--	--	--	--	--	2,222,907	--
--	--	--	--	--	--	4,981,712
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 9,442,670</u>	<u>\$ 304,897</u>	<u>\$ 2,222,907</u>	<u>\$ 4,981,712</u>
\$ 29,863,928	\$ --	\$ 29,863,928	\$ --	\$ --	\$ --	\$ --
6,708,131	--	6,708,131	--	--	--	--
1,497,762	--	1,497,762	--	--	--	--
114,061	--	114,061	--	--	--	--
3,453,982	560,850	4,014,832	484,908	135,910	80,755	175,090
7,656,462	76,985	7,733,447	--	--	--	--
8,354	--	8,354	--	--	--	--
2,659,903	--	2,659,903	26,979	7,453	1,461	12,994
2,988,665	--	2,988,665	--	--	--	--
2,190,451	(2,190,451)	--	--	--	--	--
<u>\$ 57,141,699</u>	<u>\$ (1,552,616)</u>	<u>\$ 55,589,083</u>	<u>\$ 511,887</u>	<u>\$ 143,363</u>	<u>\$ 82,216</u>	<u>\$ 188,084</u>
\$ 18,085,714	\$ 2,651,313	\$ 20,737,027	\$ 9,954,557	\$ 448,260	\$ 2,305,123	\$ 5,169,796
337,482,160	96,047,622	433,529,782	194,422,631	29,130,575	39,574,513	44,476,913
<u>\$ 355,567,874</u>	<u>\$ 98,698,935</u>	<u>\$ 454,266,809</u>	<u>\$ 204,377,188</u>	<u>\$ 29,578,835</u>	<u>\$ 41,879,636</u>	<u>\$ 49,646,709</u>

City of Cedar Falls, Iowa
Balance Sheet
Governmental Funds
June 30, 2023

	Special Revenue				
	General Fund	Hospital Fund	TIF Fund	Street Construction Fund	Street Repair Fund
ASSETS					
Cash	\$ 12,003,483	\$ 13,607,981	\$ --	\$ 8,702,401	\$ 18,694,793
Receivables, net of allowance for uncollectible amounts:					
Property taxes	21,332,071	--	5,994,962	--	--
Lease receivable	448,423	91,122	--	--	--
Other city taxes	190,707	--	--	--	519,059
Accrued interest	278,951	256,833	--	--	211,643
Special assessments	5,596	--	--	--	--
Human & leisure services contributions	4,864,772	--	--	--	--
Other	259,415	406,565	--	116,847	10,724
Due from component unit	1,218,229	--	--	--	--
Due from other funds	--	--	--	--	--
Advance to other funds	--	6,175,000	--	--	--
Due from other governments	6,290	--	--	457,552	--
Inventories	125,830	--	--	602,188	--
Total assets	<u>\$ 40,733,767</u>	<u>\$ 20,537,501</u>	<u>\$ 5,994,962</u>	<u>\$ 9,878,988</u>	<u>\$ 19,436,219</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 469,115	\$ --	\$ --	\$ 1,013,143	\$ 2,435,113
Grant proceeds received in advance	--	--	--	--	--
Accrued liabilities	401,201	--	--	28,442	--
Due to other funds	--	--	--	--	--
Total liabilities	<u>\$ 870,316</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,041,585</u>	<u>\$ 2,435,113</u>
DEFERRED INFLOWS OF RESOURCES					
Succeeding year property taxes	\$ 21,178,394	\$ --	\$ 5,958,866	\$ --	\$ --
Amounts held in community foundation	4,864,772	--	--	--	--
Amount due at end of lease	452,199	482,151	--	--	--
Other	64,199	--	--	--	10,724
Total deferred inflows of resources	<u>\$ 26,559,564</u>	<u>\$ 482,151</u>	<u>\$ 5,958,866</u>	<u>\$ --</u>	<u>\$ 10,724</u>
FUND BALANCES					
Nonspendable	\$ 125,830	\$ --	\$ --	\$ 602,188	\$ --
Restricted	--	--	36,096	8,235,215	16,990,382
Committed	--	20,055,350	--	--	--
Assigned	3,459,048	--	--	--	--
Unassigned	9,719,009	--	--	--	--
Total fund balances	<u>\$ 13,303,887</u>	<u>\$ 20,055,350</u>	<u>\$ 36,096</u>	<u>\$ 8,837,403</u>	<u>\$ 16,990,382</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 40,733,767</u>	<u>\$ 20,537,501</u>	<u>\$ 5,994,962</u>	<u>\$ 9,878,988</u>	<u>\$ 19,436,219</u>

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

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

Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as deferred inflows of resources.

Internal service funds are used by management to charge the costs of fleet management, management information systems and risk management activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.

Accrued compensated absences, other postemployment benefits and net pension liability are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.

Pension related deferred outflows of resources and deferred inflows of resources, are not due and payable in the current year and, therefore, are not reported in the funds.

Deferred outflows of resources

Deferred inflows of resources

Net position of governmental activities

See notes to financial statements

Debt Service Fund	Capital Projects		Other Governmental Funds	Total Governmental Funds
	Capital Improvements	Bond Fund		
\$ 306,926	\$ 6,108,914	\$ --	\$ 27,501,815	\$ 86,926,313
1,476,259	--	--	1,129,175	29,932,467
--	1,104,877	--	--	1,644,422
--	--	--	190,707	900,473
--	320,089	33,941	363,722	1,465,179
--	95,989	--	39,781	141,366
--	--	--	--	4,864,772
--	15,359	--	--	808,910
--	--	--	--	1,218,229
--	22,634,580	--	10,858	22,645,438
--	1,935,000	--	--	8,110,000
--	--	906,318	95,138	1,465,298
--	--	--	27,711	755,729
<u>\$ 1,783,185</u>	<u>\$ 32,214,808</u>	<u>\$ 940,259</u>	<u>\$ 29,358,907</u>	<u>\$ 160,878,596</u>
\$ --	\$ 519,566	\$ 1,396,745	\$ 189,542	\$ 6,023,224
--	--	--	5,872,405	5,872,405
--	--	--	8,142	437,785
--	--	22,634,580	10,858	22,645,438
<u>\$ --</u>	<u>\$ 519,566</u>	<u>\$ 24,031,325</u>	<u>\$ 6,080,947</u>	<u>\$ 34,978,852</u>
\$ 1,468,075	\$ --	\$ --	\$ 1,122,046	\$ 29,727,381
--	--	--	--	4,864,772
--	1,041,174	--	--	1,975,524
--	95,989	906,319	86,049	1,163,280
<u>\$ 1,468,075</u>	<u>\$ 1,137,163</u>	<u>\$ 906,319</u>	<u>\$ 1,208,095</u>	<u>\$ 37,730,957</u>
\$ --	\$ --	\$ --	\$ 27,711	\$ 755,729
315,110	--	--	8,843,783	34,420,586
--	--	--	456,017	20,511,367
--	30,558,079	--	12,752,424	46,769,551
--	--	(23,997,385)	(10,070)	(14,288,446)
<u>\$ 315,110</u>	<u>\$ 30,558,079</u>	<u>\$ (23,997,385)</u>	<u>\$ 22,069,865</u>	<u>\$ 88,168,787</u>
<u>\$ 1,783,185</u>	<u>\$ 32,214,808</u>	<u>\$ 940,259</u>	<u>\$ 29,358,907</u>	
				273,168,214
				6,420,723
				14,035,387
				(24,696)
				(20,047,458)
				(9,534,697)
				4,775,458
				(1,393,844)
				<u>\$ 355,567,874</u>

City of Cedar Falls, Iowa
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue			
	General Fund	Hospital Fund	TIF Fund	Street Construction Fund
Revenues:				
Property taxes and assessments	\$ 21,722,943	\$ --	\$ 5,921,636	\$ --
Other city taxes	859,104	--	--	--
Licenses and permits	957,514	--	--	--
Use of money and property	610,519	815,577	--	--
Intergovernmental	1,457,263	--	8,830	5,634,265
Charges for services	2,707,961	--	--	--
Fines and forfeitures	175,164	--	--	--
Miscellaneous	144,005	--	--	1,444,493
Utility contribution in lieu of taxes	1,863,665	--	--	--
Total revenues	\$ 30,498,138	\$ 815,577	\$ 5,930,466	\$ 7,078,758
Expenditures:				
Current:				
Public safety	\$ 11,098,870	\$ --	\$ --	\$ --
Public works	1,410,689	--	--	11,437,533
Health and social services	13,000	13,470	--	--
Culture and recreation	6,657,501	--	--	--
Community and economic development	1,202,856	--	--	--
General government	5,166,671	--	--	--
Debt service	--	--	--	--
Capital projects	--	--	--	--
Total expenditures	\$ 25,549,587	\$ 13,470	\$ --	\$ 11,437,533
Excess (deficiency) of revenues over (under) expenditures	\$ 4,948,551	\$ 802,107	\$ 5,930,466	\$ (4,358,775)
Other financing sources (uses):				
Transfers:				
Transfers in	\$ 878,450	\$ --	\$ --	\$ 2,525,708
Transfers out	(4,963,554)	--	(5,976,326)	(974,723)
Issuance of debt	--	--	--	--
Premium on debt issuance	--	--	--	--
Total other financing sources (uses)	\$ (4,085,104)	\$ --	\$ (5,976,326)	\$ 1,550,985
Net change in fund balances	\$ 863,447	\$ 802,107	\$ (45,860)	\$ (2,807,790)
Fund balances, beginning	12,416,372	19,253,243	81,956	11,588,990
Increase (decrease) in reserve for inventories	24,068	--	--	56,203
Fund balances, ending	\$ 13,303,887	\$ 20,055,350	\$ 36,096	\$ 8,837,403

See notes to financial statements

Street Repair Fund	Debt Service Fund	Capital Projects		Other Governmental Funds	Total Governmental Funds
		Capital Improvements	Bond Fund		
\$ --	\$ 1,061,764	\$ --	\$ --	\$ 1,161,984	\$ 29,868,327
6,708,131	3,838	--	--	748,881	8,319,954
--	--	--	--	--	957,514
424,707	--	788,457	111,606	703,116	3,453,982
--	27,561	--	3,230,000	2,682,011	13,039,930
--	--	--	--	18,280	2,726,241
--	--	--	--	182,738	357,902
291,251	--	114,943	639,245	220,501	2,854,438
--	--	1,125,000	--	--	2,988,665
<u>\$ 7,424,089</u>	<u>\$ 1,093,163</u>	<u>\$ 2,028,400</u>	<u>\$ 3,980,851</u>	<u>\$ 5,717,511</u>	<u>\$ 64,566,953</u>
\$ --	\$ --	\$ --	\$ --	\$ 1,662,250	\$ 12,761,120
8,021,161	--	--	--	259,371	21,128,754
--	--	--	--	--	26,470
--	--	--	--	608,762	7,266,263
--	--	--	--	1,463,336	2,666,192
--	--	--	--	--	5,166,671
--	1,179,108	--	--	--	1,179,108
--	--	2,366,027	15,560,384	4,901,919	22,828,330
<u>\$ 8,021,161</u>	<u>\$ 1,179,108</u>	<u>\$ 2,366,027</u>	<u>\$ 15,560,384</u>	<u>\$ 8,895,638</u>	<u>\$ 73,022,908</u>
<u>\$ (597,072)</u>	<u>\$ (85,945)</u>	<u>\$ (337,627)</u>	<u>\$ (11,579,533)</u>	<u>\$ (3,178,127)</u>	<u>\$ (8,455,955)</u>
\$ 143,327	\$ --	\$ 2,217,154	\$ 4,487,916	\$ 2,634,810	\$ 12,887,365
--	--	(238,980)	--	(49,040)	(12,202,623)
--	--	--	3,860,000	--	3,860,000
--	--	--	263,827	--	263,827
<u>\$ 143,327</u>	<u>\$ --</u>	<u>\$ 1,978,174</u>	<u>\$ 8,611,743</u>	<u>\$ 2,585,770</u>	<u>\$ 4,808,569</u>
\$ (453,745)	\$ (85,945)	\$ 1,640,547	\$ (2,967,790)	\$ (592,357)	\$ (3,647,386)
17,444,127	401,055	28,917,532	(21,029,595)	22,668,304	91,741,984
--	--	--	--	(6,082)	74,189
<u>\$ 16,990,382</u>	<u>\$ 315,110</u>	<u>\$ 30,558,079</u>	<u>\$ (23,997,385)</u>	<u>\$ 22,069,865</u>	<u>\$ 88,168,787</u>

City of Cedar Falls, Iowa
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds \$ (3,647,386)

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

Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:

Net acquisition of capital assets	36,766,564	
Depreciation/Amortization expense	<u>(10,062,105)</u>	
		26,704,459

Because some revenues will not be collected for several months after the City's year end, they are not considered available revenues and are reported as deferred inflows of resources in the governmental funds, as follows:

Property tax	(4,399)	
Other	<u>(2,238,004)</u>	
		(2,242,403)

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

Issuance of debt	(3,860,000)	
Premium on general obligation bonds	(182,060)	
Repaid	895,000	
Accrued interest	<u>(10,800)</u>	
		(3,157,860)

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

Compensated absences	(422,957)	
Other postemployment benefits	(322,236)	
Pension expense	1,512,782	
Change in inventory	<u>74,189</u>	
		841,778

Internal service funds are used by management to charge the costs of fleet management, management information systems and risk management activities to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

		<u>(412,874)</u>
Change in net position of governmental activities	<u>\$</u>	<u>18,085,714</u>

See notes to financial statements

City of Cedar Falls, Iowa
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type Activities - Enterprise Fund	
	Sewer Fund	Refuse Fund
ASSETS		
Current assets:		
Cash	\$ 17,963,643	\$ 5,828,723
Receivables, net of allowance for uncollectible amts.		
Accrued interest	184,244	65,189
Other	1,322,051	419,079
Due from other governments	--	--
Prepaid Items	--	11,720
Inventories	181,993	47,819
Total current assets	<u>\$ 19,651,931</u>	<u>\$ 6,372,530</u>
Noncurrent assets:		
Capital assets:		
Land	\$ 779,878	\$ 204,845
Buildings	43,387,182	12,884,406
Machinery and equipment	6,315,616	4,340,628
Infrastructure	46,845,239	--
Subscription Asset	--	47,867
Construction in progress	401,822	--
Accumulated depreciation/amortization	(33,307,577)	(6,669,853)
Total noncurrent assets	<u>\$ 64,422,160</u>	<u>\$ 10,807,893</u>
Total assets	<u>\$ 84,074,091</u>	<u>\$ 17,180,423</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related deferred outflows	<u>\$ 136,984</u>	<u>\$ 141,871</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 399,310	\$ 67,299
Accrued liabilities	53,745	27,206
Bonds payable - due within one year	1,190,000	--
Subscription liability - due within one year	--	11,451
Compensated absences - due within one year	96,049	74,724
Total current liabilities	<u>\$ 1,739,104</u>	<u>\$ 180,680</u>
Noncurrent liabilities:		
Bonds payable- after one year	\$ 7,508,630	\$ --
Advance from other funds	8,110,000	--
Subscription liability - after one year	--	29,793
Compensated absences - after one year	11,465	140,660
Net pension liability	507,254	488,427
Total noncurrent liabilities	<u>\$ 16,137,349</u>	<u>\$ 658,880</u>
Total liabilities	<u>\$ 17,876,453</u>	<u>\$ 839,560</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related deferred inflows	<u>\$ 56,091</u>	<u>\$ 16,296</u>
NET POSITION		
Net investment in capital assets	\$ 55,723,530	\$ 10,766,649
Restricted for post closure costs	--	41,540
Unrestricted	10,555,001	5,658,249
Total net position	<u>\$ 66,278,531</u>	<u>\$ 16,466,438</u>

See notes to financial statements

Business-type Activities - Enterprise Fund		Governmental Activities - Internal Service Funds
<u>Storm Water Fund</u>	<u>Total</u>	
\$ 1,359,885	\$ 25,152,251	\$ 13,539,933
30,448	279,881	151,972
50,619	1,791,749	273,958
76,985	76,985	--
--	11,720	--
--	229,812	83,056
<u>\$ 1,517,937</u>	<u>\$ 27,542,398</u>	<u>\$ 14,048,919</u>
\$ 627,858	\$ 1,612,581	\$ --
--	56,271,588	90,302
--	10,656,244	8,314,697
24,925,440	71,770,679	--
--	47,867	242,416
116,964	518,786	--
(10,224,105)	(50,201,535)	(5,774,792)
<u>\$ 15,446,157</u>	<u>\$ 90,676,210</u>	<u>\$ 2,872,623</u>
<u>\$ 16,964,094</u>	<u>\$ 118,218,608</u>	<u>\$ 16,921,542</u>
\$ 36,572	\$ 315,427	\$ 117,451
\$ 326,206	\$ 792,815	\$ 1,621,745
6,506	87,457	841,512
95,000	1,285,000	--
--	11,451	107,805
7,415	178,188	50,673
<u>\$ 435,127</u>	<u>\$ 2,354,911</u>	<u>\$ 2,621,735</u>
\$ 472,259	\$ 7,980,889	\$ --
--	8,110,000	--
--	29,793	41,922
--	152,125	21,738
142,951	1,138,632	284,925
<u>\$ 615,210</u>	<u>\$ 17,411,439</u>	<u>\$ 348,585</u>
<u>\$ 1,050,337</u>	<u>\$ 19,766,350</u>	<u>\$ 2,970,320</u>
\$ (3,637)	\$ 68,750	\$ 33,286
\$ 14,878,898	\$ 81,369,077	\$ 2,722,896
--	41,540	--
1,075,068	17,288,318	11,312,491
<u>\$ 15,953,966</u>	<u>\$ 98,698,935</u>	<u>\$ 14,035,387</u>

City of Cedar Falls, Iowa
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds	
	Sewer Fund	Refuse Fund
Operating revenues:		
Charges for services	\$ 8,251,126	\$ 3,046,153
Other	82,983	211,615
Total operating revenues	<u>\$ 8,334,109</u>	<u>\$ 3,257,768</u>
Operating expenses:		
Personal services	\$ 1,076,077	\$ 1,307,367
Contractual services	1,104,261	1,385,597
Supplies and equipment	419,414	80,250
Depreciation/amortization	1,924,426	523,516
Total operating expenses	<u>\$ 4,524,178</u>	<u>\$ 3,296,730</u>
Operating income(loss)	<u>\$ 3,809,931</u>	<u>\$ (38,962)</u>
Nonoperating revenues (expenses):		
Interest revenue	\$ 367,282	\$ 130,920
Interest expense	(325,061)	(1,056)
Intergovernmental	--	--
Gain (loss) on disposal of equipment	--	--
Nonoperating revenues (expenses), net	<u>\$ 42,221</u>	<u>\$ 129,864</u>
Income(loss) before contributions and transfers	<u>\$ 3,852,152</u>	<u>\$ 90,902</u>
Capital contributions	\$ 211,394	\$ --
Transfers in	--	302,300
Transfers out	(309,200)	(192,710)
Contributions and transfers, net	<u>\$ (97,806)</u>	<u>\$ 109,590</u>
Change in net position	\$ 3,754,346	\$ 200,492
Net position, beginning	62,524,185	16,265,946
Net position, ending	<u>\$ 66,278,531</u>	<u>\$ 16,466,438</u>

See notes to financial statements

Business-type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
<u>Storm Water Fund</u>	<u>Total</u>	
\$ 1,186,239	\$ 12,483,518	\$ 8,093,902
400	294,998	265,098
<u>\$ 1,186,639</u>	<u>\$ 12,778,516</u>	<u>\$ 8,359,000</u>
\$ 267,605	\$ 2,651,049	\$ 2,089,138
132,322	2,622,180	6,510,989
67,356	567,020	1,453,304
665,746	3,113,688	520,496
<u>\$ 1,133,029</u>	<u>\$ 8,953,937</u>	<u>\$ 10,573,927</u>
<u>\$ 53,610</u>	<u>\$ 3,824,579</u>	<u>\$ (2,214,927)</u>
\$ 62,648	\$ 560,850	\$ 305,902
(17,423)	(343,540)	(8,114)
76,985	76,985	--
--	--	(1,444)
<u>\$ 122,210</u>	<u>\$ 294,295</u>	<u>\$ 296,344</u>
<u>\$ 175,820</u>	<u>\$ 4,118,874</u>	<u>\$ (1,918,583)</u>
\$ 511,496	\$ 722,890	\$ --
567,007	869,307	1,508,709
(2,557,848)	(3,059,758)	(3,000)
<u>\$ (1,479,345)</u>	<u>\$ (1,467,561)</u>	<u>\$ 1,505,709</u>
\$ (1,303,525)	\$ 2,651,313	\$ (412,874)
17,257,491	96,047,622	14,448,261
<u>\$ 15,953,966</u>	<u>\$ 98,698,935</u>	<u>\$ 14,035,387</u>

City of Cedar Falls, Iowa
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds <u>Sewer Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 8,154,889
Receipts from interfund services	--
Payments to suppliers	(2,459,230)
Payments to employees	(1,223,468)
Net cash provided by operating activities	<u>\$ 4,472,191</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	\$ --
Transfers to other funds	(309,200)
Receipts from other governments	--
Net cash provided by (used for) noncapital financing activities	<u>\$ (309,200)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Net acquisition of property and equipment	\$ (523,810)
Capital contributions	211,394
Principal paid on debt maturities	(1,149,000)
Payments on advance from other funds	(855,000)
Interest paid	(362,515)
Net cash (used for) capital and related financing activities	<u>\$ (2,678,931)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	<u>\$ 194,866</u>
Net increase (decrease) in cash	\$ 1,678,926
CASH BALANCES, Beginning	<u>16,284,717</u>
CASH BALANCES, Ending	<u><u>\$ 17,963,643</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ 3,809,931
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation/amortization	1,924,426
(Increase) decrease in:	
Customer and other receivables	147
Prepaid Items	--
Inventories	(94,148)
Increase (decrease) in accounts payable, accrued and other liabilities	(681,167)
(Increase) decrease in deferred outflows of resources	14,862
Increase (decrease) in deferred inflows of resources	(501,860)
Net cash provided by operating activities	<u><u>\$ 4,472,191</u></u>

See notes to financial statements

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Refuse Fund	Storm Water Fund	Total	
\$ 3,068,449	\$ 1,176,836	\$ 12,400,174	\$ --
--	--	--	8,131,820
(1,340,309)	(23,511)	(3,823,050)	(7,199,093)
(1,420,858)	(179,180)	(2,823,506)	(1,593,209)
<u>\$ 307,282</u>	<u>\$ 974,145</u>	<u>\$ 5,753,618</u>	<u>\$ (660,482)</u>
\$ 302,300	\$ 567,007	\$ 869,307	\$ 1,508,709
(192,710)	(2,557,848)	(3,059,758)	(3,000)
--	52,500	52,500	--
<u>\$ 109,590</u>	<u>\$ (1,938,341)</u>	<u>\$ (2,137,951)</u>	<u>\$ 1,505,709</u>
\$ (160,612)	\$ (1,195,466)	\$ (1,879,888)	\$ (917,622)
--	511,496	722,890	--
--	(90,000)	(1,239,000)	--
--	--	(855,000)	--
(1,056)	(27,250)	(390,821)	(8,114)
<u>\$ (161,668)</u>	<u>\$ (801,220)</u>	<u>\$ (3,641,819)</u>	<u>\$ (925,736)</u>
\$ 70,426	\$ 34,590	\$ 299,882	\$ 165,771
\$ 325,630	\$ (1,730,826)	\$ 273,731	\$ 85,262
5,503,093	3,090,711	24,878,521	13,454,671
<u>\$ 5,828,723</u>	<u>\$ 1,359,885</u>	<u>\$ 25,152,252</u>	<u>\$ 13,539,933</u>
\$ (38,962)	\$ 53,610	\$ 3,824,579	\$ (2,214,927)
523,516	665,746	3,113,688	520,496
22,740	(9,402)	13,485	(125,387)
(11,720)	--	(11,720)	--
(24,775)	--	(118,923)	(53,899)
402,522	375,687	97,042	1,654,256
14,494	804	30,160	3,103
(580,533)	(112,300)	(1,194,693)	(444,124)
<u>\$ 307,282</u>	<u>\$ 974,145</u>	<u>\$ 5,753,618</u>	<u>\$ (660,482)</u>

CITY OF CEDAR FALLS, IOWA
NOTES TO FINANCIAL STATEMENTS
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Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Cedar Falls is a municipal corporation governed by an elected mayor and seven-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the City. The discretely presented electric, gas, water, and communications utilities each have a December 31 year end.

Discretely Presented Component Units. The electric, gas, water, and communications utilities serve all the citizens of the City and are governed by a five-member board appointed by the mayor of the City of Cedar Falls. The rates for user charges and bond issuance authorizations are approved by the City Council, and the legal liability for the general obligation portion of the Utilities' debt remains with the City.

Complete financial statements for the Utilities may be obtained at the administrative offices.

Cedar Falls Utilities
Utility Parkway
Cedar Falls, Iowa 50613

Jointly Governed Organizations. The City also participates in several jointly governed organizations for which the City is not financially accountable or that the nature and significance of the relationship with the City are such that exclusion does not cause the City's financial statements to be misleading or incomplete. City officials are members of the following boards and commissions: Black Hawk County Consolidated Public Safety Communications Center, Black Hawk County Solid Waste Management Commission, Black Hawk County Criminal Justice Information Systems and Metropolitan Transit Authority.

B. 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 activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of net position presents the assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position are reported in three 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 that are attributed to the acquisition, construction, or improvement of those assets.

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

Unrestricted net position consist of net position that do not meet the definition of the two preceding categories. *Unrestricted net position* often have constraints on resources that are imposed by management, but 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 instead as general revenues.

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, or if the payments are from the City's component unit. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, interest, fines and forfeitures, and special assessments are susceptible to accrual. Sales taxes collected and held by the state at year-end on behalf of the City are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, all other grant requirements have been met, and the criteria for accrual has been met.

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 *hospital fund* accounts for the lease income derived from Sartori Memorial Hospital.

The *TIF fund* accounts for property taxes received through tax increment financing.

The *street construction fund* accounts for the road use tax revenues received to the City by the State of Iowa for the operation and maintenance of the City's streets.

The *street repair fund* accounts for local option sales tax received from the state to be used to repair streets.

The *debt service fund* accounts for the servicing of general long-term debt not being financed by proprietary funds.

The *capital improvements fund* accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

The *bond fund* accounts for all bond proceeds not related to proprietary funds and all the related capital projects associated with the bond sales.

The City reports the following major proprietary funds:

The *sewer fund* accounts for the operations and maintenance of the City's sanitary sewer system.

The *refuse fund* accounts for the operations and maintenance of the City's garbage collection.

The *storm water fund* accounts for the operations and maintenance of the City's storm water system.

Additionally, the City reports the following fund type:

Internal service funds account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. These include data processing, vehicle maintenance, health insurance, health insurance severance, payroll, and risk management activities.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments between the government's refuse and sewer functions and various other functions of the government. Elimination of the charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City and the Utility to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high-rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district. Investments of the City and the Utility are reported at fair value. Due to legal and budgetary reasons, the General Fund is assigned a portion of the investment earnings associated with the other funds. These funds are Street Construction, Debt Service, and the Cemetery Perpetual Care Funds.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

All trade and property tax receivables are shown net of an allowance for uncollectibles.

The County Treasurer bills and collects taxes for the City. Taxes for the year ended June 30, 2023, were certified with the County during the preceding fiscal year and were due in two equal installments by September 30, 2022 and March 31, 2023. Property tax receivable is recognized on the levy or lien date, which is the date the tax asking is certified by the City to the County Board of Supervisors. Any County collections on the 2022-2023 tax levy remitted to the City within sixty days subsequent to June 30, 2023, are recorded as property tax revenues. Taxes not collected and remitted to the City within sixty days subsequent to June 30, 2023, are delinquent and have been recorded as receivables and unavailable revenues.

By statute, the City is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is reported as a deferred inflow and will not be recognized as revenue until the year for which it is levied.

3. Leases

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 monitors changes in circumstances that would require a remeasurement of its leases 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.

4. Inventories and Prepaid Items

Inventories in the governmental fund types are valued at cost using the first-in/first-out method. The costs of governmental fund type inventories are recognized as expenditures when purchased. Inventories in the proprietary fund types are valued at the lower of first-in/first-out cost or market. The inventories for the component unit are valued at the weighted average cost. The cost of proprietary fund type and component unit inventories are recognized as expenses when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

5. Restricted Assets

Certain assets of the component units are restricted because of applicable bond provisions.

6. Capital Assets

Capital assets, which include property, plant, equipment, right-to-use assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position. Capital assets are defined by the government as equipment with initial, individual cost of \$5,000 or greater or a purchase of land, land improvements, building, or infrastructure with a value of \$5,000 or greater or a right-to-use subscription IT asset with a value of \$30,000 or greater and an estimated useful life of greater than one year. Such assets, other than right-to-use subscription IT assets, are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. Right-to-use subscription IT assets are recognized at the subscription commencement date and are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Computer Equipment	5 years	Streets	30 years
Equipment	10-30 years	Buildings	40-50 years
Office Equipment	10-30 years	Land Improvements	20-40 years
Vehicles	10-20 years	Storm Water	40 years
Parking Lots	15 years	Bridges	45 years
Furniture	20 years	Lift Stations	50 years
Large Vehicles	20-40 years	Sewer	50 years
Traffic Signals	20 years	Historic Buildings	100 years
Right-to-use Subscription assets	2-10 years		

7. 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.

8. Compensated Absences

City employees accumulate vacation, sick leave, and comp-time hours for subsequent use or for payment upon termination, death, or retirement. Earned vacation pay and a maximum of one-half of all unused sick leave may be paid upon termination of employment. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

All severance is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absence liability has been computed based on rates of pay in effect on June 30, 2023.

9. Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Subscription liabilities represent the City’s obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments is discounted based on a rate determined by the City. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premium and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs,

whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. 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. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund.

11. Total OPEB Liability

For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and OPEB expense, information has been determined based on the City's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

12. 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. Deferred inflows of resources consist of property tax receivable and other receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax and tax increment financing receivable that will not be recognized as revenue until the year for which they are levied, deferred amounts related to leases, the unamortized portion of the net difference between projected and actual earnings on pension plan investments and other unrecognized items not yet charged to pension expense.

13. Fund Balance Policies

The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

- Committed fund balance – amounts constrained to specific purposes by the City Council, using its highest level of decision-making authority (i.e., City Council by adoption of an ordinance prior to the end of the fiscal year). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority. The City Council has by resolution authorized the Finance Manager to assign the fund balance.
- Unassigned fund balance – amounts not included in other spendable classifications reported. The City would typically 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. The General Fund is the only fund that reports a positive unassigned fund balance amount.

As of June 30, 2023, fund balances are composed of the following:

<u>Fund Balance Classification</u>	<u>Purpose</u>	<u>Fund</u>	<u>Amount</u>
Nonspendable	Inventory	General	\$ 125,830
	Inventory	Street Construction	602,188
	Inventory	Non-major Governmental Funds	27,711
			<u>\$ 755,729</u>
Restricted	TIF Debt	TIF	\$ 36,096
	Street Construction	Street Construction	8,235,215
	Street Repair	Street Repair	16,990,382
	Debt Service	Debt Service	315,110
	Community Block Grant	Non-major Governmental Funds	102,822
	Housing Assistance	Non-major Governmental Funds	811,709
	Employee Retirement Systems	Non-major Governmental Funds	6,207,620
	Visitors & Tourism	Non-major Governmental Funds	1,225,599
Cemetery Perpetual Care	Non-major Governmental Funds	496,033	
		<u>\$ 34,420,586</u>	
Committed	Health Services	Hospital	\$ 20,055,350
	Parking	Non-major Governmental Funds	457,017
			<u>\$ 20,512,367</u>
Assigned	Cultural Services	General	\$ 146,466
	Recreational Services	General	3,312,582
	Capital Projects	Capital Improvements	30,558,079
	Capital Projects	Non-major Governmental Funds	12,752,424
		<u>\$ 46,769,551</u>	

The City Council has adopted a minimum cash reserve policy. Those amounts are as follows:

- General Fund: 15-25% of next year's expenditures and preferably at the 20-25% level
- Refuse Fund: 20-30%, but no less than \$500,000.
- Sewer Fund: 65-75%, but no less than \$1,500,000.
- Street Fund: 20-30%, but no less than \$1,000,000.
- Storm Water Fund: 10-20%, but no less than \$200,000.
- Emergency Fund: \$1,500,000 minimum.

14. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

E. Implementation of GASB Statement No. 87

As of January 1, 2022, Cedar Falls Utilities adopted GASB Statement No. 87, *Leases*. The objective of the Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Beginning fiscal year 2022, net position for the component unit was retroactively restated by an immaterial amount to include lease assets, liabilities, and deferred inflows of resources.

F. Implementation of GASB Statement No. 96

As of July 1, 2022, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset – an intangible asset – and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. As a result of implementing this standard the City recognized a right to use subscription asset and subscription liability of \$337,680 and \$337,680 as of July 1, 2022, respectively. As a result of these adjustments there was no effect on beginning net position.

Note 2. Stewardship, Compliance, and Accountability

A. Budgetary information

The City prepares and adopts an annual budget on a function basis for the City as a whole, rather than at the fund level, as prescribed by Iowa statutes. The state of Iowa mandates that annual budgets for the fiscal year beginning July 1 be certified to the County Auditor no later than March 31 preceding the beginning of the fiscal year. The review and adoption of the budget for the City is in accordance with

state laws and City budget procedures as stated in City Code, recodified November 1971, and amended by ordinance adoption thereafter. Budget proposals for all operating department requests are conducted by the Department of Finance and Business Operations who prepares, for the Mayor's consideration, a preliminary budget by January 1 of each year for the coming fiscal year. The budget proposal presented to the City Council by the Mayor, City Administrator, and Director of Finance and Business Operations is a complete financial plan for the upcoming fiscal year. The proposal is submitted on or before the first Monday of February. The City Council holds various budget meetings with the Mayor, City Administrator and department heads as well as holding public hearings prior to adopting the budget. The Council adopts the budget by resolution and certifies it to the County Auditor by the 31st of March preceding the beginning of the fiscal year. This budget becomes the appropriation for operations of the City.

The adopted budget presents expenditures in nine functions- Public Safety, Public Works, Health and Social Services, Culture and Recreation, Community and Economic Development, General Government, Debt Service, Capital Projects, and Business-type Activities. The legal level of control (the level on which expenditures may not legally exceed appropriations) is the function level. Appropriations as adopted lapse at the end of the fiscal year.

Amendments to the City budget are considered annually as funding sources are available. Management is not authorized to amend the budget or to make budgetary transfers between functions without the approval of the City Council. An additional levy of property taxes is not allowed by state law. The City budget for the current year may be amended for any of the following purposes:

- To permit the appropriation and expenditure of unexpended, unencumbered fund balances on hand at the end of the preceding fiscal year.
- To permit the appropriation and expenditure of amounts anticipated being available from sources other than property taxation.
- To permit transfers between funds as prescribed by state law.
- To permit transfers between functions.

The Council adopts the amended budget by resolution and certifies it to the County Auditor by May 31 of the budget year. The amended budget becomes the appropriation for operations of the City. The City Council adopted one budget amendment resolution during the year ended June 30, 2023.

Due to the emphasis placed on monitoring budgets, as a result of limited resources to provide City services, major classifications such as personal services, capital outlays, contractual services, and commodities are monitored throughout the year by the Department of Finance and Business Operations.

Monthly reports are prepared by department and activity. Any major deviations must be approved by the Department of Finance and Business Operations and the Mayor. While the legal level of control is the program level of expenditure, departments are responsible for not expending more than the amount of the appropriation for each activity within their area of responsibility, unless approved by the Department of Finance and Business Operations and the Mayor.

The City budgets all receipts, disbursements, and interfund and intrafund transfers on the cash basis plus recorded accounts payable. The budget amounts included in this report are the final cash basis budget for the year for all funds excluding the fiduciary funds, which are not budgeted for by the City.

Budgeted interfund transfers and intrafund transfers have been eliminated in the following statement of program disbursements - budget and actual.

Individual fund budgets are, in all cases where appropriations are required, the same as the appropriation amounts. In the case of the General Fund and most of the special revenue funds, unexpended budgeted amounts lapse at the end of the budget year.

B. Deficit Fund Balances

The Bond Fund, a major fund, had a deficit fund balance as of June 30, 2023, in the amount of \$23,997,385. The Sidewalk Assessment Fund, a non-major capital projects fund, had a deficit fund balance of \$10,070 as of June 30, 2023. These balances are expected to be recovered through future bond proceeds, TIF reimbursements, and assessments.

Note 3. Detailed Notes On All Funds

A. Deposits and Investments

The City's deposits in banks and credit unions on June 30, 2023 were entirely covered by federal depository insurance, collateralized with securities or letters of credit held by the City or the City's agent in the City's name or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

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

Cash balances as of June 30, 2023, consist of the following:

Cash – unrestricted	<u>\$ 125,618,497</u>
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A reconciliation of cash as shown on the combined balance sheet for the primary government follows:

Carrying amount of deposits	<u>\$ 125,618,497</u>
Cash – Governmental Activities	\$ 100,466,246
Cash – Business-type Activities	<u>25,152,251</u>
Total	<u>\$ 125,618,497</u>

Interest Rate Risk: The City's investment policy limits the investments of operating funds (funds expected to be expended in the current budget year or within fifteen months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in instruments

with maturities longer than 397 days, but the maturities shall be consistent with the needs and the City.

Credit Risk: The City's investment policy limits investments in commercial paper and other corporate debt to the top two highest classifications. The City did not invest in any commercial paper or other corporate debt during the year.

Concentration of credit risk: The City's investment policy does not allow for a prime bankers' acceptance or commercial paper and other corporate debt balances to be greater than ten percent of its total deposits and investments. The policy also limits the amount that can be invested in a single issue to five percent of its total deposits and investments. The City held no such investments during the year.

Custodial credit risk – deposits: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's deposits are entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City did not hold any investments during the year.

The component units' deposits were entirely covered by Federal depository insurance, collateralized with securities or letters of credit held by the entity or its agent in the entity's name, or by a multiple financial institution collateral pool 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.

Cash balances as of December 31, 2022, consist of the following:

	Electric Utility	Gas Utility	Water Utility	Communications Utility
Cash – unrestricted	\$ 33,002,846	\$ 8,232,827	\$ 6,261,414	\$ 11,801,594
Cash – restricted	1,521,815	422,999	299,773	526,533
	<u>\$ 34,524,661</u>	<u>\$ 8,655,826</u>	<u>\$ 6,561,187</u>	<u>\$ 12,328,127</u>

A reconciliation of cash and investments as shown on the statement of net position for the component units follows:

	<u>Electric Utility</u>	<u>Gas Utility</u>	<u>Water Utility</u>	<u>Communications Utility</u>
Carrying amount of deposits	\$ 34,524,661	\$ 8,655,826	\$ 6,561,187	\$ 12,328,127
Carrying amount of certificates	18,931,317	4,495,045	647,210	7,004,950
Total	<u>\$ 53,455,978</u>	<u>\$ 13,150,871</u>	<u>\$ 7,208,397</u>	<u>\$ 19,333,077</u>
Cash	\$ 33,002,846	\$ 8,232,827	\$ 6,261,414	\$ 11,801,594
Cash - Restricted	1,521,815	422,999	299,773	526,533
Investments:				
Certificates of deposit	14,950,066	4,378,272	578,991	6,848,921
Certificates of deposit - restricted	3,981,251	116,773	68,219	156,029
Total	<u>\$ 53,455,978</u>	<u>\$ 13,150,871</u>	<u>\$ 7,208,397</u>	<u>\$ 19,333,077</u>

B. Receivable

On June 30, 2023, the City has recorded a \$4,864,772 receivable for library, recreation, and cultural contributions held by the Cedar Falls Community Foundation. The funds will be used to support library services, recreation services, and the cultural center, therefore is reported as an asset to the General Fund.

C. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 43,116,319	\$ 3,435,900	\$ --	\$ 46,552,219
Construction in progress	23,380,432	29,645,906	6,099,733	46,926,605
Total capital assets, not being depreciated	<u>\$ 66,496,751</u>	<u>\$ 33,081,806</u>	<u>\$ 6,099,733</u>	<u>\$ 93,478,824</u>
Capital assets, being depreciated/amortized:				
Buildings	\$ 36,936,789	\$ 4,091,069	\$ 109,803	\$ 40,918,055
Land Improvements	21,100,815	85,838	--	21,186,653
Machinery and equipment	22,376,777	1,839,474	759,245	23,457,006
Infrastructure	273,462,096	4,558,213	--	278,020,309
Right-to-use subscription asset	--	289,813	--	289,813
Total capital assets, being depreciated/amortized	<u>\$ 353,876,477</u>	<u>\$ 10,864,407</u>	<u>\$ 869,048</u>	<u>\$ 363,871,836</u>
Less accumulated depreciation/amortization for:				
Buildings	\$ 15,006,258	\$ 920,847	\$ 68,001	\$ 15,859,104
Land Improvements	9,785,591	689,246	--	10,474,837
Machinery and equipment	14,901,866	1,116,084	672,084	15,345,866
Infrastructure	131,773,592	7,749,282	--	139,522,874
Right-to-use subscription asset	--	107,142	--	107,142
Total accumulated depreciation/amortization	<u>\$ 171,467,307</u>	<u>\$ 10,582,601</u>	<u>\$ 740,085</u>	<u>\$ 181,309,823</u>
Total capital assets, being depreciated/amortized, net	<u>\$ 182,409,170</u>	<u>\$ 281,806</u>	<u>\$ 128,963</u>	<u>\$ 182,562,013</u>
Governmental activities capital assets, net	<u>\$ 248,905,921</u>	<u>\$ 33,363,612</u>	<u>\$ 6,228,696</u>	<u>\$ 276,040,837</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,612,581	\$ --	\$ --	\$ 1,612,581
Construction in progress	809,313	492,011	782,538	518,786
Total capital assets, not being depreciated	<u>\$ 2,421,894</u>	<u>\$ 492,011</u>	<u>\$ 782,538</u>	<u>\$ 2,131,367</u>
Capital assets, being depreciated/amortized:				
Buildings	\$ 56,271,588	\$ --	\$ --	\$ 56,271,588
Machinery and equipment	10,499,694	156,550	--	10,656,244
Infrastructure	69,804,681	1,965,998	--	71,770,679
Right-to-use subscription asset	--	47,867	--	47,867
Total capital assets, being depreciated/amortized	<u>\$ 136,575,963</u>	<u>\$ 2,170,415</u>	<u>\$ --</u>	<u>\$ 138,746,378</u>
Less accumulated depr./amort. for:				
Buildings	\$ 15,833,569	\$ 1,176,941	\$ --	\$ 17,010,510
Machinery and equipment	5,519,404	389,007	--	5,908,411
Infrastructure	25,734,874	1,540,759	--	27,275,633
Right-to-use subscription asset	--	6,981	--	6,981
Total accumulated depr/amort.	<u>\$ 47,087,847</u>	<u>\$ 3,113,688</u>	<u>\$ --</u>	<u>\$ 50,201,535</u>
Total capital assets, being depreciated/amortized, net	<u>\$ 89,488,116</u>	<u>\$ (943,273)</u>	<u>\$ --</u>	<u>\$ 88,544,843</u>
Business-type activities capital assets, net	<u>\$ 91,910,010</u>	<u>\$ (451,262)</u>	<u>\$ 782,538</u>	<u>\$ 90,676,210</u>

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

Governmental activities:

Public safety	\$ 344,816
Public works	8,014,010
Health and social services	148,978
Culture and recreation	1,188,554
Community and economic development	181,417
General government	184,330
Capital assets held by government's internal service funds are charged to the various functions based on their usage of the assets	520,496
Total depreciation/amortization expense - governmental activities	<u>\$ 10,582,601</u>

Business-type activities

Sewer	\$ 1,924,426
Refuse	523,516
Storm Water	665,746
Total depreciation/amortization expense - business-type activities	<u>\$ 3,113,688</u>

Construction Commitments

The City has active construction projects as of June 30, 2023. At year-end the City's commitments with contractors are as follows:

	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
Park Drive Lift Station	\$ 70,000	\$ 58,240	\$ 11,760
2023 Reconstruction	2,689,393	1,094,015	1,595,378
Main Street Reconstruction	29,037,443	4,892,641	24,144,802
Union Road Reconstruction	516,803	425,853	90,950
West Viking Road Reconstruction	486,700	297,834	188,866
Streetscape Maintenance	2,835,884	2,429,363	406,521
Ashworth Dr. Extension	1,249,087	92,034	1,157,053
Hudson Rd. & W. Ridgeway	728,796	145,744	583,052
Cedar Heights	3,197,563	390,956	2,806,607
Union Rd. Trail	677,113	617,955	59,158
Greenhill Rd. & Main	3,838,959	3,340,542	498,417
W. Viking Road Ind. Park	9,038,042	8,145,968	892,074
Intersection Improvements	376,800	157,330	219,470
Olive St. Box Culvert	2,948,617	2,684,462	264,155
W. 27 th St. Reconstruction	8,383,796	5,915,898	2,467,898
Oak Park Sanitary Sewer	735,520	--	735,520
2021 Sidewalk Repair	160,388	113,630	46,758
Cedar Heights Drive Reconstruction	7,881,588	7,721,511	160,077
Lake Street Trail	341,715	324,280	17,435
City Hall Remodel	3,763,343	3,760,855	2,488
University Ave. Biocells	131,524	116,964	14,560
Seerley Park	35,100	18,712	16,388
Cedar River Rec.	6,279,130	58,000	6,221,130
Weight Equipment	217,785	108,892	108,893
Hearst 2.0 Master Plan	24,000	16,320	7,680
2023 Sanitary Sewer Rehab	253,025	208,924	44,101
2023 Stormwater Planning	275,000	41,825	233,175
2023 Seal Coat	191,607	--	191,607
2023 Alley Reconstruction	255,451	--	255,451
Center Street Streetscape	1,874,924	1,837,442	37,482
CDBG Sidewalk	194,156	186,616	7,540
	<u>\$ 88,689,252</u>	<u>\$ 45,202,806</u>	<u>\$ 43,486,446</u>

Discretely Presented Component Units

Activity for the Electric Utility for the year ended December 31, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,878,208	\$ --	\$ --	\$ 1,878,208
Construction in progress	2,562,931	5,834,565	6,147,352	2,250,144
Total capital assets, not being depreciated	<u>\$ 4,441,139</u>	<u>\$ 5,834,565</u>	<u>\$ 6,147,352</u>	<u>\$ 4,128,352</u>
Capital assets, being depreciated/amortized:				
Buildings	\$ 43,531,340	\$ 307,892	\$ 2,032,325	\$ 41,806,907
Machinery and equipment	21,673,334	985,481	1,558,952	21,099,863
Land Rights	255,094	--	--	255,094
Right-to-use leased assets	51,571	--	--	51,571
Infrastructure	209,567,977	4,853,979	568,169	213,853,787
Total capital assets, being depreciated/amortized	<u>\$ 275,079,316</u>	<u>\$ 6,147,352</u>	<u>\$ 4,159,446</u>	<u>\$ 277,067,222</u>
Less accumulated depreciation/amortization for:				
Buildings	\$ 15,656,253	\$ 1,267,512	\$ 893,124	\$ 16,030,641
Machinery and equipment	12,437,556	1,746,834	1,559,018	12,625,372
Land Rights	20,407	3,400	--	23,807
Right-to-use leased assets	6,854	11,012	--	17,866
Infrastructure	84,858,289	6,099,764	736,617	90,221,436
Total accumulated depr/amort.	<u>\$ 112,979,359</u>	<u>\$ 9,128,522</u>	<u>\$ 3,188,759</u>	<u>\$ 118,919,122</u>
Total capital assets, being depreciated/amortized, net	<u>\$ 162,099,957</u>	<u>\$ (2,981,170)</u>	<u>\$ 970,687</u>	<u>* \$ 158,148,100</u>
Electric Utility capital assets, net	<u>\$ 166,541,096</u>	<u>\$ 2,853,395</u>	<u>\$ 7,118,039</u>	<u>\$ 162,276,452</u>

*Cedar Falls Utilities uses FERC utility accounting which allows for depreciation calculated using the composite straight-line method. Under this method it is common for accumulated depreciation deletions to exceed the cost removed.

Activity for the Gas Utility for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 25,617	\$ --	\$ --	\$ 25,617
Construction in progress	66,259	978,296	1,029,095	15,460
Total capital assets, not being depreciated	<u>\$ 91,876</u>	<u>\$ 978,296</u>	<u>\$ 1,029,095</u>	<u>\$ 41,077</u>
Capital assets, being depreciated/amortized:				
Buildings	\$ 4,280,284	\$ 12,028	\$ 5,072	\$ 4,287,240
Machinery and equipment	512,575	58,623	13,357	557,841
Right-to-use leased assets	10,817	--	--	10,817
Infrastructure	26,237,946	958,444	103,811	27,092,579
Total capital assets, being depreciated/amortized	<u>\$ 31,041,622</u>	<u>\$ 1,029,095</u>	<u>\$ 122,240</u>	<u>\$ 31,948,477</u>
Less accumulated depreciation/amortization				
Buildings	\$ 891,601	\$ 103,595	\$ 5,072	\$ 990,124
Machinery and equipment	338,009	49,599	13,358	374,250
Right-to-use leased assets	1,486	2,319	--	3,805
Infrastructure	14,475,573	737,199	121,583	15,091,189
Total accumulated depr/amort.	<u>\$ 15,706,669</u>	<u>\$ 892,712</u>	<u>\$ 140,013</u>	<u>\$ 16,459,368</u>
Total capital assets, being depreciated/amortized, net	<u>\$ 15,334,953</u>	<u>\$ 136,383</u>	<u>\$ (17,773) *</u>	<u>\$ 15,489,109</u>
Gas Utility capital assets, net	<u>\$ 15,426,829</u>	<u>\$ 1,114,679</u>	<u>\$ 1,011,322</u>	<u>\$ 15,530,186</u>

*Cedar Falls Utilities uses FERC utility accounting which allows for depreciation calculated using the composite straight-line method. Under this method it is common for accumulated depreciation deletions to exceed the cost removed.

Activity for the Water Utility for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 63,466	\$ --	\$ --	\$ 63,466
Construction in progress	360,524	2,010,386	2,334,215	36,695
Total capital assets, not being depreciated	<u>\$ 423,990</u>	<u>\$ 2,010,386</u>	<u>\$ 2,334,215</u>	<u>\$ 100,161</u>
Capital assets, being depreciated/amortized:				
Buildings	\$ 2,754,195	\$ 407	\$ 3,848	\$ 2,750,754
Machinery and equipment	1,379,133	88,079	18,819	1,448,393
Right-to-use leased assets	6,867	--	--	6,867
Infrastructure	44,117,816	2,245,729	219,122	46,144,423
Total capital assets, being depreciated/amortized	<u>\$ 48,258,011</u>	<u>\$ 2,334,215</u>	<u>\$ 241,789</u>	<u>\$ 50,350,437</u>
Less accumulated depreciation/amortization				
Buildings	\$ 676,955	\$ 62,114	\$ 3,848	\$ 735,221
Machinery and equipment	642,729	40,446	18,819	664,356
Right-to-use leased assets	980	1,478	--	2,458
Infrastructure	13,326,171	840,560	220,516	13,946,215
Total accumulated depr/amort.	<u>\$ 14,646,835</u>	<u>\$ 944,598</u>	<u>\$ 243,183</u>	<u>\$ 15,348,250</u>
Total capital assets, being depreciated/amortized, net	<u>\$ 33,611,176</u>	<u>\$ 1,389,617</u>	<u>\$ (1,394) *</u>	<u>\$ 35,002,187</u>
Water Utility capital assets, net	<u>\$ 34,035,166</u>	<u>\$ 3,400,003</u>	<u>\$ 2,332,821</u>	<u>\$ 35,102,348</u>

*Cedar Falls Utilities uses FERC utility accounting which allows for depreciation calculated using the composite straight-line method. Under this method it is common for accumulated depreciation deletions to exceed the cost removed.

Activity for the Communications Utility for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,177	\$ --	\$ --	\$ 2,177
Construction in progress	89,459	7,169,740	4,724,751	2,534,448
Total capital assets, not being depreciated	<u>\$ 91,636</u>	<u>\$ 7,169,740</u>	<u>\$ 4,724,751</u>	<u>\$ 2,536,625</u>
Capital assets, being depreciated/amortized:				
Machinery and equipment	\$ 24,856,362	\$ 4,369,852	\$ 4,430,400	\$ 24,795,813
Right-to-use leased assets	491,212	96,000	16,873	570,339
Infrastructure	21,076,968	354,899	81,195	21,350,671
Total capital assets, being depreciated/amortized	<u>\$ 46,424,542</u>	<u>\$ 4,820,751</u>	<u>\$ 4,528,468</u>	<u>\$ 46,716,823</u>
Less accumulated depreciation/amortization				
Machinery and equipment	\$ 14,427,870	\$ 3,276,930	\$ 4,430,400	\$ 13,274,400
Right-to-use leased assets	99,839	94,683	16,587	177,935
Infrastructure	6,150,955	817,381	86,629	6,881,707
Total accumulated depr/amort.	<u>\$ 20,678,664</u>	<u>\$ 4,188,994</u>	<u>\$ 4,533,616</u>	<u>\$ 20,334,042</u>
Total capital assets, being depreciated/amortized, net	<u>\$ 25,745,878</u>	<u>\$ 631,757</u>	<u>\$ (5,148) *</u>	<u>\$ 26,382,781</u>
Communications Utility capital assets, net	<u>\$ 25,837,514</u>	<u>\$ 7,801,497</u>	<u>\$ 4,719,603</u>	<u>\$ 28,919,406</u>

*Cedar Falls Utilities uses FERC utility accounting which allows for depreciation calculated using the composite straight-line method. Under this method it is common for accumulated depreciation deletions to exceed the cost removed.

D. Leases

Lessor:

Sartori Memorial Hospital

On January 1, 1997, the operations of Sartori Memorial Hospital (Hospital) were sold to MercyOne Health Systems, Inc. As part of this sale, the City entered into a lease agreement with Sartori Memorial Hospital, Inc. (SMH), whereas the City will lease to SMH the land and buildings owned by the City and used in the Hospital's operations. The initial term of the lease was for a period of 25 years, with each additional term being for a period of five years. MercyOne has already exercised its right for the first extension, however, is not expected to renew for the additional two terms.

During the fiscal year, the City recognized \$29,826 in lease revenue and \$2,611 in interest income related to these agreements. At July 1, 2021, the City recorded \$149,132 in a lease receivable and deferred inflow of resources for this arrangement. The City used an interest rate of 2.17% based on the average rate of interest received on the Hospital Fund investments.

MercyOne Health Systems, Inc. also pays to the City an annual amount of \$140,000 for five years, which represents the liability arising from accrued vacation of Hospital personnel as of December 31, 1996. The present value of this liability as of June 30, 2023, is recorded as a receivable and deferred inflow of resources in the Hospital Fund in the amount of \$392,672.

Cellular Towers

The City licenses (leases) 2 parcels of land for cellular tower antenna sites. One of the licenses is for a non-cancelable period of 25 years ending on February 15, 2026 with five (5) renewal periods of five (5) years. The City believes the licensee will exercise the renewal options with reasonable certainty. The agreement allows for annual increases in lease payments of 4%. The second license is in the middle of its fourth renewal period ending February 28, 2025, and the licensee has one additional renewal period of five years remaining which the City is reasonably certain will be exercised. The agreement allows for annual increases in lease payments at the greater of 3% or the percentage increase in the CPI over the CPI for the month 12 months prior to the adjustment date. During the fiscal year, the City recognized \$58,033 in lease revenue and \$28,240 in interest revenue related to these agreements. At July 1, 2021, the City recorded \$1,156,833 in lease receivables and deferred inflows of resources for these arrangements. The City used an interest rate of 2.5% based on comparable interest rates for investments in the current market.

Golf Course Operations Agreement

The City entered into a public private partnership agreement with John J. Bermel to operate the golf course facilities and golf course operations. The initial term of this agreement was for the period of five (5) years that ended December 31, 2021. The agreement allows the option for up to four (4) additional successive terms of five (5) years each. Bermel has already exercised the right to the first extension. The City believes Bermel will exercise the remaining renewal options with reasonable certainty.

During the fiscal year, the City recognized \$32,300 in lease revenue and \$3,923 in interest income related to this agreement. At July 1, 2022 the City recorded \$484,499 in a lease receivable and deferred inflows for this agreement. The City used an interest rate of 2.8% based on comparable interest rates for bonds in the current market.

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
<u>Leases receivable</u>				
Lease agreements	\$ 1,251,295	\$ 484,499	\$ 91,372	\$ 1,644,422
Total leases receivable	<u>\$ 1,251,295</u>	<u>\$ 484,499</u>	<u>\$ 91,372</u>	<u>\$ 1,644,422</u>

Remaining amounts to be received associated with these leases are as follows:

<u>Fiscal Year</u> <u>Ended June 30</u>		<u>Lease Revenue</u>
2024	\$	85,770
2025		89,869
2026		93,877
2027		66,829
2028		70,793
2029-2033		295,113
2034-2038		263,143
2039-2043		192,050
2044-2048		278,767
2049-2051		208,211
Total	\$	<u>1,644,422</u>

E. Non-Current Liabilities

Following is a summary of the City's changes in long-term liabilities for the year-ended June 30, 2023, and the total liability of the City as of that date as reported on the government-wide statement of net position:

	Beginning Balance	Additions	Reductions	Ending Balance	Item 1. Amounts Due Within One Year
Governmental Activities:					
Capital Loan Notes:					
Series 2016	\$ 1,130,000	\$ --	\$ 275,000	\$ 855,000	\$ 280,000
Series 2018	1,900,000	--	280,000	1,620,000	295,000
Series 2020	2,965,000	--	340,000	2,625,000	350,000
Series 2022	--	3,860,000	--	3,860,000	250,000
Total notes	\$ 5,995,000	\$ 3,860,000	\$ 895,000	\$ 8,960,000	\$ 1,175,000
Add: Unamortized premium	392,637	263,827	81,767	574,697	--
Total long-term debt	\$ 6,387,637	\$ 4,123,827	\$ 976,767	\$ 9,534,697	\$ 1,175,000
Compensated absences	2,379,305	607,243	166,589	2,819,959	1,370,306
Subscriptions	--	289,813	105,313	184,500	121,528
Total non-current liabilities	\$ 8,766,942	\$ 5,020,883	\$ 1,248,669	\$ 12,539,156	\$ 2,666,834

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Capital Loan Notes:					
Series 2016	\$ 3,815,000	\$ --	\$ 600,000	\$ 3,215,000	\$ 615,000
Series 2018-Strm Wtr	610,000	--	90,000	520,000	95,000
Series 2018-Sewer	1,430,000	--	210,000	1,220,000	225,000
Total notes	\$ 5,855,000	\$ --	\$ 900,000	\$ 4,955,000	\$ 935,000
State Revolving Loan	4,392,000	--	339,000	4,053,000	350,000
Add: Unamortized premium	309,468	--	51,579	257,889	--
Total long-term debt	\$ 10,556,468	\$ --	\$ 1,290,579	\$ 9,265,889	\$ 1,285,000
Compensated absences	330,184	10,547	10,418	330,313	178,188
Subscriptions	--	47,866	6,622	41,244	11,451
Total non-current liabilities	\$ 10,886,652	\$ 58,413	\$ 1,307,619	\$ 9,637,446	\$ 1,474,639

General Obligation Bonds/Notes

Four issues of unmatured general obligation bonds/notes totaling \$14,747,586, net unamortized premium of \$832,586 are outstanding as of June 30, 2023. These notes bear interest at rates of 2.00% to 5.00%; mature in varying annual amounts through June 30, 2035; and were originally issued for \$22,885,000.

Details of general obligation bonds/notes payable at June 30, 2023 are as follows:

	<u>Date of Issue</u>	<u>Interest Rates</u>	<u>Final Due Date</u>	<u>Annual Payments</u>	<u>Amount Originally Issued</u>	<u>Outstanding 30-Jun-23</u>
Governmental Activities:						
General Obligation						
Capital Loan Notes	7/19/2016	2.00%	6/1/2026	245,000-440,000	\$2,865,000	\$855,000
General Obligation						
Capital Loan Notes	7/19/2018	4.00-5.00%	6/1/2028	200,000-350,000	2,860,000	1,620,000
General Obligation						
Capital Loan Notes	7/21/2020	2.00%	6/1/2030	130,000-405,000	3,430,000	2,625,000
General Obligation						
Capital Loan Notes	8/31/2022	3.00-5.00%	6/1/2035	250,000-405,000	3,860,000	3,860,000
Total Governmental Activities						<u>\$8,960,000</u>
Business Activities:						
General Obligation						
Capital Loan Notes	7/19/2016	2.00%	6/1/2028	125,000-670,000	\$6,790,000	\$3,215,000
General Obligation						
Capital Loan Notes-Sewer	7/19/2018	4.00-5.00%	6/1/2028	150,000-260,000	2,160,000	1,220,000
General Obligation						
Capital Loan Notes-Strm. Wtr	7/19/2018	4.00-5.00%	6/1/2028	65,000-110,000	920,000	520,000
Total Business Activities						<u>\$4,955,000</u>

Annual debt service requirements to maturing for general obligation bonds/notes are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,175,000	\$ 296,350	\$ 935,000	\$ 140,450
2025	1,210,000	256,500	965,000	112,150
2026	1,255,000	215,200	995,000	82,800
2027	1,000,000	175,350	1,020,000	55,900
2028	1,035,000	140,000	1,040,000	28,200
2029-2033	2,495,000	319,200	--	--
2034-2035	790,000	35,850	--	--
Total	<u>\$ 8,960,000</u>	<u>\$ 1,438,450</u>	<u>\$ 4,955,000</u>	<u>\$ 419,500</u>

State Revolving Loan

In July 2011, the City entered into a loan and disbursement agreement with the Iowa Finance Authority for the issuance of sewer revenue capital loan notes under the State Revolving Fund Program. These notes financed the major renovation project at the City's water treatment facility

related to disinfection compliance. The debt is owned by the Iowa Finance Authority and; therefore, constitutes direct borrowing. In the event of a default, the issuer shall have the right to take any action authorized under the regulations, the revenue note or the agreement and to take whatever action at law or equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under the agreement or to enforce the performance and observance of any duty, covenant, obligation or agreement of the participant under the agreement. As of June 30, 2023, \$4,035,000 is outstanding. These notes bear interest at a rate of 1.75% with a final maturity in fiscal year 2033. Annual debt service requirements to maturity for this loan are as follows:

Year Ending June 30,	Business-type Activities	
	Principal	Interest
2024	\$ 350,000	\$ 81,060
2025	361,000	74,060
2026	373,000	66,840
2027	385,000	59,380
2028	397,000	51,680
2029-2033	2,187,000	134,020
Total	\$ 4,053,000	\$ 467,041

The notes are paid by the Sewer Fund. In fiscal year ended June 30, 2023, the Sewer Fund had net revenue of \$6,101,639 and the amount of principal and interest due was \$426,840.

Debt Limitation

As of June 30, 2023, the outstanding general obligation debt of the City did not exceed its legal debt margin computed as follows:

Estimated actual valuation of taxable property within the City	<u>\$ 3,735,193,238</u>
Debt limit - 5% of total actual valuation	\$ 186,759,662
Debt applicable to debt limit:	
General obligation bonds/Capital loan notes	13,915,000
Developer Rebate Agreements	<u>1,281,692</u>
Legal debt margin	<u>\$ 171,562,970</u>

All tax-exempt debt issued by the City is subject to IRS arbitrage rebate unless the City meets the \$5 million small issuers exemption in a given year. As of June 30, 2023, the City had no arbitrage liability.

Non-Current Liabilities – Electric Utility

Non-Current liability activity for the year ended December 31, 2022 was as follows:

	Beginning Balance as restated	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Capital Loan Notes:					
Series 2015	\$ 11,760,000	\$ --	\$ 2,895,000	\$ 8,865,000	\$ 3,045,000
Unamortized premium	1,392,341	--	342,757	1,049,584	--
Unamortized discount	(14,235)	--	(3,504)	(10,731)	--
Long-term debt	<u>\$ 13,138,106</u>	<u>\$ --</u>	<u>\$ 3,234,253</u>	<u>\$ 9,903,853</u>	<u>\$ 3,045,000</u>
Customer advances					
for construction	280,500	--	130,200	150,300	--
Landfill closure	2,873,918	89,682	2,012,581	951,019	--
Other liabilities	1,322,460	103,292	213,214	1,212,538	--
Net pension liability	126,192	4,130,911	718,380	3,538,723	--
Accrued severance	746,754	2,357	71,355	677,756	--
Lease agreements	44,639	--	11,091	33,548	11,091
OPEB	1,019,414	87,539	100,740	1,006,213	--
Noncurrent liabilities	<u>6,413,877</u>	<u>4,413,781</u>	<u>3,257,561</u>	<u>7,570,097</u>	<u>11,091</u>
Total	<u>\$ 19,551,983</u>	<u>\$ 4,413,781</u>	<u>\$ 6,491,814</u>	<u>\$ 17,473,950</u>	<u>\$ 3,056,091</u>

Capital Loan Notes – Electric Utility

The 2015 revenue capital loan notes require annual principal payments, due December 1, and semiannual interest payments, due June 1 and December 1. Interest rates are in a range between 2.50% and 5.00%. The capital loan notes are secured by the future net revenues of the Utility.

Component Unit - Capital Loan Notes				
Year		Principal		Interest
2023	\$	3,045,000	\$	310,875
2024		3,195,000		158,625
2025		1,290,000		78,750
2025		1,335,000		40,050
	\$	<u>8,865,000</u>	\$	<u>588,300</u>

Non-Current Liabilities – Gas Utility

Non-Current liability activity for the year ended December 31, 2022 was as follows:

	Beginning Balance as restated	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Customer advances for construction	\$ 118,634	\$ --	\$ 30,200	\$ 88,434	\$ --
Other liabilities	110,810	--	110,810	--	--
Net pension liability	44,325	1,400,630	244,566	1,200,389	--
Accrued severance	164,539	11,093	21,056	154,576	--
OPEB	202,108	50,354	22,976	229,486	--
Lease agreements	9,312	--	2,337	6,975	2,336
Total non-current liabilities	<u>\$ 649,728</u>	<u>\$ 1,462,077</u>	<u>\$ 431,945</u>	<u>\$ 1,679,860</u>	<u>\$ 2,336</u>

Non-Current Liabilities – Water Utility

Non-Current liability activity for the year ended December 31, 2022 was as follows:

	Beginning Balance as restated	Additions	Reductions	Ending Ending Balance	Amounts Due Within One Year
Net pension liability	\$ 28,238	\$ 906,013	\$ 157,768	\$ 776,483	\$ --
Accrued severance	113,912	3,372	10,270	107,014	--
OPEB	150,632	24,148	15,907	158,873	--
Lease Agreements	5,876	--	1,490	4,386	1491
Total non-current liabilities	<u>\$ 298,658</u>	<u>\$ 933,533</u>	<u>\$ 185,435</u>	<u>\$ 1,046,756</u>	<u>\$ 1,491</u>

Non-Current Liabilities – Communications Utility

Non-Current liability activity for the year ended December 31, 2022 was as follows:

	Beginning Balance as restated	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Net pension liability	\$ 60,273	\$ 1,915,255	\$ 334,087	\$ 1,641,441	\$ --
Accrued severance	240,480	39,025	29,805	249,700	--
OPEB	301,553	106,270	37,115	370,708	--
Lease agreements	391,842	96,000	95,390	392,452	67,502
Total non-current liabilities	<u>\$ 994,148</u>	<u>\$ 2,156,550</u>	<u>\$ 496,397</u>	<u>\$ 2,654,301</u>	<u>\$ 67,502</u>

F. Pension Plans

The primary government participates in two public pension systems, Iowa Public Employees Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MFPRSI). The aggregate amount of recognized pension expense (income) for the period associated with the net pension liability for all plans is \$963,073 for the primary government. Other aggregate amounts related to pension are separately displayed in the financial systems. The City's total pension liability is a liability as of June 30, 2023, however, when allocated to individual funds, the liability may be displayed as positive or negative.

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 Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at PO Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime 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.)

Protection occupation members may retire at normal retirement age which is generally at age 55. The formula used to calculate a protection occupation members' monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but not more than 30 years of service.
- The member's highest three-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 – The 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 2023, pursuant to the required rate, Regular members contributed 6.29 percent of pay and the City contributed 9.44 percent for a total rate of 15.73 percent. Protective occupation members contributed 6.21 percent of pay and the City contributed 9.31 percent for a total rate of 15.52 percent.

The City's total contributions to IPERS for the year ended June 30, 2023 were \$1,157,515.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the City reported a liability of \$5,322,320 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the City's collective proportion was 0.140871 percent which was an increase of 0.196391 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension expense of \$10,781. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 235,938	\$ 72,904
Changes of assumptions	4,516	127
Net difference between projected and actual earnings on pension plan investments	--	569,737
Changes in proportion and differences between City contributions and proportionate share of contributions	330,467	112,974
City contributions subsequent to the measurement date	1,157,515	--
Total	<u>\$ 1,728,436</u>	<u>\$ 755,742</u>

\$1,157,515 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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 June 30,	Total
2024	\$ (411,812)
2025	(296,153)
2026	(638,580)
2027	1,159,284
2028	2,440
	<u>\$ (184,821)</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2017)	2.60 percent per annum
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25 percent, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00 percent, compounded annually, net of investment expense, including inflation
Wage growth (effective June 30, 2017)	3.25 percent per annum based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2022 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using scale MP-2021.

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 (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>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0 %	3.57 %
International equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	0.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	8.0	3.63
Total	<u>100.0 %</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that 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 of

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 the 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 percent, 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-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
City's proportionate share of the net pension liability:	\$ 9,916,123	\$ 5,322,320	\$ 1,273,918

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

Payables to the Pension Plan – At June 30, 2023, the City reported no payables to the defined benefit pension plan for legally required employer contributions and legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

MFPRSI

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

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

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

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

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

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

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

Benefits are increased (escalated) 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 as modified by act of the 1994 General Assembly, to establish compliance with the Federal Older Workers Benefit Protections Act, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2023.

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 23.90% for the year ended June 30, 2023.

The City's contributions to MFPRSI for the year ended June 30, 2023, was \$1,598,647.

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, 2023.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the City reported a liability of \$9,824,664 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the City's proportion was 1.749498% which was a decrease of 0.007715% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension expense of \$952,292. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 610,089	\$ 12,633
Changes of assumptions	27,559	--
Net difference between projected and actual earnings on pension plan investments	--	116,405
Changes in proportion and differences between City contributions and proportionate share of contributions	149,761	460,528
City contributions subsequent to the measurement date	1,598,647	--
Total	<u>\$ 2,386,056</u>	<u>\$ 589,566</u>

\$1,598,647 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, 2024. 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 June 30,	Total
2024	\$ 24,861
2025	(306,932)
2026	(831,167)
2027	1,291,602
2028	19,479
	<u>\$ 197,843</u>

Actuarial Assumptions The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation	3.0 percent
Salary increases	3.75 to 15.11 percent, including 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, 2022 valuation were based on the results of an actuarial experience study for the 10-year period ending June 30, 2021. There were no significant changes of benefit terms.

Mortality rates as of June 30, 2022, were based on RP 2014 Blue Collar Healthy Annuitant table with males set-forward zero years, females set-forward two years and disabled set-forward three years (male only rates), with generational projection of future mortality improvement with 50% of Scale BB beginning in 2017.

The investment policy and decisions are governed by the Board of Trustees. 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 of return (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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Broad Fixed Income	3.50 %
Broad U.S. Equity	6.70 %
Global Equity	6.80 %
Broad Non-US Equity	7.00 %
Managed Futures	5.10 %
Emerging Markets	7.20 %
Real Estate - Core	6.40 %
Opportunistic Real Estate	11.00 %
Global Infrastructure	6.80 %
Private Credit	8.60 %
Private Equity	12.00 %

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made at 9.40% of covered payroll 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 7.50 percent, 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-percent lower (6.50 percent) or 1-percent higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability:	\$ 17,780,811	\$ 9,824,664	\$ 3,232,888

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

Payables to the Pension Plan – At June 30, 2023, the City reported no payables to the defined benefit pension plan for legally required employer contributions and legally required employee contributions which had been withheld from employee wages but not yet remitted to MFPRSI.

G. Other Postemployment Benefits (OPEB)

Plan Description – The City administers a single-employer benefit plan which provides medical, prescription drug and life benefits for all full-time active employees, retired and their eligible dependants. 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. The Plan does not issue a stand-alone financial report.

OPEB Benefits – Individuals who are employed by the City and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical, prescription drug and life benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	17
Active employees	196
Total	213

Total OPEB Liability – The City’s total OPEB liability of \$3,541,710 as of June 30, 2022 was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of Inflation (effective June 30, 2022)	3.00% percent per annum
Rates of salary increase (effective June 30, 2022)	3.50% per annum, including inflation.
Discount rate (effective June 30, 2022)	3.69% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2022)	7.58% initial rate decreasing by .35% annually to an ultimate rate of 4.44%.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.69% which reflects the index rate for 20-year Fidelity government obligation with a AA bonds index as of the measurement date.

Mortality rates are from the PUB 2010 annuitant distinct mortality table with MP2021 general projection of future mortality improvement.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	<u>\$ 3,410,500</u>
Changes for year:	
Service cost	239,867
Interest	129,371
Difference between Expected & Actual Experience	--
Change in Assumptions	--
Benefit payments	<u>(238,028)</u>
Net changes	<u>131,210</u>
Total OPEB liability end of year	<u><u>\$ 3,541,710</u></u>

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 (2.69%) or 1% higher (4.69%) than the current discount rate.

	1% Decrease (2.69)	Discount Rate (3.69%)	1% Increase (4.69%)
Total OPEB liability	\$ 3,794,435	\$ 3,541,710	\$ 3,310,030

Sensitivity of the City's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – 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 rates that are 1% lower (6.58%) or 1% higher (8.58%) than the current healthcare cost trend rates.

	1% Decrease (6.58%)	Healthcare Cost Trend Rate (7.58%)	1% Increase (8.58%)
Total OPEB liability	\$ 3,234,032	\$ 3,541,710	\$ 3,903,564

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2023, the City recognized OPEB expense of \$560,264. At June 30, 2023, the City reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 643,311	\$ --
Changes in assumptions	450,533	150,572
Total	<u>1,093,844</u>	<u>150,572</u>

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

Year Ended June 30,	Total
2024	\$ 191,026
2025	191,026
2026	191,026
2027	191,026
2028	106,719
Thereafter	72,449
	<u>\$ 943,272</u>

H. Interfund Balances

Individual interfund receivable and payable balances by fund type as of June 30, 2023, were stated in the fund financial statements as follows:

Fund	Total	
	Interfund Receivables	Interfund Payables
Nonmajor Governmental Funds	\$ 10,858	\$ 10,858
Capital Improvements Fund	22,634,580	--
Bond Fund	--	22,634,580
Total	<u>\$ 22,645,438</u>	<u>\$ 22,645,438</u>

The balances are due to the elimination of reporting negative cash.

Fund	Total	
	Advance to Other Funds	Advance from Other Funds
Hospital Fund	\$ 6,175,000	\$ --
Capital Improvements Fund	1,935,000	--
Sewer Fund	--	8,110,000
Total	<u>\$ 8,110,000</u>	<u>\$ 8,110,000</u>

The amount payable from the Sewer Fund to the Hospital Fund and the Capital Improvements Fund relates to internal financing for the large disinfection project at the City's water treatment facility and other City Sewer projects.

I. Interfund Transfers

The following transfers represent individual fund interfund transfers as stated in the Fund Financial Statements.

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
General Fund	Street Construction Fund	\$ 214,530
	Capital Improvements Fund	238,980
	Non-major Governmental Funds	39,040
	Sewer Fund	158,050
	Refuse Fund	192,710
	Storm Water Fund	35,140
		<u>\$ 878,450</u>
Street Construction Fund	Storm Water Fund	\$ 2,522,708
	Internal Service Fund	3,000
		<u>\$ 2,525,708</u>
Street Repair Fund	Street Construction Fund	\$ 42,036
	TIF Fund	101,291
		<u>\$ 143,327</u>
Capital Improvements Fund	General Fund	\$ 2,060,845
	TIF Fund	146,309
	Non-major Governmental Funds	10,000
		<u>\$ 2,217,154</u>
Bond Fund	TIF Fund	<u>\$ 4,487,916</u>
Non-major Governmental Funds	General Fund	\$ 1,394,000
	TIF Fund	1,240,810
		<u>\$ 2,634,810</u>
Refuse Fund	Street Construction	\$ 151,150
	Sewer Fund	151,150
		<u>\$ 302,300</u>
Stormwater Fund	Street Construction Fund	<u>\$ 567,007</u>
Internal Service Funds	General Fund	<u>\$ 1,508,709</u>
	Total	<u>\$ 15,265,381</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move debt service payments from proprietary or special revenue funds to the debt service fund as debt service payments come due and, (3) to move receipts from user fee generated funds to the general fund for certain administrative and custodial costs in the general fund.

Note 4. Other Notes**A. Due To/From Component Unit**

Amounts due from the component unit to the general fund at June 30, 2023, were as follows:

	Due from
Component Unit:	
Electric utility	\$ 1,218,229
Gas utility	--
Total	<u>\$ 1,218,229</u>

This amount differs from the amount reported as due to primary government since the Electric Utility, Gas Utility, and Communications Utility component units have a calendar year end of December 31, 2022.

B. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the government has established various funds to account for and finance its uninsured risks of loss.

The City has established a Health Insurance Reserve Fund for insuring benefits provided to City employees and covered dependents, which is included in the internal service fund type. Health benefits were self-insured up to a specific stop loss amount of \$100,000 and an aggregate stop loss of approximately \$5,098,401 for 2023. Coverage from a private insurance company is maintained for losses in excess of the stop loss amounts. All claims handling procedures are performed by a third-party claims administrator. Incurred but not reported claims have been accrued as a liability based upon the claims administrator's estimate.

All funds of the City participate in the program and make payments to the Health Insurance Reserve Fund based on actuarial estimates of the amounts needed to pay prior-year and current-year claims. The City has also established reserve funds for insuring workers' compensation, liability, and long-term disability claims which are included in the general fund type. Liability benefits were self-insured up to a specific stop loss amount of \$100,000 and an aggregate stop loss amount of \$260,000. Long-term disability benefits are self funded for the first six months, and the maximum benefit per individual is \$18,000. Workers' compensation benefits were self-insured up to an aggregate stop loss amount of \$350,000 with no specific stop loss amount. Coverage from private insurers is maintained for losses in excess of the stop loss amounts. An independent claims administrator performs all claims handling procedures. Settled claims for the above funds have not exceeded commercial coverage in any of the last three fiscal years.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

Changes in reported liabilities for the fiscal year ended June 30, 2023, are summarized as follows:

	Risk Management Fund				Total
	Health Insurance Reserve Fund	Workers' Compensation Reserve	Liability Reserve	Long-Term Disability Reserve	
Claim liabilities					
June 30, 2021	\$ 408,000	\$ 170,711	\$ --	\$ --	\$ 578,711
Claims and changes in estimates during fiscal year 2022	4,040,185	108,307	--	--	4,148,492
Claim payments	(4,079,185)	(92,920)	--	--	(4,172,105)
Claim liabilities					
June 30, 2022	\$ 369,000	\$ 186,098	\$ --	\$ --	\$ 555,098
Claims and changes in estimates during fiscal year 2023	4,377,987	82,915	--	--	4,460,902
Claim payments	(4,127,815)	(68,772)	--	--	(4,196,587)
Claim liabilities					
June 30, 2023	\$ 619,172	\$ 200,241	\$ --	\$ --	\$ 819,413

C. Commitments and Contingencies

Legal counsel has reported that as of June 30, 2023, there were claims and losses that are on file against the City. The City has the authority to levy additional taxes outside the regular limit to fund any uninsured judgment against the City. However, it is estimated that all of these claims and losses will be covered by insurance when exceeding stop loss limits, and the amounts prior to reaching these limits would not materially affect future financial statements of the City.

D. Urban Renewal Development Agreements

The City has entered into various development agreements for urban renewal projects. The agreements require the City to rebate portions of the incremental property tax paid by the developer in exchange for infrastructure improvements, rehabilitation and development of commercial projects by the developer.

The agreements are not general obligations of the City and, due to their nature, are not recorded as a liability in the City's financial statements. However, the agreements are subject to the constitutional debt limitation of the City.

Certain agreements include an annual appropriation clause and, accordingly, only the amount payable in the succeeding year on the agreements is subject to the constitutional debt limitation. The entire outstanding principal balance of agreements not including an annual appropriation clause is subject to the constitutional debt limitation.

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, as defined by Governmental Accounting Standards Board, 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, 2023, the City rebated \$1,281,692 of property tax under the urban renewal and economic development projects.

E. New Governmental Accounting Standards Board (GASB) Standards

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

GASB Statement No. 99, *Omnibus 2022*, issued April 2022, the requirements are effective for the City at issuance of the Statement, and with fiscal years ending after June 30, 2023 and June 30, 2024, respectively. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

GASB Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62, issued June 2022 will be effective for the City beginning with its fiscal year ending after June 30, 2024. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, *Compensated Absences*, issued June 2022 will be effective for the City beginning with its fiscal year ending after June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

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

City of Cedar Falls, Iowa
Budgetary Comparison Schedule - Function Budget
For the Year Ended June 30, 2023

	Budgeted Amounts	
	Original	Final
Revenues:		
Property taxes and assessments	\$ 29,891,580	\$ 29,891,580
Other City taxes	8,079,695	8,079,695
Licenses and permits	1,031,000	1,031,000
Use of money and property	633,452	633,452
Intergovernmental	17,700,020	21,930,640
Charges for services	15,220,550	15,653,750
Miscellaneous	1,104,483	3,388,883
Total revenues	\$ 73,660,780	\$ 80,609,000
Expenditures:		
Current:		
Public safety	\$ 13,446,710	\$ 13,538,610
Public works	19,449,090	24,834,940
Health and social services	28,000	28,000
Culture and recreation	8,665,100	8,921,100
Community and economic development	2,989,600	3,080,220
General government	6,310,200	6,313,200
Debt service	2,129,200	2,129,200
Capital projects	30,515,470	44,065,970
Business-type	9,205,410	10,324,410
Total expenditures	\$ 92,738,780	\$ 113,235,650
Excess (deficiency) of revenues over (under) expenditures	\$ (19,078,000)	\$ (32,626,650)
Total other financing sources (uses), net	\$ 1,885,000	\$ 2,515,000
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	\$ (17,193,000)	\$ (30,111,650)
Fund balances, beginning	89,733,998	89,733,998
Fund balances, ending	\$ 72,540,998	\$ 59,622,348

See notes to the required supplementary information.

<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
\$ 29,854,793	\$ (36,787)
8,375,338	295,643
930,896	(100,104)
2,274,756	1,641,304
19,125,343	(2,805,297)
15,381,879	(271,871)
3,253,760	(135,123)
<u>\$ 79,196,765</u>	<u>\$ (1,412,235)</u>
\$ 13,059,454	\$ 479,156
17,603,067	7,231,873
26,470	1,530
7,573,067	1,348,033
2,653,943	426,277
5,302,439	1,010,761
1,570,258	558,942
22,385,568	21,680,402
10,319,526	4,884
<u>\$ 80,493,792</u>	<u>\$ 32,741,858</u>
<u>\$ (1,297,027)</u>	<u>\$ 31,329,623</u>
<u>\$ 2,582,270</u>	<u>\$ 67,270</u>
\$ 1,285,243	\$ 31,396,893
105,773,315	16,039,317
<u>\$ 107,058,558</u>	<u>\$ 47,436,210</u>

City of Cedar Falls, Iowa**Notes to Required Supplementary Information – Budgetary Reporting
For the Year ended June 30, 2023****Note A - Budgetary Reporting**

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

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

Formal and legal budgetary control is based upon 9 major classes of disbursements known as functions, not by fund or fund type. These 9 functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, and business-type activities. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Project Funds, and Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment increased budgeted disbursements by \$20,496,870. This budget amendment is reflected in the final budget amounts.

City of Cedar Falls, Iowa
Budgetary Comparison Schedule -
Program Budget
Notes to RSI

Note B - Explanation of Differences between Budgetary Sources and Uses of funds and GAAP Revenues and Expenditures for the GAAP General Fund and Major Special Revenue Funds

	<u>Function Budget</u>
Sources	
Actual amounts (budgetary basis) "total revenues" from the budgetary comparison schedule - function budget	\$ 79,196,765
Adjustments:	
The City budgets for all receipts on the cash basis, rather than the modified accrual or accrual basis	(1,851,296)
Total revenues for the function budget on a GAAP basis of accounting	\$ 77,345,469
Reclassifications:	
The City reports sources of funds in the function budget as revenues in other major and nonmajor funds for GAAP reporting:	
Debt Service Fund	(1,093,163)
Capital Improvements Fund	(2,028,400)
Bond capital projects Fund	(3,980,851)
Nonmajor governmental GAAP funds	(5,717,511)
Business-type enterprise funds	(12,778,516)
Total revenues for general fund and major special revenue funds	<u>\$ 51,747,028</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds:	
General Fund	\$ 30,498,138
Hospital Fund	815,577
TIF Fund	5,930,466
Street Construction Fund	7,078,758
Street Repair Fund	7,424,089
Total revenues for general fund and major special revenue funds	<u>\$ 51,747,028</u>

	Function Budget
	<hr/>
Uses	
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule - function budget	\$ 80,493,792
Adjustments	
The City budgets for expenditures on the cash basis, rather than on the modified accrual or accrual basis on all items except payments to suppliers	
The City does not budget for depreciation	1,483,053
	<hr/>
Total uses for the function budget on a GAAP basis of accounting	\$ 81,976,845
Reclassifications:	
The City reports uses of funds in the function budget as expenditures in other major and nonmajor funds for GAAP reporting:	
Debt Service Fund	(1,179,108)
Capital Improvements Fund	(2,366,027)
Bond capital projects Fund	(15,560,384)
Nonmajor governmental GAAP funds	(8,895,638)
Business-type enterprise funds	(8,953,937)
	<hr/>
Total expenditures for general fund and major special revenue funds	<u>\$ 45,021,751</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds:	
General Fund	\$ 25,549,587
Hospital Fund	13,470
TIF Fund	--
Street Construction Fund	11,437,533
Street Repair Fund	8,021,161
	<hr/>
Total expenditures for general fund and major special revenue funds	<u>\$ 45,021,751</u>

City of Cedar Falls, Iowa

Schedule of the City's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System
June 30, 2023

	<u>2023</u>	<u>2022*</u>	<u>2021</u>
City's proportion of the net pension liability	0.1408710 %	(0.0555200) %	0.1318840 %
City's proportionate share of the net pension liability	\$ 5,322,320	\$ 191,670	\$ 9,264,499
City's covered payroll	\$ 11,357,362	\$ 11,095,706	\$ 10,465,436
City's proportionate share of the net pension liability as a percentage of its covered payroll	46.86 %	1.73 %	88.52 %
Plan fiduciary net position as a percentage of the total pension liability	91.40 %	100.81 %	82.90 %

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

See accompanying independent auditor's report.

Note: GASB Statement No. 68 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.

*The Plan has three groups, regular, sheriff, and protective. In total, the Plan reported a net pension asset at June 30, 2021. However, the City only participates in the regular group, which reported a net pension liability at June 30, 2021.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.1280748 %	0.1259677 %	0.1246758 %	0.1279990 %	0.1337248 %	0.1421628 %
\$ 7,416,373	\$ 7,971,544	\$ 8,304,985	\$ 8,055,379	\$ 6,606,653	\$ 5,638,043
\$ 9,750,115	\$ 9,473,601	\$ 9,302,153	\$ 9,203,649	\$ 9,218,654	\$ 9,346,040
76.06 %	84.14 %	89.28 %	87.52 %	71.67 %	60.33 %
85.45 %	83.62 %	82.21 %	81.82 %	85.19 %	87.61 %

City of Cedar Falls, Iowa
Schedule of City Contributions
Iowa Public Employees' Retirement System
Last 10 Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Statutorily required contribution	\$ 1,157,515	\$ 1,072,135	\$ 1,047,351	\$ 988,265
Contributions in relation to the statutorily required contribution	1,157,515	1,072,135	1,047,351	988,265
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
City's covered payroll	\$ 12,261,739	\$ 11,357,362	\$ 11,095,706	\$ 10,465,436
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
\$ 920,276	\$ 846,190	\$ 831,947	\$ 821,928	\$ 821,440	\$ 834,065
(920,276)	(846,190)	(831,947)	(821,928)	(821,440)	(834,065)
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
\$ 9,750,115	\$ 9,473,601	\$ 9,302,153	\$ 9,203,649	\$ 9,218,654	\$ 9,346,040
9.44%	8.93%	8.94%	8.93%	8.91%	8.92%

City of Cedar Falls, Iowa
Notes to Required Supplementary Information – Pension Liability
Year ended June 30, 2023

Iowa Public Employees' Retirement System:

Changes of benefit terms:

There were no significant changes of 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 for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

The 2018 valuation implemented the following refinements as a result of a demographic assumption 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 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

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

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

City of Cedar Falls, Iowa

Schedule of the City's Proportionate Share of the Net Pension Liability

Municipal Fire and Police Retirement System of Iowa
June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>
City's proportion of the net pension liability	1.749498 %	1.757213 %	1.859929 %
City's proportionate share of the net pension liability	\$ 9,824,664	\$ 3,946,246	\$ 14,834,799
City's covered payroll	\$ 5,908,861	\$ 5,708,659	\$ 5,907,701
City's proportionate share of the net pension liability as a percentage of its covered payroll	166.27 %	69.13 %	251.05 %
Plan fiduciary net position as a percentage of the total pension liability	84.62 %	93.62 %	76.47 %

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

See accompanying independent auditor's report.

Note: GASB Statement No. 68 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.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
1.864869 %	1.778180 %	1.671545 %	1.727939 %	1.727077 %	1.782771 %
\$ 12,232,171	\$ 10,587,346	\$ 9,803,195	\$ 10,804,128	\$ 8,114,055	\$ 6,462,513
\$ 5,646,572	\$ 5,168,468	\$ 4,734,184	\$ 4,682,488	\$ 4,529,187	\$ 4,552,662
216.63 %	204.84 %	207.07 %	230.73 %	179.15 %	141.95 %
79.94 %	81.07 %	80.6 %	78.2 %	83.04 %	86.27 %

City of Cedar Falls, Iowa

Schedule of City Contributions

**Municipal Fire and Police Retirement System of Iowa
Last 10 Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Statutorily required contribution	\$ 1,598,647	\$ 1,546,941	\$ 1,445,236	\$ 1,442,048
Contributions in relation to the statutorily required contribution	1,598,647	1,546,941	1,445,236	1,442,048
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
City's covered payroll	\$ 6,687,614	\$ 5,908,861	\$ 5,708,659	\$ 5,907,701
Contributions as a percentage of covered payroll	23.90%	26.18%	25.32%	24.41%

See accompanying independent auditor's report.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,469,237	\$ 1,327,264	\$ 1,227,100	\$ 1,300,356	\$ 1,377,326	\$ 1,371,261
(1,469,237)	(1,327,264)	(1,227,100)	(1,300,356)	(1,377,326)	(1,371,261)
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
\$ 5,646,572	\$ 5,168,469	\$ 4,734,184	\$ 4,682,488	\$ 4,529,187	\$ 4,552,662
26.02%	25.68%	25.92%	27.77%	30.41%	30.12%

City of Cedar Falls, Iowa
Notes to Required Supplementary Information – Pension Liability
Year ended June 30, 2023

Municipal Fire and Police Retirement System of Iowa:

Changes of benefit terms:

There were no significant changes of benefit terms.

Changes of assumptions:

The 2018 valuation changed postretirement mortality rates to the RP-2014 Blue Collar Healthy Annuitant table with males set-forward zero years, females set-forward two years and disabled set-forward three years (male only rates), with generational projection of future mortality improvement with 50% of scale BB.

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

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

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

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

City of Cedar Falls, Iowa
Schedule of Changes in the City's
Total OPEB Liability, Related Ratios and Notes

June 30, 2023

	2023	2022	2021
Service Cost	\$ 239,867	\$ 231,331	\$ 208,856
Interest cost	129,371	123,697	79,347
Difference between expected and actual experiences	--	102,348	--
Changes in assumptions	--	(190,724)	--
Benefit payments	(238,028)	(416,737)	(218,250)
Net change in total OPEB liability	\$ 131,210	\$ (150,085)	\$ 69,953
Total OPEB liability beginning of year	3,410,500	3,560,585	3,490,632
Total OPEB liability end of year	\$ 3,541,710	\$ 3,410,500	\$ 3,560,585
Covered-employee payroll	16,021,951	15,191,208	14,878,294
Total OPEB liability as a percentage of covered-employee payroll	22.11%	22.45%	23.93%

Notes to Schedules of Changes in the GAAP City's Total OPEB Liability and Related Ratios

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

The mortality table was changed to the PUB-2010 general table.

The mortality improvement scale was updated to the MP-2021.

The Getzen trend model was implemented.

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, 2023	3.69%
Year ended June 30, 2022	3.69%
Year ended June 30, 2021	2.21%
Year ended June 30, 2020	2.21%
Year ended June 30, 2019	3.87%
Year ended June 30, 2018	3.87%

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.

<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 129,747	\$ 125,359	\$ 55,384
108,917	105,512	61,468
275,367	--	924,312
358,691	--	537,008
<u>(133,483)</u>	<u>(161,077)</u>	<u>(141,086)</u>
\$ 739,239	\$ 69,794	\$ 1,437,086
2,751,393	2,681,599	1,244,513
<u>\$ 3,490,632</u>	<u>\$ 2,751,393</u>	<u>\$ 2,681,599</u>
14,375,163	13,870,992	13,401,925
24.28%	19.84%	20.01%

City of Cedar Falls, Iowa
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023
(Page 1 of 2)

	Community Development Fund	Housing Assistance Fund
ASSETS		
Cash	\$ 80,211	\$ 817,172
Receivables, net of allowance for uncollectible amounts:		
Property taxes	--	--
Other city taxes	--	--
Accrued interest	--	--
Special assessment	--	--
Due from other funds	--	--
Due from other governments	53,438	--
Inventories	--	--
Total assets	\$ 133,649	\$ 817,172
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 25,471	\$ 3,937
Grant proceeds received in advance	--	--
Accrued liabilities	--	1,526
Due to other funds	--	--
Total liabilities	\$ 25,471	\$ 5,463
DEFERRED INFLOWS OF RESOURCES		
Succeeding year property taxes	\$ --	\$ --
Other	5,356	--
Total deferred inflows of resources	\$ 5,356	\$ --
FUND BALANCES		
Nonspendable	\$ --	\$ --
Restricted	102,822	811,709
Committed	--	--
Assigned	--	--
Unassigned	--	--
Total fund balances	\$ 102,822	\$ 811,709
Total liabilities, deferred inflows of resources, and fund balances	\$ 133,649	\$ 817,172

Special Revenue

<u>Parking Fund</u>	<u>Police Retirement</u>	<u>Fire Retirement</u>	<u>Visitor & Tourism</u>
\$ 454,346	\$ 3,323,898	\$ 2,874,655	\$ 1,065,943
--	825,143	304,032	--
--	--	--	190,707
6,030	5,610	4,897	10,294
--	--	--	--
--	--	--	--
--	--	--	--
5,091	--	--	22,620
<u>\$ 465,467</u>	<u>\$ 4,154,651</u>	<u>\$ 3,183,584</u>	<u>\$ 1,289,564</u>
\$ 2,822	\$ 297	\$ 8,272	\$ 36,266
--	--	--	--
1,537	--	--	5,079
--	--	--	--
<u>\$ 4,359</u>	<u>\$ 297</u>	<u>\$ 8,272</u>	<u>\$ 41,345</u>
\$ --	\$ 819,945	\$ 302,101	\$ --
--	--	--	--
<u>\$ --</u>	<u>\$ 819,945</u>	<u>\$ 302,101</u>	<u>\$ --</u>
\$ 5,091	\$ --	\$ --	\$ 22,620
--	3,334,409	2,873,211	1,225,599
456,017	--	--	--
--	--	--	--
--	--	--	--
<u>\$ 461,108</u>	<u>\$ 3,334,409</u>	<u>\$ 2,873,211</u>	<u>\$ 1,248,219</u>
<u>\$ 465,467</u>	<u>\$ 4,154,651</u>	<u>\$ 3,183,584</u>	<u>\$ 1,289,564</u>

(continued)

City of Cedar Falls, Iowa
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023
(Page 2 of 2)

	Special Revenue		
	Greenwood Perpetual Care	Fairview Perpetual Care	Hillside Perpetual Care
ASSETS			
Cash	\$ 259,937	\$ 180,198	\$ 55,898
Receivables, net of allowance for uncollectible amounts:			
Property taxes	--	--	--
Other city taxes	--	--	--
Accrued interest	--	--	--
Special assessment	--	--	--
Due from other funds	--	--	--
Due from other governments	--	--	--
Inventories	--	--	--
Total assets	<u>\$ 259,937</u>	<u>\$ 180,198</u>	<u>\$ 55,898</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ --	\$ --	\$ --
Grant proceeds received in advance	--	--	--
Accrued liabilities	--	--	--
Due to other funds	--	--	--
Total liabilities	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
DEFERRED INFLOWS OF RESOURCES			
Succeeding year property taxes	\$ --	\$ --	\$ --
Other	--	--	--
Total deferred inflows of resources	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
FUND BALANCES			
Nonspendable	\$ --	\$ --	\$ --
Restricted	259,937	180,198	55,898
Committed	--	--	--
Assigned	--	--	--
Unassigned	--	--	--
Total fund balances	<u>\$ 259,937</u>	<u>\$ 180,198</u>	<u>\$ 55,898</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 259,937</u>	<u>\$ 180,198</u>	<u>\$ 55,898</u>

(continued)

Capital Projects					
Washington Park Renovation	FEMA Fund	Sidewalk Assessment	Coronavirus Relief	Economic Development Capital	Total
\$ 34,029	\$ 2,986,627	\$ --	\$ 5,880,501	\$ 9,488,400	\$ 27,501,815
--	--	--	--	--	1,129,175
--	--	--	--	--	190,707
395	38,047	--	202,030	96,419	363,722
--	--	39,781	--	--	39,781
--	--	--	--	10,858	10,858
--	41,700	--	--	--	95,138
--	--	--	--	--	27,711
<u>\$ 34,424</u>	<u>\$ 3,066,374</u>	<u>\$ 39,781</u>	<u>\$ 6,082,531</u>	<u>\$ 9,595,677</u>	<u>\$ 29,358,907</u>
\$ --	\$ 88,654	\$ --	\$ 19,681	\$ 4,142	\$ 189,542
--	--	--	5,872,405	--	5,872,405
--	--	--	--	--	8,142
--	--	10,858	--	--	10,858
<u>\$ --</u>	<u>\$ 88,654</u>	<u>\$ 10,858</u>	<u>\$ 5,892,086</u>	<u>\$ 4,142</u>	<u>\$ 6,080,947</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,122,046
--	41,700	38,993	--	--	86,049
<u>\$ --</u>	<u>\$ 41,700</u>	<u>\$ 38,993</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,208,095</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 27,711
--	--	--	--	--	8,843,783
--	--	--	--	--	456,017
34,424	2,936,020	--	190,445	9,591,535	12,752,424
--	--	(10,070)	--	--	(10,070)
<u>\$ 34,424</u>	<u>\$ 2,936,020</u>	<u>\$ (10,070)</u>	<u>\$ 190,445</u>	<u>\$ 9,591,535</u>	<u>\$ 22,069,865</u>
<u>\$ 34,424</u>	<u>\$ 3,066,374</u>	<u>\$ 39,781</u>	<u>\$ 6,082,531</u>	<u>\$ 9,595,677</u>	<u>\$ 29,358,907</u>

City of Cedar Falls, Iowa
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023
(Page 1 of 2)

	Community Development Fund	Housing Assistance Fund	Parking Fund
Revenues:			
Property taxes and assessments	\$ --	\$ --	\$ --
Other city taxes	--	--	--
Use of money and property	--	36,101	12,070
Intergovernmental	273,474	1,267,824	--
Charges for services	--	--	--
Fines and forfeitures	--	--	182,738
Miscellaneous	--	2,880	--
Total revenues	<u>\$ 273,474</u>	<u>\$ 1,306,805</u>	<u>\$ 194,808</u>
Expenditures:			
Current:			
Public safety	\$ --	\$ --	\$ --
Public works	--	--	259,371
Culture and recreation	--	--	--
Community and economic development	238,073	1,225,263	--
Capital projects	--	--	--
Total expenditures	<u>\$ 238,073</u>	<u>\$ 1,225,263</u>	<u>\$ 259,371</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 35,401</u>	<u>\$ 81,542</u>	<u>\$ (64,563)</u>
Other financing sources (uses):			
Transfers in	\$ --	\$ --	\$ --
Transfers out	--	--	(30,640)
Total other financing sources (uses)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (30,640)</u>
Net change in fund balances	\$ 35,401	\$ 81,542	\$ (95,203)
Fund balances, beginning	67,421	730,167	557,841
Increase (decrease) in reserve for inventories	--	--	(1,530)
Fund balances, ending	<u>\$ 102,822</u>	<u>\$ 811,709</u>	<u>\$ 461,108</u>

Special Revenue		
Police Retirement	Fire Retirement	Visitor & Tourism
\$ 829,279	\$ 306,590	\$ --
--	--	748,881
53,633	51,223	23,407
--	--	--
--	--	--
--	--	--
--	--	28,910
<u>\$ 882,912</u>	<u>\$ 357,813</u>	<u>\$ 801,198</u>
\$ 950,109	\$ 712,141	\$ --
--	--	--
--	--	608,762
--	--	--
--	--	--
<u>\$ 950,109</u>	<u>\$ 712,141</u>	<u>\$ 608,762</u>
<u>\$ (67,197)</u>	<u>\$ (354,328)</u>	<u>\$ 192,436</u>
\$ --	\$ --	\$ 94,883
--	--	(18,400)
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 76,483</u>
\$ (67,197)	\$ (354,328)	\$ 268,919
3,401,606	3,227,539	983,852
--	--	(4,552)
<u>\$ 3,334,409</u>	<u>\$ 2,873,211</u>	<u>\$ 1,248,219</u>

(continued)

City of Cedar Falls, Iowa
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023
(Page 2 of 2)

	Special Revenue		
	Greenwood Perpetual Care	Fairview Perpetual Care	Hillside Perpetual Care
Revenues:			
Property taxes and assessments	\$ --	\$ --	\$ --
Other city taxes	--	--	--
Use of money and property	--	--	--
Intergovernmental	--	--	--
Charges for services	5,470	10,600	2,210
Fines and forfeitures	--	--	--
Miscellaneous	--	--	--
Total revenues	<u>\$ 5,470</u>	<u>\$ 10,600</u>	<u>\$ 2,210</u>
Expenditures:			
Current:			
Public safety	\$ --	\$ --	\$ --
Public works	--	--	--
Culture and recreation	--	--	--
Community and economic development	--	--	--
Capital projects	--	--	--
Total expenditures	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 5,470</u>	<u>\$ 10,600</u>	<u>\$ 2,210</u>
Other financing sources (uses):			
Transfers in	\$ --	\$ --	\$ --
Transfers out	--	--	--
Total other financing sources (uses)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Net change in fund balances	\$ 5,470	\$ 10,600	\$ 2,210
Fund balances, beginning	254,467	169,598	53,688
Increase (decrease) in reserve for inventories	--	--	--
Fund balances, ending	<u>\$ 259,937</u>	<u>\$ 180,198</u>	<u>\$ 55,898</u>

(continued)

Capital Projects					
Washington Park Renovation	FEMA Fund	Sidewalk Assessment	Coronavirus Relief	Economic Development Capital	Total
\$ --	\$ --	\$ 26,115	\$ --	\$ --	\$ 1,161,984
--	--	--	--	--	748,881
793	76,124	--	204,252	245,513	703,116
--	504,378	--	636,335	--	2,682,011
--	--	--	--	--	18,280
--	--	--	--	--	182,738
--	453	26,215	--	162,043	220,501
<u>\$ 793</u>	<u>\$ 580,955</u>	<u>\$ 52,330</u>	<u>\$ 840,587</u>	<u>\$ 407,556</u>	<u>\$ 5,717,511</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,662,250
--	--	--	--	--	259,371
--	--	--	--	--	608,762
--	--	--	--	--	1,463,336
--	2,212,363	40,110	656,016	1,993,430	4,901,919
<u>\$ --</u>	<u>\$ 2,212,363</u>	<u>\$ 40,110</u>	<u>\$ 656,016</u>	<u>\$ 1,993,430</u>	<u>\$ 8,895,638</u>
<u>\$ 793</u>	<u>\$ (1,631,408)</u>	<u>\$ 12,220</u>	<u>\$ 184,571</u>	<u>\$ (1,585,874)</u>	<u>\$ (3,178,127)</u>
\$ --	\$ --	\$ --	\$ --	\$ 2,539,927	\$ 2,634,810
--	--	--	--	--	(49,040)
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,539,927</u>	<u>\$ 2,585,770</u>
\$ 793	\$ (1,631,408)	\$ 12,220	\$ 184,571	\$ 954,053	\$ (592,357)
33,631	4,567,428	(22,290)	5,874	8,637,482	22,668,304
--	--	--	--	--	(6,082)
<u>\$ 34,424</u>	<u>\$ 2,936,020</u>	<u>\$ (10,070)</u>	<u>\$ 190,445</u>	<u>\$ 9,591,535</u>	<u>\$ 22,069,865</u>

City of Cedar Falls, Iowa
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Health Insurance	Health Insurance Severance	Payroll
ASSETS			
Current assets:			
Cash	\$ 3,303,566	\$ 319,107	\$ 2,809,909
Receivables, net of allowance for uncollectible amounts:			
Accrued interest	30,364	--	39,580
Other	130,335	--	--
Inventories	--	--	--
Total current assets	<u>\$ 3,464,265</u>	<u>\$ 319,107</u>	<u>\$ 2,849,489</u>
Noncurrent assets:			
Capital assets:			
Buildings	\$ --	\$ --	\$ --
Machinery and equipment	--	--	--
Subscription asset	--	--	--
Accumulated depreciation	--	--	--
Total noncurrent assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Total assets	<u>\$ 3,464,265</u>	<u>\$ 319,107</u>	<u>\$ 2,849,489</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	\$ --	\$ --	\$ --
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 156,920	\$ 319,107	\$ 666,636
Accrued liabilities	619,172	--	--
Subscription liability - due within one year	--	--	--
Compensated absences due within one year	--	--	--
Total current liabilities	<u>\$ 776,092</u>	<u>\$ 319,107</u>	<u>\$ 666,636</u>
Noncurrent liabilities:			
Subscription liability - after one year	\$ --	\$ --	\$ --
Compensated absences after one year	--	--	--
Net pension liability	--	--	--
Total noncurrent liabilities	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Total liabilities	<u>\$ 776,092</u>	<u>\$ 319,107</u>	<u>\$ 666,636</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	\$ --	\$ --	\$ --
NET POSITION			
Investment in capital assets	\$ --	\$ --	\$ --
Unrestricted	2,688,173	--	2,182,853
Total net position	<u>\$ 2,688,173</u>	<u>\$ --</u>	<u>\$ 2,182,853</u>
Total Liabilities and net position	<u>\$ 3,464,265</u>	<u>\$ 319,107</u>	<u>\$ 2,849,489</u>

<u>Risk Management</u>	<u>Data Processing</u>	<u>Vehicle Maintenance</u>	<u>Total</u>
\$ 2,678,985	\$ 1,590,423	\$ 2,837,943	\$ 13,539,933
30,010	17,406	34,612	151,972
141,206	--	2,417	273,958
--	1,568	81,488	83,056
<u>\$ 2,850,201</u>	<u>\$ 1,609,397</u>	<u>\$ 2,956,460</u>	<u>\$ 14,048,919</u>
\$ --	\$ --	\$ 90,302	\$ 90,302
--	1,580,536	6,734,161	8,314,697
--	242,416	--	242,416
--	(1,387,845)	(4,386,947)	(5,774,792)
<u>\$ --</u>	<u>\$ 435,107</u>	<u>\$ 2,437,516</u>	<u>\$ 2,872,623</u>
<u>\$ 2,850,201</u>	<u>\$ 2,044,504</u>	<u>\$ 5,393,976</u>	<u>\$ 16,921,542</u>
\$ --	\$ 61,030	\$ 56,421	\$ 117,451
\$ 71,297	\$ 214,128	\$ 193,657	\$ 1,621,745
200,241	12,049	10,050	841,512
--	107,805	--	107,805
--	26,198	24,475	50,673
<u>\$ 271,538</u>	<u>\$ 360,180</u>	<u>\$ 228,182</u>	<u>\$ 2,621,735</u>
\$ --	\$ 41,922	\$ --	\$ 41,922
--	21,738	--	21,738
--	147,820	137,105	284,925
<u>\$ --</u>	<u>\$ 211,480</u>	<u>\$ 137,105</u>	<u>\$ 348,585</u>
<u>\$ 271,538</u>	<u>\$ 571,660</u>	<u>\$ 365,287</u>	<u>\$ 2,970,320</u>
\$ --	\$ 18,683	\$ 14,603	\$ 33,286
\$ --	\$ 285,380	\$ 2,437,516	\$ 2,722,896
2,578,663	1,229,811	2,632,991	11,312,491
<u>\$ 2,578,663</u>	<u>\$ 1,515,191</u>	<u>\$ 5,070,507</u>	<u>\$ 14,035,387</u>
<u>\$ 2,850,201</u>	<u>\$ 2,105,534</u>	<u>\$ 5,450,397</u>	<u>\$ 17,038,993</u>

City of Cedar Falls, Iowa
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2023

	<u>Health Insurance</u>	<u>Health Insurance Severance</u>	<u>Payroll</u>
Operating revenues:			
Charges for services	\$ 3,155,787	\$ --	\$ 394,549
Other	--	--	--
Total operating revenues	<u>\$ 3,155,787</u>	<u>\$ --</u>	<u>\$ 394,549</u>
Operating expenses:			
Personal services	\$ --	\$ --	\$ 1,042,422
Contractual services	4,607,748	--	--
Supplies and equipment	--	--	--
Depreciation/amortization	--	--	--
Total operating expenses	<u>\$ 4,607,748</u>	<u>\$ --</u>	<u>\$ 1,042,422</u>
Operating income (loss)	<u>\$ (1,451,961)</u>	<u>\$ --</u>	<u>\$ (647,873)</u>
Nonoperating revenues (expenses):			
Use of money and property	\$ 61,746	\$ --	\$ 80,006
Interest expense	--	--	--
Gain on disposal of capital assets	--	--	--
Loss on disposal of equipment	--	--	--
Nonoperating revenues (expenses)	<u>\$ 61,746</u>	<u>\$ --</u>	<u>\$ 80,006</u>
Income (loss) before transfers	<u>\$ (1,390,215)</u>	<u>\$ --</u>	<u>\$ (567,867)</u>
Transfers in	\$ 1,502,460	\$ --	\$ --
Transfers out	--	--	--
Transfers, net	<u>\$ 1,502,460</u>	<u>\$ --</u>	<u>\$ --</u>
Change in net position	\$ 112,245	\$ --	\$ (567,867)
Net position, beginning	2,575,928	--	2,750,720
Net position, ending	<u>\$ 2,688,173</u>	<u>\$ --</u>	<u>\$ 2,182,853</u>

<u>Risk Management</u>	<u>Data Processing</u>	<u>Vehicle Maintenance</u>	<u>Total</u>
\$ 828,586	\$ 1,580,940	\$ 2,134,040	\$ 8,093,902
181,847	2,374	80,877	265,098
<u>\$ 1,010,433</u>	<u>\$ 1,583,314</u>	<u>\$ 2,214,917</u>	<u>\$ 8,359,000</u>
\$ --	\$ 524,326	\$ 522,390	\$ 2,089,138
1,109,448	480,455	313,338	6,510,989
--	226,972	1,226,332	1,453,304
--	172,891	347,605	520,496
<u>\$ 1,109,448</u>	<u>\$ 1,404,644</u>	<u>\$ 2,409,665</u>	<u>\$ 10,573,927</u>
<u>\$ (99,015)</u>	<u>\$ 178,670</u>	<u>\$ (194,748)</u>	<u>\$ (2,214,927)</u>
\$ 59,878	\$ 34,784	\$ 69,488	\$ 305,902
--	(8,114)	--	(8,114)
--	--	8,740	8,740
--	--	(10,184)	(10,184)
<u>\$ 59,878</u>	<u>\$ 26,670</u>	<u>\$ 68,044</u>	<u>\$ 296,344</u>
<u>\$ (39,137)</u>	<u>\$ 205,340</u>	<u>\$ (126,704)</u>	<u>\$ (1,918,583)</u>
\$ --	\$ --	\$ 6,249	\$ 1,508,709
(3,000)	--	--	(3,000)
<u>\$ (3,000)</u>	<u>\$ --</u>	<u>\$ 6,249</u>	<u>\$ 1,505,709</u>
\$ (42,137)	\$ 205,340	\$ (120,455)	\$ (412,874)
2,620,800	1,309,851	5,190,962	14,448,261
<u><u>\$ 2,578,663</u></u>	<u><u>\$ 1,515,191</u></u>	<u><u>\$ 5,070,507</u></u>	<u><u>\$ 14,035,387</u></u>

City of Cedar Falls, Iowa
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Health Insurance	Health Insurance Severance
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from interfund services	\$ 3,146,004	\$ 47,701
Payments to suppliers	(4,367,486)	--
Payments to employees	--	(69,731)
Net cash provided by (used for) operating activities	\$ (1,221,482)	\$ (22,030)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	\$ 1,502,460	\$ --
Transfers to other funds	--	--
Net cash provided by (used for) financing activities	\$ 1,502,460	\$ --
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Net acquisition of property and equipment	\$ --	\$ --
Interest Paid	--	--
Net cash for capital & related financing activities	\$ --	\$ --
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investments	\$ 33,809	\$ --
Net increase (decrease) in cash	\$ 314,787	\$ (22,030)
CASH BALANCES, Beginning	2,988,779	341,137
CASH BALANCES, Ending	\$ 3,303,566	\$ 319,107
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (1,451,961)	\$ --
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation/amortization	--	--
(Increase) decrease in:		
Other receivables	(9,782)	--
Inventories	--	--
Increase (decrease) in accounts payable, accrued and other liabilities	240,261	(22,030)
(Increase) decrease in deferred outflows of resources	--	--
Increase (decrease) in deferred inflows of resources	--	--
Net cash provided by (used for) operating activities	\$ (1,221,482)	\$ (22,030)

<u>Payroll</u>	<u>Risk Management</u>	<u>Data Processing</u>	<u>Vehicle Maintenance</u>	<u>Total</u>
\$ 394,549	\$ 828,586	\$ 1,580,940	\$ 2,134,040	\$ 8,131,820
--	(985,650)	(377,868)	(1,468,089)	(7,199,093)
(379,621)	--	(574,210)	(569,647)	(1,593,209)
<u>\$ 14,928</u>	<u>\$ (157,064)</u>	<u>\$ 628,862</u>	<u>\$ 96,304</u>	<u>\$ (660,482)</u>
\$ --	\$ --	\$ --	\$ 6,249	\$ 1,508,709
--	(3,000)	--	--	(3,000)
<u>\$ --</u>	<u>\$ (3,000)</u>	<u>\$ --</u>	<u>\$ 6,249</u>	<u>\$ 1,505,709</u>
\$ --	\$ --	\$ (417,487)	\$ (500,135)	\$ (917,622)
--	--	(8,114)	--	(8,114)
<u>\$ --</u>	<u>\$ --</u>	<u>\$ (425,601)</u>	<u>\$ (500,135)</u>	<u>\$ (925,736)</u>
\$ 43,345	\$ 32,307	\$ 18,604	\$ 37,706	\$ 165,771
\$ 58,273	\$ (127,757)	\$ 221,865	\$ (359,876)	\$ 85,262
2,751,636	2,806,742	1,368,558	3,197,819	13,454,671
<u>\$ 2,809,909</u>	<u>\$ 2,678,985</u>	<u>\$ 1,590,423</u>	<u>\$ 2,837,943</u>	<u>\$ 13,539,933</u>
\$ (647,873)	\$ (99,015)	\$ 178,670	\$ (194,748)	\$ (2,214,927)
--	--	172,891	347,605	520,496
--	(115,066)	--	(539)	(125,387)
--	--	9	(53,908)	(53,899)
662,801	57,017	505,738	210,469	1,654,256
--	--	1,864	1,239	3,103
--	--	(230,310)	(213,814)	(444,124)
<u>\$ 14,928</u>	<u>\$ (157,064)</u>	<u>\$ 628,862</u>	<u>\$ 96,304</u>	<u>\$ (660,482)</u>

City of Cedar Falls, Iowa
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source*
June 30, 2023 and 2022

	2023	2022
Governmental fund capital assets:		
Land	\$ 46,552,219	\$ 43,116,319
Land improvements	21,186,653	21,100,815
Buildings	40,827,753	36,846,487
Machinery and equipment	15,142,309	14,571,997
Infrastructure	278,020,309	273,462,096
Right-to-use leased/subscription assets	47,397	--
Construction in progress	46,926,605	23,380,432
Total governmental funds capital assets	\$ 448,703,245	\$ 412,478,146
Investments in governmental funds capital assets by source:		
General fund	\$ 23,269,500	\$ 23,574,227
Special revenue funds	104,387,489	89,571,846
Capital projects funds	274,845,645	254,090,362
Internal service	241,913	238,913
Donations	45,958,698	45,002,798
Total governmental funds capital assets	\$ 448,703,245	\$ 412,478,146

* This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

City of Cedar Falls, Iowa
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity *
June 30, 2023

<u>Function and Activity</u>	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>
Public Safety	\$ 12,500	\$ --	\$ 10,521,665
Public Works	751,051	2,824,987	1,582,334
Health & Social Services	151,494	89,596	5,873,537
Culture and Recreation	2,923,734	12,141,565	14,598,974
Community and Economic Development	42,659,539	6,130,505	11,500
General Government	53,901	--	8,239,743
	<u>\$ 46,552,219</u>	<u>\$ 21,186,653</u>	<u>\$ 40,827,753</u>

* This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Right-to-Use</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 2,539,801	\$ --	\$ --	\$ --	\$ 13,073,966
6,922,828	270,569,979	--	44,787,627	327,438,806
--	--	--	--	6,114,627
3,796,441	7,450,330	--	1,377,840	42,288,884
108,477	--	47,397	761,138	49,718,556
1,774,762	--	--	--	10,068,406
<u>\$ 15,142,309</u>	<u>\$ 278,020,309</u>	<u>\$ 47,397</u>	<u>\$ 46,926,605</u>	<u>\$ 448,703,245</u>

City of Cedar Falls, Iowa
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity *
For the Fiscal Year Ended June 30, 2023

	Governmental Funds Capital Assets July 1, 2022	Additions	Deletions	Governmental Funds Capital Assets June 30, 2023
Public Safety	\$ 13,100,690	\$ 5,224	\$ 31,948	\$ 13,073,966
Public Works	297,257,148	31,196,343	1,014,685	327,438,806
Health & Social Services	6,114,627	--	--	6,114,627
Culture and Recreation	41,769,983	5,457,269	4,938,368	42,288,884
Community and Economic Development	46,035,321	3,683,235	--	49,718,556
General Government	8,200,377	6,759,378	4,891,349	10,068,406
	<u>\$ 412,478,146</u>	<u>\$ 47,101,449</u>	<u>\$ 10,876,350</u>	<u>\$ 448,703,245</u>

* This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

**City of Cedar Falls, Iowa
Statistical Section**

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

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	128
Revenue Capacity	
These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	138
Debt Capacity	
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future	147
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	159
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	164

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

City of Cedar Falls, Iowa
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 162,409,906	\$ 165,448,958	\$ 177,078,562	\$ 185,440,156
Restricted	25,300,988	28,349,177	30,021,985	33,221,194
Unrestricted	57,227,282	66,476,930	67,625,175	66,287,368
Total governmental activities net position	<u>\$ 244,938,176</u>	<u>\$ 260,275,065</u>	<u>\$ 274,725,722</u>	<u>\$ 284,948,718</u>
Business-type activities				
Net investment in capital assets	\$ 77,467,033	\$ 79,444,948	\$ 80,717,535	\$ 79,810,012
Restricted	9,500	9,500	9,500	9,500
Unrestricted	(4,218,827)	(6,100,653)	(4,631,127)	(2,265,218)
Total business-type activities net position	<u>\$ 73,257,706</u>	<u>\$ 73,353,795</u>	<u>\$ 76,095,908</u>	<u>\$ 77,554,294</u>
Primary government				
Net investment in capital assets	\$ 239,876,939	\$ 244,893,906	\$ 257,796,097	\$ 265,250,168
Restricted	25,310,488	28,358,677	30,031,485	33,230,694
Unrestricted	53,008,455	60,376,277	62,994,048	64,022,150
Total primary government net position	<u>\$ 318,195,882</u>	<u>\$ 333,628,860</u>	<u>\$ 350,821,630</u>	<u>\$ 362,503,012</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 206,505,683	\$ 222,380,958	\$ 233,264,428	\$ 235,252,432	\$ 242,518,284	\$ 266,321,640
32,833,649	33,108,311	34,985,196	37,325,937	38,412,903	34,920,339
62,952,964	57,239,608	51,425,709	54,645,260	56,550,973	54,325,895
<u>\$ 302,292,296</u>	<u>\$ 312,728,877</u>	<u>\$ 319,675,333</u>	<u>\$ 327,223,629</u>	<u>\$ 337,482,160</u>	<u>\$ 355,567,874</u>
\$ 83,110,200	\$ 79,531,920	\$ 80,028,959	\$ 80,744,907	\$ 81,353,542	\$ 81,369,077
9,500	29,990	29,990	29,990	41,540	41,540
(1,699,735)	6,090,521	7,529,705	11,807,093	14,652,540	17,288,318
<u>\$ 81,419,965</u>	<u>\$ 85,652,431</u>	<u>\$ 87,588,654</u>	<u>\$ 92,581,990</u>	<u>\$ 96,047,622</u>	<u>\$ 98,698,935</u>
\$ 289,615,883	\$ 301,912,878	\$ 313,293,387	\$ 315,997,339	\$ 323,871,826	\$ 347,690,717
32,843,149	33,138,301	35,015,186	37,355,927	38,454,443	34,961,879
61,253,229	63,330,129	58,955,414	66,452,353	71,203,513	71,614,213
<u>\$ 383,712,261</u>	<u>\$ 398,381,308</u>	<u>\$ 407,263,987</u>	<u>\$ 419,805,619</u>	<u>\$ 433,529,782</u>	<u>\$ 454,266,809</u>

City of Cedar Falls, Iowa
Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)
(Page 1 of 2)

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental activities:				
Public safety	\$ 9,293,710	\$ 9,285,835	\$ 9,720,423	\$ 10,499,099
Public works	12,086,420	12,301,197	11,782,921	12,901,482
Health and social services	166,764	279,734	276,202	308,406
Culture and recreation	7,135,841	7,560,018	7,679,626	7,751,904
Community and economic development	5,134,158	5,661,653	5,747,990	7,625,932
General government	4,684,649	4,319,945	3,855,419	3,924,362
Debt service	183,339	166,377	157,356	178,344
Total governmental activities expenses	<u>38,684,881</u>	<u>39,574,759</u>	<u>39,219,937</u>	<u>43,189,529</u>
Business-type activities:				
Sewer	3,971,854	4,702,339	4,822,038	4,613,456
Refuse	2,960,082	2,744,057	2,829,990	2,876,394
Storm Water	835,029	1,000,434	925,595	866,931
Total business-type activities expenses	<u>7,766,965</u>	<u>8,446,830</u>	<u>8,577,623</u>	<u>8,356,781</u>
Total primary government expenses	<u>\$ 46,451,846</u>	<u>\$ 48,021,589</u>	<u>\$ 47,797,560</u>	<u>\$ 51,546,310</u>
Program Revenues				
Governmental activities:				
Charges for services:				
Public Safety	\$ 661,382	\$ 640,025	\$ 620,779	\$ 607,903
Public Works	179,494	174,750	179,815	168,952
Culture and Recreation	2,518,347	2,226,514	2,501,785	2,197,303
General Government	1,773,501	1,547,812	2,009,261	1,750,177
Operating grants and contributions	1,818,312	1,502,835	1,911,261	2,136,947
Capital grants and contributions	3,576,733	1,628,293	3,055,296	1,652,967
Total governmental activities program revenues	<u>10,527,769</u>	<u>7,720,229</u>	<u>10,278,197</u>	<u>8,514,249</u>
Business-type activities:				
Charges for services:				
Sewer	4,837,116	5,067,148	5,279,521	5,629,724
Refuse	3,139,016	2,855,267	2,910,356	2,899,428
Storm Water	831,083	830,501	937,310	883,849
Capital grants and contributions: sewer and storm water	689,285	731,471	1,034,068	897,429
Total business-type activities program revenues	<u>9,496,500</u>	<u>9,484,387</u>	<u>10,161,255</u>	<u>10,310,430</u>
Total primary government program revenues	<u>\$ 20,024,269</u>	<u>\$ 17,204,616</u>	<u>\$ 20,439,452</u>	<u>\$ 18,824,679</u>
Net (Expense)/Revenues				
Governmental activities	(28,157,112)	(31,854,530)	(28,941,740)	(34,675,280)
Business-type activities	1,729,535	1,037,557	1,583,632	1,953,649
Total primary government net expense	<u>\$ (26,427,577)</u>	<u>\$ (30,816,973)</u>	<u>\$ (27,358,108)</u>	<u>\$ (32,721,631)</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 11,516,205	\$ 12,234,454	\$ 14,356,978	\$ 14,443,799	\$ 11,596,217	\$ 13,684,358
11,932,088	16,064,779	14,178,454	15,089,189	18,503,503	14,537,822
273,186	173,198	357,404	352,735	174,754	175,448
8,726,607	7,852,080	8,149,827	8,227,093	7,989,443	8,389,572
4,033,621	4,443,144	4,226,474	4,741,335	4,637,338	4,667,924
4,049,880	4,333,051	4,664,011	5,410,951	5,012,842	5,633,997
135,621	180,268	192,876	174,868	128,515	295,198
<u>40,667,208</u>	<u>45,280,974</u>	<u>46,126,024</u>	<u>48,439,970</u>	<u>48,042,612</u>	<u>47,384,319</u>
4,653,292	4,816,390	5,162,985	5,001,085	5,594,416	4,849,239
2,972,968	3,052,989	3,134,596	3,235,095	3,451,795	3,297,786
946,045	983,487	1,037,946	1,050,855	1,034,120	1,150,452
<u>8,572,305</u>	<u>8,852,866</u>	<u>9,335,527</u>	<u>9,287,035</u>	<u>10,080,331</u>	<u>9,297,477</u>
<u>\$ 49,239,513</u>	<u>\$ 54,133,840</u>	<u>\$ 55,461,551</u>	<u>\$ 57,727,005</u>	<u>\$ 58,122,943</u>	<u>\$ 56,681,796</u>
\$ 640,663	\$ 655,542	\$ 577,351	\$ 516,198	\$ 579,155	\$ 652,117
171,855	165,923	161,405	105,769	234,458	182,739
1,919,584	1,929,337	1,296,689	1,176,045	1,761,001	1,744,839
1,893,538	1,680,208	1,509,577	2,093,041	1,539,552	1,463,007
2,714,799	1,607,195	1,919,605	3,012,469	2,746,064	2,142,355
7,928,276	5,583,625	2,968,418	3,180,994	2,731,155	2,143,277
<u>15,268,715</u>	<u>11,621,830</u>	<u>8,433,045</u>	<u>10,084,516</u>	<u>9,591,385</u>	<u>8,328,334</u>
6,272,882	6,625,335	6,903,473	7,300,595	7,694,631	8,334,109
3,031,163	2,930,917	2,915,458	3,086,774	3,271,061	3,257,768
1,037,731	947,035	1,093,448	1,051,594	1,070,344	1,186,639
1,173,269	259,676	390,852	1,534,377	91,786	722,890
<u>11,515,045</u>	<u>10,762,963</u>	<u>11,303,231</u>	<u>12,973,340</u>	<u>12,127,822</u>	<u>13,501,406</u>
<u>\$ 26,783,760</u>	<u>\$ 22,384,793</u>	<u>\$ 19,736,276</u>	<u>\$ 23,057,856</u>	<u>\$ 21,719,207</u>	<u>\$ 21,829,740</u>
(25,398,493)	(33,659,144)	(37,692,979)	(38,355,454)	(38,451,227)	(39,055,985)
2,942,740	1,910,097	1,967,704	3,686,305	2,047,491	4,203,929
<u>\$ (22,455,753)</u>	<u>\$ (31,749,047)</u>	<u>\$ (35,725,275)</u>	<u>\$ (34,669,149)</u>	<u>\$ (36,403,736)</u>	<u>\$ (34,852,056)</u>

(continued)

City of Cedar Falls, Iowa
Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)
(Page 2 of 2)

	Fiscal Year			
	2014	2015	2016	2017
General Revenues and Other Changes in Net Position				
Governmental activities:				
General revenues:				
Property taxes and assessments	\$ 21,248,529	\$ 25,096,699	\$ 24,991,769	\$ 25,646,096
Other city taxes	6,036,891	5,935,675	5,820,244	5,931,730
Use of money and property	1,120,041	1,187,617	1,252,423	1,302,082
Intergovernmental	4,545,694	25,400,155	6,503,056	6,386,056
Miscellaneous	1,389,109	844,766	1,616,773	1,538,658
Gain on sale of assets	--	--	3,864	2,615
Utility contribution in lieu of taxes	1,725,000	3,402,949	4,175,000	3,402,500
Transfers	2,676,469	(356,735)	(970,732)	688,539
Total governmental activities	<u>38,741,733</u>	<u>61,511,126</u>	<u>43,392,397</u>	<u>44,898,276</u>
Business-type activities:				
General revenues:				
Use of money and property	44,547	50,802	69,673	111,583
Gain on Sale	--	--	--	--
Intergovernmental	94,186	88,596	118,076	81,693
Transfers	(2,676,469)	356,735	970,732	(688,539)
Total business-type activities	<u>(2,537,736)</u>	<u>496,133</u>	<u>1,158,481</u>	<u>(495,263)</u>
Total primary government	<u>\$ 36,203,997</u>	<u>\$ 62,007,259</u>	<u>\$ 44,550,878</u>	<u>\$ 44,403,013</u>
Change in Net Position				
Governmental activities	\$ 10,584,621	\$ 29,656,596	\$ 14,450,657	\$ 10,222,996
Business-type activities	(808,201)	1,533,690	2,742,113	1,458,386
Total primary government	<u>\$ 9,776,420</u>	<u>\$ 31,190,286</u>	<u>\$ 17,192,770</u>	<u>\$ 11,681,382</u>

(continued)

		Fiscal Year					
		2018	2019	2020	2021	2022	2023
\$	24,249,414	\$ 24,620,658	\$ 24,367,797	\$ 26,903,746	\$ 29,063,485	\$ 29,863,928	
	5,709,246	6,115,363	6,106,725	6,955,026	8,875,749	8,319,954	
	1,743,242	2,491,989	2,386,435	1,314,163	1,065,174	3,453,982	
	6,208,882	6,493,435	6,650,002	7,284,160	6,948,043	7,656,462	
	2,802,838	3,021,477	1,658,073	1,997,826	1,476,082	2,659,903	
	878	--	--	35,225	--	8,354	
	3,430,000	3,296,714	3,058,657	2,651,632	2,612,293	2,988,665	
	(546,193)	(1,943,911)	411,746	(1,238,028)	(1,331,075)	2,190,451	
	<u>43,598,307</u>	<u>44,095,725</u>	<u>44,639,435</u>	<u>45,903,750</u>	<u>48,709,751</u>	<u>57,141,699</u>	
	208,958	383,387	380,265	106,682	82,702	560,850	
	--	(4,929)	--	(37,679)	4,364	--	
	167,780	--	--	--	--	76,985	
	546,193	1,943,911	(411,746)	1,238,028	1,331,073	(2,190,451)	
	<u>922,931</u>	<u>2,322,369</u>	<u>(31,481)</u>	<u>1,307,031</u>	<u>1,418,139</u>	<u>(1,552,616)</u>	
\$	<u>44,521,238</u>	<u>46,418,094</u>	<u>44,607,954</u>	<u>47,210,781</u>	<u>50,127,890</u>	<u>55,589,083</u>	
\$	18,199,814	\$ 10,436,581	\$ 6,946,456	\$ 7,548,296	\$ 10,258,523	\$ 18,085,714	
	3,865,671	4,232,466	1,936,223	4,993,336	3,465,632	2,651,313	
	<u>22,065,485</u>	<u>14,669,047</u>	<u>8,882,679</u>	<u>12,541,632</u>	<u>13,724,155</u>	<u>20,737,027</u>	

City of Cedar Falls, Iowa
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 195,196	\$ 183,922	\$ 164,808	\$ 119,165
Assigned	2,205,244	2,277,562	2,589,832	2,909,366
Unassigned	7,333,349	7,603,109	8,401,303	8,672,595
Total general fund	<u>\$ 9,733,789</u>	<u>\$ 10,064,593</u>	<u>\$ 11,155,943</u>	<u>\$ 11,701,126</u>
All Other Governmental Funds				
Nonspendable	\$ 257,741	\$ 562,516	\$ 678,404	\$ 441,642
Restricted	26,920,959	28,101,815	29,490,897	34,254,079
Committed	17,029,200	17,408,842	17,820,657	18,129,245
Assigned	19,036,386	42,072,607	37,461,720	33,011,377
Unassigned	(5,580,797)	(5,289,619)	(2,044,819)	--
Total all other governmental funds	<u>\$ 57,663,489</u>	<u>\$ 82,856,161</u>	<u>\$ 83,406,859</u>	<u>\$ 85,836,343</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 100,909	\$ 93,692	\$ 122,878	\$ 122,733	\$ 101,762	\$ 125,830
2,904,712	3,124,973	3,002,643	2,803,774	3,381,002	3,459,048
9,105,204	9,359,241	9,467,412	9,166,625	8,933,608	9,719,009
<u>\$ 12,110,825</u>	<u>\$ 12,577,906</u>	<u>\$ 12,592,933</u>	<u>\$ 12,093,132</u>	<u>\$ 12,416,372</u>	<u>\$ 13,303,887</u>
\$ 338,774	\$ 275,261	\$ 452,032	\$ 489,111	\$ 579,777	\$ 629,899
32,228,803	32,919,628	34,676,365	36,954,610	37,831,310	34,420,586
18,514,062	19,013,400	19,318,484	19,454,123	19,804,463	20,511,367
35,726,036	31,223,347	34,220,780	40,556,613	42,161,947	43,310,503
(6,525,598)	(9,215,142)	(15,179,224)	(16,231,652)	(21,051,885)	(24,007,455)
<u>\$ 80,282,077</u>	<u>\$ 74,216,494</u>	<u>\$ 73,488,437</u>	<u>\$ 81,222,805</u>	<u>\$ 79,325,612</u>	<u>\$ 74,864,900</u>

City of Cedar Falls, Iowa
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
Revenues:				
Property taxes and assessments	\$ 21,244,190	\$ 25,099,620	\$ 24,996,361	\$ 25,647,323
Other city taxes	5,995,505	6,156,049	5,574,659	6,177,313
Licenses and permits	1,197,723	967,488	1,413,196	1,164,442
Use of money and property	1,120,040	1,187,617	1,252,423	1,302,082
Intergovernmental	8,688,760	27,494,197	9,556,156	8,383,167
Charges for services	3,542,072	3,329,061	3,613,510	3,286,820
Fines and forfeitures	392,928	292,551	284,934	273,073
Miscellaneous	1,400,551	1,154,586	1,598,216	1,533,555
Utility contribution in lieu of taxes	1,725,000	3,402,949	4,175,000	3,402,500
Total revenues	\$ 45,306,769	\$ 69,084,118	\$ 52,464,455	\$ 51,170,275
Expenditures:				
Current:				
Public safety	\$ 9,188,529	\$ 9,736,872	\$ 9,888,523	\$ 9,916,019
Public works	9,325,749	10,078,273	9,762,190	8,526,896
Health and social services	18,184	150,853	127,222	159,428
Culture and recreation	6,130,462	6,949,450	6,868,429	6,735,547
Community and economic development	2,351,253	2,529,858	2,486,183	2,462,130
General government	4,592,138	3,376,609	3,700,513	3,720,389
Debt service				
Principal	2,775,000	1,040,000	1,070,000	1,585,000
Interest	216,208	156,875	148,071	175,387
Capital projects	10,593,247	9,106,571	15,604,458	18,103,067
Total expenditures	\$ 45,190,770	\$ 43,125,361	\$ 49,655,589	\$ 51,383,863
Excess (deficiency) of revenues over (under) expenditures	\$ 115,999	\$ 25,958,757	\$ 2,808,866	\$ (213,588)
Other financing sources (uses):				
Transfers in	\$ 12,547,589	\$ 10,234,634	\$ 11,283,281	\$ 12,904,934
Transfers out	(9,867,874)	(10,863,417)	(12,571,873)	(12,415,212)
Issuance of debt	--	--	--	2,865,000
Premium on long-term debt	--	--	--	100,938
Total other financing sources (uses)	\$ 2,679,715	\$ (628,783)	\$ (1,288,592)	\$ 3,455,660
Net change in fund balances	\$ 2,795,714	\$ 25,329,974	\$ 1,520,274	\$ 3,242,072
Debt service as a percentage of noncapital expenditures	8.9%	3.5%	3.9%	5.0%

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 24,193,934	\$ 24,602,616	\$ 24,332,248	\$ 26,907,831	\$ 29,056,384	\$ 29,868,327
5,709,246	6,115,363	6,106,725	6,955,026	8,875,750	8,319,954
1,302,864	1,089,244	932,121	1,530,582	1,012,235	957,514
1,743,242	2,491,989	2,386,435	1,314,163	1,065,179	3,453,982
13,890,953	13,389,635	10,625,228	10,605,383	10,090,582	13,039,930
3,008,403	3,043,384	2,296,459	2,150,458	2,732,528	2,726,241
314,373	297,455	316,928	209,676	369,403	357,902
2,813,716	3,025,774	3,356,248	1,994,030	1,530,142	2,854,438
3,430,000	3,296,714	3,058,657	2,651,632	2,612,293	2,988,665
<u>\$ 56,406,731</u>	<u>\$ 57,352,174</u>	<u>\$ 53,411,049</u>	<u>\$ 54,318,781</u>	<u>\$ 57,344,496</u>	<u>\$ 64,566,953</u>
\$ 10,903,573	\$ 11,815,792	\$ 12,410,312	\$ 12,055,532	\$ 12,410,233	\$ 12,761,120
8,454,750	12,705,220	13,995,394	11,492,908	13,858,681	21,128,754
124,208	24,220	208,424	216,757	25,776	26,470
7,340,139	7,070,254	7,030,973	7,092,995	7,000,740	7,266,263
2,428,537	2,641,619	2,542,366	2,991,681	3,104,803	2,666,192
3,914,637	4,053,737	4,566,065	4,956,324	4,831,771	5,166,671
1,420,000	820,000	1,580,000	650,000	870,000	895,000
138,445	208,823	227,753	232,344	192,100	284,108
26,142,521	24,723,513	11,684,006	9,822,160	14,462,964	22,828,330
<u>\$ 60,866,810</u>	<u>\$ 64,063,178</u>	<u>\$ 54,245,293</u>	<u>\$ 49,510,701</u>	<u>\$ 56,757,068</u>	<u>\$ 73,022,908</u>
<u>\$ (4,460,079)</u>	<u>\$ (6,711,004)</u>	<u>\$ (834,244)</u>	<u>\$ 4,808,080</u>	<u>\$ 587,428</u>	<u>\$ (8,455,955)</u>
\$ 12,436,705	\$ 6,216,554	\$ 9,944,010	\$ 10,463,001	\$ 11,353,183	\$ 12,887,365
(13,060,066)	(8,187,149)	(10,028,753)	(11,723,406)	(13,584,257)	(12,202,623)
--	2,860,000	--	3,430,000	--	3,860,000
--	293,827	--	219,957	--	263,827
<u>\$ (623,361)</u>	<u>\$ 1,183,232</u>	<u>\$ (84,743)</u>	<u>\$ 2,389,552</u>	<u>\$ (2,231,074)</u>	<u>\$ 4,808,569</u>
<u>\$ (5,083,440)</u>	<u>\$ (5,527,772)</u>	<u>\$ (918,987)</u>	<u>\$ 7,197,632</u>	<u>\$ (1,643,646)</u>	<u>\$ (3,647,386)</u>
4.9%	2.7%	5.0%	2.6%	2.6%	3.3%

City of Cedar Falls, Iowa
Assessed and Taxable Value of Property
Last Ten Fiscal Years
(Unaudited)

Levy Year	For Fiscal Year Ending June 30,	Real and Personal Property			
		Regular		Agricultural Land	
		Taxable Value	Assessed Value	Taxable Value	Assessed Value
2013	2014	\$ 1,622,862,335	\$ 2,640,558,870	\$ 5,918,449	\$ 9,875,030
2014	2015	1,490,616,188	2,715,410,009	6,002,443	13,830,630
2015	2016	1,509,722,828	2,756,113,698	5,886,712	13,291,670
2016	2017	1,569,292,287	2,885,206,578	5,807,960	12,647,630
2017	2018	1,750,040,895	2,953,263,263	5,934,726	12,590,920
2018	2019	1,832,652,499	3,088,676,312	6,010,597	11,088,970
2019	2020	1,950,451,511	3,185,180,555	5,961,927	10,667,730
2020	2021	1,963,719,839	3,334,174,827	5,962,806	7,317,830
2021	2022	1,960,696,679	3,424,905,333	6,397,252	7,613,000
2022	2023	2,060,390,605	3,671,031,546	6,452,342	7,246,470

Source: Black Hawk County Auditor's Office.

Note: Property in the city is reassessed every other year. Tax rates are per \$1,000 of assessed value.

Total		Total Taxable Value as a Percentage of Assessed Value	Total Direct Tax Rate
Taxable Value	Assessed Value		
\$ 1,628,780,784	\$ 2,650,433,900	61.45 %	\$ 12.02123
1,496,618,631	2,729,240,639	54.84	11.81029
1,515,609,540	2,769,405,368	54.73	11.52796
1,575,100,247	2,897,854,208	54.35	11.21967
1,755,975,621	2,965,854,183	59.21	11.13476
1,838,663,096	3,099,765,282	59.32	11.22169
1,956,413,438	3,195,848,285	61.22	10.95250
1,969,682,645	3,341,492,657	58.95	11.43408
1,967,093,931	3,432,518,333	57.31	11.38273
2,066,842,947	3,678,278,016	56.19	11.51171

**City of Cedar Falls, Iowa
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	City of Cedar Falls			Overlapping Rates Black Hawk County		
	Operating Millage	Debt Service	Total City Millage	Operating Millage	Debt Service	Total County Millage
2014	\$ 11.45923	\$ 0.56200	\$ 12.02123	\$ 5.39234	\$ 0.62882	\$ 6.02116
2015	11.21478	0.59551	11.81029	5.52447	0.59472	6.11919
2016	10.93601	0.59195	11.52796	5.43985	1.30832	6.74817
2017	10.64440	0.57527	11.21967	5.48507	0.9607	6.44577
2018	10.57557	0.55919	11.13476	5.60805	0.80702	6.41507
2019	10.95686	0.26483	11.22169	5.96158	0.73145	6.69303
2020	10.52103	0.43147	10.95250	5.72918	0.57445	6.30363
2021	11.11885	0.31523	11.43408	5.94328	0.39297	6.33625
2022	11.08087	0.30186	11.38273	5.76053	0.41338	6.17391
2023	11.04382	0.46789	11.51171	5.33137	0.30198	5.63335

Source: Department of Management website

Note: The city's general fund maximum property tax rate may only be \$8.10 per \$1,000 of valuation. The remaining portion of the operating rate and the rate for debt service are set based on each year's requirements.

Overlapping Rates

Schools				
<u>Operating Millage</u>	<u>Debt Service</u>	<u>Total School Millage</u>	<u>Other</u>	<u>Total</u>
\$ 12.82531	\$ --	\$ 12.82531	\$ 1.36950	\$ 32.23720
12.78447	--	12.78447	1.35851	32.07246
12.44447	--	12.44447	1.34988	32.07048
12.76973	--	12.76973	1.33315	31.76832
13.08480	1.18791	14.27271	1.33495	33.15749
12.78534	1.16160	13.94694	1.36344	33.22510
12.72483	1.12129	13.84612	1.43491	32.53716
12.81068	1.08246	13.89314	1.47747	33.14094
12.91864	1.03435	13.95299	1.49875	33.00838
12.71885	3.12001	15.83886	1.53178	34.51570

**City of Cedar Falls, Iowa
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2014		
	Assessed Valuation for Fiscal Year 2013 - 2014	Rank	Percentage of Total Assessed Valuation
Target Corporation	\$ 76,821,060	1	2.90 %
RBR Holdings II LLC	--	--	--
Goldenstar Apartments, LLP	--	--	--
WB CF Assoc LTD Partners	12,738,950	5	0.48
Midland Tarkenton, LLC	--	--	--
Tailwind Cedar Falls, LLC	--	--	--
Vereit Real Estate LP	--	--	--
Walmart Re Business Trust	13,574,740	3	0.51
Prime RE 2, LLC	--	--	--
Martin Realty Company, LLC	10,598,780	8	0.40
Park at Nine23 Owner, LP	--	--	--
Reel Deal Holdings, LLC	--	--	--
Greenhill Village Senior Living, LLC	--	--	--
Menard, Inc.	12,752,590	4	0.48
College Square Mall Assoc. LLC	29,955,310	2	1.13
R and N Investments	10,459,340	10	0.39
Panther Development, LLC	10,868,740	7	0.41
Standard Distribution Co.	10,528,120	9	0.40
Twenty Seventh Street Assoc, LLC	11,533,470	6	0.44
	<u>\$ 199,831,100</u>		<u>7.71 %</u>

Source: Black Hawk County

2023

Assessed Valuation for Fiscal Year 2022 - 2023	Rank	Percentage of Total Assessed Valuation
\$ 78,151,240	1	2.12 %
18,383,560	2	0.50
17,922,860	3	0.49
17,313,610	4	0.47
15,659,380	5	0.43
15,355,740	6	0.42
14,657,490	7	0.40
14,046,930	8	0.38
13,748,500	9	0.37
12,973,030	10	0.35
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<hr/>		<hr/>
\$ 218,212,340		6.19 %

City of Cedar Falls, Iowa
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Levy Year	For Fiscal Year Ending June 30,	Total Tax Levy	Current Tax Collection	Percentage of Current Taxes Collected	Delinquent Tax Collections
2013	2014	\$ 19,694,615	\$ 19,537,939	99.20 %	\$ 16,281
2014	2015	17,900,282	17,785,682	99.36	14,266
2015	2016	17,701,404	17,595,907	99.40	18,813
2016	2017	17,905,235	17,845,396	99.67	16,461
2017	2018	19,754,527	19,692,802	99.69	31,669
2018	2019	20,871,551	20,801,947	99.67	18,133
2019	2020	21,678,667	21,252,580	98.03	5,148
2020	2021	22,778,011	23,178,399	101.76	8,525
2021	2022	22,471,020	22,544,542	100.33	385
2022	2023	23,955,255	23,940,145	99.94	789

Source: Black Hawk County Auditor's Office.

Note: For fiscal year ending June 30, 2020 property tax collections were deferred into future years due to the COVID-19 pandemic.

Total Tax Collections	Total Tax Collections as a Percentage of Total Tax Levy	Outstanding Delinquent & Deferred Taxes	Delinquent Taxes as a Percentage of Total Tax Levy
\$ 19,554,220	99.29 %	\$ 14,435	0.07 %
17,799,948	99.44	18,813	0.11
17,614,720	99.51	16,461	0.09
17,861,857	99.76	31,669	0.18
19,724,471	99.85	18,133	0.09
20,820,080	99.75	21,886	0.10
21,257,728	98.06	426,609	1.97
23,186,924	101.80	189,911	0.83
22,544,927	100.33	10,134	0.05
23,940,934	99.94	12,503	0.05

City of Cedar Falls, Iowa
1/1/2022 VALUATIONS (Taxes Payable July 1, 2023 to June 30, 2024)

	<u>100% Actual Value</u>	<u>Taxable Value (with Rollback)</u>
Residential	\$ 2,957,669,168	\$ 1,602,471,188
Commercial	540,291,758	437,680,755
Industrial	32,884,397	24,862,305
Multi-Residential	0	0
Railroad	2,458,408	2,184,150
Utilities	485,006	485,006
Gross Valuation	\$ <u>3,533,788,737</u>	\$ <u>2,067,683,404</u>
Less military exemption	(2,632,433)	(2,632,433)
Net Valuation	\$ <u>3,531,156,304</u>	\$ <u>2,065,050,971</u>
TIF increment (used to compute debt services levies and constitutional debt limit)	\$ 213,793,804 ¹	\$ 213,793,804 ¹
Taxes separately		
Ag. Land	\$ 6,791,940	\$ 6,224,341
Ag. Buildings	\$ 392,540	\$ 359,734
Utilities - Gas & Electric	\$ 54,414,623	\$ 3,858,927

¹ TIF Increment is reduced by \$55,560 of military exemption

2022 GROSS TAXABLE VALUATION BY CLASS OF PROPERTY¹

	<u>Taxable Valuation</u>	<u>Percent Total</u>
Residential	\$ 1,602,471,188	77.35%
Commercial, Industrial & Utility	463,028,066	22.35%
Multi-Residential	0	0.00%
Gas & Electric Utilities	3,858,927	0.19%
Railroad	2,184,150	0.11%
Total Gross Taxable Valuation	\$ <u>2,071,542,331</u>	<u>100.00%</u>

¹Excludes Taxable TIF Increment, Ag. Land and Ag. Buildings

City of Cedar Falls, Iowa
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government
	General Obligation Bonds/Notes	Tax Increment Financing Bonds/Notes General Obligation	General Obligation Bonds/Notes	Revenue Debt	
2014	\$ 5,819,312	\$ --	\$ 2,311,436	6,744,000	\$ 14,874,748
2015	4,790,677	--	1,650,539	6,482,000	12,923,216
2016	3,732,042	--	979,548	6,211,000	10,922,590
2017	5,114,251	--	7,381,807	5,932,000	18,428,058
2018	3,694,466	--	6,314,350	5,644,000	15,652,816
2019	5,990,868	--	8,884,201	5,346,000	20,221,069
2020	4,380,624	--	7,997,623	5,038,000	17,416,247
2021	7,319,109	--	7,091,045	4,720,000	19,130,154
2022	6,387,637	--	6,164,468	4,392,000	16,944,105
2023	9,534,697	--	5,212,889	4,053,000	18,800,586

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

Amounts presented are net of discounts, premiums, and adjustments.

¹ Population and personal income data can be found on page 159.

<u>Percentage of Personal Income¹</u>	<u>Per Capita¹</u>
0.92 %	\$ 379
0.79	329
0.68	278
1.13	469
0.95	399
1.19	515
0.96	444
1.35	470
1.15	416
1.27	462

City of Cedar Falls, Iowa
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Debt ¹	Less: Amount Available in Debt Service Fund ²	Total	Taxable Value of Property
2014	\$ 8,130,748	\$ 416,912	\$ 7,713,836	\$ 1,628,780,784
2015	6,441,216	431,704	6,009,512	1,496,618,631
2016	4,711,590	466,400	4,245,190	1,515,609,540
2017	12,496,058	496,385	11,999,673	1,575,100,247
2018	10,008,816	538,318	9,470,498	1,755,975,621
2019	14,875,069	530,935	14,344,134	1,838,663,096
2020	12,378,247	647,822	11,730,425	1,956,413,438
2021	14,410,154	582,697	13,827,457	1,969,682,645
2022	12,552,105	401,055	12,151,050	1,967,093,931
2023	14,747,586	315,110	14,432,476	2,066,842,947

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

¹ Includes only general obligation debt supported by property tax dollars.

² This is the amount restricted for debt service payments.

<u>Percentage Taxable Value of Property</u>	<u>Assessed Value of Property</u>	<u>Percentage Assessed Value of Property</u>	<u>Per Capita</u>
0.47 %	\$ 2,650,433,900	0.29 %	\$ 196.48
0.40	2,729,240,639	0.22	153.07
0.28	2,769,405,368	0.15	108.13
0.76	2,897,854,208	0.41	305.65
0.54	2,965,854,183	0.32	241.23
0.78	3,099,765,282	0.46	365.36
0.60	3,195,848,285	0.37	298.79
0.70	3,341,492,657	0.41	339.63
0.62	3,432,518,333	0.35	298.46
0.70	3,678,278,016	0.39	354.49

**City of Cedar Falls, Iowa
Direct and Overlapping Debt
As of June 30, 2023**

<u>Jurisdiction</u>	<u>Net General Obligation Debt Outstanding</u>	<u>Percentage Applicable to City ¹</u>	<u>Amount Applicable to Government</u>
Direct, City of Cedar Falls, Iowa	\$ <u>9,534,697</u>	100.00 %	\$ <u>9,534,697</u>
Overlapping:			
Black Hawk County	\$ 11,646,380	35.73	\$ 4,161,252
Cedar Falls Public School District	91,425,000	92.41	84,485,843
Area VII Hawkeye Community College	<u>4,380,000</u>	19.97	<u>874,686</u>
Total Overlapping	\$ <u>107,451,380</u>		\$ <u>89,521,780</u>
Total	\$ <u><u>116,986,077</u></u>		\$ <u><u>99,056,477</u></u>

Source: Black Hawk County Auditor

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 Cedar Falls. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹ The percentage of overlapping debt applicable is estimated using net taxable property values. Applicable percentages were estimated by determining the portion of the County's net value that is within the government's boundaries and dividing it by the county's total value.

**City of Cedar Falls, Iowa
Legal Debt Margin Information
Last Ten Fiscal Years**

	2014	2015	2016	2017
Debt Limit	\$ 134,876,517	\$ 139,586,122	\$ 142,421,126	\$ 149,224,259
Total net debt applicable to limit	9,640,000	7,770,000	5,920,000	13,270,000
Legal debt margin	<u>\$ 125,236,517</u>	<u>\$ 131,816,122</u>	<u>\$ 136,501,126</u>	<u>\$ 135,954,259</u>
Total net debt applicable to the limit as a percentage of of debt limit	7.15%	5.57%	4.16%	8.89%

Note: Under Iowa code, the city's outstanding general obligation debt should not exceed 5 percent of total assessed property value.

2018	2019	2020	2021	2022
\$ 151,911,983	\$ 158,343,489	\$ 163,389,318	\$ 170,858,420	\$ 174,549,627
9,740,000	14,085,000	11,670,000	13,595,000	11,850,000
<u>\$ 142,171,983</u>	<u>\$ 144,258,489</u>	<u>\$ 151,719,318</u>	<u>\$ 157,263,420</u>	<u>\$ 162,699,627</u>

6.41% 8.90% 7.14% 7.96% 6.79%

Legal Debt Margin Calculation for Fiscal Year 2023

Estimated actual valuation	<u>\$ 3,735,193,238</u>
Debt limit - 5% of total actual valuation	\$ 186,759,662
Debt applicable to debt limit:	
General obligation bonds	13,915,000
	<hr/>
Legal debt margin	<u>\$ 172,844,662</u>

**City of Cedar Falls, Iowa
Revenue Bond Coverage
Sewer Authority
Last Ten Fiscal Years**

Fiscal Year	Gross Revenues	Less: Operating Expenses ¹	Net Revenue Available for Debt Service	Debt Service Requirements ²	
				Principal	Interest
2014	\$ 4,859,057	\$ 2,364,332	\$ 2,494,725	\$ 254,104	\$ 83,016
2015	5,092,146	2,415,557	2,676,589	262,000	219,180
2016	5,314,436	2,532,407	2,782,029	271,000	210,665
2017	5,684,591	2,350,527	3,334,064	279,000	201,858
2018	6,388,963	2,449,219	3,939,744	288,000	192,790
2019	6,834,297	2,449,833	4,384,464	298,000	183,430
2020	7,109,700	2,709,620	4,400,080	308,000	173,745
2021	7,367,392	2,543,615	4,823,777	318,000	163,735
2022	7,746,519	3,298,409	4,448,110	328,000	123,900
2023	8,701,391	2,599,752	6,101,639	339,000	87,840

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

¹ Net of depreciation, interest, and debt service transfers.

² Includes principal and interest of revenue bonds only.

Debt Service
Requirements²

	<u>Total</u>	<u>Coverage</u>
\$	337,120	7.40
	481,180	5.56
	481,665	5.78
	480,858	6.93
	480,790	8.19
	481,430	9.11
	481,745	9.13
	481,735	10.01
	451,900	9.84
	426,840	14.29

**City of Cedar Falls, Iowa
Sales History and Total Sewer Charges
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Water Sales (CCF)</u>	<u>Sewer Charges</u>
2013 - 14	1,759,171	5,501,090
2014 - 15	1,615,619	5,714,250
2015 - 16	1,611,698	5,916,770
2016 - 17	1,586,115	6,405,359
2017 - 18	1,689,591	6,917,743
2018 - 19	1,480,978	7,412,276
2019 - 20	1,505,465	7,712,692
2020 - 21	1,655,287	7,916,423
2021 - 22	1,612,269	8,618,176
2022 - 23	1,593,185	9,227,574

Source: Cedar Falls Utilities

**City of Cedar Falls, Iowa
Water Meter by Rate Class
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Government</u>	<u>Other</u>	<u>Total</u>
2014	12,313	1,024	33	213	3	13,586
2015	12,154	1,403	33	173	3	13,766
2016	12,238	1,423	31	206	3	13,901
2017	12,453	1,454	35	209	3	14,154
2018	12,702	1,460	36	211	3	14,412
2019	12,983	1,528	36	194	3	14,744
2020	13,042	1,525	36	193	3	14,799
2021	13,277	1,536	36	191	3	15,043
2022	13,508	1,551	36	199	3	15,297
2023	13,260	1,546	36	197	3	15,042

Source: Cedar Falls Utilities

**City of Cedar Falls, Iowa
Largest Sewer Customers
Fiscal Year 2023**

Customer		Water Sales (CCF)	Percent of Total Water Sales		Sewer Charges	Percent of Total Sewer Charges
University of Northern Iowa	1	49,457	3.10 %	\$	257,842	2.79 %
Western Home Communities	2	19,289	1.21		154,593	1.68
Country Terrace MHP LLC-700 W Ridgeway	3	17,482	1.10		136,538	1.48
Target Corporation	4	13,202	0.83		83,202	0.90
Gold Falls Villa Apts.	5	7,354	0.46		77,022	0.83
Clark Enterprises, LLC	6	4,171	0.26		58,579	0.63
CF Schools	7	9,298	0.58		51,647	0.56
Sartori Memorial Hospital, Inc,	8	11,784	0.74		50,875	0.55
Newaldaya Lifescapes	9	8,077	0.51		48,622	0.53
Park @ Nine23 Apts II	10	5,919	0.37		47,305	0.51
Metokote Corporation	11	9,238	0.58		42,556	0.46
TNT Rentals LC	12	5,003	0.31		35,975	0.39
Total 2023 CCF		1,593,185				
Total 2023 Sewer Billings					\$9,227,574	

Source: Cedar Falls Utilities, Finance Dept. special IS report

**City of Cedar Falls, Iowa
Demographic and Economic Statistics
Last Ten Calendar Years**

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income¹</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2014	39,260	\$ 1,622,969,140	\$ 41,339	26.8	5,151	3.1
2015	39,260	1,639,850,940	41,769	26.5	5,151	4.8
2016	39,260	1,617,197,920	41,192	26.5	5,300	4.9
2017	39,260	1,628,426,280	41,478	27.1	5,486	4.0
2018	39,260	1,648,213,320	41,982	26.9	5,479	2.0
2019	39,260	1,705,925,520	43,452	26.6	5,320	2.3
2020	39,260	1,808,433,380	46,063	26.9	5,451	1.9
2021	40,713	1,419,133,041	34,857	27.2	5,542	3.3
2022	40,713	1,471,774,950	36,150	27.3	5,649	3.5
2023	40,713	1,479,428,994	36,338	27.3	5,892	2.6

Sources: Population provided by the US Census Bureau. School enrollment is supplied by the Cedar Falls Board of Education. Unemployment data provided by the Iowa Workforce.

Note: Population and median age information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

¹ Per Capita Income is based on Metropolitan Waterloo/Cedar Falls and based on figures from Bureau of Economic Analysis.

Beginning in 2015 the Unemployment rate is based on the Metropolitan Waterloo/Cedar Falls area.

**City of Cedar Falls, Iowa
Principal Employers
Current Year and Nine Years Ago**

Employees	2014		
	Number of Employees ¹	Rank	Percentage of Total City Employment
John Deere Product Engineer Center ²	4,700	1	19.42%
MercyOne Medical ²	--	--	--
University of Northern Iowa	1,781	2	7.36%
Hy-Vee Food Stores ²	905	3	3.74%
The Western Home	410	10	1.69%
Cedar Falls Community School District	750	5	3.10%
Target Distribution	572	7	2.36%
Omega Cabinetry, Ltd. ²	--	--	--
Martin Brothers Distributing Co., Inc	--	--	--
Area Education Agency 267	650	6	2.69%
Viking Pump Inc, Unit of Index Corp.	466	9	1.93%
City of Cedar Falls/Municipal Utilities	481	8	1.99%
Wal-Mart Super Center ²	750	4	3.10%
Total	11,465		47.38%

Source: Cedar Valley Alliance website

¹ Number of employees includes all full-time, part-time and seasonal employees.

² Number of employees includes multiple locations in both Cedar Falls and Waterloo.

2023		
<u>Number of Employees¹</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
5,000	1	12.28%
2,669	2	6.56%
1,811	3	4.45%
1,325	4	3.25%
1,052	5	2.58%
849	6	2.09%
840	7	2.06%
812	8	1.99%
710	9	1.74%
615	10	1.51%
--	--	--
--	--	--
--	--	--
<hr/>		
15,683		38.52%

City of Cedar Falls, Iowa
Full-Time Equivalent City Government Employees by Function/Department
Last Ten Fiscal Years

	Full-Time Equivalent Employees as of June 30			
	2014	2015	2016	2017
Public Safety				
Police	49.03	46.75	47.19	47.19
Fire	35.83	34.86	34.86	33.06
Inspection Services	8.23	7.50	7.50	7.50
Public Works				
Streets	22.32	24.10	24.10	24.10
Parking	2.14	1.97	1.97	1.97
Engineering	10.52	10.45	10.45	10.45
Culture and Recreation				
Municipal Operations & Programs Admin.	2.25	1.75	1.75	1.65
Cultural Services	8.37	8.85	8.85	7.61
Cemetery	4.45	4.45	4.45	4.45
Golf	4.93	4.93	4.93	4.93
Parks	17.66	17.41	17.41	17.41
Recreation	35.59	34.59	34.59	34.59
Library	20.76	20.96	20.96	21.74
Senior Services	0.15	0.15	0.15	0.15
Visitor & Tourism	3.18	3.28	3.28	3.28
Community & Economic Development				
Community Development Admin.	1.50	1.25	1.25	1.25
Economic Development	2.09	0.00	0.00	0.00
Planning & Community Services	3.67	6.08	6.08	6.08
Block Grant	1.40	1.13	1.13	1.13
Housing Vouchers	1.49	1.13	1.12	1.12
General Government				
Mayor's Office	1.10	1.10	1.10	1.10
Administration	1.00	1.00	1.00	1.00
Finance & Business Operations Admin	0.00	0.00	0.00	0.00
Financial Services	5.58	6.58	6.58	6.31
Legal Services	2.00	2.00	2.00	2.00
Human Resources	0.00	0.00	0.00	0.00
Public Records	3.95	3.73	3.73	3.73
Cable TV	5.00	5.00	5.00	5.50
Print Shop	1.00	0.00	0.00	0.00
Public Buildings	14.61	1.73	1.73	1.73
Internal Service				
Information Systems	4.00	4.00	4.00	4.73
Vehicle Maintenance	7.68	7.68	7.68	6.68
Sewer	17.98	18.27	18.27	17.72
Refuse	19.41	18.79	18.79	17.79
Storm Water	4.30	4.30	4.30	4.30
Total	323.17	305.77	306.20	302.25

Source: City's Financial Plans

Full-Time Equivalent Employees as of June 30

2018	2019	2020	2021	2022	2023
48.22	55.72	61.43	61.73	56.01	56.21
30.41	28.51	25.51	25.83	29.10	27.85
7.50	8.84	10.05	9.41	9.86	10.06
24.10	24.10	24.65	24.37	22.92	24.65
2.00	2.05	3.55	4.44	4.45	4.20
12.73	14.07	13.08	14.76	14.90	15.00
1.65	1.65	1.65	0.00	0.00	0.00
7.36	6.70	7.43	8.08	7.35	7.35
4.45	6.45	5.45	5.50	5.83	5.83
0.75	0.38	0.00	0.00	0.00	0.00
16.61	17.11	16.98	17.71	16.98	17.98
33.96	33.96	34.23	34.96	34.96	34.96
21.48	22.93	23.97	25.46	24.69	24.75
0.15	0.15	1.40	1.40	1.40	1.11
3.28	3.91	4.91	4.91	4.91	4.91
1.17	1.17	1.16	1.05	1.05	1.05
0.00	0.00	0.00	0.00	0.00	0.00
5.98	5.93	4.55	5.65	5.65	5.70
0.43	0.45	0.15	0.15	0.15	0.13
1.54	1.47	1.08	2.59	2.59	2.59
1.08	1.08	1.08	1.08	1.10	1.10
1.02	1.02	3.02	3.02	3.05	3.15
0.00	0.00	0.00	1.73	1.73	1.73
6.32	7.42	7.06	6.71	4.71	3.98
2.10	2.10	2.10	2.10	1.12	1.12
0.00	0.00	0.00	0.00	3.00	5.43
3.71	3.86	3.83	4.24	3.84	3.29
5.30	5.55	5.43	4.10	3.78	3.78
0.00	0.00	0.00	0.00	0.00	0.00
1.73	1.73	1.50	1.50	1.50	1.50
4.73	5.73	5.73	5.83	5.83	5.83
7.35	7.38	7.38	7.23	7.23	7.23
17.82	17.82	17.37	17.27	17.27	17.97
17.74	17.74	16.41	16.65	18.10	18.13
4.30	3.30	3.60	3.30	3.30	3.60
296.97	310.28	315.74	322.76	318.36	322.17

**City of Cedar Falls, Iowa
Operating Indicators by Function
Last Ten Fiscal Years**

	Fiscal Year		
	2014	2015	2016
Public Safety			
Police			
Physical arrests	1,057	1,029	912
Traffic violations	5,095	5,405	4,172
Parking violations	14,780	13,493	13,364
Cars Booted ¹	--	184	252
Fire			
Number of calls answered	2,113	2,037	2,257
Inspections conducted	2,318	1,214	2,681
Sewer			
Sewage System			
Daily average treatment in gallons	4,930,000	4,520,000	5,790,000
Maximum daily capacity of treatment plant in gallons	21,600,000	21,600,000	21,600,000
Water System			
Daily average consumption in gallons	4,090,000	3,380,000	3,276,000
Maximum daily capacity of plant in gallons	23,400,000	23,400,000	23,400,000
Refuse			
Solid Waste			
35 Gallon Containers	4,905	4,347	4,659
65 Gallon Containers	7,165	6,305	6,610
95 Gallon Containers	2,398	1,638	1,777
Yard Waste			
95 Gallon Containers	7,155	7,239	7,419

Sources: Various city departments

¹ Statistics begin in FY15

Fiscal Year						
2017	2018	2019	2020	2021	2022	2023
839	1,003	911	345	792	761	961
3,645	4,066	1,784	2,624	2,343	1,452	1,978
12,350	11,206	11,076	10,948	10,939	13,055	11,086
243	187	196	174	33	221	205
2,200	2,343	1,387	2,079	2,218	2,305	2,497
1,492	427	1,925	1,167	955	2,900	2,685
6,729,000	6,729,000	7,408,000	5,695,000	4,482,000	4,397,000	4,293,000
21,600,000	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000
3,267,000	3,417,000	3,178,000	3,121,000	3,141,000	3,499,000	3,114,000
23,400,000	23,400,000	23,400,000	23,400,000	23,400,000	23,400,000	23,400,000
4,963	5,199	5,437	5,548	4,383	4,015	3,969
6,850	7,182	7,443	7,690	6,512	6,374	6,357
1,950	2,047	2,143	2,263	1,931	1,972	2,064
7,555	7,752	7,869	7,977	8,091	8,112	7,461

**City of Cedar Falls, Iowa
Capital Asset Statistics by Function
Last Ten Fiscal Years**

	Fiscal Year			
	2014	2015	2016	2017
Public safety				
Public Safety Building	--	--	--	--
Patrol Units	10	10	10	10
Fire apparatus	8	8	8	8
Public works				
Streets				
Miles	217	217	218	219
Street lights	3,109	3,116	3,178	3,185
Health and social services				
Hospital	1	1	1	1
Number of patient beds	101	101	101	101
Cultural and Recreation				
Hearst Center for the Arts	1	1	1	1
Library	1	1	1	1
Cemeteries	3	3	3	3
Acreage	56.9	56.9	56.9	56.9
Golf	2	2	2	2
Parks	35	35	35	35
Acreage	1,148	1,148	1,148	1,148
Recreation				
Recreation Center	1	1	1	1
Swimming pools	3	3	3	3
Softball fields	9	9	9	9
Baseball fields	2	2	2	2
Pickleball courts	--	--	--	--
Tennis courts	6	6	6	6
Sewer				
Sewage System				
Miles of sanitary sewer	187.4	187.57	188.5	190.28
Miles of storm sewers	177.6	181.41	182.9	185.64
Number of treatment plants	1	1	1	1
Number of service connectors	12,826	12,826	13,099	13,142
Water Systems				
Miles of water mains	201.70	203.92	206.12	207.61
Number of service connectors	12,071	12,208	12,322	12,425
Number of city owned fire hydrants	2,038	2,044	2,088	2,151

Sources: Various city departments

Fiscal Year					
2018	2019	2020	2021	2022	2023
--	1	1	1	1	1
11	11	11	12	12	12
8	9	9	9	9	9
222	222	222	224	224	225
3,282	3,346	3,346	3,458	3,463	3,544
1	1	1	1	1	1
101	101	101	101	101	101
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	3	3	3
56.9	56.9	56.9	56.9	56.9	56.9
2	2	2	2	2	2
35	35	35	35	35	35
1,148	1,148	1,148	1,148	1,148	1,148
1	1	1	1	1	1
3	3	3	3	3	3
9	9	9	9	9	9
2	2	2	2	2	2
8	8	8	8	8	8
6	6	6	6	6	9
192.46	193.07	194.15	195.56	195.62	195.65
188.1	188.52	189.04	190.4	190.46	191.41
1	1	1	1	1	1
13,142	13,184	13,233	13,393	13,394	13,472
210.06	211.47	211.51	212.80	212.80	214.42
12,682	12,452	12,590	12,884	12,954	12,950
2,172	2,274	2,270	2,270	2,297	2,297



October 27, 2023

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

We have audited the financial statements of the City of Cedar Falls, Iowa (City) as of and for the year ended June 30, 2023, and have issued our report thereon dated October 27, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards* and our Compliance Audit under the Uniform Guidance

As communicated in our letter dated May 23, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether the City complied with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our responsibility, as prescribed by professional standards as it relates to the audit of the City's major federal program compliance, is to express an opinion on the compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing 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 internal control over compliance. Accordingly, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of the City's internal control over compliance.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our 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* dated October 27, 2023. We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor's Report on Compliance with the Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance dated October 27, 2023.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during year ended June 30, 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are the incurred but not reported health and workers' compensation liabilities, other postemployment benefits liability, and net pension liability.

Management's estimates of the incurred but not reported health and workers' compensation liabilities are based on third-party administrator's calculations and estimates. We evaluated the key factors and assumptions used to develop the incurred but not reported liabilities in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other postemployment benefits liability, OPEB related deferred outflows of resources and deferred inflows of resources, and OPEB expense are based on a calculation of actuarially determined contributions for health insurance benefits. We evaluated the key factors and assumptions used to develop the other postemployment benefits balances in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability, pension related deferred outflows of resources and deferred inflows of resources, and pension expense are based on plan level actuarial reports, allocated to the City using annual employer contributions. We evaluated the key factors and assumptions used to develop the pension related balances in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to the net pension liability and the other postemployment benefits liability.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify any circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated October 27, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Other Information Included in Annual Comprehensive Financial Report

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the City's Annual Comprehensive Financial Report, does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, 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.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Mayor, City Council, and management of the City of Cedar Falls, Iowa, and is not intended to be and should not be used by anyone other than these specified parties.



Dubuque, Iowa



**Information to Comply with Government Auditing Standards
and Uniform Guidance
June 30, 2023
City of Cedar Falls, Iowa**

City of Cedar Falls, Iowa
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June 30, 2023

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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 the City Council
City of Cedar Falls, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cedar Falls, Iowa, (City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 27, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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 the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2023, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City and are reported in Part IV of the accompanying schedule of findings and questioned costs. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dubuque, Iowa
October 27, 2023



Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Cedar Falls, Iowa's, (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 the City's major federal program for the year ended June 30, 2023. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on the 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 the 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.

What inspires you, inspires us. | eidebailly.com

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 the 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated October 27, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Eide Bailly LLP

Dubuque, Iowa
October 27, 2023

City of Cedar Falls, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
U.S. Department of Housing and Urban Development				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218		\$ 134,681	\$ 24,138
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218		21,237	5,878
Total CDBG - Entitlement Grants Cluster			155,918	30,016
Passed through Iowa Economic Development Authority				
COVID-19 - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	20-CVE-009	81,088	53,289
Passed through City of Waterloo, Iowa				
Home Investment Partnerships Program	14.239	M01DC190206	1,068	-
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871		1,267,824	-
Total U.S. Department of Housing and Urban Development			1,505,898	83,305
U.S. Department of Justice				
Joint Law Enforcement Operations	16.111		2,513	-
Joint Law Enforcement Operations	16.111		991	-
Passed through City of Waterloo, Iowa				
Joint Law Enforcement Operations	16.111	IA0070300	7,162	-
			10,666	-
Bulletproof Vest Partnership Program	16.607		1,076	-
Total U.S. Department of Justice			11,742	-

City of Cedar Falls, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
U.S. Department of Transportation				
Passed through Iowa Department of Transportation Highway Planning and Construction	20.205	TAP-U-1185 (655)-81-07	\$ 221,319	\$ -
Passed through Iowa Department of Public Safety Governor's Traffic Safety Bureau Incentive Grant Program to Increase Motorcyclist Safety	20.612	21-405d	4,360	-
Total U.S. Department of Transportation			<u>225,679</u>	<u>-</u>
U.S. Treasury				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		636,335	-
U.S. Department of Homeland Security				
Passed through Iowa Department of Homeland Security COVID-19 - Disaster Grants - Public Assistance	97.036	DR-4483-IA	8,647	-
Hazard Mitigation Grant Program	97.039	(HMGP) DR 4557-0003	474,463	-
Total U.S. Department of Homeland Security			<u>483,110</u>	<u>-</u>
Total Federal Financial Assistance			<u>\$ 2,862,764</u>	<u>\$ 83,305</u>

City of Cedar Falls, Iowa
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the City of Cedar Falls, Iowa, (the City) under programs of the federal government for the year ended June 30, 2023. The information 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 City.

Note 2 - Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. 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. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient.

Note 3 - Indirect Cost Rate

The City has not elected to use the 10% de minimis cost rate.

City of Cedar Falls, Iowa
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Part I: Summary of the Auditor's Results:

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	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 Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

City of Cedar Falls, Iowa
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Part II: Financial Statement Findings:

There were no findings to report.

Part III: Federal Award Findings and Questioned Costs:

There were no findings and questioned costs to report.

Part IV: Other Findings Related to Required Statutory Reporting:

- 2023-IA-A Certified Budget** - Disbursements during the year ended June 30, 2023, did not exceed the amount budgeted.
- 2023-IA-B Questionable Expenditures** - We noted no expenditures that we believe may fail to meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- 2023-IA-C Travel Expense** - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
- 2023-IA-D Business Transactions** – No business transactions between the City and City officials or employees were noted.
- 2023-IA-E Restricted Donor Activity** – No transactions were noted between the City, City officials, City employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- 2023-IA-F 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.
- 2023-IA-G Council Minutes** - No transactions were found that we believe should have been approved in the Council minutes but were not.
- 2023-IA-H Deposits and Investments** - No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy were noted.
- 2023-IA-I Revenue Loan** – No instances of non-compliance with the sewer state revolving loan revenue debt provisions were noted.
- 2023-IA-J 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.
- 2023-IA-K Tax Increment Financing** – The Special Revenue Tax Increment Financing Fund properly disbursed payments for TIF loans and rebates. Also, the City properly completed the Tax Increment Debt Certificate forms to request TIF property taxes.

Main Street Reconstruction - RAISE Grant

November 6th, 2023



History

- Project Letting: November 2022 (DOT letting)
- Project Schedule: April 2023 – August 2025
- Original Contract Cost: \$29.97M – December 2022
- Current Contract Price: \$27.15M – Agreed on late April 2023

RAISE Grant:

- Application submitted February 27, 2023 (Due Feb. 28)
- Notified of award of \$10M on June 22, 2023 (construction began April 3)
- Federal Highway Administration discussions began in August 2023
- No expenses can take place until grant agreement is executed (typical timeline is 9-18 months)
- Federalizes Project (increases cost of project by 10+%)
 - Davis-Bacon Wages
 - Disadvantaged Business Enterprise (DBE)
 - Build America/Buy America

RAISE Grant

Infrastructure Investment and Jobs Act (IIJA)

- Discretionary Grant program
 - Rebuilding American Infrastructure with Sustainability and Equity (RAISE)

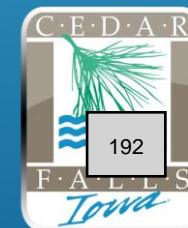
What is a RAISE Grant?

Provides funding for various transportation infrastructure projects that address critical transportation needs and have a positive impact on the economy, environment, and quality of life.

- Emphasizes projects that promote safety, improve transportation quality, and address needs of underserved communities.

Competitive selection

- DOT uses a rigorous merit-based process to select projects with exceptional benefits.



RAISE Grant

- Application indicated that the City would not anticipate expending RAISE funds in 2023, due to construction already being underway

	2023	2024	2025	Total
RAISE Funds	\$0	\$7,500,000	\$2,500,000	\$10,000,000
Match Funds	\$12,500,000	\$3,500,000	\$3,997,050	\$19,997,050
Construction	\$12,500,000	\$11,000,000	\$6,497,050	\$29,997,050

- Cost Saving Measures (April 2023)

	2023 (Ph. 1-2)	2024 (Ph. 3)	2025 (Ph. 4)	Total
Construction	\$16,000,000	\$7,000,000	\$4,150,000	\$27,150,000



Implementing the grant

Federal Highway Administration (FHWA) is requiring the following:

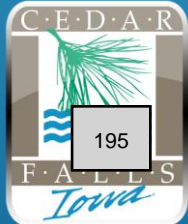
- Cancel current contract
 - Cancellation costs: \$3.1M
- RAISE Award \$5.8M
 - Due to more work completed on Phase 1 and 2 than originally planned
- Develop Grant Agreement (signed prior to any design work can begin)
 - Timing: 9-12 months
- Resubmit Project Bid Package (Phases 3 & 4)
 - NEPA review: 3-12 months
 - ROW agreement renegotiations: 3-4 months
 - Updated plans and specs for FHWA review/approval: 2025
 - Project development costs: \$450K
- Re-bid the remaining project (Phases 3 & 4)
 - Meet Federal requirements (Davis-Bacon Wages, DBE, Buy/Build America)
 - Increase project cost by 10+%
 - Grant administration costs
 - Construction 2026-2027

Cost Implications

Contract 07-1185-657 (2023 Construction Season)	
Phase 1 & Phase 2 Construction Total	\$16,000,000
Material Return Costs	\$700,000
Cancellation Costs	\$2,400,000
Total Contract 07-1185-657	\$19,100,000
Project Development	
Plan Resubmittal	\$250,000
ROW	\$200,000
Total Project Development	\$450,000
New Contract: Phase 3 & 4	
Construction Estimate	\$13,300,000
RAISE Grant Administration	\$200,000
Total New Contract Phase 3 & 4	\$13,500,000
Subtotal Project Cost	\$33,050,000
2023 RAISE Grant	\$(5,800,000)
Total Cost to City	\$27,250,000

Cost to Implement RAISE:
\$26,850,000 - \$27,250,000

Potential Benefit Range: \$100,000 – \$300,000



Current Construction Contract

	2023 (Ph. 1-2)	2024 (Ph. 3)	2025 (Ph. 4)	Total
Construction	\$16,000,000	\$7,000,000	\$4,150,000	\$27,150,000

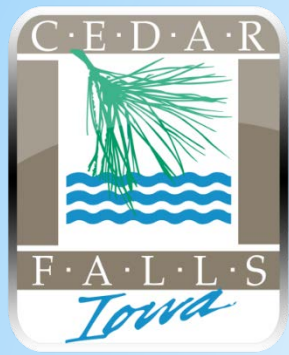
Current Contract (Ph. 1-4): \$27,150,000

Schedule: Completed by fall of 2025



Summary

- Re-bid contract for Phase 3 & 4 (federalizes contract)
- Delay Schedule by 24 months
- Accepting the grant incurs too many risks & costs
- Cost to implement the grant (estimated benefit (-100k-300k))



E. Seerley & Royal Drive One-way to Two-way Conversion Study





Roadway Characteristics

- **E. Seerley Blvd.**
 - One-way traffic westerly from Melrose Drive to Royal Drive
 - 31' back-to-back asphalt overlay section
 - 25 mph speed limit
 - Sidewalk on both sides of the street
 - Sharrows on both side of the street
- **Royal Drive**
 - One-way traffic northerly from E. Seerley to Melrose Drive
 - 31' back-to-back concrete section
 - 25 mph speed limit
 - Doesn't have sidewalks

Placeholder for Video



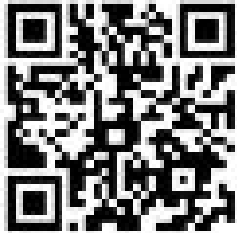
Gauging Public Interest

E. Seerley & Royal Drive One-way to Two-way Conversion

Dear Current Resident,

The City is conducting a survey to gauge interest in converting East Seerley Boulevard from Melrose Drive to Royal Drive and Royal Drive from East Seerley Boulevard to Melrose Drive from one-way streets to two-way streets. A Public Meeting will be held at City Hall at 220 Clay Street in the Council Foyer on July 27, 2023, from 5:30–6:30 p.m. You will have an opportunity to express your interest in the proposed conversion. We ask that prior to the meeting that you scan the QR code below and complete the brief survey.

If you have any questions about the survey, please contact the Engineering Division at (319) 268-5161.



*City of Cedar Falls, Department of Public Works—Engineering Division
220 Clay Street, Cedar Falls, Iowa 50613
Ph: (319) 268-5161 | Fax: (319) 268-5197 | www.cedarfalls.com*



Survey Results

E. Seerley Blvd. one-way to two-way

- 14% (5) were in favor of a conversion
- 86% (32) were not in favor of a conversion

Royal Drive one-way to two-way

- 31% (11) were in favor of a conversion
- 69% (25) were not in favor of a conversion

Witnessing travel in the wrong direction

- 76% (28) had witnessed wrong way travel
- 24% (9) had not witnesses wrong way travel

Witnessing accident as a results of wrong way travel

- 5% (2) had witnessed an accident
- 95% (35) had not witnessed an accident

Garbage and refuse pick up impact your opinion

- 5% (2) would impact opinion of a possible conversion
- 95% (35) would not impact opinion of a possible conversion

Snow plowing operations impact your opinion

- 5% (2) would impact opinion of a possible conversion
- 95% (35) would not impact opinion of a possible conversion



Public Information Meeting

- Overview of the survey
- Discussed survey results
- Open dialogue debating for and against conversions.
- Speed concerns on Royal at the curve.
- Most in attendance were against any proposed conversion from one-way to two-way.
- Most cited potential safety issues that would be created with daycare drop off and pick up if conversion were to occur.



Conclusion

The Engineering Division recommends that E. Seerley Blvd. and Royal Drive remain one-directional.

DEPARTMENT OF COMMUNITY DEVELOPMENT



City of Cedar Falls
220 Clay Street
Cedar Falls, Iowa 50613
Phone: 319-273-8606
Fax: 319-273-8610
www.cedarfalls.com

MEMORANDUM
Planning & Community Services Division

TO: Mayor Robert M. Green and City Council
FROM: Karen Howard, AICP, Planning & Community Services Manager
DATE: November 6, 2023
SUBJECT: Overview of C-3 and R-4 Zoning areas as they relate to College Hill Vision Plan

On October 16, the City Council made a referral requesting review of the R-4 and C-3 Zoning areas related to the discussion on how to move forward with the College Hill Vision Plan.

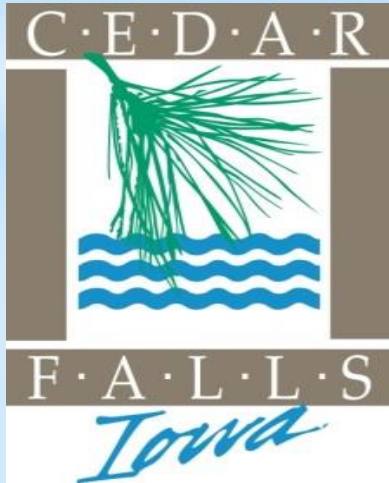
At your Committee meeting on November 6th, staff will provide an overview of the basic zoning standards in the R-4 Residence District and the C-3 Commercial District. Since these zoning districts are significantly modified by the College Hill Neighborhood Overlay Zoning District, we will also provide information about how the current zoning overlay applies in this area. Finally, we will provide information regarding the ongoing challenges and recommendations identified in the Vision Plan for this area. Council indicated a desire to potentially focus on Character Areas 1, 2, and 3, which are the areas with the highest density residential and commercial zoning and in closest proximity to UNI.

Attached is a draft of the presentation. For context, the Character Areas Map and the page that describes Character Areas 1, 2, and 3 from the College Hill Vision Plan are also attached.

Please let me know if you have any questions.

Zoning Overview for College Hill R-4 and C-3 Districts

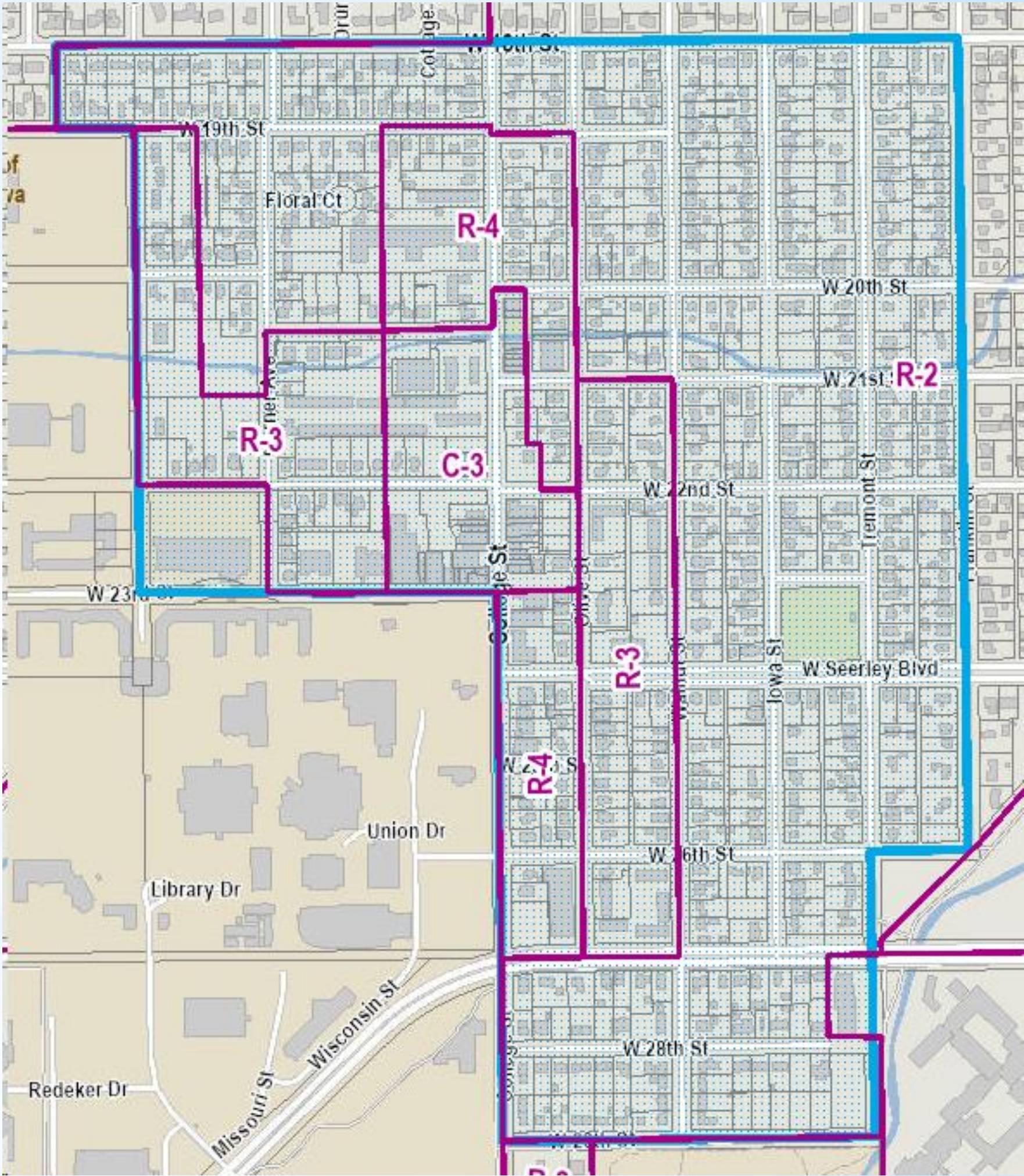
City Council - November 6, 2023



College Hill

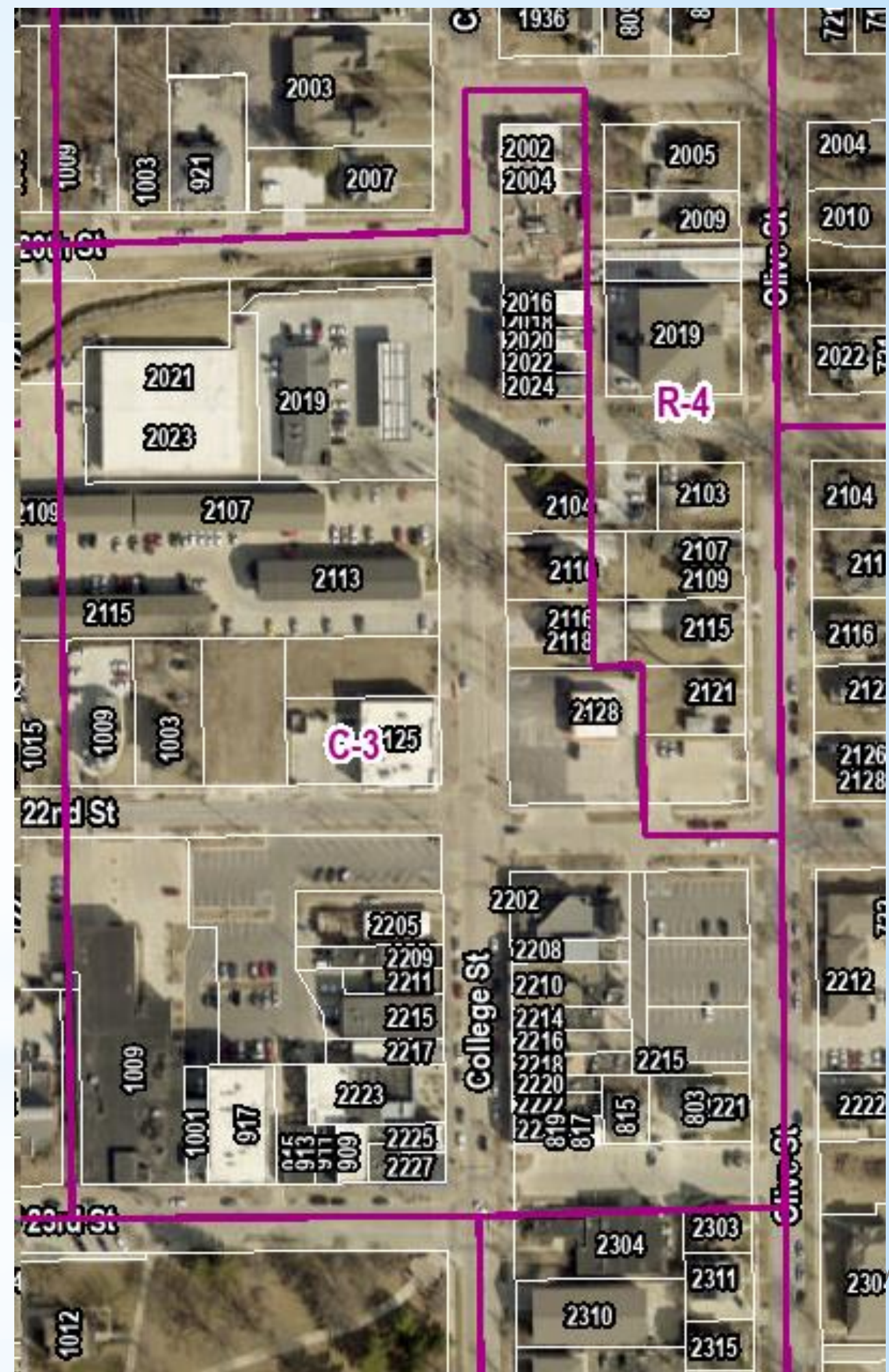
Referral from Council:

- To review the current R-4 and C-3 zoning areas and the visioning plan for those areas.



C-3 Commercial District

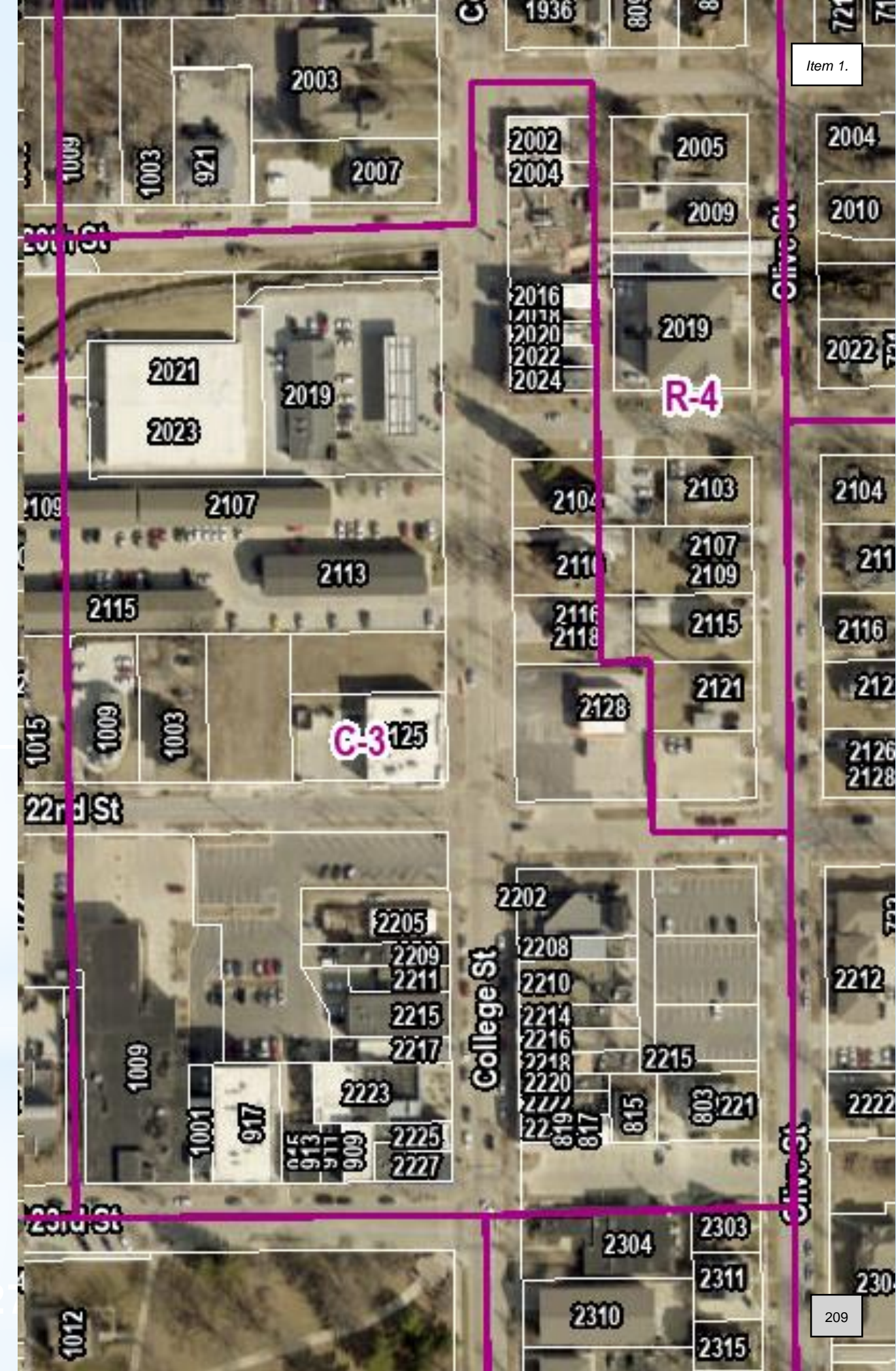
- Most intensive commercial zoning district
- Permitted Uses
 - Any use permitted in other commercial zones, including intensive uses such as auto repair, tire shop, warehousing, lumberyard
 - Allows residential uses with approval from P&Z and Council
- Dimensional Standards
 - No minimum lot area, lot width, front or rear setback for commercial buildings.
 - Height: 3 x width of fronting street or 165 feet, whichever is greater.
 - Residential buildings - same standards as R-4 District



C-3 Commercial District

- **College Hill Overlay**

- Special definitions: “neighborhood character,” “substantial improvement,” “mixed-use building”
- Restricts or prohibits many of the most intensive commercial uses.
- Requires Site Plan and Design Review through P&Z and City Council
- 100% residential buildings discouraged; residential above commercial (mixed-use) allowed and specific form-based standards apply.
- Special parking standards apply:
 - No parking required for non-residential uses
 - Residential within mixed-use buildings: 1/bedroom, not less than 1 per unit, with exemptions for buildings constructed prior to 2019 and for conversion of upper floor space to residential.
- Height - “comparable scale and character”



R-4 Residence District

- Area north of C-3 to W. 19th
- Area south of C-3 to University
- Olive Street on the east; splits block on the west

Permitted Uses

- All types of residential - MF, duplex, SF
- Institutional uses
- Medical and professional offices; personal services

Dimensional Standards

- Lot size - varies depending on use and height
- Residential density for MF - 850 sf of lot area per unit for floors 1-3; 450 sf of lot area per unit for 4 or more stories (only allowed with additional setback)
- Building Height - 3 stories/45 feet; additional height allowed with additional setbacks
- Setbacks: front: 20 feet
 - Side: SF & Duplex: 10% lot width; for MF 8-12.5 ft.
 - Rear: SF & Duplex: 30 ft; for MF 35 ft



R-4 Residence District

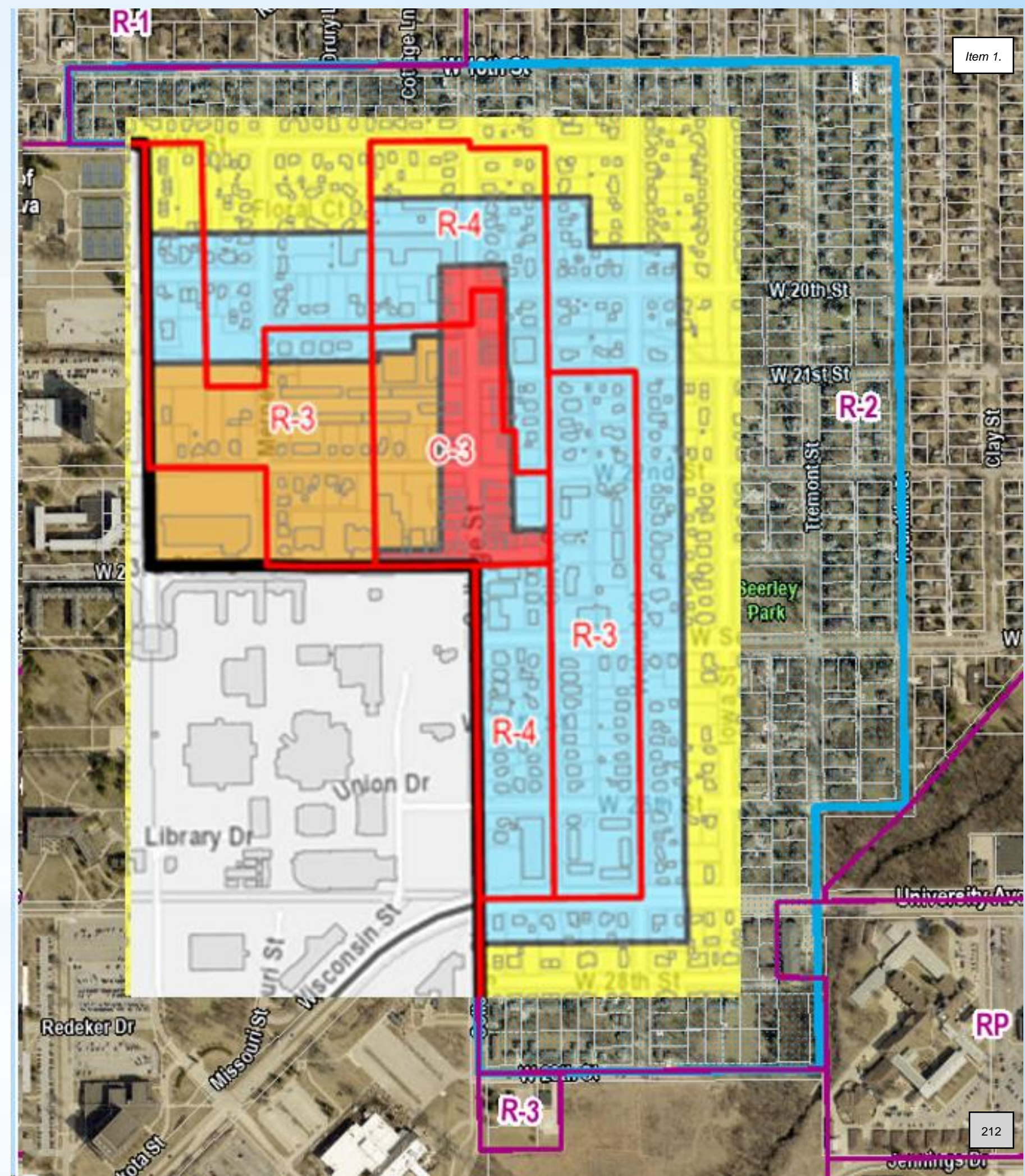
- **College Hill Overlay**

- Special definitions apply
- Site Plan and Design Review through P&Z and City Council
- Parking requirements
 - Residential: Same as citywide (except downtown)
 - Studio and 1-bedroom: 2 spaces
 - Plus one space for every additional bedroom
 - For MF > 4 units: Additional visitor parking
 - Commercial: Same as citywide (except downtown and C-3 District), e.g., office 1 space per 300 sf of floor area
- Distinct landscaping requirements



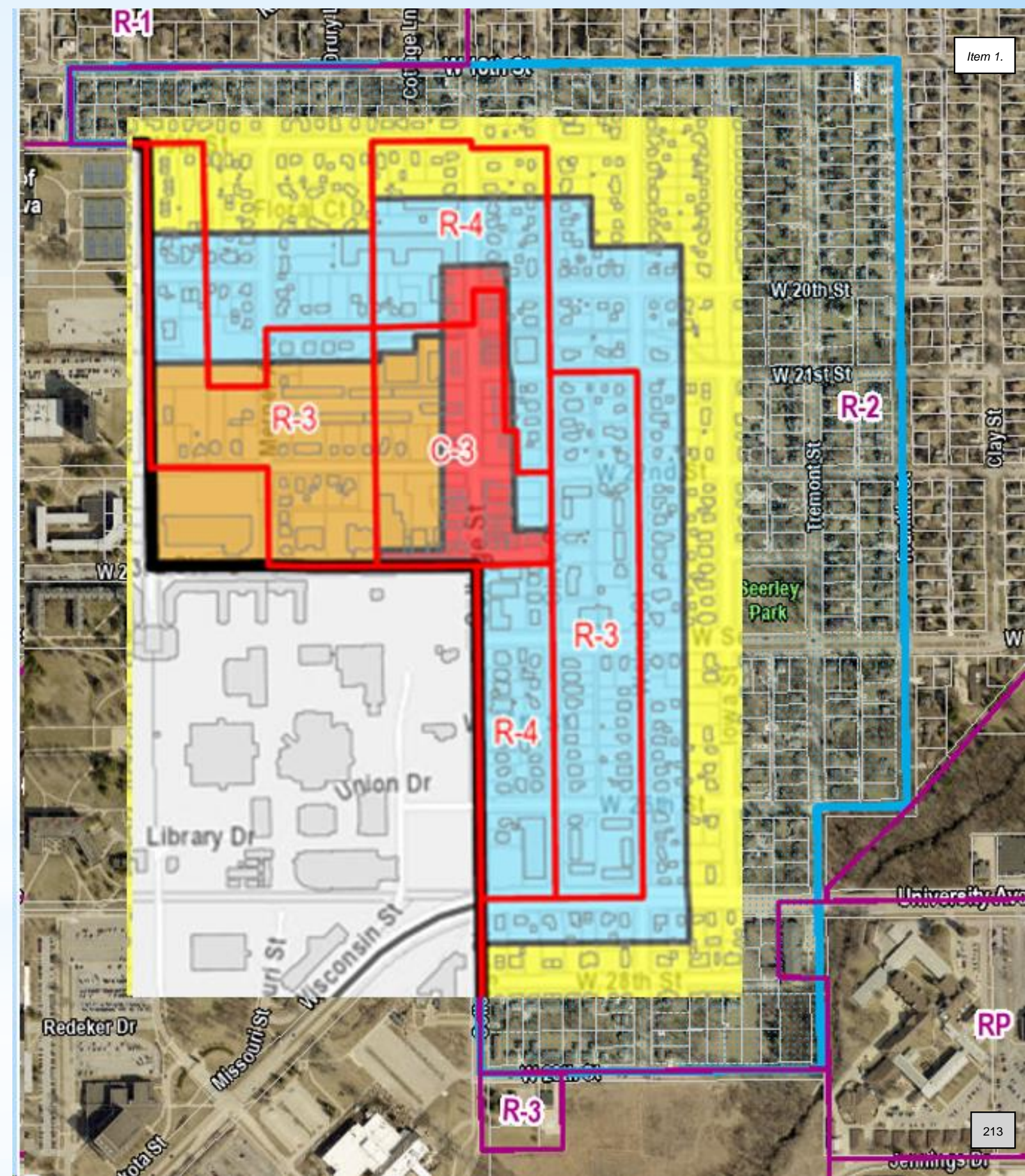
College Hill Vision Plan

1. Heart of College Hill (red)
 - College Hill Business District
 - Goal to fill gap between upper and lower Hill with shopfront buildings, more usable public open spaces, wider sidewalks, more street trees, improved pedestrian crossings
2. General College Hill (orange)
 - Area close to UNI between 20th and 23rd Streets.
 - Allow for more intense student residential (max. 4-5 stories)
 - Retail not encouraged.
3. University Neighborhood (blue)
 - Primarily residential neighborhood transition between more intense areas and lower density residential neighborhoods beyond.
 - Residential infill scaled to fit



Challenges Noted in Vision Plan

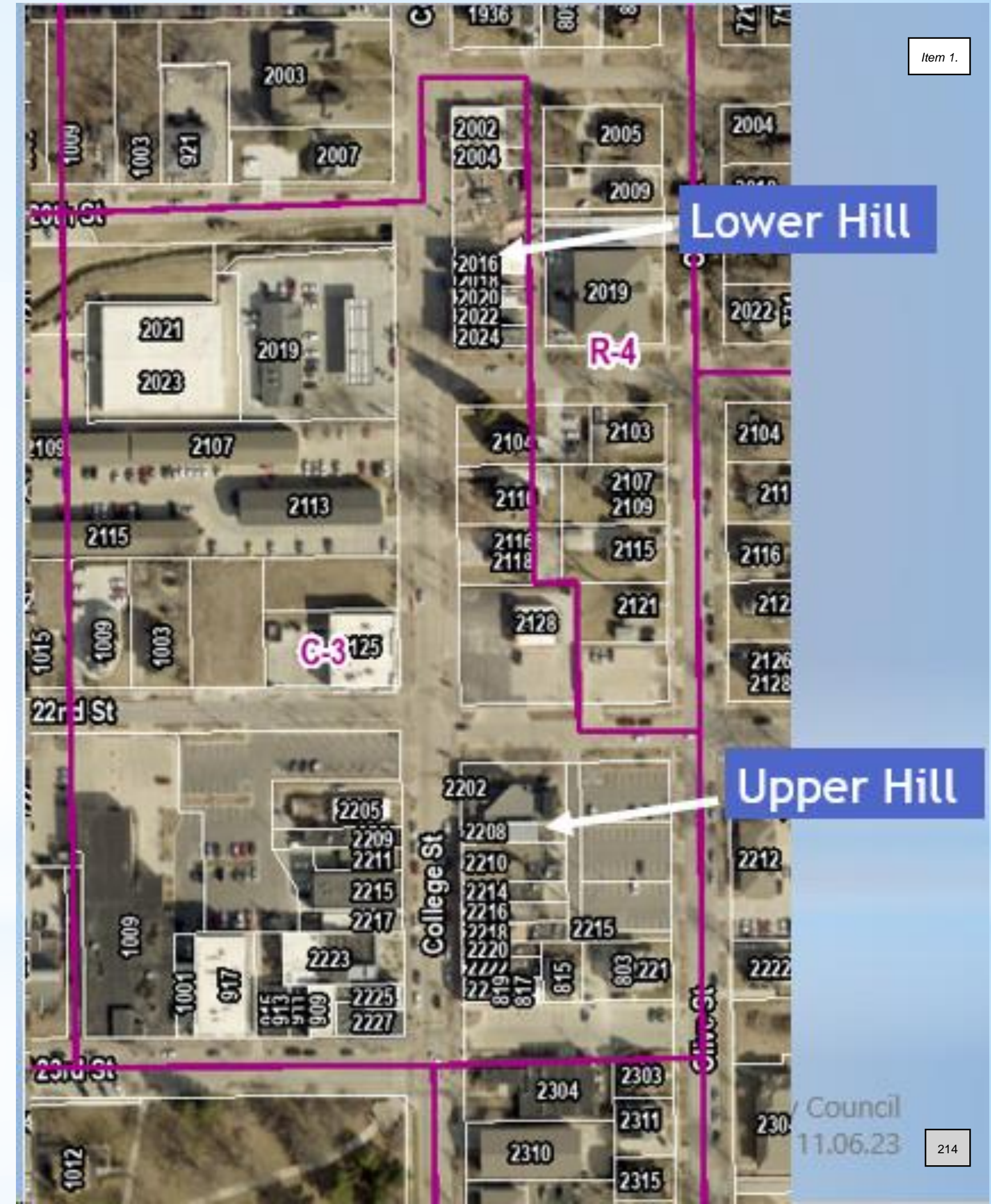
- Confusing and vague zoning standards
 - **Plan goal:** Adopt clear and objective standards
- Lengthy review process:
 - **Plan notes:** With objective standards in place more reviews could be administrative
- High parking requirements prevent redevelopment near campus
 - **Plan recommends** exploring creative parking solutions, considering allowing some parking to be located nearby but off-site, so smaller properties have potential for redevelopment
- UNI and City parking policies are conflicting
 - **Plan recommends** better coordination



Challenges for College Hill Business District

Vision Plan notes:

- Small lots with split zoning and high parking requirements prevent redevelopment between the Upper and Lower Hill
- Disconnected business district/lack of diversity of businesses.
 - For example, concern expressed about concentration of vape/smoke shops and liquor stores discouraging other investment
 - Market study indicates that business district needs a larger retail base of customers to support a larger number and greater diversity of businesses.
 - Market study notes that retailers would benefit from seamless connection between Upper and Lower Hill
- Dry Run Creek Floodplain
 - Plan recommends treating creek corridor as an asset - greenway, pedestrian/bike route
- Improved public spaces as a catalyst

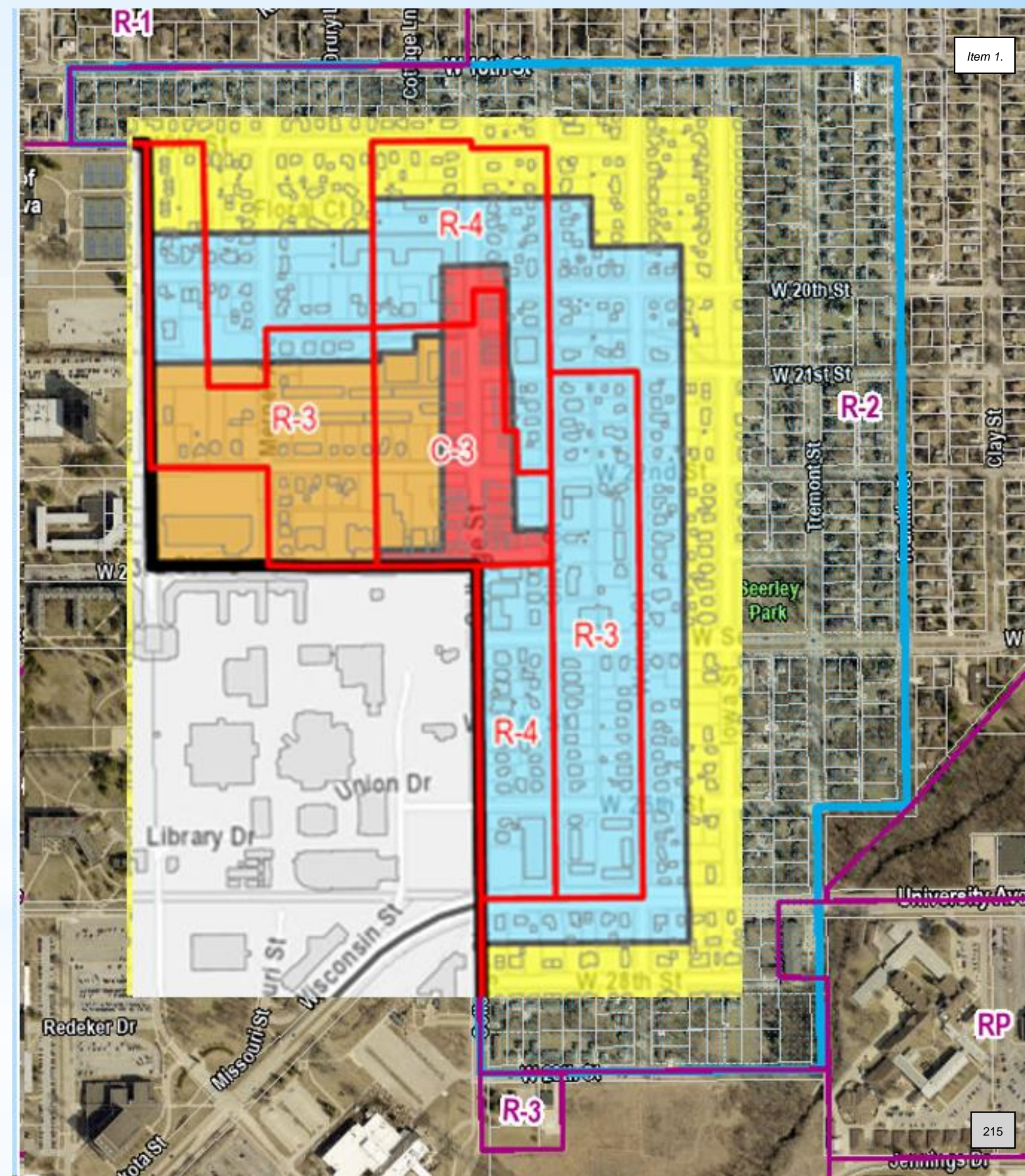


Potential Next Steps

- Goal-setting: Council determines scope of work/addresses funding for project

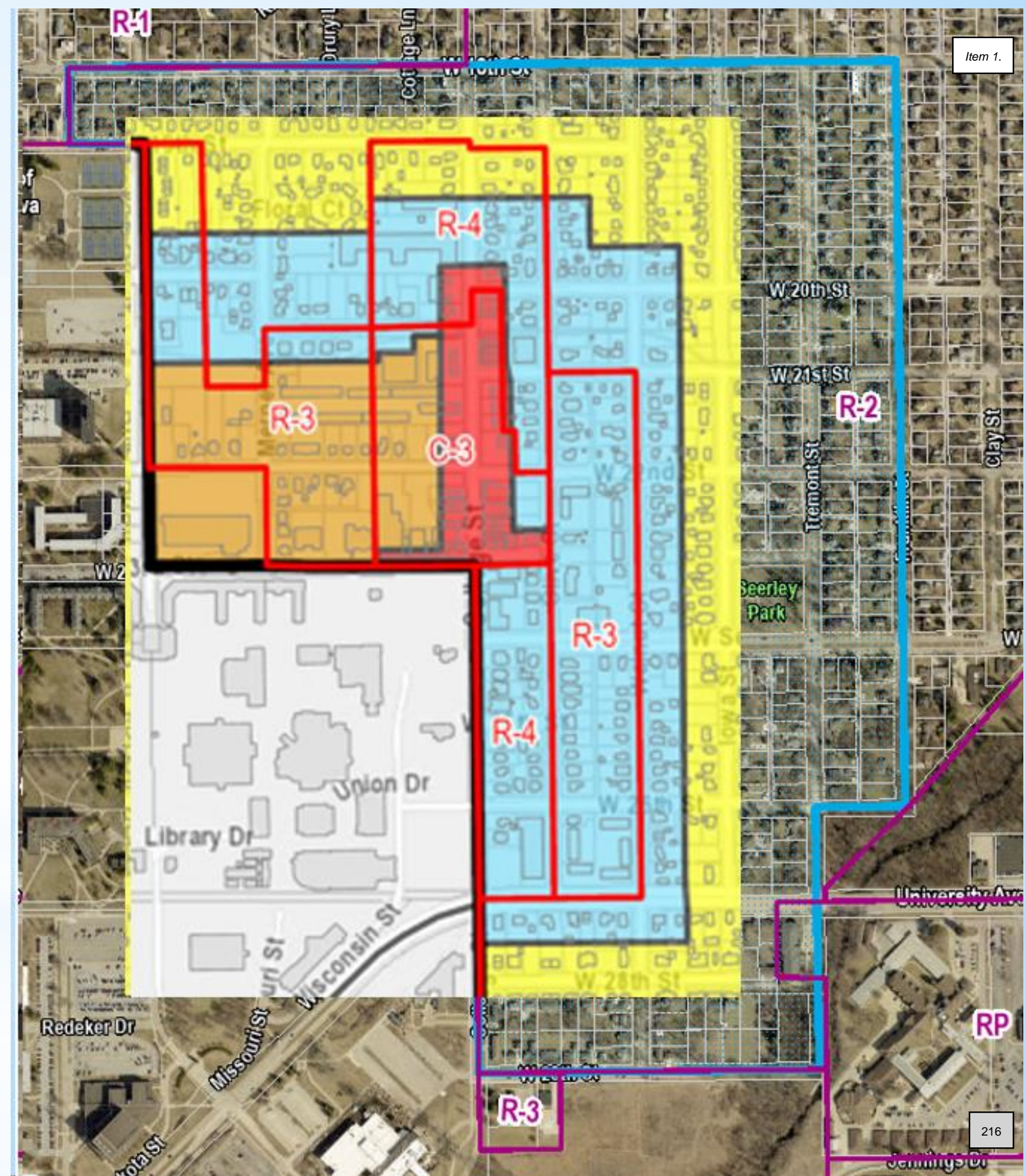
Process:

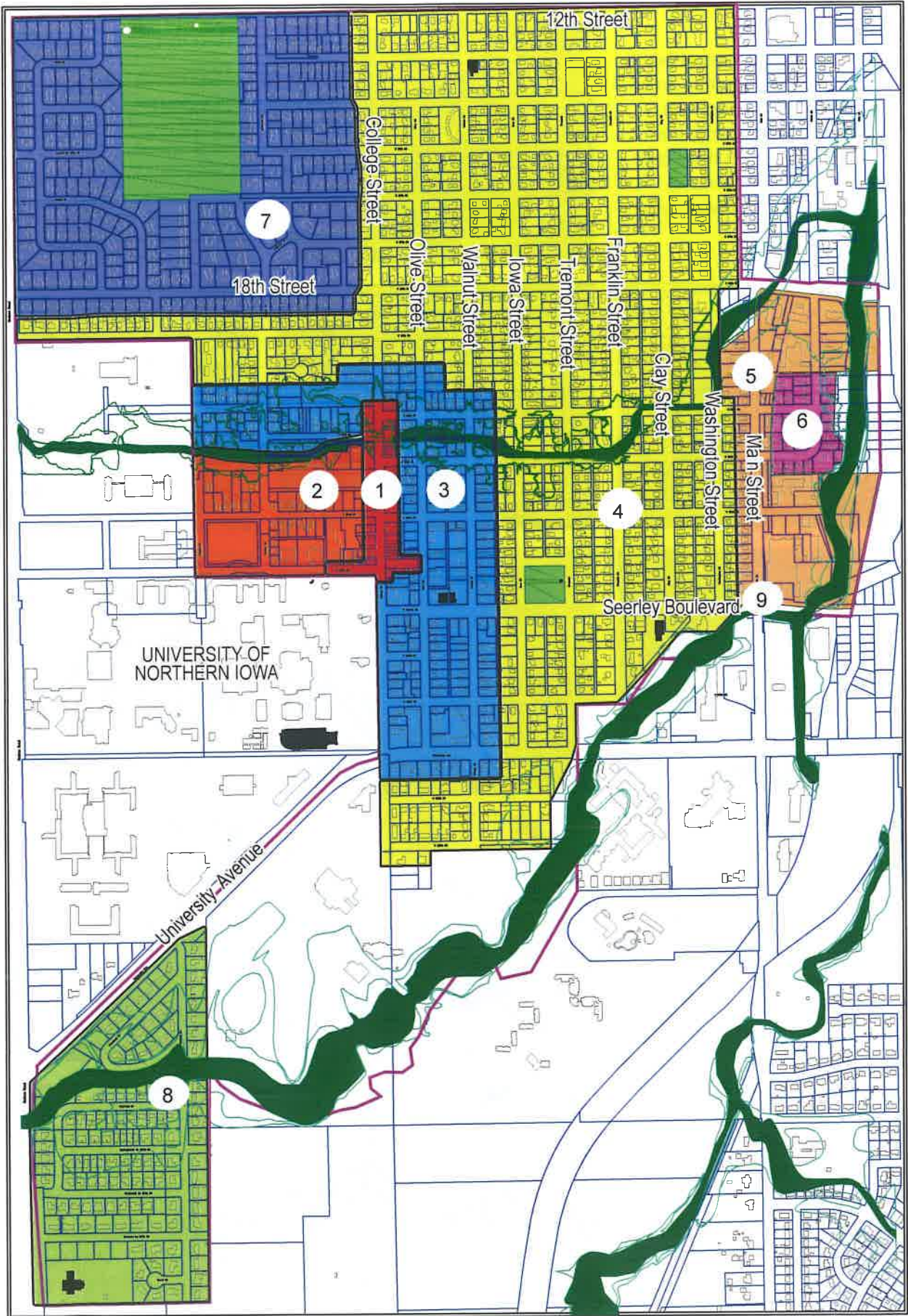
1. Draft & send RFP for consultant services
2. Consultant contract approved by Council
3. Staff works with consultant: Draft new regulations and policies to implement vision
4. Review draft with major stakeholders, e.g. businesses, College Hill Partnership, UNI
5. Presentation at P&Z - Release public review draft
6. Work sessions at P&Z
7. Public hearings at P&Z, review public comments and make any changes before making a recommendation to Council
8. Council committee meeting(s)
9. Council public hearing
10. Adoption
(process likely to take at least 1 year)



College Hill Vision Plan

1. Heart of College Hill (red)
 - College Hill Business District
 - Goal to fill gap between upper and lower Hill with shopfront buildings, more usable public open spaces, wider sidewalks, more street trees, improved pedestrian crossings
2. General College Hill (orange)
 - Area close to UNI between 20th and 23rd Streets.
 - Allow for more intense student residential (max. 4-5 stories)
 - Retail not encouraged.
3. University Neighborhood (blue)
 - Primarily residential neighborhood transition between more intense areas and lower density residential neighborhoods beyond.
 - Residential infill scaled to fit





Understanding College Hill: Character Areas

The College Hill study area is comprised of several sub-areas, all different in physical character, intensity, scale, and context. Based on the site analysis, market conditions, and community and stakeholder input, the team identified the following Character Areas.

In planning for future growth, these Character Areas provide a framework of intent for the scale of growth and change that is desired. To what degree should each area be maintained, evolve, or be transformed? The *Imagine College Hill Plan* begins to answer that question.

1. Heart of College Hill: College Street between 20th and 23rd Streets (and the adjacent half-block of each cross street)—the traditional College Hill business district. Under the *Imagine College Hill Plan*, the walkability of this area will be enhanced by: filling the gap between the Lower and Upper Hill with infill shopfront buildings, more usable public open spaces, and additional mixed-use opportunities. As streets are reconstructed in the future, this high pedestrian traffic area will have wider sidewalks, more street trees, improved pedestrian street crossings, and right-sized automobile lanes to enhance the walkability of the area.

2. General College Hill: Under the *Imagine College Hill Plan*, the area close to UNI between 20th and 23rd Streets and to the west of College Street will allow for growth with more intense buildings—street-oriented, multi-story (maximum 4 to 5 stories), and aligned along the back of the sidewalk or a small dooryard, depending on location. The new buildings would be primarily residential—but will permit a mix of uses (however, new retail will not be encouraged). During the charrette, there were some advocates for larger buildings (above 5 stories) in this area as opportunities for more intense student housing in proximity to campus and the nearby University residential towers. However, given the (slow) growth rate of Cedar Falls overall and anticipated enrollments at UNI, taller buildings may not be economically viable and could result in a net loss for the area, including:

- Requiring more expensive construction types, thereby decreasing the affordability of the new units;
- Absorbing the demand for new growth on one or two sites, leaving other development sites to languish for a longer period of time;
- Increasing the costs to provide adequate parking (either in land area or in construction costs for structured parking);
- Creating an incentive for a developer to “cannibalize” another potential development site to provide the needed parking, creating an unfriendly pedestrian environment at the other site.

In general, it would be more economically beneficial to spread new development more broadly across this area of College Hill rather than concentrating it on one or two individual sites.

3. University Neighborhood: This is the close-in, primarily residential area immediately north of Dry Run Creek on the west side of College Street, and along Olive and Walnut streets, from 20th Street to University Avenue, on the east side. It currently includes a range of building forms, including medium to large apartment buildings as well as detached houses. This area serves as a transition from the business district and the University to the more single-family detached Seerley and Clay Street Park Neighborhoods. Under the *Imagine College Hill Plan*, new structures should be Missing Middle types; limited in scale with no more than four stories in height and 120 feet in frontage (façade length along the sidewalk). The buildings will be aligned, either along the back of the sidewalk or with small dooryards. Height and placement at the rear lot lines will also be limited, especially when adjacent to single-family houses in the neighborhood.

4. Seerley Park and Clay Street Park Neighborhoods: Residential neighborhoods of primarily single-family detached houses and duplexes, including numerous rentals. Careful incremental infill should be allowed—both more single-family and two-family detached houses at a scale that is sensitive to the existing houses, as well as accessory dwelling units (ADUs). Under the *Imagine College Hill Plan*, this area will be stabilized and enhanced. New structures will be no more than two-and-a-half stories in height and 60 feet in frontage (façade length along the sidewalk) with additional design, architectural and form standards to break down the building massing and require front yards that are consistent with the neighbors. Limiting the intensity allowed for new development will discourage the redevelopment of existing, viable, buildings. The development of vacant lots or derelict properties will be encouraged, but at a scale that doesn’t stray far from that of the existing context. Policies and regulations will focus on leveling the playing field and creating a better balance between student renters, other renter households, and owner-occupied housing.