



**AGENDA
CITY OF CEDAR FALLS, IOWA
STANDING COMMITTEE MEETING
MONDAY, NOVEMBER 07, 2022
5:20 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. Library Interviews - Michael Graziano and Lindi Roelofse.
(10 Minutes)
2. Audit Report.
(10 Minutes, Controller/City Treasurer Lisa Roeding)
3. Review of TIF and Standard Incentive Policies.
(30 Minutes, Economic Development Coordinator Shane Graham)

Community Development Committee

1. Cedar Falls Economic Development Corp. Update.
(20 Minutes, Cedar Falls Economic Development Corporation Executive Director Jim Brown)
2. Cedar Falls High School Pool Fundraising – “Jump In”.
(20 Minutes, Jump In Co-Chairs Traci Mallaro & Lorelei Redfern)



MAYOR ROBERT M. GREEN

CITY OF CEDAR FALLS, IOWA

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

FROM: Mayor Robert M. Green

TO: City Council

DATE: November 1, 2022

SUBJECT: Appointments to the Library Board of Trustees

REF: (a) Code of Ordinances, City of Cedar Falls §2-407

1. In accordance with the candidacy and qualification requirements of reference (a), I hereby nominate the following citizens for appointment to the Library Board of Trustees for a six-year term:
 - Mr. Michael Graziano, term ending 6/30/2028 (New Appointment)
 - Mr. Lindi Roelofse, term ending 6/30/2028 (New Appointment)

2. I am also scheduling interviews with the Finance and Business Operations Committee prior to this appointment being considered by the City Council as is customary.

Xc: City Administrator
Director, Finance and Business Operations
Library Director

###



GENERAL APPLICATION FOR APPOINTMENT TO CITY BOARDS & COMMISSIONS

Item 1.

Thank you for your interest in volunteer civic service. Complete all sections of this application; please contact City Hall at (319) 273-8600 with questions. The City of Cedar Falls is committed to providing equal opportunity for citizen involvement.

Name: **Michael** **Graziano** Gender: Date: **7/5/2022**
First MI Last

Home Address: **512 Hearthside Drive** Home Phone:

Work Address: **UNI Bartlett Hall 1089, Cedar Falls, IA 50614** Work Phone:

E-mail Address: **grazmike@gmail.com** Cell Phone: **850-322-7441**

Employer: **UNI** Position/Occupation: **Professor**

If Cedar Falls resident, length of residency: **3 years** City Ward: **3** I have a LinkedIn Profile

DESIRED NOMINATIONS: Check or fill in boxes for all that apply; view detailed descriptions at <https://bit.ly/cf-boards>

- Art and Culture Board
- Board of Adjustment
- Board of Appeals
- Board of Electric Examiners & Appeals
- Board of Mechanical Examiners & Appeals
- Board of Plumbing Examiners & Appeals
- Board of Rental Housing Appeals
- Civil Service Commission
- Community Center & Senior Services Board
- Health Trust Fund Board
- Historic Preservation Commission
- Housing Commission
- Human Rights Commission
- Library Board of Trustees
- Parks & Recreation Commission
- Planning & Zoning Commission
- Utilities Board of Trustees
- Visitors & Tourism Board

COMMUNITY INVOLVEMENT: Please describe past and present involvement in the community, including voluntary, social, city, religious, school, business and professional (include dates and offices held, if applicable).

QUALIFICATIONS: Please list any special qualifications for board service, including skills, training and certifications.

At UNI, I research and teach on the relationship between religion and public education. I also direct the Institute for Religion & Education, which works to develop religious literacy.

MOTIVATION: Why do you desire to serve on city boards and commissions, and what contributions do you believe you can make?

My family moved to Cedar Falls in 2019. During the pandemic, the CF Library became one of my family's favorite spots to take our toddler. We are very grateful for the services they provide, and I'd like to give back. I am also a strong advocate for literacy education, a goal that I believe the CF Library shares.

POTENTIAL CONFLICTS OF INTEREST: Please list organizations and relationships which could pose a potential conflict of interest during your service on a city board or commission. Civic leaders are expected to have many ties to community organizations and people; this listing does not preclude appointment but is intended to provide transparency and accountability for board service.

Other than my institutional relationship to UNI, I can't think of any relationships that could be a potential conflict of interest.



LIBRARY BOARD OF TRUSTEES CANDIDATE QUESTIONNAIRE

Item 1.

Name: Michael Graziano

Date: July 7, 2022

Can you attend board meetings on the 1st Wednesday of the month at 4pm at the Cedar Falls Library? Yes No

1. Why are you interested in serving on the Library Board of Trustees?

I am interested in serving for three reasons. First, I'm simply a big fan of public libraries. Much like the long-standing U.S. commitment to public education, our country's commitment to public libraries is part of its foundational though imperfect commitment to equality. I think a public library can and should be a core part of the community it serves.

Second, I greatly value public institutions. I attended public schools, and I earned my PhD at a public university. I work at a public institution (UNI), and my teaching and research there includes a focus on public education. I am interested in doing what I can to support public institutions like the library in my own community, since these institutions are by their very nature intended to be accessible and open to all of our neighbors.

Finally, since my family moved to Cedar Falls three years ago, the CF Library has become one of our favorite places in town (especially now that we have a toddler). We've been consistently impressed by the library's creative and helpful offerings in addition to its great book selection. Simply put, if there's a need for volunteers on the Board of Trustees, I'd like to help and give back.

2. What is the role of the Public Library in supporting the community as a whole?

The role of the public library is to serve the community by expanding and protecting access to knowledge, respecting intellectual freedom, and identifying other opportunities to serve citizens that advance these goals beyond access to books (e.g., skill-building workshops, community events, tool rentals, etc.).

3. Because the Cedar Falls Public Library is owned by the City of Cedar Falls, what is the appropriate role of the Trustees in keeping the City informed and involved in library operations?

The Trustees serve as a valuable connection between library operations and the citizens served by those operations. In my view, when any local government effort is working at its best, it is both responsive to the needs of its citizens while being proactive in anticipating how to best develop policy and use limited resources. Trustees should be knowledgeable about the CF Library's budget and policies so that the City (and the people it serves) can best understand how their investment in the library benefits their community.

4. The Trustees provide operational and fiduciary oversight for the Library; what is your experience in personnel management, financial operations, litigation, business operation, and risk management?

While I do not have formal training in these areas, in addition to my teaching and research duties at UNI, I have managed the budget for various grants and workshops.

5. Should the Cedar Falls Public Library be completely free of charge, or should fees be charged for select programs and services that extend beyond basic library offerings?

In general, I think the CF Library's services and programs should be free of charge so that these offerings are not unintentionally difficult for low-income community members to enjoy. Based on my time in the library as a patron, I also suspect that different community members understand "basic library offerings" quite differently—which is a testament to the wide range of valuable activities available in the library

At the same time, I recognize that difficult budgeting decisions may have to be made, and I can imagine clear rationales for certain charges. For example, the library makes printing services available (thus saving patrons the cost of purchasing their own printer), but charges a set fee per page to offset the cost of paper and ink which helps to continue providing that service in the first place.

6. If Library materials selection or self-censorship violates a Trustee's personal beliefs, how might that Trustee best respond?

I work in the academic study of religion at a public university, so dealing with challenging questions about professional judgment, bias, and personal belief are familiar to me. In my view, if library materials conflicted with the Trustee's personal beliefs, that is (a) perfectly legitimate for that person to observe and feel, but (b) is not itself a sufficient reason to make those materials unavailable to the rest of the community.

The role of the concerned Trustee, in this situation, would be to make a case about why this particular item would not serve the interests of the community as a whole. For example, if the library were to inadvertently acquire a book with antisemitic messaging, I hope that the Trustee would demonstrate how this book is not simply personally offensive but also damaging to our community as a whole. This also underscores the need for Trustees from diverse backgrounds and life experiences.

I see the role of the individual Trustee as one voice working towards consensus with their colleagues, and I trust that if a challenging decision had to be made, the Trustees would work in good faith with both each other and community stakeholders to come to the best decision.

Please send this completed Candidate Questionnaire by the published deadline to:

City of Cedar Falls, Boards & Commissions, 220 Clay Street, Cedar Falls, IA 50613, fax to (319) 268-5126, or e-mail to boards@cedarfalls.com. You will be notified shortly if selected as a Finalist for the appointment



GENERAL APPLICATION FOR APPOINTMENT TO CITY BOARDS & COMMISSIONS

Item 1.

Thank you for your interest in volunteer civic service. Complete all sections of this application; please contact City Hall at (319) 273-8600 with questions. The City of Cedar Falls is committed to providing equal opportunity for citizen involvement.

Name: **Lindi** **Roelofse** Gender: **F** Date: **6/30/2022**
First MI Last

Home Address: **4815 Algonquin Drive #3, Cedar Falls IA 5061** Home Phone: **(319) 464-0752**

Work Address: **8120 Jennings Drive 13P, Cedar Falls IA 5061** Work Phone: **(319) 464-0752**

E-mail Address: **lindi.roelofse@uni.edu** Cell Phone: **(319) 464-0752**

Employer: **University of Northern Iowa** Position/Occupation: **Davis Chair in Entrepreneurship**

If Cedar Falls resident, length of residency: **3 Years +** City Ward: **II** I have a LinkedIn Profile

DESIRED NOMINATIONS: Check or fill in boxes for all that apply; view detailed descriptions at <https://bit.ly/cf-boards>

- | | | |
|--|--|---|
| <input checked="" type="checkbox"/> Art and Culture Board | <input type="checkbox"/> Board of Rental Housing Appeals | <input checked="" type="checkbox"/> Human Rights Commission |
| <input type="checkbox"/> Board of Adjustment | <input checked="" type="checkbox"/> Civil Service Commission | <input checked="" type="checkbox"/> Library Board of Trustees |
| <input type="checkbox"/> Board of Appeals | <input type="checkbox"/> Community Center & Senior Services Board | <input checked="" type="checkbox"/> Parks & Recreation Commission |
| <input type="checkbox"/> Board of Electric Examiners & Appeals | <input checked="" type="checkbox"/> Health Trust Fund Board | <input checked="" type="checkbox"/> Planning & Zoning Commission |
| <input type="checkbox"/> Board of Mechanical Examiners & Appeals | <input checked="" type="checkbox"/> Historic Preservation Commission | <input checked="" type="checkbox"/> Utilities Board of Trustees |
| <input type="checkbox"/> Board of Plumbing Examiners & Appeals | <input checked="" type="checkbox"/> Housing Commission | <input checked="" type="checkbox"/> Visitors & Tourism Board |

COMMUNITY INVOLVEMENT: Please describe past and present involvement in the community, including voluntary, social, city, religious, school, business and professional (include dates and offices held, if applicable).

As an economic development executive I served on 20+ local community boards and commissions in Iowa during the previous recession supporting our community (2007-2012). Then I moved to England to pursue my Ph.D. and took on strategic leadership roles on 5+ emergent innovation initiatives (2012-2017). Now I am back in Iowa and as a parent I have mostly committed to underestimated and underserved innovators voices.

QUALIFICATIONS: Please list any special qualifications for board service, including skills, training and certifications.

Ph.D in Strategy and Innovation (Management Studies), Newcastle University
MBA in Strategy and Marketing, University of Iowa
BA in Psychology, University of Iowa
Housing Development Financing Professional (HDFP)

MOTIVATION: Why do you desire to serve on city boards and commissions, and what contributions do you believe you can make?

Many qualified individuals can make terrific contributions to our community, but who do I know? As we are heading into a recession I implore you to consider the place of underserved and underestimated innovators in your hierargy and their needs when you make policies. I would be honored to serve as a link building community betterment for members with the energy and passion without the power to tackle problems.

POTENTIAL CONFLICTS OF INTEREST: Please list organizations and relationships which could pose a potential conflict of interest during your service on a city board or commission. Civic leaders are expected to have many ties to community organizations and people; this listing does not preclude appointment but is intended to provide transparency and accountability for board service.

My action research centers on underserved and underestimated entrepreneurs and innovators. Creating win-win-win opportunities and policies to take healthy steps forward in Business-to-Government, Business-to-Business, and Business-to-Consumer revenue and diversification of approved vendor lists is something in my line of sight. This is at a systems level without chances of personal benefit.



LIBRARY BOARD OF TRUSTEES CANDIDATE QUESTIONNAIRE

Item 1.

Name: Lindi Roelofse

Date: July 9, 2022

Can you attend board meetings on the 1st Wednesday of the month at 4pm at the Cedar Falls Library? Yes No

1. **Why are you interested in serving on the Library Board of Trustees?**

i) *Important.* I believe the modern library is important. Companies like Google and SBDC realize that to reach innovators a library is often a first point of community contact, even before entrepreneurial centers in the innovation ecosystem. In terms of underserved and underestimated innovators (where I specialize) the importance of libraries as a safe and trustworthy space to access trustworthy cultural knowledge is even higher.

ii) *Interesting.* I believe the modern library is interesting and exciting. In my professional capacity we have won awards in partnership with Rod Library team members for recognizing the importance of libraries and entrepreneurial centers collaborating and training up lean startup methodologies.

iii) *Integrative problem-solving.* I love knowledge, learning, archiving data and I am curious about how the modern library will continue to evolve. I am open to learning more. And as I learn more, I am open to exploring and making introductions for integrated solutions to complex societal challenges.

2) **What is the role of the Public Library in supporting the community as a whole?**

I believe Public Library will mean different things to different people in different life paths, at different life stages, yet it brings it all together into a constant. A constant that will welcome you when you are down on your luck, a constant that gives you a fresh point of view when you need to explore a new path, a constant when a pandemic hits and your home internet access is not reliable.

3) **Because the Cedar Falls Public Library is owned by the City of Cedar Falls, what is the appropriate role of the Trustees in keeping the City informed and involved in library operations?**

As the "owner" there are a couple of liability hoops. Being good stewards with budgeting and allocating the resources is a given. Minimizing unnecessary risk is another. It is also a symbol, so representing the values of the government serving all residents regardless of who they voted for in the last election is another.

On the other hand, there is a separation. A commitment to specifically discourse on a variety of topics and representing multiple sides of an issue. In a politically polarized world I hope that the Library offers the symbolic separation between opposing forces and a safe space where conflicting ideas can coexist to be understood better.

4) **The Trustees provide operational and fiduciary oversight for the Library; what is your experience in personnel management, financial operations, litigation, business operation, and risk management?**

As the T. Wayne Davis Chair in Entrepreneurship at the University of Northern Iowa I train student and adult changemakers who are interested in building something bigger than themselves in building these skill sets and framing the policies and values that would allow them to make healthy decisions and ensure the longer-term vitality of the initiatives that they deem most important.

Before returning to academia to pursue a Ph.D. I had experience as an executive director of a 28E governmental partnership for economic development (2007-2012). That means I was responsible for day-to-day personnel management, financial operations, litigation, business operation and risk management. My 30 board directors did oversight. Prior to that I was also the executive director of an Arts and Culture organization with the same responsibilities and my board of 12 directors provided oversight.

5) **Should the Cedar Falls Public Library be completely free of charge, or should fees be charged for select programs and services that extend beyond basic library offerings?**

On the one hand there is something to be said for removing the barriers to access so everyone feels welcome regardless of their socio-economic status at a specific point in time. In fact, one could argue that creating more inclusive opportunities for community members to connect across socio-economic lines may be a part of the solution to apathy, distrust and a whole host of societal challenges.

The question then becomes, at what threshold does the no-fee policy change? Would it create psychological discomfort when there is ambiguity if something is not explicitly labeled as free, or someone's trust needs to be repaired if they have to turn around and walk away because the price was a surprise? There are ways to fix this with clear signage and cultural normative expectations but it could get murky and in some cases may even be illegal as well as erode the brand.

My first stab at a recommendation would be to lean on partnerships and/or parallel venture identities like 'Friends of the Library Foundation' when services and programming could/should be charged. Image wise, let the other players at the table take an explicit or symbolic lead on the special initiatives. When and if appropriate, the income portion that would be fair market earned income can then be paid back to the library by the partner organization.

6) **If Library materials selection or self-censorship violates a Trustee's personal beliefs, how might that Trustee best respond?**

On paper, libraries should encourage civil discourse and dissent as part of civic engagement in forums designated for that purpose and not ignore or avoid controversial topics out of fear of causing offense or provoking controversy. To that end they should collect, maintain, and provide access to as wide a selection of materials and events, reflecting as wide a diversity of views on a topic as possible, within their budgetary constraints and local community needs. A balanced collection should include the variety of views that surround any given issue.

That being said, I am also aware that I personally have a value system that shapes my priorities. If controversial topic X threatens to harm or trigger vulnerable individuals and they are not in a position to advocate for themselves (yet) I will see it as my duty to have their back when they are not in the room and move towards solutions that factor their stakeholder needs when possible.

For example, I am the mother of a three-year-old boy and seven-year-old girl, so this vantage point might include measures to protect or shelter children as they go through various stages of cognitive, emotional, and social development. I am a naturalized US citizen so this vantage point may include paying a lot of attention to the needs of immigrant and refugee residents with non-typical lived experiences. I was a single mom living below the breadline while working my way through college and that may include looking out for Library members in a lower socio-economic class. I often also look out for stakeholders who are neurodiverse, have mobility constraints, anyone working through societal, ancestral, or personal trauma. We may not be able to solve problems for all these stakeholders who are less likely to be in the room when decisions are made, but I do stand for progress when possible.

City of Cedar Falls, Boards & Commissions, 220 Clay Street, Cedar Falls, IA 50613, fax to (319) 268-5126, or e-mail to boards@cedarfalls.com. You will be notified shortly if selected as a Finalist for the appointment

Item 1.



DEPARTMENT OF FINANCE & BUSINESS OPERATIONS

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

Item 2.

INTEROFFICE MEMORANDUM

Financial Services Division

TO: Mayor Green & City Council Members
FROM: Lisa Roeding, Controller/City Treasurer
DATE: October 31, 2022
SUBJECT: FY2022 Annual Comprehensive Financial Report

The FY2022 Annual Comprehensive Financial Report will be reviewed at the Finance and Business Operations Committee meeting on November 7, 2022. Attached for your review are the following items:

FY2022 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, 2022; 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.

FY2022 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 FY2022 Annual Comprehensive Financial Report will be on the Council Agenda for the November 7, 2022 Council meeting. City of Cedar Falls staff recommends that the City Council receive and file the FY2022 Annual Comprehensive Financial Report. Upon Council approval, 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, 2022**

Prepared by the Department of Finance & Business
Operations

CITY OF CEDAR FALLS, IOWA

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2022

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, 2022**

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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 7, 2022

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, 2022. This is the first 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, 2022. 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 FY23 by \$245.7 million. With the implementation of the commercial rollback by the State of Iowa, taxable values increased by approximately \$99 million. (See Attachment A)

The City of Cedar Falls maintains a comparatively low tax rate. Cedar Falls has the fifth lowest tax rate per capita of the twenty largest cities in the state of Iowa for FY22 (See Attachment B). This low rate can be attributed to the efforts of the City to streamline operations over the past twenty three 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 FY21. (See Attachment C). The Waterloo-Cedar Falls Metropolitan area has historically enjoyed a relatively low unemployment rate. As of June 2022 2.7% of the Waterloo-Cedar Falls Metropolitan workforce was unemployed.

Over the past ten years Cedar Falls' residential housing sales prices have significantly increased. In 2011, the average sales price reported was \$197,576. In 2021, the average sales price was \$269,165, which is a thirty six (36) 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 2022. Federal/State funding, Local option sales tax funding, Road Use Tax funding and G.O. Bond funding will be used to fund this project. The Cedar Falls downtown streetscape project and downtown brick replacement project are nearing completion. These projects were funded with downtown tax increment finance funding and Black Hawk Gaming grant funding. These projects started in 2019 and will wrap up in the fall of 2022. 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.

Other Projects

The City has increased the levee to the 500-year flood range protection. This project is funded by a sales tax grant from the state of Iowa and was completed in 2020. The City of Cedar Falls is in the final stages of completing FEMA's 44 CFR 65.10 compliance for Levee Accreditation. 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 is set to be completed October 2022, with the final phase completed by January 2023. The project will be funded by capital reserves.

Global Pandemic

Challenges and changes brought about by pandemic were not as severe as the City estimated in spring of 2020. The City did see reduction in hotel/motel tax revenues of 14% in 2021, however the projection for fiscal year 2022 was higher than expected, a return to pre-pandemic rates. The Cedar Falls Recreation Center was awarded \$328,334 from the Iowa Fitness Center Relief Grant to help with the loss of revenues since March 2020.

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 allocated \$6.5 million over two years. 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 will begin FY2023; this project will use an estimated \$1,900,000 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 \$4,600,000 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, 2021. 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 two consecutive years (fiscal years ended 1990-2021). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

ACKNOWLEDGMENTS

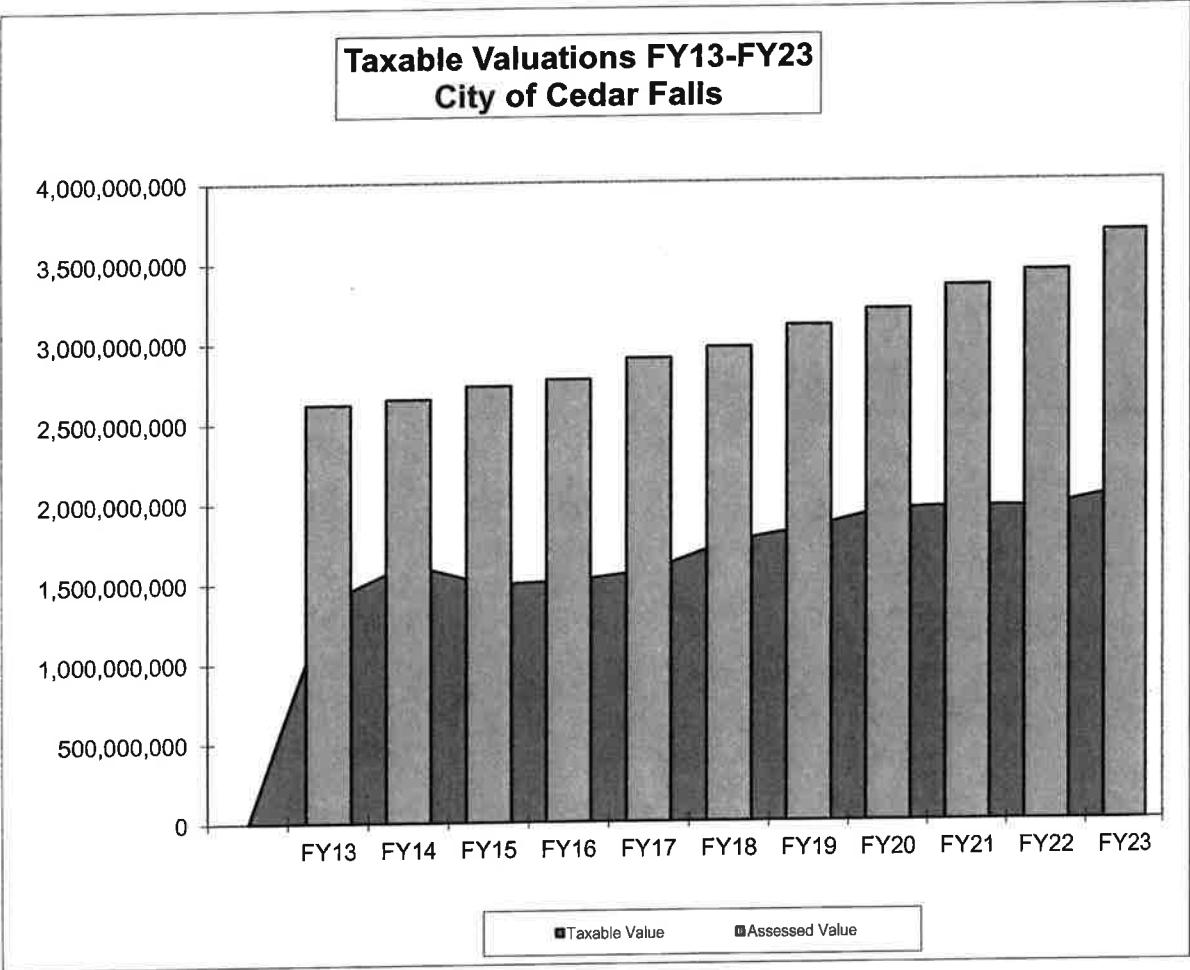
The preparation of this report could not be accomplished without the efficient and dedicated service of the entire staff of the Financial Services Division, particularly Jennifer Rodenbeck, Director of Finance and Business Operations, Cathy Niebergall, Financial Technician, and Paul Kockler, Accountant. 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

taxvalue23



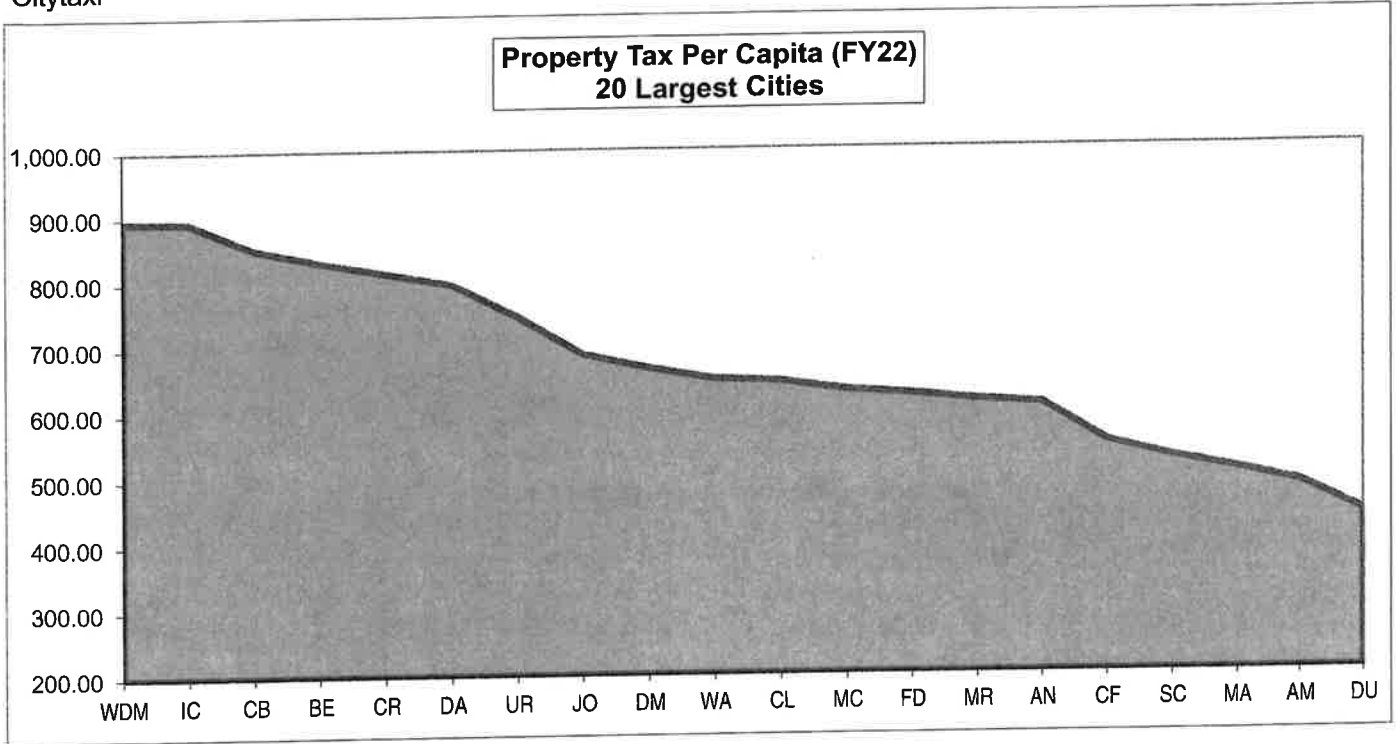
Year	Taxable Value	Assessed Value
FY13	1,393,511,204	2,618,319,843
FY14	1,622,862,335	2,650,433,900
FY15	1,490,616,188	2,729,240,639
FY16	1,509,722,828	2,769,405,368
FY17	1,569,292,287	2,897,854,208
FY18	1,750,040,895	2,965,854,183
FY19	1,832,652,499	3,099,765,282
FY20	1,950,451,511	3,195,848,285
FY21	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

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 FY23, assessed values increased by \$245,759,683. Taxable values increased by \$99,693,926.

ATTACHMENT B

Citytaxr



**Property Tax Per Capita (FY22)
20 Largest Iowa Cities**

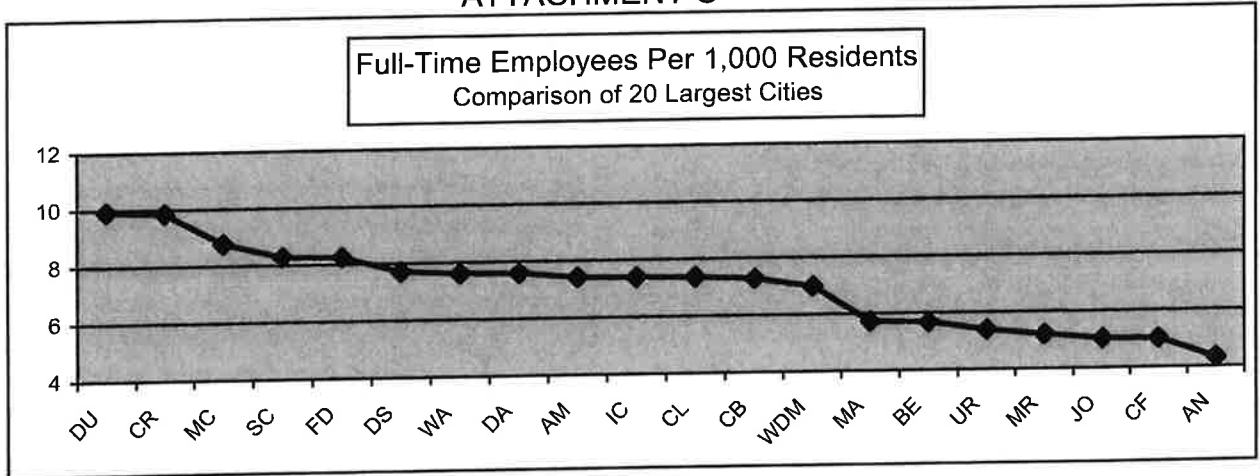
City	FY22 Tax Per Person	2020 Population	Abbreviation
West Des Moines	894.40	68,723	WDM
Iowa City	892.56	74,828	IC
Council Bluffs	850.84	62,799	CB
Bettendorf	830.94	39,102	BE
Cedar Rapids	813.21	137,710	CR
Davenport	795.87	101,724	DA
Urbandale	745.90	45,580	UR
Johnston	687.85	24,064	JO
Des Moines	665.76	214,133	DM
Waterloo	649.03	67,314	WA
Clinton	644.63	24,469	CL
Mason City	630.48	27,338	MC
Fort Dodge	623.95	24,871	FD
Marion	613.83	41,535	MR
Ankeny	608.07	67,887	AN
Cedar Falls	549.19	40,713	CF
Sioux City	524.85	85,797	SC
Marshalltown	506.08	27,591	MA
Ames	484.22	66,427	AM
Dubuque	438.58	59,667	DU
Average	672.51		

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 \$549.19 per person, the City is substantially below the average rate of \$672.51. 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 5.02 million dollars would be devoted to operations. This would be an increase of 22% of taxes levied in FY22.

ATTACHMENT C



City	FY21 Employees	2020 Population	Employees Per 1,000
Dubuque	592.0	59,667	9.92
Cedar Rapids	1356.0	137,710	9.85
Mason City	240.0	27,338	8.78
Sioux City	710.0	85,797	8.28
Fort Dodge	205.0	24,871	8.24
Des Moines	1650.0	214,133	7.71
Waterloo	512.0	67,314	7.61
Davenport	772.0	101,724	7.59
Ames	492.0	66,427	7.41
Iowa City	552.0	74,828	7.38
Clinton	180.0	24,469	7.36
Council Bluffs	457.0	62,799	7.28
W. Des Moines	479.0	68,723	6.97
Marshalltown	158.0	27,591	5.73
Bettendorf	222.0	39,102	5.68
Urbandale	245.0	45,580	5.38
Marion	216.0	41,535	5.20
Johnston	121.0	24,064	5.03
Cedar Falls	204.0	40,713	5.01
Ankeny	293.0	67,887	4.32
Average:			7.03

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

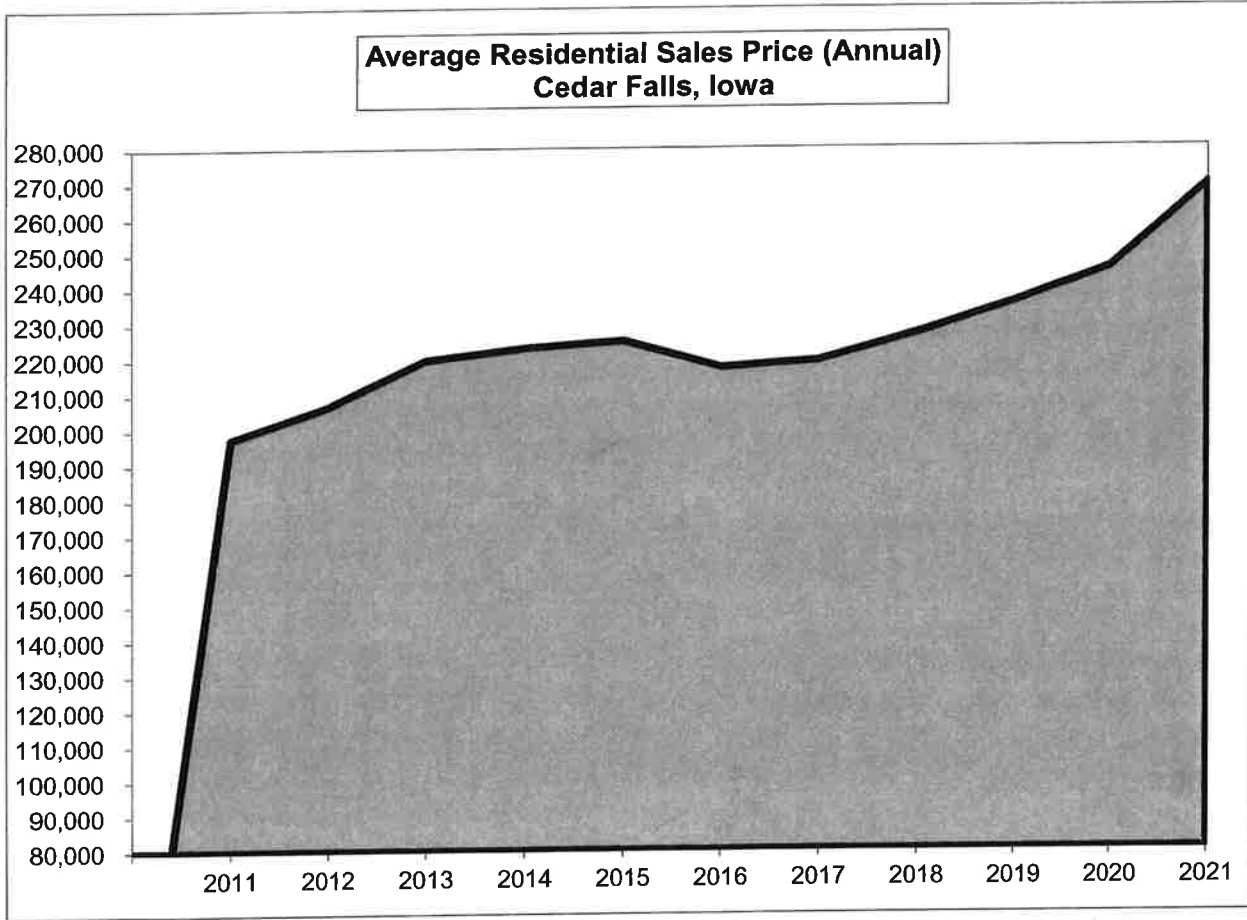
Cedar Falls has 2.02 employees per 1,000 capita less than the state average, which is equivalent to 82 fewer full-time employees.

Employment reductions have been implemented over the last 10 years, which has streamlined Cedar Falls' employment.

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
2011	197,576
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
Average	225,992

The average sale price of residential properties in Cedar Falls has grown by 36% between 2011- 2021 from \$197,576 to \$269,165



Government Finance Officers Association

**Certificate of
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Iowa**

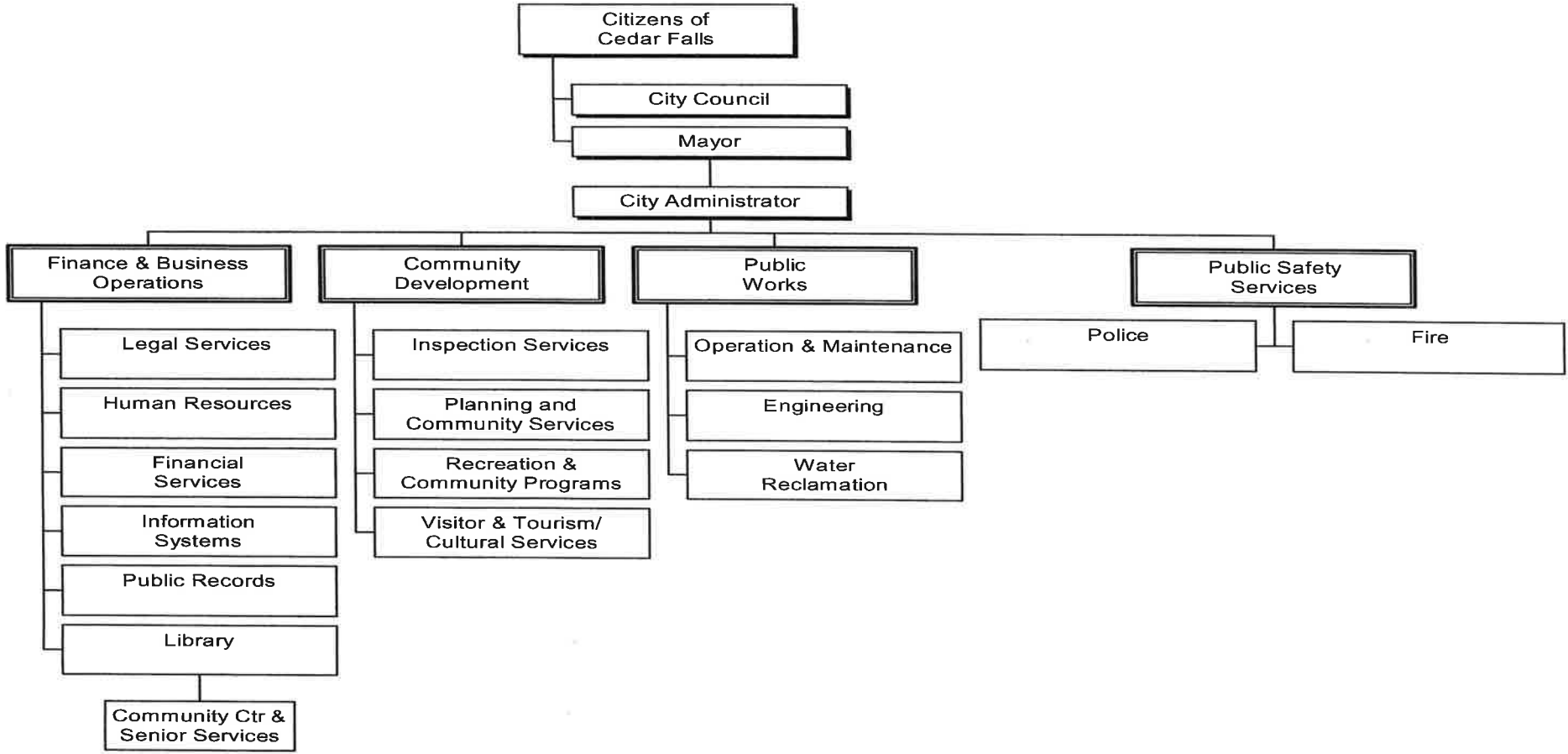
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

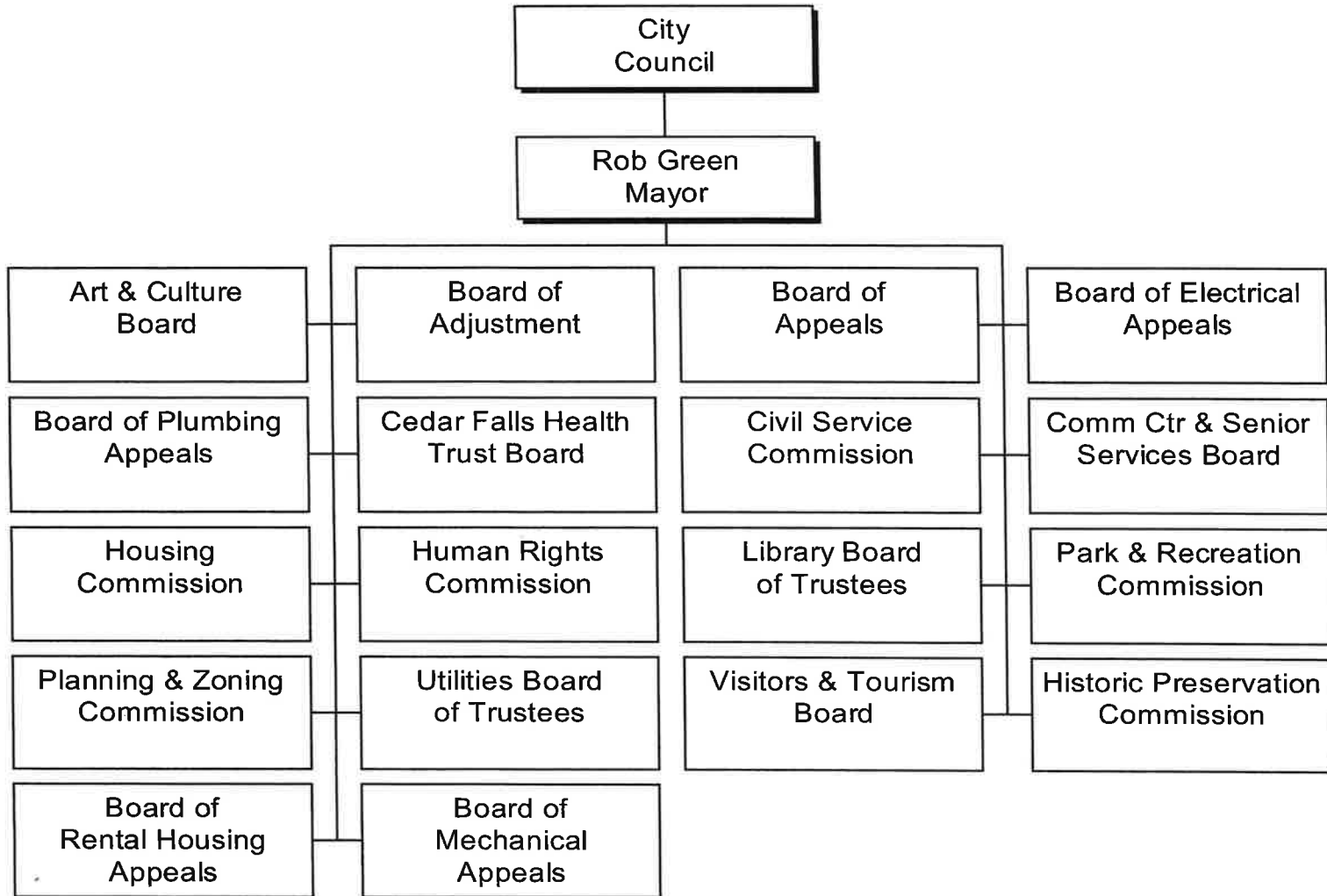
Executive Director/CEO

City of Cedar Falls, Iowa Organizational Chart



-12-

City of Cedar Falls, Iowa Boards and Commissions



CITY OF CEDAR FALLS, IOWA

**PRINCIPAL OFFICIALS
June 30, 2022**

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 Bostwick
Asst. Director of Public Safety/Police Chief	Vacant
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	Mike Nyman
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, 2022, 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, 2022, 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.

Adoption of New Accounting Standard

As discussed in Notes 1 and 4 to the financial statements, the City has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Accordingly, a restatement has been made to the City's net position and fund balance as of July 1, 2021, to restate beginning net position. Our opinions are not modified with respect to this matter.

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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The 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 auditing standards generally accepted in the United States of America. 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 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, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is 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 the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Cedar Falls's internal control over financial reporting and compliance.



Dubuque, Iowa
October 27, 2022

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, 2022. Please read it in conjunction with the transmittal letter found on pages 1 – 10 of this report.

2022 FINANCIAL HIGHLIGHTS

- Revenues of the City's governmental activities increased 4.20%, or \$2,405,923, from fiscal year 2021 to fiscal year 2022, primarily due to the increase in property taxes. Property taxes increased \$2.2 million for all activities.
- Program expenses of the City's governmental activities and business activities increased by less than 1% in fiscal year 2022 from fiscal year 2021.
- The City's net position increased 3.27%, or \$13,724,163, over the June 30, 2021 balance. Of this amount, the net position of the governmental activities increased by \$10,258,531 and the net position of the business-type activities increased by \$3,465,632.

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 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	
	2022	2021 (not restated)	2022	2021 (not restated)	2022	2021 (not restated)
Current and						
other assets	\$ 159,740,794	\$ 147,417,225	\$ 17,901,057	\$ 14,156,404	\$ 177,641,851	\$ 161,573,629
Capital assets	248,905,921	242,571,541	91,910,010	92,555,952	340,815,931	335,127,493
Total assets	\$ 408,646,715	\$ 389,988,766	\$ 109,811,067	\$ 106,712,356	\$ 518,457,782	\$ 496,701,122
Deferred Outflows						
of Resources	\$ 5,240,086	\$ 8,261,490	\$ 345,587	\$ 450,945	\$ 5,585,673	\$ 8,712,435
Long-term liabilities	\$ 16,142,827	\$ 35,850,885	\$ 11,059,183	\$ 13,985,624	\$ 27,202,010	\$ 49,836,509
Other liabilities	15,953,597	5,639,540	1,786,406	541,073	17,740,003	6,180,613
Total liabilities	\$ 32,096,424	\$ 41,490,425	\$ 12,845,589	\$ 14,526,697	\$ 44,942,013	\$ 56,017,122
Deferred Inflows of						
Resources	\$ 44,308,217	\$ 29,536,202	\$ 1,263,443	\$ 54,614	\$ 45,571,660	\$ 29,590,816
Net position:						
Net investment						
in capital assets	\$ 242,518,284	\$ 235,252,432	\$ 81,353,542	\$ 80,744,907	\$ 323,871,826	\$ 315,997,339
Restricted	38,412,903	37,325,937	41,540	29,990	38,454,443	37,355,927
Unrestricted	56,550,973	54,645,260	14,652,540	11,807,093	71,203,513	66,452,353
Total net position	\$ 337,482,160	\$ 327,223,629	\$ 96,047,622	\$ 92,581,990	\$ 433,529,782	\$ 419,805,619

Net position of governmental activities increased from FY21 by approximately \$10 million, or 3.10%. This increase was due primarily to the City Hall remodel project, Downtown Streetscape, Cedar Heights Drive, 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 FY21 by approximately \$3.5 million or 3.74%. 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. The amounts for FY21 were not restated to reflect the recording of a lease receivable and deferred inflows under GASB Statement No. 87. However, this information has been presented in the footnotes to the financial statements.

For the year ended June 30, 2022, net position changed as follows:

	Governmental Activities		Business-type Activities		Total	
	2022	2021 (not restated)	2022	2021 (not restated)	2022	2021 (not restated)
Revenues						
Program Revenues						
Charges for services	\$ 4,114,166	\$ 3,891,053	\$ 12,036,036	\$ 11,438,963	\$ 16,150,202	\$ 15,330,016
Operating grants and contributions	2,746,064	3,012,469	-	-	2,746,064	3,012,469
Capital grants and contributions	2,731,155	3,180,994	91,786	1,534,377	2,822,941	4,715,371
General Revenues						
Property taxes	29,063,485	26,903,746	-	-	29,063,485	26,903,746
Local Option Sales Tax	7,360,971	6,043,520	-	-	7,360,971	6,043,520
Hotel/Motel Tax & Other	1,514,779	911,506	-	-	1,514,779	911,506
Use of money and property	1,065,179	1,314,163	82,703	106,682	1,147,882	1,420,845
Intergovernmental	6,948,043	7,284,160	-	-	6,948,043	7,284,160
Miscellaneous	1,476,082	1,997,826	-	-	1,476,082	1,997,826
Gain/Loss on Sale of assets	-	35,225	4,364	(37,679)	4,364	(2,454)
Utility contribution	2,612,293	2,651,632	-	-	2,612,293	2,651,632
Total revenues	\$ 59,632,217	\$ 57,226,294	\$ 12,214,889	\$ 13,042,343	\$ 71,847,106	\$ 70,268,637
Expenses						
Public safety	\$ 11,596,217	\$ 14,443,799	\$ -	\$ -	\$ 11,596,217	\$ 14,443,799
Public works	18,503,503	15,089,189	-	-	18,503,503	15,089,189
Health and social services	174,754	352,735	-	-	174,754	352,735
Culture and recreation	7,989,443	8,227,093	-	-	7,989,443	8,227,093
Community and economic development	4,637,338	4,741,335	-	-	4,637,338	4,741,335
General government	5,012,842	5,410,951	-	-	5,012,842	5,410,951
Debt service	128,515	174,868	-	-	128,515	174,868
Sewer	-	-	5,594,416	5,001,085	5,594,416	5,001,085
Refuse	-	-	3,451,795	3,235,095	3,451,795	3,235,095
Storm Water	-	-	1,034,120	1,050,855	1,034,120	1,050,855
Total expenses	\$ 48,042,612	\$ 48,439,970	\$ 10,080,331	\$ 9,287,035	\$ 58,122,943	\$ 57,727,005
Increase in net position						
before transfers	\$ 11,589,605	\$ 8,786,324	\$ 2,134,558	\$ 3,755,308	\$ 13,724,163	\$ 12,541,632
Transfers	(1,331,074)	(1,238,028)	1,331,074	1,238,028	-	-
Increase in net position	\$ 10,258,531	\$ 7,548,296	\$ 3,465,632	\$ 4,993,336	\$ 13,724,163	\$ 12,541,632
Net position, beginning, as restated	327,223,629	319,675,333	92,581,990	87,588,654	419,805,619	407,263,987
Net position, ending	\$ 337,482,160	\$ 327,223,629	\$ 96,047,622	\$ 92,581,990	\$ 433,529,782	\$ 419,805,619

Property taxes and other taxes, including local option sales tax, and hotel motel taxes increased by approximately \$4 million for the governmental activities. This is due to recovery after the COVID-19 pandemic and increases in the residential rollback. Revenues increased in business activities due to sewer and storm water charges for services.

The cost of all governmental activities this year was approximately \$48 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 \$38 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 \$91,741,984. \$681,539 is nonspendable for inventory. \$37,831,310 is restricted for TIF, debt service, local option sales tax, employee retirement systems, road use taxes and various grants. \$19,804,463 is committed for the City’s health trust fund and parking fund. \$45,542,949 is assigned for recreational capital funds, police forfeiture funds, economic development and capital improvements. This leaves a negative \$12,118,277 for unassigned fund balances in the governmental funds.

The Governmental fund balances decreased by \$1,573,953, or 1.7%. 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 \$8,933,608, while the total fund balance totaled \$12,416,372. 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 36.34% of the total General Fund expenditures, while the total fund balance represents 50.51% of that same amount. The General Fund fund balance did increase in FY22 due to the increase in property tax revenue and hotel motel tax revenue.

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

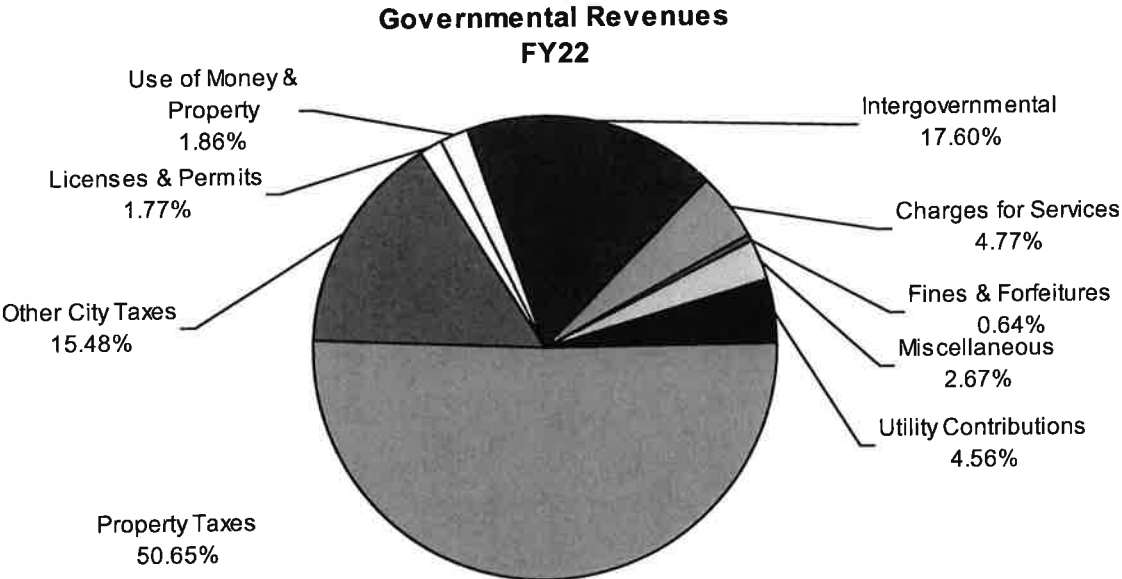
	FY22 Amount	FY21 Amount	Increase (Decrease)
Hospital Fund	\$ 19,253,243	\$ 18,829,721	\$ 423,522
TIF Fund	81,956	64,447	17,509
Street Construction Fund	11,588,990	10,879,596	709,394
Street Repair Fund	17,444,127	17,530,156	(86,029)
Debt Service Fund	401,055	582,696	(181,641)
Capital Improvements Fund	28,917,532	28,417,695	499,837
Bond Fund	(21,029,595)	(16,212,770)	(4,816,825)
Other Governmental Funds	22,668,304	21,131,264	1,537,040

The Hospital Fund had an increase in fund balance due to the repayment of internal financing by the Sewer Fund. The Street Construction Fund had an increase in fund balance due to increased road use taxes. The Bond Fund had the largest decrease in fund balance due to Downtown Streetscape, Cedar Heights Drive, Viking Road, and City Hall remodel projects. The Other Governmental Funds had an increase in fund balance due to the economic development land acquisition, increases in hotel/motel tax, and reimbursements in the FEMA fund.

The following schedule presents a summary of the governmental fund revenues for the fiscal year ended June 30, 2022 and June 30, 2021.

Revenues	FY22 Amount	Percent of Total	FY21 Amount	Increase (Decrease) from FY21	Percent of Increase (Decrease)
Property taxes and assessments	\$ 29,056,384	50.65 %	\$ 26,907,831	\$ 2,148,553	71.01 %
Other city taxes	8,875,750	15.48	6,955,026	1,920,724	63.48
Licenses and permits	1,012,235	1.77	1,530,582	(518,347)	(17.13)
Use of money and property	1,065,179	1.86	1,314,163	(248,984)	(8.23)
Intergovernmental	10,090,582	17.60	10,605,383	(514,801)	(17.02)
Charges for services	2,732,528	4.77	2,150,458	582,070	19.24
Fines and forfeitures	369,403	0.64	209,676	159,727	5.28
Miscellaneous	1,530,142	2.67	1,994,030	(463,888)	(15.33)
Utility contribution in lieu of taxes	2,612,293	4.56	2,651,632	(39,339)	(1.30)
	<u>\$ 57,344,496</u>	<u>100.00 %</u>	<u>\$ 54,318,781</u>	<u>\$ 3,025,715</u>	<u>100.00 %</u>

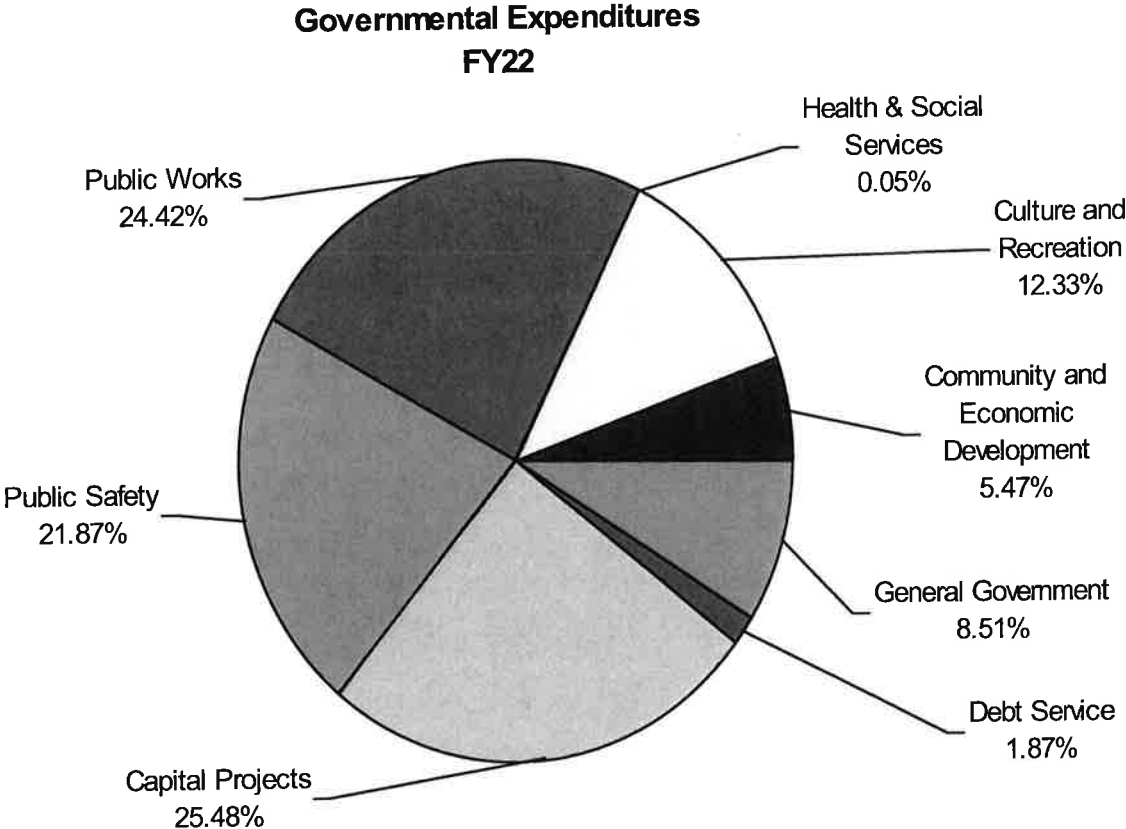
The most significant increase in revenues was in property taxes. The increase was due to the increase in residential rollback and increased TIF revenues. One of the largest decreases was in licenses and permits due to the timing of building permits.



The following schedule presents a summary of governmental expenditures for the fiscal years ended June 30, 2022 and June 30, 2021.

Expenditures	FY22 Amount	Percent of Total	FY21 Amount	Increase (Decrease) from FY21	Percent of Increase (Decrease)
Public Safety	\$ 12,410,233	21.87 %	\$ 12,055,532	\$ 354,701	4.90 %
Public Works	13,858,681	24.42	11,492,908	2,365,773	32.65
Health & Social Services	25,776	0.05	216,757	(190,981)	(2.64)
Culture & Recreation	7,000,740	12.33	7,092,995	(92,255)	(1.27)
Community and Economic Development	3,104,803	5.47	2,991,681	113,122	1.56
General Government	4,831,771	8.51	4,956,324	(124,553)	(1.72)
Debt Service	1,062,100	1.87	882,344	179,756	2.48
Capital Projects	14,462,964	25.48	9,822,160	4,640,804	64.04
	<u>\$ 56,757,068</u>	<u>100.00 %</u>	<u>\$ 49,510,701</u>	<u>\$ 7,246,367</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.



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.

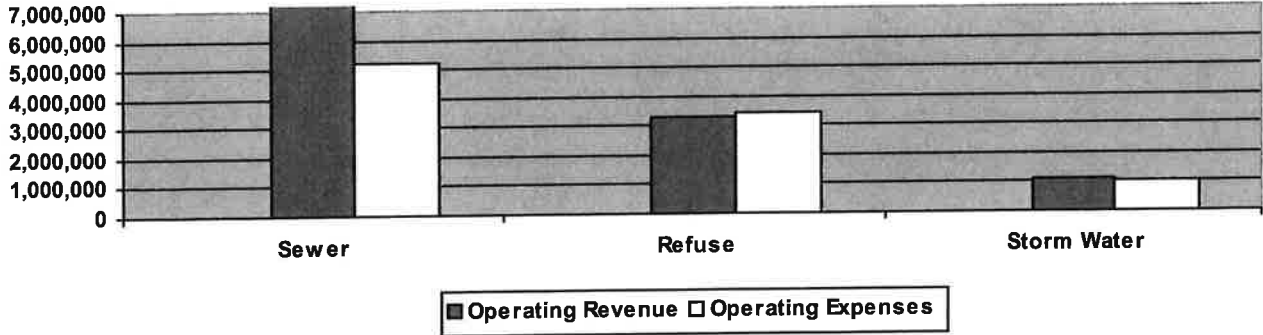
Net position of the Sewer, Refuse and Storm Water funds at the end of the year amounted to \$96,047,622. Net position in the Governmental Activities Internal Service funds was \$14,448,261.

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, 2022 and June 30, 2021 are as follows:

	Sewer		Refuse		Storm Water	
	2022	2021	2022	2021	2022	2021
Operating Revenues	\$ 7,694,631	\$ 7,300,595	\$ 3,271,061	\$ 3,086,774	\$ 1,070,344	\$ 1,051,594
Operating Expenses	5,211,623	4,412,434	3,429,314	3,235,095	1,012,426	1,025,140
Non-Operating Rev (Exp)	(330,905)	(520,979)	2,079	(9,111)	41,425	(15,273)
Capital Contributions	17,920	647,193	-	-	21,366	887,184
Operating Transfers, net	1,272,408	686,345	113,784	133,604	(55,118)	418,079
Change in Net Position	3,442,431	3,700,720	(42,390)	(23,828)	65,591	1,316,444

**Proprietary Fund Operating Revenues & Expenses
FY22**



BUDGETARY HIGHLIGHTS

Over the course of the year, the City Council revised the budget once in May 2022. 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, 2022, the City had approximately \$341 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 \$5.7 million or 1.7% over last year.

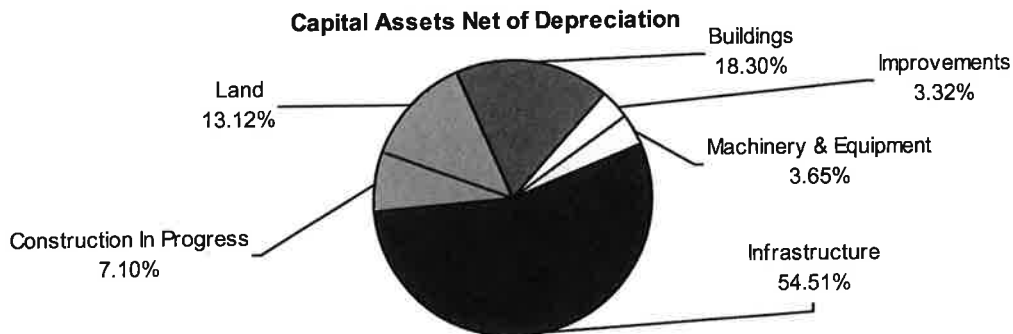
**City of Cedar Falls Capital Assets
(net of depreciation)**

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 43,116,319	\$ 43,116,319	\$ 1,612,581	\$ 1,612,581	\$ 44,728,900	\$ 44,728,900
Buildings	21,930,531	22,820,752	40,438,019	41,648,387	62,368,550	64,469,139
Improvements other than buildings	11,315,224	11,997,058	-	-	11,315,224	11,997,058
Machinery and equipment	7,474,911	7,515,175	4,980,290	5,119,109	12,455,201	12,634,284
Infrastructure	141,688,504	144,984,626	44,069,807	43,102,118	185,758,311	188,086,744
Construction in progress	23,380,432	12,137,611	809,313	1,073,757	24,189,745	13,211,368
Total	\$ 248,905,921	\$ 242,571,541	\$ 91,910,010	\$ 92,555,952	\$ 340,815,931	\$ 335,127,493

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

- Viking Road
- Downtown Streetscape
- Cedar Heights Drive Reconstruction
- City Hall Remodel

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 \$16,242,000 in outstanding debt compared to \$18,315,000 last year. That is a decrease of \$2,073,000 or 11.3%.

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

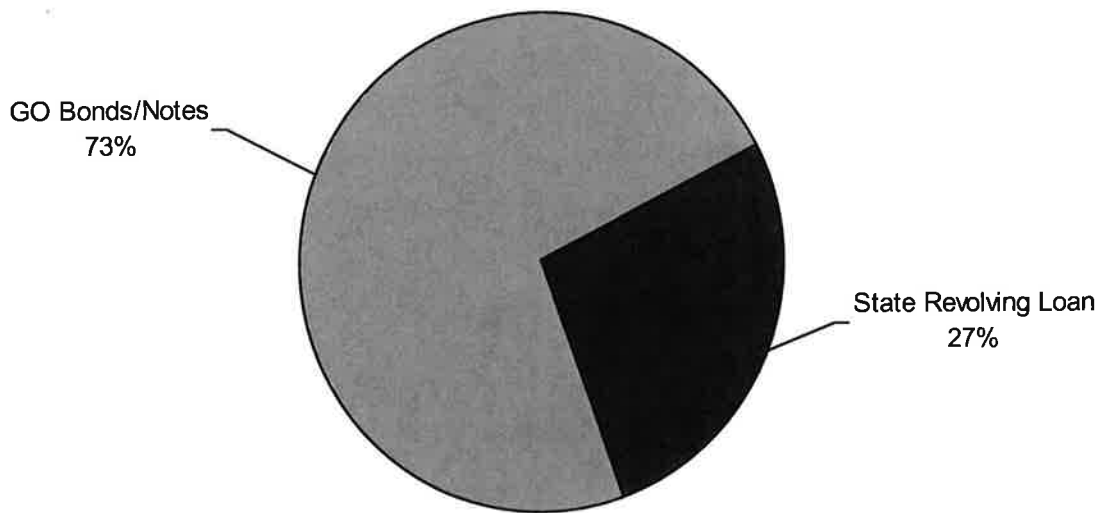
	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation						
bonds/notes	\$ 5,995,000	\$ 6,865,000	\$ 5,855,000	\$ 6,730,000	\$ 11,850,000	\$ 13,595,000
State Revolving Loan	--	--	4,392,000	4,720,000	4,392,000	4,720,000
Total	\$ 5,995,000	\$ 6,865,000	\$ 10,247,000	\$ 11,450,000	\$ 16,242,000	\$ 18,315,000

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 2022 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, 2022, the City's legal debt margin was \$162,699,627.

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
FY22**



ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

COVID-19 had a major operational impact on city operations for the past two 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 FY22 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.

Even with the State reductions, the City Council did establish a balanced budget in the General Fund for FY23. The tax levy rate per \$1,000 of taxable valuation for FY23 is provided below:

General levy	\$ 8.10
Trust and Agency levy	2.04
Debt Service levy	.47
Transit levy	.22
Library levy	.27
Liability Insurance levy	.12
Emergency Management levy	.28
Municipal Band levy	<u>.01</u>
Total levy	\$ 11.51

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, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 106,174,015	\$ 24,878,521	\$ 131,052,536
Certificates of deposit	--	--	--
Receivables, net of allowance for uncollectible amounts:			
Property taxes	30,062,422	--	30,062,422
Lease Receivable	1,251,295	--	1,251,295
Other city taxes	955,858	--	955,858
Accrued interest	109,528	18,913	128,441
Special assessments	143,692	--	143,692
Customers	--	--	--
Human & leisure services contributions	4,403,671	--	4,403,671
Other	1,340,040	1,805,234	3,145,274
Due from component unit	1,377,721	--	1,377,721
Internal balances	8,965,000	(8,965,000)	--
Due from other governments	4,246,856	52,500	4,299,356
Inventories	710,696	110,889	821,585
Prepays and other assets	--	--	--
Restricted assets:			
Cash	--	--	--
Certificates of deposit	--	--	--
Capital assets:			
Land	43,116,319	1,612,581	44,728,900
Land Rights	--	--	--
Land improvements	21,100,815	--	21,100,815
Buildings	36,936,789	56,271,588	93,208,377
Machinery and equipment	22,376,777	10,499,694	32,876,471
Infrastructure	273,462,096	69,804,681	343,266,777
Construction in progress	23,380,432	809,313	24,189,745
Accumulated depreciation	(171,467,307)	(47,087,847)	(218,555,154)
Total assets	<u>\$ 408,646,715</u>	<u>\$ 109,811,067</u>	<u>\$ 518,457,782</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	3,935,140	345,587	4,280,727
OPEB related deferred outflows	1,304,946	--	1,304,946
Total deferred outflows of resources	<u>\$ 5,240,086</u>	<u>\$ 345,587</u>	<u>\$ 5,585,673</u>
LIABILITIES			
Accounts payable	\$ 10,878,186	\$ 1,612,292	\$ 12,490,478
Grant proceeds received in advance	3,329,151	--	3,329,151
Accrued liabilities	1,746,260	174,114	1,920,374
Due to primary government	--	--	--
Long-term liabilities:			
Portion due or payable within one year:			
Bonds payable	895,000	1,239,000	2,134,000
Compensated absences	1,225,319	154,287	1,379,606
Portion due or payable after one year:			
Bonds payable	5,492,637	9,317,468	14,810,105
Compensated absences	1,153,986	175,897	1,329,883
Net OPEB liability	3,410,500	--	3,410,500
Net pension liability	3,965,385	172,531	4,137,916
Total liabilities	<u>\$ 32,096,424</u>	<u>\$ 12,845,589</u>	<u>\$ 44,942,013</u>
DEFERRED INFLOWS OF RESOURCES			
Succeeding year property taxes	\$ 29,868,798	\$ --	\$ 29,868,798
TIF related deferred inflows	--	--	--
OPEB related deferred inflows	170,648	--	170,648
Pension related deferred inflows	13,050,257	1,263,443	14,313,700
Leases	1,218,514	--	1,218,514
Total deferred inflows of resources	<u>\$ 44,308,217</u>	<u>\$ 1,263,443</u>	<u>\$ 45,571,660</u>
NET POSITION			
Net investment in capital assets	\$ 242,518,284	\$ 81,353,542	\$ 323,871,826
Restricted:			
Streets	28,985,485	--	28,985,485
Debt service	401,055	--	401,055
Employee retirement system	6,629,145	--	6,629,145
TIF	81,956	--	81,956
Other	2,315,262	41,540	2,356,802
Unrestricted	56,550,973	14,652,540	71,203,513
Total net position	<u>\$ 337,482,160</u>	<u>\$ 96,047,622</u>	<u>\$ 433,529,782</u>

See notes to financial statements

Component Units			
Electric Utility	Gas Utility	Water Utility	Communications Utility
\$ 39,669,613	\$ 8,048,734	\$ 6,055,992	\$ 17,672,218
2,990,000	--	--	1,000,000
--	--	--	--
--	--	--	--
6,633	83	64	2,245
--	--	--	--
5,035,757	7,929,541	678,140	2,454,747
--	--	--	--
10,765,742	1,431,606	930,846	486,166
--	--	--	--
--	--	--	--
5,084,370	291,437	130,732	1,507,086
746,091	137,040	67,072	438,785
--	--	--	--
5,274,958	445,264	294,278	556,755
110,000	40,000	30,000	50,000
--	--	--	--
1,878,208	25,617	63,466	2,177
255,094	--	--	--
--	--	--	--
43,531,340	4,280,284	2,754,195	--
21,673,334	512,576	1,379,133	24,856,362
209,567,977	26,237,946	44,117,816	21,076,968
2,562,931	66,259	360,524	89,459
<u>(112,972,505)</u>	<u>(15,705,183)</u>	<u>(14,645,855)</u>	<u>(20,578,825)</u>
<u>\$ 236,179,543</u>	<u>\$ 33,741,204</u>	<u>\$ 42,216,403</u>	<u>\$ 49,614,143</u>
698,680	242,521	153,115	327,434
256,901	56,435	39,075	81,770
<u>\$ 955,581</u>	<u>\$ 298,956</u>	<u>\$ 192,190</u>	<u>\$ 409,204</u>
\$ 4,166,214	\$ 2,145,883	\$ 448,511	\$ 1,375,474
--	--	--	--
6,068,274	559,916	207,614	536,258
2,700,000	--	--	--
--	--	--	--
2,895,000	--	--	--
--	--	--	--
10,243,106	--	--	--
746,754	164,539	113,912	240,480
1,019,414	202,108	150,632	301,553
126,192	44,325	28,238	60,273
<u>\$ 27,964,954</u>	<u>\$ 3,116,771</u>	<u>\$ 948,907</u>	<u>\$ 2,514,038</u>
\$ --	\$ --	\$ --	\$ --
10,017,358	135,708	882,310	95,916
29,549	6,511	4,507	9,515
4,699,256	1,650,613	1,051,609	2,244,501
--	--	--	--
<u>\$ 14,746,163</u>	<u>\$ 1,792,832</u>	<u>\$ 1,938,426</u>	<u>\$ 2,349,932</u>
\$ 153,582,323	\$ 15,417,499	\$ 34,029,277	\$ 25,446,142
--	--	--	--
3,880,750	--	--	--
--	--	--	--
--	--	--	--
1,196,739	437,564	292,378	548,455
35,764,195	13,275,494	5,199,605	19,164,780
<u>\$ 194,424,007</u>	<u>\$ 29,130,557</u>	<u>\$ 39,521,260</u>	<u>\$ 45,159,377</u>

**City of Cedar Falls, Iowa
Statement of Activities
For the Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Public safety	\$ 11,596,217	\$ 579,155	\$ 84,742	\$ --
Public works	18,503,503	234,458	--	3,779,014
Health and social services	174,754	--	--	--
Culture and recreation	7,989,443	1,761,001	402,545	(1,047,859)
Community and economic development	4,637,338	--	2,258,777	--
General government	5,012,842	1,539,552	--	--
Interest on long-term debt and related fees	128,515	--	--	--
Total governmental activities	\$ 48,042,612	\$ 4,114,166	\$ 2,746,064	\$ 2,731,155
Business-type activities:				
Sewer	\$ 5,594,416	\$ 7,694,631	\$ --	\$ 17,920
Refuse	3,451,795	3,271,061	--	--
Storm Water	1,034,120	1,070,344	--	73,866
Total business-type activities	\$ 10,080,331	\$ 12,036,036	\$ --	\$ 91,786
Total primary government	\$ 58,122,943	\$ 16,150,202	\$ 2,746,064	\$ 2,822,941
Component units				
Electric Utility	\$ 53,776,708	\$ 58,925,035	\$ --	\$ 1,330,761
Gas Utility	33,208,070	34,119,566	--	1,815
Water Utility	3,836,035	5,771,981	--	27,275
Communications Utility	17,319,538	22,026,777	--	152,827
Total component units	\$ 108,140,351	\$ 120,843,359	\$ --	\$ 1,512,678

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
\$ (10,932,320)	\$ --	\$ (10,932,320)	\$ --	\$ --	\$ --	\$ --
(14,490,031)	--	(14,490,031)	--	--	--	--
(174,754)	--	(174,754)	--	--	--	--
(6,873,756)	--	(6,873,756)	--	--	--	--
(2,378,561)	--	(2,378,561)	--	--	--	--
(3,473,290)	--	(3,473,290)	--	--	--	--
(128,515)	--	(128,515)	--	--	--	--
<u>\$ (38,451,227)</u>	<u>\$ --</u>	<u>\$ (38,451,227)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
\$ --	\$ 2,118,135	\$ 2,118,135	\$ --	\$ --	\$ --	\$ --
--	(180,734)	(180,734)	--	--	--	--
--	110,090	110,090	--	--	--	--
<u>\$ --</u>	<u>\$ 2,047,491</u>	<u>\$ 2,047,491</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
<u>\$ (38,451,227)</u>	<u>\$ 2,047,491</u>	<u>\$ (36,403,736)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
\$ --	\$ --	\$ --	\$ 6,479,088	\$ --	\$ --	\$ --
--	--	--	--	913,311	--	--
--	--	--	--	--	1,963,221	--
--	--	--	--	--	--	4,860,066
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 6,479,088</u>	<u>\$ 913,311</u>	<u>\$ 1,963,221</u>	<u>\$ 4,860,066</u>
\$ 29,063,485	\$ --	\$ 29,063,485	\$ --	\$ --	\$ --	\$ --
7,360,971	--	7,360,971	--	--	--	--
1,398,274	--	1,398,274	--	--	--	--
116,505	--	116,505	--	--	--	--
1,065,179	82,703	1,147,882	77,098	9,768	5,111	15,359
6,948,043	--	6,948,043	--	--	--	--
--	4,364	4,364	--	--	--	--
1,476,082	--	1,476,082	--	--	--	--
2,612,293	--	2,612,293	--	--	--	--
(1,331,074)	1,331,074	--	--	--	--	--
<u>\$ 48,709,758</u>	<u>\$ 1,418,141</u>	<u>\$ 50,127,899</u>	<u>\$ 77,098</u>	<u>\$ 9,768</u>	<u>\$ 5,111</u>	<u>\$ 15,359</u>
\$ 10,258,531	\$ 3,465,632	\$ 13,724,163	\$ 6,556,186	\$ 923,079	\$ 1,968,332	\$ 4,875,425
327,223,629	92,581,990	419,805,619	187,867,821	28,207,478	37,552,928	40,283,952
<u>\$ 337,482,160</u>	<u>\$ 96,047,622</u>	<u>\$ 433,529,782</u>	<u>\$ 194,424,007</u>	<u>\$ 29,130,557</u>	<u>\$ 39,521,260</u>	<u>\$ 45,159,377</u>

City of Cedar Falls, Iowa

Balance Sheet
Governmental Funds
June 30, 2022

Item 2.

	Special Revenue				
	General Fund	Hospital Fund	TIF Fund	Street Construction Fund	Street Repair Fund
ASSETS					
Cash	\$ 12,047,332	\$ 12,414,599	\$ --	\$ 10,935,534	\$ 22,289,588
Receivables, net of allowance for uncollectible amounts:					
Property taxes	21,857,864	--	5,994,456	--	--
Lease Receivable	--	120,307	--	--	--
Other city taxes	202,191	--	--	--	551,476
Accrued interest	21,336	14,124	--	--	16,998
Special assessments	2,836	--	--	--	--
Human & leisure services contributions	4,403,671	--	--	--	--
Other	222,994	540,306	--	--	338,250
Due from component unit	1,377,721	--	--	--	--
Due from other funds	--	--	--	--	--
Advance to other funds	--	6,815,000	--	--	--
Due from other governments	36,136	--	--	430,811	--
Inventories	101,762	--	--	545,985	--
Total assets	<u>\$ 40,273,843</u>	<u>\$ 19,904,336</u>	<u>\$ 5,994,456</u>	<u>\$ 11,912,330</u>	<u>\$ 23,196,312</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 616,187	\$ --	\$ --	\$ 247,718	\$ 5,682,185
Grant proceeds received in advance	--	--	--	--	--
Accrued liabilities	1,023,834	--	--	75,622	--
Due to other funds	--	--	--	--	--
Total liabilities	<u>\$ 1,640,021</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 323,340</u>	<u>\$ 5,682,185</u>
DEFERRED INFLOWS OF RESOURCES					
Succeeding year property taxes	\$ 21,758,172	\$ --	\$ 5,912,500	\$ --	\$ --
Amounts held in community foundation	4,403,671	--	--	--	--
Amount due at end of lease	--	651,093	--	--	--
Other	55,607	--	--	--	70,000
Total deferred inflows of resources	<u>\$ 26,217,450</u>	<u>\$ 651,093</u>	<u>\$ 5,912,500</u>	<u>\$ --</u>	<u>\$ 70,000</u>
FUND BALANCES					
Nonspendable	\$ 101,762	\$ --	\$ --	\$ 545,985	\$ --
Restricted	--	--	81,956	11,043,005	17,444,127
Committed	--	19,253,243	--	--	--
Assigned	3,381,002	--	--	--	--
Unassigned	8,933,608	--	--	--	--
Total fund balances	<u>\$ 12,416,372</u>	<u>\$ 19,253,243</u>	<u>\$ 81,956</u>	<u>\$ 11,588,990</u>	<u>\$ 17,444,127</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 40,273,843</u>	<u>\$ 19,904,336</u>	<u>\$ 5,994,456</u>	<u>\$ 11,912,330</u>	<u>\$ 23,196,312</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		
\$ 397,359	\$ 8,997,307	\$ --	\$ 25,637,625	\$ 92,719,344
1,065,318	--	--	1,144,784	30,062,422
--	1,130,988	--	--	1,251,295
--	--	--	202,191	955,858
--	24,438	--	20,791	97,687
--	90,580	--	50,276	143,692
--	--	--	--	4,403,671
--	14,599	75,320	--	1,191,469
--	--	--	--	1,377,721
--	18,654,534	--	245,711	18,900,245
--	2,150,000	--	--	8,965,000
--	--	3,415,000	364,909	4,246,856
--	--	--	33,792	681,539
<u>\$ 1,462,677</u>	<u>\$ 31,062,446</u>	<u>\$ 3,490,320</u>	<u>\$ 27,700,079</u>	<u>\$ 164,996,799</u>
\$ --	\$ 955,126	\$ 2,375,600	\$ 275,958	\$ 10,152,774
--	--	74,781	3,254,370	3,329,151
--	--	--	22,750	1,122,206
--	--	18,654,534	245,711	18,900,245
<u>\$ --</u>	<u>\$ 955,126</u>	<u>\$ 21,104,915</u>	<u>\$ 3,798,789</u>	<u>\$ 33,504,376</u>
\$ 1,061,622	\$ --	\$ --	\$ 1,136,504	\$ 29,868,798
--	--	--	--	4,403,671
--	1,099,208	--	--	1,750,301
--	90,580	3,415,000	96,482	3,727,669
<u>\$ 1,061,622</u>	<u>\$ 1,189,788</u>	<u>\$ 3,415,000</u>	<u>\$ 1,232,986</u>	<u>\$ 39,750,439</u>
\$ --	\$ --	\$ --	\$ 33,792	\$ 681,539
401,055	--	--	8,861,167	37,831,310
--	--	--	551,220	19,804,463
--	28,917,532	--	13,244,415	45,542,949
--	--	(21,029,595)	(22,290)	(12,118,277)
<u>\$ 401,055</u>	<u>\$ 28,917,532</u>	<u>\$ (21,029,595)</u>	<u>\$ 22,668,304</u>	<u>\$ 91,741,984</u>
<u>\$ 1,462,677</u>	<u>\$ 31,062,446</u>	<u>\$ 3,490,320</u>	<u>\$ 27,700,079</u>	
				246,428,980
				8,663,127
				14,448,261
				(13,896)
				(9,774,696)
				(6,387,637)
				5,119,532
				(12,743,495)
				<u>\$ 337,482,160</u>

City of Cedar Falls, Iowa
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue			
	General Fund	Hospital Fund	TIF Fund	Street Construction Fund
Revenues:				
Property taxes and assessments	\$ 20,041,556	\$ --	\$ 6,628,886	\$ --
Other city taxes	813,109	--	--	--
Licenses and permits	1,012,235	--	--	--
Use of money and property	104,178	436,298	--	--
Intergovernmental	1,902,284	--	105,361	5,408,595
Charges for services	2,717,953	--	--	--
Fines and forfeitures	134,946	--	--	--
Miscellaneous	66,460	--	--	66,018
Utility contribution in lieu of taxes	1,162,988	--	--	--
Total revenues	\$ 27,955,709	\$ 436,298	\$ 6,734,247	\$ 5,474,613
Expenditures:				
Current:				
Public safety	\$ 10,777,802	\$ --	\$ --	\$ --
Public works	1,425,537	--	--	3,135,690
Health and social services	13,000	12,776	--	--
Culture and recreation	6,371,946	--	--	--
Community and economic development	1,160,566	--	--	--
General government	4,831,771	--	--	--
Debt service	--	--	--	--
Capital projects	--	--	--	--
Total expenditures	\$ 24,580,622	\$ 12,776	\$ --	\$ 3,135,690
Excess (deficiency) of revenues over (under) expenditures	\$ 3,375,087	\$ 423,522	\$ 6,734,247	\$ 2,338,923
Other financing sources (uses):				
Transfers:				
Transfers in	\$ 862,377	\$ --	\$ --	\$ 633,116
Transfers out	(3,893,253)	--	(6,716,738)	(2,361,588)
Total other financing sources (uses)	\$ (3,030,876)	\$ --	\$ (6,716,738)	\$ (1,728,472)
Net change in fund balances	\$ 344,211	\$ 423,522	\$ 17,509	\$ 610,451
Fund balances, beginning, as restated	12,093,132	18,829,721	64,447	10,879,596
Increase (decrease) in reserve for inventories	(20,971)	--	--	98,943
Fund balances, ending	\$ 12,416,372	\$ 19,253,243	\$ 81,956	\$ 11,588,990

See notes to financial statements

Street Repair Fund	Debt Service Fund	Capital Projects		Other Governmental Funds	Total Governmental Funds
		Capital Improvements	Bond Fund		
\$ --	\$ 659,560	\$ 1,409	\$ --	\$ 1,724,973	\$ 29,056,384
7,360,971	2,533	--	--	699,137	8,875,750
--	--	--	--	--	1,012,235
74,923	--	254,295	--	195,485	1,065,179
--	17,366	--	306,183	2,350,793	10,090,582
--	--	--	--	14,575	2,732,528
--	--	--	--	234,457	369,403
544,300	--	14,666	698,257	140,441	1,530,142
--	--	1,419,305	--	30,000	2,612,293
<u>\$ 7,980,194</u>	<u>\$ 679,459</u>	<u>\$ 1,689,675</u>	<u>\$ 1,004,440</u>	<u>\$ 5,389,861</u>	<u>\$ 57,344,496</u>
\$ --	\$ --	\$ --	\$ --	\$ 1,632,431	\$ 12,410,233
9,016,086	--	--	--	281,368	13,858,681
--	--	--	--	--	25,776
--	--	--	--	628,794	7,000,740
--	--	--	--	1,944,237	3,104,803
--	--	--	--	--	4,831,771
--	1,062,100	--	--	--	1,062,100
--	--	2,381,968	10,490,614	1,590,382	14,462,964
<u>\$ 9,016,086</u>	<u>\$ 1,062,100</u>	<u>\$ 2,381,968</u>	<u>\$ 10,490,614</u>	<u>\$ 6,077,212</u>	<u>\$ 56,757,068</u>
<u>\$ (1,035,892)</u>	<u>\$ (382,641)</u>	<u>\$ (692,293)</u>	<u>\$ (9,486,174)</u>	<u>\$ (687,351)</u>	<u>\$ 587,428</u>
\$ 949,863	\$ 201,000	\$ 1,463,150	\$ 4,729,349	\$ 2,514,328	\$ 11,353,183
--	--	(271,020)	(60,000)	(281,658)	(13,584,257)
<u>\$ 949,863</u>	<u>\$ 201,000</u>	<u>\$ 1,192,130</u>	<u>\$ 4,669,349</u>	<u>\$ 2,232,670</u>	<u>\$ (2,231,074)</u>
\$ (86,029)	\$ (181,641)	\$ 499,837	\$ (4,816,825)	\$ 1,545,319	\$ (1,643,646)
17,530,156	582,696	28,417,695	(16,212,770)	21,131,264	93,315,937
--	--	--	--	(8,279)	69,693
<u>\$ 17,444,127</u>	<u>\$ 401,055</u>	<u>\$ 28,917,532</u>	<u>\$ (21,029,595)</u>	<u>\$ 22,668,304</u>	<u>\$ 91,741,984</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, 2022

Net change in fund balances - total governmental funds \$ (1,643,646)

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	16,566,503	
Depreciation expense	<u>(10,193,126)</u>	6,373,377

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	7,096	
Other	<u>2,213,547</u>	2,220,643

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 repayments exceeded issues, as follows:

Premium on general obligation bonds	61,472	
Repaid	870,000	
Accrued interest	<u>2,113</u>	933,585

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	285,495	
Other postemployment benefits	(129,317)	
Pension expense	2,673,281	
Change in inventory	<u>69,694</u>	2,899,153

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>(524,581)</u>	
Change in net position of governmental activities	<u>\$ 10,258,531</u>	

See notes to financial statements

City of Cedar Falls, Iowa
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-type Activities - Enterprise Fund	
	<u>Sewer Fund</u>	<u>Refuse Fund</u>
ASSETS		
Current assets:		
Cash	\$ 16,284,717	\$ 5,503,093
Receivables, net of allowance for uncollectible amounts:		
Accrued interest	11,828	4,695
Other	1,322,198	441,819
Due from other governments	--	--
Inventories	87,845	23,044
Total current assets	<u>\$ 17,706,588</u>	<u>\$ 5,972,651</u>
Noncurrent assets:		
Capital assets:		
Land	\$ 779,878	\$ 204,845
Buildings	43,387,182	12,884,406
Machinery and equipment	6,271,811	4,227,883
Infrastructure	46,058,120	--
Construction in progress	708,936	--
Accumulated depreciation	(31,383,151)	(6,146,337)
Total noncurrent assets	<u>\$ 65,822,776</u>	<u>\$ 11,170,797</u>
Total assets	<u>\$ 83,529,364</u>	<u>\$ 17,143,448</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related deferred outflows	<u>\$ 151,846</u>	<u>\$ 156,365</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 1,420,083	\$ 158,570
Accrued liabilities	89,205	70,570
Bonds payable - due within one year	1,149,000	--
Compensated absences - due within one year	87,227	59,410
Total current liabilities	<u>\$ 2,745,515</u>	<u>\$ 288,550</u>
Noncurrent liabilities:		
Bonds payable- after one year	\$ 8,740,757	\$ --
Advance from other funds	8,965,000	--
Compensated absences - after one year	46,382	129,515
Net pension liability	101,420	18,973
Total noncurrent liabilities	<u>\$ 17,853,559</u>	<u>\$ 148,488</u>
Total liabilities	<u>\$ 20,599,074</u>	<u>\$ 437,038</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related deferred inflows	<u>\$ 557,951</u>	<u>\$ 596,829</u>
NET POSITION		
Net investment in capital assets	\$ 55,933,019	\$ 11,170,797
Restricted for post closure costs	--	41,540
Unrestricted	6,591,166	5,053,609
Total net position	<u>\$ 62,524,185</u>	<u>\$ 16,265,946</u>

See notes to financial statements

Business-type Activities - Enterprise Fund		Governmental Activities - Internal Service Funds
Storm Water Fund	Total	
\$ 3,090,711	\$ 24,878,521	\$ 13,454,671
2,390	18,913	11,841
41,217	1,805,234	148,571
52,500	52,500	--
--	110,889	29,157
<u>\$ 3,186,818</u>	<u>\$ 26,866,057</u>	<u>\$ 13,644,240</u>
\$ 627,858	\$ 1,612,581	\$ --
--	56,271,588	90,302
--	10,499,694	7,804,780
23,746,561	69,804,681	--
100,377	809,313	--
(9,558,359)	(47,087,847)	(5,418,141)
<u>\$ 14,916,437</u>	<u>\$ 91,910,010</u>	<u>\$ 2,476,941</u>
<u>\$ 18,103,255</u>	<u>\$ 118,776,067</u>	<u>\$ 16,121,181</u>
\$ 37,376	\$ 345,587	\$ 120,554
\$ 33,639	\$ 1,612,292	\$ 725,412
14,339	174,114	610,158
90,000	1,239,000	--
7,650	154,287	37,744
<u>\$ 145,628</u>	<u>\$ 3,179,693</u>	<u>\$ 1,373,314</u>
\$ 576,711	\$ 9,317,468	\$ --
--	8,965,000	--
--	175,897	16,971
52,138	172,531	(74,221)
<u>\$ 628,849</u>	<u>\$ 18,630,896</u>	<u>\$ (57,250)</u>
<u>\$ 774,477</u>	<u>\$ 21,810,589</u>	<u>\$ 1,316,064</u>
\$ 108,663	\$ 1,263,443	\$ 477,410
\$ 14,249,726	\$ 81,353,542	\$ 2,476,941
--	41,540	--
3,007,765	14,652,540	11,971,320
<u>\$ 17,257,491</u>	<u>\$ 96,047,622</u>	<u>\$ 14,448,261</u>

City of Cedar Falls, Iowa
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds	
	Sewer Fund	Refuse Fund
Operating revenues:		
Charges for services	\$ 7,692,526	\$ 2,940,829
Other	2,105	330,232
Total operating revenues	<u>\$ 7,694,631</u>	<u>\$ 3,271,061</u>
Operating expenses:		
Personal services	\$ 1,156,248	\$ 1,270,983
Contractual services	1,058,435	1,371,587
Supplies and equipment	1,083,726	263,437
Depreciation	1,913,214	523,307
Total operating expenses	<u>\$ 5,211,623</u>	<u>\$ 3,429,314</u>
Operating income(loss)	<u>\$ 2,483,008</u>	<u>\$ (158,253)</u>
Nonoperating revenues (expenses):		
Interest revenue	\$ 51,888	\$ 20,196
Interest expense	(382,793)	--
Intergovernmental	--	--
Gain (loss) on disposal of equipment	--	(18,117)
Nonoperating revenues (expenses), net	<u>\$ (330,905)</u>	<u>\$ 2,079</u>
Income(loss) before contributions and transfers	<u>\$ 2,152,103</u>	<u>\$ (156,174)</u>
Capital contributions	\$ 17,920	\$ --
Transfers in	2,256,992	283,440
Transfers out	(984,584)	(169,656)
Contributions and transfers, net	<u>\$ 1,290,328</u>	<u>\$ 113,784</u>
Change in net position	\$ 3,442,431	\$ (42,390)
Net position, beginning	59,081,754	16,308,336
Net position, ending	<u>\$ 62,524,185</u>	<u>\$ 16,265,946</u>

See notes to financial statements

Business-type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
Storm Water Fund	Total	
\$ 1,070,284	\$ 11,703,639	\$ 7,325,032
60	332,397	148,003
<u>\$ 1,070,344</u>	<u>\$ 12,036,036</u>	<u>\$ 7,473,035</u>
\$ 207,665	\$ 2,634,896	\$ 1,334,782
121,783	2,551,805	5,919,727
29,508	1,376,671	1,260,040
653,470	3,089,991	432,895
<u>\$ 1,012,426</u>	<u>\$ 9,653,363</u>	<u>\$ 8,947,444</u>
<u>\$ 57,918</u>	<u>\$ 2,382,673</u>	<u>\$ (1,474,409)</u>
\$ 10,619	\$ 82,703	\$ 49,410
(21,694)	(404,487)	--
52,500	52,500	--
--	(18,117)	418
<u>\$ 41,425</u>	<u>\$ (287,401)</u>	<u>\$ 49,828</u>
<u>\$ 99,343</u>	<u>\$ 2,095,272</u>	<u>\$ (1,424,581)</u>
\$ 21,366	\$ 39,286	\$ --
134,489	2,674,921	900,000
(189,607)	(1,343,847)	--
<u>\$ (33,752)</u>	<u>\$ 1,370,360</u>	<u>\$ 900,000</u>
\$ 65,591	\$ 3,465,632	\$ (524,581)
17,191,900	92,581,990	14,972,842
<u>\$ 17,257,491</u>	<u>\$ 96,047,622</u>	<u>\$ 14,448,261</u>

City of Cedar Falls, Iowa
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds <u>Sewer Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 7,554,174
Receipts from interfund services	--
Payments to suppliers	(876,367)
Payments to employees	(1,273,435)
Net cash provided by operating activities	<u>\$ 5,404,372</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	\$ 2,256,992
Transfers to other funds	(984,584)
Net cash provided by (used for) noncapital financing activities	<u>\$ 1,272,408</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Net acquisition of property and equipment	\$ (2,100,975)
Capital contributions	17,920
Principal paid on debt maturities	(1,118,000)
Payments on advance from other funds	(855,000)
Interest paid	(433,200)
Net cash (used for) capital and related financing activities	<u>\$ (4,489,255)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	\$ 48,400
Net increase (decrease) in cash	<u>\$ 2,235,925</u>
CASH BALANCES, Beginning	14,048,792
CASH BALANCES, Ending	<u>\$ 16,284,717</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ 2,483,008
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,913,214
(Increase) decrease in:	
Customer and other receivables	(40,997)
Inventories	5,061
Increase (decrease) in accounts payable, accrued and other liabilities	467,145
(Increase) decrease in deferred outflows of resources	44,178
Increase (decrease) in deferred inflows of resources	532,763
Net cash provided by operating activities	<u>\$ 5,404,372</u>

See notes to financial statements

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Refuse Fund	Storm Water Fund	Total	
\$ 2,909,758	\$ 1,071,094	\$ 11,535,026	\$ --
--	--	--	7,325,738
(1,193,372)	(160,387)	(2,230,126)	(6,982,450)
(1,427,971)	(281,717)	(2,983,123)	(1,509,019)
<u>\$ 288,415</u>	<u>\$ 628,990</u>	<u>\$ 6,321,777</u>	<u>\$ (1,165,731)</u>
\$ 283,440	\$ 134,489	\$ 2,674,921	\$ 900,000
(169,656)	(189,607)	(1,343,847)	--
<u>\$ 113,784</u>	<u>\$ (55,118)</u>	<u>\$ 1,331,074</u>	<u>\$ 900,000</u>
\$ (239,447)	\$ (121,742)	\$ (2,462,164)	\$ (393,477)
--	21,366	39,286	--
--	(85,000)	(1,203,000)	--
--	--	(855,000)	--
--	(31,500)	(464,700)	--
<u>\$ (239,447)</u>	<u>\$ (216,876)</u>	<u>\$ (4,945,578)</u>	<u>\$ (393,477)</u>
\$ 19,090	\$ 9,735	\$ 77,225	\$ 48,075
\$ 181,842	\$ 366,731	\$ 2,784,498	\$ (611,133)
5,321,251	2,723,980	22,094,023	14,065,804
<u>\$ 5,503,093</u>	<u>\$ 3,090,711</u>	<u>\$ 24,878,521</u>	<u>\$ 13,454,671</u>
\$ (158,253)	\$ 57,918	\$ 2,382,673	\$ (1,474,409)
523,307	653,470	3,089,991	432,895
(24,244)	810	(64,431)	(46,867)
12,193	--	17,254	27,288
(676,610)	(208,432)	(417,897)	(625,086)
36,450	24,730	105,358	58,465
575,572	100,494	1,208,829	461,983
<u>\$ 288,415</u>	<u>\$ 628,990</u>	<u>\$ 6,321,777</u>	<u>\$ (1,165,731)</u>

**CITY OF CEDAR FALLS, IOWA
NOTES TO FINANCIAL STATEMENTS
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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 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 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, 2022, were certified with the County during the preceding fiscal year and were due in two equal installments by September 30, 2021 and March 31, 2022. 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 2021-2022 tax levy remitted to the City within sixty days subsequent to June 30, 2022, are recorded as property tax revenues. Taxes not collected and remitted to the City within sixty days subsequent to June 30, 2022, 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

A lessor should recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. The lease

receivable should be measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods.

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, 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 and an estimated useful life of greater than one year. Such 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.

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

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, 2022.

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. 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 itself, 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 unassigned fund balance amount.

As of June 30, 2022, fund balances are composed of the following:

<u>Fund Balance Classification</u>	<u>Purpose</u>	<u>Fund</u>	<u>Amount</u>
Nonspendable	Inventory	General	\$ 101,762
	Inventory	Street Construction	545,985
	Inventory	Non-major Governmental Funds	33,792
			<u>\$ 681,539</u>
Restricted	TIF Debt	TIF	\$ 81,956
	Street Construction	Street Construction	11,043,005
	Street Repair	Street Repair	17,444,127
	Debt Service	Debt Service	401,055
	Community Block Grant	Non-major Governmental Funds	67,421
	Housing Assistance	Non-major Governmental Funds	730,167
	Employee Retirement Systems	Non-major Governmental Funds	6,629,145
	Visitors & Tourism	Non-major Governmental Funds	956,681
	Cemetery Perpetual Care	Non-major Governmental Funds	477,753
		<u>\$ 37,831,310</u>	
Committed	Health Services	Hospital	\$ 19,253,243
	Parking	Non-major Governmental Funds	551,220
			<u>\$ 19,804,463</u>
Assigned	Cultural Services	General	\$ 144,315
	Recreational Services	General	3,236,687
	Capital Projects	Capital Improvements	28,917,532
	Capital Projects	Non-major Governmental Funds	13,244,415
		<u>\$ 45,542,949</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 July 1, 2021, the City 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. The impact to the City resulted in the reporting of lease receivable and deferred inflows of resources related to leases. The effect of the implementation of this standard on beginning net position is disclosed in Note 4 E.

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, 2022.

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, 2022 in the amount of \$21,029,595. The Sidewalk Assessment Fund, a non-major capital projects fund, had a deficit fund balance of \$22,290 as of June 30, 2022. 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 at June 30, 2022 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, 2022, consist of the following:

Cash – unrestricted	<u>\$ 131,052,536</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>\$ 131,052,536</u>
Cash – Governmental Activities	<u>\$ 106,174,015</u>
Cash – Business-type Activities	<u>24,878,521</u>
Total	<u><u>\$ 131,052,536</u></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 use of 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, 2021, consist of the following:

	Electric Utility	Gas Utility	Water Utility	Communications Utility
Cash – unrestricted	\$ 39,669,613	\$ 8,048,734	\$ 6,055,992	\$ 17,672,218
Cash – restricted	5,274,958	445,264	294,278	556,755
	<u>\$ 44,944,571</u>	<u>\$ 8,493,998</u>	<u>\$ 6,350,270</u>	<u>\$ 18,228,973</u>

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

	Electric Utility	Gas Utility	Water Utility	Communications Utility
Carrying amount of deposits	\$ 44,944,571	\$ 8,493,998	\$ 6,350,270	\$ 18,228,973
Carrying amount of certificates	3,100,000	40,000	30,000	1,050,000
Total	<u>\$ 48,044,571</u>	<u>\$ 8,533,998</u>	<u>\$ 6,380,270</u>	<u>\$ 19,278,973</u>
Cash	\$ 39,669,613	\$ 8,048,734	\$ 6,055,992	\$ 17,672,218
Cash - Restricted	5,274,958	445,264	294,278	556,755
Investments:				
Certificates of deposit	2,990,000	-	-	1,000,000
Certificates of deposit - restricted	110,000	40,000	30,000	50,000
Total	<u>\$ 48,044,571</u>	<u>\$ 8,533,998</u>	<u>\$ 6,380,270</u>	<u>\$ 19,278,973</u>

B. Receivable

On June 30, 2022, the City has recorded a \$4,403,671 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, 2022 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 43,116,319	\$ --	\$ --	\$ 43,116,319
Construction in progress	12,137,611	14,752,595	3,509,774	23,380,432
Total capital assets, not being depreciated	<u>\$ 55,253,930</u>	<u>\$ 14,752,595</u>	<u>\$ 3,509,774</u>	<u>\$ 66,496,751</u>
Capital assets, being depreciated:				
Buildings	\$ 36,936,789	\$ --	\$ --	\$ 36,936,789
Land Improvements	21,077,715	23,100	--	21,100,815
Machinery and equipment	21,936,957	1,136,228	696,408	22,376,777
Infrastructure	268,834,004	4,628,092	--	273,462,096
Total capital assets, being depreciated	<u>\$ 348,785,465</u>	<u>\$ 5,787,420</u>	<u>\$ 696,408</u>	<u>\$ 353,876,477</u>
Less accumulated depreciation for:				
Buildings	\$ 14,116,037	\$ 890,221	\$ --	\$ 15,006,258
Land Improvements	9,080,657	704,934	--	9,785,591
Machinery and equipment	14,421,782	1,106,652	626,568	14,901,866
Infrastructure	123,849,378	7,924,214	--	131,773,592
Total accumulated depreciation	<u>\$ 161,467,854</u>	<u>\$ 10,626,021</u>	<u>\$ 626,568</u>	<u>\$ 171,467,307</u>
Total capital assets, being depreciated, net	<u>\$ 187,317,611</u>	<u>\$ (4,838,601)</u>	<u>\$ 69,840</u>	<u>\$ 182,409,170</u>
Governmental activities capital assets, net	<u>\$ 242,571,541</u>	<u>\$ 9,913,994</u>	<u>\$ 3,579,614</u>	<u>\$ 248,905,921</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	1,073,757	2,289,786	2,554,230	809,313
Total capital assets, not being depreciated	<u>\$ 2,686,338</u>	<u>\$ 2,289,786</u>	<u>\$ 2,554,230</u>	<u>\$ 2,421,894</u>
Capital assets, being depreciated:				
Buildings	\$ 56,337,385	\$ --	\$ 65,797	\$ 56,271,588
Machinery and equipment	10,284,904	249,790	35,000	10,499,694
Infrastructure	67,317,517	2,487,164	--	69,804,681
Total capital assets, being depreciated	<u>\$ 133,939,806</u>	<u>\$ 2,736,954</u>	<u>\$ 100,797</u>	<u>\$ 136,575,963</u>
Less accumulated depreciation for:				
Buildings	\$ 14,688,998	\$ 1,187,886	\$ 43,315	\$ 15,833,569
Machinery and equipment	5,165,795	382,630	29,021	5,519,404
Infrastructure	24,215,399	1,519,475	--	25,734,874
Total accumulated depreciation	<u>\$ 44,070,192</u>	<u>\$ 3,089,991</u>	<u>\$ 72,336</u>	<u>\$ 47,087,847</u>
Total capital assets, being depreciated, net	<u>\$ 89,869,614</u>	<u>\$ (353,037)</u>	<u>\$ 28,461</u>	<u>\$ 89,488,116</u>
Business-type activities capital assets, net	<u>\$ 92,555,952</u>	<u>\$ 1,936,749</u>	<u>\$ 2,582,691</u>	<u>\$ 91,910,010</u>

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

Public safety	\$ 350,145
Public works	8,141,753
Health and social services	148,978
Culture and recreation	1,220,351
Community and economic development	158,641
General government	173,258
Capital assets held by government's internal service funds are charged to the various functions based on their usage of the assets	432,895
Total depreciation expense - governmental activities	<u>\$ 10,626,021</u>

Business-type activities

Sewer	\$ 1,913,214
Refuse	523,307
Storm Water	653,470
Total depreciation expense - business-type activities	<u>\$ 3,089,991</u>

Construction Commitments

The City has active construction projects as of June 30, 2022. 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>
Resilience Plan	\$ 85,500	\$ 81,225	\$ 4,275
2021 Reconstruction	4,077,321	4,030,921	46,400
2022 Reconstruction	3,373,917	967,014	2,406,903
2021 Street Patching	161,198	144,234	16,964
Main Street Reconstruction	1,959,241	1,316,237	643,004
Union Road Reconstruction	516,803	423,986	92,817
West Viking Road Reconstruction	253,100	211,275	41,825
Streetscape Maintenance	2,832,997	2,257,802	575,195
Downtown Levee Certification	73,500	72,211	1,289
Dam Safety Improvements	284,420	284,327	93
Cedar Heights	243,500	60,476	183,024
Union Rd. Trail	655,149	540,038	115,111
Greenhill Rd. & Main	3,725,829	1,191,907	2,533,922
W. Viking Road Ind. Park	8,440,052	1,778,070	6,661,982
Intersection Improvements	376,800	92,614	284,186
Olive St. Box Culvert	197,500	197,495	5
W. 27 th St. Reconstruction	8,319,851	706,127	7,613,724
Cyber Lane	351,274	314,524	36,750
2021 Sidewalk Repair	160,388	113,630	46,758
College Hill Vision Plans	165,000	125,750	39,250
CDBG Sewer Lining	286,395	267,125	19,270
Cedar Heights Drive Reconstruction	7,491,157	5,295,337	2,195,820
Lake Street Trail	340,500	46,347	294,153
City Hall Remodel	4,143,956	2,317,914	1,826,042
2021 Permeable Alley	102,916	100,107	2,809
2022 Bridge Inspections	31,000	28,539	2,461
2022 Alley Reconstruction	508,133	16,625	491,508
Center Street Streetscape	1,540,598	0	1,540,598
CDBG Sidewalk	194,156	186,616	7,540
	<u>\$ 50,892,151</u>	<u>\$ 23,168,473</u>	<u>\$ 27,723,678</u>

Discretely Presented Component Units

Activity for the Electric Utility for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,878,208	\$ --	--	\$ 1,878,208
Construction in progress	3,968,161	8,048,525	9,453,755	2,562,931
Total capital assets, not being depreciated	<u>\$ 5,846,369</u>	<u>\$ 8,048,525</u>	<u>\$ 9,453,755</u>	<u>\$ 4,441,139</u>
Capital assets, being depreciated:				
Buildings	\$ 42,162,262	\$ 1,690,153	\$ 321,075	\$ 43,531,340
Machinery and equipment	21,054,934	837,656	219,256	21,673,334
Land Rights	255,094	--	--	255,094
Infrastructure	203,712,916	6,925,946	1,070,885	209,567,977
Total capital assets, being depreciated	<u>\$ 267,185,206</u>	<u>\$ 9,453,755</u>	<u>\$ 1,611,216</u>	<u>\$ 275,027,745</u>
Less accumulated depreciation for:				
Buildings	\$ 14,832,624	\$ 1,238,472	\$ 414,843	\$ 15,656,253
Machinery and equipment	11,042,470	1,614,342	219,256	12,437,556
Land Rights	17,006	3,401	--	20,407
Infrastructure	80,114,818	5,903,971	1,160,500	84,858,289
	<u>\$ 106,006,918</u>	<u>\$ 8,760,186</u>	<u>\$ 1,794,599</u>	<u>\$ 112,972,505</u>
Total capital assets, being depreciated, net	<u>\$ 161,178,288</u>	<u>\$ 693,569</u>	<u>\$ (183,383) *</u>	<u>\$ 162,055,240</u>
Electric Utility capital assets, net	<u>\$ 167,024,657</u>	<u>\$ 8,742,094</u>	<u>\$ 9,270,372</u>	<u>\$ 166,496,379</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, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 25,617	\$ --	\$ --	\$ 25,617
Construction in progress	135,746	1,135,564	1,205,051	66,259
Total capital assets, not being depreciated	<u>\$ 161,363</u>	<u>\$ 1,135,564</u>	<u>\$ 1,205,051</u>	<u>\$ 91,876</u>
Capital assets, being depreciated:				
Buildings	\$ 4,291,890	\$ 47,420	\$ 59,026	\$ 4,280,284
Machinery and equipment	512,408	19,835	19,667	512,576
Infrastructure	25,241,005	1,137,797	140,856	26,237,946
Total capital assets, being depreciated	<u>\$ 30,045,303</u>	<u>\$ 1,205,052</u>	<u>\$ 219,549</u>	<u>\$ 31,030,806</u>
Less accumulated depreciation				
Buildings	\$ 846,757	\$ 103,870	\$ 59,026	\$ 891,601
Machinery and equipment	305,332	52,344	19,667	338,009
Infrastructure	13,920,842	710,494	155,763	14,475,573
	<u>\$ 15,072,931</u>	<u>\$ 866,708</u>	<u>\$ 234,456</u>	<u>\$ 15,705,183</u>
Total capital assets, being depreciated, net	<u>\$ 14,972,372</u>	<u>\$ 338,344</u>	<u>\$ (14,907) *</u>	<u>\$ 15,325,623</u>
Gas Utility capital assets, net	<u>\$ 15,133,735</u>	<u>\$ 1,473,908</u>	<u>\$ 1,190,144</u>	<u>\$ 15,417,499</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, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 63,466	\$ --	\$ --	\$ 63,466
Construction in progress	14,360	1,203,735	857,571	360,524
Total capital assets, not being depreciated	<u>\$ 77,826</u>	<u>\$ 1,203,735</u>	<u>\$ 857,571</u>	<u>\$ 423,990</u>
Capital assets, being depreciated:				
Buildings	\$ 2,744,137	\$ 42,787	\$ 32,729	\$ 2,754,195
Machinery and equipment	1,372,468	47,267	40,602	1,379,133
Infrastructure	43,410,716	767,517	60,417	44,117,816
Total capital assets, being depreciated	<u>\$ 47,527,321</u>	<u>\$ 857,571</u>	<u>\$ 133,748</u>	<u>\$ 48,251,144</u>
Less accumulated depreciation				
Buildings	\$ 647,788	\$ 61,895	\$ 32,728	\$ 676,955
Machinery and equipment	644,067	39,264	40,602	642,729
Infrastructure	12,543,670	842,183	59,682	13,326,171
Total accumulated depreciation	<u>\$ 13,835,525</u>	<u>\$ 943,342</u>	<u>\$ 133,012</u>	<u>\$ 14,645,855</u>
Total capital assets, being depreciated, net	<u>\$ 33,691,796</u>	<u>\$ (85,771)</u>	<u>\$ 736</u>	<u>* \$ 33,605,289</u>
Water Utility capital assets, net	<u>\$ 33,769,622</u>	<u>\$ 1,117,964</u>	<u>\$ 858,307</u>	<u>\$ 34,029,279</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, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,177	\$ --	\$ --	\$ 2,177
Construction in progress	976,119	4,271,398	5,158,058	89,459
Total capital assets, not being depreciated	<u>\$ 978,296</u>	<u>\$ 4,271,398</u>	<u>\$ 5,158,058</u>	<u>\$ 91,636</u>
Capital assets, being depreciated:				
Machinery and equipment	\$ 22,825,078	\$ 4,662,563	\$ 2,631,279	\$ 24,856,362
Infrastructure	20,594,870	495,494	13,396	21,076,968
Total capital assets, being depreciated	<u>\$ 43,419,948</u>	<u>\$ 5,158,057</u>	<u>\$ 2,644,675</u>	<u>\$ 45,933,330</u>
Less accumulated depreciation				
Machinery and equipment	\$ 14,203,980	\$ 2,855,135	\$ 2,631,245	\$ 14,427,870
Infrastructure	5,388,383	775,952	13,380	6,150,955
Total accumulated depreciation	<u>\$ 19,592,363</u>	<u>\$ 3,631,087</u>	<u>\$ 2,644,625</u>	<u>\$ 20,578,825</u>
Total capital assets, being depreciated, net	<u>\$ 23,827,585</u>	<u>\$ 1,526,970</u>	<u>\$ 50 *</u>	<u>\$ 25,354,505</u>
Communications Utility capital assets, net	<u>\$ 24,805,881</u>	<u>\$ 5,798,368</u>	<u>\$ 5,158,108</u>	<u>\$ 25,446,141</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 \$2,970 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, 2022, is recorded as a receivable and deferred inflow of resources in the Hospital Fund in the amount of \$540,306.

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 \$57,625 in lease revenue and \$25,845 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.

Leases receivable	Balance at July 1, 2021 as restated	Additions	Deletions	Balance at June 30, 2022
Lease agreements	\$ 1,305,965	\$ --	\$ 54,670	\$ 1,251,295
Total leases receivable	<u>\$ 1,305,965</u>	<u>\$ --</u>	<u>\$ 54,670</u>	<u>\$ 1,251,295</u>

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

Fiscal Year Ended June 30	Lease Revenue
2023	\$ 54,394
2024	57,537
2025	60,811
2026	63,969
2027	36,047
2028-2032	155,941
2033-2037	113,748
2038-2042	177,223
2043-2047	259,615
2048-2052	272,010
Total	<u>\$ 1,251,295</u>

E. Non-Current Liabilities

Following is a summary of the City's changes in long-term liabilities for the year-ended June 30, 2022, 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	Amounts Due Within One Year
Governmental Activities:					
Capital Loan Notes:					
Series 2016	\$ 1,400,000	\$ --	\$ 270,000	\$ 1,130,000	\$ 275,000
Series 2018	2,165,000	--	265,000	1,900,000	280,000
Series 2020	3,300,000	--	335,000	2,965,000	340,000
Total notes	\$ 6,865,000	\$ --	\$ 870,000	\$ 5,995,000	\$ 895,000
Add: Unamortized premium	454,109	--	61,472	392,637	--
Total long-term debt	\$ 7,319,109	\$ --	\$ 931,472	\$ 6,387,637	\$ 895,000
Compensated absences	2,665,701	5,812	292,208	2,379,305	1,225,319
Total non-current liabilities	\$ 9,984,810	\$ 5,812	\$ 1,223,680	\$ 8,766,942	\$ 2,120,319
	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Capital Loan Notes:					
Series 2016	\$ 4,405,000	\$ --	\$ 590,000	\$ 3,815,000	\$ 600,000
Series 2018-Strm Wtr	695,000	--	85,000	610,000	90,000
Series 2018-Sewer	1,630,000	--	200,000	1,430,000	210,000
Total notes	\$ 6,730,000	\$ --	\$ 875,000	\$ 5,855,000	\$ 900,000
State Revolving Loan	4,720,000	--	328,000	4,392,000	339,000
Add: Unamortized premium	361,045	--	51,577	309,468	--
Total long-term debt	\$ 11,811,045	\$ --	\$ 1,254,577	\$ 10,556,468	\$ 1,239,000
Compensated absences	380,771	--	50,587	330,184	154,287
Total non-current liabilities	\$ 12,191,816	\$ --	\$ 1,305,164	\$ 10,886,652	\$ 1,393,287

General Obligation Bonds/Notes

Three issues of unmatured general obligation bonds/notes totaling \$12,552,105, net unamortized premium of \$702,105 are outstanding as of June 30, 2022. These notes bear interest at rates of 2.00% to 5.00%; mature in varying annual amounts through June 30, 2030; and were originally issued for \$19,025,000.

Details of general obligation bonds/notes payable at June 30, 2022 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-22</u>
Governmental Activities:						
General Obligation Capital Loan Notes	7/19/2016	2.00%	6/1/2026	245,000-440,000	\$2,865,000	\$1,130,000
General Obligation Capital Loan Notes	7/19/2018	4.00-5.00%	6/1/2028	200,000-350,000	2,860,000	1,900,000
General Obligation Capital Loan Notes	7/21/2020	2.00%	6/1/2030	130,000-405,000	3,430,000	2,965,000
Total Governmental Activities						<u><u>\$5,995,000</u></u>
Business Activities:						
General Obligation Capital Loan Notes	7/19/2016	2.00%	6/1/2028	125,000-670,000	\$6,790,000	\$3,815,000
General Obligation Capital Loan Notes-Sewer	7/19/2018	4.00-5.00%	6/1/2028	150,000-260,000	2,160,000	1,430,000
General Obligation Capital Loan Notes-Strm. Wtr	7/19/2018	4.00-5.00%	6/1/2028	65,000-110,000	920,000	610,000
Total Business Activities						<u><u>\$5,855,000</u></u>

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

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 895,000	\$ 166,750	\$ 900,000	\$ 167,450
2024	925,000	140,450	935,000	140,450
2025	950,000	113,100	965,000	112,150
2026	980,000	84,800	995,000	82,800
2027	715,000	58,700	1,020,000	55,900
2028-2030	1,530,000	61,600	1,040,000	28,200
Total	<u>\$ 5,995,000</u>	<u>\$ 625,400</u>	<u>\$ 5,855,000</u>	<u>\$ 586,950</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, 2022, \$4,392,000 is outstanding. These notes bear interest at a rate of 1.75% with a final maturity in fiscal year 2035. Annual debt service requirements to maturity for this loan are as follows:

Year Ending June 30,	Business-type Activities	
	Principal	Interest
2023	\$ 339,000	\$ 87,840
2024	350,000	81,060
2025	361,000	74,060
2026	373,000	66,840
2027	385,000	59,380
2028-2032	2,118,000	176,380
2033-2035	466,000	9,320
Total	<u>\$ 4,392,000</u>	<u>\$ 554,881</u>

The notes are paid by the Sewer Fund. In fiscal year ended June 30, 2022, the Sewer Fund had net revenue of \$4,448,110 and the amount of principal and interest due was \$451,900.

Debt Limitation

As of June 30, 2022, 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>\$ 3,490,992,530</u>
Debt limit - 5% of total actual valuation	\$ 174,549,627
Debt applicable to debt limit:	
General obligation bonds/Capital loan notes	<u>11,850,000</u>
Legal debt margin	<u>\$ 162,699,627</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, 2022, the City had no arbitrage liability.

Non-Current Liabilities – Electric Utility

Non-Current liability activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Capital Loan Notes:					
Series 2015	\$ 14,520,000	\$ --	\$ 2,760,000	\$ 11,760,000	\$ 2,895,000
Unamortized premium	1,719,115	--	326,774	1,392,341	--
Unamortized discount	(17,576)	--	(3,341)	(14,235)	--
Current installments of long-term debt	(2,760,000)	--	135,000	(2,895,000)	--
Long-term debt	<u>\$ 13,461,539</u>	<u>\$ --</u>	<u>\$ 3,218,433</u>	<u>\$ 10,243,106</u>	<u>\$ 2,895,000</u>
Customer advances					
for construction	358,500	69,700	147,700	280,500	--
Landfill closure	2,852,269	92,956	71,307	2,873,918	--
Other liabilities	1,429,236	107,116	213,892	1,322,460	--
Net pension liability	6,084,396	1,021,259	6,979,463	126,192	--
Accrued severance	749,279	35,074	37,599	746,754	--
OPEB	1,012,843	112,681	106,110	1,019,414	--
Noncurrent liabilities	<u>12,486,523</u>	<u>1,438,786</u>	<u>7,556,071</u>	<u>6,369,238</u>	<u>--</u>
Total	<u>\$ 25,948,062</u>	<u>\$ 1,438,786</u>	<u>\$ 10,774,504</u>	<u>\$ 16,612,344</u>	<u>\$ 2,895,000</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	<u>Principal</u>		<u>Interest</u>
2022	\$ 2,895,000	\$	455,625
2023	3,045,000		310,875
2024	3,195,000		158,625
2025	1,290,000		78,750
2026	1,335,000		40,050
	<u>\$ 11,760,000</u>	<u>\$</u>	<u>1,043,925</u>

Non-Current Liabilities – Gas Utility

Non-Current liability activity for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Customer advances for construction	\$ 144,774	\$ 24,420	\$ 50,560	\$ 118,634
Other liabilities	221,620	--	110,810	110,810
Net pension liability	2,090,749	405,107	2,451,531	44,325
Accrued severance	162,344	57,895	55,700	164,539
OPEB	200,660	24,657	23,209	202,108
Total non-current liabilities	<u>\$ 2,820,147</u>	<u>\$ 512,079</u>	<u>\$ 2,691,810</u>	<u>\$ 640,416</u>

Non-Current Liabilities – Water Utility

Non-Current liability activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Accounts payable - long term	\$ --	\$ --	\$ --	\$ --
Net pension liability	1,439,658	222,874	1,634,294	28,238
Accrued severance	112,392	35,239	33,719	113,912
OPEB	149,630	17,076	16,074	150,632
Total non-current liabilities	<u>\$ 1,701,680</u>	<u>\$ 275,189</u>	<u>\$ 1,684,087</u>	<u>\$ 292,782</u>

Non-Current Liabilities – Communications Utility

Non-Current liability activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Customer advances for construction	\$ --	\$ --	\$ --	\$ --
Net pension liability	2,926,363	475,691	3,341,781	60,273
Accrued severance	224,784	38,769	23,073	240,480
OPEB	299,436	35,327	33,210	301,553
Total non-current liabilities	<u>\$ 3,450,583</u>	<u>\$ 549,787</u>	<u>\$ 3,398,064</u>	<u>\$ 602,306</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 (\$477,988) 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, 2022, 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 2022, 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, 2022 were \$1,072,135.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the City reported a liability of \$191,670 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, the City's collective proportion was -.0555200 percent which was a decrease of 0.187404 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the City recognized pension expense (income) of (\$589,124). At June 30, 2022, 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	\$ 145,834	\$ 146,426
Changes of assumptions	125,369	--
Net difference between projected and actual earnings on pension plan investments	--	6,944,530
Changes in proportion and differences between City contributions and proportionate share of contributions	452,350	9,422
City contributions subsequent to the measurement date	1,072,135	--
Total	<u>\$ 1,795,688</u>	<u>\$ 7,100,378</u>

\$1,072,135 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, 2023. 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
2023	\$ (1,572,923)
2024	(1,574,027)
2025	(1,455,918)
2026	(1,804,280)
2027	30,323
	<u>\$ (6,376,825)</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2021 actuarial valuation 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, 2021 valuation were based on the results of actuarial experience study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2021 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables, with MP-2017 generational adjustments.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (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 arithmetic 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 %	4.43 %
International equity	17.5	6.01
Global smart beta equity	6.0	5.10
Core plus fixed income	26.0	0.29
Public credit	4.0	2.08
Cash	1.0	(0.25)
Private equity	13.0	9.51
Private real assets	7.5	4.63
Private credit	3.0	2.87
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:	\$ 6,783,843	\$ 191,670	\$ (5,332,990)

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, 2022, 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, 2022.

Employer contribution rates are based upon an actuarially determined normal contribution rate 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 26.18% for the year ended June 30, 2022.

The City's contributions to MFPRSI for the year ended June 30, 2022, was \$1,546,941.

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, 2022.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the City reported a liability of \$3,946,246 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, the City's proportion was 1.757213% which was a decrease of .102716% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the City recognized pension expense of \$111,136. At June 30, 2022, 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	\$ 457,755	\$ 44,411
Changes of assumptions	148,625	--
Net difference between projected and actual earnings on pension plan investments	--	6,593,695
Changes in proportion and differences between City contributions and proportionate share of contributions	331,718	575,216
City contributions subsequent to the measurement date	1,546,941	--
Total	<u>\$ 2,485,039</u>	<u>\$ 7,213,322</u>

\$1,546,941 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, 2023. 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
2023	\$ (1,175,865)
2024	(1,295,093)
2025	(1,627,917)
2026	(2,154,369)
2027	(21,980)
	<u>\$ (6,275,224)</u>

Actuarial Assumptions The total pension liability in the June 30, 2021, 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, 2021 valuation were based on the results of an actuarial experience study for the 10-year period ending June 30, 2020. There were no significant changes of benefit terms.

Mortality rates as of June 30, 2021, 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 December 31, 2018 (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>
Large Cap	7.49 %
Small Cap	8.10 %
International Large Cap	7.20 %
Emerging Markets	7.90 %
Global Infrastructure	7.50 %
Private Non-Core Real Estate	11.50 %
Private Credit	6.40 %
Private Equity	10.80 %
Core Plus Fixed Income	4.00 %
Private Core Real Estate	7.20 %

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:	\$ 11,677,769	\$ 3,946,246	\$ (2,470,471)

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, 2022, 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 \$3,410,500 as of June 30, 2022, and was determined by an actuarial valuation as of that date. Item 2.

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	\$ 3,560,585
Changes for year:	
Service cost	231,331
Interest	123,697
Difference between Expected & Actual Experience	102,348
Change in Assumptions	(190,724)
Benefit payments	(416,737)
Net changes	<u>(150,085)</u>
Total OPEB liability end of year	<u>\$ 3,410,500</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	\$ 3,653,862	\$ 3,410,500	\$ 3,187,403

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	\$ 3,114,221	\$ 3,410,500	\$ 3,758,948

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2022, the City recognized OPEB expense of \$546,054. At June 30, 2022, 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	\$ 768,939	\$ --
Changes in assumptions	536,007	170,648
Total	<u>1,304,946</u>	<u>170,648</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
2023	\$ 191,026
2024	191,026
2025	191,026
2026	191,026
2027	191,026
Thereafter	179,168
	<u>\$ 1,134,298</u>

H. Interfund Balances

Individual interfund receivable and payable balances by fund type as of June 30, 2022, were stated in the fund financial statements as follows:

Fund	Total	
	Interfund Receivables	Interfund Payables
Nonmajor Governmental Funds	\$ 245,711	\$ 245,711
Capital Improvements Fund	18,654,534	--
Bond Fund	--	18,654,534
Total	<u>\$ 18,900,245</u>	<u>\$ 18,900,245</u>

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

Fund	Total	
	Advance to Other Funds	Advance from Other Funds
Hospital Fund	\$ 6,815,000	\$ --
Capital Improvements Fund	2,150,000	--
Sewer Fund	--	8,965,000
Total	<u>\$ 8,965,000</u>	<u>\$ 8,965,000</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 Transactions

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

Transfer To	Transfer From	Amount
General Fund	Street Construction Fund	\$ 210,707
	Capital Improvements Fund	271,020
	Non-major Governmental Funds	36,658
	Sewer Fund	142,626
	Refuse Fund	169,656
	Storm Water Fund	31,710
		<u>\$ 862,377</u>
Street Construction Fund	Sewer Fund	\$ 475,219
	Storm Water Fund	157,897
		<u>\$ 633,116</u>
Street Repair Fund	Street Construction Fund	\$ 386,720
	TIF Fund	278,124
	Bond Fund	60,000
	Sewer Fund	225,019
		<u>\$ 949,863</u>
Debt Service Fund	General Fund	\$ 201,000
Capital Improvements Fund	General Fund	\$ 1,381,673
	TIF Fund	71,477
	Non-major Governmental Funds	10,000
		<u>\$ 1,463,150</u>
Bond Fund	TIF Fund	\$ 4,729,349
Non-major Governmental Funds	General Fund	\$ 1,410,580
	TIF Fund	1,103,748
		<u>\$ 2,514,328</u>
Sewer Fund	TIF Fund	\$ 534,040
	Street Construction Fund	1,487,952
	Non-major Governmental Funds	235,000
		<u>\$ 2,256,992</u>
Refuse Fund	Street Construction	\$ 141,720
	Sewer Fund	141,720
		<u>\$ 283,440</u>
Stormwater Fund	Street Construction Fund	\$ 134,489
Internal Service Funds	General Fund	\$ 900,000
	Total	<u>\$ 14,928,104</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, 2022, were as follows:

	Due from
Component Unit:	
Electric utility	\$ 1,202,140
Gas utility	175,581
Total	<u>\$ 1,377,721</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, 2021.

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 \$85,000 and an aggregate stop loss of approximately \$4,687,372 for 2022. 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, 2022, 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, 2020	\$ 323,000	\$ 283,584	\$ --	\$ --	\$ 606,584
Claims and changes in estimates during fiscal year 2021	4,691,852	54,863	--	--	4,746,715
Claim payments	(4,606,852)	(167,736)	--	--	(4,774,588)
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	<u>\$ 369,000</u>	<u>\$ 186,098</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 555,098</u>

C. Commitments and Contingencies

Legal counsel has reported that as of June 30, 2022, 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, 2022, the City rebated \$967,076 of property tax under the urban renewal and economic development projects.

E. Restatement

The following pronouncement was implemented effective July 1, 2021:

GASB Statement No. 87, Leases. This standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Beginning net position for Government Activities and the fund balance for the Hospital Fund and the Capital Improvements Fund were restated to retroactively adopt the provisions of GASB Statement No. 87 as follows:

	Governmental Activities	Hospital Fund	Capital Improvements Fund
Net position at June 30, 2021, as previously reported	\$327,223,629	\$18,829,721	\$28,417,695
Add lease receivable under GASB Statement No. 87 at July 1, 2021	1,305,965	149,132	1,156,833
Less deferred inflows of resources under GASB Statement No. 87 at July 1, 2021	(1,305,965)	(149,132)	(1,156,833)
Net position at July 1, 2021, as restated	<u>\$327,223,629</u>	<u>\$18,829,721</u>	<u>\$28,417,695</u>

F. Subsequent Events

On July 18, 2022 the City sold general obligation capital loan notes in the amount of \$3,860,000. The notes were sold at an interest rate of 2.8% and will mature in 2035. The proceeds will be used to fund various projects including street improvements, river improvements, and equipment.

G. 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:

Statement No. 91, *Conduit Debt Obligations*, will be effective for fiscal year June 30, 2023. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will be effective for the fiscal year ended June 30, 2023. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

Statement No. 96, *Subscription –Based Information Technology Agreements*, will be effective for the fiscal year ended June 30, 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

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, 2022**

	Budgeted Amounts	
	Original	Final
Revenues:		
Property taxes and assessments	\$ 29,076,272	\$ 29,076,272
Other City taxes	5,709,508	6,430,758
Licenses and permits	1,036,000	1,036,000
Use of money and property	1,442,800	1,442,800
Intergovernmental	14,460,070	15,411,760
Charges for services	14,166,550	14,407,400
Miscellaneous	767,540	1,619,250
Total revenues	\$ 66,658,740	\$ 69,424,240
Expenditures:		
Current:		
Public safety	\$ 13,199,520	\$ 13,234,520
Public works	21,398,500	22,471,000
Health and social services	45,000	45,000
Culture and recreation	7,985,710	8,258,840
Community and economic development	3,127,200	3,912,340
General government	5,469,310	5,515,940
Debt service	1,062,100	1,062,100
Capital projects	24,751,410	28,212,410
Business-type	11,377,760	11,718,190
Total expenditures	\$ 88,416,510	\$ 94,430,340
Excess (deficiency) of revenues over (under) expenditures	\$ (21,757,770)	\$ (25,006,100)
Other financing sources (uses):		
Issuance of debt	\$ 2,133,000	\$ 2,733,000
Transfers in	13,336,350	13,336,350
Transfers out	(13,336,350)	(13,336,350)
Total other financing sources (uses)	\$ 2,133,000	\$ 2,733,000
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	\$ (19,624,770)	\$ (22,273,100)
Fund balances, beginning	87,695,662	87,695,662
Fund balances, ending	\$ 68,070,892	\$ 65,422,562

See notes to the required supplementary information.

Actual Amounts	Variance with Final Budget - Positive (Negative)
\$ 29,103,855	\$ 27,583
8,615,811	2,185,053
1,012,414	(23,586)
1,073,595	(369,205)
15,929,225	517,465
14,267,681	(139,719)
2,350,447	731,197
<u>\$ 72,353,028</u>	<u>\$ 2,928,788</u>
\$ 12,890,191	\$ 344,329
16,455,069	6,015,931
25,776	19,224
7,063,896	1,194,944
3,319,082	593,258
4,933,496	582,444
1,062,100	--
14,100,931	14,111,479
9,749,934	1,968,256
<u>\$ 69,600,475</u>	<u>\$ 24,829,865</u>
<u>\$ 2,752,553</u>	<u>\$ 27,758,653</u>
\$ --	\$ (2,733,000)
15,976,914	2,640,564
(15,976,914)	(2,640,564)
<u>\$ --</u>	<u>\$ (2,733,000)</u>
\$ 2,752,553	\$ 25,025,653
103,020,762	15,325,100
<u>\$ 105,773,315</u>	<u>\$ 40,350,753</u>

City of Cedar Falls, Iowa**Notes to Required Supplementary Information – Budgetary Reporting
For the Year ended June 30, 2022****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 \$6,013,830. 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	\$ 72,353,028
Adjustments:	
The City budgets for all receipts on the cash basis, rather than the modified accrual or accrual basis	<u>(2,972,496)</u>
Total revenues for the function budget on a GAAP basis of accounting	\$ 69,380,532
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	(679,459)
Capital Improvements Fund	(1,689,675)
Bond capital projects Fund	(1,004,440)
Nonmajor governmental GAAP funds	(5,389,861)
Business-type enterprise funds	<u>(12,036,036)</u>
Total revenues for general fund and major special revenue funds	<u>\$ 48,581,061</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds:	
General Fund	\$ 27,955,709
Hospital Fund	436,298
TIF Fund	6,734,247
Street Construction Fund	5,474,613
Street Repair Fund	7,980,194
Total revenues for general fund and major special revenue funds	<u>\$ 48,581,061</u>

	Function Budget
Uses	
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule - function budget	\$ 69,600,475
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	(3,190,044)
Total uses for the function budget on a GAAP basis of accounting	<u>\$ 66,410,431</u>
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	(1,062,100)
Capital Improvements Fund	(2,381,968)
Bond capital projects Fund	(10,490,614)
Nonmajor governmental GAAP funds	(6,077,212)
Business-type enterprise funds	(9,653,363)
Total expenditures for general fund and major special revenue funds	<u>\$ 36,745,174</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds:	
General Fund	\$ 24,580,622
Hospital Fund	12,776
TIF Fund	--
Street Construction Fund	3,135,690
Street Repair Fund	9,016,086
Total expenditures for general fund and major special revenue funds	<u>\$ 36,745,174</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, 2022

	<u>2022*</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net pension liability	(0.0555200) %	0.1318840 %	0.1280748 %
City's proportionate share of the net pension liability	\$ 191,670	\$ 9,264,499	\$ 7,416,373
City's covered payroll	\$ 11,095,706	\$ 10,465,436	\$ 9,750,115
City's proportionate share of the net pension liability as a percentage of its covered payroll	1.73 %	88.52 %	76.06 %
Plan fiduciary net position as a percentage of the total pension liability	100.81 %	82.90 %	85.45 %

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.1259677 %	0.1246758 %	0.1279990 %	0.1337248 %	0.1421628 %
\$ 7,971,544	\$ 8,304,985	\$ 8,055,379	\$ 6,606,653	\$ 5,638,043
\$ 9,473,601	\$ 9,302,153	\$ 9,203,649	\$ 9,218,654	\$ 9,346,040
84.14 %	89.28 %	87.52 %	71.67 %	60.33 %
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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Statutorily required contribution	\$ 1,072,135	\$ 1,047,351	\$ 988,265	\$ 920,276
Contributions in relation to the statutorily required contribution	1,072,135	1,047,351	988,265	(920,276)
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
City's covered payroll	\$ 11,357,362	\$ 11,095,706	\$ 10,465,436	\$ 9,750,115
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%

See accompanying independent auditor's report.

2018	2017	2016	2015	2014	2013
\$ 846,190	\$ 831,947	\$ 821,928	\$ 821,440	\$ 834,065	\$ 823,374
(846,190)	(831,947)	(821,928)	(821,440)	(834,065)	(823,374)
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
\$ 9,473,601	\$ 9,302,153	\$ 9,203,649	\$ 9,218,654	\$ 9,346,040	\$ 9,490,561
8.93%	8.94%	8.93%	8.91%	8.92%	8.68%

City of Cedar Falls, Iowa
Notes to Required Supplementary Information – Pension Liability
Year ended June 30, 2022

Iowa Public Employees' Retirement System:

Changes of benefit terms:

There were no significant changes of benefit terms.

Changes of assumptions:

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, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net pension liability	1.757213 %	1.859929 %	1.864869 %
City's proportionate share of the net pension liability	\$ 3,946,246	\$ 14,834,799	\$ 12,232,171
City's covered payroll	\$ 5,708,659	\$ 5,907,701	\$ 5,646,572
City's proportionate share of the net pension liability as a percentage of its covered payroll	69.13 %	251.05 %	216.63 %
Plan fiduciary net position as a percentage of the total pension liability	93.62 %	76.47 %	79.94 %

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
1.778180 %	1.671545 %	1.727939 %	1.727077 %	1.782771 %
\$ 10,587,346	\$ 9,803,195	\$ 10,804,128	\$ 8,114,055	\$ 6,462,513
\$ 5,168,468	\$ 4,734,184	\$ 4,682,488	\$ 4,529,187	\$ 4,552,662
204.84 %	207.07 %	230.73 %	179.15 %	141.95 %
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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Statutorily required contribution	\$ 1,546,941	\$ 1,445,236	\$ 1,442,048	\$ 1,469,237
Contributions in relation to the statutorily required contribution	1,546,941	1,445,236	1,442,048	(1,469,237)
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
City's covered payroll	\$ 5,908,861	\$ 5,708,659	\$ 5,907,701	\$ 5,646,572
Contributions as a percentage of covered payroll	26.18%	25.32%	24.41%	26.02%

See accompanying independent auditor's report.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 1,327,264	\$ 1,227,100	\$ 1,300,356	\$ 1,377,326	\$ 1,371,261	\$ 1,144,556
(1,327,264)	(1,227,100)	(1,300,356)	(1,377,326)	(1,371,261)	(1,144,556)
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
\$ 5,168,469	\$ 4,734,184	\$ 4,682,488	\$ 4,529,187	\$ 4,552,662	\$ 4,381,915
25.68%	25.92%	27.77%	30.41%	30.12%	26.12%

City of Cedar Falls, Iowa
Notes to Required Supplementary Information – Pension Liability
Year ended June 30, 2022

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, 2022

	2022	2021	2020
Service Cost	\$ 231,331	\$ 208,856	\$ 129,747
Interest cost	123,697	79,347	108,917
Difference between expected and actual experiences	102,348	--	275,367
Changes in assumptions	(190,724)	--	358,691
Benefit payments	(416,737)	(218,250)	(133,483)
Net change in total OPEB liability	\$ (150,085)	\$ 69,953	\$ 739,239
Total OPEB liability beginning of year	3,560,585	3,490,632	2,751,393
Total OPEB liability end of year	\$ 3,410,500	\$ 3,560,585	\$ 3,490,632
Covered-employee payroll	15,191,208	14,878,294	14,375,163
Total OPEB liability as a percentage of covered-employee payroll	22.45%	23.93%	24.28%

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, 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>2019</u>	<u>2018</u>
\$ 125,359	\$ 55,384
105,512	61,468
--	924,312
--	537,008
<u>(161,077)</u>	<u>(141,086)</u>
\$ 69,794	\$ 1,437,086
2,681,599	1,244,513
<u>\$ 2,751,393</u>	<u>\$ 2,681,599</u>
13,870,992	13,401,925
19.84%	20.01%

City of Cedar Falls, Iowa
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022
(Page 1 of 2)

	Community Development Fund	Housing Assistance Fund
ASSETS		
Cash	\$ --	\$ 511,060
Receivables, net of allowance for uncollectible amounts:		
Property taxes	--	--
Other city taxes	--	--
Accrued interest	--	--
Special assessment	--	--
Due from other funds	--	221,503
Due from other governments	364,909	--
Inventories	--	--
Total assets	<u>\$ 364,909</u>	<u>\$ 732,563</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 27,861	\$ 318
Grant Proceeds Received in Advance	--	--
Accrued liabilities	--	2,078
Due to other funds	221,503	--
Total liabilities	<u>\$ 249,364</u>	<u>\$ 2,396</u>
DEFERRED INFLOWS OF RESOURCES		
Succeeding year property taxes	\$ --	\$ --
Other	48,124	--
Total deferred inflows of resources	<u>\$ 48,124</u>	<u>\$ --</u>
FUND BALANCES		
Nonspendable	\$ --	\$ --
Restricted	67,421	730,167
Committed	--	--
Assigned	--	--
Unassigned	--	--
Total fund balances	<u>\$ 67,421</u>	<u>\$ 730,167</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 364,909</u>	<u>\$ 732,563</u>

Special Revenue

<u>Parking Fund</u>	<u>Police Retirement</u>	<u>Fire Retirement</u>	<u>Visitor & Tourism</u>
\$ 564,222	\$ 3,396,878	\$ 3,223,941	\$ 808,041
--	833,406	311,378	--
--	--	--	202,191
525	1,695	1,666	540
--	--	--	--
--	--	--	--
--	--	--	--
6,621	--	--	27,171
<u>\$ 571,368</u>	<u>\$ 4,231,979</u>	<u>\$ 3,536,985</u>	<u>\$ 1,037,943</u>
\$ 8,413	\$ 1,884	\$ 1,431	\$ 38,533
--	--	--	--
5,114	--	--	15,558
--	--	--	--
<u>\$ 13,527</u>	<u>\$ 1,884</u>	<u>\$ 1,431</u>	<u>\$ 54,091</u>
\$ --	\$ 828,489	\$ 308,015	\$ --
--	--	--	--
<u>\$ --</u>	<u>\$ 828,489</u>	<u>\$ 308,015</u>	<u>\$ --</u>
\$ 6,621	\$ --	\$ --	\$ 27,171
--	3,401,606	3,227,539	956,681
551,220	--	--	--
--	--	--	--
--	--	--	--
<u>\$ 557,841</u>	<u>\$ 3,401,606</u>	<u>\$ 3,227,539</u>	<u>\$ 983,852</u>
<u>\$ 571,368</u>	<u>\$ 4,231,979</u>	<u>\$ 3,536,985</u>	<u>\$ 1,037,943</u>

(continued)

City of Cedar Falls, Iowa
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022
(Page 2 of 2)

	Special Revenue		
	Greenwood Perpetual Care	Fairview Perpetual Care	Hillside Perpetual Care
ASSETS			
Cash	\$ 254,467	\$ 169,598	\$ 53,688
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>\$ 254,467</u>	<u>\$ 169,598</u>	<u>\$ 53,688</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	254,467	169,598	53,688
Committed	--	--	--
Assigned	--	--	--
Unassigned	--	--	--
Total fund balances	<u>\$ 254,467</u>	<u>\$ 169,598</u>	<u>\$ 53,688</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 254,467</u>	<u>\$ 169,598</u>	<u>\$ 53,688</u>

Capital Projects

Washington Park Renovation	FEMA Fund	Sidewalk Assessment	Coronavirus Relief	Economic Development Capital	Total
\$ 33,602	\$ 4,564,498	\$ --	\$ 3,254,370	\$ 8,803,260	\$ 25,637,625
--	--	--	--	--	1,144,784
--	--	--	--	--	202,191
29	3,980	--	5,874	6,482	20,791
--	--	50,276	--	--	50,276
--	--	--	--	24,208	245,711
--	--	--	--	--	364,909
--	--	--	--	--	33,792
<u>\$ 33,631</u>	<u>\$ 4,568,478</u>	<u>\$ 50,276</u>	<u>\$ 3,260,244</u>	<u>\$ 8,833,950</u>	<u>\$ 27,700,079</u>
\$ --	\$ 1,050	\$ --	\$ --	\$ 196,468	\$ 275,958
--	--	--	3,254,370	--	3,254,370
--	--	--	--	--	22,750
--	--	24,208	--	--	245,711
<u>\$ --</u>	<u>\$ 1,050</u>	<u>\$ 24,208</u>	<u>\$ 3,254,370</u>	<u>\$ 196,468</u>	<u>\$ 3,798,789</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,136,504
--	--	48,358	--	--	96,482
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 48,358</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,232,986</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 33,792
--	--	--	--	--	8,861,167
--	--	--	--	--	551,220
33,631	4,567,428	--	5,874	8,637,482	13,244,415
--	--	(22,290)	--	--	(22,290)
<u>\$ 33,631</u>	<u>\$ 4,567,428</u>	<u>\$ (22,290)</u>	<u>\$ 5,874</u>	<u>\$ 8,637,482</u>	<u>\$ 22,668,304</u>
<u>\$ 33,631</u>	<u>\$ 4,568,478</u>	<u>\$ 50,276</u>	<u>\$ 3,260,244</u>	<u>\$ 8,833,950</u>	<u>\$ 27,700,079</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, 2022
(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	--	6,425	2,139
Intergovernmental	840,708	1,455,714	--
Charges for services	--	--	--
Fines and forfeitures	--	--	234,457
Miscellaneous	3,000	5,283	--
Utility contribution in lieu to taxes	--	--	--
Total revenues	<u>\$ 843,708</u>	<u>\$ 1,467,422</u>	<u>\$ 236,596</u>
Expenditures:			
Current:			
Public safety	\$ --	\$ --	\$ --
Public works	--	--	281,368
Culture and recreation	--	--	--
Community and economic development	588,686	1,355,551	--
Capital projects	--	--	--
Total expenditures	<u>\$ 588,686</u>	<u>\$ 1,355,551</u>	<u>\$ 281,368</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 255,022</u>	<u>\$ 111,871</u>	<u>\$ (44,772)</u>
Other financing sources (uses):			
Transfers in	\$ --	\$ --	\$ --
Transfers out	(235,000)	--	(28,410)
Total other financing sources (uses)	<u>\$ (235,000)</u>	<u>\$ --</u>	<u>\$ (28,410)</u>
Net change in fund balances	\$ 20,022	\$ 111,871	\$ (73,182)
Fund balances, beginning	47,399	618,296	632,313
Increase (decrease) in reserve for inventories	--	--	(1,290)
Fund balances, ending	<u>\$ 67,421</u>	<u>\$ 730,167</u>	<u>\$ 557,841</u>

<u>Special Revenue</u>		
<u>Police Retirement</u>	<u>Fire Retirement</u>	<u>Visitor & Tourism</u>
\$ 1,010,702	\$ 692,150	\$ --
--	--	699,137
42,922	38,777	3,298
--	--	--
--	--	--
--	--	51,852
--	--	--
<u>\$ 1,053,624</u>	<u>\$ 730,927</u>	<u>\$ 754,287</u>
\$ 916,056	\$ 716,375	\$ --
--	--	--
--	--	628,794
--	--	--
--	--	--
<u>\$ 916,056</u>	<u>\$ 716,375</u>	<u>\$ 628,794</u>
<u>\$ 137,568</u>	<u>\$ 14,552</u>	<u>\$ 125,493</u>
\$ --	\$ --	\$ 110,579
--	--	(18,248)
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 92,331</u>
\$ 137,568	\$ 14,552	\$ 217,824
3,264,038	3,212,987	773,017
--	--	(6,989)
<u>\$ 3,401,606</u>	<u>\$ 3,227,539</u>	<u>\$ 983,852</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, 2022
(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	4,775	6,435	3,365
Fines and forfeitures	--	--	--
Miscellaneous	--	--	--
Utility contribution in lieu of taxes	--	--	--
Total revenues	<u>\$ 4,775</u>	<u>\$ 6,435</u>	<u>\$ 3,365</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>\$ 4,775</u>	<u>\$ 6,435</u>	<u>\$ 3,365</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	\$ 4,775	\$ 6,435	\$ 3,365
Fund balances, beginning	249,692	163,163	50,323
Increase (decrease) in reserve for inventories	--	--	--
Fund balances, ending	<u>\$ 254,467</u>	<u>\$ 169,598</u>	<u>\$ 53,688</u>

(continued)

Capital Projects					
Washington Park Renovation	FEMA Fund	Sidewalk Assessment	Coronavirus Relief	Economic Development Capital	Total
\$ --	\$ --	\$ 22,121	\$ --	\$ --	\$ 1,724,973
--	--	--	--	--	699,137
126	17,818	--	5,874	78,106	195,485
--	54,371	--	--	--	2,350,793
--	--	--	--	--	14,575
--	--	--	--	--	234,457
--	54,750	25,556	--	--	140,441
--	--	--	--	30,000	30,000
<u>\$ 126</u>	<u>\$ 126,939</u>	<u>\$ 47,677</u>	<u>\$ 5,874</u>	<u>\$ 108,106</u>	<u>\$ 5,389,861</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,632,431
--	--	--	--	--	281,368
--	--	--	--	--	628,794
--	--	--	--	--	1,944,237
--	26,721	51,085	--	1,512,576	1,590,382
<u>\$ --</u>	<u>\$ 26,721</u>	<u>\$ 51,085</u>	<u>\$ --</u>	<u>\$ 1,512,576</u>	<u>\$ 6,077,212</u>
<u>\$ 126</u>	<u>\$ 100,218</u>	<u>\$ (3,408)</u>	<u>\$ 5,874</u>	<u>\$ (1,404,470)</u>	<u>\$ (687,351)</u>
\$ --	\$ --	\$ --	\$ --	\$ 2,403,749	\$ 2,514,328
--	--	--	--	--	(281,658)
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,403,749</u>	<u>\$ 2,232,670</u>
\$ 126	\$ 100,218	\$ (3,408)	\$ 5,874	\$ 999,279	\$ 1,545,319
33,505	4,467,210	(18,882)	--	7,638,203	21,131,264
--	--	--	--	--	(8,279)
<u>\$ 33,631</u>	<u>\$ 4,567,428</u>	<u>\$ (22,290)</u>	<u>\$ 5,874</u>	<u>\$ 8,637,482</u>	<u>\$ 22,668,304</u>

City of Cedar Falls, Iowa
Combining Statement of Net Position
Internal Service Funds
June 30, 2022

	<u>Health Insurance</u>	<u>Health Insurance Severance</u>	<u>Payroll</u>
ASSETS			
Current assets:			
Cash	\$ 2,988,779	\$ 341,137	\$ 2,751,636
Receivables, net of allowance for uncollectible amounts:			
Accrued interest	2,427	--	2,919
Other	120,553	--	--
Inventories	--	--	--
Total current assets	<u>\$ 3,111,759</u>	<u>\$ 341,137</u>	<u>\$ 2,754,555</u>
Noncurrent assets:			
Capital assets:			
Buildings	\$ --	\$ --	\$ --
Machinery and equipment	--	--	--
Accumulated depreciation	--	--	--
Total noncurrent assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Total assets	<u>\$ 3,111,759</u>	<u>\$ 341,137</u>	<u>\$ 2,754,555</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 166,831	\$ 341,137	\$ 3,835
Accrued liabilities	369,000	--	--
Compensated absences due within one year	--	--	--
Total current liabilities	<u>\$ 535,831</u>	<u>\$ 341,137</u>	<u>\$ 3,835</u>
Noncurrent liabilities:			
Compensated absences after one year	\$ --	\$ --	\$ --
Net pension liability	--	--	--
Total noncurrent liabilities	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Total liabilities	<u>\$ 535,831</u>	<u>\$ 341,137</u>	<u>\$ 3,835</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
NET POSITION			
Investment in capital assets	\$ --	\$ --	\$ --
Unrestricted	2,575,928	--	2,750,720
Total net position	<u>\$ 2,575,928</u>	<u>\$ --</u>	<u>\$ 2,750,720</u>

<u>Risk Management</u>	<u>Data Processing</u>	<u>Vehicle Maintenance</u>	<u>Total</u>
\$ 2,806,742	\$ 1,368,558	\$ 3,197,819	\$ 13,454,671
2,439	1,226	2,830	11,841
26,140	--	1,878	148,571
--	1,577	27,580	29,157
<u>\$ 2,835,321</u>	<u>\$ 1,371,361</u>	<u>\$ 3,230,107</u>	<u>\$ 13,644,240</u>
\$ --	\$ --	\$ 90,302	\$ 90,302
--	1,405,465	6,399,315	7,804,780
--	(1,214,954)	(4,203,187)	(5,418,141)
<u>\$ --</u>	<u>\$ 190,511</u>	<u>\$ 2,286,430</u>	<u>\$ 2,476,941</u>
<u>\$ 2,835,321</u>	<u>\$ 1,561,872</u>	<u>\$ 5,516,537</u>	<u>\$ 16,121,181</u>
\$ --	\$ 62,894	\$ 57,660	\$ 120,554
\$ 28,423	\$ 36,681	\$ 148,505	\$ 725,412
186,098	27,950	27,110	610,158
--	22,743	15,001	37,744
<u>\$ 214,521</u>	<u>\$ 87,374</u>	<u>\$ 190,616</u>	<u>\$ 1,373,314</u>
\$ --	\$ 16,971	\$ --	\$ 16,971
--	(38,423)	(35,798)	(74,221)
<u>\$ --</u>	<u>\$ (21,452)</u>	<u>\$ (35,798)</u>	<u>\$ (57,250)</u>
<u>\$ 214,521</u>	<u>\$ 65,922</u>	<u>\$ 154,818</u>	<u>\$ 1,316,064</u>
\$ --	\$ 248,993	\$ 228,417	\$ 477,410
\$ --	\$ 190,511	\$ 2,286,430	\$ 2,476,941
2,620,800	1,119,340	2,904,532	11,971,320
<u>\$ 2,620,800</u>	<u>\$ 1,309,851</u>	<u>\$ 5,190,962</u>	<u>\$ 14,448,261</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, 2022

	Health Insurance	Health Insurance Severance	Payroll
Operating revenues:			
Charges for services	\$ 3,010,239	\$ --	\$ 431,969
Other	--	--	--
Total operating revenues	<u>\$ 3,010,239</u>	<u>\$ --</u>	<u>\$ 431,969</u>
Operating expenses:			
Personal services	\$ --	\$ --	\$ 359,818
Contractual services	4,243,113	--	--
Supplies and equipment	--	--	--
Depreciation	--	--	--
Total operating expenses	<u>\$ 4,243,113</u>	<u>\$ --</u>	<u>\$ 359,818</u>
Operating income (loss)	<u>\$ (1,232,874)</u>	<u>\$ --</u>	<u>\$ 72,151</u>
Nonoperating revenues (expenses):			
Use of money and property	\$ 9,468	\$ --	\$ 12,262
Gain on disposal of capital assets	--	--	--
Loss on disposal of equipment	--	--	--
Nonoperating revenues (expenses)	<u>\$ 9,468</u>	<u>\$ --</u>	<u>\$ 12,262</u>
Income (loss) before transfers	<u>\$ (1,223,406)</u>	<u>\$ --</u>	<u>\$ 84,413</u>
Transfers in	\$ 900,000	\$ --	\$ --
Transfers out	--	--	--
Transfers, net	<u>\$ 900,000</u>	<u>\$ --</u>	<u>\$ --</u>
Change in net position	<u>\$ (323,406)</u>	<u>\$ --</u>	<u>\$ 84,413</u>
Net position, beginning	2,899,334	--	2,666,307
Net position, ending	<u><u>\$ 2,575,928</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 2,750,720</u></u>

<u>Risk Management</u>	<u>Data Processing</u>	<u>Vehicle Maintenance</u>	<u>Total</u>
\$ 597,294	\$ 1,186,660	\$ 2,098,870	\$ 7,325,032
64,457	13,897	69,649	148,003
<u>\$ 661,751</u>	<u>\$ 1,200,557</u>	<u>\$ 2,168,519</u>	<u>\$ 7,473,035</u>
\$ --	\$ 493,795	\$ 481,169	\$ 1,334,782
1,076,304	398,112	202,198	5,919,727
--	200,549	1,059,491	1,260,040
--	112,318	320,577	432,895
<u>\$ 1,076,304</u>	<u>\$ 1,204,774</u>	<u>\$ 2,063,435</u>	<u>\$ 8,947,444</u>
<u>\$ (414,553)</u>	<u>\$ (4,217)</u>	<u>\$ 105,084</u>	<u>\$ (1,474,409)</u>
\$ 10,281	\$ 5,269	\$ 12,130	\$ 49,410
--	--	45,884	45,884
--	--	(45,466)	(45,466)
<u>\$ 10,281</u>	<u>\$ 5,269</u>	<u>\$ 12,548</u>	<u>\$ 49,828</u>
<u>\$ (404,272)</u>	<u>\$ 1,052</u>	<u>\$ 117,632</u>	<u>\$ (1,424,581)</u>
\$ --	\$ --	\$ --	\$ 900,000
--	--	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 900,000</u>
\$ (404,272)	\$ 1,052	\$ 117,632	\$ (524,581)
3,025,072	1,308,799	5,073,330	14,972,842
<u>\$ 2,620,800</u>	<u>\$ 1,309,851</u>	<u>\$ 5,190,962</u>	<u>\$ 14,448,261</u>

City of Cedar Falls, Iowa
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2022

	Health Insurance	Health Insurance Severance
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from interfund services	\$ 2,966,044	\$ 44,901
Payments to suppliers	(4,183,583)	--
Payments to employees	--	(65,331)
Net cash provided by (used for) operating activities	\$ (1,217,539)	\$ (20,430)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	\$ 900,000	\$ --
Net cash provided by (used for) financing activities	\$ 900,000	\$ --
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Net acquisition of property and equipment	\$ --	\$ --
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investments	\$ 9,759	\$ --
Net increase (decrease) in cash	\$ (307,780)	\$ (20,430)
CASH BALANCES, Beginning	3,296,559	361,567
CASH BALANCES, Ending	\$ 2,988,779	\$ 341,137
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (1,232,874)	\$ --
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	--	--
(Increase) decrease in:		
Other receivables	(44,196)	--
Inventories	--	--
Increase (decrease) in accounts payable, accrued and other liabilities	59,531	(20,430)
(Increase) decrease in deferred outflows of resources	--	--
Increase (decrease) in deferred inflows of resources	--	--
Net cash provided by (used for) operating activities	\$ (1,217,539)	\$ (20,430)

<u>Payroll</u>	<u>Risk Management</u>	<u>Data Processing</u>	<u>Vehicle Maintenance</u>	<u>Total</u>
\$ 431,969	\$ 597,294	\$ 1,186,660	\$ 2,098,870	\$ 7,325,738
--	(996,238)	(598,865)	(1,203,764)	(6,982,450)
(355,983)	--	(548,015)	(539,690)	(1,509,019)
<u>\$ 75,986</u>	<u>\$ (398,944)</u>	<u>\$ 39,780</u>	<u>\$ 355,416</u>	<u>\$ (1,165,731)</u>
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 900,000</u>
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 900,000</u>
<u>\$ --</u>	<u>\$ --</u>	<u>\$ (36,118)</u>	<u>\$ (357,359)</u>	<u>\$ (393,477)</u>
<u>\$ 11,633</u>	<u>\$ 10,075</u>	<u>\$ 5,024</u>	<u>\$ 11,584</u>	<u>\$ 48,075</u>
<u>\$ 87,619</u>	<u>\$ (388,869)</u>	<u>\$ 8,686</u>	<u>\$ 9,641</u>	<u>\$ (611,133)</u>
<u>2,664,017</u>	<u>3,195,611</u>	<u>1,359,872</u>	<u>3,188,178</u>	<u>14,065,804</u>
<u><u>\$ 2,751,636</u></u>	<u><u>\$ 2,806,742</u></u>	<u><u>\$ 1,368,558</u></u>	<u><u>\$ 3,197,819</u></u>	<u><u>\$ 13,454,671</u></u>
<u>\$ 72,151</u>	<u>\$ (414,553)</u>	<u>\$ (4,217)</u>	<u>\$ 105,084</u>	<u>\$ (1,474,409)</u>
--	--	112,318	320,577	432,895
--	(3,917)	--	1,246	(46,867)
--	--	820	26,468	27,288
3,835	19,526	(334,773)	(352,775)	(625,086)
--	--	23,377	35,088	58,465
--	--	242,255	219,728	461,983
<u>\$ 75,986</u>	<u>\$ (398,944)</u>	<u>\$ 39,780</u>	<u>\$ 355,416</u>	<u>\$ (1,165,731)</u>

City of Cedar Falls, Iowa
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source*
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Governmental fund capital assets:		
Land	\$ 43,116,319	\$ 43,116,319
Land improvements	21,100,815	21,077,715
Buildings	36,846,487	36,846,487
Machinery and equipment	14,571,997	13,927,274
Infrastructure	273,462,096	268,834,004
Construction in progress	23,380,432	12,137,611
Total governmental funds capital assets	<u>\$ 412,478,146</u>	<u>\$ 395,939,410</u>
Investments in governmental funds capital assets by source:		
General fund	\$ 23,574,227	\$ 23,481,862
Special revenue funds	89,571,846	85,701,611
Capital projects funds	254,090,362	241,581,300
Internal service	238,913	238,913
Donations	45,002,798	44,935,724
Total governmental funds capital assets	<u>\$ 412,478,146</u>	<u>\$ 395,939,410</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
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity *
June 30, 2022

Function and Activity	Land	Land Improvements	Buildings
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	12,055,727	14,598,975
Community and Economic Development	39,223,639	6,130,505	11,500
General Government	53,901	--	4,258,476
	<u>\$ 43,116,319</u>	<u>\$ 21,100,815</u>	<u>\$ 36,846,487</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>Construction in Progress</u>	<u>Total</u>
\$ 2,566,525	\$ --	\$ --	\$ 13,100,690
6,436,676	266,638,407	19,023,693	297,257,148
--	--	--	6,114,627
3,920,869	6,823,689	1,446,989	41,769,983
108,477	--	561,200	46,035,321
1,539,450	--	2,348,550	8,200,377
<u>\$ 14,571,997</u>	<u>\$ 273,462,096</u>	<u>\$ 23,380,432</u>	<u>\$ 412,478,146</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, 2022

	Governmental Funds Capital Assets July 1, 2021	Additions	Deletions	Governmental Funds Capital Assets June 30, 2022
Public Safety	\$ 13,092,422	\$ 8,268	\$ --	\$ 13,100,690
Public Works	283,518,320	17,263,934	3,525,106	297,257,148
Health & Social Services	6,114,627	--	--	6,114,627
Culture and Recreation	41,233,810	552,527	16,354	41,769,983
Community and Economic Development	46,035,321	--	--	46,035,321
General Government	5,944,910	2,255,467	--	8,200,377
	<u>\$ 395,939,410</u>	<u>\$ 20,080,196</u>	<u>\$ 3,541,460</u>	<u>\$ 412,478,146</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.	127
Revenue Capacity These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	137
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.	146
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.	158
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.	163

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			
	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$ 155,314,591	\$ 162,409,906	\$ 165,448,958	\$ 177,078,562
Restricted	24,150,307	25,300,988	28,349,177	30,021,985
Unrestricted	54,888,657	57,227,282	66,476,930	67,625,175
Total governmental activities net position	<u>\$ 234,353,555</u>	<u>\$ 244,938,176</u>	<u>\$ 260,275,065</u>	<u>\$ 274,725,722</u>
Business-type activities				
Net investment in capital assets	\$ 79,677,940	\$ 77,467,033	\$ 79,444,948	\$ 80,717,535
Restricted	9,500	9,500	9,500	9,500
Unrestricted	(5,621,533)	(4,218,827)	(6,100,653)	(4,631,127)
Total business-type activities net position	<u>\$ 74,065,907</u>	<u>\$ 73,257,706</u>	<u>\$ 73,353,795</u>	<u>\$ 76,095,908</u>
Primary government				
Net investment in capital assets	\$ 234,992,531	\$ 239,876,939	\$ 244,893,906	\$ 257,796,097
Restricted	24,159,807	25,310,488	28,358,677	30,031,485
Unrestricted	49,267,124	53,008,455	60,376,277	62,994,048
Total primary government net position	<u>\$ 308,419,462</u>	<u>\$ 318,195,882</u>	<u>\$ 333,628,860</u>	<u>\$ 350,821,630</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 185,440,156	\$ 206,505,683	\$ 222,380,958	\$ 233,264,428	\$ 235,252,432	\$ 242,518,284
33,221,194	32,833,649	33,108,311	34,985,196	37,325,937	38,412,903
66,287,368	62,952,964	57,239,608	51,425,709	54,645,260	56,550,973
<u>\$ 284,948,718</u>	<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>
\$ 79,810,012	\$ 83,110,200	\$ 79,531,920	\$ 80,028,959	\$ 80,744,907	\$ 81,353,542
9,500	9,500	29,990	29,990	29,990	41,540
(2,265,218)	(1,699,735)	6,090,521	7,529,705	11,807,093	14,652,540
<u>\$ 77,554,294</u>	<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>
\$ 265,250,168	\$ 289,615,883	\$ 301,912,878	\$ 313,293,387	\$ 315,997,339	\$ 323,871,826
33,230,694	32,843,149	33,138,301	35,015,186	37,355,927	38,454,443
64,022,150	61,253,229	63,330,129	58,955,414	66,452,353	71,203,513
<u>\$ 362,503,012</u>	<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>

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

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental activities:				
Public safety	\$ 9,491,677	\$ 9,293,710	\$ 9,285,835	\$ 9,720,423
Public works	11,909,568	12,086,420	12,301,197	11,782,921
Health and social services	320,864	166,764	279,734	276,202
Culture and recreation	7,262,110	7,135,841	7,560,018	7,679,626
Community and economic development	8,357,058	5,134,158	5,661,653	5,747,990
General government	4,890,409	4,684,649	4,319,945	3,855,419
Debt service	228,173	183,339	166,377	157,356
Total governmental activities expenses	<u>42,459,859</u>	<u>38,684,881</u>	<u>39,574,759</u>	<u>39,219,937</u>
Business-type activities:				
Sewer	3,617,688	3,971,854	4,702,339	4,822,038
Refuse	2,770,264	2,960,082	2,744,057	2,829,990
Storm Water	728,713	835,029	1,000,434	925,595
Total business-type activities expenses	<u>7,116,665</u>	<u>7,766,965</u>	<u>8,446,830</u>	<u>8,577,623</u>
Total primary government expenses	<u>\$ 49,576,524</u>	<u>\$ 46,451,846</u>	<u>\$ 48,021,589</u>	<u>\$ 47,797,560</u>
Program Revenues				
Governmental activities:				
Charges for services:				
Public Safety	\$ 673,860	\$ 661,382	\$ 640,025	\$ 620,779
Public Works	204,592	179,494	174,750	179,815
Culture and Recreation	2,400,747	2,518,347	2,226,514	2,501,785
General Government	1,632,567	1,773,501	1,547,812	2,009,261
Operating grants and contributions	2,098,639	1,818,312	1,502,835	1,911,261
Capital grants and contributions	6,479,932	3,576,733	1,628,293	3,055,296
Total governmental activities program revenues	<u>13,490,337</u>	<u>10,527,769</u>	<u>7,720,229</u>	<u>10,278,197</u>
Business-type activities:				
Charges for services:				
Sewer	4,574,181	4,837,116	5,067,148	5,279,521
Refuse	2,996,396	3,139,016	2,855,267	2,910,356
Storm Water	890,893	831,083	830,501	937,310
Capital grants and contributions: sewer and storm water	577,411	689,285	731,471	1,034,068
Total business-type activities program revenues	<u>9,038,881</u>	<u>9,496,500</u>	<u>9,484,387</u>	<u>10,161,255</u>
Total primary government program revenues	<u>\$ 22,529,218</u>	<u>\$ 20,024,269</u>	<u>\$ 17,204,616</u>	<u>\$ 20,439,452</u>
Net (Expense)/Revenues				
Governmental activities	(28,969,522)	(28,157,112)	(31,854,530)	(28,941,740)
Business-type activities	1,922,216	1,729,535	1,037,557	1,583,632
Total primary government net expense	<u>\$ (27,047,306)</u>	<u>\$ (26,427,577)</u>	<u>\$ (30,816,973)</u>	<u>\$ (27,358,108)</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 10,499,099	\$ 11,516,205	\$ 12,234,454	\$ 14,356,978	\$ 14,443,799	\$ 11,596,217
12,901,482	11,932,088	16,064,779	14,178,454	15,089,189	18,503,503
308,406	273,186	173,198	357,404	352,735	174,754
7,751,904	8,726,607	7,852,080	8,149,827	8,227,093	7,989,443
7,625,932	4,033,621	4,443,144	4,226,474	4,741,335	4,637,338
3,924,362	4,049,880	4,333,051	4,664,011	5,410,951	5,012,842
178,344	135,621	180,268	192,876	174,868	128,515
<u>43,189,529</u>	<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>
4,613,456	4,653,292	4,816,390	5,162,985	5,001,085	5,594,416
2,876,394	2,972,968	3,052,989	3,134,596	3,235,095	3,451,795
866,931	946,045	983,487	1,037,946	1,050,855	1,034,120
<u>8,356,781</u>	<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>\$ 51,546,310</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>
\$ 607,903	\$ 640,663	\$ 655,542	\$ 577,351	\$ 516,198	\$ 579,155
168,952	171,855	165,923	161,405	105,769	234,458
2,197,303	1,919,584	1,929,337	1,296,689	1,176,045	1,761,001
1,750,177	1,893,538	1,680,208	1,509,577	2,093,041	1,539,552
2,136,947	2,714,799	1,607,195	1,919,605	3,012,469	2,746,064
1,652,967	7,928,276	5,583,625	2,968,418	3,180,994	2,731,155
<u>8,514,249</u>	<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>
5,629,724	6,272,882	6,625,335	6,903,473	7,300,595	7,694,631
2,899,428	3,031,163	2,930,917	2,915,458	3,086,774	3,271,061
883,849	1,037,731	947,035	1,093,448	1,051,594	1,070,344
897,429	1,173,269	259,676	390,852	1,534,377	91,786
<u>10,310,430</u>	<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>\$ 18,824,679</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>
(34,675,280)	(25,398,493)	(33,659,144)	(37,692,979)	(38,355,454)	(38,451,227)
1,953,649	2,942,740	1,910,097	1,967,704	3,686,305	2,047,491
<u>\$ (32,721,631)</u>	<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>

(continued)

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

	Fiscal Year			
	2013	2014	2015	2016
General Revenues and Other Changes in Net Position				
Governmental activities:				
General revenues:				
Property taxes and assessments	\$ 24,695,940	\$ 21,248,529	\$ 25,096,699	\$ 24,991,769
Other city taxes	5,544,604	6,036,891	5,935,675	5,820,244
Use of money and property	1,268,202	1,120,041	1,187,617	1,252,423
Intergovernmental	4,405,345	4,545,694	25,400,155	6,503,056
Miscellaneous	1,375,437	1,389,109	844,766	1,616,773
Gain on sale of assets	--	--	--	3,864
Utility contribution in lieu of taxes	1,637,000	1,725,000	3,402,949	4,175,000
Transfers	<u>(1,843,432)</u>	<u>2,676,469</u>	<u>(356,735)</u>	<u>(970,732)</u>
Total governmental activities	<u>37,083,096</u>	<u>38,741,733</u>	<u>61,511,126</u>	<u>43,392,397</u>
Business-type activities:				
General revenues:				
Use of money and property	38,886	44,547	50,802	69,673
Gain on Sale	--	--	--	--
Intergovernmental	--	94,186	88,596	118,076
Transfers	<u>1,843,432</u>	<u>(2,676,469)</u>	<u>356,735</u>	<u>970,732</u>
Total business-type activities	<u>1,882,318</u>	<u>(2,537,736)</u>	<u>496,133</u>	<u>1,158,481</u>
Total primary government	<u>\$ 38,965,414</u>	<u>\$ 36,203,997</u>	<u>\$ 62,007,259</u>	<u>\$ 44,550,878</u>
Change in Net Position				
Governmental activities	\$ 8,113,574	\$ 10,584,621	\$ 29,656,596	\$ 14,450,657
Business-type activities	<u>3,804,534</u>	<u>(808,201)</u>	<u>1,533,690</u>	<u>2,742,113</u>
Total primary government	<u>\$ 11,918,108</u>	<u>\$ 9,776,420</u>	<u>\$ 31,190,286</u>	<u>\$ 17,192,770</u>

(continued)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 25,646,096	\$ 24,249,414	\$ 24,620,658	\$ 24,367,797	\$ 26,903,746	\$ 29,063,485
5,931,730	5,709,246	6,115,363	6,106,725	6,955,026	8,875,749
1,302,082	1,743,242	2,491,989	2,386,435	1,314,163	1,065,174
6,386,056	6,208,882	6,493,435	6,650,002	7,284,160	6,948,043
1,538,658	2,802,838	3,021,477	1,658,073	1,997,826	1,476,082
2,615	878	--	--	35,225	0
3,402,500	3,430,000	3,296,714	3,058,657	2,651,632	2,612,293
688,539	(546,193)	(1,943,911)	411,746	(1,238,028)	(1,331,075)
<u>44,898,276</u>	<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>
111,583	208,958	383,387	380,265	106,682	82,702
--	--	(4,929)	--	(37,679)	4,364
81,693	167,780	--	--	--	--
(688,539)	546,193	1,943,911	(411,746)	1,238,028	1,331,073
<u>(495,263)</u>	<u>922,931</u>	<u>2,322,369</u>	<u>(31,481)</u>	<u>1,307,031</u>	<u>1,418,139</u>
<u>\$ 44,403,013</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>
\$ 10,222,996	\$ 18,199,814	\$ 10,436,581	\$ 6,946,456	\$ 7,548,296	\$ 10,258,523
1,458,386	3,865,671	4,232,466	1,936,223	4,993,336	3,465,632
<u>\$ 11,681,382</u>	<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>

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

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 241,612	\$ 195,196	\$ 183,922	\$ 164,808
Assigned	1,817,084	2,205,244	2,277,562	2,589,832
Unassigned	6,978,807	7,333,349	7,603,109	8,401,303
Total general fund	<u>\$ 9,037,503</u>	<u>\$ 9,733,789</u>	<u>\$ 10,064,593</u>	<u>\$ 11,155,943</u>
All Other Governmental Funds				
Nonspendable	\$ 306,613	\$ 257,741	\$ 562,516	\$ 678,404
Restricted	25,435,109	26,920,959	28,101,815	29,490,897
Committed	16,551,115	17,029,200	17,408,842	17,820,657
Assigned	14,559,803	19,036,386	42,072,607	37,461,720
Unassigned	(1,193,291)	(5,580,797)	(5,289,619)	(2,044,819)
Total all other governmental funds	<u>\$ 55,659,349</u>	<u>\$ 57,663,489</u>	<u>\$ 82,856,161</u>	<u>\$ 83,406,859</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 119,165	\$ 100,909	\$ 93,692	\$ 122,878	\$ 122,733	\$ 101,762
2,909,366	2,904,712	3,124,973	3,002,643	2,803,774	3,381,002
8,672,595	9,105,204	9,359,241	9,467,412	9,166,625	8,933,608
<u>\$ 11,701,126</u>	<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>
\$ 441,642	\$ 338,774	\$ 275,261	\$ 452,032	\$ 489,111	\$ 579,777
34,254,079	32,228,803	32,919,628	34,676,365	36,954,610	37,831,310
18,129,245	18,514,062	19,013,400	19,318,484	19,454,123	19,804,463
33,011,377	35,726,036	31,223,347	34,220,780	40,556,613	42,161,947
--	(6,525,598)	(9,215,142)	(15,179,224)	(16,231,652)	(21,051,885)
<u>\$ 85,836,343</u>	<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>

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

	Fiscal Year			
	2013	2014	2015	2016
Revenues:				
Property taxes and assessments	\$ 24,696,783	\$ 21,244,190	\$ 25,099,620	\$ 24,996,361
Other city taxes	5,519,022	5,995,505	6,156,049	5,574,659
Licenses and permits	1,076,186	1,197,723	967,488	1,413,196
Use of money and property	1,268,202	1,120,040	1,187,617	1,252,423
Intergovernmental	12,599,954	8,688,760	27,494,197	9,556,156
Charges for services	3,386,415	3,542,072	3,329,061	3,613,510
Fines and forfeitures	449,165	392,928	292,551	284,934
Miscellaneous	1,358,192	1,400,551	1,154,586	1,598,216
Utility contribution in lieu of taxes	1,637,000	1,725,000	3,402,949	4,175,000
Total revenues	<u>\$ 51,990,919</u>	<u>\$ 45,306,769</u>	<u>\$ 69,084,118</u>	<u>\$ 52,464,455</u>
Expenditures:				
Current:				
Public safety	\$ 8,999,942	\$ 9,188,529	\$ 9,736,872	\$ 9,888,523
Public works	10,089,252	9,325,749	10,078,273	9,762,190
Health and social services	172,284	18,184	150,853	127,222
Culture and recreation	6,449,626	6,130,462	6,949,450	6,868,429
Community and economic development	2,646,490	2,351,253	2,529,858	2,486,183
General government	4,684,063	4,592,138	3,376,609	3,700,513
Debt service				
Principal	2,685,000	2,775,000	1,040,000	1,070,000
Interest	271,009	216,208	156,875	148,071
Capital projects	9,544,629	10,593,247	9,106,571	15,604,458
Total expenditures	<u>\$ 45,542,295</u>	<u>\$ 45,190,770</u>	<u>\$ 43,125,361</u>	<u>\$ 49,655,589</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 6,448,624</u>	<u>\$ 115,999</u>	<u>\$ 25,958,757</u>	<u>\$ 2,808,866</u>
Other financing sources (uses):				
Transfers in	\$ 13,297,694	\$ 12,547,589	\$ 10,234,634	\$ 11,283,281
Transfers out	(14,976,869)	(9,867,874)	(10,863,417)	(12,571,873)
Issuance of debt	--	--	--	--
Premium on long-term debt	--	--	--	--
Total other financing sources (uses)	<u>\$ (1,679,175)</u>	<u>\$ 2,679,715</u>	<u>\$ (628,783)</u>	<u>\$ (1,288,592)</u>
Net change in fund balances	<u>\$ 4,769,449</u>	<u>\$ 2,795,714</u>	<u>\$ 25,329,974</u>	<u>\$ 1,520,274</u>
Debt service as a percentage of noncapital expenditures	8.0%	8.9%	3.5%	3.9%

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 25,647,323	\$ 24,193,934	\$ 24,602,616	\$ 24,332,248	\$ 26,907,831	\$ 29,056,384	
6,177,313	5,709,246	6,115,363	6,106,725	6,955,026	8,875,750	
1,164,442	1,302,864	1,089,244	932,121	1,530,582	1,012,235	
1,302,082	1,743,242	2,491,989	2,386,435	1,314,163	1,065,179	
8,383,167	13,890,953	13,389,635	10,625,228	10,605,383	10,090,582	
3,286,820	3,008,403	3,043,384	2,296,459	2,150,458	2,732,528	
273,073	314,373	297,455	316,928	209,676	369,403	
1,533,555	2,813,716	3,025,774	3,356,248	1,994,030	1,530,142	
3,402,500	3,430,000	3,296,714	3,058,657	2,651,632	2,612,293	
<u>\$ 51,170,275</u>	<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>	
\$ 9,916,019	\$ 10,903,573	\$ 11,815,792	\$ 12,410,312	\$ 12,055,532	\$ 12,410,233	
8,526,896	8,454,750	12,705,220	13,995,394	11,492,908	13,858,681	
159,428	124,208	24,220	208,424	216,757	25,776	
6,735,547	7,340,139	7,070,254	7,030,973	7,092,995	7,000,740	
2,462,130	2,428,537	2,641,619	2,542,366	2,991,681	3,104,803	
3,720,389	3,914,637	4,053,737	4,566,065	4,956,324	4,831,771	
1,585,000	1,420,000	820,000	1,580,000	650,000	870,000	
175,387	138,445	208,823	227,753	232,344	192,100	
18,103,067	26,142,521	24,723,513	11,684,006	9,822,160	14,462,964	
<u>\$ 51,383,863</u>	<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>\$ (213,588)</u>	<u>\$ (4,460,079)</u>	<u>\$ (6,711,004)</u>	<u>\$ (834,244)</u>	<u>\$ 4,808,080</u>	<u>\$ 587,428</u>	
\$ 12,904,934	\$ 12,436,705	\$ 6,216,554	\$ 9,944,010	\$ 10,463,001	\$ 11,353,183	
(12,415,212)	(13,060,066)	(8,187,149)	(10,028,753)	(11,723,406)	(13,584,257)	
2,865,000	--	2,860,000	--	3,430,000	--	
100,938	--	293,827	--	219,957	--	
<u>\$ 3,455,660</u>	<u>\$ (623,361)</u>	<u>\$ 1,183,232</u>	<u>\$ (84,743)</u>	<u>\$ 2,389,552</u>	<u>\$ (2,231,074)</u>	
<u>\$ 3,242,072</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>	
5.0%	4.9%	2.7%	5.0%	2.6%	2.6%	

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
2012	2013	\$ 1,393,511,204	\$ 2,608,407,333	\$ 5,671,067	\$ 9,912,510
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

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		
\$ 1,399,182,271	\$ 2,618,319,843	53.44 %	\$ 12.20300
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

**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
2013	\$ 11.68479	\$ 0.51821	\$ 12.20300	\$ 5.59849	\$ 0.64144	\$ 6.23993
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

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				
Operating Millage	Debt Service	Total School Millage	Other	Total
\$ 13.37802	\$ --	\$ 13.37802	\$ 1.33770	\$ 33.15865
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

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

Taxpayer	2013		
	Assessed Valuation for Fiscal Year 2012 - 2013	Rank	Percentage of Total Assessed Valuation
Target Corporation	\$ 85,871,200	1	3.28 %
RBR Holdings II LLC	--	--	--
Goldenstar Apartments, LLP	--	--	--
WB CF Assoc LTD Partners	12,738,950	5	0.49
Midland Tarkenton, LLC	--	--	--
Tailwind Cedar Falls, LLC	--	--	--
Vereit Real Estate LP	--	--	--
Walmart Re Business Trust	13,574,740	4	0.52
Prime RE 2, LLC	--	--	--
Martin Realty Company, LLC	--	--	--
Gold Falls Villa Apart LLC	8,964,160	8	0.34
College Square Mall Assoc. LLC	30,224,620	2	1.15
R and N Investments	13,908,090	3	0.53
Standard Distribution Co.	8,326,800	9	0.32
Cedar Properties	0	--	0.00
Harvest Mallard Point Retirement	8,164,470	10	0.31
Twenty Seventh Street Assoc, LLC	11,533,470	6	0.44
Cedar Falls Investments, LLC	9,243,740	7	0.35
	<u>\$ 202,550,240</u>		<u>7.73 %</u>

Source: Black Hawk County

2022

Assessed Valuation for Fiscal Year 2021 - 2022	Rank	Percentage of Total Assessed Valuation
\$ 78,151,240	1	2.28 %
18,383,560	2	0.54
17,922,860	3	0.52
17,313,610	4	0.50
15,659,380	5	0.46
15,355,740	6	0.45
14,657,490	7	0.43
14,046,930	8	0.41
13,748,500	9	0.40
12,973,030	10	0.38
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<u>\$ 218,212,340</u>		<u>6.37 %</u>

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
2012	2013	\$ 17,287,168	\$ 17,091,764	98.87 %	\$ 3,967
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	22,567,169	100.43	385

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
\$ 17,095,731	98.89 %	\$ 25,924	0.15 %
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
22,567,554	100.43	10,134	0.05

City of Cedar Falls, Iowa
1/1/2021 VALUATIONS (Taxes Payable July 1, 2022 to June 30, 2023)

	<u>100% Actual Value</u>	<u>Taxable Value (with Rollback)</u>
Residential	\$ 2,803,566,538	\$ 1,510,770,762
Commercial	529,254,483	461,067,249
Industrial	33,533,725	27,238,463
Multi-Residential	98,472,234	59,965,819
Railroad	2,303,363	2,073,026
Utilities	1,931,517	1,931,517
Gross Valuation	\$ <u>3,469,061,860</u>	\$ <u>2,063,046,836</u>
Less military exemption	(2,656,231)	(2,656,231)
Net Valuation	\$ <u>3,466,405,629</u>	\$ <u>2,060,390,605</u>
 TIF increment (used to compute debt services levies and constitutional debt limit)	 \$ 204,625,917 ¹	 \$ 204,625,917 ¹
 Taxes separately		
Ag. Land	\$ 6,860,680	\$ 6,108,830
Ag. Buildings	\$ 385,790	\$ 343,512
Utilities - Gas & Electric	\$ 56,915,222	\$ 4,230,086

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

2021 GROSS TAXABLE VALUATION BY CLASS OF PROPERTY¹

	<u>Taxable Valuation</u>	<u>Percent Total</u>
Residential	\$ 1,510,770,762	73.08%
Commercial, Industrial & Utility	490,237,229	23.71%
Multi-Residential	59,965,819	2.90%
Gas & Electric Utilities	4,230,086	0.20%
Railroad	2,073,026	0.10%
Total Gross Taxable Valuation	\$ <u>2,067,276,922</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	
2013	\$ 8,024,356	\$ 597,880	\$ 2,942,333	210,640	\$ 11,775,209
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

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 156.

<u>Percentage of Personal Income¹</u>	<u>Per Capita¹</u>
0.77 %	\$ 300
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

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
2013	\$ 11,564,569	\$ 318,846	\$ 11,245,723	\$ 1,399,182,271
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

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>
0.80 %	\$ 2,618,319,843	0.43 %	\$ 286.44
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

**City of Cedar Falls, Iowa
Direct and Overlapping Debt
As of June 30, 2022**

<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>6,387,637</u>	100.00 %	\$ <u>6,387,637</u>
Overlapping:			
Black Hawk County	\$ 16,690,000	35.50	\$ 5,924,950
Cedar Falls Public School District	95,245,000	92.59	88,187,346
Area VII Hawkeye Community College	<u>6,780,000</u>	20.12	<u>1,364,136</u>
Total Overlapping	\$ <u>118,715,000</u>		\$ <u>95,476,432</u>
Total	\$ <u><u>125,102,637</u></u>		\$ <u><u>101,864,069</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**

	2013	2014	2015	2016
Debt Limit	\$ 132,967,511	\$ 134,876,517	\$ 139,586,122	\$ 142,421,126
Total net debt applicable to limit	13,205,000	9,640,000	7,770,000	5,920,000
Legal debt margin	<u>\$ 119,762,511</u>	<u>\$ 125,236,517</u>	<u>\$ 131,816,122</u>	<u>\$ 136,501,126</u>
Total net debt applicable to the limit as a percentage of of debt limit	9.93%	7.15%	5.57%	4.16%

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

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 149,224,259	\$ 151,911,983	\$ 158,343,489	\$ 163,389,318	\$ 170,858,420
13,270,000	9,740,000	14,085,000	11,670,000	13,595,000
<u>\$ 135,954,259</u>	<u>\$ 142,171,983</u>	<u>\$ 144,258,489</u>	<u>\$ 151,719,318</u>	<u>\$ 157,263,420</u>

8.89%

6.41%

8.90%

7.14%

7.96%

Legal Debt Margin Calculation for Fiscal Year 2022

Estimated actual valuation	<u>\$ 3,490,992,530</u>
Debt limit - 5% of total actual valuation	\$ 174,549,627
Debt applicable to debt limit:	
General obligation bonds	11,850,000
	<u> </u>
Legal debt margin	<u>\$ 162,699,627</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
2013	\$ 4,596,372	\$ 2,254,091	\$ 2,342,281	\$ --	\$ 6,319
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

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>
\$ 6,319	370.67
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

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>
2012 - 13	1,826,789	5,238,056
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

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>
2013	12,328	1,002	32	211	3	13,576
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

Source: Cedar Falls Utilities

**City of Cedar Falls, Iowa
Largest Sewer Customers
Fiscal Year 2022**

<u>Customer</u>		<u>Water Sales (CCF)</u>	<u>Percent of Total Water Sales</u>		<u>Sewer Charges</u>	<u>Percent of Total Sewer Charges</u>
University of Northern Iowa	1	54,620	3.39 %	\$	264,318	3.07 %
Western Home Communities	2	20,980	1.30		155,966	1.81
Country Terrace MHP LLC-700 W Ridgeway	3	16,010	0.99		122,166	1.42
Target Corporation	4	16,437	1.02		93,219	1.08
Gold Falls Villa Apts.	5	7,766	0.48		72,825	0.85
Clark Enterprises, LLC	6	4,249	0.26		54,999	0.64
CF Schools	7	9,720	0.60		51,400	0.60
Metokote Corporation	8	11,671	0.72		49,979	0.58
Newaldaya Lifescapes	9	7,523	0.47		44,181	0.51
Park @ Nine23 Apts II	10	5,393	0.33		44,027	0.51
Happy Hippo Car Wash, LLC	11	10,038	0.62		42,609	0.49
Sartori Memorial Hospital, Inc,	12	9,643	0.60		39,020	0.45
Total 2022 CCF		1,612,269				
Total 2022 Sewer Billings					\$8,618,176	

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>
2013	39,260	\$ 1,538,795,700	\$ 39,195	26.8	5,121	3.5
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

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	2013		
	Number of Employees ¹	Rank	Percentage of Total City Employment
John Deere Product Engineer Center ²	6,739	1	27.85%
MercyOne Medical ²	3,027	2	12.51%
Hy-Vee Food Stores ²	1,155	4	4.77%
University of Northern Iowa	2,586	3	10.69%
Omega Cabinetry, Ltd. ²			
Target Distribution	572	8	2.36%
Cedar Falls Community School District	750	7	3.10%
The Western Home	--	--	--
Area Education Agency 267	1,150	5	4.75%
Martin Brothers Distributing Co., Inc	--	--	--
Viking Pump Inc, Unit of Index Corp.	466	10	1.93%
City of Cedar Falls/Municipal Utilities	540	9	2.23%
Wal-Mart Super Center ²	750	6	3.10%
Total	17,735		73.27%

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.

2022		
<u>Number of Employees¹</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
5,000	1	12.28%
2,893	2	7.11%
1,719	3	4.22%
1,584	4	3.89%
994	5	2.44%
840	6	2.06%
826	7	2.03%
668	8	1.64%
650	9	1.60%
600	10	1.47%
--	--	--
--	--	--
--	--	--
15,774		40.18%

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			
	2013	2014	2015	2016
Public Safety				
Police	50.77	49.03	46.75	47.19
Fire	35.20	35.83	34.86	34.86
Inspection Services	9.30	8.23	7.50	7.50
Public Works				
Streets	22.06	22.32	24.10	24.10
Parking	3.81	2.14	1.97	1.97
Engineering	11.52	10.52	10.45	10.45
Culture and Recreation				
Municipal Operations & Programs Admin.	2.25	2.25	1.75	1.75
Cultural Services	8.52	8.37	8.85	8.85
Cemetery	4.60	4.45	4.45	4.45
Golf	5.00	4.93	4.93	4.93
Parks	21.45	17.66	17.41	17.41
Recreation	35.26	35.59	34.59	34.59
Library	19.84	20.76	20.96	20.96
Senior Services	0.78	0.15	0.15	0.15
Visitor & Tourism	3.20	3.18	3.28	3.28
Community & Economic Development				
Community Development Admin.	1.50	1.50	1.25	1.25
Economic Development	2.02	2.09	0.00	0.00
Planning & Community Services	3.68	3.67	6.08	6.08
Block Grant	1.79	1.40	1.13	1.13
Housing Vouchers	1.93	1.49	1.13	1.12
General Government				
Mayor's Office	1.50	1.10	1.10	1.10
Administration	1.50	1.00	1.00	1.00
Finance & Business Operations Admin	0.00	0.00	0.00	0.00
Financial Services	5.95	5.58	6.58	6.58
Legal Services	3.00	2.00	2.00	2.00
Human Resources	0.00	0.00	0.00	0.00
Public Records	4.10	3.95	3.73	3.73
Cable TV	4.50	5.00	5.00	5.00
Print Shop	1.00	1.00	0.00	0.00
Public Buildings	15.84	14.61	1.73	1.73
Internal Service				
Information Systems	4.00	4.00	4.00	4.00
Vehicle Maintenance	6.10	7.68	7.68	7.68
Sewer	18.38	17.98	18.27	18.27
Refuse	21.35	19.41	18.79	18.79
Storm Water	4.30	4.30	4.30	4.30
Total	335.98	323.17	305.77	306.20

Source: City's Financial Plans

Full-Time Equivalent Employees as of June 30

2017	2018	2019	2020	2021	2022
47.19	48.22	55.72	61.43	61.73	56.01
33.06	30.41	28.51	25.51	25.83	29.10
7.50	7.50	8.84	10.05	9.41	9.86
24.10	24.10	24.10	24.65	24.37	22.92
1.97	2.00	2.05	3.55	4.44	4.45
10.45	12.73	14.07	13.08	14.76	14.90
1.65	1.65	1.65	1.65	0.00	0.00
7.61	7.36	6.70	7.43	8.08	7.35
4.45	4.45	6.45	5.45	5.50	5.83
4.93	0.75	0.38	0.00	0.00	0.00
17.41	16.61	17.11	16.98	17.71	16.98
34.59	33.96	33.96	34.23	34.96	34.96
21.74	21.48	22.93	23.97	25.46	24.69
0.15	0.15	0.15	1.40	1.40	1.40
3.28	3.28	3.91	4.91	4.91	4.91
1.25	1.17	1.17	1.16	1.05	1.05
0.00	0.00	0.00	0.00	0.00	0.00
6.08	5.98	5.93	4.55	5.65	5.65
1.13	0.43	0.45	0.15	0.15	0.15
1.12	1.54	1.47	1.08	2.59	2.59
1.10	1.08	1.08	1.08	1.08	1.10
1.00	1.02	1.02	3.02	3.02	3.05
0.00	0.00	0.00	0.00	1.73	1.73
6.31	6.32	7.42	7.06	6.71	4.71
2.00	2.10	2.10	2.10	2.10	1.12
0.00	0.00	0.00	0.00	0.00	3.00
3.73	3.71	3.86	3.83	4.24	3.84
5.50	5.30	5.55	5.43	4.10	3.78
0.00	0.00	0.00	0.00	0.00	0.00
1.73	1.73	1.73	1.50	1.50	1.50
4.73	4.73	5.73	5.73	5.83	5.83
6.68	7.35	7.38	7.38	7.23	7.23
17.72	17.82	17.82	17.37	17.27	17.27
17.79	17.74	17.74	16.41	16.65	18.10
4.30	4.30	3.30	3.60	3.30	3.30
302.25	296.97	310.28	315.74	322.76	318.36

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

	Fiscal Year		
	2013	2014	2015
Public Safety			
Police			
Physical arrests	1,178	1,057	1,029
Traffic violations	5,554	5,095	5,405
Parking violations	20,889	14,780	13,493
Cars Booted ²	--	--	184
Fire			
Number of calls answered	2,190	2,113	2,037
Inspections conducted	2,843	2,318	1,214
Sewer			
Sewage System			
Daily average treatment in gallons	4,100,000	4,930,000	4,520,000
Maximum daily capacity of treatment plant in gallons	21,600,000	21,600,000	21,600,000
Water System			
Daily average consumption in gallons	3,400,000	4,090,000	3,380,000
Maximum daily capacity of plant in gallons	23,400,000	23,400,000	23,400,000
Refuse¹			
Solid Waste			
35 Gallon Containers	4,600	4,905	4,347
64 Gallon Containers	6,899	7,165	6,305
96 Gallon Containers	2,307	2,398	1,638
Yard Waste			
96 Gallon Containers	6,916	7,155	7,239

Sources: Various city departments

¹ Statistics begin in FY04

² Statistics begin in FY15

Fiscal Year						
2016	2017	2018	2019	2020	2021	2022
912	839	1,003	911	345	792	761
4,172	3,645	4,066	1,784	2,624	2,343	1,452
13,364	12,350	11,206	11,076	10,948	10,939	13,055
252	243	187	196	174	33	221
2,257	2,200	2,343	1,387	2,079	2,218	2,305
2,681	1,492	427	1,925	1,167	955	2,900
5,790,000	6,729,000	6,729,000	7,408,000	5,695,000	4,482,000	4,397,000
21,600,000	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000
3,276,000	3,267,000	3,417,000	3,178,000	3,121,000	3,141,000	3,499,000
23,400,000	23,400,000	23,400,000	23,400,000	23,400,000	23,400,000	23,400,000
4,659	4,963	5,199	5,437	5,548	4,383	4,015
6,610	6,850	7,182	7,443	7,690	6,512	6,374
1,777	1,950	2,047	2,143	2,263	1,931	1,972
7,419	7,555	7,752	7,869	7,977	8,091	8,112

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

	Fiscal Year			
	2013	2014	2015	2016
Public safety				
Public Safety Building	--	--	--	--
Patrol Units	10	10	10	10
Fire apparatus	8	8	8	8
Public works				
Streets				
Miles	217	217	217	218
Street lights	3,104	3,109	3,116	3,178
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	34	35	35	35
Acreage	1,132	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	185.94	187.4	187.57	188.5
Miles of storm sewers	176.18	177.6	181.41	182.9
Number of treatment plants	1	1	1	1
Number of service connectors	12,544	12,826	12,826	13,099
Water Systems				
Miles of water mains	201.50	201.70	203.92	206.12
Number of service connectors	11,996	12,071	12,208	12,322
Number of city owned fire hydrants	2,011	2,038	2,044	2,088

Sources: Various city departments

Fiscal Year					
2017	2018	2019	2020	2021	2022
--	--	1	1	1	1
10	11	11	11	12	12
8	8	9	9	9	9
219	222	222	222	224	224
3,185	3,282	3,346	3,346	3,458	3,463
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
6	6	6	6	6	6
190.28	192.46	193.07	194.15	195.56	195.62
185.64	188.1	188.52	189.04	190.4	190.46
1	1	1	1	1	1
13,142	13,142	13,184	13,233	13,393	13,394
207.61	210.06	211.47	211.51	212.80	212.80
12,425	12,682	12,452	12,590	12,884	12,954
2,151	2,172	2,274	2,270	2,270	2,297



October 27, 2022

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, 2022, and have issued our report thereon dated October 27, 2022. 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 June 3, 2022, 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, 2022. 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, 2022.

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.

Significant Risks Considered

As stated in our auditor’s report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as “significant risks”. We have considered the following as significant risks.

Management Override of Controls – Professional standards require auditors to address the possibility of management overriding controls. Accordingly, we considered as a significant risk that management may have the ability to override controls that the organization has implemented.

Revenue Recognition – We considered revenue recognition as a significant risk due to potential reporting complexities.

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. As described in Note 1, the City changed accounting policies related to accounting for leases to adopt the provisions of GASB Statement No. 87, *Leases*. Accordingly, the accounting change has been retrospectively applied to the financial statements beginning July 1, 2021. 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. There were no uncorrected misstatements noted in performing the audit.

The following misstatement that we identified as a result of our audit procedures was brought to the attention of, and corrected by, management:

	Equity Increase (Decrease)	
	Fund Statements	Governmental Activities
Health Insurance Internal Service Fund To increase other receivables	\$ 115,952	\$ 115,952

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. As described in Note 4 to the financial statements, due to the adoption of GASB Statement No. 87, *Leases*, the City restated net position and fund balance as of July 1, 2021. We have included an emphasis of matter in our report regarding this restatement.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated October 27, 2022.

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 Reports

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.

Sincerely,

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Dubuque, Iowa



**Information to Comply with Government Auditing Standards
and Uniform Guidance**
June 30, 2022

City of Cedar Falls, Iowa

City of Cedar Falls, Iowa
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June 30, 2022

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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, 2022, 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, 2022.

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, 2022, 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, 2022

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, 2022. 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, 2022.

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.

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, 2022, 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, 2022, 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 Sully LLP

Dubuque, Iowa
October 27, 2022

City of Cedar Falls, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	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		\$ 512,856	\$ 28,500
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218		<u>113,870</u>	<u>79,241</u>
Total CDBG - Entitlement Grants Cluster			<u>626,726</u>	<u>107,741</u>
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	<u>128,986</u>	<u>75,395</u>
Passed through City of Waterloo, Iowa				
Home Investment Partnerships Program	14.239	M01DC190206	<u>63,010</u>	<u>-</u>
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871		1,414,283	-
COVID-19 - Section 8 Housing Choice Vouchers	14.871		<u>41,431</u>	<u>-</u>
Total Housing Voucher Cluster			<u>1,455,714</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>2,274,436</u>	<u>183,136</u>
U.S. Department of Justice				
Joint Law Enforcement Operations	16.111		2,431	-
Joint Law Enforcement Operations	16.111		8,009	-
Passed through City of Waterloo, Iowa				
Joint Law Enforcement Operations	16.111	IA0070300	<u>4,238</u>	<u>-</u>
			14,678	-
Bulletproof Vest Partnership Program	16.607		<u>10,330</u>	<u>-</u>
Total U.S. Department of Justice			<u>25,008</u>	<u>-</u>

City of Cedar Falls, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	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 Cluster				
Highway Planning and Construction	20.205	STP-57-2 (28)--2C-07	\$ 346	\$ -
Highway Planning and Construction	20.205	TAP-U-1185 (654)-8I-07	<u>292,776</u>	<u>-</u>
Total Highway Planning and Construction Cluster			<u>293,122</u>	<u>-</u>
Passed through Iowa Department of Public Safety				
Governor's Traffic Safety Bureau				
Highway Safety Cluster				
State and Community Highway Safety	20.600	21-405d	<u>1,832</u>	<u>-</u>
Total U.S. Department of Transportation			<u>294,954</u>	<u>-</u>
U.S. Treasury				
Passed through Iowa Department of Revenue				
COVID-19 - Coronavirus Relief Fund	21.019	Fitness Center Relief	<u>328,334</u>	<u>-</u>
Total Federal Financial Assistance			<u>\$ 2,922,732</u>	<u>\$ 183,136</u>

City of Cedar Falls, Iowa
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

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, 2022. 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, 2022

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/Federal CFDA Number</u>
Section 8 Housing Choice Vouchers	14.871
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, 2022

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:

- 2022-IA-A Certified Budget** - Disbursements during the year ended June 30, 2022, did not exceed the amount budgeted.
- 2022-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.
- 2022-IA-C Travel Expense** - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
- 2022-IA-D Business Transactions** – No business transactions between the City and City officials or employees were noted.
- 2022-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.
- 2022-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.
- 2022-IA-G Council Minutes** - No transactions were found that we believe should have been approved in the Council minutes but were not.
- 2022-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.
- 2022-IA-I Revenue Loan** – No instances of non-compliance with the sewer state revolving loan revenue debt provisions were noted.
- 2022-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.
- 2022-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.

Tax Increment Financing

City Council Committee
November 7, 2022

Tax Increment Financing

- **Chapter 403 State Code of Iowa**
- **Slum & Blight (no sunset date)**
- **Economic Development (20-year sunset date)**
- **Combination of the two above (no sunset date)**

Tax Increment Financing

- **TIF is a reimbursement**
 - **For projects eligible to be repaid with TIF funds, the funds are paid up front from another city source, and then reimbursed through TIF.**
 - **So each year we create debt obligations to the funds that are cashflowing the projects through interfund loan resolutions.**
 - **Ex. Local Option Sales Tax fund may pay for the costs of a new street in a TIF district and we create a loan from that fund for TIF to repay.**
 - **No balance of cash sitting in a special TIF fund.**

Tax Increment Financing

- **TIF Certifications**
 - **Each year by December 1st, the City files a report to the County Auditor certifying what projects are requested to be paid from the TIF fund, and the County then disburses those funds to the City the following budget year.**
 - **Ex. Amounts certified by 12/1/22 will be for budget year 7/1/23-6/30/24 (FY24)**

Tax Increment Financing

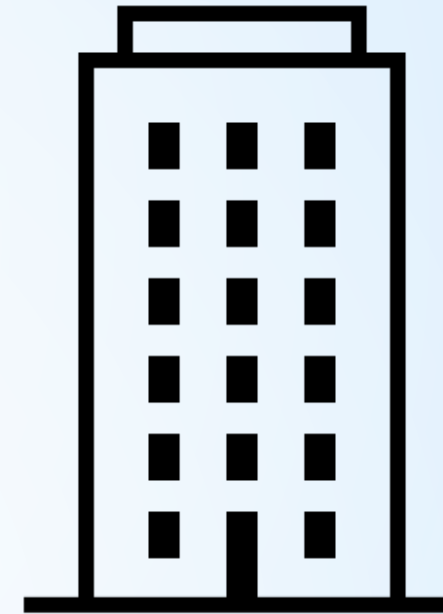
- **TIF reporting**
 - Also, each year by December 1st, the City is required to file a report with the Iowa Department of Management summarizing the TIF activity for the prior fiscal year.

Tax Increment Financing

- **Not all levies are impacted by TIF**
 - **Debt Service (school, city, county)**
 - **PPEL**
- **\$34.51 Total Levy**
- **\$30.39 TIF Eligible**

Tax Increment Financing

\$200,000



\$2,500,000

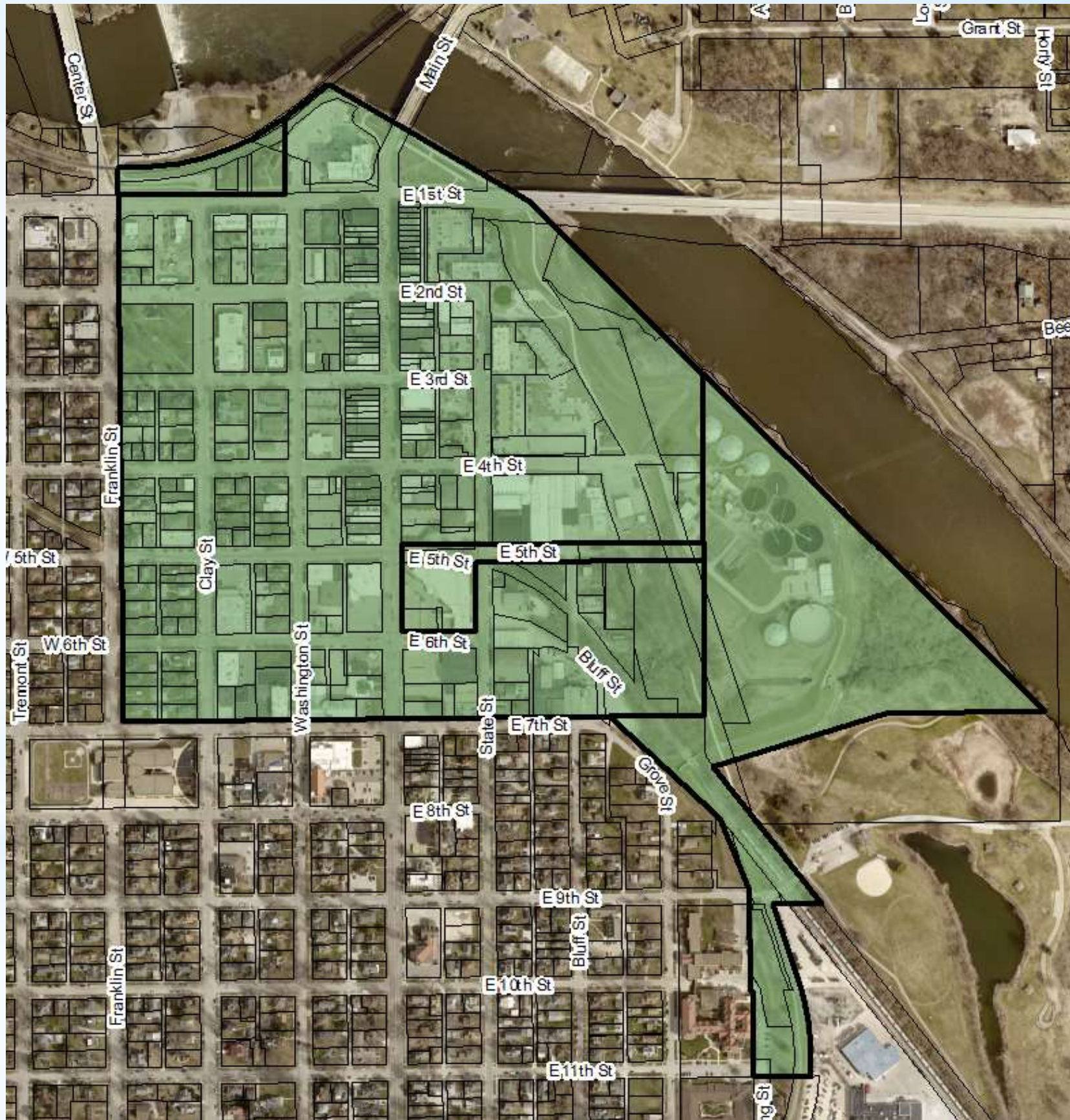
Increment = \$2,300,000

Tax Increment Financing - Example

- **Remodel of Existing Downtown Commercial Building**
- **Current Assessment - \$385,030**
- **Estimated Assessment - \$735,030**
- **Increment Created - \$350,000**

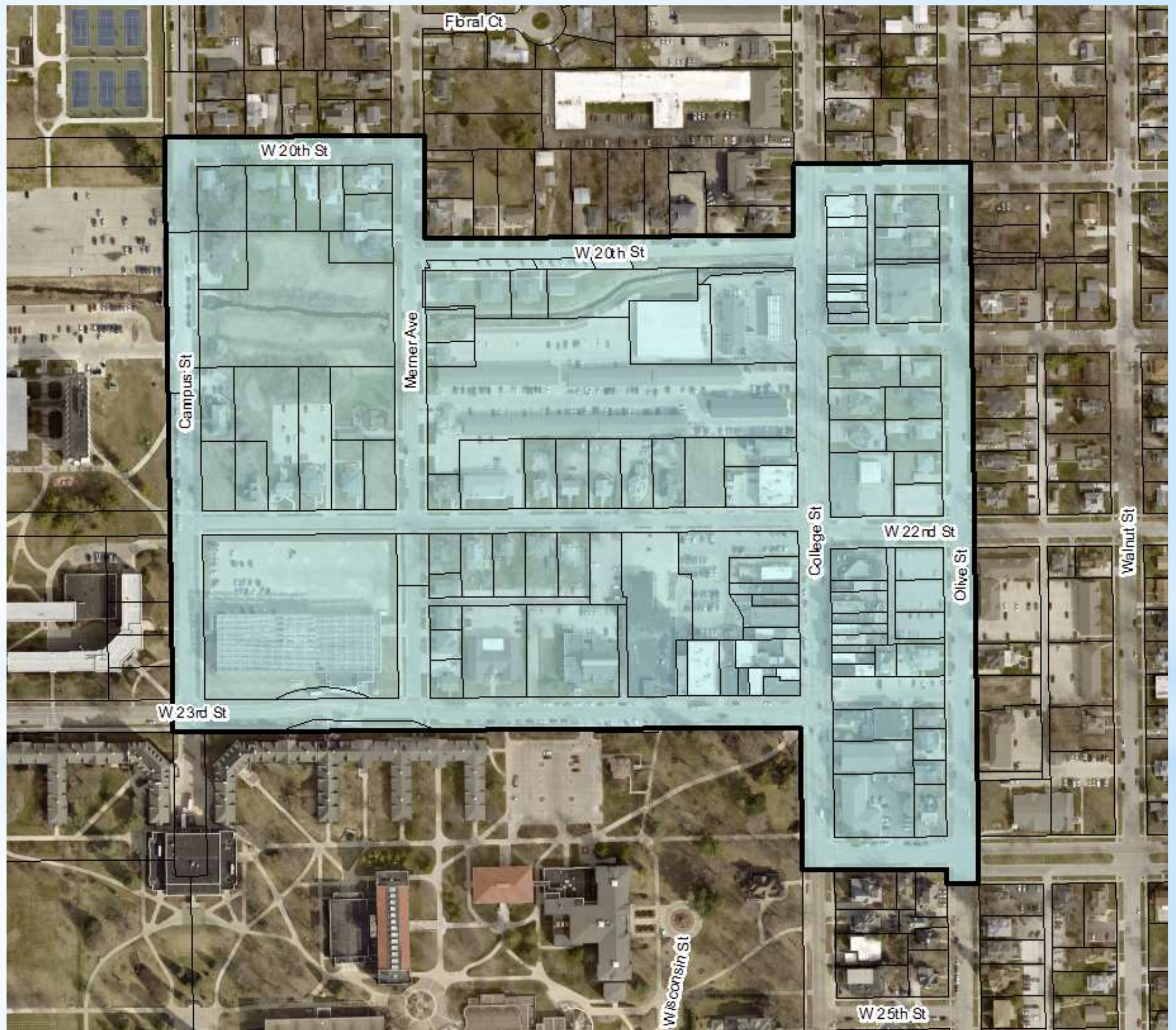
TIF Districts in Cedar Falls - Downtown

- Established 1986
- No Sunset Date



TIF Districts in Cedar Falls – College Hill

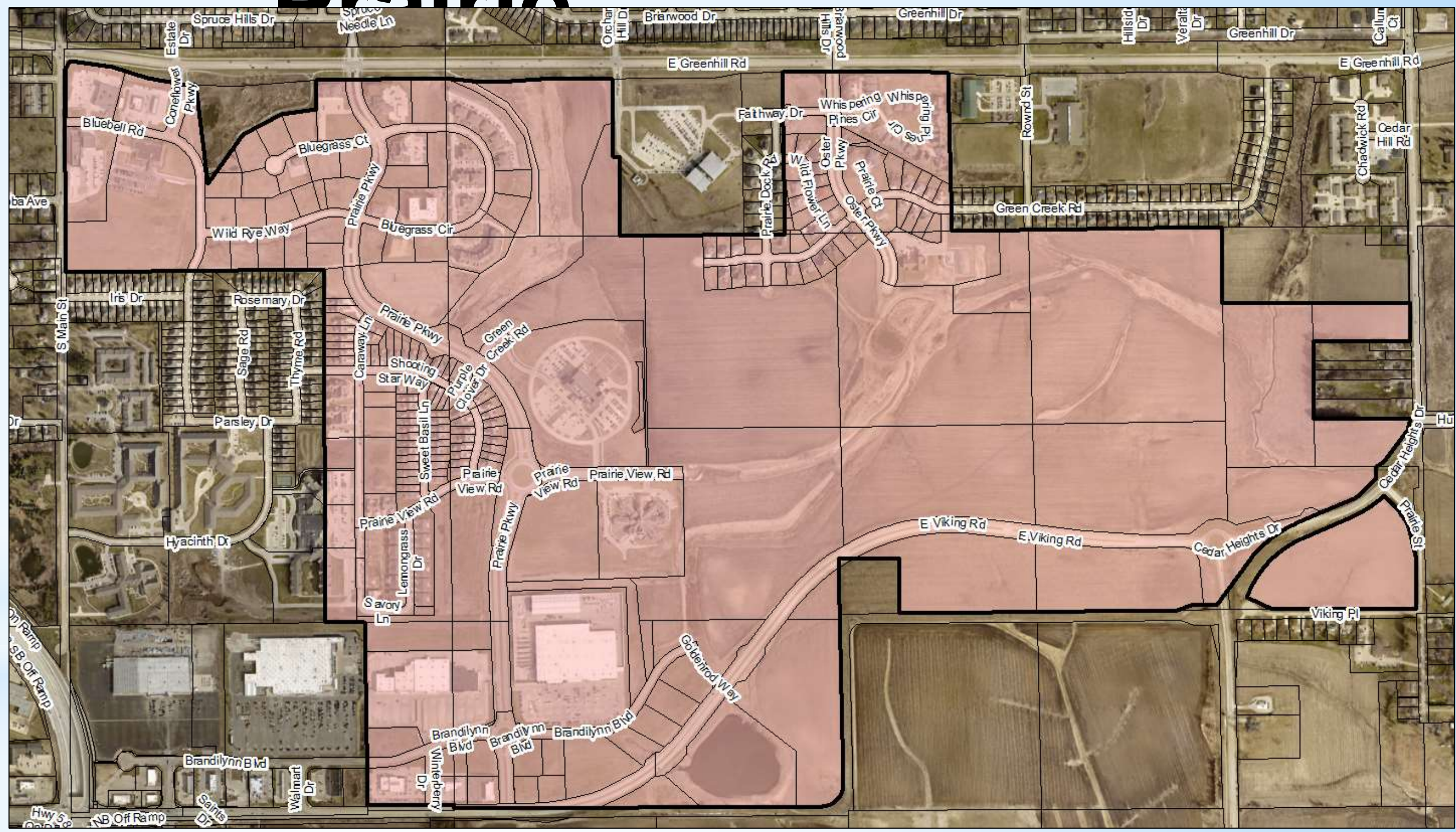
- Established 2011
- No Sunset Date



TIF Districts in Cedar Falls – Pinnacle

Prairie

- Established 2006
- 20-Year Expiration



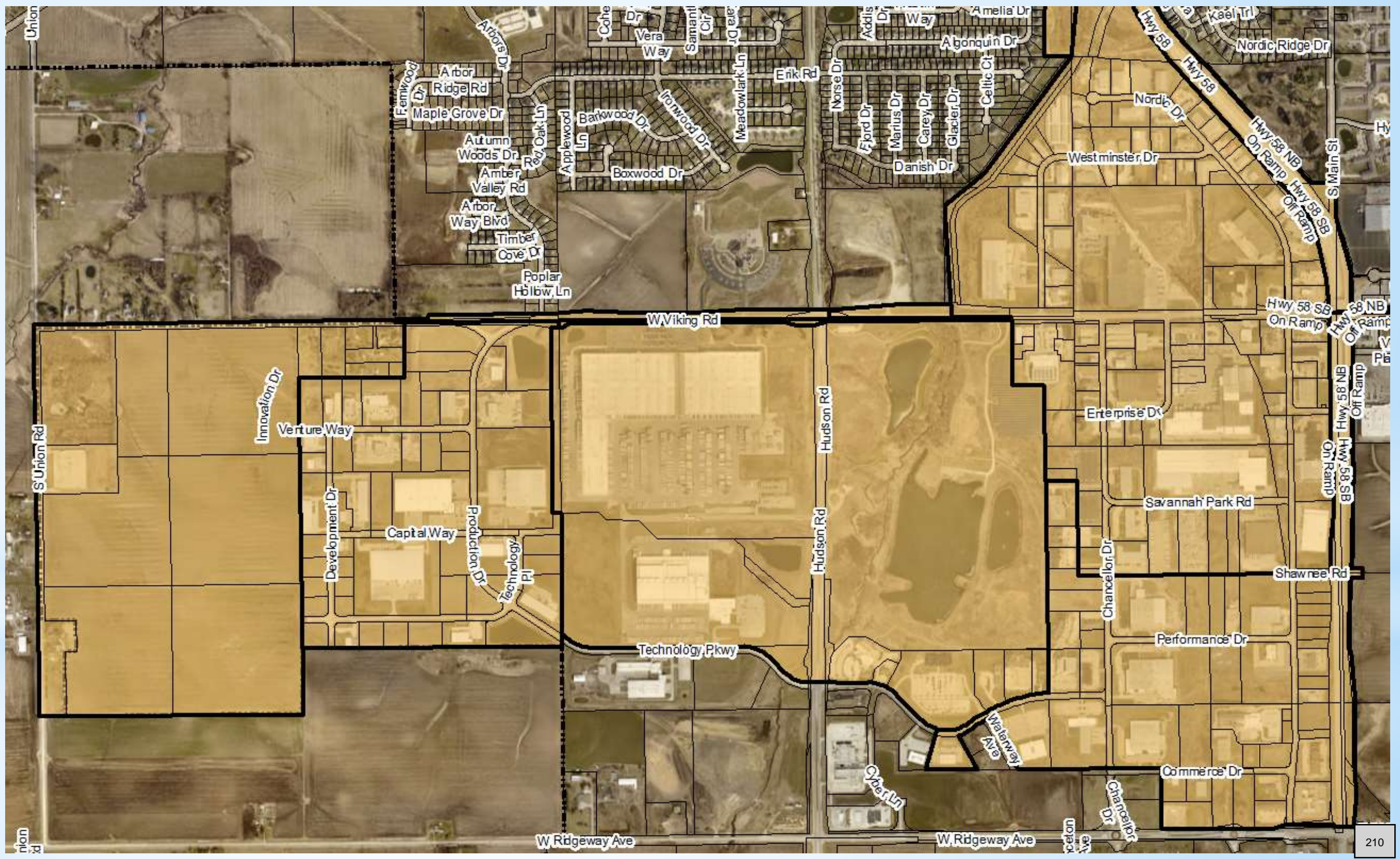
TIF Districts in Cedar Falls – South Cedar Falls

- Established 2018
- 20-Year Expiration



TIF Districts in Cedar Falls – Unified Hwy 58

- Multiple Establishment Dates
- 20-Year Expiration



TIF Districts in Cedar Falls – Unified Hwy 58

- Multiple Establishment Dates
- 20-Year Expiration



Development Agreement - Assumptions

- **Commercial Rollback of 90%**
- **No Increase/Decrease in Tax Rate Over Rebate Period**
- **No Increase in Value of Property**
- **Does Not Factor Non-Direct Benefits**
 - **New Jobs**
 - **New Homes Constructed**
 - **Other Spending in the Community**

Current Incentives

- **Downtown: City provides a 5-year, 100% tax rebate (TIF rate of \$30.39) on the increased valuation of project, with a minimum investment of \$200,000.**
- **College Hill: City provides a 5-year, 100% tax rebate (TIF rate of \$30.39) on the increased valuation of project, with a minimum investment of \$200,000.**
- **Example Project: Increased Building Valuation of \$350,000 = 5 Year, 100% Tax Rebate, Not to Exceed \$47,871 (Based on TIF Rate of \$30.39).**

Current Incentives

- **Industrial Projects Located in Industrial Parks**
 - **City provides 1+/- acre of developed industrial park land for each 10,000 square feet of building area.**
 - **Minimum building valuation of \$40 per square foot.**
 - **If building valuation is \$1.2M or above, City provides for a 5-year partial property tax abatement (75%, 60%, 45%, 30%, 15%).**
 - **If building valuation is between \$1M and \$1.2M, City provides for a 3-year partial property tax abatement (45%, 45%, 45%).**
 - **If building valuation is less than \$1M, no tax incentives provided.**

Current Incentives

- **Professional Office Projects Located in Industrial/Technology Park**
 - **City provides 1+/- acre of developed land for each 7,500 square feet of building area.**
 - **Minimum building valuation of \$75 per square foot.**
 - **If building valuation is \$1.2M or above, City provides for a 5-year tax rebate (75%, 60%, 45%, 30%, 15%).**
 - **If building valuation is between \$1M and \$1.2M, City provides for a 3-year tax rebate (45%, 45%, 45%).**
 - **If building valuation is less than \$1M, no tax incentives provided.**

Current Incentives

- **Outside of the Downtown and College Hill areas, the City does not provide incentives for commercial developments.**
- **City currently does not provide incentives for residential developments.**

Questions?



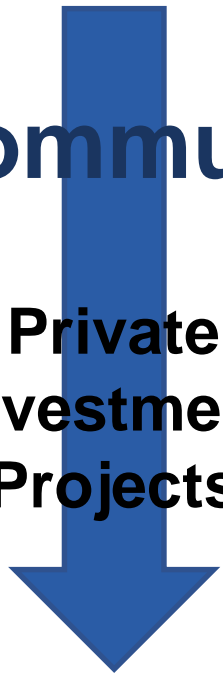
CEDAR FALLS
ECONOMIC DEVELOPMENT CORPORATION

City Council Update

November 7, 2022

Community Economic Development

Private Investment (Projects)



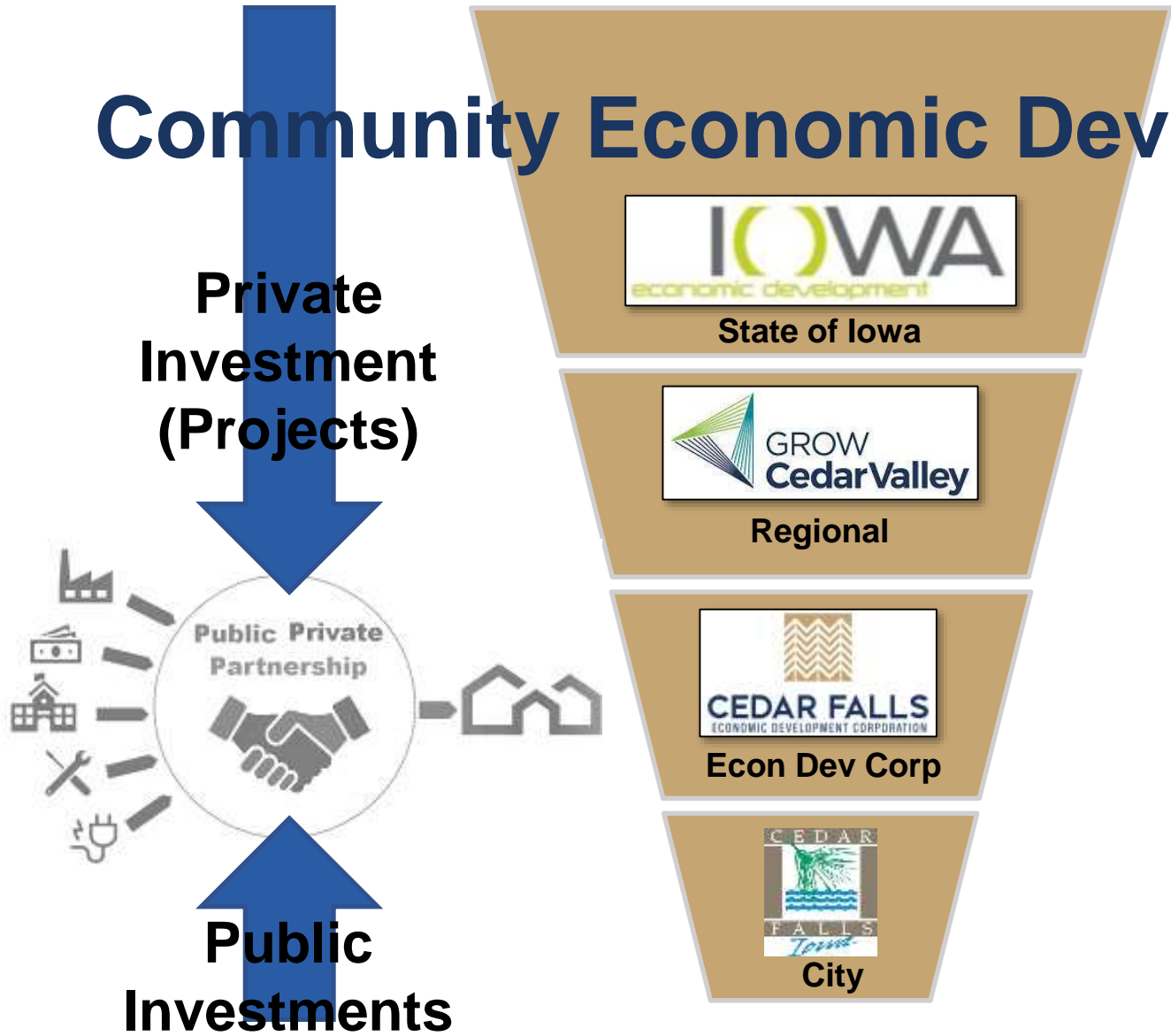
- Business Attraction
- Main Street Iowa
- State Incentives
- Regional Attraction/Retention
- Workforce Development
- Innovation

Public Investments



- Local Attraction/Retention
- Planning/Zoning
- Local Incentives

Community Economic Development



- Business Attraction
- Main Street Iowa
- State Incentives

- Regional Attraction/Retention
- Workforce Development
- Innovation

- Development Partnerships
- P/P Capital Formation
- Redevelopment Projects

- Local Attraction/Retention
- Planning/Zoning
- Local Incentives

CFEDC Vision Statement

Our Challenge: Council placed the responsibility of economic development under the City Administrator. Goal to improve competitiveness of our Community (through better economic development capabilities/partnerships).

Our Solution: The Cedar Falls Economic Development Corporation (CFEDC) was incorporated in 2021 by a committed group of local visionaries who **support a growing business environment** for the community. They recognize that for the community to thrive, it would be best if local business owners, investors and stakeholders provided leadership and support to **direct strategic local development efforts in concert with local government.**

CFEDC Today:

- We are a public-private partnership working every day to make Cedar Falls, IA the best place to live, work and play.
- Incorporated (filed) as 501-C4 not-for-profit corporation
- Privately and publicly funded



CFEDDC Overview

Our Values



What We Do

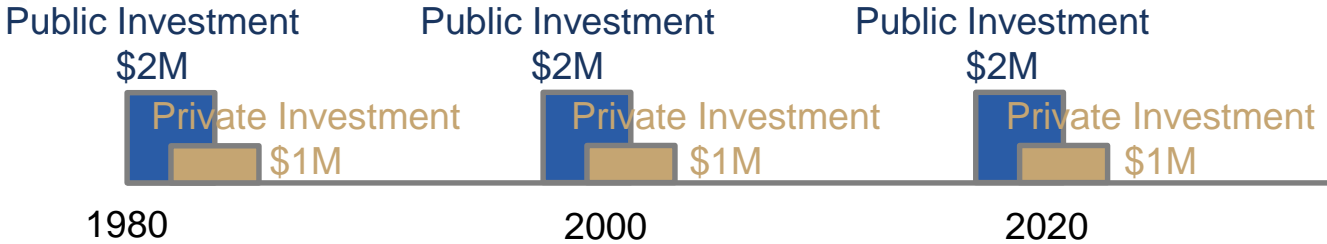


Progress thru Past Success

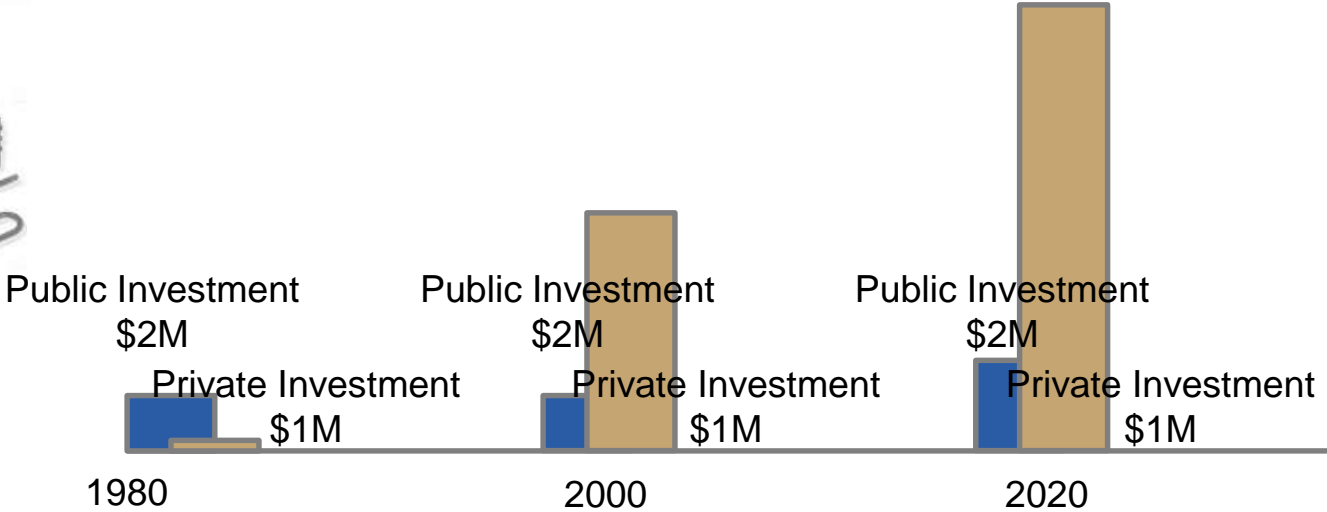


- ✓ **Master Planning**
- ✓ **Zoning/Code Updates**
- ✓ **Infrastructure Upgrades**
- ✓ **Amenities**
- ✓ **Incentives**
- ✓ **Private Investment**
- ✓ **Harvest Return on Investment (Repeat)**

Cedar Falls Industrial Park



Cedar Falls Downtown District



How Will We Succeed?

We will succeed by:

- **Communicate the clear *value of economic development*** and vision of CFEDC
- ***Use the cities Future Forward vision as a guide***
- ***Advocate with stakeholders*** to promote the thoughtful, thriving, and long-term growth message
- Navigate unique assets to create exceptional experiences and success for business
- ***Focus and engage***; when to say yes and when to say no

Our Partners



**Board Member
Public Partner**



**Board Member
Public Partner**



**Board Member
Public Partner**



**Board Member
Public Partner**



Public Partner



Public Partner



Public Partner




Public Partner



Kris Hansen
Western Home



Pam Delagardelle
UnityPoint Health



Forrest Benton
Benton Concrete



Tori Lockard
Lockard Development



Brian Wingert
Structure Real Estate



Brad Leeper
InVision Archeitecture



Mark Nook
University of Northern Iowa



Jim Miller
First Interstate Bank



Bryan Earnest
Ampergage



Merrill Oster



Katy Susong
Cardinal Construction



Jesse Gleason
Farmers State Bank



Steve Bernard
CFU



Bob Seymour
Community Bank and Trust



Bob Manning
CV Homebuilders



Mark Kittrell
Eagle View



Mark Stewart
RSPN



Kevin Harberts
Kryton



Cary Darrah
Grow Cedar Valley



Ron Gaines
City of Cedar Falls




Jim Coloff
Coloff Media



Bugs Benton
Benton Companies

2022 CFEDC Activity

**BOD created the following six areas of focus for the CFEDC
(Not an exclusive list – needs be focused but flexible)**

- Redevelopment of the University Area Corridor
 - Continue opportunity of purchasing College Square Mall
 - Advocating for incentives throughout corridor**
 - Rezoning University Ave corridor**
 - Visit potential state dollars
 - Met with mall owner/broker in Las Vegas – March 2022
 - Follow up meetings (online, phone, email)
 - Further plans; Presenting final offer Q1 of 2023
 - This only gets done with the city incentives
 - Studies needed; viability, best-use, retail analysis, etc.
 - Incentives will assist the entire corridor
 - “A-type” projects are possible - generational transformative projects are possible...
 - The goals will be NOT to compete with other areas of CF



2022 CFEDC Activity

- Increase development of residential (workforce) housing
 - Housing Need Assessment** (under way)
 - Navigate options for developers**
 - Change paradigm towards city investments
 - Assist with Housing Tax Credits and other **state incentives**
 - HNA roughly two-thirds completed - INRCOG & IDM (~\$40,000)
 - Assisting local developers on state incentives (tax credits)
 - Work through increased costs for infrastructure, rates, materials
 - Discussion needed for city-specific investments
 - 500 new single-family houses would have roughly \$3,000,000 in tax revenue to the city every year – lowers the burden for everyone – long term ROI (Vision) – no out-of-pocket cost for city

- Reimagine our relationship with the Cedar River
 - Continue partnership with Grow Cedar Valley**
 - Assist with bringing the Cedar Valley HUG together
 - Scope out existing/state dollars**
 - Self explanatory (great river project approved) – collaborate with Grow Cedar Valley and the surrounding area, what’s next? River trail system, dam mitigation, navigability?



2022 CFEDC Activity

- Support the redevelopment of College Hill
 - **Assist UNI** in their economic growth plans
 - **Assist College Hill Partnership (Neighborhoods)**
 - City staff presented approved vision plan – now to zoning
 - College Hill and entire UNI area is a natural fit for the CFEDC
 - Meetings with UNI/CHP stakeholders
 - Meetings to cast a vision for the area (A,B,C type plans)
 - Advocate ideas/concepts (parking, zoning, housing, amenities, etc.)
- Continue to support the success of downtown
 - **Support the CMS** vision and growth
 - Lead in pushing for final zoning approval
 - Advocate on behalf of CMS as initiatives are planned
 - Waiting for zoning to be completed – difficulty advocating
 - Countless stakeholder meetings (director, board, businesses, investors, citizens)
 - What happened in the 80’s until now – what does 2040 look like?
 - Vision meetings – what’s next (ramp, restaurants, office spaces, shops, etc.)?



2022 Activity

- Build support for CFEDC
 - Develop varying **platforms of support:** Community involvement, online, media presence, word of mouth, etc.)
Continue/Encourage/Foster **private/public relationships**
 - Reality of past 16 months – created CFEDC in July of 2021 – raised over \$300K by Dec of 2021 (incredible support)
 - By-laws, website, social media, office, logo in the spring 2022
 - Final CFEDC Vision/Goals early summer 2022
 - Dozens of conversations/meetings with business owners about CFEDC, working with city, expansion, etc., working closely with Shane
 - Board voted to separate accounts to account for city dollars (still unrestrictive dollars)
 - Conversations with CF School District – use public/private partnership towards best-use of land in 2024 (new high school)



2022 Activity

Reality: Cedar Falls is competing

- Housing Investments by the city – if not now, when?
- Some estimates = 450 employees needed for the new industrial park expansion, we're losing to surrounding areas... various reasons, but we're losing.
- UNI: campus and facilities brings in revenue – sound investment
- Safety & Schools is a key indicator where people will live
- QOL Investments: River, trails, golf course, arts, infrastructure, businesses, development
- Great basic services: Roads, parks, transfer station, leaf removal, low taxes, etc.
- Developers pick/choose where they spend money and *take risks*
- X amount of "Investment" = Y amount of tax revenue (income)



Contract Amendment?

Last year's contract was somewhat duplicated with Grow Cedar Valley's contract – this was early in the conversations of what the CFEDC would be doing – we had the concepts, ideas, and the money was being raised.

We would like to amend the agreement, reflecting the six points above, if they align with the elected, in valuing the continued public/private partnership between the city and the CFEDC.



Request of City Council

- Option 1: Fund this fiscal year like last year out of the city's existing Economic Development Account at \$75,000
- Option 2: We'd like to approach this council for CFEDC CIP - \$300,000 over the next three years – there is much to do towards economic development and creating a vision for Cedar Falls
- Housing Need Assessment, Market studies & analysis, feasibility studies, gap analysis, consulting for the mall, schools, healthcare, updating Future Forward





Jim Brown
Executive Director
200 State Street, Suite 202
319.575.0375
Jim.Brown@cedarfallsEDC.com

New Pool Opportunity – Nov 7, 2022



JUMP IN!

SUPPORT THE POOL
AT THE **NEW HIGH SCHOOL**



JOIN
the "Jump In"
facebook page

1

Points we will address

- Why does Cedar Falls need a new pool?
- Impacts of New Pool to Community
- Key elements of pool design
- Cost and Collaborative financing
- Timing

2

Pools in the Cedar Valley

- Cedar Falls public pools:
 - Holmes Pool – built in 1977; 45 years old
 - Peet Pool – built in 1977; 45 years old
 - Elsewhere in the Cedar Valley
 - Central Pool – 1972 years old – 50 years old
 - YMCA pool – 1979; 6 lanes; members only; outdated
 - Waterloo West pool – >45 years; 4 lane pool
 - YWCA pool – 1924; 4 lanes; 20 yards
 - Cedar Valley Sportsplex – 2013; **only 3 lanes**
 - River Hills – small therapy size pool ~20X30 ft
 - UNI pool – 8 lane pool; open to UNI alums and **students only**
 - Western Home – 2018; 4 lane therapy pool; **residents only**
- Pool is 45 years old or older **NOT open to the public**

3

Pool Need in Cedar Falls

- Modern indoor pool is a necessary part of a vibrant community
 - Essential for water safety, swim lessons, supply of lifeguards
 - Recreation and fitness for all ages
- Ability to attract & retain young families
 - Cedar Valley Area is already an outlier (negative)
 - Indoor pools are a regional asset
 - Brain drain driven by lack of investment in quality of life
- Tourism and visitor impact (CF Tourism & Visitors Bureau formula)
 - Opportunity to attract 3,000+ visitor families annually; \$1.2/year in revenues which is \$60 million for the life of the natatorium.

4

County/Community	Population Change: 2010-2021
Black Hawk County	- 0.6%
Cedar Falls	+ 3%
Dubuque County (Dubuque)	+ 5%
Linn County (Cedar Rapids)	+ 8%
Story County (Ames)	+ 11%
Johnson County (Iowa City)	+ 18%
Scott County (Davenport)	+ 5%
Greater Des Moines area	+ 17%
Rural Iowa Counties	- 2%
Iowa	+ 5%

5

Huge Need

- Swimming is the most popular kid/family recreational activity
- Within the next 5 years, indoor pool availability in the area will be abysmal
 - Indoor pool infrastructure already bad
 - More will close or become defunct in coming years (i.e. Dubuque)
- Cedar Falls needs swim safety and lifeguards
 - Cedar River and other water recreation
 - Falls Aquatic Center
- Existing pools are used to full capacity
 - School, lap swim, children's swim lessons, therapy/healthcare, club teams, seniors
 - Peet planned closure in 1-2 years
- Existing pools lack accessibility

6

Rec Center Survey

#1 item respondents want is improved aquatics facility/access



7

Newer Pools in other Communities

- Linn Mar pool – 3 years old; Stand alone facility. Stretch 25 yd pool w 8 competition lanes & 5 lane cool down area 75' X 109'
- Dubuque pool – Built 2020; Stretch 25 yd pool w 8 competition lanes & 6 lane cool down area 75' X 121'6"
- Ames pool – Under construction; Stretch 25 yd pool w 8 competition lanes & 5 lane cool down area 75' X 115'
- Mason City – New pool as part of \$37M improvement to high school mostly athletic facilities
- Des Moines YMCA Wellmark – 50 meter pool opened Feb 2018
- Waukee pool – 50 meter pool under construction
- Cedar Rapids – In the process of building new pool
- Others with superior facilities to Cedar Valley: Fort Dodge, Iowa City, Quad Cities, Siouxland

8

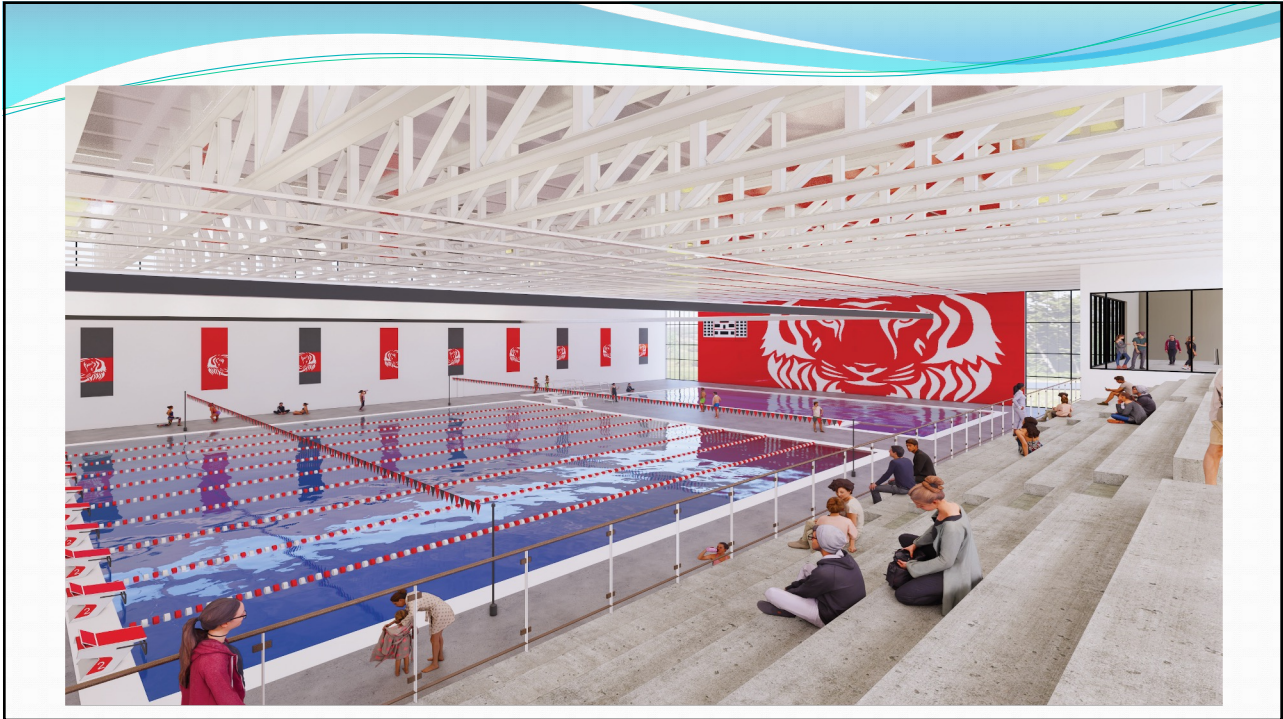
Impacts of New Pool to Community

- Tourism and visitor impact (CF Tourism & Visitors Bureau formula)
 - Opportunity to attract 3,000+ visitor families annually; **\$1.2/year** in revenues which is **\$60 million** for the life of the natatorium.
 - Development of special needs curriculum in collaboration with UNI
 - Regional centerpiece for water activities
 - Will be used by people across Black Hawk County and contiguous counties
 - Help make our region competitive with communities with which we aspire to be comparable
 - Combatting brain drain

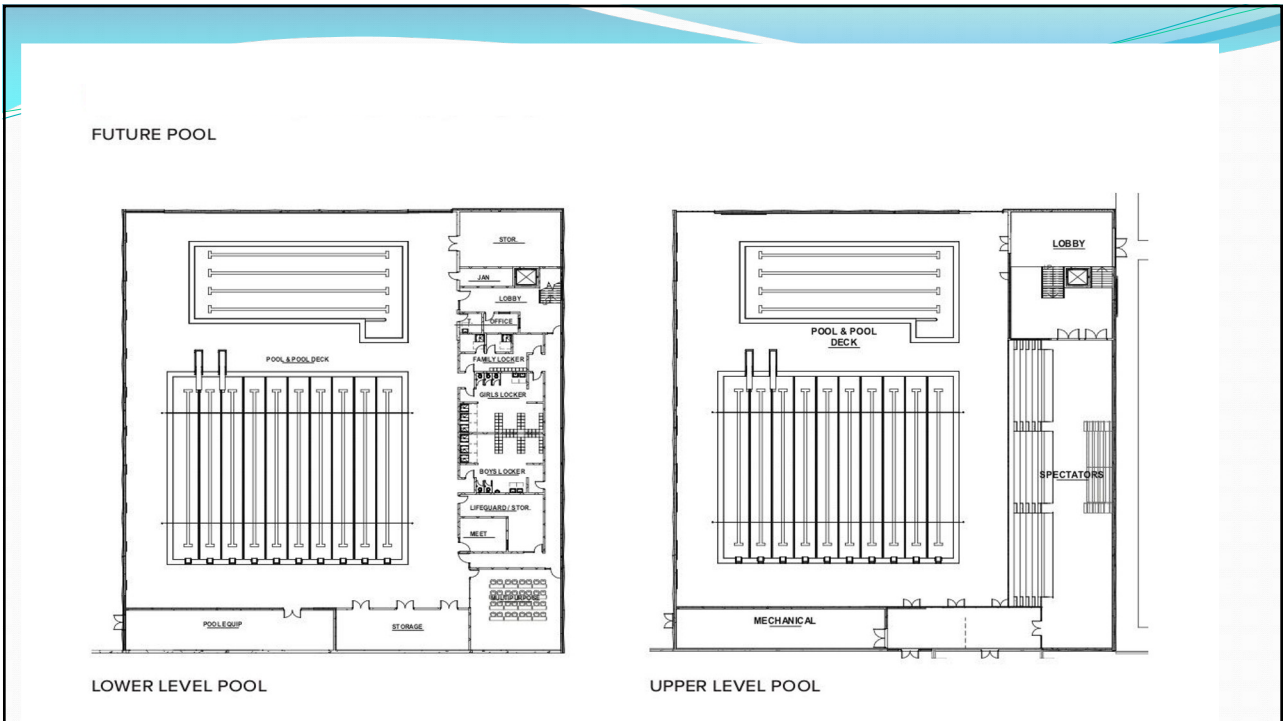
9

Key Elements of Pool Design

10



11



12



13

Quality of Life Opportunities

- Specialty programming for people with disabilities
- Water polo
- Aqua spinning
- Aqua trim
- Water Zumba
- Pool walking
- Lap swim
- Swim lessons
- Scuba classes
- Kayaking/Canoeing
- Lifeguard water safety instructions/CPR/first aid classes
- Diving Club
- Swim Club
- Triathletes club
- Aqua therapy for those dealing with chronic health issues such as arthritis, Parkinson's disease, fibromyalgia and joint replacements

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Cost, Collaborative Financing & Timing

15

Collaborative Funding

School	\$8 million	(38.1%)
City*	\$8 million	(38.1%)
Community**	\$3.3 million	(15.7%)
Shortage	<u>\$1.7 million</u>	<u>(8.1%)</u>
Total	\$21 million	(100%)

***City will use pool 70% of the time for only 38% of the cost.**

\$5.1 already in CIP; \$2.9 pending approval this session.

**Raised \$2.6 million of the \$3.3 million so far.

Collaboration = Most efficient use of taxpayer resources

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Time is of the Essence

- Negative impact of delay
 - Ability to obtain other funds dependent City of Cedar Falls
 - Community Attraction & Tourism Grant (CAT)
 - Black Hawk Gaming
 - Costs will continue to increase
 - Increased risk of permanent pool breakdown/irreparable (ie Dubuque)
 - Peet closure imminent due to need for additional classroom space.
 - Time limitations of existing grant awards
 - Impact on further fundraising and pledges

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Cost/Funding

PHASE 1 (\$16.1 million)

- Approved by School Board on October 4
- Fall 2022 Complete work impacting main project – Retaining Walls
- Spring 2023 – Bulk of construction begins
- September 2023 – Construction Complete
(building shell only, no pools or seating)

PHASE 2 (\$4.9 million)

- Completion of Bidding Documents January 2024
- Spring 2024 – Construction begins
- December 2024 – Pool and seating construction Complete

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What we are asking for?

Asking for City contribution to increase by \$2.9 million
for a total contribution of \$8 million

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Questions?

20



Traci Mallaro

Co-Chair

mallarot@hotmail.com

402-305-2789

Lorelei Redfern

Co-Chair

Loreleiredfern@icloud.com

319-230-4686

For more information & video
walkthrough go to:

thecfpool.com

550+ community members
supporting advocacy and
fundraising for a new indoor pool