



**AGENDA
CITY OF CEDAR FALLS, IOWA
COMMITTEE OF THE WHOLE MEETING
MONDAY, NOVEMBER 15, 2021
5:45 PM AT CITY HALL**

The City is providing in-person and electronic options for this meeting. The City encourages in-person attendees to follow the latest CDC guidelines to reduce the risk of COVID-19 transmission.

The meeting will be accessible via video conference and the public may access/participate in the meeting in the following ways:

- a) By dialing the phone number +13126266799 or +19292056099 or +12532158782 or +13017158592 or +13462487799 or +16699006833 and when prompted, enter the meeting ID (access code) 962 7287 1738.
- b) iPhone one-tap: +13126266799,,96272871738# or +19292056099,,96272871738#
- c) Join via smartphone or computer using this link: <https://zoom.us/j/96272871738>.
- d) View the live stream on Channel 15 YouTube using this link: <https://www.youtube.com/channel/UCCzeig5nIS-dIEYisqah1uQ> (view only).
- e) Watch on Cedar Falls Cable Channel 15 (view only).

To request to speak when allowed on the agenda, participants must click "Raise Hand" if connected by smartphone or computer, or press *9 if connected by telephone. All participants will be muted by the presiding officer when not actually speaking.

Call to Order by the Mayor

- 1. Main Street Reconstruction and Right of Way.
(50 Minutes, Foth Senior Client Manager Aaron Moniza, PE)
- 2. FY2021 Audit Report.
(15 Minutes, Controller/City Treasurer Lisa Roeding)

Main Street Reconstruction



Project Update

City Council Committee of the Whole

Our discussion topics for today

- ◆ History (2017-2021)

- ◆ Follow up on 3/15/21 Committee of the Whole Meeting
 - Design alternative at 6th Street (RAB vs Signal)

- ◆ Potential Corridor ROW Impacts

- ◆ 2017 Main Street Traffic Study
 - Public Meetings
 - COW meeting on August 7, 2017 – Council consensus for 3 lane corridor and on-street bike lanes
 - Goal Setting 2020 – Many new council members since 2017, Council consensus was to have another presentation to go over findings from the 2017 study
- ◆ Council action on March 15, 2021
 - 3-lane corridor with on-street bike lanes and roundabouts at 12th, 18th, and Seerley intersections
- ◆ Council requested
 - Design option for roundabout at 6th St intersection

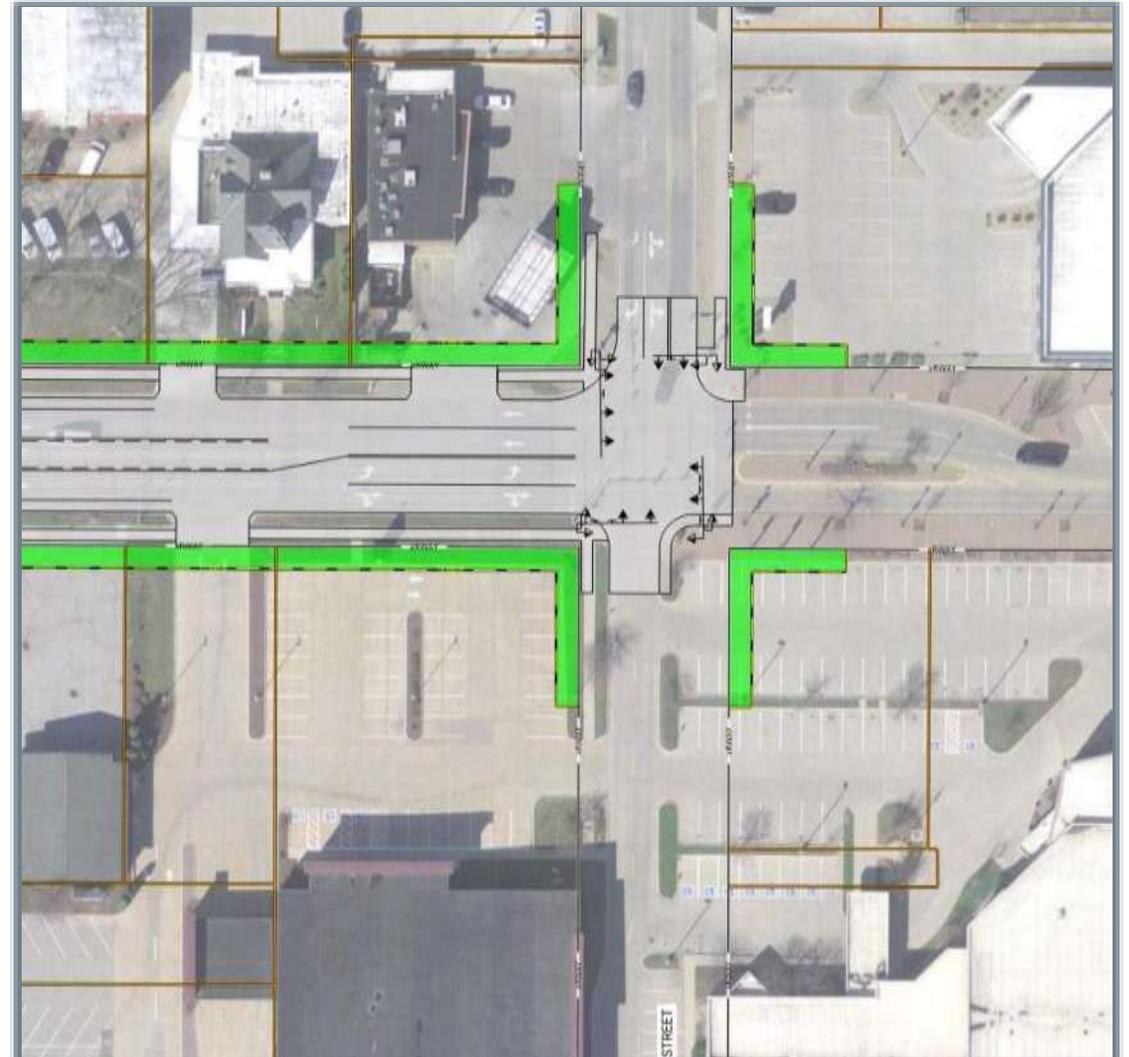
Design alternatives – 6th Street

- ◆ Signal
- ◆ Single lane roundabout
 - Discussed at COW meeting on March 15, 2020
- ◆ Compact roundabout

Traffic Signal – 6th Street

- ◆ New traffic signal
- ◆ No right-of-way needed

**Estimated construction cost
\$362,100**

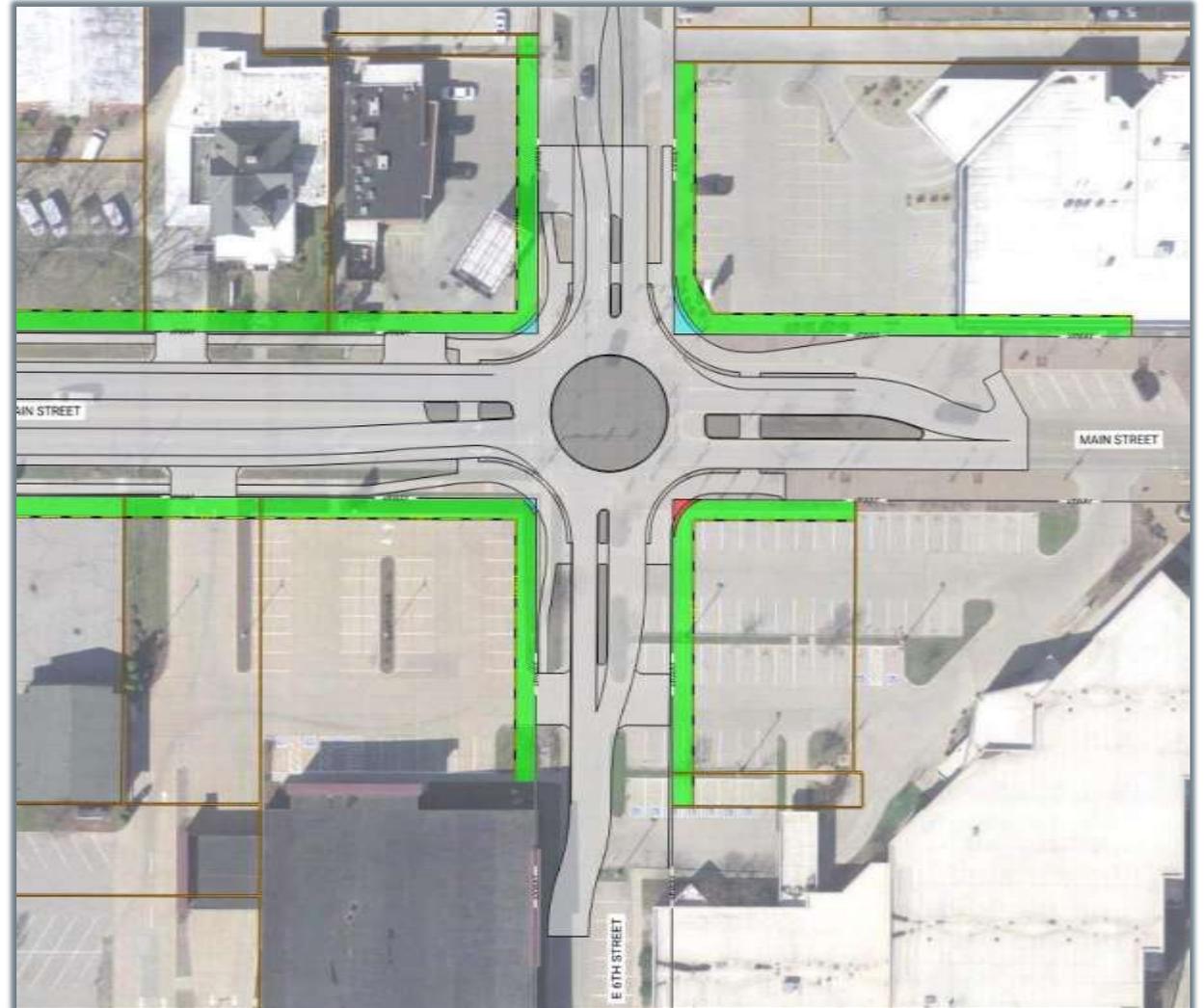


Note: Construction costs include only grading, pavement, sidewalks, signals, lighting

Roundabout at 6th Street Intersection

- ◆ Improved safety
- ◆ Better traffic operations
- ◆ Right of way needed (231 SF)
- ◆ Fully traversable center median
- ◆ Loss of Library parking stalls
 - Estimate 10-13 stalls lost
 - Total existing stalls: 61

Estimated construction cost
\$409,800



Note: Construction costs include only grading, pavement, sidewalks, signals, lighting

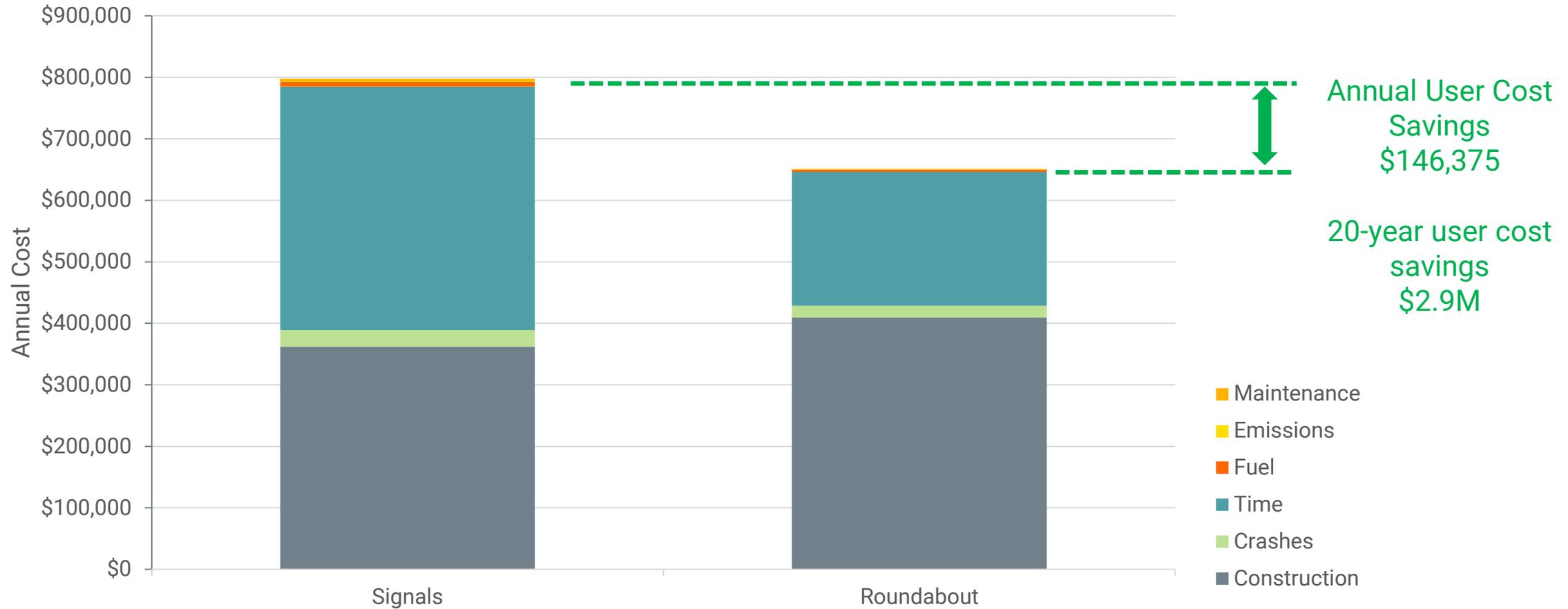
Level of Service (LOS)

| Intersection | Movement | Traffic Signal | | | | | | Single Lane RAB | | | | | | Compact RAB | | | | | |
|------------------|----------|----------------|-----|-------|-----|-------|-----|-----------------|-----|-------|-----|-------|-----|-------------|-----|-------|-----|-------|-----|
| | | AM | | PM | | OP | | AM | | PM | | OP | | AM | | PM | | OP | |
| | | Delay | LOS | Delay | LOS | Delay | LOS | Delay | LOS | Delay | LOS | Delay | LOS | Delay | LOS | Delay | LOS | Delay | LOS |
| Main St & 6th St | NB | 3 | A | 4 | A | 3 | A | 6 | A | 7 | A | 7 | A | 5 | A | 6 | A | 6 | A |
| | SB | 8 | A | 11 | B | 8 | A | 4 | A | 6 | A | 6 | A | 4 | A | 5 | A | 5 | A |
| | EB | 16 | B | 14 | B | 20 | B | 5 | A | 6 | A | 6 | A | 4 | A | 6 | A | 5 | A |
| | WB | 21 | C | 21 | C | 27 | C | 4 | A | 6 | A | 5 | A | 4 | A | 5 | A | 5 | A |
| | INT | 9 | A | 9 | A | 10 | A | 5 | A | 7 | A | 6 | A | 4 | A | 6 | A | 5 | A |

Conclusion: Signal or roundabout will operate at high LOS. Roundabout will have least amount of delay

Life Cycle Cost Comparison

Item 1.



◆ Roundabout

- Improved safety
 - Vehicles and pedestrians
- Better Traffic Operations
- Consultant Recommendation
- \$2.9M user cost savings
 - Better long-term investment

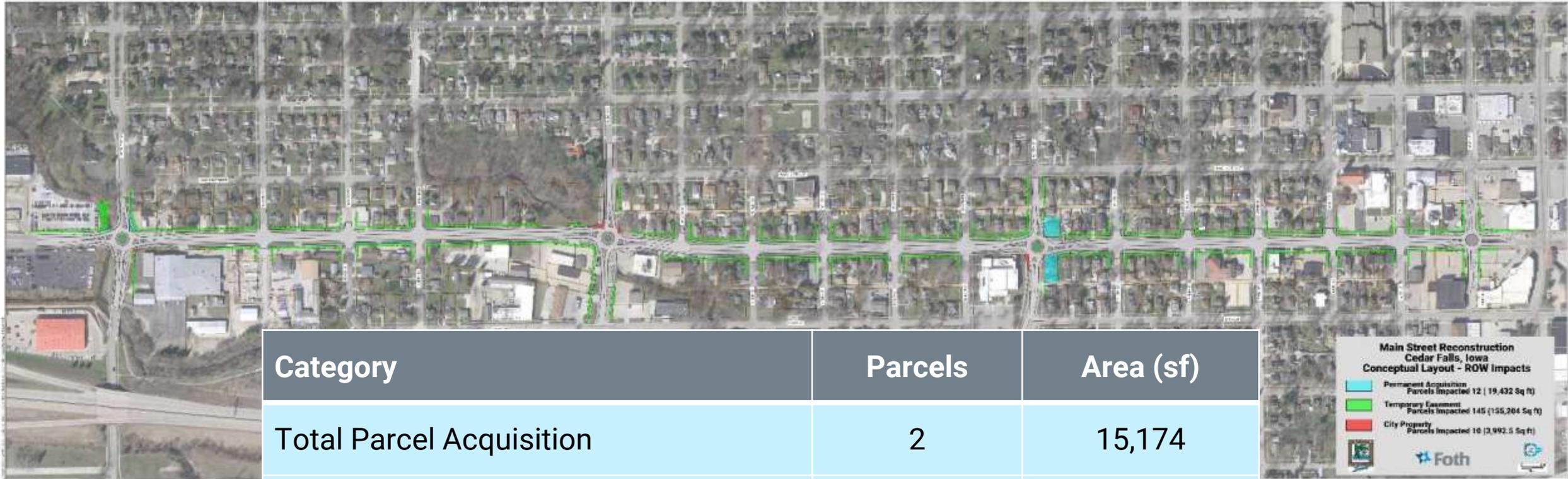
◆ Traffic signal

- Less upfront construction costs
 - \$47,700
- No right-way impacts

◆ Consultant Recommendation



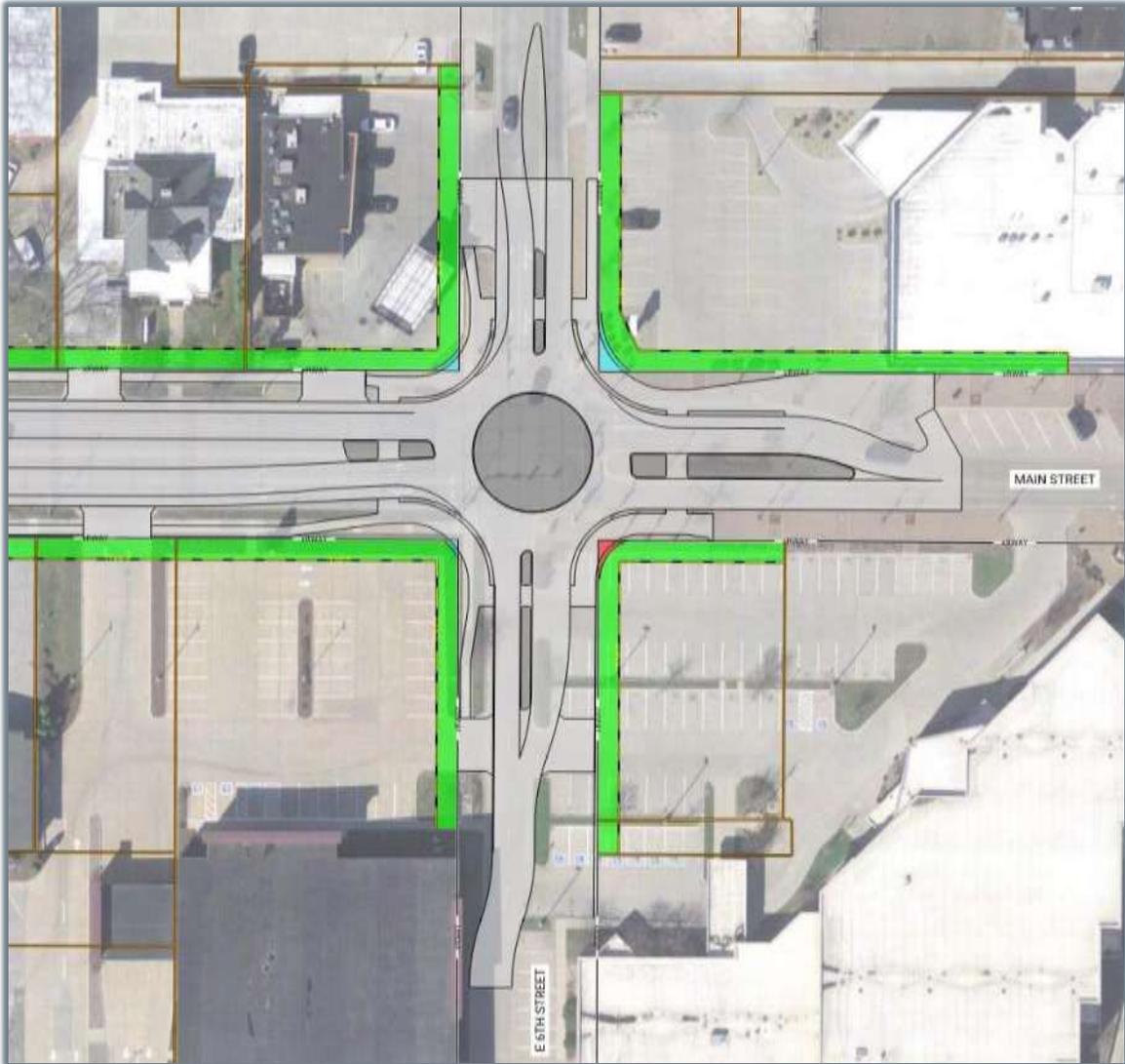
Potential Right-of-Way Impacts



| Category | Parcels | Area (sf) |
|--------------------------|---------|-----------|
| Total Parcel Acquisition | 2 | 15,174 |
| Permanent Acquisition | 11 | 4,258 |
| Temporary Easement | 145 | 155,204 |
| City Owned Property | 10 | 3,993 |

6th Street

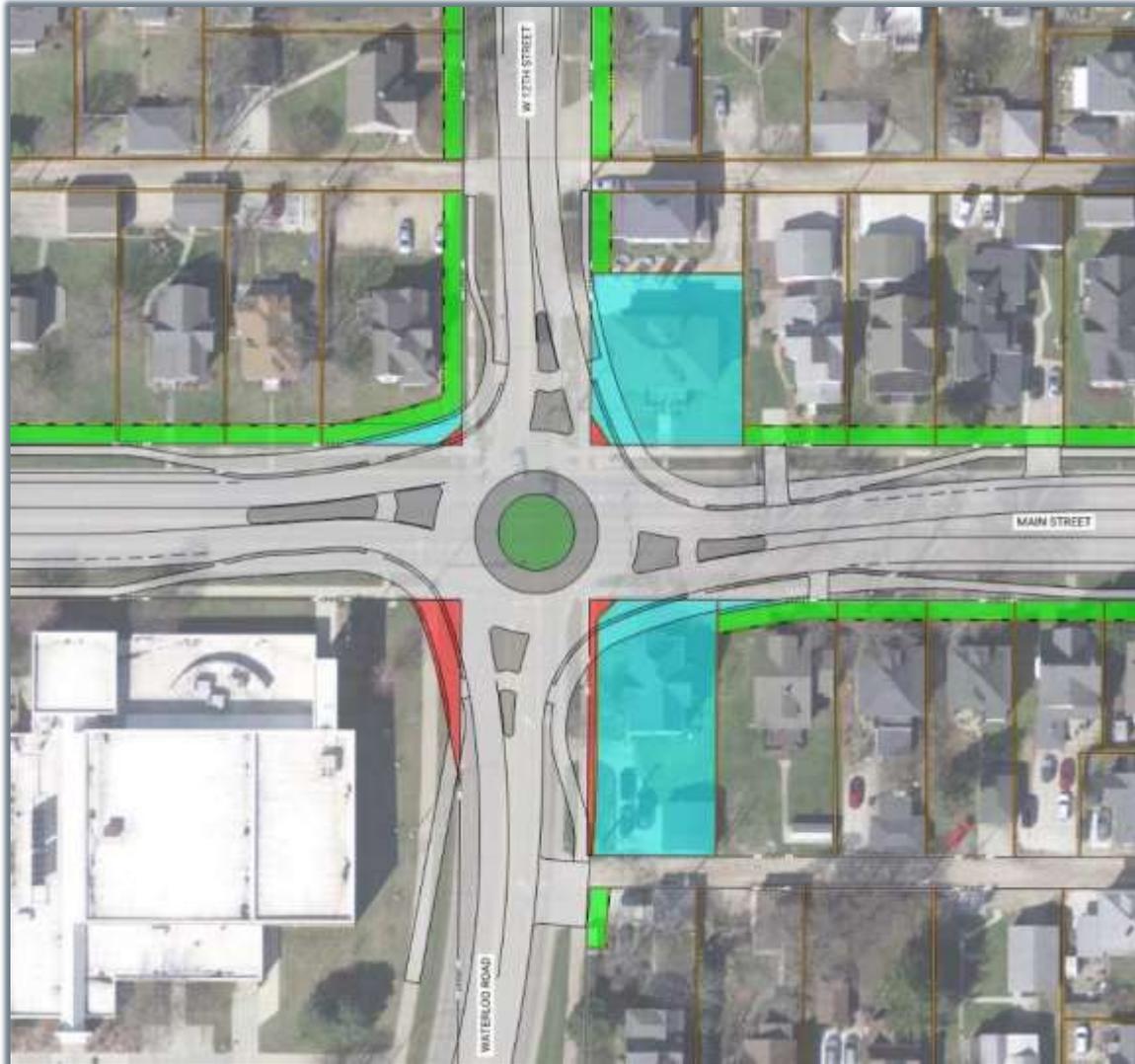
Item 1.



| Category | Parcels | Area (sf) |
|-----------------------|---------|-----------|
| Permanent Acquisition | 3 | 231 |
| City Owned Property | 1 | 80 |

12th Street

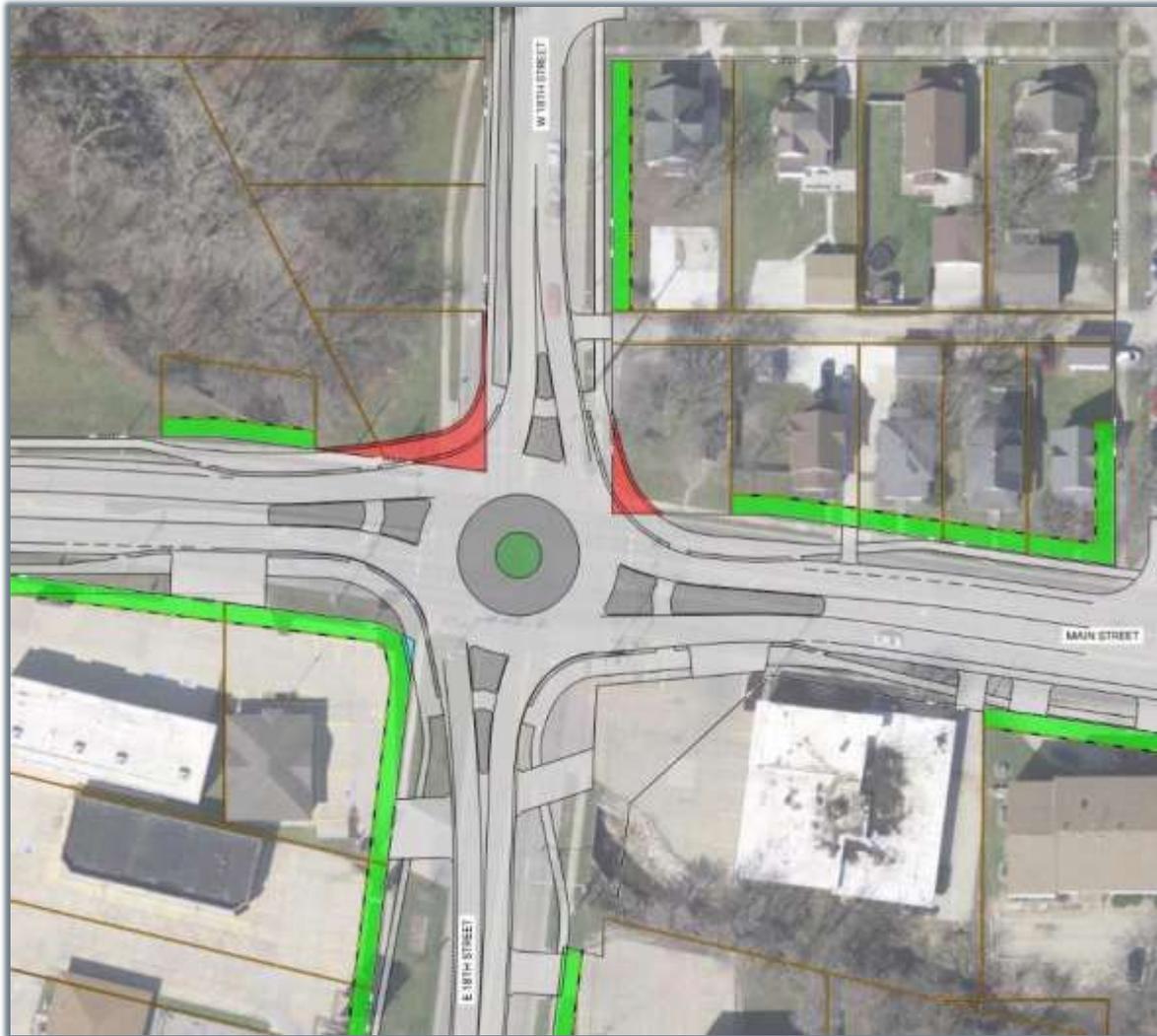
Item 1.



| Category | Parcels | Area (sf) |
|--------------------------|---------|-----------|
| Total Parcel Acquisition | 2 | 15,174 |
| Permanent Acquisition | 2 | 624 |
| City Owned Property | 4 | 1,708 |

18th Street

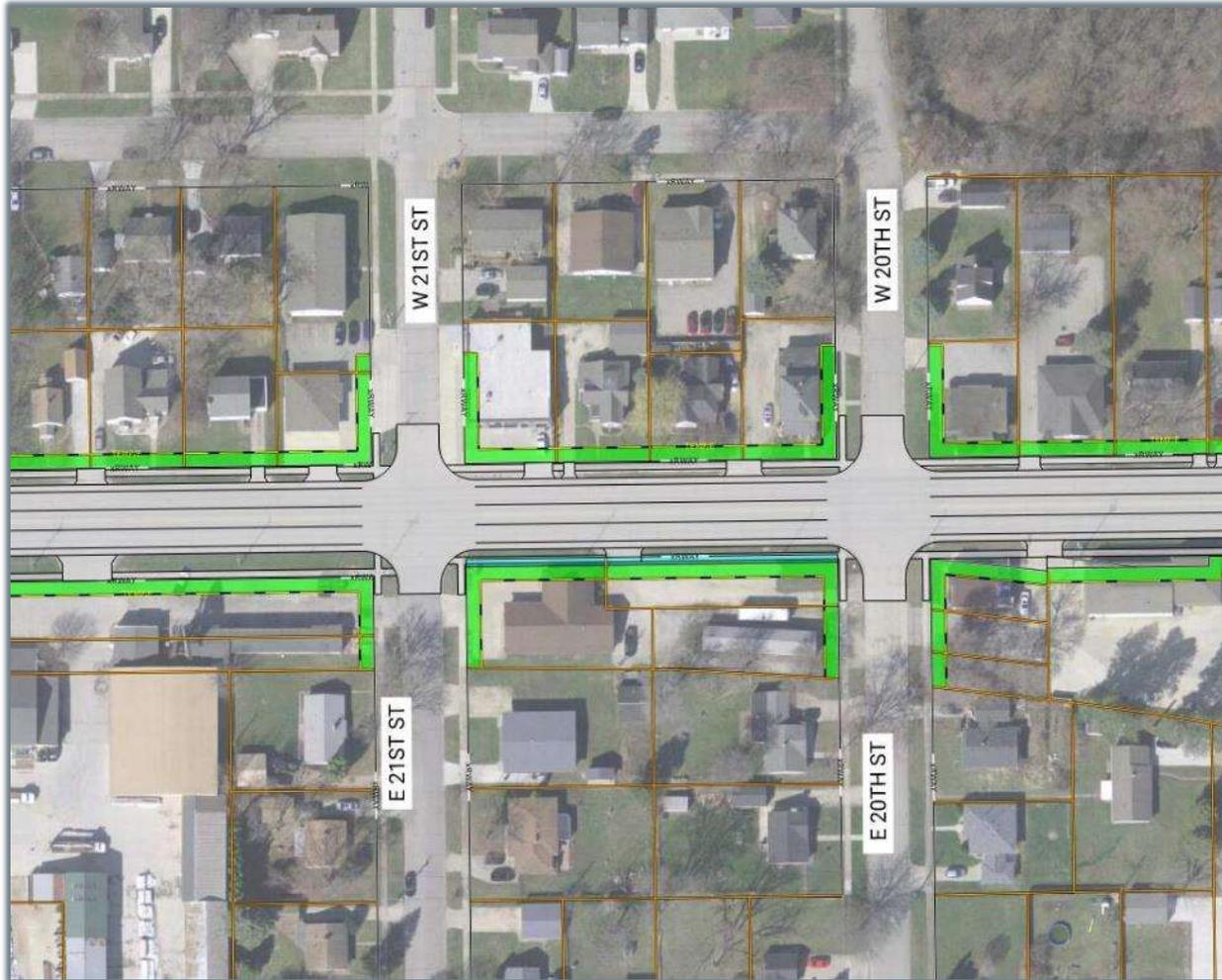
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| Category | Parcels | Area (sf) |
|-----------------------|---------|-----------|
| Permanent Acquisition | 1 | 76 |
| City Owned Property | 3 | 1,826 |

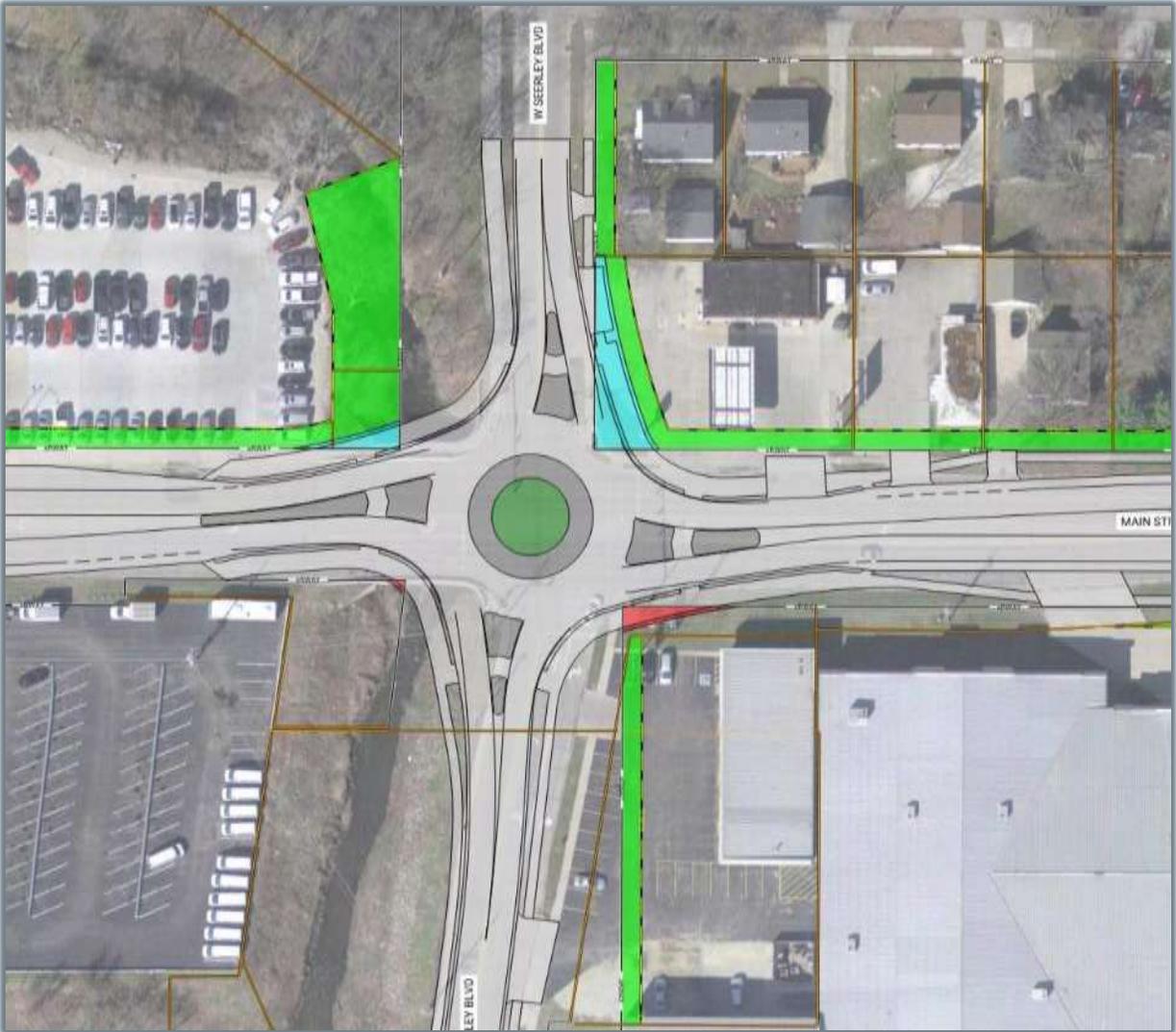
Between 20th Street and 21st Street

Item 1.



| Category | Parcels | Area (sf) |
|-----------------------|---------|-----------|
| Permanent Acquisition | 2 | 1,445 |

Seerley Boulevard



| Category | Parcels | Area (sf) |
|-----------------------|---------|-----------|
| Permanent Acquisition | 3 | 1,882 |
| City Owned Property | 2 | 379 |

Potential Right-of-Way Impacts



| Category | Parcels | Area (sf) | Cost (\$) |
|--------------------------|---------|-----------|-----------|
| Total Parcel Acquisition | 2 | 15,174 | \$445,000 |
| Permanent Acquisition | 11 | 4,258 | \$63,870 |
| Temporary Easement | 145 | 155,204 | \$155,204 |
| City Owned Property | 10 | 3,993 | n/a |

Total

\$664,074

- ◆ Design Contract – July 2021, Design work has begun
- ◆ December 6, 2021 - Set public hearing to undertake a public improvement project and to authorize acquisition of private property
- ◆ December 20, 2021 - Public hearing on right-of-way
- ◆ Right-of-Way Acquisition
 - 8-12 months
- ◆ Bid Letting – December 2022
- ◆ Construction Begins – Spring 2023
 - 3 Year Construction Schedule

- ◆ Motion; to proceed into final design for roundabout at 6th Street
 - Consultant recommendation

- ◆ On December 6, 2021, the resolution approving the public improvement project and authorizing acquisition of private property will be on the agenda.





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: November 8, 2021
SUBJECT: FY2021 Comprehensive Annual Financial Report

The FY2021 Comprehensive Annual Financial Report will be reviewed at the Committee of the Whole on November 15, 2021. Attached for your review are the following items:

FY2021 Comprehensive Annual 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, 2021; 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.

FY2021 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 FY2021 Comprehensive Annual Financial Report will be on the Council Agenda for the November 15, 2021 Council meeting. City of Cedar Falls staff recommends that the City Council receive, file and adopt the FY2021 Comprehensive Annual 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

**Comprehensive Annual
Financial Report
For the Fiscal Year Ended
June 30, 2021**

Prepared by the Department of Finance & Business
Operations

CITY OF CEDAR FALLS, IOWA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2021

Prepared by:
Financial Services
Of
Finance & Business Operations

Lisa Roeding, CMFO
Controller/City Treasurer

**City of Cedar Falls, Iowa
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2021**

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DEPARTMENT OF FINANCE AND BUSINESS OPERATIONS

CITY OF CEDAR FALLS, IOWA

220 CLAY STREET

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www.cedarfalls.com

November 8, 2021

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 Comprehensive Annual Financial Report of the City of Cedar Falls, Iowa, for the year ended June 30, 2021. This is the sixth Comprehensive Annual Financial Report completed in compliance with the Government Standards Board (GASB) Statements No. 68 and No. 71.

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, 2021. 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 FY22 by \$91 million. With the implementation of the commercial rollback by the State of Iowa, taxable values decreased by approximately \$3 million. (See Attachment A)

The City of Cedar Falls maintains a comparatively low tax rate. Cedar Falls has the seventh lowest tax rate per capita of the twenty largest cities in the state of Iowa for FY21 (See Attachment B). This low rate can be attributed to the efforts of the City to streamline operations over the past twenty two 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 the lowest numbers of full-time employees per 1,000 residents in FY20. (See Attachment C).

Over the past ten years Cedar Falls' residential housing sales prices have significantly increased. In 2010, the average sales price reported was \$199,318. In 2020, the average sales price was \$245,349, which is a twenty three (23) 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 Cedar Heights Drive Reconstruction, which began in 2019 with design and right of way acquisition. The reconstruction project will include two roundabouts at Greenhill Road and Huntington Drive. 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. West 1st Street Reconstruction project which began in 2018 and will be completed the end of 2021. Local option sales tax funding and G.O. Bond funding will be used along with Federal/State funding to fund the West 1st Street Reconstruction 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. The project will be funded by capital reserves.

Global Pandemic

In August 2020 the Iowa COVID-19 Local Government Relief Fund provided \$100 million to be divided between eligible cities and counties based on 2019 estimated population. \$25 million will be used to cover the local government portion of the FEMA match through the Iowa Department of Homeland Security and Emergency Management. The City received \$963,401 from the COVID-19 Local Government Relief fund.

Challenges and changes brought about by pandemic were not as severe as the City estimated in spring of 2020 for the road use tax and local option sales tax revenues. Both revenue sources were slightly higher for the year than estimated. However the City did see reduction in hotel/motel tax revenues of 14%. Since hotel/motel tax is distributed quarterly, it is projected we will see the decline in revenue over the long-term. The Waterloo-Cedar Falls Metropolitan area has historically enjoyed a relatively low unemployment rate; however unemployment was up in April 2020 at 11.2% due to the economic impact of the COVID-19 pandemic. As of June 2021 4.9% of the Waterloo-Cedar Falls Metropolitan workforce was unemployed. This is a return to pre-pandemic unemployment rates.

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 comprehensive annual financial report for the year ended June 30, 2020. 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 comprehensive annual financial report, whose contents conform to program standards. The Comprehensive Annual 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 one consecutive years (fiscal years ended 1990-2020). 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,

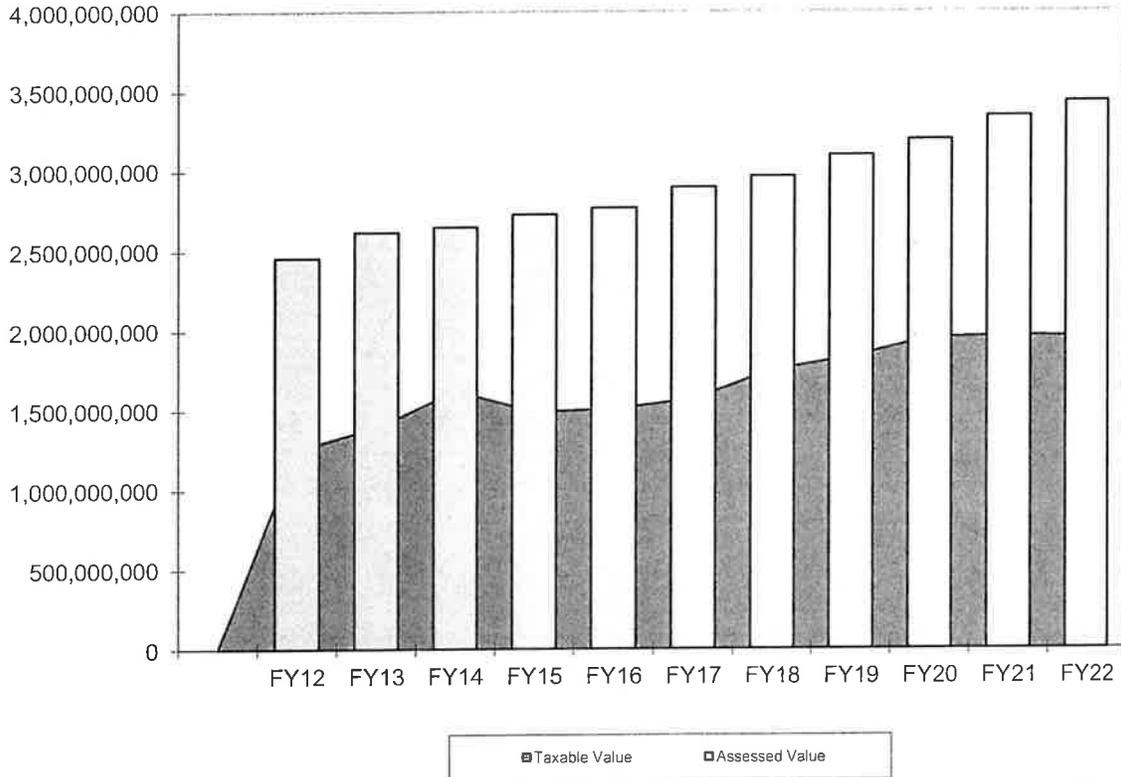


Lisa Roeding, CMFO
Controller/City Treasurer

ATTACHMENT A

taxvalue22

**Taxable Valuations FY12-FY22
City of Cedar Falls**



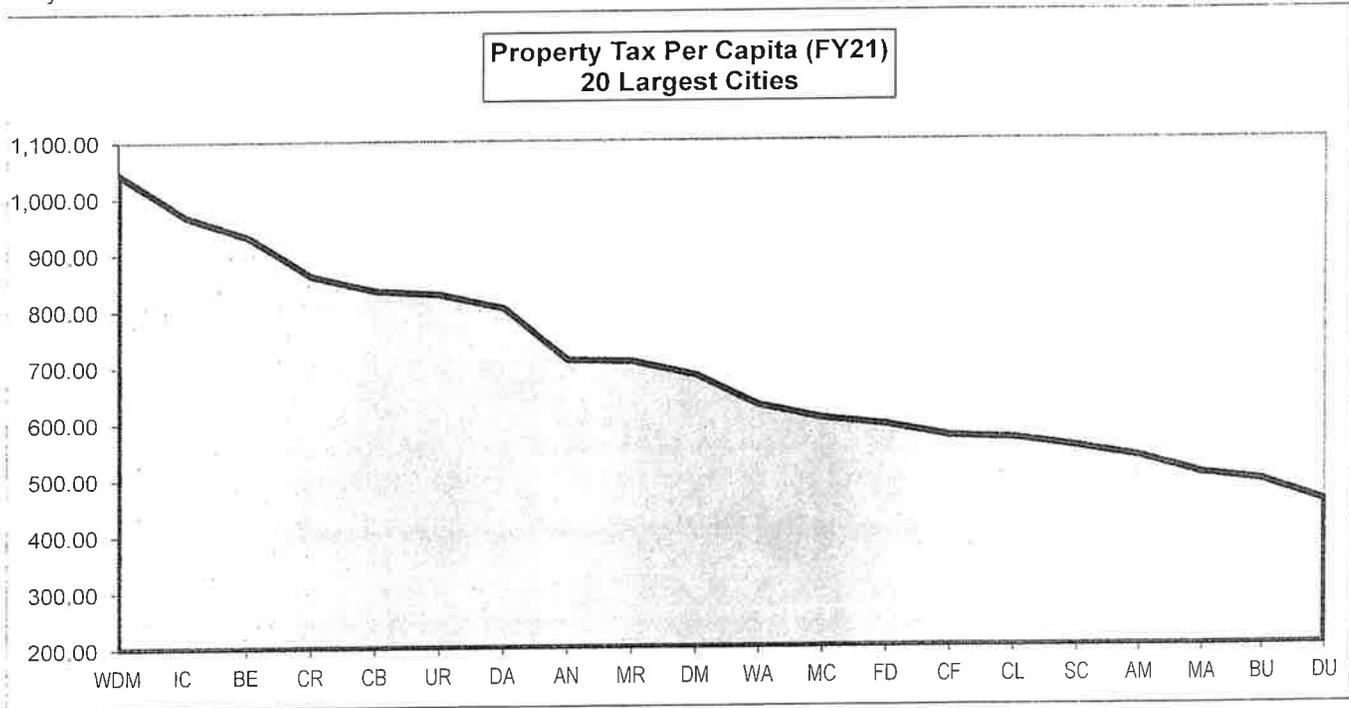
| Year | Taxable Value | Assessed Value |
|------|---------------|----------------|
| FY12 | 1,254,821,347 | 2,458,320,459 |
| FY13 | 1,393,511,204 | 2,618,319,843 |
| FY14 | 1,622,862,335 | 2,650,433,900 |
| FY15 | 1,490,616,188 | 2,729,240,639 |
| FY16 | 1,509,722,828 | 2,769,405,368 |
| FY17 | 1,569,292,287 | 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 |

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 FY22, assessed values increased by \$91,025,676. Taxable values decreased by \$3,023,160, due to additional projects in the TIF.

ATTACHMENT B

Citytaxr



**Property Tax Per Capita (FY21)
20 Largest Iowa Cities**

| City | FY21 Tax Per Person | 2010 Population | Abbreviation |
|--------------------|---------------------|-----------------|--------------|
| West Des Moines | 1,044.15 | 56,609 | WDM |
| Iowa City | 969.85 | 67,862 | IC |
| Bettendorf | 932.10 | 33,217 | BE |
| Cedar Rapids | 861.22 | 126,326 | CR |
| Council Bluffs | 834.76 | 62,230 | CB |
| Urbandale | 827.59 | 39,463 | UR |
| Davenport | 802.86 | 99,687 | DA |
| Ankeny | 710.45 | 54,598 | AN |
| Marion | 707.79 | 34,768 | MR |
| Des Moines | 682.56 | 204,220 | DM |
| Waterloo | 629.17 | 68,406 | WA |
| Mason City | 605.65 | 28,079 | MC |
| Fort Dodge | 593.63 | 25,206 | FD |
| Cedar Falls | 573.18 | 39,260 | CF |
| Clinton | 569.04 | 26,885 | CL |
| Sioux City | 553.76 | 82,684 | SC |
| Ames | 535.57 | 58,965 | AM |
| Marshalltown | 505.12 | 27,552 | MA |
| Burlington | 492.47 | 25,663 | BU |
| Dubuque | 453.96 | 57,637 | DU |
| Average | 694.24 | | |

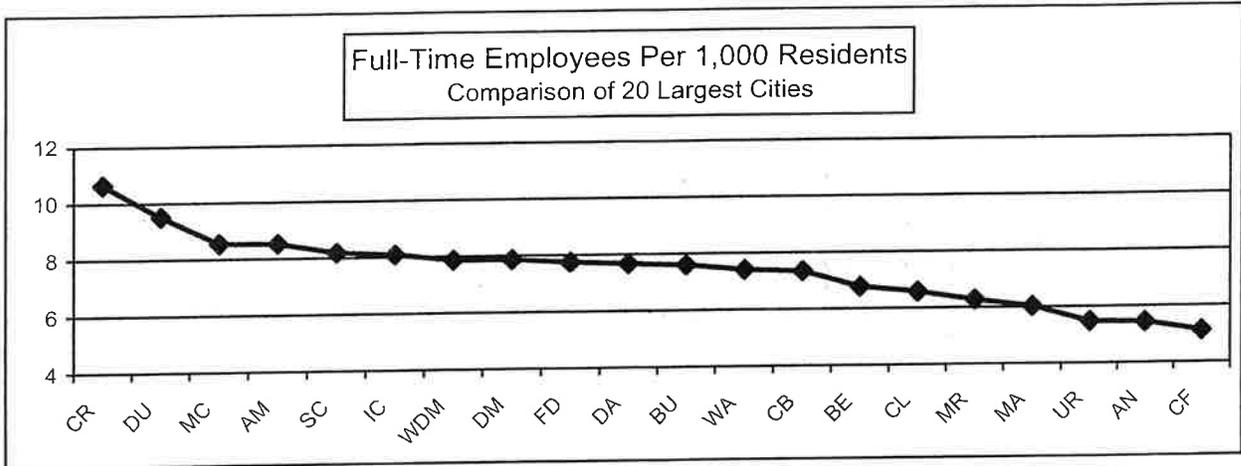
For over two decades Cedar Falls' local government has operated at one of the lowest per capita property tax rates among the 20 largest cities in Iowa.

At a cost of \$573.18 per person, the City is substantially below the average rate of \$694.24. This rate can be attributed to the City's concerted efforts to streamline operations over the past 20 years.

If the City of Cedar Falls operated at the state average property tax per capita, an additional 4.75 million dollars would be devoted to operations. This would be an increase of 21% of taxes levied in FY21.

Source: Department of Management website

ATTACHMENT C



| City | FY20 Employees | 2010 Population | Employees Per 1,000 |
|--------------------|----------------|-----------------|---------------------|
| Cedar Rapids | 1356.0 | 126,326 | 10.73 |
| Dubuque | 592.0 | 57,637 | 10.27 |
| Sioux City | 715.0 | 82,684 | 8.65 |
| Mason City | 242 | 28,079 | 8.62 |
| Ames | 503.0 | 58,965 | 8.53 |
| Iowa City | 578.0 | 67,862 | 8.52 |
| W. Des Moines | 480.0 | 56,609 | 8.48 |
| Des Moines | 1600.0 | 203,433 | 7.86 |
| Fort Dodge | 198.0 | 25,206 | 7.86 |
| Davenport | 771.0 | 99,685 | 7.73 |
| Burlington | 198.0 | 25,663 | 7.72 |
| Waterloo | 507.0 | 68,406 | 7.41 |
| Council Bluffs | 457.0 | 62,230 | 7.34 |
| Bettendorf | 225.0 | 33,217 | 6.77 |
| Clinton | 174.0 | 26,885 | 6.47 |
| Marion | 218.0 | 34,768 | 6.27 |
| Marshalltown | 162.0 | 27,552 | 5.88 |
| Ankeny | 261.0 | 45,582 | 5.73 |
| Urbandale | 216.0 | 39,463 | 5.47 |
| Cedar Falls | 207.0 | 39,260 | 5.27 |
| Average: | | | 7.58 |

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 2.31 employees per 1,000 capita less than the state average, which is equivalent to 91 fewer full-time employees.

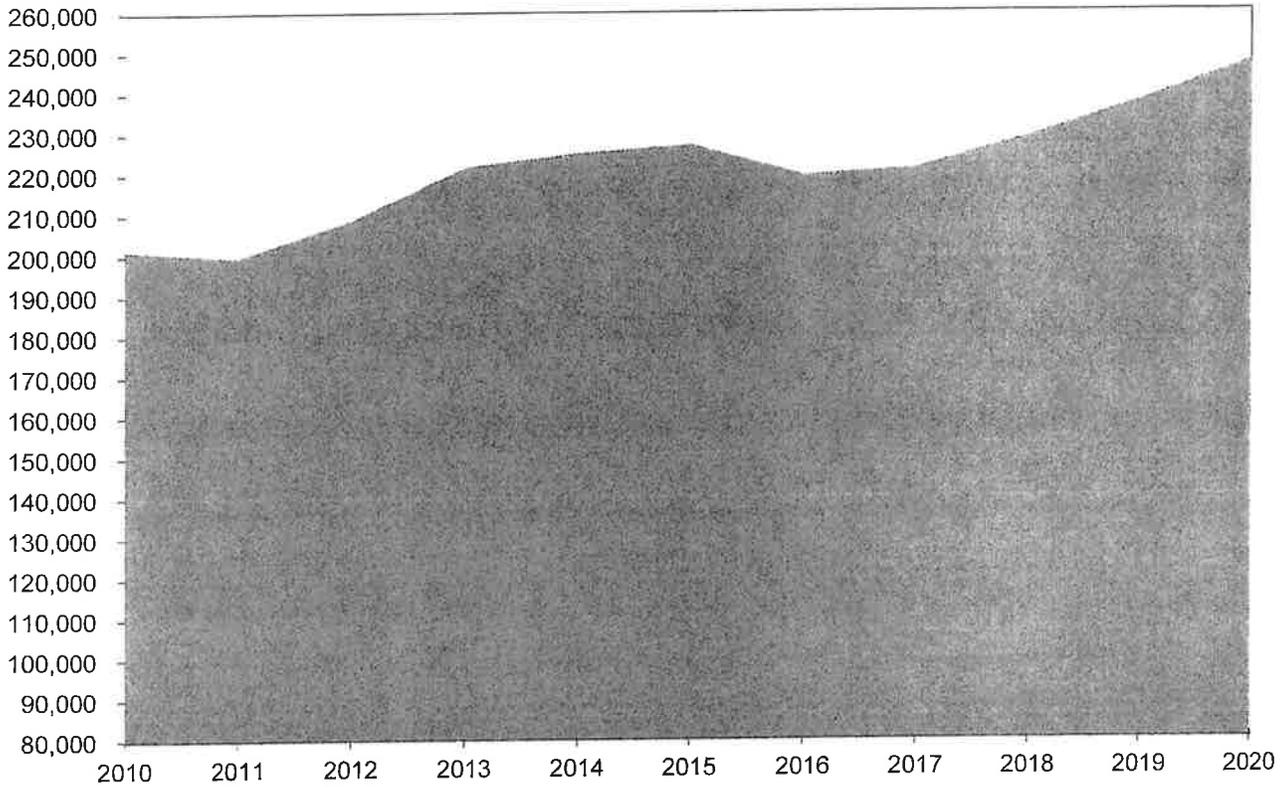
Employment reductions have been implemented over the last 10 years, which has streamlined Cedar Falls' employment.

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. Source: Human Resource staff of the referenced Cities.

ATTACHMENT D

Resale

**Average Residential Sales Price (Annual)
Cedar Falls, Iowa**



| Year | Average Sales Price |
|---------|---------------------|
| 2010 | 199,318 |
| 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 |
| Average | 219,643 |

The average sale price of residential properties in Cedar Falls has grown by 23% between 2010- 2020 from \$199,318 to \$245,349



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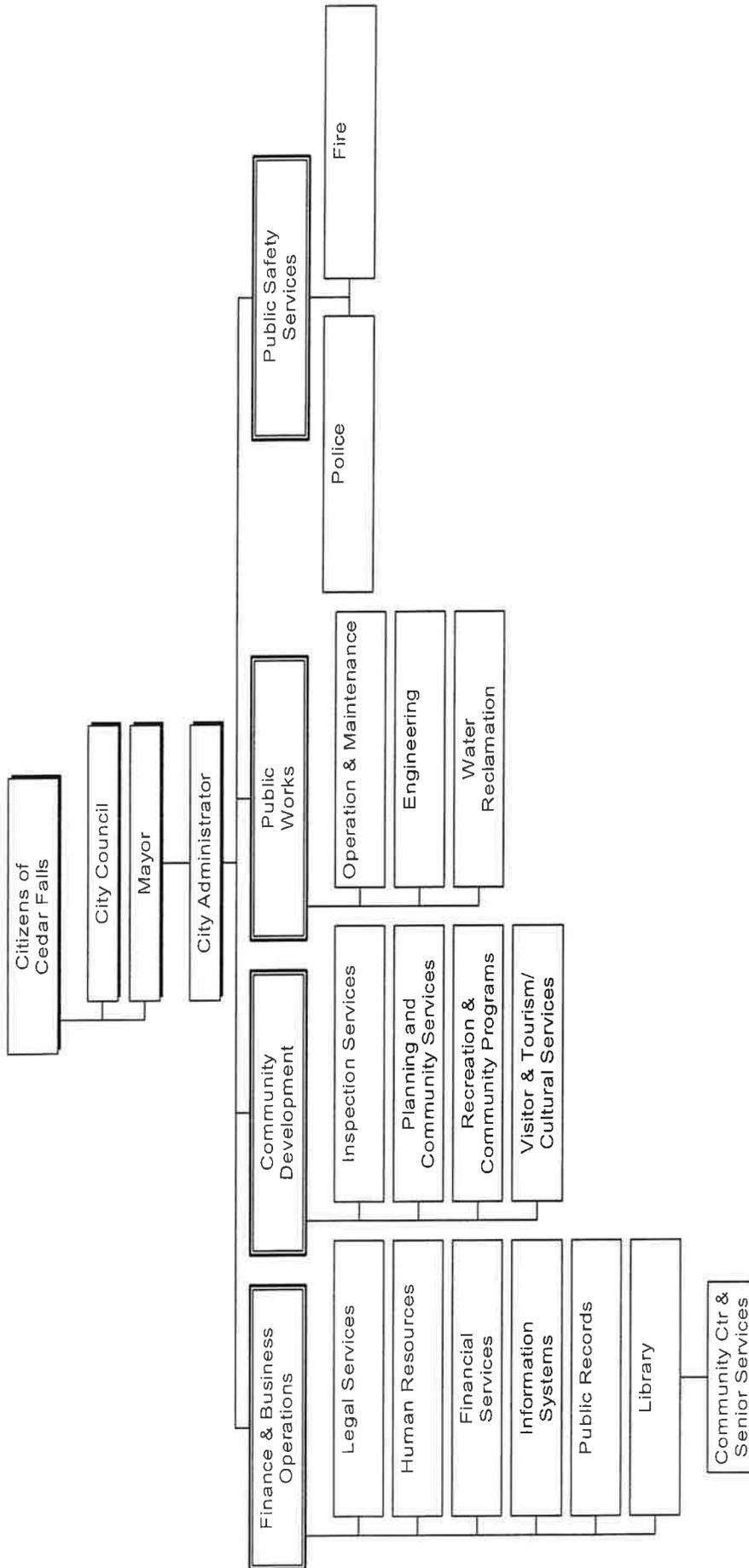
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

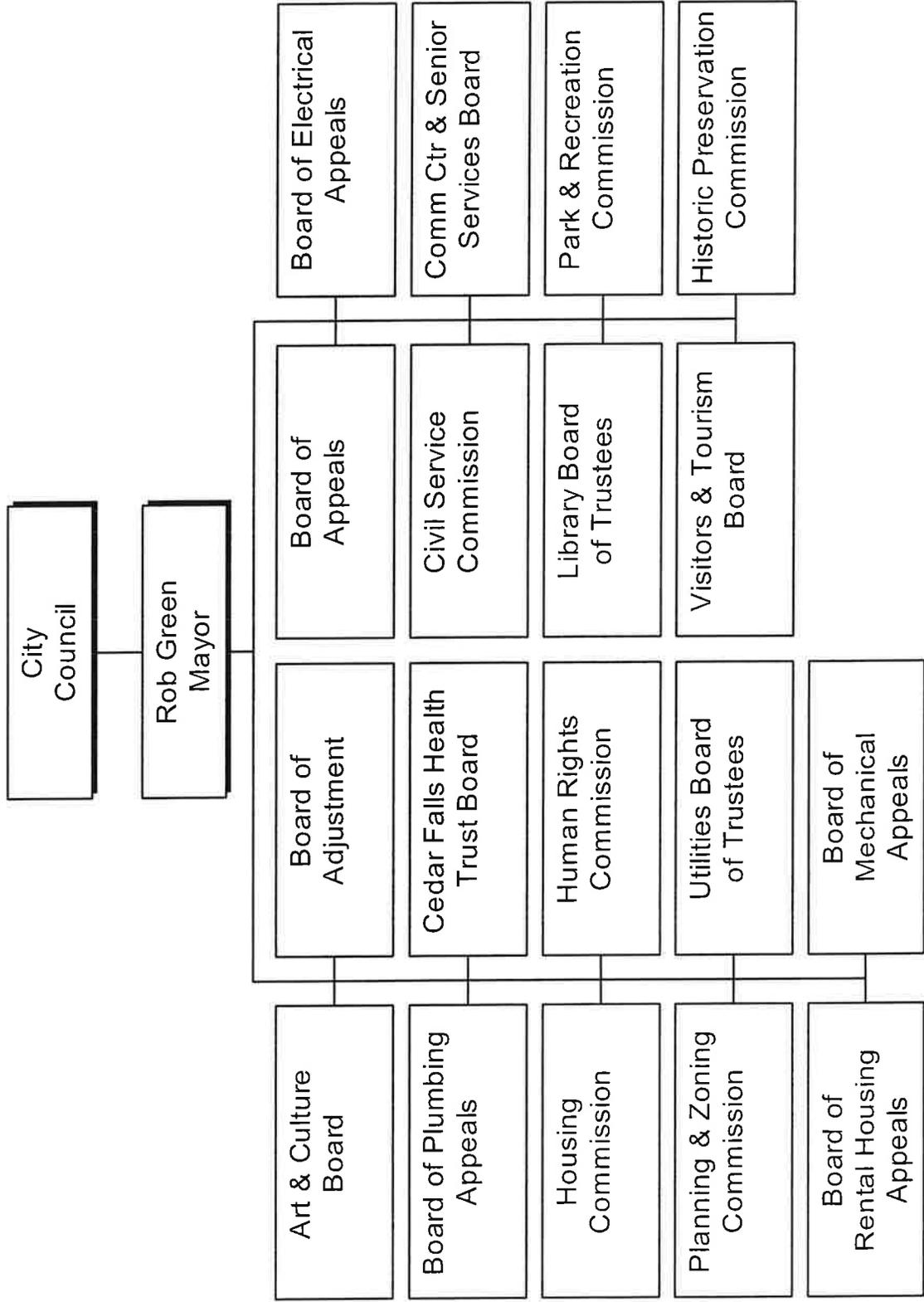
Christopher P. Morill

Executive Director/CEO

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



City of Cedar Falls, Iowa Boards and Commissions



CITY OF CEDAR FALLS, IOWA

PRINCIPAL OFFICIALS

June 30, 2021

| Title | Name |
|--|-----------------------|
| Mayor | Rob Green |
| Council Member – 1 st Ward | Mark Miller |
| 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 | Frank Darrah |
| 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 | Jeff Olson |
| Asst. Director of Public Safety /Fire Chief | John Bostwick |
| Asst. Director of Public Safety/Police Chief | Craig Berte |
| City Attorney | Kevin Rogers |
| Controller/City Treasurer | Lisa Roeding |
| Human Resources Manager | Toni Babcock |
| City Clerk | Jacque Danielsen |
| Information Systems Manager | Julia Sorensen |
| Cedar Falls Public Library Director | Kelly Stern |
| Recreation & Community Programs Manager | James Lillibridge |
| V&T/Cultural Programs Manager | Kim Manning |
| 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 Financial Statements

We have audited the accompanying 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, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the 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, as of June 30, 2021, 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.

Other Matters

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, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cedar Falls, Iowa's financial statements. The introductory section, combining nonmajor fund financial statements, capital asset schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining nonmajor fund financial statements and capital asset schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report, under separate cover, dated November 1, 2021, on our consideration of the City of Cedar Falls, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the City's internal control over financial reporting and compliance.



Dubuque, Iowa
November 1, 2021

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, 2021. Please read it in conjunction with the transmittal letter found on pages 1 – 10 of this report.

2021 FINANCIAL HIGHLIGHTS

- Revenues of the City's governmental activities increased 8.67%, or \$4,565,560, from fiscal year 2020 to fiscal year 2021, primarily due to the increase in operating grants & property taxes. Property taxes increased \$2.5 million for all activities.
- Program expenses of the City's Governmental activities increased 5.02%, or \$2,313,946 in fiscal year 2021 from fiscal year 2020.
- The City's net position increased 3.08%, or \$12,541,632, over the June 30, 2020 balance. Of this amount, the net position of the governmental activities increased by \$7,548,296 and the net position of the business-type activities increased by \$4,993,336.

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 30 - 33 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 21 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 34 - 38 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 39 - 44 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 | |
|-----------------------|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Current and | | | | | | |
| other assets | \$ 147,417,225 | \$ 139,568,960 | \$ 14,156,404 | \$ 9,748,475 | \$ 161,573,629 | \$ 149,317,435 |
| Capital assets | 242,571,541 | 237,645,052 | 92,555,952 | 93,064,582 | 335,127,493 | 330,709,634 |
| Total assets | \$ 389,988,766 | \$ 377,214,012 | \$ 106,712,356 | \$ 102,813,057 | \$ 496,701,122 | \$ 480,027,069 |
| Deferred Outflows | | | | | | |
| of Resources | \$ 8,261,490 | \$ 6,968,695 | \$ 450,945 | \$ 361,688 | \$ 8,712,435 | \$ 7,330,383 |
| Long-term liabilities | \$ 35,850,885 | \$ 28,809,783 | \$ 13,985,624 | \$ 14,892,088 | \$ 49,836,509 | \$ 43,701,871 |
| Other liabilities | 5,639,540 | 7,438,930 | 541,073 | 457,771 | 6,180,613 | 7,896,701 |
| Total liabilities | \$ 41,490,425 | \$ 36,248,713 | \$ 14,526,697 | \$ 15,349,859 | \$ 56,017,122 | \$ 51,598,572 |
| Deferred Inflows of | | | | | | |
| Resources | \$ 29,536,202 | \$ 28,258,661 | \$ 54,614 | \$ 236,232 | \$ 29,590,816 | \$ 28,494,893 |
| Net position: | | | | | | |
| Net investment | | | | | | |
| in capital assets | \$ 235,252,432 | \$ 233,264,428 | \$ 80,744,907 | \$ 80,028,959 | \$ 315,997,339 | \$ 313,293,387 |
| Restricted | 37,325,937 | 34,985,196 | 29,990 | 29,990 | 37,355,927 | 35,015,186 |
| Unrestricted | 54,645,260 | 51,425,709 | 11,807,093 | 7,529,705 | 66,452,353 | 58,955,414 |
| Total net position | \$ 327,223,629 | \$ 319,675,333 | \$ 92,581,990 | \$ 87,588,654 | \$ 419,805,619 | \$ 407,263,987 |

Net position of governmental activities increased from FY20 by approximately \$7.5 million, or 2.36%. This increase was due primarily to the Downtown Streetscape, Highway 58 intersection, and various 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 FY20 by approximately \$5 million or 5.70%. 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 \$66 million at the end of the year.

For the year ended June 30, 2021, net position changed as follows:

| | Governmental Activities | | Business-type Activities | | Total | |
|---|-------------------------|----------------|--------------------------|---------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for services | \$ 3,891,053 | \$ 3,545,022 | \$ 11,438,963 | \$ 10,912,379 | \$ 15,330,016 | \$ 14,457,401 |
| Operating grants and contributions | 3,012,469 | 1,919,605 | - | - | 3,012,469 | 1,919,605 |
| Capital grants and contributions | 3,180,994 | 2,968,418 | 1,534,377 | 390,852 | 4,715,371 | 3,359,270 |
| General Revenues | | | | | | |
| Property taxes | 26,903,746 | 24,367,797 | - | - | 26,903,746 | 24,367,797 |
| Local Option Sales Tax | 6,043,520 | 5,190,978 | - | - | 6,043,520 | 5,190,978 |
| Hotel/Motel Tax & Other | 911,506 | 915,747 | - | - | 911,506 | 915,747 |
| Use of money and property | 1,314,163 | 2,386,435 | 106,682 | 380,265 | 1,420,845 | 2,766,700 |
| Intergovernmental | 7,284,160 | 6,650,002 | - | - | 7,284,160 | 6,650,002 |
| Miscellaneous | 1,997,826 | 1,658,073 | - | - | 1,997,826 | 1,658,073 |
| Gain/Loss on Sale of assets | 35,225 | - | (37,679) | - | (2,454) | - |
| Utility contribution | 2,651,632 | 3,058,657 | - | - | 2,651,632 | 3,058,657 |
| Total revenues | \$ 57,226,294 | \$ 52,660,734 | \$ 13,042,343 | \$ 11,683,496 | \$ 70,268,637 | \$ 64,344,230 |
| Expenses | | | | | | |
| Public safety | \$ 14,443,799 | \$ 14,356,978 | \$ - | \$ - | \$ 14,443,799 | \$ 14,356,978 |
| Public works | 15,089,189 | 14,178,454 | - | - | 15,089,189 | 14,178,454 |
| Health and social services | 352,735 | 357,404 | - | - | 352,735 | 357,404 |
| Culture and recreation | 8,227,093 | 8,149,827 | - | - | 8,227,093 | 8,149,827 |
| Community and economic development | 4,741,335 | 4,226,474 | - | - | 4,741,335 | 4,226,474 |
| General government | 5,410,951 | 4,664,011 | - | - | 5,410,951 | 4,664,011 |
| Debt service | 174,868 | 192,876 | - | - | 174,868 | 192,876 |
| Sewer | - | - | 5,001,085 | 5,162,985 | 5,001,085 | 5,162,985 |
| Refuse | - | - | 3,235,095 | 3,134,596 | 3,235,095 | 3,134,596 |
| Storm Water | - | - | 1,050,855 | 1,037,946 | 1,050,855 | 1,037,946 |
| Total expenses | \$ 48,439,970 | \$ 46,126,024 | \$ 9,287,035 | \$ 9,335,527 | \$ 57,727,005 | \$ 55,461,551 |
| Increase in net position before transfers | \$ 8,786,324 | \$ 6,534,710 | \$ 3,755,308 | \$ 2,347,969 | \$ 12,541,632 | \$ 8,882,679 |
| Transfers | (1,238,028) | 411,746 | 1,238,028 | (411,746) | - | - |
| Increase in net position | \$ 7,548,296 | \$ 6,946,456 | \$ 4,993,336 | \$ 1,936,223 | \$ 12,541,632 | \$ 8,882,679 |
| Net position, beginning | 319,675,333 | 312,728,877 | 87,588,654 | 85,652,431 | 407,263,987 | 398,381,308 |
| Net position, ending | \$ 327,223,629 | \$ 319,675,333 | \$ 92,581,990 | \$ 87,588,654 | \$ 419,805,619 | \$ 407,263,987 |

Operating Grants increased by approximately \$1.1 million for the governmental activities due to COVID-19 relief grants. Revenues increased in business activities due to sewer and storm water charges for services.

The cost of all governmental activities this year was approximately \$48.4 million compared to approximately \$46.1 million last year. However, as shown in the Statement of Activities on pages 32 and 33, the amount taxpayers ultimately financed for these activities was only \$38.4 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 \$93,315,937. \$611,844 is nonspendable for inventory. \$36,954,610 is restricted for TIF, debt service, local option sales tax, employee retirement systems, road use taxes and various grants. \$19,454,123 is committed for the City's health trust fund and parking fund. \$43,360,387 is assigned for recreational capital funds, police forfeiture funds, economic development and capital improvements. This leaves a negative \$7,065,027 for unassigned fund balances in the governmental funds.

The Governmental fund balances increased by \$7,234,567, or 8.40%. This increase was primarily due to increases in property tax revenue, local option sales tax, and operating grants.

The General Fund is the chief operating fund of the City of Cedar Falls. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$9,166,625, while the total fund balance totaled \$12,093,132. 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 37.48% of the total General Fund expenditures, while the total fund balance represents 49.44% of that same amount.

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

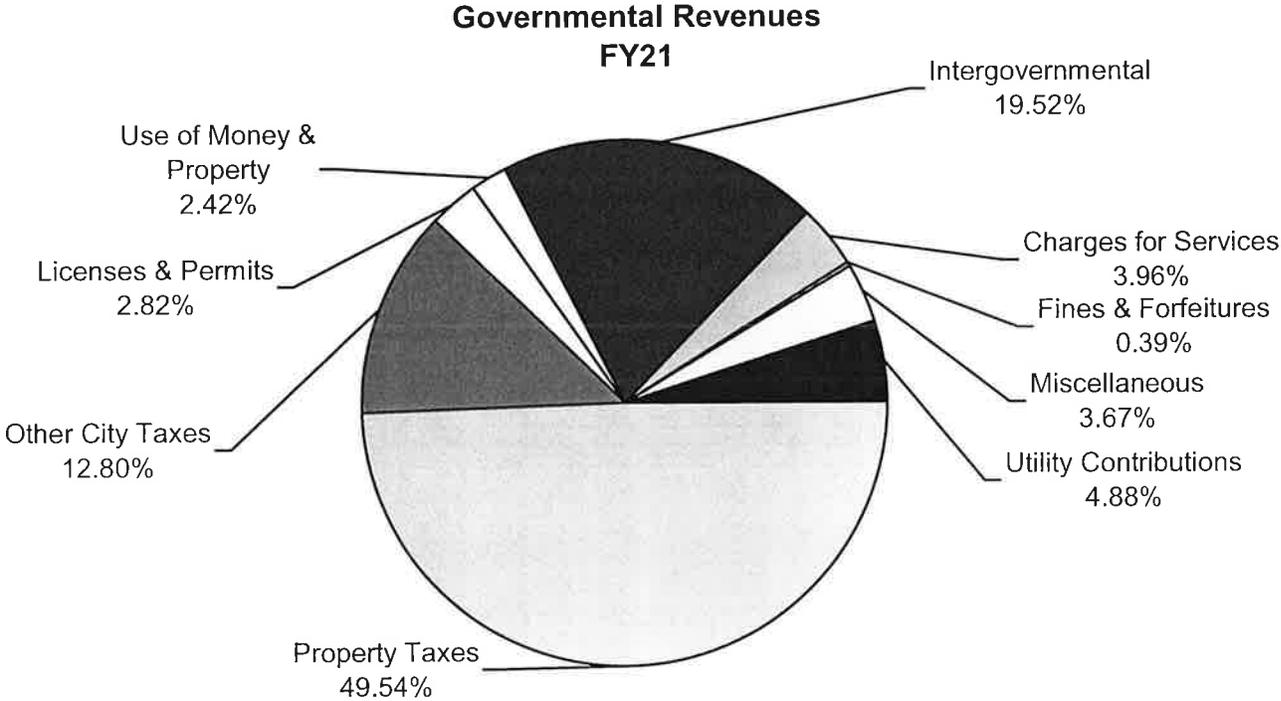
| | FY21 Amount | FY20 Amount | Increase (Decrease) |
|---------------------------|----------------|----------------|------------------------|
| Hospital Fund | \$ 18,829,721 | \$ 18,501,400 | \$ 328,321 |
| TIF Fund | 64,447 | 66,630 | (2,183) |
| Street Construction Fund | 10,879,596 | 9,570,135 | 1,309,461 |
| Street Repair Fund | 17,530,156 | 16,389,862 | 1,140,294 |
| Debt Service Fund | 582,696 | 647,822 | (65,126) |
| Capital Improvements Fund | 28,417,695 | 24,031,089 | 4,386,606 |
| Bond Fund | (16,212,770) | (15,155,841) | (1,056,929) |
| Other Governmental Funds | 21,131,264 | 19,437,340 | 1,693,924 |

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 Street Repair Fund had an increase in fund balance due to increased local option sales tax revenue. The Capital improvements Fund had an increase in fund balance due to fewer projects in FY21. The Bond Fund had the largest decrease in fund balance due to Downtown Streetscape and Highway 58 intersection improvements. The Other Governmental Funds had an increase in fund balance due to the economic development land acquisition and reimbursements in the FEMA fund.

The following schedule presents a summary of the governmental fund revenues for the fiscal year ended June 30, 2021 and June 30, 2020.

| Revenues | FY21 Amount | Percent of Total | FY20 Amount | Increase (Decrease) from FY20 | Percent of Increase (Decrease) |
|---------------------------------------|----------------------|---------------------|----------------------|-------------------------------------|--------------------------------------|
| Property taxes and assessments | \$ 26,907,831 | 49.54 % | \$ 24,332,248 | \$ 2,575,583 | (283.74) % |
| Other city taxes | 6,955,026 | 12.80 | 6,106,725 | 848,301 | (93.45) |
| Licenses and permits | 1,530,582 | 2.82 | 932,121 | 598,461 | (65.93) |
| Use of money and property | 1,314,163 | 2.42 | 2,386,435 | (1,072,272) | 118.13 |
| Intergovernmental | 10,605,383 | 19.52 | 10,625,228 | (19,845) | 2.19 |
| Charges for services | 2,150,458 | 3.96 | 2,296,459 | (146,001) | 16.08 |
| Fines and forfeitures | 209,676 | 0.39 | 316,928 | (107,252) | 11.82 |
| Miscellaneous | 1,994,030 | 3.67 | 3,356,248 | (1,362,218) | 150.07 |
| Utility contribution in lieu of taxes | 2,651,632 | 4.88 | 3,058,657 | (407,025) | 44.84 |
| | <u>\$ 54,318,781</u> | <u>100.00 %</u> | <u>\$ 53,411,049</u> | <u>\$ 907,732</u> | <u>(100.00) %</u> |

The most significant increase in revenues was in property taxes. The increase was due to the timing of property tax revenues received in FY21, due to payments being deferred in FY20 due to COVID relief. One of the largest decreases was in use of money and property due to the significant decline in interest rates.



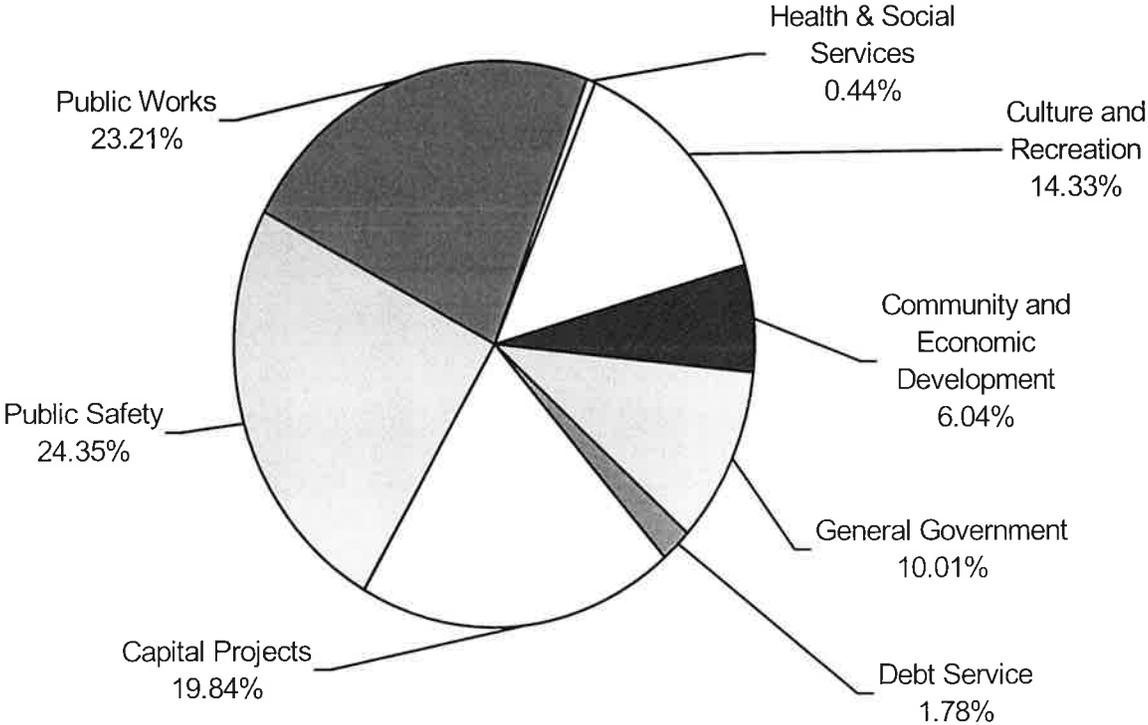
The following schedule presents a summary of governmental expenditures for the fiscal years ended June 30, 2021 and June 30, 2020.

| Expenditures | FY21 Amount | Percent of Total | FY20 Amount | Increase (Decrease) from FY20 | Percent of Increase (Decrease) |
|---------------------------------------|----------------------|------------------------|----------------------|-------------------------------------|--------------------------------------|
| Public Safety | \$ 12,055,532 | 24.35 % | \$ 12,410,312 | \$ (354,780) | 7.50 % |
| Public Works | 11,492,908 | 23.21 | 13,995,394 | (2,502,486) | 52.86 |
| Health & Social Services | 216,757 | 0.44 | 208,424 | 8,333 | (0.18) |
| Culture & Recreation | 7,092,995 | 14.33 | 7,030,973 | 62,022 | (1.31) |
| Community and Economic Development | 2,991,681 | 6.04 | 2,542,366 | 449,315 | (9.49) |
| General Government | 4,956,324 | 10.01 | 4,566,065 | 390,259 | (8.24) |
| Debt Service | 882,344 | 1.78 | 1,807,753 | (925,409) | 19.55 |
| Capital Projects | 9,822,160 | 19.84 | 11,684,006 | (1,861,846) | 39.32 |
| | <u>\$ 49,510,701</u> | <u>100.00 %</u> | <u>\$ 54,245,293</u> | <u>\$ (4,734,592)</u> | <u>100.00 %</u> |

The most significant increase in expenditures occurred in the Community & Economic Development function. This was due to the timing of planning projects, including the Resilience and visioning projects.

The most significant decrease in expenditures occurred in the Public Works and Capital Projects functions. This was due to several large projects in 2020.

**Governmental Expenditures
FY21**



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.

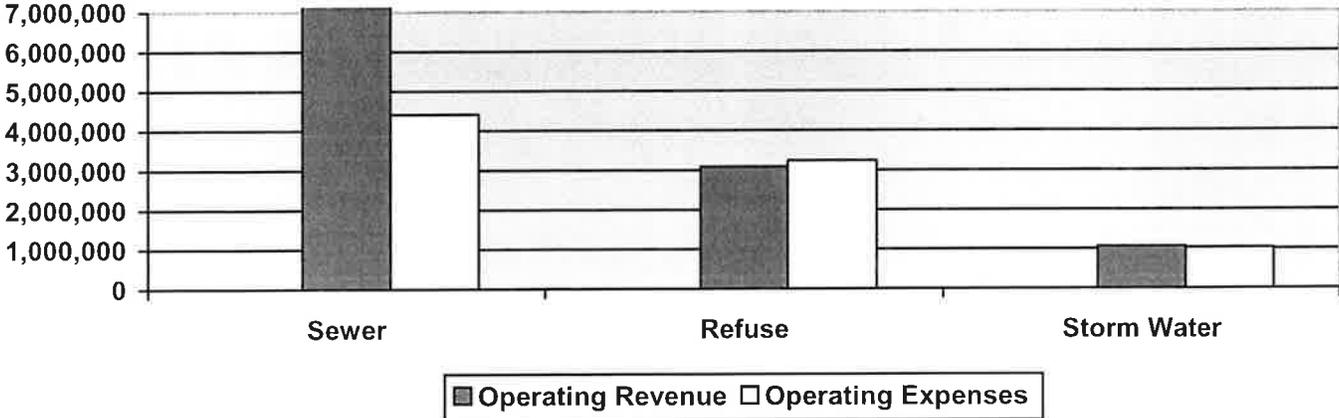
Net position of the Sewer, Refuse and Storm Water funds at the end of the year amounted to \$92,581,990. Net position in the Governmental Activities Internal Service funds was \$14,972,842.

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, 2021 and June 30, 2020 are as follows:

| | Sewer | | Refuse | | Storm Water | |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Operating Revenues | \$ 7,300,595 | \$ 6,903,473 | \$ 3,086,774 | \$ 2,915,458 | \$ 1,051,594 | \$ 1,093,448 |
| Operating Expenses | 4,412,434 | 4,505,664 | 3,235,095 | 3,134,596 | 1,025,140 | 1,008,231 |
| Non-Operating Rev (Exp) | (520,979) | (451,094) | (9,111) | 105,860 | (15,273) | 38,463 |
| Capital Contributions | 647,193 | 181,920 | - | - | 887,184 | 208,932 |
| Operating Transfers, net | 686,345 | 815,261 | 133,604 | (46,509) | 418,079 | (1,180,498) |
| Change in Net Position | 3,700,720 | 2,943,896 | (23,828) | (159,787) | 1,316,444 | (847,886) |

**Proprietary Fund Operating Revenues & Expenses
FY21**



BUDGETARY HIGHLIGHTS

Over the course of the year, the City Council revised the budget once in May 2021. 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, 2021, the City had approximately \$335 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 \$4.4 million or 1.3% over last year.

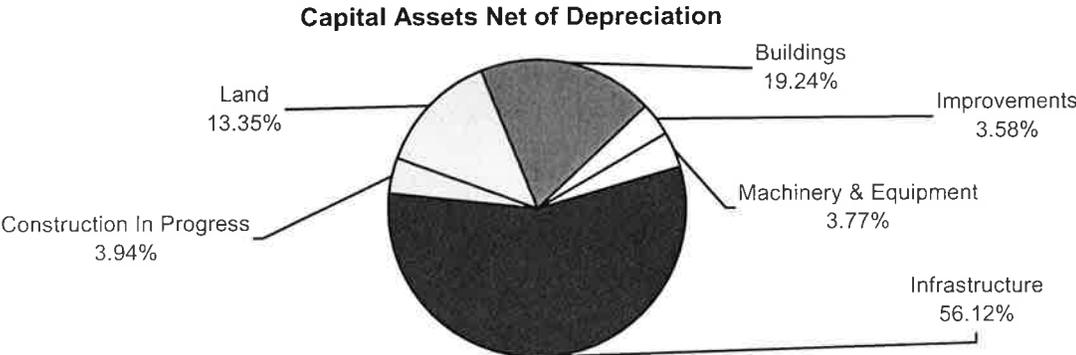
**City of Cedar Falls Capital Assets
(net of depreciation)**

| | Governmental activities | | Business-type activities | | Total | |
|-----------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Land | \$ 43,116,319 | \$ 43,116,319 | \$ 1,612,581 | \$ 1,612,581 | \$ 44,728,900 | \$ 44,728,900 |
| Buildings | 22,820,752 | 23,433,047 | 41,648,387 | 42,840,263 | 64,469,139 | 66,273,310 |
| Improvements other than buildings | 11,997,058 | 12,258,384 | - | - | 11,997,058 | 12,258,384 |
| Machinery and equipment | 7,515,175 | 7,334,003 | 5,119,109 | 5,334,460 | 12,634,284 | 12,668,463 |
| Infrastructure | 144,984,626 | 132,326,642 | 43,102,118 | 42,576,371 | 188,086,744 | 174,903,013 |
| Construction in progress | 12,137,611 | 19,176,657 | 1,073,757 | 700,907 | 13,211,368 | 19,877,564 |
| Total | \$ 242,571,541 | \$ 237,645,052 | \$ 92,555,952 | \$ 93,064,582 | \$ 335,127,493 | \$ 330,709,634 |

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

- Highway 58 Intersection
- Ridgeway Avenue Reconstruction
- Downtown Streetscape
- Cedar Heights Drive Reconstruction
- 12th Street Reconstruction

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 \$18,315,000 in outstanding debt compared to \$16,708,000 last year. That is an increase of \$1,607,000 or 9.6%.

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

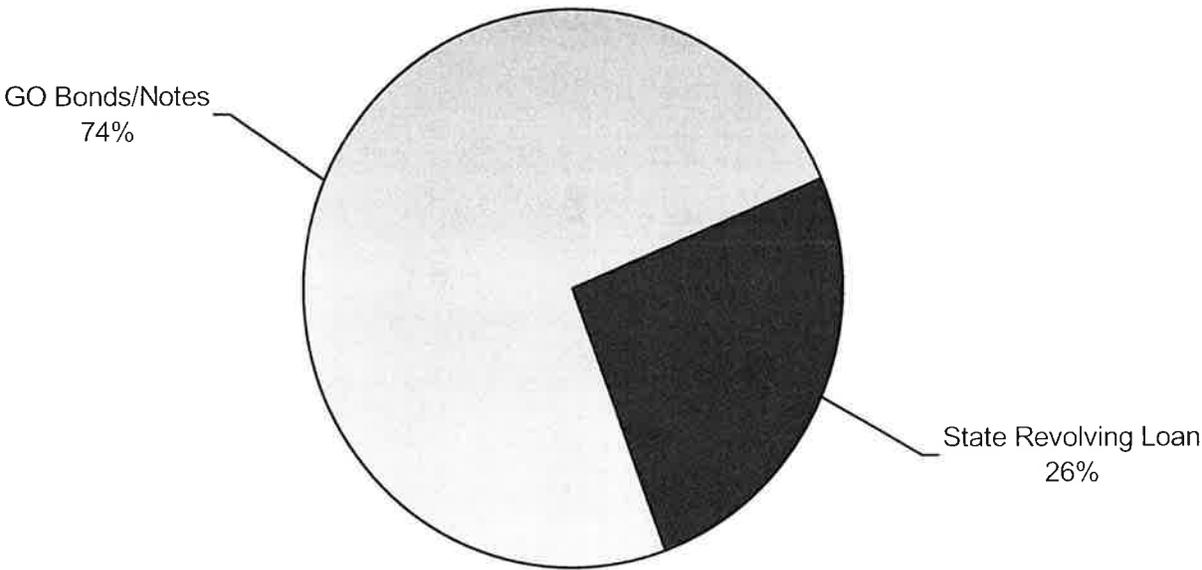
| | Governmental activities | | Business-type activities | | Total | |
|----------------------|-------------------------|---------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| General obligation | | | | | | |
| bonds/notes | \$ 6,865,000 | \$ 4,085,000 | \$ 6,730,000 | \$ 7,585,000 | \$ 13,595,000 | \$ 11,670,000 |
| State Revolving Loan | -- | -- | 4,720,000 | 5,038,000 | 4,720,000 | 5,038,000 |
| Total | \$ 6,865,000 | \$ 4,085,000 | \$ 11,450,000 | \$ 12,623,000 | \$ 18,315,000 | \$ 16,708,000 |

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

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, 2021, the City's legal debt margin was \$157,263,420.

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
FY21**



ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

COVID-19 has had a major operational impact on city operations. COVID relief funds, CARES Act funding, and American Rescue Act funding have helped with revenue reductions and future infrastructure improvements. 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 could greatly affect the City’s general operating fund.

Even with the State reductions, the City Council did establish a balanced budget in the General Fund for FY22. The tax levy rate per \$1,000 of taxable valuation for FY22 is provided below:

| | |
|---------------------------|------------|
| General levy | \$ 8.10 |
| Trust and Agency levy | 2.13 |
| Debt Service levy | .30 |
| Transit levy | .23 |
| Library levy | .27 |
| Liability Insurance levy | .06 |
| Emergency Management levy | .28 |
| Municipal Band levy | <u>.01</u> |
| Total levy | \$ 11.38 |

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, 2021

| | Primary Government | | |
|--|----------------------------|-----------------------------|-----------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| Cash | \$ 97,305,095 | \$ 22,094,023 | \$ 119,399,118 |
| Certificates of deposit | -- | -- | -- |
| Receivables, net of allowance for uncollectible amounts: | | | |
| Property taxes | 29,365,446 | -- | 29,365,446 |
| Other city taxes | 695,920 | -- | 695,920 |
| Accrued interest | 120,366 | 13,435 | 133,801 |
| Special assessments | 135,909 | -- | 135,909 |
| Customers | -- | -- | -- |
| Human & leisure services contributions | 5,451,530 | -- | 5,451,530 |
| Other | 1,513,763 | 1,740,803 | 3,254,566 |
| Due from component unit | 1,495,429 | -- | 1,495,429 |
| Internal balances | 9,820,000 | (9,820,000) | -- |
| Due from other governments | 845,478 | -- | 845,478 |
| Inventories | 668,289 | 128,143 | 796,432 |
| 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 | 21,077,715 | -- | 21,077,715 |
| Buildings | 36,936,789 | 56,337,385 | 93,274,174 |
| Machinery and equipment | 21,936,957 | 10,284,904 | 32,221,861 |
| Infrastructure | 268,834,004 | 67,317,517 | 336,151,521 |
| Construction in progress | 12,137,611 | 1,073,757 | 13,211,368 |
| Accumulated depreciation | <u>(161,467,854)</u> | <u>(44,070,192)</u> | <u>(205,538,046)</u> |
| Total assets | <u>\$ 389,988,766</u> | <u>\$ 106,712,356</u> | <u>\$ 496,701,122</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related deferred outflows | 6,847,790 | 450,945 | 7,298,735 |
| OPEB related deferred outflows | 1,413,700 | -- | 1,413,700 |
| Total deferred outflows of resources | <u>\$ 8,261,490</u> | <u>\$ 450,945</u> | <u>\$ 8,712,435</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 3,803,044 | \$ 367,773 | \$ 4,170,817 |
| Grant proceeds received in advance | 134,597 | -- | 134,597 |
| Accrued liabilities | 1,701,899 | 173,300 | 1,875,199 |
| Due to primary government | -- | -- | -- |
| Long-term liabilities: | | | |
| Portion due or payable within one year: | | | |
| Bonds payable | 870,000 | 1,203,000 | 2,073,000 |
| Compensated absences | 1,277,414 | 156,086 | 1,433,500 |
| Portion due or payable after one year: | | | |
| Bonds payable | 6,449,109 | 10,608,045 | 17,057,154 |
| Compensated absences | 1,388,287 | 224,685 | 1,612,972 |
| Net OPEB liability | 3,560,585 | -- | 3,560,585 |
| Net pension liability | <u>22,305,490</u> | <u>1,793,808</u> | <u>24,099,298</u> |
| Total liabilities | <u>\$ 41,490,425</u> | <u>\$ 14,526,697</u> | <u>\$ 56,017,122</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Succeeding year property taxes | \$ 29,123,669 | \$ -- | \$ 29,123,669 |
| TIF related deferred outflows | -- | -- | -- |
| OPEB related deferred inflows | -- | -- | -- |
| Pension related deferred inflows | 412,533 | 54,614 | 467,147 |
| Total deferred inflows of resources | <u>\$ 29,536,202</u> | <u>\$ 54,614</u> | <u>\$ 29,590,816</u> |
| NET POSITION | | | |
| Net investment in capital assets | \$ 235,252,432 | \$ 80,744,907 | \$ 315,997,339 |
| Restricted: | | | |
| Streets | 28,280,989 | -- | 28,280,989 |
| Debt service | 582,696 | -- | 582,696 |
| Employee retirement system | 6,477,025 | -- | 6,477,025 |
| TIF | 64,447 | -- | 64,447 |
| Other | 1,920,780 | 29,990 | 1,950,770 |
| Unrestricted | <u>54,645,260</u> | <u>11,807,093</u> | <u>66,452,353</u> |
| Total net position | <u>\$ 327,223,629</u> | <u>\$ 92,581,990</u> | <u>\$ 419,805,619</u> |

See notes to financial statements

| Component Units | | | |
|----------------------|---------------------|---------------------|------------------------|
| Electric Utility | Gas Utility | Water Utility | Communications Utility |
| \$ 28,077,023 | \$ 8,220,467 | \$ 4,928,678 | \$ 12,196,242 |
| 10,150,000 | 4,360,000 | 100,000 | 2,600,000 |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| 29,017 | 11,280 | 38 | 5,919 |
| -- | -- | -- | -- |
| 4,550,730 | 2,043,337 | 671,345 | 2,404,773 |
| -- | -- | -- | -- |
| 10,921,869 | 1,710,686 | 886,972 | 464,779 |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| 5,720,476 | 313,443 | 127,673 | 1,498,828 |
| 778,255 | 127,617 | 57,972 | 228,924 |
| -- | -- | -- | -- |
| 2,721,027 | 462,689 | 334,518 | 598,483 |
| 2,874,000 | 40,000 | 20,000 | 40,000 |
| -- | -- | -- | -- |
| 1,878,208 | 25,617 | 63,466 | 2,177 |
| 255,094 | -- | -- | -- |
| -- | -- | -- | -- |
| 42,162,262 | 4,291,890 | 2,744,137 | -- |
| 21,054,934 | 512,408 | 1,372,468 | 22,825,078 |
| 203,712,916 | 25,241,005 | 43,410,716 | 20,594,870 |
| 3,968,161 | 135,746 | 14,360 | 976,119 |
| <u>(106,006,918)</u> | <u>(15,072,931)</u> | <u>(13,835,525)</u> | <u>(19,592,363)</u> |
| \$ 232,847,054 | \$ 32,423,254 | \$ 40,896,818 | \$ 44,843,829 |
| 1,059,513 | 367,995 | 246,892 | 509,217 |
| 263,564 | 57,106 | 39,534 | 79,067 |
| \$ 1,323,077 | \$ 425,101 | \$ 286,426 | \$ 588,284 |
| \$ 2,664,735 | \$ 1,321,432 | \$ 798,674 | \$ 982,276 |
| -- | -- | -- | -- |
| 6,089,904 | 642,306 | 188,720 | 498,887 |
| 2,637,314 | -- | -- | -- |
| -- | -- | -- | -- |
| 2,760,000 | -- | -- | -- |
| -- | -- | -- | -- |
| 13,461,539 | -- | -- | -- |
| 749,279 | 162,344 | 112,392 | 224,784 |
| 1,012,843 | 200,660 | 149,630 | 299,436 |
| 6,084,396 | 2,090,749 | 1,439,658 | 2,926,363 |
| \$ 35,460,010 | \$ 4,417,491 | \$ 2,689,074 | \$ 4,931,746 |
| \$ -- | \$ -- | \$ -- | \$ -- |
| 10,580,830 | 137,524 | 882,310 | 96,990 |
| 34,111 | 7,734 | 5,135 | 10,075 |
| 227,359 | 78,128 | 53,797 | 109,350 |
| \$ 10,842,300 | \$ 223,386 | \$ 941,242 | \$ 216,415 |
| \$ 151,076,957 | \$ 15,133,735 | \$ 33,769,623 | \$ 24,805,880 |
| -- | -- | -- | -- |
| 4,014,976 | -- | -- | -- |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| 1,203,582 | 446,089 | 312,118 | 560,683 |
| 31,572,306 | 12,627,654 | 3,471,187 | 14,917,389 |
| \$ 187,867,821 | \$ 28,207,478 | \$ 37,552,928 | \$ 40,283,952 |

City of Cedar Falls, Iowa
Statement of Activities
For the Year Ended June 30, 2021

| Functions/Programs | Expenses | Program Revenues | | |
|---|----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government: | | | | |
| Governmental activities: | | | | |
| Public safety | \$ 14,443,799 | \$ 516,198 | \$ 1,058,438 | \$ -- |
| Public works | 15,089,189 | 105,769 | -- | 2,118,372 |
| Health and social services | 352,735 | -- | -- | -- |
| Culture and recreation | 8,227,093 | 1,176,045 | -- | 1,062,622 |
| Community and economic development | 4,741,335 | -- | 1,954,031 | -- |
| General government | 5,410,951 | 2,093,041 | -- | -- |
| Interest on long-term debt and related fees | 174,868 | -- | -- | -- |
| Total governmental activities | <u>\$ 48,439,970</u> | <u>\$ 3,891,053</u> | <u>\$ 3,012,469</u> | <u>\$ 3,180,994</u> |
| Business-type activities: | | | | |
| Sewer | \$ 5,001,085 | \$ 7,300,595 | \$ -- | \$ 647,193 |
| Refuse | 3,235,095 | 3,086,774 | -- | -- |
| Storm Water | 1,050,855 | 1,051,594 | -- | 887,184 |
| Total business-type activities | <u>\$ 9,287,035</u> | <u>\$ 11,438,963</u> | <u>\$ --</u> | <u>\$ 1,534,377</u> |
| Total primary government | <u>\$ 57,727,005</u> | <u>\$ 15,330,016</u> | <u>\$ 3,012,469</u> | <u>\$ 4,715,371</u> |
| Component units | | | | |
| Electric Utility | \$ 42,753,258 | \$ 45,181,444 | \$ -- | \$ 825,199 |
| Gas Utility | 11,572,511 | 11,957,715 | -- | 2,048 |
| Water Utility | 4,347,039 | 5,251,783 | -- | 748,137 |
| Communications Utility | 17,539,265 | 22,001,258 | -- | 1,073 |
| Total component units | <u>\$ 76,212,073</u> | <u>\$ 84,392,200</u> | <u>\$ --</u> | <u>\$ 1,576,457</u> |

General revenues:

Property taxes and assessments

Local option sales tax

Hotel/motel taxes

Other city taxes

Use of money and property

Intergovernmental, not restricted to specific programs

Gain/Loss on sale of assets

Miscellaneous

Utility contribution in lieu of taxes

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

Net (Expense) Revenue and Changes in Net Position

| Primary Government | | | Component Units | | | |
|-------------------------|--------------------------|------------------------|-----------------------|----------------------|----------------------|------------------------|
| Governmental Activities | Business-type Activities | Total | Electric Utility | Gas Utility | Water Utility | Communications Utility |
| \$ (12,869,163) | \$ -- | \$ (12,869,163) | \$ -- | \$ -- | \$ -- | \$ -- |
| (12,865,048) | -- | (12,865,048) | -- | -- | -- | -- |
| (352,735) | -- | (352,735) | -- | -- | -- | -- |
| (5,988,426) | -- | (5,988,426) | -- | -- | -- | -- |
| (2,787,304) | -- | (2,787,304) | -- | -- | -- | -- |
| (3,317,910) | -- | (3,317,910) | -- | -- | -- | -- |
| (174,868) | -- | (174,868) | -- | -- | -- | -- |
| <u>\$ (38,355,454)</u> | <u>\$ --</u> | <u>\$ (38,355,454)</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |
| \$ -- | \$ 2,946,703 | \$ 2,946,703 | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | (148,321) | (148,321) | -- | -- | -- | -- |
| -- | 887,923 | 887,923 | -- | -- | -- | -- |
| <u>\$ --</u> | <u>\$ 3,686,305</u> | <u>\$ 3,686,305</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |
| <u>\$ (38,355,454)</u> | <u>\$ 3,686,305</u> | <u>\$ (34,669,149)</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |
| \$ -- | \$ -- | \$ -- | \$ 3,253,385 | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | 387,252 | -- | -- |
| -- | -- | -- | -- | -- | 1,652,881 | -- |
| -- | -- | -- | -- | -- | -- | 4,463,066 |
| <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 3,253,385</u> | <u>\$ 387,252</u> | <u>\$ 1,652,881</u> | <u>\$ 4,463,066</u> |
| \$ 26,903,746 | \$ -- | \$ 26,903,746 | \$ -- | \$ -- | \$ -- | \$ -- |
| 6,043,520 | -- | 6,043,520 | -- | -- | -- | -- |
| 776,474 | -- | 776,474 | -- | -- | -- | -- |
| 135,032 | -- | 135,032 | -- | -- | -- | -- |
| 1,314,163 | 106,682 | 1,420,845 | 332,529 | 95,008 | 26,335 | 56,776 |
| 7,284,160 | -- | 7,284,160 | -- | -- | -- | -- |
| 35,225 | (37,679) | (2,454) | -- | -- | -- | -- |
| 1,997,826 | -- | 1,997,826 | -- | -- | -- | -- |
| 2,651,632 | -- | 2,651,632 | -- | -- | -- | -- |
| (1,238,028) | 1,238,028 | -- | -- | -- | -- | -- |
| <u>\$ 45,903,750</u> | <u>\$ 1,307,031</u> | <u>\$ 47,210,781</u> | <u>\$ 332,529</u> | <u>\$ 95,008</u> | <u>\$ 26,335</u> | <u>\$ 56,776</u> |
| \$ 7,548,296 | \$ 4,993,336 | \$ 12,541,632 | \$ 3,585,914 | \$ 482,260 | \$ 1,679,216 | \$ 4,519,842 |
| 319,675,333 | 87,588,654 | 407,263,987 | 184,281,907 | 27,725,218 | 35,873,712 | 35,764,110 |
| <u>\$ 327,223,629</u> | <u>\$ 92,581,990</u> | <u>\$ 419,805,619</u> | <u>\$ 187,867,821</u> | <u>\$ 28,207,478</u> | <u>\$ 37,552,928</u> | <u>\$ 40,283,952</u> |

City of Cedar Falls, Iowa
Balance Sheet
Governmental Funds
June 30, 2021

| | Special Revenue | | | | |
|--|----------------------|----------------------|---------------------|--------------------------------|--------------------------|
| | General Fund | Hospital Fund | TIF Fund | Street Construction Fund | Street Repair Fund |
| ASSETS | | | | | |
| Cash | \$ 11,469,805 | \$ 11,338,345 | \$ -- | \$ 9,984,054 | \$ 18,251,006 |
| Receivables, net of allowance for uncollectible amounts: | | | | | |
| Property taxes | 20,293,189 | -- | 6,692,539 | -- | -- |
| Other city taxes | 117,384 | -- | -- | -- | 461,152 |
| Accrued interest | 16,941 | 47,354 | -- | -- | 12,187 |
| Special assessments | -- | -- | -- | -- | -- |
| Human & leisure services contributions | 5,451,530 | -- | -- | -- | -- |
| Other | 254,434 | 662,676 | -- | -- | 182,337 |
| Due from component unit | 1,495,429 | -- | -- | -- | -- |
| Due from other funds | -- | -- | -- | -- | -- |
| Advance to other funds | -- | 7,455,000 | -- | -- | -- |
| Due from other governments | 6,592 | -- | -- | 614,544 | -- |
| Inventories | 122,733 | -- | -- | 447,041 | -- |
| Total assets | <u>\$ 39,228,037</u> | <u>\$ 19,503,375</u> | <u>\$ 6,692,539</u> | <u>\$ 11,045,639</u> | <u>\$ 18,906,682</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts payable | \$ 538,344 | \$ 20,297 | \$ -- | \$ 90,131 | \$ 1,376,526 |
| Grant proceeds received in advance | -- | -- | -- | -- | -- |
| Accrued liabilities | 958,475 | -- | -- | 75,912 | -- |
| Due to other funds | -- | -- | -- | -- | -- |
| Total liabilities | <u>\$ 1,496,819</u> | <u>\$ 20,297</u> | <u>\$ --</u> | <u>\$ 166,043</u> | <u>\$ 1,376,526</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Succeeding year property taxes | \$ 20,132,791 | \$ -- | \$ 6,628,092 | \$ -- | \$ -- |
| Amounts held in community foundation | 5,451,530 | -- | -- | -- | -- |
| Amount due at end of lease | -- | 653,357 | -- | -- | -- |
| Other | 53,765 | -- | -- | -- | -- |
| Total deferred inflows of resources | <u>\$ 25,638,086</u> | <u>\$ 653,357</u> | <u>\$ 6,628,092</u> | <u>\$ --</u> | <u>\$ --</u> |
| FUND BALANCES | | | | | |
| Nonspendable | \$ 122,733 | \$ -- | \$ -- | \$ 447,041 | \$ -- |
| Restricted | -- | -- | 64,447 | 10,432,555 | 17,530,156 |
| Committed | -- | 18,829,721 | -- | -- | -- |
| Assigned | 2,803,774 | -- | -- | -- | -- |
| Unassigned | 9,166,625 | -- | -- | -- | -- |
| Total fund balances | <u>\$ 12,093,132</u> | <u>\$ 18,829,721</u> | <u>\$ 64,447</u> | <u>\$ 10,879,596</u> | <u>\$ 17,530,156</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 39,228,037</u> | <u>\$ 19,503,375</u> | <u>\$ 6,692,539</u> | <u>\$ 11,045,639</u> | <u>\$ 18,906,682</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 | | |
| \$ 577,492 | \$ 10,494,114 | \$ -- | \$ 21,124,475 | \$ 83,239,291 |
| 666,973 | -- | -- | 1,712,745 | 29,365,446 |
| -- | -- | -- | 117,384 | 695,920 |
| -- | 15,973 | -- | 17,405 | 109,860 |
| -- | 91,467 | -- | 44,442 | 135,909 |
| -- | -- | -- | -- | 5,451,530 |
| -- | 45,448 | 259,073 | 8,091 | 1,412,059 |
| -- | -- | -- | -- | 1,495,429 |
| -- | 15,857,051 | -- | 19,842 | 15,876,893 |
| -- | 2,365,000 | -- | -- | 9,820,000 |
| -- | -- | 9,243 | 215,099 | 845,478 |
| -- | -- | -- | 42,070 | 611,844 |
| <u>\$ 1,244,465</u> | <u>\$ 28,869,053</u> | <u>\$ 268,316</u> | <u>\$ 23,301,553</u> | <u>\$ 149,059,659</u> |
| \$ -- | \$ 360,389 | \$ 521,626 | \$ 202,033 | \$ 3,109,346 |
| -- | -- | 93,166 | 41,431 | 134,597 |
| -- | -- | -- | 22,344 | 1,056,731 |
| -- | -- | 15,857,051 | 19,842 | 15,876,893 |
| <u>\$ --</u> | <u>\$ 360,389</u> | <u>\$ 16,471,843</u> | <u>\$ 285,650</u> | <u>\$ 20,177,567</u> |
| \$ 661,769 | \$ -- | \$ -- | \$ 1,701,017 | \$ 29,123,669 |
| -- | -- | -- | -- | 5,451,530 |
| -- | -- | -- | -- | 653,357 |
| -- | 90,969 | 9,243 | 183,622 | 337,599 |
| <u>\$ 661,769</u> | <u>\$ 90,969</u> | <u>\$ 9,243</u> | <u>\$ 1,884,639</u> | <u>\$ 35,566,155</u> |
| \$ -- | \$ -- | \$ -- | \$ 42,070 | \$ 611,844 |
| 582,696 | -- | -- | 8,344,756 | 36,954,610 |
| -- | -- | -- | 624,402 | 19,454,123 |
| -- | 28,417,695 | -- | 12,138,918 | 43,360,387 |
| -- | -- | (16,212,770) | (18,882) | (7,065,027) |
| <u>\$ 582,696</u> | <u>\$ 28,417,695</u> | <u>\$ (16,212,770)</u> | <u>\$ 21,131,264</u> | <u>\$ 93,315,937</u> |
| <u>\$ 1,244,465</u> | <u>\$ 28,869,053</u> | <u>\$ 268,316</u> | <u>\$ 23,301,553</u> | |
| | | | | 240,055,600 |
| | | | | 6,442,486 |
| | | | | 14,972,842 |
| | | | | (16,008) |
| | | | | (27,913,484) |
| | | | | (7,319,109) |
| | | | | 8,082,471 |
| | | | | <u>(397,106)</u> |
| | | | | <u>\$ 327,223,629</u> |

City of Cedar Falls, Iowa
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

| | General Fund | Special Revenue | | |
|--|-----------------------|----------------------|-----------------------|--------------------------------|
| | | Hospital Fund | TIF Fund | Street Construction Fund |
| Revenues: | | | | |
| Property taxes and assessments | \$ 20,617,337 | \$ -- | \$ 3,979,093 | \$ -- |
| Other city taxes | 520,114 | -- | -- | -- |
| Licenses and permits | 1,530,582 | -- | -- | -- |
| Use of money and property | 129,962 | 532,078 | -- | -- |
| Intergovernmental | 2,472,325 | -- | 58,563 | 5,833,665 |
| Charges for services | 2,130,864 | -- | -- | -- |
| Fines and forfeitures | 111,968 | -- | -- | -- |
| Miscellaneous | 122,246 | -- | -- | 35,424 |
| Utility contribution in lieu of taxes | 1,131,632 | -- | -- | -- |
| Total revenues | \$ 28,767,030 | \$ 532,078 | \$ 4,037,656 | \$ 5,869,089 |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | \$ 10,418,960 | \$ -- | \$ -- | \$ -- |
| Public works | 1,403,170 | -- | -- | 4,095,196 |
| Health and social services | 13,000 | 203,757 | -- | -- |
| Culture and recreation | 6,485,595 | -- | -- | -- |
| Community and economic development | 1,183,244 | -- | -- | -- |
| General government | 4,956,324 | -- | -- | -- |
| Debt service | -- | -- | -- | -- |
| Capital projects | -- | -- | -- | -- |
| Total expenditures | \$ 24,460,293 | \$ 203,757 | \$ -- | \$ 4,095,196 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 4,306,737 | \$ 328,321 | \$ 4,037,656 | \$ 1,773,893 |
| Other financing sources (uses): | | | | |
| Transfers: | | | | |
| Transfers in | \$ 619,217 | \$ -- | \$ -- | \$ 203,081 |
| Transfers out | (5,425,610) | -- | (4,039,839) | (704,473) |
| Proceeds from long-term debt | -- | -- | -- | -- |
| Premium on long-term debt | -- | -- | -- | -- |
| Total other financing sources (uses) | \$ (4,806,393) | \$ -- | \$ (4,039,839) | \$ (501,392) |
| Net change in fund balances | \$ (499,656) | \$ 328,321 | \$ (2,183) | \$ 1,272,501 |
| Fund balances, beginning | 12,592,933 | 18,501,400 | 66,630 | 9,570,135 |
| Increase (decrease) in reserve for inventories | (145) | -- | -- | 36,960 |
| Fund balances, ending | \$ 12,093,132 | \$ 18,829,721 | \$ 64,447 | \$ 10,879,596 |

See notes to financial statements

| Street Repair Fund | Debt Service Fund | Capital Projects | | Other Governmental Funds | Total Governmental Funds |
|--------------------------|-------------------------|-------------------------|------------------------|--------------------------------|--------------------------------|
| | | Capital Improvements | Bond Fund | | |
| \$ -- | \$ 666,426 | \$ 498 | \$ -- | \$ 1,644,477 | \$ 26,907,831 |
| 6,043,520 | 3,155 | -- | -- | 388,237 | 6,955,026 |
| -- | -- | -- | -- | -- | 1,530,582 |
| 116,250 | -- | 287,637 | -- | 248,236 | 1,314,163 |
| -- | 17,625 | 8,618 | 390,235 | 1,824,352 | 10,605,383 |
| -- | -- | -- | -- | 19,594 | 2,150,458 |
| -- | -- | -- | -- | 97,708 | 209,676 |
| 718,164 | -- | 54,579 | 1,001,631 | 61,986 | 1,994,030 |
| -- | -- | 1,490,000 | 30,000 | -- | 2,651,632 |
| <u>\$ 6,877,934</u> | <u>\$ 687,206</u> | <u>\$ 1,841,332</u> | <u>\$ 1,421,866</u> | <u>\$ 4,284,590</u> | <u>\$ 54,318,781</u> |
| \$ -- | \$ -- | \$ -- | \$ -- | \$ 1,636,572 | \$ 12,055,532 |
| 5,713,715 | -- | -- | -- | 280,827 | 11,492,908 |
| -- | -- | -- | -- | -- | 216,757 |
| -- | -- | -- | -- | 607,400 | 7,092,995 |
| -- | -- | -- | -- | 1,808,437 | 2,991,681 |
| -- | -- | -- | -- | -- | 4,956,324 |
| -- | 853,222 | -- | 29,122 | -- | 882,344 |
| -- | -- | 196,283 | 7,578,489 | 2,047,388 | 9,822,160 |
| <u>\$ 5,713,715</u> | <u>\$ 853,222</u> | <u>\$ 196,283</u> | <u>\$ 7,607,611</u> | <u>\$ 6,380,624</u> | <u>\$ 49,510,701</u> |
| <u>\$ 1,164,219</u> | <u>\$ (166,016)</u> | <u>\$ 1,645,049</u> | <u>\$ (6,185,745)</u> | <u>\$ (2,096,034)</u> | <u>\$ 4,808,080</u> |
| \$ 849,734 | \$ 100,890 | \$ 2,763,311 | \$ 2,082,061 | \$ 3,844,707 | \$ 10,463,001 |
| (873,659) | -- | (21,754) | (603,202) | (54,869) | (11,723,406) |
| -- | -- | -- | 3,430,000 | -- | 3,430,000 |
| -- | -- | -- | 219,957 | -- | 219,957 |
| <u>\$ (23,925)</u> | <u>\$ 100,890</u> | <u>\$ 2,741,557</u> | <u>\$ 5,128,816</u> | <u>\$ 3,789,838</u> | <u>\$ 2,389,552</u> |
| \$ 1,140,294 | \$ (65,126) | \$ 4,386,606 | \$ (1,056,929) | \$ 1,693,804 | \$ 7,197,632 |
| 16,389,862 | 647,822 | 24,031,089 | (15,155,841) | 19,437,340 | 86,081,370 |
| -- | -- | -- | -- | 120 | 36,935 |
| <u>\$ 17,530,156</u> | <u>\$ 582,696</u> | <u>\$ 28,417,695</u> | <u>\$ (16,212,770)</u> | <u>\$ 21,131,264</u> | <u>\$ 93,315,937</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, 2021

| | | |
|---|---------------------|-------------------------|
| Net change in fund balances - total governmental funds | \$ | 7,197,632 |
| <p>Amounts reported for governmental activities in the statement of activities are different because:</p> | | |
| <p>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:</p> | | |
| Net acquisition of capital assets | 15,080,277 | |
| Depreciation expense | <u>(10,203,264)</u> | 4,877,013 |
| <p>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:</p> | | |
| Property tax | (8,033) | |
| Other | <u>1,049,390</u> | 1,041,357 |
| <p>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:</p> | | |
| Proceeds | (3,430,000) | |
| Premium on general obligation bonds | (158,485) | |
| Repaid | 650,000 | |
| Accrued interest | <u>(3,996)</u> | (2,942,481) |
| <p>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:</p> | | |
| Compensated absences | 76,373 | |
| Other postemployment benefits | (270,281) | |
| Pension expense | (1,663,904) | |
| Change in inventory | <u>36,935</u> | (1,820,877) |
| <p>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.</p> | | |
| | | <u>(804,348)</u> |
| Change in net position of governmental activities | \$ | <u><u>7,548,296</u></u> |

See notes to financial statements

City of Cedar Falls, Iowa
Statement of Net Position
Proprietary Funds
June 30, 2021

| | Business-type Activities - Enterprise Fund | |
|---|---|---------------|
| | Sewer Fund | Refuse Fund |
| ASSETS | | |
| Current assets: | | |
| Cash | \$ 14,048,792 | \$ 5,321,251 |
| Receivables, net of allowance for uncollectible amounts: | | |
| Accrued interest | 8,340 | 3,589 |
| Other | 1,281,201 | 417,575 |
| Inventories | 92,906 | 35,237 |
| Total current assets | \$ 15,431,239 | \$ 5,777,652 |
| Noncurrent assets: | | |
| Capital assets: | | |
| Land | \$ 779,878 | \$ 204,845 |
| Buildings | 43,387,182 | 12,950,203 |
| Machinery and equipment | 6,271,811 | 4,013,093 |
| Infrastructure | 44,349,883 | -- |
| Construction in progress | 316,196 | -- |
| Accumulated depreciation | (29,469,936) | (5,695,367) |
| Total noncurrent assets | \$ 65,635,014 | \$ 11,472,774 |
| Total assets | \$ 81,066,253 | \$ 17,250,426 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension related deferred outflows | \$ 196,024 | \$ 192,815 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | \$ 258,810 | \$ 66,169 |
| Accrued liabilities | 93,568 | 66,099 |
| Bonds payable - due within one year | 1,118,000 | -- |
| Compensated absences - due within one year | 82,406 | 60,481 |
| Total current liabilities | \$ 1,552,784 | \$ 192,749 |
| Noncurrent liabilities: | | |
| Bonds payable- after one year | \$ 9,931,883 | \$ -- |
| Advance from other funds | 9,820,000 | -- |
| Compensated absences - after one year | 41,584 | 142,548 |
| Net pension liability | 809,084 | 778,351 |
| Total noncurrent liabilities | \$ 20,602,551 | \$ 920,899 |
| Total liabilities | \$ 22,155,335 | \$ 1,113,648 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension related deferred inflows | \$ 25,188 | \$ 21,257 |
| NET POSITION | | |
| Net investment in capital assets | \$ 54,585,131 | \$ 11,472,774 |
| Restricted for post closure costs | -- | 29,990 |
| Unrestricted | 4,496,623 | 4,805,572 |
| Total net position | \$ 59,081,754 | \$ 16,308,336 |

See notes to financial statements

| Business-type Activities - Enterprise Fund | | Governmental Activities - Internal Service Funds |
|---|-----------------------|---|
| Storm Water Fund | Total | |
| \$ 2,723,980 | \$ 22,094,023 | \$ 14,065,804 |
| 1,506 | 13,435 | 10,506 |
| 42,027 | 1,740,803 | 101,704 |
| -- | 128,143 | 56,445 |
| <u>\$ 2,767,513</u> | <u>\$ 23,976,404</u> | <u>\$ 14,234,459</u> |
| \$ 627,858 | \$ 1,612,581 | \$ -- |
| -- | 56,337,385 | 90,302 |
| -- | 10,284,904 | 8,009,683 |
| 22,967,634 | 67,317,517 | -- |
| 757,561 | 1,073,757 | -- |
| (8,904,889) | (44,070,192) | (5,584,044) |
| <u>\$ 15,448,164</u> | <u>\$ 92,555,952</u> | <u>\$ 2,515,941</u> |
| <u>\$ 18,215,677</u> | <u>\$ 116,532,356</u> | <u>\$ 16,750,400</u> |
| \$ 62,106 | \$ 450,945 | \$ 179,019 |
| \$ 42,794 | \$ 367,773 | \$ 693,698 |
| 13,633 | 173,300 | 629,160 |
| 85,000 | 1,203,000 | -- |
| 13,199 | 156,086 | 41,351 |
| <u>\$ 154,626</u> | <u>\$ 1,900,159</u> | <u>\$ 1,364,209</u> |
| \$ 676,162 | \$ 10,608,045 | \$ -- |
| -- | 9,820,000 | -- |
| 40,553 | 224,685 | 14,264 |
| 206,373 | 1,793,808 | 562,677 |
| <u>\$ 923,088</u> | <u>\$ 22,446,538</u> | <u>\$ 576,941</u> |
| <u>\$ 1,077,714</u> | <u>\$ 24,346,697</u> | <u>\$ 1,941,150</u> |
| \$ 8,169 | \$ 54,614 | \$ 15,427 |
| \$ 14,687,002 | \$ 80,744,907 | \$ 2,515,941 |
| -- | 29,990 | -- |
| 2,504,898 | 11,807,093 | 12,456,901 |
| <u>\$ 17,191,900</u> | <u>\$ 92,581,990</u> | <u>\$ 14,972,842</u> |

City of Cedar Falls, Iowa
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

| | Business-type Activities - Enterprise Funds | |
|---|--|----------------------|
| | Sewer Fund | Refuse Fund |
| Operating revenues: | | |
| Charges for services | \$ 7,288,355 | \$ 2,865,087 |
| Other | 12,240 | 221,687 |
| Total operating revenues | <u>\$ 7,300,595</u> | <u>\$ 3,086,774</u> |
| Operating expenses: | | |
| Personal services | \$ 1,267,167 | \$ 1,335,626 |
| Contractual services | 976,380 | 1,292,711 |
| Supplies and equipment | 300,072 | 69,075 |
| Depreciation | 1,868,815 | 537,683 |
| Total operating expenses | <u>\$ 4,412,434</u> | <u>\$ 3,235,095</u> |
| Operating income(loss) | <u>\$ 2,888,161</u> | <u>\$ (148,321)</u> |
| Nonoperating revenues (expenses): | | |
| Interest revenue | \$ 66,797 | \$ 29,443 |
| Interest expense | (588,651) | -- |
| Gain (loss) on disposal of equipment | 875 | (38,554) |
| Nonoperating revenues (expenses),net | <u>\$ (520,979)</u> | <u>\$ (9,111)</u> |
| Income(loss) before contributions and transfers | <u>\$ 2,367,182</u> | <u>\$ (157,432)</u> |
| Capital contributions | \$ 647,193 | \$ -- |
| Transfers in | 1,500,000 | 291,360 |
| Transfers out | (813,655) | (157,756) |
| Contributions and transfers, net | <u>\$ 1,333,538</u> | <u>\$ 133,604</u> |
| Change in net position | <u>\$ 3,700,720</u> | <u>\$ (23,828)</u> |
| Net position, beginning | 55,381,034 | 16,332,164 |
| Net position, ending | <u>\$ 59,081,754</u> | <u>\$ 16,308,336</u> |

See notes to financial statements

| Business-type Activities - Enterprise Funds | | Governmental Activities- Internal Service Funds |
|--|----------------------|--|
| Storm Water Fund | Total | |
| \$ 1,051,594 | \$ 11,205,036 | \$ 8,013,230 |
| -- | 233,927 | 277,404 |
| <u>\$ 1,051,594</u> | <u>\$ 11,438,963</u> | <u>\$ 8,290,634</u> |
| \$ 277,635 | \$ 2,880,428 | \$ 1,395,368 |
| 109,235 | 2,378,326 | 6,308,163 |
| 27,797 | 396,944 | 1,127,707 |
| 610,473 | 3,016,971 | 426,107 |
| <u>\$ 1,025,140</u> | <u>\$ 8,672,669</u> | <u>\$ 9,257,345</u> |
| <u>\$ 26,454</u> | <u>\$ 2,766,294</u> | <u>\$ (966,711)</u> |
| \$ 10,442 | \$ 106,682 | \$ 90,704 |
| (25,715) | (614,366) | -- |
| -- | (37,679) | 49,282 |
| <u>\$ (15,273)</u> | <u>\$ (545,363)</u> | <u>\$ 139,986</u> |
| <u>\$ 11,181</u> | <u>\$ 2,220,931</u> | <u>\$ (826,725)</u> |
| \$ 887,184 | \$ 1,534,377 | \$ -- |
| 791,163 | 2,582,523 | 30,075 |
| (373,084) | (1,344,495) | (7,698) |
| <u>\$ 1,305,263</u> | <u>\$ 2,772,405</u> | <u>\$ 22,377</u> |
| \$ 1,316,444 | \$ 4,993,336 | \$ (804,348) |
| 15,875,456 | 87,588,654 | 15,777,190 |
| <u>\$ 17,191,900</u> | <u>\$ 92,581,990</u> | <u>\$ 14,972,842</u> |

City of Cedar Falls, Iowa
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

| | Business-type Activities - Enterprise Funds <u>Sewer Fund</u> |
|---|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from customers and users | \$ 7,164,971 |
| Receipts from interfund services | -- |
| Payments to suppliers | (1,107,459) |
| Payments to employees | (1,240,683) |
| Net cash provided by operating activities | <u>\$ 4,816,829</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Transfers from other funds | \$ 1,500,000 |
| Transfers to other funds | (813,655) |
| Net cash provided by (used for) noncapital financing activities | <u>\$ 686,345</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Net acquisition of property and equipment | \$ (938,581) |
| Capital contributions | 647,193 |
| Principal paid on debt maturities | (1,093,000) |
| Payments on advance from other funds | (855,000) |
| Interest paid | (645,985) |
| Net cash (used for) capital and related financing activities | <u>\$ (2,885,373)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest received on investments | \$ 124,974 |
| Net increase (decrease) in cash | <u>\$ 2,742,775</u> |
| CASH BALANCES, Beginning | <u>11,306,017</u> |
| CASH BALANCES, Ending | <u>\$ 14,048,792</u> |
| Reconciliation of operating income to net cash provided by operating activities: | |
| Operating income (loss) | \$ 2,888,161 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Depreciation | 1,868,815 |
| (Increase) decrease in: | |
| Customer and other receivables | (123,157) |
| Inventories | (13,878) |
| Increase (decrease) in accounts payable, accrued and other liabilities | 315,554 |
| (Increase) decrease in deferred outflows of resources | (36,955) |
| Increase (decrease) in deferred inflows of resources | (81,711) |
| Net cash provided by operating activities | <u>\$ 4,816,829</u> |

See notes to financial statements

| Business-type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|--|---------------------|-----------------------|---|
| Refuse Fund | Storm Water Fund | Total | |
| \$ 2,854,976 | \$ 1,054,249 | \$ 11,074,196 | \$ -- |
| -- | -- | -- | 8,095,613 |
| (1,157,371) | (226,538) | (2,491,368) | (7,143,480) |
| (1,309,800) | (265,718) | (2,816,201) | (1,584,076) |
| <u>\$ 387,805</u> | <u>\$ 561,993</u> | <u>\$ 5,766,627</u> | <u>\$ (631,943)</u> |
| \$ 291,360 | \$ 791,163 | \$ 2,582,523 | \$ 30,075 |
| (157,756) | (373,084) | (1,344,495) | (7,698) |
| <u>\$ 133,604</u> | <u>\$ 418,079</u> | <u>\$ 1,238,028</u> | <u>\$ 22,377</u> |
| \$ (160,968) | \$ (1,446,471) | \$ (2,546,020) | \$ (426,305) |
| -- | 887,184 | 1,534,377 | -- |
| -- | (80,000) | (1,173,000) | -- |
| -- | -- | (855,000) | -- |
| -- | (35,500) | (681,485) | -- |
| <u>\$ (160,968)</u> | <u>\$ (674,787)</u> | <u>\$ (3,721,128)</u> | <u>\$ (426,305)</u> |
| \$ 58,278 | \$ 21,110 | \$ 204,362 | \$ 175,688 |
| \$ 418,719 | \$ 326,395 | \$ 3,487,889 | \$ (860,183) |
| 4,902,532 | 2,397,585 | 18,606,134 | 14,925,987 |
| <u>\$ 5,321,251</u> | <u>\$ 2,723,980</u> | <u>\$ 22,094,023</u> | <u>\$ 14,065,804</u> |
| \$ (148,321) | \$ 26,454 | \$ 2,766,294 | \$ (966,711) |
| 537,683 | 610,473 | 3,016,971 | 426,107 |
| (19,635) | 2,654 | (140,138) | (6,915) |
| (8,704) | -- | (22,582) | (21,677) |
| 153,279 | (51,876) | 416,957 | 40,671 |
| (33,870) | (18,432) | (89,257) | (56,733) |
| (92,627) | (7,280) | (181,618) | (46,685) |
| <u>\$ 387,805</u> | <u>\$ 561,993</u> | <u>\$ 5,766,627</u> | <u>\$ (631,943)</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 the 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, 2021, were certified with the County during the preceding fiscal year and were due in two equal installments by September 30, 2020 and March 31, 2021. 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 2020-2021 tax levy remitted to the City within sixty days subsequent to June 30, 2021, are recorded as property tax revenues. Taxes not collected and remitted to the City within sixty days subsequent to June 30, 2021, 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. 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 expense 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.

4. Restricted Assets

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

5. 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 |

6. Deferred Outflows of Resources

Deferred Outflows of Resources represent a consumption of net position 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.

7. 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, 2021.

8. 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.

9. 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.

10. 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.

11. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position 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, 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.

12. 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 positive unassigned fund balance amount.

As of June 30, 2021, fund balances are composed of the following:

| <u>Fund Balance Classification</u> | <u>Purpose</u> | <u>Fund</u> | <u>Amount</u> |
|------------------------------------|-----------------------------|------------------------------|----------------------|
| Nonspendable | Inventory | General | \$ 122,733 |
| | Inventory | Street Construction | 447,041 |
| | Inventory | Non-major Governmental Funds | 42,070 |
| | | | <u>\$ 611,844</u> |
| Restricted | TIF Debt | TIF | \$ 64,447 |
| | Street Construction | Street Construction | 10,432,555 |
| | Street Repair | Street Repair | 17,530,156 |
| | Debt Service | Debt Service | 582,696 |
| | Community Block Grant | Non-major Governmental Funds | 47,399 |
| | Housing Assistance | Non-major Governmental Funds | 618,296 |
| | Employee Retirement Systems | Non-major Governmental Funds | 6,477,025 |
| | Visitors & Tourism | Non-major Governmental Funds | 738,858 |
| | Cemetery Perpetual Care | Non-major Governmental Funds | 463,178 |
| | | <u>\$ 36,954,610</u> | |
| Committed | Health Services | Hospital | \$ 18,829,721 |
| | Parking | Non-major Governmental Funds | 624,402 |
| | | | <u>\$ 19,454,123</u> |
| Assigned | Cultural Services | General | \$ 147,774 |
| | Recreational Services | General | 2,656,000 |
| | Capital Projects | Capital Improvements | 28,417,695 |
| | Capital Projects | Non-major Governmental Funds | 12,138,918 |
| | | <u>\$ 43,360,387</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.

13. 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.

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, 2021.

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, 2021 in the amount of \$16,212,770. The Sidewalk Assessment Fund, a non-major capital projects fund, had a deficit fund balance of \$18,882 as of June 30, 2021. 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, 2021 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, 2021, consist of the following:

| | |
|---------------------|-----------------------|
| Cash – unrestricted | <u>\$ 119,399,118</u> |
|---------------------|-----------------------|

A reconciliation of cash as shown on the combined balance sheet for the primary government follows:

| | |
|---------------------------------|------------------------------|
| Carrying amount of deposits | <u>\$ 119,399,118</u> |
| Cash – Governmental Activities | <u>\$ 97,305,095</u> |
| Cash – Business-type Activities | <u>22,094,023</u> |
| Total | <u><u>\$ 119,399,118</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, 2020, consist of the following:

| | <u>Electric Utility</u> | <u>Gas Utility</u> | <u>Water Utility</u> | <u>Communications Utility</u> |
|---------------------|-----------------------------|------------------------|--------------------------|-----------------------------------|
| Cash – unrestricted | \$ 28,077,023 | \$ 8,220,467 | \$ 4,928,678 | \$ 12,196,242 |
| Cash – restricted | <u>2,721,027</u> | <u>462,689</u> | <u>334,518</u> | <u>598,483</u> |
| | <u>\$ 30,798,050</u> | <u>\$ 8,683,156</u> | <u>\$ 5,263,196</u> | <u>\$ 12,794,725</u> |

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

| | <u>Electric Utility</u> | <u>Gas Utility</u> | <u>Water Utility</u> | <u>Communications Utility</u> |
|---|-----------------------------|------------------------|--------------------------|-----------------------------------|
| Carrying amount of deposits | \$ 30,798,050 | \$ 8,683,156 | \$ 5,263,196 | \$ 12,794,725 |
| Carrying amount of certificates | 13,024,000 | 4,400,000 | 120,000 | 2,640,000 |
| Total | <u>\$ 43,822,050</u> | <u>\$ 13,083,156</u> | <u>\$ 5,383,196</u> | <u>\$ 15,434,725</u> |
| Cash | \$ 28,077,023 | \$ 8,220,467 | \$ 4,928,678 | \$ 12,196,242 |
| Cash - Restricted | 2,721,027 | 462,689 | 334,518 | 598,483 |
| Investments: | | | | |
| Certificates of deposit | 10,150,000 | 4,360,000 | 100,000 | 2,600,000 |
| Certificates of deposit - restricted | <u>2,874,000</u> | <u>40,000</u> | <u>20,000</u> | <u>40,000</u> |
| Total | <u>\$ 43,822,050</u> | <u>\$ 13,083,156</u> | <u>\$ 5,383,196</u> | <u>\$ 15,434,725</u> |

B. Receivable

On June 30, 2021, the City has recorded a \$5,451,530 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, 2021 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 | 19,176,657 | 9,782,448 | 16,821,494 | 12,137,611 |
| Total capital assets, not being depreciated | <u>\$ 62,292,976</u> | <u>\$ 9,782,448</u> | <u>\$ 16,821,494</u> | <u>\$ 55,253,930</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | \$ 36,660,807 | \$ 275,982 | \$ -- | \$ 36,936,789 |
| Land Improvements | 20,632,281 | 445,434 | -- | 21,077,715 |
| Machinery and equipment | 21,566,675 | 1,347,403 | 977,121 | 21,936,957 |
| Infrastructure | 248,243,811 | 20,590,193 | -- | 268,834,004 |
| Total capital assets, being depreciated | <u>\$ 327,103,574</u> | <u>\$ 22,659,012</u> | <u>\$ 977,121</u> | <u>\$ 348,785,465</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | \$ 13,227,760 | \$ 888,277 | \$ -- | \$ 14,116,037 |
| Land Improvements | 8,373,897 | 706,760 | -- | 9,080,657 |
| Machinery and equipment | 14,232,672 | 1,102,126 | 913,016 | 14,421,782 |
| Infrastructure | 115,917,169 | 7,932,209 | -- | 123,849,378 |
| Total accumulated depreciation | <u>\$ 151,751,498</u> | <u>\$ 10,629,372</u> | <u>\$ 913,016</u> | <u>\$ 161,467,854</u> |
| Total capital assets, being depreciated, net | <u>\$ 175,352,076</u> | <u>\$ 12,029,640</u> | <u>\$ 64,105</u> | <u>\$ 187,317,611</u> |
| Governmental activities capital assets, net | <u>\$ 237,645,052</u> | <u>\$ 21,812,088</u> | <u>\$ 16,885,599</u> | <u>\$ 242,571,541</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 | 700,907 | 796,601 | 423,751 | 1,073,757 |
| Total capital assets, not being depreciated | <u>\$ 2,313,488</u> | <u>\$ 796,601</u> | <u>\$ 423,751</u> | <u>\$ 2,686,338</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | \$ 56,337,385 | \$ -- | \$ -- | \$ 56,337,385 |
| Machinery and equipment | 10,239,937 | 227,416 | 182,449 | 10,284,904 |
| Infrastructure | 65,359,388 | 1,958,129 | -- | 67,317,517 |
| Total capital assets, being depreciated | <u>\$ 131,936,710</u> | <u>\$ 2,185,545</u> | <u>\$ 182,449</u> | <u>\$ 133,939,806</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | \$ 13,497,122 | \$ 1,191,876 | \$ -- | \$ 14,688,998 |
| Machinery and equipment | 4,905,477 | 392,713 | 132,395 | 5,165,795 |
| Infrastructure | 22,783,018 | 1,432,381 | -- | 24,215,399 |
| Total accumulated depreciation | <u>\$ 41,185,617</u> | <u>\$ 3,016,970</u> | <u>\$ 132,395</u> | <u>\$ 44,070,192</u> |
| Total capital assets, being depreciated, net | <u>\$ 90,751,093</u> | <u>\$ (831,425)</u> | <u>\$ 50,054</u> | <u>\$ 89,869,614</u> |
| Business-type activities capital assets, net | <u>\$ 93,064,581</u> | <u>\$ (34,824)</u> | <u>\$ 473,805</u> | <u>\$ 92,555,952</u> |

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

| | |
|--|----------------------|
| Public safety | \$ 367,432 |
| Public works | 8,135,448 |
| Health and social services | 148,978 |
| Culture and recreation | 1,221,664 |
| Community and economic development | 158,903 |
| General government | 170,840 |
| Capital assets held by government's internal service funds are charged to the various functions based on their usage of the assets | 426,107 |
| Total depreciation expense - governmental activities | <u>\$ 10,629,372</u> |

Business-type activities

| | |
|---|---------------------|
| Sewer | \$ 1,868,815 |
| Refuse | 537,683 |
| Storm Water | 610,472 |
| Total depreciation expense - business-type activities | <u>\$ 3,016,970</u> |

Construction Commitments

The City has active construction projects as of June 30, 2021. 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> |
|--|----------------------------------|-----------------------------|---------------------------------|
| Cyber Lane | \$ 54,950 | \$ 44,500 | \$ 10,450 |
| 2021 Reconstruction | 4,035,251 | 1,869,141 | 2,166,110 |
| Ridgeway Ave. Reconstruction | 288,455 | 272,234 | 16,221 |
| Union Road Reconstruction | 516,803 | 423,125 | 93,678 |
| West Viking Road Reconstruction | 253,100 | 179,988 | 73,112 |
| Streetscape Maintenance | 3,035,544 | 1,109,421 | 1,926,123 |
| Downtown Levee Certification | 73,500 | 53,481 | 20,019 |
| Dam Safety Improvements | 245,560 | 241,683 | 3,877 |
| Greenhill Rd. Lighting | 7,000 | 2,883 | 4,117 |
| Union Rd. Trail | 701,149 | 115,457 | 585,692 |
| Greenhill Rd. & Main | 391,700 | 335,743 | 55,957 |
| Slope Repair | 156,611 | 134,399 | 22,212 |
| Oak Park San Sewer Replace | 113,000 | 95,780 | 17,220 |
| Olive St. Box Culvert | 197,500 | 158,093 | 39,407 |
| W. 27 th St. Reconstruction | 492,500 | 388,934 | 103,566 |
| Resilience Plan | 85,500 | 76,095 | 9,405 |
| Survey Services | 87,000 | 25,854 | 61,146 |
| Vision Plans | 354,000 | 314,000 | 40,000 |
| 2020 Seal Coat | 219,996 | 219,915 | 81 |
| Cedar Heights Drive Reconstruction | 992,100 | 595,900 | 396,200 |
| Lake Street Trail | 59,500 | 35,279 | 24,221 |
| City Hall Remodel | 292,500 | 124,312 | 168,188 |
| West 27 th Sanitary Sewer | 265,163 | -- | 265,163 |
| | <u>\$ 12,918,382</u> | <u>\$ 6,816,217</u> | <u>\$ 6,102,165</u> |

Discretely Presented Component Units

Activity for the Electric Utility for the year ended December 31, 2020, was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|-----------------------|-----------------------|---------------------|-------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 2,133,302 | \$ -- | 255,094 | \$ 1,878,208 |
| Construction in progress | 2,230,819 | 7,748,011 | 6,010,669 | 3,968,161 |
| Total capital assets, not being depreciated | <u>\$ 4,364,121</u> | <u>\$ 7,748,011</u> | <u>\$ 6,265,763</u> | <u>\$ 5,846,369</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | \$ 41,255,246 | \$ 1,144,832 | \$ 237,816 | \$ 42,162,262 |
| Machinery and equipment | 20,798,157 | 805,697 | 548,920 | 21,054,934 |
| Land Rights | -- | 255,094 | -- | 255,094 |
| Infrastructure | 200,438,252 | 4,060,140 | 785,476 | 203,712,916 |
| Total capital assets, being depreciated | <u>\$ 262,491,655</u> | <u>\$ 6,265,763</u> | <u>\$ 1,572,212</u> | <u>\$ 267,185,206</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | \$ 13,826,556 | \$ 1,170,084 | \$ 164,016 | \$ 14,832,624 |
| Machinery and equipment | 9,971,630 | 1,618,544 | 547,704 | 11,042,470 |
| Land Rights | -- | 17,006 | -- | 17,006 |
| Infrastructure | 75,275,372 | 5,788,981 | 949,535 | 80,114,818 |
| | <u>\$ 99,073,558</u> | <u>\$ 8,594,615</u> | <u>\$ 1,661,255</u> | <u>\$ 106,006,918</u> |
| Total capital assets, being depreciated, net | <u>\$ 163,418,097</u> | <u>\$ (2,328,852)</u> | <u>\$ (89,043)</u> | <u>* \$ 161,178,288</u> |
| Electric Utility capital assets, net | <u>\$ 167,782,218</u> | <u>\$ 5,419,159</u> | <u>\$ 6,176,720</u> | <u>\$ 167,024,657</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, 2020 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|---------------------|---------------------|----------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 25,617 | \$ -- | \$ -- | \$ 25,617 |
| Construction in progress | 124,441 | 1,124,421 | 1,113,116 | 135,746 |
| Total capital assets, not being depreciated | <u>\$ 150,058</u> | <u>\$ 1,124,421</u> | <u>\$ 1,113,116</u> | <u>\$ 161,363</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | \$ 4,135,082 | \$ 171,925 | \$ 15,117 | \$ 4,291,890 |
| Machinery and equipment | 500,528 | 20,590 | 8,710 | 512,408 |
| Infrastructure | 24,413,603 | 920,602 | 93,200 | 25,241,005 |
| Total capital assets, being depreciated | <u>\$ 29,049,213</u> | <u>\$ 1,113,117</u> | <u>\$ 117,027</u> | <u>\$ 30,045,303</u> |
| Less accumulated depreciation | | | | |
| Buildings | \$ 761,720 | \$ 100,154 | \$ 15,117 | \$ 846,757 |
| Machinery and equipment | 262,334 | 51,708 | 8,710 | 305,332 |
| Infrastructure | 13,339,294 | 684,014 | 102,466 | 13,920,842 |
| | <u>\$ 14,363,348</u> | <u>\$ 835,876</u> | <u>\$ 126,293</u> | <u>\$ 15,072,931</u> |
| Total capital assets, being depreciated, net | <u>\$ 14,685,865</u> | <u>\$ 277,241</u> | <u>\$ (9,266) *</u> | <u>\$ 14,972,372</u> |
| Gas Utility capital assets, net | <u>\$ 14,835,923</u> | <u>\$ 1,401,662</u> | <u>\$ 1,103,850</u> | <u>\$ 15,133,735</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, 2020 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|---------------------|---------------------|----------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 63,466 | \$ -- | \$ -- | \$ 63,466 |
| Construction in progress | 37,243 | 2,030,046 | 2,052,929 | 14,360 |
| Total capital assets, not being depreciated | <u>\$ 100,709</u> | <u>\$ 2,030,046</u> | <u>\$ 2,052,929</u> | <u>\$ 77,826</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | \$ 2,627,745 | \$ 128,071 | \$ 11,679 | \$ 2,744,137 |
| Machinery and equipment | 1,355,962 | 26,611 | 10,105 | 1,372,468 |
| Infrastructure | 41,631,210 | 1,898,248 | 118,742 | 43,410,716 |
| Total capital assets, being depreciated | <u>\$ 45,614,917</u> | <u>\$ 2,052,930</u> | <u>\$ 140,526</u> | <u>\$ 47,527,321</u> |
| Less accumulated depreciation | | | | |
| Buildings | \$ 600,263 | \$ 59,204 | \$ 11,679 | \$ 647,788 |
| Machinery and equipment | 615,518 | 38,655 | 10,106 | 644,067 |
| Infrastructure | 11,877,346 | 784,778 | 118,454 | 12,543,670 |
| Total accumulated depreciation | <u>\$ 13,093,127</u> | <u>\$ 882,637</u> | <u>\$ 140,239</u> | <u>\$ 13,835,525</u> |
| Total capital assets, being depreciated, net | <u>\$ 32,521,790</u> | <u>\$ 1,170,293</u> | <u>\$ 287 *</u> | <u>\$ 33,691,796</u> |
| Water Utility capital assets, net | <u>\$ 32,622,499</u> | <u>\$ 3,200,339</u> | <u>\$ 2,053,216</u> | <u>\$ 33,769,622</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, 2020 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|-----------------------|---------------------|----------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 2,177 | \$ -- | \$ -- | \$ 2,177 |
| Construction in progress | 277,761 | 3,339,352 | 2,640,994 | 976,119 |
| Total capital assets, not being depreciated | <u>\$ 279,938</u> | <u>\$ 3,339,352</u> | <u>\$ 2,640,994</u> | <u>\$ 978,296</u> |
| Capital assets, being depreciated: | | | | |
| Machinery and equipment | \$ 22,559,125 | \$ 1,906,988 | \$ 1,641,035 | \$ 22,825,078 |
| Infrastructure | 19,964,001 | 734,006 | 103,137 | 20,594,870 |
| Total capital assets, being depreciated | <u>\$ 42,523,126</u> | <u>\$ 2,640,994</u> | <u>\$ 1,744,172</u> | <u>\$ 43,419,948</u> |
| Less accumulated depreciation | | | | |
| Machinery and equipment | \$ 12,901,331 | \$ 2,942,831 | \$ 1,640,182 | \$ 14,203,980 |
| Infrastructure | 4,746,775 | 750,785 | 109,177 | 5,388,383 |
| Total accumulated depreciation | <u>\$ 17,648,106</u> | <u>\$ 3,693,616</u> | <u>\$ 1,749,359</u> | <u>\$ 19,592,363</u> |
| Total capital assets, being depreciated, net | <u>\$ 24,875,020</u> | <u>\$ (1,052,622)</u> | <u>\$ (5,187) *</u> | <u>\$ 23,827,585</u> |
| Communications Utility capital assets, net | <u>\$ 25,154,958</u> | <u>\$ 2,286,730</u> | <u>\$ 2,635,807</u> | <u>\$ 24,805,881</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. Lease

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 shall be for a period of 25 years, with variable lease payments each year. The lease may be extended for up to three additional terms, with each additional term being for a period of five years. At the termination of this lease, MercyOne Health Systems, Inc. will also pay to the City an amount of \$660,378, 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, 2021, is recorded as a receivable and deferred inflow of resources in the Hospital Fund in the amount of \$653,357.

The lease for the Hospital was being treated as an operating lease by the City. The lease has been paid in full.

The capital asset being leased through the operating lease is as follows:

| | <u>Governmental Activities</u> | |
|--------------------------|--------------------------------|-------------------------|
| | <u>Hospital</u> | |
| Land | \$ | 151,494 |
| Building | | 5,873,537 |
| Less: | | |
| Accumulated depreciation | | <u>(3,385,472)</u> |
| Total | \$ | <u><u>2,639,559</u></u> |

E. Non-Current Liabilities

Following is a summary of the City's changes in long-term liabilities for the year-ended June 30, 2021, 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 | 1,665,000 | -- | 265,000 | 1,400,000 | 270,000 |
| Series 2018 | 2,420,000 | -- | 255,000 | 2,165,000 | 265,000 |
| Series 2020 | -- | 3,430,000 | 130,000 | 3,300,000 | 335,000 |
| Total notes | \$ 4,085,000 | \$ 3,430,000 | \$ 650,000 | \$ 6,865,000 | \$ 870,000 |
| Add: Unamortized premium | 295,624 | 219,957 | 61,472 | 454,109 | -- |
| Total long-term debt | \$ 4,380,624 | \$ 3,649,957 | \$ 711,472 | \$ 7,319,109 | \$ 870,000 |
| Compensated absences | 2,731,231 | 165,745 | 231,275 | 2,665,701 | 1,277,414 |
| Total non-current liabilities | \$ 7,111,855 | \$ 3,815,702 | \$ 942,747 | \$ 9,984,810 | \$ 2,147,414 |
| | Beginning Balance | Additions | Reductions | Ending Balance | Amounts Due Within One Year |
| Business-Type Activities: | | | | | |
| Capital Loan Notes: | | | | | |
| Series 2016 | 4,985,000 | -- | 580,000 | 4,405,000 | 590,000 |
| Series 2018-Strm Wtr | 775,000 | -- | 80,000 | 695,000 | 85,000 |
| Series 2018-Sewer | 1,825,000 | -- | 195,000 | 1,630,000 | 200,000 |
| Total notes | \$ 7,585,000 | \$ -- | \$ 855,000 | \$ 6,730,000 | \$ 875,000 |
| State Revolving Loan | 5,038,000 | -- | 318,000 | 4,720,000 | 328,000 |
| Add: Unamortized premium | 412,623 | -- | 51,578 | 361,045 | -- |
| Total long-term debt | \$ 13,035,623 | \$ -- | \$ 1,224,578 | \$ 11,811,045 | \$ 1,203,000 |
| Compensated absences | 415,217 | 17,772 | 52,218 | 380,771 | 156,086 |
| Total non-current liabilities | \$ 13,450,840 | \$ 17,772 | \$ 1,276,796 | \$ 12,191,816 | \$ 1,359,086 |

General Obligation Bonds/Notes

Three issues of unmatured general obligation bonds/notes totaling \$14,410,154, net unamortized premium of \$815,154 are outstanding as of June 30, 2021. 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, 2021 are as follows:

| | Date of Issue | Interest Rates | Final Due Date | Annual Payments | Amount Originally Issued | Outstanding 30-Jun-20 |
|-------------------------------|------------------|-------------------|----------------------|--------------------|--------------------------------|--------------------------|
| Governmental Activities: | | | | | | |
| General Obligation | | | | | | |
| Capital Loan Notes | 7/19/2016 | 2.00% | 6/1/2026 | 245,000-440,000 | 2,865,000 | 1,400,000 |
| General Obligation | | | | | | |
| Capital Loan Notes | 7/19/2018 | 4.00-5.00% | 6/1/2028 | 200,000-350,000 | 2,860,000 | 2,165,000 |
| General Obligation | | | | | | |
| Capital Loan Notes | 7/21/2020 | 2.00% | 6/1/2030 | 130,000-405,000 | 3,430,000 | 3,300,000 |
| Total Governmental Activities | | | | | | <u>\$6,865,000</u> |
| Business Activities: | | | | | | |
| General Obligation | | | | | | |
| Capital Loan Notes | 7/19/2016 | 2.00% | 6/1/2028 | 125,000-670,000 | 6,790,000 | 4,405,000 |
| General Obligation | | | | | | |
| Capital Loan Notes-Sewer | 7/19/2018 | 4.00-5.00% | 6/1/2028 | 150,000-260,000 | 2,160,000 | 1,630,000 |
| General Obligation | | | | | | |
| Capital Loan Notes-Strm. Wtr | 7/19/2018 | 4.00-5.00% | 6/1/2028 | 65,000-110,000 | 920,000 | 695,000 |
| Total Business Activities | | | | | | <u>\$6,730,000</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 |
| 2022 | \$ 870,000 | 192,100 | \$ 875,000 | \$ 193,500 |
| 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 |
| 2027-2030 | 2,245,000 | 120,300 | 2,060,000 | 84,100 |
| Total | <u>\$ 6,865,000</u> | <u>\$ 817,500</u> | <u>\$ 6,730,000</u> | <u>\$ 780,450</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. As of June 30, 2021, \$4,720,000 is outstanding. Annual debt service requirements to maturity for this loan are as follows:

| Year Ending June 30, | Business-type Activities | |
|-------------------------|--------------------------|---------------------|
| | Principal | Interest |
| 2022 | \$ 328,000 | \$ 153,400 |
| 2023 | 339,000 | 142,740 |
| 2024 | 350,000 | 131,723 |
| 2025 | 361,000 | 120,348 |
| 2026 | 373,000 | 108,615 |
| 2027-2031 | 2,052,000 | 353,307 |
| 2032-2035 | 917,000 | 44,947 |
| Total | <u>\$ 4,720,000</u> | <u>\$ 1,055,080</u> |

In fiscal year ended June 30, 2021, the Sewer Fund had net revenue of \$4,823,777 and the amount of principal and interest due was \$481,735.

Debt Limitation

As of June 30, 2021, 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>\$ 3,417,168,394</u> |
| Debt limit - 5% of total actual valuation | \$ 170,858,420 |
| Debt applicable to debt limit: | |
| General obligation bonds/Capital loan notes | <u>13,595,000</u> |
| Legal debt margin | <u>\$ 157,263,420</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, 2021, the City had no arbitrage liability.

Non-Current Liabilities – Electric Utility

Non-Current liability activity for the year ended December 31, 2020 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Amounts Due Within One Year |
|---|----------------------|---------------------|---------------------|----------------------|-----------------------------------|
| Capital Loan Notes: | | | | | |
| Series 2015 | \$ 17,145,000 | \$ -- | \$ 2,625,000 | \$ 14,520,000 | \$ 2,760,000 |
| Unamortized premium | 2,029,905 | -- | 310,790 | 1,719,115 | -- |
| Unamortized discount | (20,753) | -- | (3,177) | (17,576) | -- |
| Current installments of long-term debt | <u>(2,625,000)</u> | -- | 135,000 | <u>(2,760,000)</u> | -- |
| Long-term debt | <u>\$ 16,529,152</u> | <u>\$ --</u> | <u>\$ 3,067,613</u> | <u>\$ 13,461,539</u> | <u>\$ 2,760,000</u> |
| Customer advances | | | | | |
| for construction | 206,800 | 248,600 | 96,900 | 358,500 | -- |
| Landfill closure | 2,866,930 | 171,259 | 185,920 | 2,852,269 | -- |
| Other liabilities | 1,529,881 | 98,816 | 199,461 | 1,429,236 | -- |
| Net pension liability | 5,146,692 | 1,704,649 | 766,945 | 6,084,396 | -- |
| Accrued severance and OPEB | 1,695,469 | 158,896 | 92,243 | 1,762,122 | -- |
| Noncurrent liabilities | <u>11,445,772</u> | <u>2,382,220</u> | <u>1,341,469</u> | <u>12,486,523</u> | <u>--</u> |
| Total | <u>\$ 27,974,924</u> | <u>\$ 2,382,220</u> | <u>\$ 4,409,082</u> | <u>\$ 25,948,062</u> | <u>\$ 2,760,000</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 | Principal | Interest |
| 2021 | \$ 2,760,000 | \$ 593,625 |
| 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>\$ 14,520,000</u> | <u>\$ 1,637,550</u> |

Non-Current Liabilities – Gas Utility

Non-Current liability activity for the year ended December 31, 2020 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance |
|------------------------------------|----------------------|---------------------|-------------------|---------------------|
| Customer advances for construction | \$ 124,504 | \$ 73,516 | \$ 53,246 | \$ 144,774 |
| Other liabilities | 43,713 | 396,000 | 218,093 | 221,620 |
| Net pension liability | 1,683,839 | 639,005 | 232,095 | 2,090,749 |
| Accrued severance and OPEB | 336,034 | 74,641 | 47,671 | 363,004 |
| Total non-current liabilities | <u>\$ 2,188,090</u> | <u>\$ 1,183,162</u> | <u>\$ 551,105</u> | <u>\$ 2,820,147</u> |

Non-Current Liabilities – Water Utility

Non-Current liability activity for the year ended December 31, 2020 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance |
|-------------------------------|----------------------|-------------------|-------------------|---------------------|
| Accounts payable - long term | \$ 226,110 | \$ -- | \$ 226,110 | \$ -- |
| Net pension liability | 1,162,652 | 435,786 | 158,780 | 1,439,658 |
| Accrued severance and OPEB | 252,026 | 26,600 | 16,604 | 262,022 |
| Total non-current liabilities | <u>\$ 1,640,788</u> | <u>\$ 462,386</u> | <u>\$ 401,494</u> | <u>\$ 1,701,680</u> |

Non-Current Liabilities – Communications Utility

Non-Current liability activity for the year ended December 31, 2020 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance |
|---------------------------------------|----------------------|-------------------|-------------------|---------------------|
| Customer advances for construction | \$ -- | \$ -- | \$ -- | \$ -- |
| Net pension liability | 2,426,561 | 822,537 | 322,735 | 2,926,363 |
| Accrued severance and OPEB | 516,754 | 40,661 | 33,195 | 524,220 |
| Total non-current liabilities | <u>\$ 2,943,315</u> | <u>\$ 863,198</u> | <u>\$ 355,930</u> | <u>\$ 3,450,583</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 (MFPRS). The aggregate amount of recognized pension expense for the period associated with the net pension liability for all plans is \$4,260,777 for the primary government. Other aggregate amounts related to pension are separately displayed in the financial systems.

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. If 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 2021, 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 6.41 percent of pay and the City contributed 9.61 percent for a total rate of 16.02 percent.

The City's total contributions to IPERS for the year ended June 30, 2021 were \$1,047,351.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021, the City reported a liability of \$9,264,499 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, the City's collective proportion was .1318840 percent which was an increase of 0.003809 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of \$1,409,436. At June 30, 2021, 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 | \$ 10,263 | \$ 219,591 |
| Changes of assumptions | 475,623 | -- |
| Net difference between projected and actual earnings on pension plan investments | 520,951 | -- |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 327,540 | 55,014 |
| City contributions subsequent to the measurement date | 1,047,351 | -- |
| Total | <u>\$ 2,381,728</u> | <u>\$ 274,605</u> |

\$1,047,351 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, 2022. 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 |
|---------------------------|---------------------|
| 2022 | \$ 159,580 |
| 2023 | 253,254 |
| 2024 | 252,393 |
| 2025 | 366,901 |
| 2026 | 27,644 |
| | <u>\$ 1,059,772</u> |

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2020 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, 2020 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 2020 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 | 5.15 |
| Global smart beta equity | 6.0 | 4.87 |
| Core plus fixed income | 28.0 | (0.29) |
| Public credit | 4.0 | 2.29 |
| Cash | 1.0 | (0.78) |
| Private equity | 11.0 | 6.54 |
| Private real assets | 7.5 | 4.48 |
| Private credit | 3.0 | 3.11 |
| 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 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: | \$ 15,449,133 | \$ 9,264,499 | \$ 4,078,779 |

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, 2021, 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, 2021.

Employer contribution rates are based upon an actuarially determined normal contribution rate 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 25.31% for the year ended June 30, 2021.

The City's contributions to MFPRSI for the year ended June 30, 2021, was \$1,445,236.

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, 2021.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2021, the City reported a liability of \$14,834,799 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, the City's proportion was 1.859929% which was a decrease of .00494% from its proportions measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of \$2,851,341. At June 30, 2021, 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 | \$ 407,876 | \$ 80,584 |
| Changes of assumptions | 367,475 | 17,699 |
| Net difference between projected and actual earnings on pension plan investments | 2,182,374 | -- |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 514,046 | 94,259 |
| City contributions subsequent to the measurement date | 1,445,236 | -- |
| Total | <u>\$ 4,917,007</u> | <u>\$ 192,542</u> |

\$1,445,236 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, 2022. 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 |
|---------------------------|---------------------|
| 2022 | \$ 758,870 |
| 2023 | 1,028,881 |
| 2024 | 909,522 |
| 2025 | 572,273 |
| 2026 | 9,683 |
| | <u>\$ 3,279,229</u> |

Actuarial Assumptions The total pension liability in the June 30, 2020, 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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2007 to June 30, 2017. There were no significant changes of benefit terms.

Mortality rates as of June 30, 2020, 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: | \$ 22,753,695 | \$ 14,834,799 | \$ 8,275,437 |

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, 2021, 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, 2020, the following employees were covered by the benefit terms:

| | |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefit payments | 17 |
| Active employees | 201 |
| Total | 218 |

Total OPEB Liability – The City's total OPEB liability of \$3,560,585 as of June 30, 2021 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2020 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, 2020) | 3.00% percent per annum |
| Rates of salary increase (effective June 30, 2020) | 3.50% per annum, including inflation. |
| Discount rate (effective June 30, 2020) | 2.21% compounded annually, including inflation. |
| Healthcare cost trend rate (effective June 30, 2020) | 6.00% initial rate decreasing by .5% annually to an ultimate rate of 5.00%. |

Discount Rate – The discount rate used to measure the total OPEB liability was 2.21% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP 2014 annuitant distinct mortality table adjusted to 2006 with MP2019 general projection of future mortality improvement.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|---|---------------------------------|
| Total OPEB liability beginning of year | <u>\$ 3,490,632</u> |
| Changes for year: | |
| Service cost | 208,856 |
| Interest | 79,347 |
| Difference between Expected & Actual Experience | -- |
| Change in Assumptions | -- |
| Benefit payments | <u>(218,250)</u> |
| Net changes | <u>69,953</u> |
| Total OPEB liability end of year | <u>\$ 3,560,585</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 (1.21%) or 1% higher (3.21%) than the current discount rate.

| | <u>1%</u> <u>Decrease</u> <u>(1.21)</u> | <u>Discount</u> <u>Rate</u> <u>(2.21%)</u> | <u>1%</u> <u>Increase</u> <u>(3.21%)</u> |
|----------------------|---|--|--|
| Total OPEB liability | \$ 3,889,249 | \$ 3,560,589 | \$ 3,267,132 |

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 (5.00%) or 1% higher (7.00%) than the current healthcare cost trend rates.

| | <u>1%</u> <u>Decrease</u> <u>(5.00%)</u> | <u>Healthcare</u> <u>Cost Trend</u> <u>Rate</u> <u>(6.00%)</u> | <u>1%</u> <u>Increase</u> <u>(7.00%)</u> |
|----------------------|--|---|--|
| Total OPEB liability | \$ 3,191,160 | \$ 3,560,585 | \$ 4,000,192 |

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2021, the City recognized OPEB expense of \$488,531. At June 30, 2021, the City reported deferred outflows of resources related to OPEB from the following resources:

| | <u>Deferred Outflows</u> <u>of Resources</u> |
|--|---|
| Differences between expected and actual experience | \$ 792,219 |
| Changes in assumptions | <u>621,481</u> |
| Total | <u>1,413,700</u> |

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

| Year Ended June 30, | Total |
|---------------------------|---------------------|
| 2022 | \$ 200,328 |
| 2023 | 200,328 |
| 2024 | 200,328 |
| 2025 | 200,328 |
| 2026 | 200,328 |
| Thereafter | 412,060 |
| | <u>\$ 1,413,700</u> |

H. Interfund Balances

Individual interfund receivable and payable balances by fund type as of June 30, 2021, were stated in the fund financial statements as follows:

| Fund | Total | |
|-----------------------------|--------------------------|-----------------------|
| | Interfund Receivables | Interfund Payables |
| Nonmajor Governmental Funds | \$ 19,842 | \$ 19,842 |
| Capital Improvements Fund | 15,857,051 | -- |
| Bond Fund | -- | 15,857,051 |
| Total | <u>\$ 15,876,893</u> | <u>\$ 15,876,893</u> |

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

| Fund | Total | |
|---------------------------|---------------------------|-----------------------------|
| | Advance to Other Funds | Advance from Other Funds |
| Hospital Fund | \$ 7,455,000 | \$ -- |
| Capital Improvements Fund | 2,365,000 | -- |
| Sewer Fund | -- | 9,820,000 |
| Total | <u>\$ 9,820,000</u> | <u>\$ 9,820,000</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 | TIF Fund | \$ 50,571 |
| | Street Construction Fund | 205,766 |
| | Capital Improvements Fund | 5,940 |
| | Non-major Governmental Funds | 28,868 |
| | Sewer Fund | 141,166 |
| | Refuse Fund | 157,756 |
| | Storm Water Fund | 29,150 |
| | | <u>\$ 619,217</u> |
| Street Construction Fund | TIF Fund | \$ 17,443 |
| | Storm Water Fund | 185,638 |
| | | <u>\$ 203,081</u> |
| Street Repair Fund | Street Construction Fund | \$ 155,127 |
| | Capital Improvement Fund | 15,814 |
| | Bond Fund | 33,968 |
| | Sewer Fund | 486,529 |
| | Storm Water Fund | 158,296 |
| | | <u>\$ 849,734</u> |
| Debt Service Fund | General Fund | \$ 100,890 |
| Capital Improvements Fund | General Fund | \$ 2,487,060 |
| | Bond Fund | 266,251 |
| | Non-major Governmental Funds | 10,000 |
| | | <u>\$ 2,763,311</u> |
| Bond Fund | TIF Fund | \$ 1,458,402 |
| | Street Repair Fund | 623,659 |
| | | <u>\$ 2,082,061</u> |
| Non-major Governmental Funds | General Fund | \$ 2,831,284 |
| | TIF Fund | 1,013,423 |
| | | <u>\$ 3,844,707</u> |
| Sewer Fund | TIF Fund | \$ 1,500,000 |
| Refuse Fund | Street Construction | \$ 145,680 |
| | Sewer Fund | 145,680 |
| | | <u>\$ 291,360</u> |
| Stormwater Fund | Street Construction Fund | \$ 197,900 |
| | Street Repair Fund | 250,000 |
| | Bond Fund | 302,983 |
| | Sewer Fund | 40,280 |
| | | <u>\$ 791,163</u> |
| Internal Service Funds | General Fund | \$ 6,376 |
| | Non-major Governmental Funds | 16,001 |
| | Internal Service Funds | 7,698 |
| | | <u>\$ 30,075</u> |
| | Total | <u>\$ 13,075,599</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, 2021, were as follows:

| | Due from |
|------------------|---------------------|
| Component Unit: | |
| Electric utility | \$ 1,231,133 |
| Gas utility | 264,296 |
| Total | <u>\$ 1,495,429</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, 2020.

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 \$4,343,866 for 2021. 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 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, 2021, 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, 2019 | \$ 365,000 | \$ 247,683 | \$ -- | \$ -- | \$ 612,683 |
| Claims and changes in estimates during fiscal year 2020 | 3,486,799 | 158,873 | -- | -- | 3,645,672 |
| Claim payments | (3,528,799) | (122,972) | -- | -- | (3,651,771) |
| 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 |

C. Commitments and Contingencies

Legal counsel has reported that as of June 30, 2021, 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 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, 2021, the City rebated \$734,921 of property tax under the urban renewal and economic development projects.

E. COVID-19

On March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to business across a range of industries in the United States continues to evolve. The full impact to local, regional and national economies, including that of the City, remains uncertain.

To date, the outbreak has not created a material disruption to the operations of the City. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to the City.

F. 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. 87, *Leases*, will be effective for the fiscal year June 30, 2022. The objective of this Statement is to better meet the information needs of financial statements users by improving accounting and financial reporting for leases by governments.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, will be effective for fiscal year June 30, 2022. The objectives of this statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period.

Statement No. 91, *Conduit Debt Obligations*, will be effective for fiscal year June 30, 2023. The 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. 92, *Omnibus 2020*, will be effective for the fiscal year ended June 30, 2022. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

Statement No. 93, *Replacement of Interbank Offered Rates*, will be effective for the fiscal year ended June 30, 2022. The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

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).

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, will be effective for the fiscal year ended June 30, 2022. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

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, 2021**

| | Budgeted Amounts | |
|---|------------------------|------------------------|
| | Original | Final |
| Revenues: | | |
| Property taxes and assessments | \$ 26,580,174 | \$ 26,580,174 |
| Other City taxes | 6,155,607 | 6,155,607 |
| Licenses and permits | 984,000 | 984,000 |
| Use of money and property | 1,532,880 | 1,532,880 |
| Intergovernmental | 11,988,060 | 12,552,771 |
| Charges for services | 14,432,050 | 14,650,300 |
| Miscellaneous | 1,317,869 | 1,434,669 |
| Total revenues | <u>\$ 62,990,640</u> | <u>\$ 63,890,401</u> |
| Expenditures: | | |
| Current: | | |
| Public safety | \$ 12,796,060 | \$ 12,922,260 |
| Public works | 12,555,450 | 14,270,450 |
| Health and social services | 232,000 | 232,000 |
| Culture and recreation | 8,818,580 | 9,072,730 |
| Community and economic development | 3,591,720 | 3,894,031 |
| General government | 5,974,930 | 5,974,930 |
| Debt service | 955,710 | 955,710 |
| Capital projects | 18,950,900 | 20,761,100 |
| Business-type | 9,508,540 | 10,324,240 |
| Total expenditures | <u>\$ 73,383,890</u> | <u>\$ 78,407,451</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (10,393,250)</u> | <u>\$ (14,517,050)</u> |
| Other financing sources (uses): | | |
| Proceeds from long-term debt | \$ 1,445,000 | \$ 2,045,000 |
| Transfers in | 13,371,460 | 13,371,460 |
| Transfers out | (13,371,460) | (13,371,460) |
| Total other financing sources (uses) | <u>\$ 1,445,000</u> | <u>\$ 2,045,000</u> |
| Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses | <u>\$ (8,948,250)</u> | <u>\$ (12,472,050)</u> |
| Fund balances, beginning | 85,926,029 | 85,926,029 |
| Fund balances, ending | <u>\$ 76,977,779</u> | <u>\$ 73,453,979</u> |

See notes to the required supplementary information.

| Actual Amounts | Variance with Final Budget - Positive (Negative) |
|-----------------------|---|
| \$ 27,080,074 | \$ 499,900 |
| 6,896,975 | 741,368 |
| 1,531,722 | 547,722 |
| 1,710,386 | 177,506 |
| 14,253,458 | 1,700,687 |
| 13,058,871 | (1,591,429) |
| 4,063,654 | 2,628,985 |
| <u>\$ 68,595,140</u> | <u>\$ 4,704,739</u> |
| | |
| \$ 12,015,062 | \$ 907,198 |
| 11,810,160 | 2,460,290 |
| 216,757 | 15,243 |
| 7,057,247 | 2,015,483 |
| 2,973,143 | 920,888 |
| 4,926,690 | 1,048,240 |
| 853,222 | 102,488 |
| 10,442,871 | 10,318,229 |
| 8,323,157 | 2,001,083 |
| <u>\$ 58,618,309</u> | <u>\$ 19,789,142</u> |
| <u>\$ 9,976,831</u> | <u>\$ 24,493,881</u> |
| | |
| \$ 3,602,719 | \$ 1,557,719 |
| 14,584,111 | 1,212,651 |
| (14,584,111) | (1,212,651) |
| <u>\$ 3,602,719</u> | <u>\$ 1,557,719</u> |
| | |
| \$ 13,579,550 | \$ 26,051,600 |
| 89,441,212 | 3,515,183 |
| <u>\$ 103,020,762</u> | <u>\$ 29,566,783</u> |

City of Cedar Falls, Iowa**Notes to Required Supplementary Information – Budgetary Reporting
For the Year ended June 30, 2021****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 \$5,023,561. 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 | \$ 68,595,140 |
| Adjustments: | |
| The City budgets for all receipts on the cash basis, rather than the modified accrual or accrual basis | (2,837,396) |
| Total revenues for the function budget on a GAAP basis of accounting | \$ 65,757,744 |
| 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 | (687,206) |
| Capital Improvements Fund | (1,841,332) |
| Bond capital projects Fund | (1,421,866) |
| Nonmajor governmental GAAP funds | (4,284,590) |
| Business-type enterprise funds | (11,438,963) |
| Total revenues for general fund and major special revenue funds | <u>\$ 46,083,787</u> |
| Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds: | |
| General Fund | \$ 28,767,030 |
| Hospital Fund | 532,078 |
| TIF Fund | 4,037,656 |
| Street Construction Fund | 5,869,089 |
| Street Repair Fund | 6,877,934 |
| Total revenues for general fund and major special revenue funds | <u>\$ 46,083,787</u> |

| | <u>Function Budget</u> |
|---|-----------------------------|
| Uses | |
| Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule - function budget | \$ 58,618,309 |
| 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 | (434,939) |
| Total uses for the function budget on a GAAP basis of accounting | <u>\$ 58,183,370</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 | (853,222) |
| Capital Improvements Fund | (196,283) |
| Bond capital projects Fund | (7,607,611) |
| Nonmajor governmental GAAP funds | (6,380,624) |
| Business-type enterprise funds | (8,672,669) |
| Total expenditures for general fund and major special revenue funds | <u><u>\$ 34,472,961</u></u> |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds: | |
| General Fund | \$ 24,460,293 |
| Hospital Fund | 203,757 |
| TIF Fund | -- |
| Street Construction Fund | 4,095,196 |
| Street Repair Fund | 5,713,715 |
| Total expenditures for general fund and major special revenue funds | <u><u>\$ 34,472,961</u></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, 2021

| | <u>2021</u> | <u>2020</u> |
|--|---------------|--------------|
| City's proportion of the net pension liability (asset) | 0.1318840 % | 0.1280748 % |
| City's proportionate share of the net pension liability | \$ 9,264,499 | \$ 7,416,373 |
| City's covered payroll | \$ 10,465,436 | \$ 9,750,115 |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 88.52 % | 76.06 % |
| Plan fiduciary net position as a percentage of the total pension liability | 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.

| <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

| | 2021 | 2020 | 2019 | 2018 |
|---|---------------|---------------|--------------|--------------|
| Statutorily required contribution | \$ 1,047,351 | \$ 988,265 | \$ 920,276 | \$ 846,190 |
| Contributions in relation to the statutorily required contribution | 1,047,351 | 988,265 | (920,276) | (846,190) |
| Contribution deficiency (excess) | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |
| City's covered payroll | \$ 11,095,706 | \$ 10,465,436 | \$ 9,750,115 | \$ 9,473,601 |
| Contributions as a percentage of covered payroll | 9.44% | 9.44% | 9.44% | 8.93% |

See accompanying independent auditor's report.

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ 831,947 | \$ 821,928 | \$ 821,440 | \$ 834,065 | \$ 823,374 | \$ 771,437 |
| (831,947) | (821,928) | (821,440) | (834,065) | (823,374) | (771,437) |
| <u>\$ --</u> |
| \$ 9,302,153 | \$ 9,203,649 | \$ 9,218,654 | \$ 9,346,040 | \$ 9,490,561 | \$ 9,560,570 |
| 8.94% | 8.93% | 8.91% | 8.92% | 8.68% | 8.07% |

City of Cedar Falls, Iowa

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2021

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, 2021

| | <u>2021</u> | <u>2020</u> |
|--|---------------|---------------|
| City's proportion of the net pension liability (asset) | 1.859929 % | 1.864869 % |
| City's proportionate share of the net pension liability | \$ 14,834,799 | \$ 12,232,171 |
| City's covered payroll | \$ 5,907,701 | \$ 5,646,572 |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 251.05 % | 216.63 % |
| Plan fiduciary net position as a percentage of the total pension liability | 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>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|--------------|--------------|--------------|--------------|
| Statutorily required contribution | \$ 1,445,236 | \$ 1,442,048 | \$ 1,469,237 | \$ 1,327,264 |
| Contributions in relation to the statutorily required contribution | 1,445,236 | 1,442,048 | (1,469,237) | (1,327,264) |
| Contribution deficiency (excess) | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |
| City's covered payroll | \$ 5,708,659 | \$ 5,907,701 | \$ 5,646,572 | \$ 5,168,469 |
| Contributions as a percentage of covered payroll | 25.32% | 24.41% | 26.02% | 25.68% |

See accompanying independent auditor's report.

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ 1,227,100 | \$ 1,300,356 | \$ 1,377,326 | \$ 1,371,261 | \$ 1,144,556 | \$ 1,080,516 |
| (1,227,100) | (1,300,356) | (1,377,326) | (1,371,261) | (1,144,556) | (1,080,516) |
| <u>\$ --</u> |
| \$ 4,734,184 | \$ 4,682,488 | \$ 4,529,187 | \$ 4,552,662 | \$ 4,381,915 | \$ 4,363,958 |
| 25.92% | 27.77% | 30.41% | 30.12% | 26.12% | 24.76% |

City of Cedar Falls, Iowa
Notes to Required Supplementary Information – Pension Liability
Year ended June 30, 2021

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, 2021

| | 2021 | 2020 | 2019 | 2018 |
|--|---------------------|---------------------|---------------------|---------------------|
| Service Cost | \$ 208,856 | \$ 129,747 | \$ 125,359 | \$ 55,384 |
| Interest cost | 79,347 | 108,917 | 105,512 | 61,468 |
| Difference between expected and actual experiences | -- | 275,367 | -- | 924,312 |
| Changes in assumptions | -- | 358,691 | -- | 537,008 |
| Benefit payments | <u>(218,250)</u> | <u>(133,483)</u> | <u>(161,077)</u> | <u>(141,086)</u> |
| Net change in total OPEB liability | <u>\$ 69,953</u> | <u>\$ 739,239</u> | <u>\$ 69,794</u> | <u>\$ 1,437,086</u> |
| Total OPEB liability beginning of year | 3,490,632 | 2,751,393 | 2,681,599 | 1,244,513 |
| Total OPEB liability end of year | <u>\$ 3,560,585</u> | <u>\$ 3,490,632</u> | <u>\$ 2,751,393</u> | <u>\$ 2,681,599</u> |
| Covered-employee payroll | 14,878,294 | 14,375,163 | 13,870,992 | 13,401,925 |
| Total OPEB liability as a percentage of covered-employee payroll | 23.93% | 24.28% | 19.84% | 20.01% |

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:

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, 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.

City of Cedar Falls, Iowa
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021
(Page 1 of 2)

| | Community Development Fund | Housing Assistance Fund |
|--|----------------------------------|-------------------------------|
| ASSETS | | |
| Cash | \$ 74,894 | \$ 661,475 |
| Receivables, net of allowance for uncollectible amounts: | | |
| Property taxes | -- | -- |
| Other city taxes | -- | -- |
| Accrued interest | -- | -- |
| Other | -- | -- |
| Special assessment | -- | -- |
| Due from other funds | -- | -- |
| Due from other governments | 145,069 | -- |
| Inventories | -- | -- |
| Total assets | <u>\$ 219,963</u> | <u>\$ 661,475</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | |
| LIABILITIES | | |
| Accounts payable | \$ 102,454 | \$ -- |
| Grant Proceeds Received in Advance | -- | 41,431 |
| Accrued liabilities | -- | 1,748 |
| Due to other funds | -- | -- |
| Total liabilities | <u>\$ 102,454</u> | <u>\$ 43,179</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Succeeding year property taxes | \$ -- | \$ -- |
| Other | 70,110 | -- |
| Total deferred inflows of resources | <u>\$ 70,110</u> | <u>\$ --</u> |
| FUND BALANCES | | |
| Nonspendable | \$ -- | \$ -- |
| Restricted | 47,399 | 618,296 |
| Committed | -- | -- |
| Assigned | -- | -- |
| Unassigned | -- | -- |
| Total fund balances | <u>\$ 47,399</u> | <u>\$ 618,296</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 219,963</u> | <u>\$ 661,475</u> |

Special Revenue

| <u>Parking Fund</u> | <u>Police Retirement</u> | <u>Fire Retirement</u> | <u>Visitor & Tourism</u> |
|---------------------|--------------------------|------------------------|------------------------------|
| \$ 632,236 | \$ 3,256,325 | \$ 3,205,593 | \$ 709,181 |
| -- | 1,017,529 | 695,216 | -- |
| -- | -- | -- | 117,384 |
| 529 | 4,890 | 4,485 | 532 |
| 8,091 | -- | -- | -- |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| 7,911 | -- | -- | 34,159 |
| <u>\$ 648,767</u> | <u>\$ 4,278,744</u> | <u>\$ 3,905,294</u> | <u>\$ 861,256</u> |
| | | | |
| \$ 11,825 | \$ 4,572 | \$ 1,424 | \$ 72,272 |
| -- | -- | -- | -- |
| 4,629 | -- | -- | 15,967 |
| -- | -- | -- | -- |
| <u>\$ 16,454</u> | <u>\$ 4,572</u> | <u>\$ 1,424</u> | <u>\$ 88,239</u> |
| | | | |
| \$ -- | \$ 1,010,134 | \$ 690,883 | \$ -- |
| -- | -- | -- | -- |
| <u>\$ --</u> | <u>\$ 1,010,134</u> | <u>\$ 690,883</u> | <u>\$ --</u> |
| | | | |
| \$ 7,911 | \$ -- | \$ -- | \$ 34,159 |
| -- | 3,264,038 | 3,212,987 | 738,858 |
| 624,402 | -- | -- | -- |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| <u>\$ 632,313</u> | <u>\$ 3,264,038</u> | <u>\$ 3,212,987</u> | <u>\$ 773,017</u> |
| | | | |
| <u>\$ 648,767</u> | <u>\$ 4,278,744</u> | <u>\$ 3,905,294</u> | <u>\$ 861,256</u> |

City of Cedar Falls, Iowa
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021
(Page 2 of 2)

| | Special Revenue | | |
|--|--------------------------------|-------------------------------|-------------------------------|
| | Greenwood Perpetual Care | Fairview Perpetual Care | Hillside Perpetual Care |
| ASSETS | | | |
| Cash | \$ 249,692 | \$ 163,163 | \$ 50,323 |
| Receivables, net of allowance for uncollectible amounts: | | | |
| Property taxes | -- | -- | -- |
| Other city taxes | -- | -- | -- |
| Accrued interest | -- | -- | -- |
| Other | -- | -- | -- |
| Special assessment | -- | -- | -- |
| Due from other funds | -- | -- | -- |
| Due from other governments | -- | -- | -- |
| Inventories | -- | -- | -- |
| Total assets | <u>\$ 249,692</u> | <u>\$ 163,163</u> | <u>\$ 50,323</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 | 249,692 | 163,163 | 50,323 |
| Committed | -- | -- | -- |
| Assigned | -- | -- | -- |
| Unassigned | -- | -- | -- |
| Total fund balances | <u>\$ 249,692</u> | <u>\$ 163,163</u> | <u>\$ 50,323</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 249,692</u> | <u>\$ 163,163</u> | <u>\$ 50,323</u> |

(continued)

| Capital Projects | | | | |
|----------------------------------|---------------------|------------------------|------------------------------------|----------------------|
| Washington Park Renovation | FEMA Fund | Sidewalk Assessment | Economic Development Capital | Total |
| \$ 33,482 | \$ 4,465,812 | \$ -- | \$ 7,622,299 | \$ 21,124,475 |
| -- | -- | -- | -- | 1,712,745 |
| -- | -- | -- | -- | 117,384 |
| 23 | 2,347 | -- | 4,599 | 17,405 |
| -- | -- | -- | -- | 8,091 |
| -- | -- | 44,442 | -- | 44,442 |
| -- | -- | -- | 19,842 | 19,842 |
| -- | 70,030 | -- | -- | 215,099 |
| -- | -- | -- | -- | 42,070 |
| <u>\$ 33,505</u> | <u>\$ 4,538,189</u> | <u>\$ 44,442</u> | <u>\$ 7,646,740</u> | <u>\$ 23,301,553</u> |
| \$ -- | \$ 949 | \$ -- | \$ 8,537 | \$ 202,033 |
| -- | -- | -- | -- | 41,431 |
| -- | -- | -- | -- | 22,344 |
| -- | -- | 19,842 | -- | 19,842 |
| <u>\$ --</u> | <u>\$ 949</u> | <u>\$ 19,842</u> | <u>\$ 8,537</u> | <u>\$ 285,650</u> |
| \$ -- | \$ -- | \$ -- | \$ -- | \$ 1,701,017 |
| -- | 70,030 | 43,482 | -- | 183,622 |
| <u>\$ --</u> | <u>\$ 70,030</u> | <u>\$ 43,482</u> | <u>\$ --</u> | <u>\$ 1,884,639</u> |
| \$ -- | \$ -- | \$ -- | \$ -- | \$ 42,070 |
| -- | -- | -- | -- | 8,344,756 |
| -- | -- | -- | -- | 624,402 |
| 33,505 | 4,467,210 | -- | 7,638,203 | 12,138,918 |
| -- | -- | (18,882) | -- | (18,882) |
| <u>\$ 33,505</u> | <u>\$ 4,467,210</u> | <u>\$ (18,882)</u> | <u>\$ 7,638,203</u> | <u>\$ 21,131,264</u> |
| <u>\$ 33,505</u> | <u>\$ 4,538,189</u> | <u>\$ 44,442</u> | <u>\$ 7,646,740</u> | <u>\$ 23,301,553</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, 2021
(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 | -- | 3,386 | 4,093 |
| Intergovernmental | 350,105 | 1,434,962 | -- |
| Charges for services | -- | -- | 7,724 |
| Fines and forfeitures | -- | -- | 97,708 |
| Miscellaneous | -- | 7,421 | -- |
| Total revenues | <u>\$ 350,105</u> | <u>\$ 1,445,769</u> | <u>\$ 109,525</u> |
| Expenditures: | | | |
| Current: | | | |
| Public safety | \$ -- | \$ -- | \$ -- |
| Public works | -- | -- | 280,827 |
| Culture and recreation | -- | -- | -- |
| Community and economic development | 397,372 | 1,411,065 | -- |
| Capital projects | -- | -- | -- |
| Total expenditures | <u>\$ 397,372</u> | <u>\$ 1,411,065</u> | <u>\$ 280,827</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (47,267)</u> | <u>\$ 34,704</u> | <u>\$ (171,302)</u> |
| Other financing sources (uses): | | | |
| Transfers in | \$ -- | \$ -- | \$ -- |
| Transfers out | (16,001) | -- | (21,380) |
| Total other financing sources (uses) | <u>\$ (16,001)</u> | <u>\$ --</u> | <u>\$ (21,380)</u> |
| Net change in fund balances | \$ (63,268) | \$ 34,704 | \$ (192,682) |
| Fund balances, beginning | 110,667 | 583,592 | 825,050 |
| Increase (decrease) in reserve for inventories | -- | -- | (55) |
| Fund balances, ending | <u>\$ 47,399</u> | <u>\$ 618,296</u> | <u>\$ 632,313</u> |

| Special Revenue | | |
|--------------------------|------------------------|------------------------------|
| <u>Police Retirement</u> | <u>Fire Retirement</u> | <u>Visitor & Tourism</u> |
| \$ 1,025,067 | \$ 600,316 | \$ -- |
| -- | -- | 388,237 |
| 60,076 | 59,114 | 4,247 |
| -- | -- | -- |
| -- | -- | -- |
| -- | -- | -- |
| -- | -- | 5,972 |
| <u>\$ 1,085,143</u> | <u>\$ 659,430</u> | <u>\$ 398,456</u> |
| \$ 1,023,576 | \$ 612,996 | \$ -- |
| -- | -- | -- |
| -- | -- | 607,400 |
| -- | -- | -- |
| -- | -- | -- |
| <u>\$ 1,023,576</u> | <u>\$ 612,996</u> | <u>\$ 607,400</u> |
| <u>\$ 61,567</u> | <u>\$ 46,434</u> | <u>\$ (208,944)</u> |
| \$ -- | \$ -- | \$ 67,883 |
| -- | -- | (17,488) |
| <u>\$ --</u> | <u>\$ --</u> | <u>\$ 50,395</u> |
| \$ 61,567 | \$ 46,434 | \$ (158,549) |
| 3,202,471 | 3,166,553 | 931,391 |
| -- | -- | 175 |
| <u>\$ 3,264,038</u> | <u>\$ 3,212,987</u> | <u>\$ 773,017</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, 2021
(Page 2 of 2)

| | Special Revenue | | |
|--|--------------------------------|-------------------------------|-------------------------------|
| | Greenwood Perpetual Care | Fairview Perpetual Care | Hillside Perpetual Care |
| Revenues: | | | |
| Property taxes and assessments | \$ -- | \$ -- | \$ -- |
| Other city taxes | -- | -- | -- |
| Use of money and property | -- | -- | -- |
| Intergovernmental | -- | -- | -- |
| Charges for services | 5,780 | 4,170 | 1,920 |
| Fines and forfeitures | -- | -- | -- |
| Miscellaneous | -- | -- | -- |
| Total revenues | <u>\$ 5,780</u> | <u>\$ 4,170</u> | <u>\$ 1,920</u> |
| Expenditures: | | | |
| Current: | | | |
| Public safety | \$ -- | \$ -- | \$ -- |
| Public works | -- | -- | -- |
| Culture and recreation | -- | -- | -- |
| Community and economic development | -- | -- | -- |
| Capital projects | -- | -- | -- |
| Total expenditures | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 5,780</u> | <u>\$ 4,170</u> | <u>\$ 1,920</u> |
| Other financing sources (uses): | | | |
| Transfers in | \$ -- | \$ -- | \$ -- |
| Transfers out | -- | -- | -- |
| Total other financing sources (uses) | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |
| Net change in fund balances | \$ 5,780 | \$ 4,170 | \$ 1,920 |
| Fund balances, beginning | 243,912 | 158,993 | 48,403 |
| Increase (decrease) in reserve for inventories | -- | -- | -- |
| Fund balances, ending | <u>\$ 249,692</u> | <u>\$ 163,163</u> | <u>\$ 50,323</u> |

(continued)

| Capital Projects | | | | |
|----------------------------------|---------------------|------------------------|------------------------------------|-----------------------|
| Washington Park Renovation | FEMA Fund | Sidewalk Assessment | Economic Development Capital | Total |
| \$ -- | \$ -- | \$ 19,094 | \$ -- | \$ 1,644,477 |
| -- | -- | -- | -- | 388,237 |
| 203 | 19,136 | -- | 97,981 | 248,236 |
| -- | 39,285 | -- | -- | 1,824,352 |
| -- | -- | -- | -- | 19,594 |
| -- | -- | -- | -- | 97,708 |
| -- | -- | 22,186 | 26,407 | 61,986 |
| <u>\$ 203</u> | <u>\$ 58,421</u> | <u>\$ 41,280</u> | <u>\$ 124,388</u> | <u>\$ 4,284,590</u> |
| | | | | |
| \$ -- | \$ -- | \$ -- | \$ -- | \$ 1,636,572 |
| -- | -- | -- | -- | 280,827 |
| -- | -- | -- | -- | 607,400 |
| -- | -- | -- | -- | 1,808,437 |
| -- | 76,499 | 36,779 | 1,934,110 | 2,047,388 |
| <u>\$ --</u> | <u>\$ 76,499</u> | <u>\$ 36,779</u> | <u>\$ 1,934,110</u> | <u>\$ 6,380,624</u> |
| | | | | |
| <u>\$ 203</u> | <u>\$ (18,078)</u> | <u>\$ 4,501</u> | <u>\$ (1,809,722)</u> | <u>\$ (2,096,034)</u> |
| | | | | |
| \$ -- | \$ 1,463,401 | \$ -- | \$ 2,313,423 | \$ 3,844,707 |
| -- | -- | -- | -- | (54,869) |
| <u>\$ --</u> | <u>\$ 1,463,401</u> | <u>\$ --</u> | <u>\$ 2,313,423</u> | <u>\$ 3,789,838</u> |
| | | | | |
| \$ 203 | \$ 1,445,323 | \$ 4,501 | \$ 503,701 | \$ 1,693,804 |
| 33,302 | 3,021,887 | (23,383) | 7,134,502 | 19,437,340 |
| -- | -- | -- | -- | 120 |
| <u>\$ 33,505</u> | <u>\$ 4,467,210</u> | <u>\$ (18,882)</u> | <u>\$ 7,638,203</u> | <u>\$ 21,131,264</u> |

City of Cedar Falls, Iowa
Combining Statement of Net Position
Internal Service Funds
June 30, 2021

| | <u>Health Insurance</u> | <u>Health Insurance Severance</u> | <u>Payroll</u> |
|---|-----------------------------|---------------------------------------|---------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash | \$ 3,296,559 | \$ 361,567 | \$ 2,664,017 |
| Receivables, net of allowance for uncollectible amounts: | | | |
| Accrued interest | 2,718 | -- | 2,290 |
| Other | 76,357 | -- | -- |
| Inventories | -- | -- | -- |
| Total current assets | <u>\$ 3,375,634</u> | <u>\$ 361,567</u> | <u>\$ 2,666,307</u> |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Buildings | \$ -- | \$ -- | \$ -- |
| Machinery and equipment | -- | -- | -- |
| Accumulated depreciation | -- | -- | -- |
| Total noncurrent assets | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |
| Total assets | <u>\$ 3,375,634</u> | <u>\$ 361,567</u> | <u>\$ 2,666,307</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related deferred outflows | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 68,300 | \$ 361,567 | \$ -- |
| Accrued liabilities | 408,000 | -- | -- |
| Compensated absences due within one year | -- | -- | -- |
| Total current liabilities | <u>\$ 476,300</u> | <u>\$ 361,567</u> | <u>\$ --</u> |
| Noncurrent liabilities: | | | |
| Compensated absences after one year | \$ -- | \$ -- | \$ -- |
| Net pension liability | -- | -- | -- |
| Total noncurrent liabilities | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |
| Total liabilities | <u>\$ 476,300</u> | <u>\$ 361,567</u> | <u>\$ --</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension related deferred inflows | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |
| NET POSITION | | | |
| Investment in capital assets | \$ -- | \$ -- | \$ -- |
| Unrestricted | 2,899,334 | -- | 2,666,307 |
| Total net position | <u>\$ 2,899,334</u> | <u>\$ --</u> | <u>\$ 2,666,307</u> |

| <u>Risk Management</u> | <u>Data Processing</u> | <u>Vehicle Maintenance</u> | <u>Total</u> |
|------------------------|------------------------|----------------------------|----------------------|
| \$ 3,195,611 | \$ 1,359,872 | \$ 3,188,178 | \$ 14,065,804 |
| 2,233 | 981 | 2,284 | 10,506 |
| 22,223 | -- | 3,124 | 101,704 |
| -- | 2,397 | 54,048 | 56,445 |
| <u>\$ 3,220,067</u> | <u>\$ 1,363,250</u> | <u>\$ 3,247,634</u> | <u>\$ 14,234,459</u> |
| \$ -- | \$ -- | \$ 90,302 | \$ 90,302 |
| -- | 1,529,861 | 6,479,822 | 8,009,683 |
| -- | (1,263,150) | (4,320,894) | (5,584,044) |
| <u>\$ --</u> | <u>\$ 266,711</u> | <u>\$ 2,249,230</u> | <u>\$ 2,515,941</u> |
| <u>\$ 3,220,067</u> | <u>\$ 1,629,961</u> | <u>\$ 5,496,864</u> | <u>\$ 16,750,400</u> |
| \$ -- | \$ 86,271 | \$ 92,748 | \$ 179,019 |
| \$ 24,284 | \$ 51,603 | \$ 187,944 | \$ 693,698 |
| 170,711 | 25,509 | 24,940 | 629,160 |
| -- | 22,035 | 19,316 | 41,351 |
| <u>\$ 194,995</u> | <u>\$ 99,147</u> | <u>\$ 232,200</u> | <u>\$ 1,364,209</u> |
| \$ -- | \$ 14,264 | \$ -- | \$ 14,264 |
| -- | 287,284 | 275,393 | 562,677 |
| <u>\$ --</u> | <u>\$ 301,548</u> | <u>\$ 275,393</u> | <u>\$ 576,941</u> |
| <u>\$ 194,995</u> | <u>\$ 400,695</u> | <u>\$ 507,593</u> | <u>\$ 1,941,150</u> |
| \$ -- | \$ 6,738 | \$ 8,689 | \$ 15,427 |
| \$ -- | \$ 266,711 | \$ 2,249,230 | \$ 2,515,941 |
| 3,025,072 | 1,042,088 | 2,824,100 | 12,456,901 |
| <u>\$ 3,025,072</u> | <u>\$ 1,308,799</u> | <u>\$ 5,073,330</u> | <u>\$ 14,972,842</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, 2021

| | Health Insurance | Health Insurance Severance | Payroll |
|------------------------------------|----------------------------|-------------------------------|----------------------------|
| Operating revenues: | | | |
| Charges for services | \$ 3,845,375 | \$ -- | \$ 372,915 |
| Other | -- | -- | -- |
| Total operating revenues | <u>\$ 3,845,375</u> | <u>\$ --</u> | <u>\$ 372,915</u> |
| Operating expenses: | | | |
| Personal services | \$ -- | \$ -- | \$ 304,975 |
| Contractual services | 4,810,302 | -- | -- |
| Supplies and equipment | -- | -- | -- |
| Depreciation | -- | -- | -- |
| Total operating expenses | <u>\$ 4,810,302</u> | <u>\$ --</u> | <u>\$ 304,975</u> |
| Operating income (loss) | <u>\$ (964,927)</u> | <u>\$ --</u> | <u>\$ 67,940</u> |
| Nonoperating revenues (expenses): | | | |
| Use of money and property | \$ 24,064 | \$ -- | \$ 20,729 |
| Gain on disposal of capital assets | -- | -- | -- |
| Loss on disposal of equipment | -- | -- | -- |
| Nonoperating revenues (expenses) | <u>\$ 24,064</u> | <u>\$ --</u> | <u>\$ 20,729</u> |
| Income (loss) before transfers | <u>\$ (940,863)</u> | <u>\$ --</u> | <u>\$ 88,669</u> |
| Transfers in | \$ -- | \$ -- | \$ -- |
| Transfers out | -- | -- | -- |
| Transfers, net | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |
| Change in net position | <u>\$ (940,863)</u> | <u>\$ --</u> | <u>\$ 88,669</u> |
| Net position, beginning | 3,840,197 | -- | 2,577,638 |
| Net position, ending | <u><u>\$ 2,899,334</u></u> | <u><u>\$ --</u></u> | <u><u>\$ 2,666,307</u></u> |

| <u>Risk Management</u> | <u>Data Processing</u> | <u>Vehicle Maintenance</u> | <u>Total</u> |
|------------------------|------------------------|----------------------------|----------------------|
| \$ 758,360 | \$ 989,300 | \$ 2,047,280 | \$ 8,013,230 |
| 221,960 | -- | 55,444 | 277,404 |
| <u>\$ 980,320</u> | <u>\$ 989,300</u> | <u>\$ 2,102,724</u> | <u>\$ 8,290,634</u> |
| \$ -- | \$ 552,235 | \$ 538,158 | \$ 1,395,368 |
| 940,292 | 353,159 | 204,410 | 6,308,163 |
| -- | 169,078 | 958,629 | 1,127,707 |
| -- | 122,904 | 303,203 | 426,107 |
| <u>\$ 940,292</u> | <u>\$ 1,197,376</u> | <u>\$ 2,004,400</u> | <u>\$ 9,257,345</u> |
| <u>\$ 40,028</u> | <u>\$ (208,076)</u> | <u>\$ 98,324</u> | <u>\$ (966,711)</u> |
| \$ 17,502 | \$ 8,502 | \$ 19,907 | \$ 90,704 |
| -- | -- | 62,235 | 62,235 |
| -- | -- | (12,953) | (12,953) |
| <u>\$ 17,502</u> | <u>\$ 8,502</u> | <u>\$ 69,189</u> | <u>\$ 139,986</u> |
| <u>\$ 57,530</u> | <u>\$ (199,574)</u> | <u>\$ 167,513</u> | <u>\$ (826,725)</u> |
| \$ -- | \$ 16,001 | \$ 14,074 | \$ 30,075 |
| (7,698) | -- | -- | (7,698) |
| <u>\$ (7,698)</u> | <u>\$ 16,001</u> | <u>\$ 14,074</u> | <u>\$ 22,377</u> |
| \$ 49,832 | \$ (183,573) | \$ 181,587 | \$ (804,348) |
| 2,975,240 | 1,492,372 | 4,891,743 | 15,777,190 |
| <u>\$ 3,025,072</u> | <u>\$ 1,308,799</u> | <u>\$ 5,073,330</u> | <u>\$ 14,972,842</u> |

City of Cedar Falls, Iowa
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2021

| | Health Insurance | Health Insurance Severance |
|---|---------------------|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from interfund services | \$ 3,845,375 | \$ 82,383 |
| Payments to suppliers | (4,732,660) | -- |
| Payments to employees | -- | (60,321) |
| Net cash provided by (used for) operating activities | <u>\$ (887,285)</u> | <u>\$ 22,062</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Transfers from other funds | \$ -- | \$ -- |
| Transfers to other funds | -- | -- |
| Net cash provided by (used for) financing activities | <u>\$ --</u> | <u>\$ --</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Net acquisition of property and equipment | \$ -- | \$ -- |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received on investments | \$ 47,240 | \$ -- |
| Net increase (decrease) in cash | \$ (840,045) | \$ 22,062 |
| CASH BALANCES, Beginning | 4,136,604 | 339,505 |
| CASH BALANCES, Ending | <u>\$ 3,296,559</u> | <u>\$ 361,567</u> |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | |
| Operating income (loss) | \$ (964,927) | \$ -- |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | |
| Depreciation | -- | -- |
| (Increase) decrease in: | | |
| Other receivables | 15,703 | -- |
| Inventories | -- | -- |
| Increase (decrease) in accounts payable, accrued and other liabilities | 61,939 | 22,062 |
| (Increase) decrease in deferred outflows of resources | -- | -- |
| Increase (decrease) in deferred inflows of resources | -- | -- |
| Net cash provided by (used for) operating activities | <u>\$ (887,285)</u> | <u>\$ 22,062</u> |

| <u>Payroll</u> | <u>Risk Management</u> | <u>Data Processing</u> | <u>Vehicle Maintenance</u> | <u>Total</u> |
|---------------------|------------------------|------------------------|----------------------------|----------------------|
| \$ 372,915 | \$ 758,360 | \$ 989,300 | \$ 2,047,280 | \$ 8,095,613 |
| -- | (862,868) | (500,191) | (1,047,761) | (7,143,480) |
| (463,029) | -- | (531,191) | (529,535) | (1,584,076) |
| <u>\$ (90,114)</u> | <u>\$ (104,508)</u> | <u>\$ (42,082)</u> | <u>\$ 469,984</u> | <u>\$ (631,943)</u> |
| \$ -- | \$ -- | \$ 16,001 | \$ 14,074 | \$ 30,075 |
| -- | (7,698) | -- | -- | (7,698) |
| <u>\$ --</u> | <u>\$ (7,698)</u> | <u>\$ 16,001</u> | <u>\$ 14,074</u> | <u>\$ 22,377</u> |
| \$ -- | \$ -- | \$ (95,709) | \$ (330,596) | \$ (426,305) |
| \$ 37,780 | \$ 37,118 | \$ 16,743 | \$ 36,807 | \$ 175,688 |
| \$ (52,334) | \$ (75,088) | \$ (105,047) | \$ 190,269 | \$ (860,183) |
| 2,716,351 | 3,270,699 | 1,464,919 | 2,997,909 | 14,925,987 |
| <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> |
| \$ 67,940 | \$ 40,028 | \$ (208,076) | \$ 98,324 | \$ (966,711) |
| -- | -- | 122,904 | 303,203 | 426,107 |
| -- | (22,223) | -- | (395) | (6,915) |
| -- | -- | 970 | (22,647) | (21,677) |
| (158,054) | (122,313) | 95,771 | 141,266 | 40,671 |
| -- | -- | (22,742) | (33,991) | (56,733) |
| -- | -- | (30,909) | (15,776) | (46,685) |
| <u>\$ (90,114)</u> | <u>\$ (104,508)</u> | <u>\$ (42,082)</u> | <u>\$ 469,984</u> | <u>\$ (631,943)</u> |

City of Cedar Falls, Iowa
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source*
June 30, 2021 and 2020

| | 2021 | 2020 |
|---|----------------|----------------|
| Governmental fund capital assets: | | |
| Land | \$ 43,116,319 | \$ 43,116,319 |
| Land improvements | 21,077,715 | 20,632,281 |
| Buildings | 36,846,487 | 36,570,505 |
| Machinery and equipment | 13,927,274 | 13,322,649 |
| Infrastructure | 268,834,004 | 248,243,811 |
| Construction in progress | 12,137,611 | 19,176,657 |
| Total governmental funds capital assets | \$ 395,939,410 | \$ 381,062,222 |
| Investments in governmental funds capital assets by source: | | |
| General fund | \$ 23,481,862 | \$ 22,814,493 |
| Special revenue funds | 85,701,611 | 81,616,831 |
| Capital projects funds | 241,581,300 | 233,325,432 |
| Internal service | 238,913 | 238,913 |
| Donations | 44,935,724 | 43,066,553 |
| Total governmental funds capital assets | \$ 395,939,410 | \$ 381,062,222 |

* 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, 2021

| Function and Activity | Land | Land Improvements | Buildings |
|------------------------------------|----------------------|----------------------|----------------------|
| Public Safety | \$ 12,500 | \$ -- | \$ 10,521,665 |
| Public Works | 751,051 | 2,801,887 | 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>\$ 21,077,715</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> |
|--|-----------------------|---|-----------------------|
| \$ 2,558,257 | \$ -- | \$ -- | \$ 13,092,422 |
| 5,884,320 | 262,010,315 | 10,488,413 | 283,518,320 |
| -- | -- | -- | 6,114,627 |
| 3,883,305 | 6,823,689 | 948,380 | 41,233,810 |
| 108,477 | -- | 561,200 | 46,035,321 |
| 1,492,915 | -- | 139,618 | 5,944,910 |
| <u>\$ 13,927,274</u> | <u>\$ 268,834,004</u> | <u>\$ 12,137,611</u> | <u>\$ 395,939,410</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, 2021

| | Governmental Funds Capital Assets July 1, 2020 | Additions | Deletions | Governmental Funds Capital Assets June 30, 2021 |
|---------------------------------------|---|----------------------|----------------------|--|
| Public Safety | \$ 12,824,115 | \$ 312,567 | \$ 44,260 | \$ 13,092,422 |
| Public Works | 269,876,889 | 29,976,061 | 16,334,630 | 283,518,320 |
| Health & Social Services | 6,114,627 | -- | -- | 6,114,627 |
| Culture and Recreation | 41,013,682 | 890,868 | 670,740 | 41,233,810 |
| Community and Economic Development | 45,474,121 | 561,200 | -- | 46,035,321 |
| General Government | 5,758,788 | 196,674 | 10,552 | 5,944,910 |
| | <u>\$ 381,062,222</u> | <u>\$ 31,937,370</u> | <u>\$ 17,060,182</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
Statistical Section

This part of the City's comprehensive annual 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. | 125 |
| Revenue Capacity | |
| These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax. | 135 |
| 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. | 144 |
| 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. | 156 |
| 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. | 161 |

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 | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2012 | 2013 | 2014 | 2015 |
| Governmental activities | | | | |
| Net investment in capital assets | \$ 151,130,097 | \$ 155,314,591 | \$ 162,409,906 | \$ 165,448,958 |
| Restricted | 24,405,828 | 24,150,307 | 25,300,988 | 28,349,177 |
| Unrestricted | 50,704,056 | 54,888,657 | 57,227,282 | 66,476,930 |
| Total governmental activities net position | \$ 226,239,981 | \$ 234,353,555 | \$ 244,938,176 | \$ 260,275,065 |
| Business-type activities | | | | |
| Net investment in capital assets | \$ 70,328,202 | \$ 79,677,940 | \$ 77,467,033 | \$ 79,444,948 |
| Restricted | 9,500 | 9,500 | 9,500 | 9,500 |
| Unrestricted | (76,329) | (5,621,533) | (4,218,827) | (6,100,653) |
| Total business-type activities net position | \$ 70,261,373 | \$ 74,065,907 | \$ 73,257,706 | \$ 73,353,795 |
| Primary government | | | | |
| Net investment in capital assets | \$ 221,458,299 | \$ 234,992,531 | \$ 239,876,939 | \$ 244,893,906 |
| Restricted | 24,415,328 | 24,159,807 | 25,310,488 | 28,358,677 |
| Unrestricted | 50,627,727 | 49,267,124 | 53,008,455 | 60,376,277 |
| Total primary government net position | \$ 296,501,354 | \$ 308,419,462 | \$ 318,195,882 | \$ 333,628,860 |

| Fiscal Year | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| \$ 177,078,562 | \$ 185,440,156 | \$ 206,505,683 | \$ 222,380,958 | \$ 233,264,428 | \$ 235,252,432 |
| 30,021,985 | 33,221,194 | 32,833,649 | 33,108,311 | 34,985,196 | 37,325,937 |
| 67,625,175 | 66,287,368 | 62,952,964 | 57,239,608 | 51,425,709 | 54,645,260 |
| <u>\$ 274,725,722</u> | <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> |
| | | | | | |
| \$ 80,717,535 | \$ 79,810,012 | \$ 83,110,200 | \$ 79,531,920 | \$ 80,028,959 | \$ 80,744,907 |
| 9,500 | 9,500 | 9,500 | 29,990 | 29,990 | 29,990 |
| (4,631,127) | (2,265,218) | (1,699,735) | 6,090,521 | 7,529,705 | 11,807,093 |
| <u>\$ 76,095,908</u> | <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> |
| | | | | | |
| \$ 257,796,097 | \$ 265,250,168 | \$ 289,615,883 | \$ 301,912,878 | \$ 313,293,387 | \$ 315,997,339 |
| 30,031,485 | 33,230,694 | 32,843,149 | 33,138,301 | 35,015,186 | 37,355,927 |
| 62,994,048 | 64,022,150 | 61,253,229 | 63,330,129 | 58,955,414 | 66,452,353 |
| <u>\$ 350,821,630</u> | <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> |

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

| | Fiscal Year | | | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 2012 | 2013 | 2014 | 2015 |
| Expenses | | | | |
| Governmental activities: | | | | |
| Public safety | \$ 8,462,143 | \$ 9,491,677 | \$ 9,293,710 | \$ 9,285,835 |
| Public works | 12,971,278 | 11,909,568 | 12,086,420 | 12,301,197 |
| Health and social services | 316,339 | 320,864 | 166,764 | 279,734 |
| Culture and recreation | 7,098,908 | 7,262,110 | 7,135,841 | 7,560,018 |
| Community and economic development | 7,815,848 | 8,357,058 | 5,134,158 | 5,661,653 |
| General government | 4,333,403 | 4,890,409 | 4,684,649 | 4,319,945 |
| Debt service | 452,378 | 228,173 | 183,339 | 166,377 |
| Total governmental activities expenses | <u>41,450,297</u> | <u>42,459,859</u> | <u>38,684,881</u> | <u>39,574,759</u> |
| Business-type activities: | | | | |
| Sewer | 3,336,990 | 3,617,688 | 3,971,854 | 4,702,339 |
| Refuse | 2,492,305 | 2,770,264 | 2,960,082 | 2,744,057 |
| Storm Water | 722,991 | 728,713 | 835,029 | 1,000,434 |
| Total business-type activities expenses | <u>6,552,286</u> | <u>7,116,665</u> | <u>7,766,965</u> | <u>8,446,830</u> |
| Total primary government expenses | <u>\$ 48,002,583</u> | <u>\$ 49,576,524</u> | <u>\$ 46,451,846</u> | <u>\$ 48,021,589</u> |
| Program Revenues | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| Public Safety | \$ 748,246 | \$ 673,860 | \$ 661,382 | \$ 640,025 |
| Public Works | 199,648 | 204,592 | 179,494 | 174,750 |
| Culture and Recreation | 2,469,465 | 2,400,747 | 2,518,347 | 2,226,514 |
| General Government | 1,682,397 | 1,632,567 | 1,773,501 | 1,547,812 |
| Operating grants and contributions | 1,695,117 | 2,098,639 | 1,818,312 | 1,502,835 |
| Capital grants and contributions | 11,529,905 | 6,479,932 | 3,576,733 | 1,628,293 |
| Total governmental activities program revenues | <u>18,324,778</u> | <u>13,490,337</u> | <u>10,527,769</u> | <u>7,720,229</u> |
| Business-type activities: | | | | |
| Charges for services: | | | | |
| Sewer | 4,313,923 | 4,574,181 | 4,837,116 | 5,067,148 |
| Refuse | 3,328,306 | 2,996,396 | 3,139,016 | 2,855,267 |
| Storm Water | 826,986 | 890,893 | 831,083 | 830,501 |
| Capital grants and contributions: sewer and storm water | 140,450 | 577,411 | 689,285 | 731,471 |
| Total business-type activities program revenues | <u>8,609,665</u> | <u>9,038,881</u> | <u>9,496,500</u> | <u>9,484,387</u> |
| Total primary government program revenues | <u>\$ 26,934,443</u> | <u>\$ 22,529,218</u> | <u>\$ 20,024,269</u> | <u>\$ 17,204,616</u> |
| Net (Expense)/Revenues | | | | |
| Governmental activities | (23,125,519) | (28,969,522) | (28,157,112) | (31,854,530) |
| Business-type activities | 2,057,379 | 1,922,216 | 1,729,535 | 1,037,557 |
| Total primary government net expense | <u>\$ (21,068,140)</u> | <u>\$ (27,047,306)</u> | <u>\$ (26,427,577)</u> | <u>\$ (30,816,973)</u> |

| Fiscal Year | | | | | | |
|-------------|---------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| \$ | 9,720,423 | \$ 10,499,099 | \$ 11,516,205 | \$ 12,234,454 | \$ 14,356,978 | \$ 14,443,799 |
| | 11,782,921 | 12,901,482 | 11,932,088 | 16,064,779 | 14,178,454 | 15,089,189 |
| | 276,202 | 308,406 | 273,186 | 173,198 | 357,404 | 352,735 |
| | 7,679,626 | 7,751,904 | 8,726,607 | 7,852,080 | 8,149,827 | 8,227,093 |
| | 5,747,990 | 7,625,932 | 4,033,621 | 4,443,144 | 4,226,474 | 4,741,335 |
| | 3,855,419 | 3,924,362 | 4,049,880 | 4,333,051 | 4,664,011 | 5,410,951 |
| | 157,356 | 178,344 | 135,621 | 180,268 | 192,876 | 174,868 |
| | <u>39,219,937</u> | <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> |
| | 4,822,038 | 4,613,456 | 4,653,292 | 4,816,390 | 5,162,985 | 5,001,085 |
| | 2,829,990 | 2,876,394 | 2,972,968 | 3,052,989 | 3,134,596 | 3,235,095 |
| | 925,595 | 866,931 | 946,045 | 983,487 | 1,037,946 | 1,050,855 |
| | <u>8,577,623</u> | <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>47,797,560</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> |
| \$ | 620,779 | \$ 607,903 | \$ 640,663 | \$ 655,542 | \$ 577,351 | \$ 516,198 |
| | 179,815 | 168,952 | 171,855 | 165,923 | 161,405 | 105,769 |
| | 2,501,785 | 2,197,303 | 1,919,584 | 1,929,337 | 1,296,689 | 1,176,045 |
| | 2,009,261 | 1,750,177 | 1,893,538 | 1,680,208 | 1,509,577 | 2,093,041 |
| | 1,911,261 | 2,136,947 | 2,714,799 | 1,607,195 | 1,919,605 | 3,012,469 |
| | 3,055,296 | 1,652,967 | 7,928,276 | 5,583,625 | 2,968,418 | 3,180,994 |
| | <u>10,278,197</u> | <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> |
| | 5,279,521 | 5,629,724 | 6,272,882 | 6,625,335 | 6,903,473 | 7,300,595 |
| | 2,910,356 | 2,899,428 | 3,031,163 | 2,930,917 | 2,915,458 | 3,086,774 |
| | 937,310 | 883,849 | 1,037,731 | 947,035 | 1,093,448 | 1,051,594 |
| | 1,034,068 | 897,429 | 1,173,269 | 259,676 | 390,852 | 1,534,377 |
| | <u>10,161,255</u> | <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>20,439,452</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> |
| | (28,941,740) | (34,675,280) | (25,398,493) | (33,659,144) | (37,692,979) | (38,355,454) |
| | 1,583,632 | 1,953,649 | 2,942,740 | 1,910,097 | 1,967,704 | 3,686,305 |
| \$ | <u>(27,358,108)</u> | <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> |

(continued)

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

| | Fiscal Year | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 |
| General Revenues and Other Changes in Net Position | | | | |
| Governmental activities: | | | | |
| General revenues: | | | | |
| Property taxes and assessments | \$ 23,802,124 | \$ 24,695,940 | \$ 21,248,529 | \$ 25,096,699 |
| Other city taxes | 5,754,706 | 5,544,604 | 6,036,891 | 5,935,675 |
| Use of money and property | 1,275,402 | 1,268,202 | 1,120,041 | 1,187,617 |
| Intergovernmental | 4,296,073 | 4,405,345 | 4,545,694 | 25,400,155 |
| Miscellaneous | 1,014,890 | 1,375,437 | 1,389,109 | 844,766 |
| Gain on sale of assets | 6,606 | -- | -- | -- |
| Utility contribution in lieu of taxes | 1,625,000 | 1,637,000 | 1,725,000 | 3,402,949 |
| Transfers | <u>(8,919,154)</u> | <u>(1,843,432)</u> | <u>2,676,469</u> | <u>(356,735)</u> |
| Total governmental activities | <u>28,855,647</u> | <u>37,083,096</u> | <u>38,741,733</u> | <u>61,511,126</u> |
| Business-type activities: | | | | |
| General revenues: | | | | |
| Use of money and property | 36,137 | 38,886 | 44,547 | 50,802 |
| Gain on Sale | -- | -- | -- | -- |
| Intergovernmental | -- | -- | 94,186 | 88,596 |
| Transfers | <u>8,919,154</u> | <u>1,843,432</u> | <u>(2,676,469)</u> | <u>356,735</u> |
| Total business-type activities | <u>8,955,291</u> | <u>1,882,318</u> | <u>(2,537,736)</u> | <u>496,133</u> |
| Total primary government | <u>\$ 37,810,938</u> | <u>\$ 38,965,414</u> | <u>\$ 36,203,997</u> | <u>\$ 62,007,259</u> |
| Change in Net Position | | | | |
| Governmental activities | \$ 5,730,128 | \$ 8,113,574 | \$ 10,584,621 | \$ 29,656,596 |
| Business-type activities | 11,012,670 | 3,804,534 | (808,201) | 1,533,690 |
| Total primary government | <u>\$ 16,742,798</u> | <u>\$ 11,918,108</u> | <u>\$ 9,776,420</u> | <u>\$ 31,190,286</u> |

(continued)

| Fiscal Year | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| \$ 24,991,769 | \$ 25,646,096 | \$ 24,249,414 | \$ 24,620,658 | \$ 24,367,797 | \$ 26,903,746 |
| 5,820,244 | 5,931,730 | 5,709,246 | 6,115,363 | 6,106,725 | 6,955,026 |
| 1,252,423 | 1,302,082 | 1,743,242 | 2,491,989 | 2,386,435 | 1,314,163 |
| 6,503,056 | 6,386,056 | 6,208,882 | 6,493,435 | 6,650,002 | 7,284,160 |
| 1,616,773 | 1,538,658 | 2,802,838 | 3,021,477 | 1,658,073 | 1,997,826 |
| 3,864 | 2,615 | 878 | -- | -- | 35,225 |
| 4,175,000 | 3,402,500 | 3,430,000 | 3,296,714 | 3,058,657 | 2,651,632 |
| (970,732) | 688,539 | (546,193) | (1,943,911) | 411,746 | (1,238,028) |
| <u>43,392,397</u> | <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> |
| 69,673 | 111,583 | 208,958 | 383,387 | 380,265 | 106,682 |
| -- | -- | -- | (4,929) | -- | (37,679) |
| 118,076 | 81,693 | 167,780 | -- | -- | -- |
| 970,732 | (688,539) | 546,193 | 1,943,911 | (411,746) | 1,238,028 |
| <u>1,158,481</u> | <u>(495,263)</u> | <u>922,931</u> | <u>2,322,369</u> | <u>(31,481)</u> | <u>1,307,031</u> |
| <u>\$ 44,550,878</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> |
| \$ 14,450,657 | \$ 10,222,996 | \$ 18,199,814 | \$ 10,436,581 | \$ 6,946,456 | \$ 7,548,296 |
| 2,742,113 | 1,458,386 | 3,865,671 | 4,232,466 | 1,936,223 | 4,993,336 |
| <u>\$ 17,192,770</u> | <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> |

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

| | Fiscal Year | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 |
| General Fund | | | | |
| Nonspendable | \$ 180,689 | \$ 241,612 | \$ 195,196 | \$ 183,922 |
| Assigned | 1,722,948 | 1,817,084 | 2,205,244 | 2,277,562 |
| Unassigned | 7,045,817 | 6,978,807 | 7,333,349 | 7,603,109 |
| Total general fund | <u>\$ 8,949,454</u> | <u>\$ 9,037,503</u> | <u>\$ 9,733,789</u> | <u>\$ 10,064,593</u> |
| All Other Governmental Funds | | | | |
| Nonspendable | \$ 256,912 | \$ 306,613 | \$ 257,741 | \$ 562,516 |
| Restricted | 25,892,197 | 25,435,109 | 26,920,959 | 28,101,815 |
| Committed | 16,145,534 | 16,551,115 | 17,029,200 | 17,408,842 |
| Assigned | 12,916,571 | 14,559,803 | 19,036,386 | 42,072,607 |
| Unassigned | (4,343,889) | (1,193,291) | (5,580,797) | (5,289,619) |
| Total all other governmental funds | <u>\$ 50,867,325</u> | <u>\$ 55,659,349</u> | <u>\$ 57,663,489</u> | <u>\$ 82,856,161</u> |

| Fiscal Year | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| \$ 164,808 | \$ 119,165 | \$ 100,909 | \$ 93,692 | \$ 122,878 | \$ 122,733 |
| 2,589,832 | 2,909,366 | 2,904,712 | 3,124,973 | 3,002,643 | 2,803,774 |
| 8,401,303 | 8,672,595 | 9,105,204 | 9,359,241 | 9,467,412 | 9,166,625 |
| <u>\$ 11,155,943</u> | <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> |
| \$ 678,404 | \$ 441,642 | \$ 338,774 | \$ 275,261 | \$ 452,032 | \$ 489,111 |
| 29,490,897 | 34,254,079 | 32,228,803 | 32,919,628 | 34,676,365 | 36,954,610 |
| 17,820,657 | 18,129,245 | 18,514,062 | 19,013,400 | 19,318,484 | 19,454,123 |
| 37,461,720 | 33,011,377 | 35,726,036 | 31,223,347 | 34,220,780 | 40,556,613 |
| (2,044,819) | -- | (6,525,598) | (9,215,142) | (15,179,224) | (16,231,652) |
| <u>\$ 83,406,859</u> | <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> |

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

| | Fiscal Year | | | |
|--|-----------------------|-----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 |
| Revenues: | | | | |
| Property taxes and assessments | \$ 23,766,846 | \$ 24,696,783 | \$ 21,244,190 | \$ 25,099,620 |
| Other city taxes | 5,755,920 | 5,519,022 | 5,995,505 | 6,156,049 |
| Licenses and permits | 1,162,401 | 1,076,186 | 1,197,723 | 967,488 |
| Use of money and property | 1,275,402 | 1,268,202 | 1,120,040 | 1,187,617 |
| Intergovernmental | 18,920,930 | 12,599,954 | 8,688,760 | 27,494,197 |
| Charges for services | 3,507,339 | 3,386,415 | 3,542,072 | 3,329,061 |
| Fines and forfeitures | 430,016 | 449,165 | 392,928 | 292,551 |
| Miscellaneous | 1,052,265 | 1,358,192 | 1,400,551 | 1,154,586 |
| Utility contribution in lieu of taxes | 1,625,000 | 1,637,000 | 1,725,000 | 3,402,949 |
| Total revenues | <u>\$ 57,496,119</u> | <u>\$ 51,990,919</u> | <u>\$ 45,306,769</u> | <u>\$ 69,084,118</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | \$ 8,375,158 | \$ 8,999,942 | \$ 9,188,529 | \$ 9,736,872 |
| Public works | 10,810,336 | 10,089,252 | 9,325,749 | 10,078,273 |
| Health and social services | 167,759 | 172,284 | 18,184 | 150,853 |
| Culture and recreation | 6,410,049 | 6,449,626 | 6,130,462 | 6,949,450 |
| Community and economic development | 2,447,212 | 2,646,490 | 2,351,253 | 2,529,858 |
| General government | 4,775,981 | 4,684,063 | 4,592,138 | 3,376,609 |
| Debt service | | | | |
| Principal | 3,415,000 | 2,685,000 | 2,775,000 | 1,040,000 |
| Interest | 503,383 | 271,009 | 216,208 | 156,875 |
| Capital projects | 11,390,660 | 9,544,629 | 10,593,247 | 9,106,571 |
| Total expenditures | <u>\$ 48,295,538</u> | <u>\$ 45,542,295</u> | <u>\$ 45,190,770</u> | <u>\$ 43,125,361</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 9,200,581</u> | <u>\$ 6,448,624</u> | <u>\$ 115,999</u> | <u>\$ 25,958,757</u> |
| Other financing sources (uses): | | | | |
| Issuance of refunding debt | \$ 3,320,000 | \$ -- | \$ -- | \$ -- |
| Discount on long-term debt | (8,300) | -- | -- | -- |
| Payments on refunding bonds | (3,285,000) | -- | -- | -- |
| Transfers in | 11,275,219 | 13,297,694 | 12,547,589 | 10,234,634 |
| Transfers out | (19,720,563) | (14,976,869) | (9,867,874) | (10,863,417) |
| Proceeds from long-term debt | -- | -- | -- | -- |
| Premium on long-term debt | -- | -- | -- | -- |
| Total other financing sources (uses) | <u>\$ (8,418,644)</u> | <u>\$ (1,679,175)</u> | <u>\$ 2,679,715</u> | <u>\$ (628,783)</u> |
| Net change in fund balances | <u>\$ 781,937</u> | <u>\$ 4,769,449</u> | <u>\$ 2,795,714</u> | <u>\$ 25,329,974</u> |
| Debt service as a percentage of noncapital expenditures | | | | |
| | 10.2% | 8.0% | 8.9% | 3.5% |

| Fiscal Year | | | | | |
|-----------------------|----------------------|-----------------------|-----------------------|----------------------|----------------------|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| \$ 24,996,361 | \$ 25,647,323 | \$ 24,193,934 | \$ 24,602,616 | \$ 24,332,248 | \$ 26,907,831 |
| 5,574,659 | 6,177,313 | 5,709,246 | 6,115,363 | 6,106,725 | 6,955,026 |
| 1,413,196 | 1,164,442 | 1,302,864 | 1,089,244 | 932,121 | 1,530,582 |
| 1,252,423 | 1,302,082 | 1,743,242 | 2,491,989 | 2,386,435 | 1,314,163 |
| 9,556,156 | 8,383,167 | 13,890,953 | 13,389,635 | 10,625,228 | 10,605,383 |
| 3,613,510 | 3,286,820 | 3,008,403 | 3,043,384 | 2,296,459 | 2,150,458 |
| 284,934 | 273,073 | 314,373 | 297,455 | 316,928 | 209,676 |
| 1,598,216 | 1,533,555 | 2,813,716 | 3,025,774 | 3,356,248 | 1,994,030 |
| 4,175,000 | 3,402,500 | 3,430,000 | 3,296,714 | 3,058,657 | 2,651,632 |
| <u>\$ 52,464,455</u> | <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> |
| \$ 9,888,523 | \$ 9,916,019 | \$ 10,903,573 | \$ 11,815,792 | \$ 12,410,312 | \$ 12,055,532 |
| 9,762,190 | 8,526,896 | 8,454,750 | 12,705,220 | 13,995,394 | 11,492,908 |
| 127,222 | 159,428 | 124,208 | 24,220 | 208,424 | 216,757 |
| 6,868,429 | 6,735,547 | 7,340,139 | 7,070,254 | 7,030,973 | 7,092,995 |
| 2,486,183 | 2,462,130 | 2,428,537 | 2,641,619 | 2,542,366 | 2,991,681 |
| 3,700,513 | 3,720,389 | 3,914,637 | 4,053,737 | 4,566,065 | 4,956,324 |
| 1,070,000 | 1,585,000 | 1,420,000 | 820,000 | 1,580,000 | 650,000 |
| 148,071 | 175,387 | 138,445 | 208,823 | 227,753 | 232,344 |
| 15,604,458 | 18,103,067 | 26,142,521 | 24,723,513 | 11,684,006 | 9,822,160 |
| <u>\$ 49,655,589</u> | <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>\$ 2,808,866</u> | <u>\$ (213,588)</u> | <u>\$ (4,460,079)</u> | <u>\$ (6,711,004)</u> | <u>\$ (834,244)</u> | <u>\$ 4,808,080</u> |
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| 11,283,281 | 12,904,934 | 12,436,705 | 6,216,554 | 9,944,010 | 10,463,001 |
| (12,571,873) | (12,415,212) | (13,060,066) | (8,187,149) | (10,028,753) | (11,723,406) |
| -- | 2,865,000 | -- | 2,860,000 | -- | 3,430,000 |
| -- | 100,938 | -- | 293,827 | -- | 219,957 |
| <u>\$ (1,288,592)</u> | <u>\$ 3,455,660</u> | <u>\$ (623,361)</u> | <u>\$ 1,183,232</u> | <u>\$ (84,743)</u> | <u>\$ 2,389,552</u> |
| <u>\$ 1,520,274</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> |
| 3.9% | 5.0% | 4.9% | 2.7% | 5.0% | 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 |
| 2011 | 2012 | \$ 1,254,821,347 | \$ 2,450,027,899 | \$ 5,572,605 | \$ 8,292,560 |
| 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 |

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 | | |
| \$ | 1,260,393,952 | \$ 2,458,320,459 | 51.27 % | \$ 12.86369 |
| | 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 |

**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 |
| 2012 | \$ 11.79924 | \$ 1.06445 | \$ 12.86369 | \$ 5.92415 | \$ 0.67322 | \$ 6.59737 |
| 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 |

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 |
| \$ 13.78651 | \$ -- | \$ 13.78651 | \$ 1.28109 | \$ 34.52866 |
| 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 | 13.84612 | 1.47747 | 33.09392 |

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

| Taxpayer | 2012 | | |
|----------------------------------|---|------|---|
| | Assessed Valuation for Fiscal Year 2011 - 2012 | Rank | Percentage of Total Assessed Valuation |
| Target Corporation | \$ 81,092,590 | 1 | 3.30 % |
| Goldenstar Apartments, LLP | -- | -- | -- |
| Midland Tarkenton, LLC | -- | -- | -- |
| Tailwind Cedar Falls, LLC | -- | -- | -- |
| WB CF Assoc LTD Partners | 10,682,000 | 5 | 0.43 |
| Vereit Real Estate LP | -- | -- | -- |
| Walmart Re Business Trust | 9,690,220 | 8 | 0.39 |
| Prime RE 2, LLC | -- | -- | -- |
| Martin Realty Company, LLC | -- | -- | -- |
| Menard, Inc. | -- | -- | -- |
| Gold Falls Villa Apart LLC | 7,582,600 | 10 | 0.31 |
| College Square Mall Assoc. LLC | 30,335,750 | 2 | 1.23 |
| R and N Investments | 14,050,940 | 3 | 0.57 |
| Standard Distribution Co. | 10,180,480 | 6 | 0.41 |
| Cedar Properties | 7,733,930 | 9 | 0.31 |
| Twenty Seventh Street Assoc, LLC | 11,300,000 | 4 | 0.46 |
| Cedar Falls Investments, LLC | 9,825,000 | 7 | 0.40 |
| | <u>\$ 192,473,510</u> | | <u>7.81 %</u> |

Source: Black Hawk County

2021

| | Assessed Valuation for Fiscal Year 2020 - 2021 | Rank | Percentage of Total Assessed Valuation |
|----|---|------|---|
| \$ | 76,821,060 | 1 | 2.30 % |
| | 17,630,420 | 2 | 0.53 |
| | 15,659,380 | 3 | 0.47 |
| | 15,566,400 | 4 | 0.47 |
| | 15,475,490 | 5 | 0.46 |
| | 14,603,690 | 6 | 0.44 |
| | 14,046,930 | 7 | 0.42 |
| | 13,748,500 | 8 | 0.41 |
| | 12,497,580 | 9 | 0.37 |
| | 11,808,760 | 10 | 0.35 |
| | -- | -- | -- |
| | -- | -- | -- |
| | -- | -- | -- |
| | -- | -- | -- |
| | -- | -- | -- |
| | -- | -- | -- |
| | -- | -- | -- |
| \$ | <u>207,858,210</u> | | <u>6.22 %</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 |
|-----------|---------------------------------|----------------|------------------------|---------------------------------------|----------------------------|
| 2011 | 2012 | \$ 16,552,835 | \$ 16,576,996 | 100.15 % | \$ 15,223 |
| 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 |

Source: Black Hawk County Auditor's Office.

| 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 |
|-----------------------|---|---|--|
| \$ 16,592,219 | 100.24 % | \$ 22,693 | 0.14 % |
| 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 |

City of Cedar Falls, Iowa
1/1/2020 VALUATIONS (Taxes Payable July 1, 2021 to June 30, 2022)

| | <u>100% Actual Value</u> | <u>Taxable Value (with Rollback)</u> |
|--|-----------------------------|--|
| Residential | \$ 2,590,601,036 | \$ 1,453,871,296 |
| Commercial | 487,628,495 | 424,169,063 |
| Industrial | 32,200,720 | 26,524,529 |
| Multi-Residential | 86,423,276 | 54,155,214 |
| Railroad | 2,124,334 | 1,911,900 |
| Utilities | 2,875,140 | 2,833,417 |
| Gross Valuation | \$ <u>3,201,853,001</u> | \$ <u>1,963,465,419</u> |
| Less military exemption | (2,768,740) | (2,768,740) |
| Net Valuation | \$ 3,199,084,261 | \$ 1,960,696,679 |
| | | |
| TIF increment (used to compute debt services levies and constitutional debt limit) | \$ 228,520,133 ¹ | \$ 225,821,072 ¹ |
| | | |
| Taxes separately | | |
| Ag. Land | \$ 7,212,180 | \$ 6,060,439 |
| Ag. Buildings | \$ 400,820 | \$ 336,813 |
| Utilities - Gas & Electric | \$ 55,775,136 | \$ 3,603,833 |

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

2020 GROSS TAXABLE VALUATION BY CLASS OF PROPERTY¹

| | <u>Taxable Valuation</u> | <u>Percent Total</u> |
|----------------------------------|--------------------------|----------------------|
| Residential | \$ 1,453,871,296 | 73.91% |
| Commercial, Industrial & Utility | 453,527,009 | 23.06% |
| Multi-Residential | 54,155,214 | 2.75% |
| Gas & Electric Utilities | 3,603,833 | 0.18% |
| Railroad | 1,911,900 | 0.10% |
| Total Gross Taxable Valuation | \$ <u>1,967,069,252</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 | |
| 2012 | \$ 10,168,719 | \$ 1,176,781 | \$ 3,553,231 | 210,640 | \$ 15,109,371 |
| 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 |

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> |
|--|-----------------------------------|
| 1.04 % | \$ 385 |
| 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 |

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 |
|----------------|--|--|---------------|---------------------------------|
| 2012 | \$ 14,898,731 | \$ 261,876 | \$ 14,636,855 | \$ 1,260,393,952 |
| 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 |

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> |
|---|---|--|-----------------------|
| 1.16 % | \$ 2,458,320,459 | 0.60 % | \$ 372.82 |
| 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 |

**City of Cedar Falls, Iowa
Direct and Overlapping Debt
As of June 30, 2021**

| <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>7,319,109</u> | 100.00 % | \$ <u>7,319,109</u> |
| Overlapping: | | | |
| Black Hawk County | \$ 22,350,000 | 35.14 | \$ 7,853,790 |
| Cedar Falls Public School District | 26,795,000 | 92.52 | 24,790,734 |
| Area VII Hawkeye Community College | <u>11,560,000</u> | 19.99 | <u>2,310,844</u> |
| Total Overlapping | \$ <u>60,705,000</u> | | \$ <u>34,955,368</u> |
| Total | \$ <u><u>68,024,109</u></u> | | \$ <u><u>42,274,477</u></u> |

Source: Black Hawk County Auditor

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

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

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

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Debt Limit | \$ 132,967,511 | \$ 134,876,517 | \$ 134,876,517 | \$ 139,586,122 | \$ 142,421,126 |
| Total net debt applicable to limit | 13,205,000 | 9,640,000 | 9,640,000 | 7,770,000 | 5,920,000 |
| Legal debt margin | <u>\$ 119,762,511</u> | <u>\$ 125,236,517</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% | 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.

**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 |
| 2012 | \$ 4,333,859 | \$ 1,902,799 | \$ 2,431,060 | \$ -- | \$ 5,108 |
| 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 |

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> |
|----|--------------|-----------------|
| \$ | 5,108 | 475.93 |
| | 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 |

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> |
|------------------------|------------------------------|--------------------------|
| 2011 - 12 | 1,750,015 | 4,953,584 |
| 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 |

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> |
|--------------------|--------------------|-------------------|-------------------|-------------------|--------------|--------------|
| 2012 | 11,957 | 995 | 33 | 208 | 3 | 13,196 |
| 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 |

Source: Cedar Falls Utilities

**City of Cedar Falls, Iowa
Largest Sewer Customers
Fiscal Year 2021**

| Customer | | Water Sales (CCF) | Percent of Total Water Sales | | Sewer Charges | Percent of Total Sewer Charges |
|--|----|-------------------------|------------------------------------|----|------------------|--------------------------------------|
| University of Northern Iowa | 1 | 47,575 | 2.87 % | \$ | 219,925 | 2.78 % |
| Western Home Communities | 2 | 23,099 | 1.40 | | 156,162 | 1.97 |
| Country Terrace MHP LLC-700 W Ridgeway | 3 | 16,842 | 1.02 | | 119,424 | 1.51 |
| Target Corporation | 4 | 18,342 | 1.11 | | 96,313 | 1.22 |
| Gold Falls Villa Apts. | 5 | 7,582 | 0.46 | | 70,303 | 0.89 |
| CF Schools | 6 | 12,561 | 0.76 | | 59,584 | 0.75 |
| Clark Enterprises, LLC | 7 | 4,299 | 0.26 | | 52,489 | 0.66 |
| Kwik Trip, Inc. | 8 | 11,835 | 0.71 | | 49,153 | 0.62 |
| Metokote Corporation | 9 | 10,423 | 0.63 | | 42,785 | 0.54 |
| Newaldaya Lifescapes | 10 | 7,099 | 0.43 | | 42,474 | 0.54 |
| Park @ Nine23 Apts II | 11 | 5,069 | 0.31 | | 41,366 | 0.52 |
| Happy Hippo Car Wash, LLC | 12 | 9,910 | 0.60 | | 40,116 | 0.51 |
| Total 2021 CCF | | 1,655,287 | | | | |
| Total 2021 Sewer Billings | | | | | \$7,916,423 | |

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> |
|-------------|-------------------|----------------------------|---|-----------------------|------------------------------|------------------------------|
| 2012 | 39,260 | \$ 1,448,811,780 | \$ 36,903 | 26.8 | 5,068 | 3.8 |
| 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 |

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 | 2012 | | |
|---|----------------------------------|------|-------------------------------------|
| | Number of Employees ¹ | Rank | Percentage of Total City Employment |
| John Deere Product Engineer Center ² | 6,739 | 1 | 28.92% |
| Mercy One Medical | 2,700 | 2 | 11.59% |
| University of Northern Iowa | 2,586 | 3 | 11.10% |
| Hy-Vee Food Stores ² | 1,231 | 4 | 5.28% |
| Omega Cabinetry, LTD | -- | -- | -- |
| Target Distribution | 475 | 10 | 2.04% |
| Cedar Falls Community School District | 688 | 7 | 2.95% |
| The Western Home | -- | -- | -- |
| Area Education Agency 267 | 1,150 | 5 | 4.94% |
| Martin Brothers Distributing Co., Inc | -- | -- | -- |
| Viking Pump Inc, Unit of Index Corp. | 505 | 9 | 2.17% |
| City of Cedar Falls/Municipal Utilities | 540 | 8 | 2.32% |
| Wal-Mart Super Center ² | 758 | 6 | 3.25% |
| Total | 17,372 | | 74.56% |

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.

| 2021 | | |
|--|-------------|--|
| <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% |
| 1,819 | 3 | 4.47% |
| 1,719 | 4 | 4.22% |
| 994 | 5 | 2.44% |
| 840 | 6 | 2.06% |
| 775 | 7 | 1.90% |
| 668 | 8 | 1.64% |
| 650 | 6 | 1.60% |
| 600 | 10 | 1.47% |
| -- | -- | -- |
| -- | -- | -- |
| -- | -- | -- |
| 15,958 | | 40.65% |

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 | | | |
|--|--|--------|--------|--------|
| | 2012 | 2013 | 2014 | 2015 |
| Public Safety | | | | |
| Police | 50.87 | 50.77 | 49.03 | 46.75 |
| Fire | 33.80 | 35.20 | 35.83 | 34.86 |
| Inspection Services | 7.40 | 9.30 | 8.23 | 7.50 |
| Public Works | | | | |
| Streets | 22.26 | 22.06 | 22.32 | 24.10 |
| Parking | 3.61 | 3.81 | 2.14 | 1.97 |
| Engineering | 11.42 | 11.52 | 10.52 | 10.45 |
| Culture and Recreation | | | | |
| Municipal Operations & Programs Admin. | 2.25 | 2.25 | 2.25 | 1.75 |
| Cultural Services | 8.50 | 8.52 | 8.37 | 8.85 |
| Cemetery | 4.60 | 4.60 | 4.45 | 4.45 |
| Golf | 5.00 | 5.00 | 4.93 | 4.93 |
| Parks | 20.65 | 21.45 | 17.66 | 17.41 |
| Recreation | 35.26 | 35.26 | 35.59 | 34.59 |
| Library | 18.56 | 19.84 | 20.76 | 20.96 |
| Senior Services | 0.78 | 0.78 | 0.15 | 0.15 |
| Visitor & Tourism | 3.20 | 3.20 | 3.18 | 3.28 |
| Community & Economic Development | | | | |
| Community Development Admin. | 1.50 | 1.50 | 1.50 | 1.25 |
| Economic Development | 2.12 | 2.02 | 2.09 | 0.00 |
| Planning & Community Services | 3.68 | 3.68 | 3.67 | 6.08 |
| Block Grant | 1.69 | 1.79 | 1.40 | 1.13 |
| Housing Vouchers | 1.92 | 1.93 | 1.49 | 1.13 |
| General Government | | | | |
| Mayor's Office | 1.50 | 1.50 | 1.10 | 1.10 |
| Administration | 1.50 | 1.50 | 1.00 | 1.00 |
| Finance & Business Operations Admin | 0.00 | 0.00 | 0.00 | 0.00 |
| Financial Services | 6.45 | 5.95 | 5.58 | 6.58 |
| Legal Services | 3.00 | 3.00 | 2.00 | 2.00 |
| Public Records | 3.70 | 4.10 | 3.95 | 3.73 |
| Cable TV | 4.50 | 4.50 | 5.00 | 5.00 |
| Print Shop | 1.00 | 1.00 | 1.00 | 0.00 |
| Public Buildings | 15.84 | 15.84 | 14.61 | 1.73 |
| Internal Service | | | | |
| Information Systems | 4.00 | 4.00 | 4.00 | 4.00 |
| Vehicle Maintenance | 6.10 | 6.10 | 7.68 | 7.68 |
| Sewer | 18.38 | 18.38 | 17.98 | 18.27 |
| Refuse | 21.35 | 21.35 | 19.41 | 18.79 |
| Storm Water | 4.30 | 4.30 | 4.30 | 4.30 |
| Total | 330.69 | 335.98 | 323.17 | 305.77 |

Source: City's Financial Plans

Full-Time Equivalent Employees as of June 30

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------|--------|--------|--------|--------|--------|
| 47.19 | 47.19 | 48.22 | 55.72 | 61.43 | 61.73 |
| 34.86 | 33.06 | 30.41 | 28.51 | 25.51 | 25.83 |
| 7.50 | 7.50 | 7.50 | 8.84 | 10.05 | 9.41 |
| 24.10 | 24.10 | 24.10 | 24.10 | 24.65 | 24.37 |
| 1.97 | 1.97 | 2.00 | 2.05 | 3.55 | 4.44 |
| 10.45 | 10.45 | 12.73 | 14.07 | 13.08 | 14.76 |
| 1.75 | 1.65 | 1.65 | 1.65 | 1.65 | 0.00 |
| 8.85 | 7.61 | 7.36 | 6.70 | 7.43 | 8.08 |
| 4.45 | 4.45 | 4.45 | 6.45 | 5.45 | 5.50 |
| 4.93 | 4.93 | 0.75 | 0.38 | 0.00 | 0.00 |
| 17.41 | 17.41 | 16.61 | 17.11 | 16.98 | 17.71 |
| 34.59 | 34.59 | 33.96 | 33.96 | 34.23 | 34.96 |
| 20.96 | 21.74 | 21.48 | 22.93 | 23.97 | 25.46 |
| 0.15 | 0.15 | 0.15 | 0.15 | 1.40 | 1.40 |
| 3.28 | 3.28 | 3.28 | 3.91 | 4.91 | 4.91 |
| 1.25 | 1.25 | 1.17 | 1.17 | 1.16 | 1.05 |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6.08 | 6.08 | 5.98 | 5.93 | 4.55 | 5.65 |
| 1.13 | 1.13 | 0.43 | 0.45 | 0.15 | 0.15 |
| 1.12 | 1.12 | 1.54 | 1.47 | 1.08 | 2.59 |
| 1.10 | 1.10 | 1.08 | 1.08 | 1.08 | 1.08 |
| 1.00 | 1.00 | 1.02 | 1.02 | 3.02 | 3.02 |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.73 |
| 6.58 | 6.31 | 6.32 | 7.42 | 7.06 | 6.71 |
| 2.00 | 2.00 | 2.10 | 2.10 | 2.10 | 2.10 |
| 3.73 | 3.73 | 3.71 | 3.86 | 3.83 | 4.24 |
| 5.00 | 5.50 | 5.30 | 5.55 | 5.43 | 4.10 |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1.73 | 1.73 | 1.73 | 1.73 | 1.50 | 1.50 |
| 4.00 | 4.73 | 4.73 | 5.73 | 5.73 | 5.83 |
| 7.68 | 6.68 | 7.35 | 7.38 | 7.38 | 7.23 |
| 18.27 | 17.72 | 17.82 | 17.82 | 17.37 | 17.27 |
| 18.79 | 17.79 | 17.74 | 17.74 | 16.41 | 16.65 |
| 4.30 | 4.30 | 4.30 | 3.30 | 3.60 | 3.30 |
| 306.20 | 302.25 | 296.97 | 310.28 | 315.74 | 322.76 |

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

| | Fiscal Year | | |
|--|-------------|------------|------------|
| | 2012 | 2013 | 2014 |
| Public Safety | | | |
| Police | | | |
| Physical arrests | 1,088 | 1,178 | 1,057 |
| Traffic violations | 2,938 | 5,554 | 5,095 |
| Parking violations | 18,619 | 20,889 | 14,780 |
| Cars Booted ² | -- | -- | -- |
| Fire | | | |
| Number of calls answered | 2,166 | 2,190 | 2,113 |
| Inspections conducted | 1,929 | 2,843 | 2,318 |
| Sewer | | | |
| Sewage System | | | |
| Daily average treatment in gallons | 4,100,000 | 4,100,000 | 4,930,000 |
| 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 | 3,400,000 | 4,090,000 |
| Maximum daily capacity of plant in gallons | 23,400,000 | 23,400,000 | 23,400,000 |
| Refuse¹ | | | |
| Solid Waste | | | |
| 35 Gallon Containers | 4,572 | 4,600 | 4,905 |
| 64 Gallon Containers | 6,990 | 6,899 | 7,165 |
| 96 Gallon Containers | 2,301 | 2,307 | 2,398 |
| Yard Waste | | | |
| 96 Gallon Containers | 6,741 | 6,916 | 7,155 |

Sources: Various city departments

¹ Statistics begin in FY04

² Statistics begin in FY15

| Fiscal Year | | | | | | |
|-------------|------------|------------|------------|------------|------------|------------|
| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| 1,029 | 912 | 839 | 1,003 | 911 | 345 | 792 |
| 5,405 | 4,172 | 3,645 | 4,066 | 1,784 | 2,624 | 2,343 |
| 13,493 | 13,364 | 12,350 | 11,206 | 11,076 | 10,948 | 10,939 |
| 184 | 252 | 243 | 187 | 196 | 174 | 33 |
| 2,037 | 2,257 | 2,200 | 2,343 | 1,387 | 2,079 | 2,218 |
| 1,214 | 2,681 | 1,492 | 427 | 1,925 | 1,167 | 955 |
| 4,520,000 | 5,790,000 | 6,729,000 | 6,729,000 | 7,408,000 | 5,695,000 | 4,482,000 |
| 21,600,000 | 21,600,000 | 21,600,000 | 21,600,000 | 21,600,000 | 21,600,000 | 21,600,000 |
| 3,380,000 | 3,276,000 | 3,267,000 | 3,417,000 | 3,178,000 | 3,121,000 | 3,141,000 |
| 23,400,000 | 23,400,000 | 23,400,000 | 23,400,000 | 23,400,000 | 23,400,000 | 23,400,000 |
| 4,347 | 4,659 | 4,963 | 5,199 | 5,437 | 5,548 | 4,383 |
| 6,305 | 6,610 | 6,850 | 7,182 | 7,443 | 7,690 | 6,512 |
| 1,638 | 1,777 | 1,950 | 2,047 | 2,143 | 2,263 | 1,931 |
| 7,239 | 7,419 | 7,555 | 7,752 | 7,869 | 7,977 | 8,091 |

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

| | Fiscal Year | | | |
|------------------------------------|-------------|--------|--------|--------|
| | 2012 | 2013 | 2014 | 2015 |
| Public safety | | | | |
| Public Safety Building | -- | -- | -- | -- |
| Patrol Units | 10 | 10 | 10 | 10 |
| Fire apparatus | 8 | 8 | 8 | 8 |
| Public works | | | | |
| Streets | | | | |
| Miles | 217 | 217 | 217 | 217 |
| Street lights | 3,088 | 3,104 | 3,109 | 3,116 |
| 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 | 33 | 34 | 35 | 35 |
| Acreage | 1,131 | 1,132 | 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 | 180.47 | 185.94 | 187.4 | 187.57 |
| Miles of storm sewers | 172.33 | 176.18 | 177.6 | 181.41 |
| Number of treatment plants | 1 | 1 | 1 | 1 |
| Number of service connectors | 12,544 | 12,544 | 12,826 | 12,826 |
| Water Systems | | | | |
| Miles of water mains | 199.00 | 201.50 | 201.70 | 203.92 |
| Number of service connectors | 12,544 | 11,996 | 12,071 | 12,208 |
| Number of city owned fire hydrants | 2,067 | 2,011 | 2,038 | 2,044 |

Sources: Various city departments

| Fiscal Year | | | | | |
|-------------|--------|--------|--------|--------|--------|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| -- | -- | -- | 1 | 1 | 1 |
| 10 | 10 | 11 | 11 | 11 | 12 |
| 8 | 8 | 8 | 9 | 9 | 9 |
| 218 | 219 | 222 | 222 | 222 | 224 |
| 3,178 | 3,185 | 3,282 | 3,346 | 3,346 | 3,458 |
| 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 |
| 6 | 6 | 6 | 6 | 6 | 6 |
| 188.5 | 190.28 | 192.46 | 193.07 | 194.15 | 195.56 |
| 182.9 | 185.64 | 188.1 | 188.52 | 189.04 | 190.4 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 13,099 | 13,142 | 13,142 | 13,184 | 13,233 | 13,393 |
| 206.12 | 207.61 | 210.06 | 211.47 | 211.51 | 212.80 |
| 12,322 | 12,425 | 12,682 | 12,452 | 12,590 | 12,884 |
| 2,088 | 2,151 | 2,172 | 2,274 | 2,270 | 2,270 |



November 1, 2021

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, 2021, and have issued our report thereon dated November 1, 2021. 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 2, 2021, 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 November 1, 2021. 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 November 1, 2021.

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

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

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during year ended June 30, 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 corrected or uncorrected misstatements noted in performing the audit.

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.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated November 1, 2021.

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.

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,

EIDE BAILLY LLP

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, 2021

City of Cedar Falls, Iowa

City of Cedar Falls, Iowa
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June 30, 2021

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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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 1, 2021.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 may exist that have not been identified.

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, 2021, 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
November 1, 2021

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

We have audited the City of Cedar Falls, Iowa's (City) compliance 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 for the year ended June 30, 2021. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility 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. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City of Cedar Falls, Iowa's compliance.

Opinion on the Major Federal Program

In our opinion, the City of Cedar Falls, Iowa, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal program for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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, we do not express an opinion on the effectiveness of the City's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

We have audited the financial statements of the City of Cedar Falls, Iowa, as of and for the year ended June 30, 2021, and have issued our report thereon dated November 1, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.



Dubuque, Iowa
November 1, 2021

City of Cedar Falls, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal Financial Assistance Listing | Pass-through Entity Identifying Number | Expenditures | Amounts Passed- Through to Subrecipients |
|---|---|---|------------------|--|
| U.S. Department of Housing and Urban Development | | | | |
| CDBG - Entitlement Grants Cluster | | | | |
| Community Development Block Grants/Entitlement Grants | 14.218 | | \$ 156,397 | \$ 31,500 |
| COVID-19 - Community Development Block Grants/Entitlement Grants | 14.218 | | <u>148,500</u> | <u>80,272</u> |
| | | | <u>304,897</u> | <u>111,772</u> |
| Passed through Iowa Economic Development Authority | | | | |
| COVID-19 - Community Development Block Grants/Entitlement Grants | 14.228 | 20-CVE-009 | <u>86,581</u> | <u>49,778</u> |
| Passed through City of Waterloo, Iowa | | | | |
| Home Investment Partnerships Program | 14.239 | M01DC190206 | <u>21,896</u> | <u>-</u> |
| Housing Voucher Cluster | | | | |
| Section 8 Housing Choice Vouchers | 14.871 | | 1,404,230 | - |
| COVID-19 - Section 8 Housing Choice Vouchers | 14.871 | | <u>30,732</u> | <u>-</u> |
| | | | <u>1,434,962</u> | <u>-</u> |
| Total U.S. Department of Housing and Urban Development | | | <u>1,848,336</u> | <u>161,550</u> |
| U.S. Department of Justice | | | | |
| Joint Law Enforcement Operations | 16.111 | | 1,372 | - |
| Joint Law Enforcement Operations | 16.111 | | 2,208 | - |
| Passed through City of Waterloo, Iowa | | | | |
| Joint Law Enforcement Operations | 16.111 | IA0070300 | <u>11,308</u> | <u>-</u> |
| | | | 14,888 | - |
| Bulletproof Vest Partnership Program | 16.607 | | <u>3,108</u> | <u>-</u> |
| Total U.S. Department of Justice | | | <u>17,996</u> | <u>-</u> |

City of Cedar Falls, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal Financial Assistance Listing | Pass-through Entity Identifying Number | Expenditures | Amounts Passed- Through to Subrecipients |
|--|---|---|---------------------|--|
| U.S. Department of Transportation | | | | |
| Passed through Iowa Department of Transportation | | | | |
| Highway Planning and Construction Cluster | | | | |
| Highway Planning and Construction | 20.205 | STP-57-2 (28)--2C-07 | \$ 17,109 | \$ - |
| Highway Planning and Construction | 20.205 | TAP-U-1185 (654)-8I-07 | 7,224 | - |
| | | | <u>24,333</u> | <u>-</u> |
| Passed through Iowa Department of Public Safety | | | | |
| Highway Safety Cluster | | | | |
| State and Community Highway Safety | 20.600 | 21-405d | 2,281 | - |
| Total U.S. Department of Transportation | | | <u>26,614</u> | <u>-</u> |
| U.S. Treasury | | | | |
| Passed through Iowa Department of Revenue | | | | |
| COVID-19 - Coronavirus Relief Fund | 21.019 | 00116 | 963,401 | - |
| U.S. Department of Homeland Security | | | | |
| Passed through Iowa Department of Homeland Security | | | | |
| COVID-19 - Disaster Grants - Public Assistance | 97.036 | DR-4483-IA | 52,380 | - |
| Total Federal Financial Assistance | | | <u>\$ 2,908,727</u> | <u>\$ 161,550</u> |

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, 2021. 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, 2021

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>CFDA Number</u> |
|---|--------------------|
| COVID-19 - Coronavirus Relief Fund | 21.019 |
| 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, 2021

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:

- 2021-IA-A Certified Budget** - Disbursements during the year ended June 30, 2021, did not exceed the amount budgeted.
- 2021-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.
- 2021-IA-C Travel Expense** - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
- 2021-IA-D Business Transactions** – No business transactions between the City and City officials or employees were noted.
- 2021-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.
- 2021-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.
- 2021-IA-G Council Minutes** - No transactions were found that we believe should have been approved in the Council minutes but were not.
- 2021-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.
- 2021-IA-I Revenue Loan** – No instances of non-compliance with the sewer state revolving loan revenue debt provisions were noted.
- 2021-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.
- 2021-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.