

Assuming compliance with certain covenants, in the opinion of Ahlers & Cooney, P.C., Bond Counsel, under present law and assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Series 2019A Bonds and the Series 2019C Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Series 2019A Bonds is NOT exempt from present state of Iowa income taxes. Interest on the Series 2019C Bonds is exempt from present State of Iowa income taxes. Interest on the Series 2019B Bonds is includable in gross income for purposes of federal and State of Iowa income taxes. The Bonds will NOT be designated as "qualified tax-exempt obligations." See "TAX MATTERS" herein.



Sioux City, Iowa

**\$10,560,000 General Obligation Bonds, Series 2019A**

**\$11,560,000 Taxable General Obligation Bonds, Series 2019B**

**\$3,105,000 General Obligation Urban Renewal Bonds, Series 2019C**

Dated: June 20, 2019

The General Obligation Bonds, Series 2019A (the "Series 2019A Bonds"), the Taxable General Obligation Bonds, Series 2019B (the "Series 2019B Bonds"), and the General Obligation Urban Renewal Bonds, Series 2019C (collectively, the 2019A Bonds, the 2019B Bonds and the 2019C Bonds, the "Bonds") described above are issuable as fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee of the Depository Trust Company, New York, NY ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. So long as DTC or its nominee, Cede & Co., is the Bondholder, the principal of, premium, if any, and interest on the Bonds will be paid by City Treasurer as Registrar and Paying Agent (the "Registrar"), or its successor, to DTC, or its nominee, Cede & Co. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants as more fully described herein. Neither the Issuer nor the Registrar will have any responsibility or obligation to such DTC Participants, indirect participants or the persons for whom they act as nominee with respect to the Bonds.

Interest on the Bonds is payable on June 1, and December 1 in each year, beginning June 1, 2020 to the registered owners thereof. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

The Bonds maturing after June 1, 2024, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

#### **MATURITY SCHEDULE – See next page**

The Bonds are being offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to receipt of an opinion as to legality, validity and tax exemption by Ahlers & Cooney P.C. Des Moines, Iowa, Bond Counsel. Ahlers & Cooney P.C. is also servicing as Disclosure Counsel for the Issuer in connection with the issuance of the Bonds. It is expected that the Bonds in the definitive form will be available for delivery on or about June 20, 2019. The Underwriter intends to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

*Series 2019B*

Northland Securities

The Date of this Official Statement is May 24, 2019

## MATURITY SCHEDULE

### Series 2019A

<u>Bond Due</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Cusip Num.*</u>	<u>Bonds Due</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Cusip Num.*</u>
June 1, 2020	\$965,000	2.00%	1.60%	829458 KH0	June 1, 2025	\$1,065,000	2.00	1.90%	829458 KN7
June 1, 2021	985,000	2.00	1.65	829458 KJ6	June 1, 2026	1,085,000	2.00	2.00	829458 KP2
June 1, 2022	1,005,000	2.00	1.70	829458 KK3	June 1, 2027	1,105,000	2.00	2.07	829458 KQ0
June 1, 2023	1,025,000	2.00	1.75	829458 KL1	June 1, 2028	1,130,000	2.00	2.15	829458 KR8
June 1, 2024	1,045,000	2.00	1.80	829458 KM9	June 1, 2029	1,150,000	3.00	2.25	829458 KS6

### Series 2019B

<u>Bond Due</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Cusip Num.*</u>	<u>Bonds Due</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Cusip Num.*</u>
June 1, 2020	\$1,025,000	2.65%	2.49%	829458 KT4	June 1, 2025	\$1,165,000	2.65%	2.55%	829458 KY3
June 1, 2021	1,050,000	2.65	2.35	829458 KU1	June 1, 2026	1,200,000	2.65	2.60	829458 KZ0
June 1, 2022	1,080,000	2.65	2.35	829458 KV9	June 1, 2027	1,230,000	2.70	2.70	829458 LA4
June 1, 2023	1,110,000	2.65	2.40	829458 KW7	June 1, 2028	1,265,000	2.80	2.80	829458 LB2
June 1, 2024	1,135,000	2.65	2.50	829458 KX5	June 1, 2029	1,300,000	3.00	2.90	829458 LC0

### Series 2019C

<u>Bond Due</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Cusip Num.*</u>	<u>Bonds Due</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Cusip Num.*</u>
June 1, 2020	\$285,000	2.00%	1.60%	829458 LD8	June 1, 2025	\$315,000	2.00%	1.90%	829458 LJ5
June 1, 2021	290,000	2.00	1.65	829458 LE6	June 1, 2026	320,000	2.00	2.00	829458 LK2
June 1, 2022	295,000	2.00	1.70	829458 LF3	June 1, 2027	325,000	2.00	2.07	829458 LL0
June 1, 2023	300,000	2.00	1.75	829458 LG1	June 1, 2028	330,000	2.00	2.15	829458 LM8
June 1, 2024	305,000	2.00	1.80	829458 LH9	June 1, 2029	340,000	3.00	2.25	829458 LN6

\* CUSIP numbers shown above have been assigned by a separate organization not affiliated with the Issuer. The Issuer has not selected nor is responsible for selecting the CUSIP numbers assigned to the Bonds nor do they make any representation as to the correctness of such CUSIP numbers on the Bonds or as indicated above.

No dealer, salesman or any other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the Issuer or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of any offer to buy any of the securities offered hereby in any state to any persons to whom it is unlawful to make such offer in such state. Except where otherwise indicated, this Official Statement speaks as of the date hereof. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. The Issuer considers the Official Statement to be "near final" within the meaning of Rule 15c2-12 of the Securities Exchange Commission. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTIONS 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATIONS OF THESE SECURITIES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THESE SECURITIES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SECURITIES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

## **FORWARD-LOOKING STATEMENTS**

This Official Statement, including Appendix A, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget" or similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT EXPECT OR INTEND TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

**OFFICIAL STATEMENT**  
**SIOUX CITY, IOWA**  
**\$10,560,000 GENERAL OBLIGATION BONDS SERIES 2019A**  
**\$11,560,000 TAXABLE GENERAL OBLIGATION BONDS, SERIES 2019B**  
**\$3,105,000 GENERAL OBLIGATION URBAN RENEWAL BONDS, SERIES 2019C**

**INTRODUCTORY STATEMENT**

This Official Statement presents certain information relating to Sioux City, Iowa (the “Issuer”), in connection with the sale of the Issuer’s General Obligation Bonds, Series 2019A (the “Series 2019A Bonds”) the Taxable General Obligation Bonds, Series 2019B (the “Series 2019B Bonds”) and the General Obligation Urban Renewal Bonds, Series 2019C (the Series 2019C Bonds”) (Collectively, the Series 2019A Bonds, the Series 2019B Bonds and the Series 2019C Bonds are referred to as “Bonds” herein). The Bonds are being issued for the following purposes: (i) Series 2019A Bonds are being issued to provide funds various infrastructure and facilities improvement projects as detailed herein, (ii) Series 2019B Bonds are being issued to provide funds various infrastructure and facilities improvement projects as detailed herein, and (iii) Series 2019C Bonds are being issued to provide funds for various infrastructure and facilities improvement projects as detailed herein, and (iv) each Series shall pay the costs associated with the issuance of the Bonds. See “**SOURCES AND USES OF FUNDS**” herein.

This Official Statement is deemed to be a final official statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain pricing and other information which is to be made available through a final Official Statement.

This Introductory Statement is only a brief description of the Bonds and certain other matters. Such description is qualified by reference to the entire Official Statement and the documents summarized or described herein. This Official Statement should be reviewed in its entirety.

The Bonds are general obligations of the Issuer, payable from and secured by a continuing annual ad-valorem tax levied against all of the property valuation of the Issuer. See “**THE BONDS – Source of Security for the Bonds**” herein.

All statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

**THE BONDS**

**General**

The Bonds are dated as of the date of delivery (expected on or about June 20, 2019), and will bear interest at the rates to be set forth on the cover page herein, interest payable on June 1 and December 1 in each year, beginning on June 1, 2020, calculated on the basis of a year of 360 days and twelve 30-day months. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

**Authorization for the Issuance**

The Bonds are being issued pursuant to the Code of Iowa, 2019 as amended, Sections 384.25, 384.26, and 384.28, and Chapter 403 as to the Series 2019C Bonds.

**Book Entry Only System**

*The following information concerning The Depository Trust Company (“DTC”), New York, New York and DTC’s book-entry system has been obtained from sources the Issuer believes to be reliable. However, the Issuer takes no responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.*

The Depository Trust Company (“DTC”), New York, NY will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Securities in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S equity issues, corporate and municipal debt issues and money market instrument (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities

transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participations include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC").

DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered in the transaction. Transfers of ownership interest in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to taken certain steps to augment transmission to them notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit have agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial owners may wish to provide their names and addresses to the Registrar and request that copies of the notices by provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participants in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Issuer or Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or successor securities depository). In that event Security certificates will be printed and delivered to DTC.

The Issuer cannot and does not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Bonds (i) payments of principal of or interest and premium, if any, on the Bonds, (ii) certificates representing an ownership interest or other confirmation of beneficial ownership interest in the Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the Registered Owner of the Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current “Rules” applicable to DTC are on file with the Securities Exchange Commission, and the current “Procedures” of DTC to be followed in dealing with Direct Participants are on file with DTC.

Neither the Issuer nor the Paying Agent will have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person with respect to: (1) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (2) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal or redemption price of or interest on the Bonds; (3) the delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Indenture to be given to owners of Bonds; (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (5) any consent given or other action taken by DTC as a Bondholder.

### **Transfer and Exchange**

In the event that the Book Entry System is discontinued, any Bond may, in accordance with its terms, be transferred by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the principal corporate office of the Registrar accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Registrar. Whenever any Bond or Bonds shall be surrendered for transfer, the Registrar shall execute and deliver a new Bond or Bonds of the same maturity, interest rate, and aggregate principal amount.

Bonds may be exchanged at the principal corporate office of the Registrar for a like aggregate principal amount of Bonds or other authorized denominations of the same maturity and interest rate; provided, however, that the Registrar is not required to transfer or exchange any Bonds which have been selected for prepayment and is not required to transfer or exchange any Bonds during the period beginning 15 days prior to the selection of Bonds for prepayment and ending the date notice of prepayment is mailed. The Registrar may require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. All Bonds surrendered pursuant to the provisions of this and the preceding paragraph shall be canceled by the Registrar and shall not be redelivered.

### **Prepayment**

Optional Prepayment. The Bonds maturing after June 1, 2024, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Selection of Bonds for Redemption Bonds subject to redemption will be selected in such order of maturity as the Issuer may direct. So long as the Bonds are held by DTC, if less than all of the Bonds of a single maturity are to be redeemed, the Issuer will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed, and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. In the event, the Bonds are not held by DTC, if less than all of the Bonds of a single maturity are to be redeemed, the Bonds to be redeemed will be selected by lot or other random method by the Registrar in such a manner as the Registrar may determine.

Notice of Redemption. Prior to the redemption of any Bonds under the provisions of the Resolutions, the Registrar shall give written notice not less than thirty (30) days prior to the redemption date to each registered owner thereof.

On the dates so designated for redemption, notice having been given in the manner and under the conditions hereinabove, provided and moneys for payment of the redemption price being held in the Sinking Fund, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date. Interest on the Bonds so called for redemption shall cease to accrue; such Bonds shall cease to be entitled to any benefit hereunder, and the Bond Holders shall have no rights in respect thereof except to receive payment of the redemption price thereof.

Bonds which have been duly called for redemption, with respect to which irrevocable instructions to call for redemption at a stated redemption have been given to the Registrar, and moneys for the payment the face amount thereof, premium, if any, and interest on are held in separate accounts by the Registrar in trust for Bondholders shall not thereafter be deemed to be outstanding under the provisions of the Resolutions, other than be entitled to receive payment from such sources.

### **Source of Security for the Bonds**

The Bonds are valid and legally binding general obligations of the Issuer payable both as to principal and interest from ad valorem taxes

levied against all taxable property therein without limitation as to rate or amount, all except as limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to the enforcement of creditors' rights generally and except that enforcement by equitable and similar remedies, such as mandamus, is subject to the exercise of judicial discretion. In the Resolutions authorizing issuance of the Bonds, the Issuer will levy taxes for the years and in amounts sufficient to provide 100% of annual principal and interest due on the Bonds. If, however, the amount credited to the debt service fund for payment of the Bonds is insufficient to pay principal and interest, whether from transfers or from original levies, the Issuer must use funds in its treasury and is authorized to levy ad valorem taxes upon all taxable property in the City without limit as to rate or amount sufficient to pay the debt service deficiency.

Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation bonds, "the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full."

Nothing in the Resolutions authorizing the Bonds prohibits or limits the ability of the Issuer to use legally available moneys other than the proceeds of the general ad valorem property taxes levied as described in the preceding paragraph to pay all or any portion of the principal of or interest on the Bonds. If and to the extent such other legally available moneys are used to pay the principal of or interest on the Bonds, the Issuer may, but shall not be required to, (a) reduce the amount of taxes levied for such purpose, as described in the preceding paragraph; or (b) use proceeds of taxes levied, as described in the preceding paragraph, to reimburse the fund or account from which such other legally available moneys are withdrawn for the amount withdrawn from such fund or account to pay the principal of or interest on the Bonds.

The Issuer's obligation to pay the principal of and interest on the Bonds is on a parity with the Issuer's obligation to pay the principal of and interest on any other of its general obligation debt secured by a covenant to levy taxes within the Issuer, including any such debt issued or incurred after the issuance of the Bonds. The Resolutions authorizing the Bonds does not restrict the Issuer's ability to issue or incur additional general obligation debt, although issuance of additional general obligation debt is subject to the same constitutional and statutory limitations that apply to the issuance of the Bonds. For a further description of the Issuer's outstanding general obligation debt upon issuance of the Bonds and the annual debt service on the Bonds, see "**Outstanding Debt**" herein. For a description of certain constitutional and statutory limits on the issuance of general obligation debt, see "Debt Limit" herein.

## **BONDHOLDERS' RISKS**

The factors described below, along with other matters, may affect the ability of the Issuer to pay the Bonds when due, the Issuer's general financial condition, or the marketability of the Bonds.

### **Financial Condition of the Issuer from time to time**

No representation is made as to the future financial condition of the Issuer. Certain risks discussed herein could adversely affect the financial condition and or operations of the Issuer in future. However, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the "**THE BONDS - Source of Security for the Bonds**" herein.

### **Tax Levy Procedures**

The Bonds are general obligations of the Issuer, payable from and secured by a continuing ad valorem tax levied against all of the property valuation within the Issuer. As part of the budgetary process each fiscal year, the Issuer will have an obligation to request a debt service levy to be applied against all of the taxable property within the Issuer. A failure on the part of the Issuer to make a timely levy request or a levy request by the Issuer that is inaccurate or is insufficient to make full payments of the debt service of the Bonds for a particular fiscal year may cause Bondholders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the Issuer and certain other public officials to perform the terms of the Resolutions for the Bonds) may have to be enforced from year to year.

### **Changes in Property Taxation**

From time to time the Iowa General Assembly has altered the method of property taxation and could do so again. Such alterations could adversely affect the Issuer's financial condition. Historically, changes to property tax calculations and impositions are imposed on a prospective basis. However, there is no assurance future changes to property taxation by the Iowa General Assembly will not be applied retroactively. It is impossible to predict the outcome of future property taxation changes by the Iowa General Assembly or resulting impacts on the Issuer's financial condition. However, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the "**THE BONDS - Source of Security for the Bonds**" herein.

### **Secondary Market**

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history of economic prospects connected with a particular issue, and secondary marketing practices in connection with a particular Bond or Bonds issue are suspended or terminated.

Additionally, prices of bond or note issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Bonds.

EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS AND MUST BE ABLE TO BEAR THE ECONOMIC RISK OF USCH INVESTMENT. THE SECONDARY MARKET FOR THE BONDS, IF ANY, COULD BE LIMITED.

### **Ratings Loss**

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aa2" to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of Moody's, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Standard & Poor's Corporation ("S&P") has assigned a rating of "AA" to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of S&P, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Regulation of municipal rating agencies is an evolving process. Future regulation of rating agencies could materially alter the methodology, rating levels, and types of ratings available, for example, and these changes, if ever, could materially affect the market value of the Bonds.

### **Forward-Looking Statements**

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and the actual results. These differences could be material and could impact the availability of funds of the Issuer to pay debt service when due on the Bonds.

### **Tax Matters and Loss of Tax Exemption**

As discussed under the heading "Tax Matters" herein, the interest on the Series 2019A Bonds and Series 2019C Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Series 2019A Bonds and Series 2019C Bonds, as a result of acts or omissions of the Issuer in violation of its covenants in the Resolutions. Should such an event of taxability occur, the Series 2019A Bonds and Series 2019C Bonds would not be subject to a special prepayment and would remain outstanding until maturity or until prepaid under the prepayment provisions contained in the Series 2019A Bonds and Series 2019C Bonds, and there is no provision for an adjustment of the interest rate on the Series 2019A Bonds or Series 2019C Bonds.

It is possible that further legislation will be proposed or introduced that could result in changes in the way that tax exemption is calculated, or whether interest on certain securities are exempt from taxation at all. Prospective purchasers should consult with their own tax advisors regarding any pending or proposed federal income tax legislation. The likelihood of legislation being enacted cannot be reliably predicted.

It is also possible that actions of the Issuer after the closing of the Series 2019A Bonds and Series 2019C Bonds will alter the tax status of the Series 2019A Bonds and Series 2019C Bonds, and, in the extreme, remove the tax exempt status from the Series 2019A Bonds and Series 2019C Bonds. In that instance, the Series 2019A Bonds and Series 2019 C Bonds are not subject to mandatory prepayment, and the interest rate on the Series 2019A Bonds and Series 2019 C Bonds does not increase or otherwise reset. A determination of taxability, after closing of the Series 2019A Bonds and Series 2019C Bonds, could materially adversely affect the value and marketability of the Series 2019A Bonds and Series 2019C Bonds.

### **DTC-Beneficial Owners**

Beneficial Owners of the Bonds may experience some delay in the receipt of distributions of principal of and interest on the Bonds since such distributions will be forwarded by the Paying Agent to DTC and DTC will credit such distributions to the accounts of the Participants which will thereafter credit them to the accounts of the Beneficial Owner either directly or indirectly through indirect Participants. Neither the Issuer nor the Paying Agent will have any responsibility or obligation to assure that any such notice or payment is forwarded by DTC to any Participants or by any Participant to any Beneficial Owner.

In addition, since transactions in the Bonds can be effected only through DTC Participants, indirect participants and certain banks, the ability of a Beneficial Owner to pledge the Bonds to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Bonds, may be limited due to lack of a physical certificate. Beneficial Owners will be permitted to exercise the rights of registered Owners only indirectly through DTC and the Participants. See "**THE BONDS– Book-Entry Only System.**"



## **Other Factors**

An investment in the Bonds involves an element of risk. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto) in order to make a judgment as to whether the Bonds are an appropriate investment.

## **Pending Federal Tax Legislation**

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals pending in Congress that could, if enacted, alter or amend one or more of the federal (or state) tax matters described herein in certain respects or would adversely affect the market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds. In addition regulatory actions are from time to time announced or proposed, and litigation threatened or commenced, which if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

## **Redemption Prior to Maturity**

In considering whether to make an investment in the Bonds it should be noted that the Bonds are subject to optional redemption, as outlined herein, without Bondholder discretion or consent. See “**THE BONDS – Prepayment**” herein.

## **Federal Funds Orders, and State Funds Legislation**

Various federal executive orders, and a law (SF 481) enacted in Iowa and effective July 1, 2018 (collectively “ICE Enforcement Initiatives”), impose requirements intended to ensure compliance with the federal immigration detention processes. The ICE Enforcement Initiatives impose various penalties for non-compliance, including the loss of state and/or federal funding under certain circumstances. The loss of state and/or federal funds in any significant amount could negatively impact the Issuer’s overall financial position and may affect its rating. However, the Bonds are secured by a debt service levy upon real property in the jurisdictional limits of the Issuer, and are not secured by state or federal funds. See “**THE BONDS - Source of Security for the Bonds**” herein.

## **Cybersecurity**

The Issuer, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the Issuer will be completely successful to guard against and prevent cyber threats and attacks. Failure to properly maintain functionality, control, security, and integrity of the Issuer’s information systems could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant. Along with significant liability claims or regulatory penalties, any security breach could have a material adverse impact on the Issuer’s operations and financial condition. The Issuer has a \$1,000,000 cyber-insurance policy. The Issuer cannot predict whether this policy will be sufficient in the event of a cyberattack. However, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the “**THE BONDS - Source of Security for the Bonds**” herein.

## **Pensions**

Pursuant to GASB 68, the Issuer reported a liability of \$27,000,396 as of June 30, 2018 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Issuer’s proportion of the net pension liability was based on the Issuer’s share of contributions to the IPERS pension plan relative to the contributions of all IPERS participating employers. At June 30, 2017, the Issuer’s collective proportion was .4053343%, which was an increase of .017326% from its proportion measured as of June 30, 2016. Additionally, the Issuer reported a liability of \$38,113,501 as of June 30, 2018 for its proportionate share of the net MFPRSI pension liability. The net pension liability was measured as of June 30, 2017, 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, 2017, the City’s collective proportion was 6.498742% which was an increase of .201219% from its proportion measured as of June 30, 2016. See “**PENSIONS**” herein for more summary information related to the Issuer’s contributions, and “**APPENDIX D—AUDITED FINANCIAL STATEMENTS OF THE ISSUER – NOTES TO FINANCIAL STATEMENTS (NOTE 15)**” for additional information related to the Issuer’s deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate and discount rate sensitivity. Changes to the Issuer’s pension contributions, or available sources to fund said contributions, may adversely affect the Issuer’s financial condition. However, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the “**THE BONDS - Source of Security for the Bonds**” herein.

## **Underground Storage Tanks**

The Issuer is under obligation from the State of Iowa to remediate underground pollution located at the Sioux City Gateway Airport. The pollution was caused during the 1930’s by underground storage tanks leaking petroleum-based substances. Since then, the storage tanks have been removed, but the underground contamination remains. The cost to remediate the pollution is not reasonably estimable at this

time, but if significant, could adversely impact the Issuer's financial condition. However, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the "THE BONDS - Source of Security for the Bonds" herein.

### **Continuing Disclosure**

A failure by the Issuer to comply with continuing disclosure obligations (see "CONTINUING DISCLOSURE" herein) will not constitute an event of default on the Bonds. Any such failure must be disclosed in accordance with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, and may adversely affect the transferability and liquidity of the Bonds and their market price.

### **Bankruptcy**

The rights and remedies available to holders of the Bonds may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditor's rights, to the exercise of judicial discretion in appropriate cases and to limitations in legal remedies against exercise of judicial discretion in appropriate cases and to limitations on legal remedies against municipal corporations in the State of Iowa. The various opinions of counsel to be delivered with respect to the Bonds and the resolutions, including the opinion of Bond Counsel, will be similarly qualified. If the Issuer were to file a petition under Chapter 9 of the Bankruptcy Code, the owners of the Bonds could be prohibited from taking any steps to enforce their rights under the Resolution. In the event the Issuer fails to comply with its covenants under the resolutions or fails to make payments on the Bonds, there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Bonds.

### **Suitability of Investment**

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

### **Summary**

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Official Statement and the Appendices hereto.

## **LITIGATION**

The City was notified of an investigation by the Iowa Department of Natural Resources regarding compliance by the City's Sewer utility with regard to discharge limitations under the City's NPDES Permit issued in March, 2012. The City is alleged to have exceeded Permit limitations on upwards of 800 days since 2012. The City is currently analyzing the merits of the allegations. On May 17, 2016, an environmental hearing was conducted by the Environmental Protection Commission (EPC) to determine the course of any additional enforcement action. The EPC determined that additional action was necessary and referred this matter to the Iowa Attorney General. Violations can incur penalties of up to \$5,000 per day if enforcement is pursued by the Iowa Attorney General. The matter has been stayed while various agencies at the state and federal level continue their investigations. The City has been cooperating with said investigations. In January 2019, charges were filed by the U.S. Attorney's office against former City employees regarding operations at the City's wastewater treatment plant. On January 23, 2019, one former employee pleaded guilty. The impact on the City, if any, with respect to such plea or ongoing proceedings is currently unknown. The City has budgeted Sewer utility reserves believed to be adequate to cover potential penalties associated with this investigation, but there can be no guarantee additional penalties, charges or actions will not be imposed or undertaken by the State of Iowa or federal government. The amount, if any, the City may eventually pay as a result of this investigation will not affect the City's ability to pay the principal of and interest on the Bonds. The City also has outstanding State Revolving Fund (SRF) loans through the Iowa Finance Authority (IFA) which are secured by the revenues of the Sewer utility. A condition of the SRF loans is continued compliance with applicable federal and state requirements. If IFA sought to accelerate any of the City's existing SRF loans, the City could issue conventional sewer revenue obligations to refund the same.

The City encounters litigation occasionally, in the ordinary course of business. However, no litigation currently exists that is not believed to be covered by current insurance coverages or reserves, and no litigation has been threatened that questions the validity of the Bonds or the City's ability to meet its financial obligations.

## **ACCOUNTANT**

The accrual-basis financial statements of the Issuer included as APPENDIX D to this Official Statement have been examined by Williams & Company P.C., to the extent and for the periods indicated in their report thereon. Such financial statements have been included herein without permission of said CPA, and said CPA expresses no opinion with respect to the Bonds or the Official Statement.

## **UNDERWRITING**

The Series 2019A Bonds are being purchased, subject to certain conditions, by Morgan Stanley & Co., LLC, New York, NY (the "2019A Underwriter"). The 2019A Underwriter has agreed, subject to certain conditions, to purchase all, but not less than all, of the Series 2019A Bonds at an aggregate purchase price of \$10,558,820.12 plus accrued interest to the Closing Date.

The Series 2019B Bonds are being purchased, subject to certain conditions, by Northland Securities, Minneapolis, MN (the "2019B Underwriter"). The 2019B Underwriter has agreed, subject to certain conditions, to purchase all, but not less than all, of the Series 2019B Bonds at an aggregate purchase price of \$11,559,961.23 plus accrued interest to the Closing Date.

The Series 2019C Bonds are being purchased, subject to certain conditions, by Morgan Stanley & Co., LLC, New York, NY (the "2019C Underwriter"). The 2019C Underwriter has agreed, subject to certain conditions, to purchase all, but not less than all, of the Series 2019C Bonds at an aggregate purchase price of \$3,104,976.01 plus accrued interest to the Closing Date.

The Underwriter for each Series may offer and sell the Bonds, respectively, to certain dealers (including dealers depositing the Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the initial public offering prices stated on the cover page. The initial public offering prices of the Bonds may be changed, from time to time, by the Underwriter(s), respectively.

The Underwriter(s) intend to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriter(s) are not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

Morgan Stanley & Co. LLC., an underwriter of the Bonds, has entered into a distribution agreement with its affiliate, Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds

## THE PROJECT

The Bonds are being issued to provide funds for (a) certain of the improvements and facilities included in the bond-financed portions of the City's 2019-20 Capital Improvements Program, and (b) the costs of issuance associated with the Bonds.

## SOURCES AND USES OF FUNDS

<u>Sources of Funds</u>		<u>Series A</u>	<u>Series B</u>	<u>Series C</u>
	Bond Proceeds	\$10,560,000.00	\$11,560,000.00	\$3,105,000.00
	Reoffering Premium	64,127.55	48,919.60	18,924.75
	<b><u>Total Sources of Funds</u></b>	<b>\$10,624,127.55</b>	<b>\$11,608,919.60</b>	<b>3,123,924.75</b>
 <u>Uses of Funds</u>				
	Deposit to Project Fund	\$10,493,837.99	\$11,504,419.37	\$3,079,999.99
	Costs of Issuance	64,982.13	55,541.86	24,976.02
	Underwriter's Discount	65,307.43	48,958.37	18,948.74
	<b><u>Total Uses of Funds</u></b>	<b>\$10,624,127.55</b>	<b>\$11,608,919.60</b>	<b>\$3,123,924.75</b>

## TAX MATTERS

Federal Tax Exemptions and Related Considerations: Federal tax law contains a number of requirements and restrictions that apply to the Series 2019A Bonds and Series 2019C Bonds. These include investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and facilities financed with bond proceeds, and certain other matters. The Issuer has covenanted to comply with all requirements that must be satisfied in order for the interest on the Series 2019A Bonds and Series 2019C Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Series 2019A Bonds and Series 2019C Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2019A Bonds and the Series 2019C Bonds.

Subject to the Issuer's compliance with the above referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Series 2019A Bonds and the Series 2019C Bonds is excludable from gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax imposed.

Interest on the Series 2019B Bonds is included in gross income for purposes of federal income taxes.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be

deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

State of Iowa Tax Exemption:

Interest on the Series 2019A Bonds and the Series 2019B Bonds is not exempt from present Iowa income taxes.

Interest on the Series 2019C Bonds is exempt from the taxes imposed by Division II (Personal Net Income Tax) and Division III (Business Tax on Corporations) of Chapter 422 of the Code of Iowa, as amended (the Iowa Code); it should be noted, however, that interest on the Series 2019C Bonds is required to be included in the adjusted current earnings to be used in computing the state alternative minimum taxable income of corporations and financial institutions for purposes of Sections 422.33 and 422.60 of the Iowa Code.

Interest on the Bonds is subject to the taxes imposed by Division V (Taxation of Financial Institutions) of Chapter 422 of the Iowa Code.

Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

NOT-Qualified Tax-Exempt Obligations: The Issuer will NOT designate the Bonds as “qualified tax-exempt obligations” under the exception provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”).

Tax Accounting Treatment of Discount and Premium on Certain Bonds: The initial public offering price of certain Series 2019A Bonds and Series 2019C Bonds (the “Discount Bonds”) may be less than the amount payable on such Series 2019A Bonds and Series 2019C Bonds at maturity. An amount equal to the difference between the initial public offering price of Discount Bonds (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bonds. Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Series 2019A Bonds and Series 2019C Bonds (“Premium Bonds”) may be greater than the amount of such Series 2019A Bonds and Series 2019C Bonds at maturity. An amount equal to the difference between the initial public offering price of Premium Bonds (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes a premium to the initial purchaser of such Premium Bonds. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Other Tax Advice: In addition to the income tax consequences described above, potential investors should consider the additional tax consequences of the acquisition, ownership, and disposition of the Bonds. For instance, state income tax law may differ substantially from state to state, and the foregoing is not intended to describe any aspect of the income tax laws of any state. Therefore, potential investors should consult their own tax advisors with respect to federal tax issues and with respect to the various state tax consequences of an investment in Bonds.

Audits: The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Issuer as a taxpayer and the bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Withholdings: Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Legislation: Current and future legislative proposals, including some that carry retroactive effective dates, if enacted into law, or

clarification of the Code may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of such interest. For example, on December 22, 2017, Public Law 115-97, the Tax Cuts and Jobs Act (“TCJA”) was signed into law. For tax years beginning after December 31, 2017, the TCJA, among other things, significantly changes the income tax rates on individuals and corporations, modifies the current provisions relative to the federal alternative minimum tax on individuals, and eliminates the federal alternative minimum tax for corporations. The TCJA, or the introduction or enactment of any other legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the TCJA, as well as any pending or proposed tax legislation, as to which Bond Counsel expresses no opinion other than as set forth in its legal opinion.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

**Enforcement:** Holders of the Bonds shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa and of the United States of America for the enforcement of payment of the Bonds, including, but not limited to, the right to a proceeding in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by Iowa law and the Resolutions authorizing issuance of the Bonds (the “Resolution(s)”). There is no bond trustee or similar person to monitor or enforce the terms of the resolution for issuance of the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds may have to be enforced from year to year.

The obligation to pay general ad valorem property taxes is secured by a statutory lien upon the taxed property, but is not an obligation for which a property owner may be held personally liable in the event of a deficiency. The owners of the Bonds cannot foreclose on property within the boundaries of the Issuer or sell such property in order to pay the debt service on the Bonds. In addition, the enforceability of the rights and remedies of owners of the Bonds may be subject to limitation as set forth in Bond Counsel’s opinion. The opinion to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and to the exercise of judicial discretion in appropriate cases.

**Opinion:** Bond Counsel’s opinion is not a guarantee of a result, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the Issuer described in this section. No ruling has been sought from the Service with respect to the matters addressed in the opinion of Bond Counsel and Bond Counsel’s opinion is not binding on the Service. Bond Counsel assumes no obligation to update its opinion after the issue date to reflect any further action, fact or circumstance, or change in law or interpretation, or otherwise.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF OWNERSHIP OF THE BONDS (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE).

#### **FINANCIAL ADVISOR**

The Issuer has retained Piper Jaffray & Co. as financial advisor (the “Financial Advisor”) in connection with the issuance of the Bonds. The Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of the Official Statement. The Financial Advisor is not a public accounting firm and has not been engaged by the Issuer to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards.

#### **CONTINUING DISCLOSURE**

The Issuer has covenanted for the benefit of the holders of the Bonds to provide certain financial information and operating data relating to the Issuer, and to provide notices of the occurrence of certain enumerated events, if deemed by the Issuer to be material (the “Undertaking”). The specific nature of the information that the Issuer may provide pursuant to the Undertaking is summarized herein under the caption “APPENDIX C - Form of Continuing Disclosure Certificate.”

Pursuant to the Rule, the Issuer notes the following in the last five years related to its prior Undertakings:

- Issuer’s Audited Financials and Financial Information and Operating Tables (collectively, the “Annual Report”) were timely filed on EMMA within 210 days of the close of each fiscal year (as required by prior Undertakings). However, the Annual Reports were not linked to all outstanding issues. Specifically, the Audited Financials filing for fiscal year ending June 30, 2015 was not timely linked to the Issuer’s Series 2005B issue, and the Annual Report for fiscal year ending June 30, 2018 was not timely linked to the Issuer’s Series 2010C issue. Each of the above have now been linked to the 2005B and 2010C issues, respectively, and failure to file notices were posted to the Series 2010C issue on April 5, 2019. The 2005B issue is no longer

- outstanding, having finally matured June 1, 2016.
- Certain Financial Information and Operating Tables for fiscal year ending June 30, 2015 were not timely filed for all issues.

The foregoing description of instances of noncompliance by the City with respect to its continuing disclosure Undertakings should not be construed as an acknowledgment that any such instance was material.

Breach of the Undertaking will not constitute a default or an "Event of Default" under the Bonds or Resolutions. A broker or dealer is to consider a known breach of the Undertaking, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the Issuer to observe the Undertaking may adversely affect the transferability and liquidity of the Bonds and their market price.

### **PREPARATION OF THE OFFICIAL STATEMENT**

Bond Counsel has not participated in the preparation of this Official Statement other than to review or prepare information describing the terms of the Bonds, Iowa and Federal law pertinent to the validity of the Bonds, and the tax status of interest on the Bonds which can be found generally under the sections "The Bonds", "Litigation", "The Project", and "Tax Matters". Additionally, Bond Counsel has also provided its form of bond opinion and Issuer's continuing disclosure certificate, found in Appendices B and C. Ahlers & Cooney PC is also serving as Disclosure Counsel to the Issuer in connection with the issuance of the Bonds.

All other information contained in this Official Statement has been obtained by (or on behalf of) the City from sources which the City considers to be reliable but it makes no warranty, guaranty, or other representation with respect to the accuracy or completeness of such information.

This Official Statement is not to be construed as a contract or agreement amongst the City, the Underwriter, or the holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinions contained herein are subject to change without notice and neither the delivery of this Official Statement or the sale of the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. The information contained in this Official Statement is not guaranteed.

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I have reviewed the information contained within the Official Statement of Sioux City, Iowa, and said Official Statement does not contain any material misstatements of fact nor omissions of any material fact regarding the issue of \$10,560,000 General Obligation Bonds, Series 2019A, \$11,560,000 Taxable General Obligation Bonds, Series 2019B and \$3,105,000 General Obligation Urban Renewal Bonds, Series 2019C of said Issuer to be issued under date of delivery.

### **CITY OF SIOUX CITY, IOWA**

/s/ Donna Forker  
Finance Director

/s/Kelli Hill  
City Treasurer

**APPENDIX A - INFORMATION ABOUT THE ISSUER  
CITY OF SIOUX CITY, IOWA  
CITY OFFICIALS**

<b>MAYOR</b>	Robert E. Scott
<b>COUNCIL MEMBERS:</b>	Dan Moore, Mayor Pro Tem Alex Watters Pete Groetken Rhonda Capron
<b>CITY MANAGER:</b>	Robert Padmore
<b>CITY CLERK:</b>	Lisa L. McCardle
<b>CITY TREASURER:</b>	Kelli Hill
<b>FINANCE DIRECTOR:</b>	Donna Forker
<b>CITY ATTORNEY</b>	Nicole DuBois, Esq. Sioux City, Iowa

**CONSULTANTS**

<b>BOND COUNSEL &amp; DISCLOSURE COUNSEL</b>	Ahlers & Cooney P.C. Des Moines, Iowa
<b>FINANCIAL ADVISOR</b>	Piper Jaffray & Co. Des Moines, Iowa
<b>PAYING AGENT</b>	Office of the City Treasurer Sioux City, Iowa

## General Information

The City of Sioux City, Iowa was founded in 1854. Its roots go back to the days of the early fur traders. Located in the center of America's heartland, Sioux City is located at the confluence of the Missouri and Big Sioux Rivers at the junction of the States of Iowa, Nebraska and South Dakota. This Tri-State area is commonly known as "Siouxland."

Sioux City has become known as a regional medical community servicing the area within a 50-mile radius. Sioux City has three hospitals which combined offer over 872 beds. In 1992, the Siouxland Community Health Center was created to serve the needs of area residents who are without adequate health insurance. The Center is funded by a grant from the federal government and is supported by several community organizations and agencies. In addition to having the latest in hospital services available, the medical community offers a family practice residency program. Sioux City is home to over 300 physicians and surgeons and 53 dentists. Health care services include a pulmonary services, and neo-natal unit.

Siouxland is home to many national companies including Tyson Fresh Meats, Inc., empirical foods, Soo Honey Association, American Pop Corn, Aalf Manufacturing, Bomgaars, Gelita USA Inc., Wells Dairy Inc., Wilson Trailer Inc., and Great West Casualty Company.

Sioux City is the urban center for shopping, entertainment and culture in the tri-state region. Cultural offerings include the Tyson Events Center, the Sioux City Museum, the Sioux City Art Center, the Lewis & Clark Interpretive Center, Mid America Museum of Aviation & Transportation, the Sioux City Rail Museum and the Hard Rock Casino. Sioux City metro has been designated as Iowa's first "Great Place" with a five-Star quality of life. It has twice been named an All-American City.

The recent completion of Highway 20 making it four lanes from Western to Eastern Iowa as well as the expansion of Interstate 29 through Sioux City will expand the travel to Sioux City and assist in the shipment of goods for industries in the City. Such added traffic is anticipated to increase economic development opportunities. The Iowa Department of Transportation is completing the work on Interstate 29. The City has a cost-sharing agreement with the Iowa Department of Transportation. The Series 2019A Bonds include the current year's installment of the City's share. The City's obligation with the State will be satisfied in 2023.

In the past five years, the Sioux City metro has been ranked in the top 2 for economic development by Site Selection four times, ranked in the Top 30 Best Small Places for Business and Careers by Forbes, ranked #1 in the top 20 mid-size cities for 'year-over-year growth' by Area Development magazine and MSN.com ranked Cone Park the Best New Tourist Attraction in Iowa.

Sioux City is the tri-state regional shopping destination offering six different geographical shopping hubs. Northern Valley Crossing is the newest development on the north side of Sioux City. The development has approximately 21 acres available for development.

Sioux City offers many opportunities for business relocation and expansion with our five business parks. The Southbridge Business Park is for large scale industrial and commercial projects. Located on the southern edge of the City, the area encompasses nearly 10,000 acres. The City has invested more than \$50 million for vital utility infrastructure resources including a new water treatment plan, electrical substation, paved streets, and a new drop and pull rail yard. Expedition Business Park has 100 acres of class A property, in the southern area of Sioux City. Infrastructure is in place and sites are shovel-ready. The Yards I-29 Business has 40 acres of shovel-ready land zoned for biotech, food procession and industrial development. Bridgeport West is a 2559 acre site, which received "site certification" status from site selection consultants at CH2MHill and meets established industrial criteria for size, location zoning, environmental and soil conditions and utilities. Hoeven Valley is 5 miles long and 1 mile wide with three Class A railroads serving the area.

In 2018, the City contracted with Spectra as private manager of operations at the Tyson Events Center. The City has historically subsidized the annual operations budget of the Events Center. Under the current management agreement, Spectra is incentivized to make the operations profitable. City subsidy of operations continued in fiscal year ending June 30, 2018.

The City was chosen as a recipient of an Iowa Reinvestment District designation. The program is administered by the Iowa Economic Development Authority (IEDA) in accordance with Iowa Code chapter 15J. It provides grants to communities to fund large-scale projects including new retail establishments and new lessors, supported by sales tax and hotel and motel tax revenues generated within the defined reinvestment district. The reinvestment project must improve quality of life for the communities' citizens and substantially benefit the community, region and state.

The City was awarded \$13.5 million from the IEDA. The component projects are as follows:

- The construction of a 150-room hotel adjoining to the east side of the Sioux City Convention Center. The City's investment of \$4 million will be used to build two parking decks and improvements to the Convention Center. Sioux City Hotel, LLC is investing \$21 million towards construction of the hotel. Pursuant to a development agreement with Sioux City Hotel, LLC, the City pledged tax increment tax rebates in an amount not to exceed \$6 million over fifteen years. The hotel is subject to a minimum assessment of \$12.2 million.



The City also entered into management agreement with Kinseth Hospitality to manage the adjacent Convention Center. In prior years the City subsidized the annual operations budget of the Convention Center. Under the current management agreement, Kinseth is incentivized to make the operations profitable. In fiscal year ending June 30, 2018, the Convention Center returned a slight profit.

- Ho-Chunk, Inc. is creating a private redevelopment of three multi-story obsolete warehouse and industrial buildings.
  - 100 Virginia is a 27,805 sf, three-story building. Ho-Chunk, Inc. converted the first floor into restaurant space with an outdoor deck/patio area. The second and third floors were converted into 10 residential units and a roof top courtyard. The Developer signed a \$800,000 minimum assessment agreement as was provided tax increment tax rebates estimated at \$171,000
  - 103 Virginia, a five-story building was converted into a mixed-use building. The first floor contains office space and a parking garage. The second and third floor consists of approximately 7,400 sf of office space and 11,800 sf of market-rate residential units. The fourth and fifth floors contains high end two-story condos. Additionally, there is over 5,000 sf of outdoor roof top patio space. The Developer signed a \$1 million minimum assessment agreement as was provided tax increment tax rebates estimated at \$435,000.
  - 101 Virginia will be a newly constructed 73,678 sf building. The first floor will contain retail space and the remaining floors will house market-rate residential units. The developer has agreed to a minimum assessment agreement of \$602,200 in exchange for tax increment tax rebates estimated at \$60,000.

Additionally, the City has agreed to provide Ho-Chuck, Inc. with a rebate up to \$1.2 million of reinvestment funds received from the State and generated by their development.

- On a newly vacant site, within the Virginia Square district, Hart Family Hotels-Sioux City 2, LLC plans to construct a new \$7.4 million Avid Hotel. The City is negotiating with the developer and anticipates a minimum assessment agreement for approximately \$5.5 million, and the City will provide 100% tax increment tax abatement for five years and 50% tax for an additional five years (estimated to equate to an incentive of \$1.4 million).
- The Expo Center is a recreation/expo facility. The Expo Center is being developed by the Siouxland Expo Center, a private 501(c)(3). The project includes a 103,827 sf building consisting of a large sports/expo area, a climbing wall room, restrooms, locker rooms and office space. The project is estimated to cost \$12.7 million. The City has committed \$2 million to the project from tax increment funds (payable \$200,000 per year for 10 years). Additionally, a \$6.7 million reinvestment fund rebate has been pledged by the City to the project. The remaining funding of the project is from private contributions and grants. \$4 million of the Series 2019B Bonds is allocated to the Expo Center project. Additional City general obligation bonds in 2020 and 2021 are anticipated, to an aggregate amount of \$10-12 million in support of the Expo project. The City intends to abate the levy securing the bonds it issued for the Expo Center project from operational revenues, naming rights and private contributions. The City's Parks and Recreation department will rent space in the Expo Center (securing operational revenues) and will manage the facility.
- Warrior Hotel Limited Partnership is redeveloping two historical buildings in the Reinvestment District. The project is a joint venture between a local developer and Restoration St. Louis, who specializes in historic renovations. Together the plans are to completely restore both buildings into a 146-room boutique hotel with 22 luxury apartments and additional commercial/retail space. The two buildings total more than 215,000 sf and will cost approximately \$70 million. IEDA awarded historic tax credits to the Project in the amount of \$11,341,819 in November 2018. The Developer applied for \$16,534,756 in tax credits for the project, and additional consideration for the balance to be awarded by IEDA in subsequent years' allocations. To permit construction to commence in 2018, the City agreed to guarantee developer's \$16,398,239 construction loan, subject to reduction dollar for dollar upon allocation of tax credits by IEDA. Accordingly, the guaranty was reduced by the November 2018 allocation, leaving a balance of approximately \$5.2 million, pending final allocation by IEDA. The City held a public hearing on general obligation urban renewal bonds to fund said guaranty if the tax credit allocations were not received from the State. Additionally, the City has committed to a \$2.5 million upfront infrastructure grant (funded by the Series 2019B Bonds) and a \$2.5 million loan to the developer for area improvements. The project will receive tax rebates of new tax increment taxes of approximately \$7.3 million in exchange for a minimum assessment agreement of \$15 million. The City has also agreed to hotel/motel tax rebates to the developer for twenty years. No reinvestment revenue has been pledged to this project.

The remaining \$5.6 million of reinvestment revenue anticipated from the State under the original award is currently un-programmed by the City.

The City, through its eleven operating departments and numerous boards and commissions, provides a full range of municipal services to its citizens. The police department employs 126 sworn personnel. The fire department operates seven stations and has 112 sworn personnel. Located in the City are 58 parks having a total area of 1,711 acres. The City maintains two 18-hole golf courses and three swimming pools and a winter tubing facility in addition to its many other leisure service facilities.

Sioux City has collective bargaining agreements with a number of organizations, each of which represents some of its employees. Firefighters, police officers and transit workers are all covered by union contracts expiring June 30, 2020. AFSCME also represents a number of City employees. The AFSCME contracts expire June 30, 2021. Library workers are also covered by union contract that expires June 30, 2022. The City has never experienced a strike by any of its employees.

The City was incorporated in 1855 and operates under the Council-Manager-At-Large form of government. The Council is composed of a mayor and four council members who serve staggered four-year terms.

**Utilities**

The following utilities operate within the Issuer providing the services indicated:

Electric Power:	Mid American Energy/Woodbury County Rural Electrical Coop
Natural Gas:	MidAmerican Energy
Telephone:	Century Link Long Lines
Water:	City of Sioux City
Sanitary Waste:	City of Sioux City

The City is currently constructing a renewable energy project at its waste water treatment plant. The project will reduce air emissions, improve odor control and support the City’s vision for a healthier city. The project capitalizes on the uses of methane and carbon dioxide gas, the bi-product produced from the treatment of organic high strength waste material. The City’s project will enable the biogas that is being generated from the treatment processes to be cleaned and compressed for sale as a renewable fuel. The fuel can then be reused in various ways and the sale of it will produce revenue.

The project has an estimated a 2.5 to 3.5-year payback on the initial investment which is estimated at \$9.1 million. The City anticipates funding the project with sewer revenue obligations through the Iowa Finance Authority.

**Pensions**

The City participates in two public pension systems, Iowa Public Employees’ Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MFPRSI). Summary descriptions of each Plan follow, and for more detail as to each available see “APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER-NOTES TO THE FINANCIAL STATEMENTS (NOTE 15)”.

IPERS Plan Description. IPERS membership is mandatory for employees of the Issuer. The Issuer’s employees are provided with pensions through a cost-sharing multiple employer defined pension plan administered by IPERS. IPERS benefits are established under Iowa Code, Chapter 97B and the administrative rules thereunder. The Issuer’s employee who completed seven years of covered service or has reached the age of 65 while in IPERS covered employment becomes vested. If the Issuer’s employee retires before normal retirement age, the employees’ monthly retirement benefit will be permanently reduced by an early-retirement reduction. IPERS provides pension benefits as well as disability benefits to Issuer employees and benefits to the employees’ beneficiaries upon the death of the eligible employee.

IPERS Contributions. Although the actuarial contribution rates are calculated each year, the contribution rates were set by state law through June 30, 2012 and did not necessarily coincide with the actuarially calculated contribution rate. As a result, from June 30, 2002 through June 30, 2013, the rate allowed by statute was less than the actuarially required rate. Effective July 1, 2012, as a result of a 2010 law change, IPERS contribution rates for the Issuer and its employees are established by IPERS following the annual actuarial valuation (which applies IPERS’ Contribution Rate Funding Policy and Actuarial Amortization method.) State statute, however, limits the amount rates can increase or decrease each year to one (1) percentage point. Therefore, any difference between the actuarial contribution rates and the contributions paid is due entirely to statutorily set contributions that may differ from the actual contribution rates. As a result, while the contribution rate in the fiscal year ended June 30, 2014 equaled the actuarially required rate, there is no guarantee, due to this statutory limitation on rate increases, that the contribution rate will meet or exceed the actuarially required rate in the future.

In fiscal year 2018, pursuant to the IPERS’ required rate, the Issuer’s Regular members contributed 5.95% of pay and the Issuer contributed 8.93% for a total rate of 14.88 percent, and the Issuer’s Protection Occupation members contributed 6.56% of pay and the Issuer contributed 9.84% for a total rate of 16.40 percent. The Issuer’s contributions to IPERS for the year ended June 30, 2018 were \$2,653,572. The City has currently budgeted a contribution of \$2,946,563 to IPERS for the year ended June 30, 2019. The Issuer’s share of the contribution, payable from the applicable funds of the Issuer, is provided by a statutorily authorized annual levy of taxes without limit or restriction as to rate or amount. The Issuer has always made its full required contributions to IPERS.

The following table sets forth the contributions made by the Issuer and its employees to IPERS for the period indicated. The Issuer cannot predict the levels of funding that will be required in the future.

**Table 1 – Issuer and Employees Contribution to IPERS.**

Fiscal Year	-----Contribution from Issuer-----					-----Contribution from Employee-----			
	Regular Contribution		Protection Contribution			Regular Contribution		Protection Contribution	
	Amount	% of Covered Payroll	Amount	% of Covered	Amount	% of Covered	Amount	% of Covered	
2014	2,406,454	8.93%			1,603,404	5.95%			
2015	2,411,604	8.93%			1,626,825	5.95%			
2016	2,481,598	8.93%			1,653,472	5.95%			
2017	2,710,121	8.93%			1,805,736	5.95%			
2018	2,609,105	8.93%	44,467	9.84%	1,738,429	5.95%	29,645	6.56%	

SOURCE: The Issuer

The Issuer cannot predict the levels of funding that will be required in the future as any IPERS unfunded pension benefit obligation could be reflected in future years in higher contribution rates. The investment of moneys, assumptions underlying the same and the administration of IPERS is not subject to the direction of the Issuer. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of IPERS (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, adjustments, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAAL could be substantial in the future, requiring significantly increased contributions from the Issuer which could affect other budgetary matters.

The following table sets forth certain information about the funding status of IPERS that has been extracted from the comprehensive annual financial reports of IPERS for the fiscal years ended June 30, 2018 through, and including, 2014 (collectively, the “IPERS CAFRs (2014-2018)”), and the actuarial valuation reports provided to IPERS by Cavanaugh MacDonald Consulting, LLC (collectively, the “IPERS Actuarial Reports (2014-2018)”). Additional information regarding IPERS and its latest actuarial valuations can be obtained by contacting IPERS administrative staff.

**Table 2 – Funding Status of IPERS**

Valuation Date	Actuarial Value of Assets [a]	Market Value of Assets [b]	Actuarial Accrued Liability [c]	Unfunded Actuarial Accrued Liability (Actuarial Value) [c]-[a]	Funded Ratio (Actuarial Value) [a]/[c]	Unfunded Actuarial Liability (Market Value) [c]-[b]	Funded Ratio (Market Value) [b]/[c]	Covered Payroll [d]	UAAL as a Percentage of Covered Payroll (Actuarial Value) [(c-a)/[d]]
2014	26,460,428,085	28,038,549,893	32,004,456,088	5,544,028,003	82.68	3,965,906,195	87.61	7,099,277,280	78.09
2015	27,915,379,103	28,429,834,829	33,370,318,731	5,454,939,628	83.65	4,940,483,905	85.19	7,326,348,141	74.46
2016	29,033,696,587	28,326,433,656	34,619,749,147	5,586,052,560	83.86	6,293,315,491	81.82	7,556,515,720	73.92
2017	30,472,423,914	30,779,116,326	37,440,382,029	6,967,958,115	81.39	6,661,265,703	82.21	7,863,160,443	88.62
2018	31,827,755,864	32,314,588,595	38,642,833,653	6,815,077,789	82.36	6,328,245,058	83.62	7,983,219,527	85.37

Source: IPERS CAFRs (2014-2018) and IPERS Actuarial Reports (2014-2018)

For a description of the assumptions used when calculating the funding status of IPERS for the fiscal year ended June 30, 2018, see IPERS CAFRs (2014-2018)

**Table 3 – Recent returns of IPERS**

According to IPERS, the market value investment return on program assets is as follows:

Fiscal Year Ended June 30	Investment Return %
2014	15.88
2015	3.96
2016	2.15
2017	11.70
2018	7.97

**Net IPERS Pension Liabilities.**

Effective for fiscal years beginning after June 15, 2014, GASB Statement 68 requires all reporting units in a multi-employer cost sharing pension plan to record a balance sheet liability for their proportionate share of the net pension liability of the plan. The Issuer was required to implement GASB 68 in their year end June 30, 2015 financial statements.

At June 30, 2018, the Issuer reported a liability of \$27,000,396 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Issuer’s proportion of the net pension liability was based on the Issuer’s share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2017, the City’s collective proportion was .4053343%, which was an increase of .017326% from its proportion measured as of June 30, 2016. See “APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER–NOTES TO THE FINANCIAL STATEMENTS (NOTE 15)” for additional information related to the Issuer’s deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate, discount rate sensitivity and expenses.

Detailed information about the IPERS pension plan’s fiduciary net position is available in the separately issued IPERS financial report which is available to the public by mail at 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9177 or on IPERS’ website at www.ipers.org. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

**MFPRSI Plan Description.** The Issuer contributes to MFPRSI, which is a cost-sharing multiple-employer defined benefit pension plan established pursuant to Chapter 411 of the Code of Iowa and the administrative rules thereunder. MFPRSI membership is mandatory for fire fighters and police officers covered by the provisions of Chapter 411 of the Code of Iowa. 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 4-22 years of service based on the ratio of years completed to years required. MFPRSI provides pension benefits as well as disability benefits to Issuer employees and benefits to the employees’ beneficiaries upon the death of the eligible employee.

**MFPRSI Contributions.** Member contribution rates are established by State statute. For the fiscal year ending June 30, 2018, members contributed 9.40% of earnable compensation, and that rate remains the same for fiscal year 2019/20.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1 percent of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the employer’s contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 25.68% for the year ended June 30, 2018.

If approved by the state legislature, state appropriations 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.

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2018.

The contribution paid by the City for the fiscal year ended June 30, 2018 totaled \$4,686,553. The City has currently budgeted a contribution of \$4,950,080 to MFPRSI for the year ended June 30, 2019.

The following table sets forth the contribution rates made by the Issuer and its employees to MFPRSI for the period indicated.

**Table 4 – Issuer and Employees Contribution to MFPRSI.**

<u>Fiscal Year</u>	<u>Combined contribution rate</u>	<u>% of Payroll paid by Issuer</u>	<u>% of Payroll paid by Employee</u>
2014	39.52	30.12	9.40
2015	39.81	30.41	9.40
2016	37.17	27.77	9.40
2017	35.32	25.92	9.40
2018	35.08	25.68	9.40

The Issuer cannot predict the levels of funding that will be required in the future as any MFPRSI unfunded pension benefit obligation could be reflected in future years in higher contribution rates. The investment of moneys, assumptions underlying the same and the administration of MFPRSI is not subject to the direction of the Issuer. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of MFPRSI (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, adjustments, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAAL could be substantial in the future, subject to any statutory limitation, requiring significantly increased contributions from the Issuer which could affect other budgetary matters.

The following table sets forth certain information about the funding status of MFPRSI that has been extracted from the comprehensive annual financial reports of MFPRSI for the fiscal years ended June 30, 2018 through, and including, 2014 (collectively, the “MFPRSI CAFRs (2014-

2018”)), and the actuarial valuation reports provided to MFPRSI (collectively, the “MFPRSI Actuarial Reports (2014-2018)”). Additional information regarding MFPRSI and its latest actuarial valuations can be obtained by contacting MFPRSI administrative staff.

**Table 5 – Funding Status of MFPRSI**

Fiscal Year Ended June 30	Actuarial Value of Assets [a]	Actuarial Accrued Liability [b]	Unfunded Actuarial Accrued Liability Actuarial Value [b] – [a]	Funded Ratio { Actuarial Value [a] / [b]	Covered Payroll [c]	UAL as a % of Covered Payroll (Actuarial Value) [(b-a) / [c]]
2014	2,054,844,278	2,640,955,176	586,110,898	77.81	266,265,413	220
2015	2,239,539,373	2,769,994,684	530,455,311	80.85	273,319,323	194
2016	2,333,944,800	2,867,807,326	533,862,526	81.38	283,639,887	188
2017	2,436,896,111	3,023,371,171	562,209,754	80.60	296,237,982	190
2018	2,578,863,993	3,145,031,474	566,167,481	82.00	302,420,313	187

Source: MFPRSI CAFRs (2014-2018) and MFPRSI Actuarial Reports (2014-2018)

For a description of the assumptions used when calculating the funding status of MFPRSI for each fiscal year ended June 30, see MFPRSI CAFRs (2014-2018)

**Table 6 – Recent returns of MFPRSI**

According to MFPRSI, the investment return on the market value of program assets is as follows:

Fiscal Year Ended June 30	Investment Return %
2014	18.47
2015	3.07
2016	0.01
2017	11.75
2018	7.63

**Net MFPRSI Pension Liabilities.** Effective for fiscal years beginning after June 15, 2014, GASB Statement 68 requires all reporting units in a multi-employer cost sharing pension plan to record a balance sheet liability for their proportionate share of the net pension liability of the plan. The Issuer was required to implement GASB 68 in their year end June 30, 2015 financial statements.

At June 30, 2018, the Issuer reported a liability of \$38,113,501 for its proportional share of the MFPRSI net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Issuer’s proportion of the net pension liability was based on the Issuer’s share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2017, the City’s proportion was 6.498742% which was an increase of .201219% from its proportion measured as of June 30, 2016. See “APPENDIX D–AUDITED FINANCIAL STATEMENTS OF ISSUER - NOTES TO THE FINANCIAL STATEMENTS (NOTE 15)” for additional information related to the Issuer’s deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate, discount rate sensitivity and expenses.

Detailed information about the pension plan’s fiduciary net position is available in the separately issued MFPRSI financial report which is available to the public by mail at 7155 Lake Drive, Suite 201, West Des Moines, Iowa 50366 or on MFPRSI’s website at [www.mfprsi.org](http://www.mfprsi.org). However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Bond Counsel, Disclosure Counsel, the Issuer and the Financial Advisor undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from the MFPRSI or IPERS discussed above or included on the MFPRSI or IPERS websites, including, but not limited to, updates of such information on the State Auditor’s website or links to other Internet sites accessed through the MFPRSI or IPERS websites. Information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

**Other Post Employment Benefits (OPEB)**

During fiscal 2018, the City adopted the provisions of Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. This statement established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditure. It replaces the requirements of the Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions, as amended.

For defined benefit OPEB plans the statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

**Plan Description.** The City’s defined benefit OPEB plan, City of Sioux City, Iowa Health Benefit Plan, offers OPEB benefits for all eligible retirees. City of Sioux City, Iowa Health Benefit Plan is a single employer defined benefit OPEB plan administered by the City. Under Chapter 509A.13 Group Insurance for Public Employees of the Code of Iowa, if a governing body, a City board of supervisors, or a city council has procured for its employees accident, health, or hospitalization insurance, or a medical service plan, or has contracted with a health maintenance organization authorized to do business in this state, the governing body, City board of supervisors, or city council shall allow its employees who retired before attaining sixty-five years of age to continue participation in the group plan or under the group contract at the employee’s own expense until the employee attains sixty-five years of age. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The City is self-insured for medical benefits. No stand-alone financial report is issued; the plan is self-funded and included in the City’s financial statements.

**Benefits provided.** City of Sioux City, Iowa Health Benefit Plan offers medical with or without prescription and dental insurance benefits for non-Medicare eligible retirees and their dependents. The benefits are covered under the City’s plan with the premium cost to be paid by the retiree. Premiums are calculated based on prior year claim experiences and amounts needed to fund the plan operations.

Employees covered by the benefit terms. At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	47
Active employees	<u>734</u>
	781

**Total OPEB liability.** The City’s total OPEB liability of \$6,522,164 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date. The beginning of year total OPEB liability is calculated using a rollback approach in the transition year. The total OPEB liability as of July 1, 2017 is \$6,324,922.

**Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance at 6/30/17	\$ 6,324,922
Changes for the year:	
Service Cost	380,175
Interest Cost	254,166
Changes of benefit terms	0
Differences between expected and actual experience	0
Changes in assumptions or other inputs	(162,518)
Benefit payments	<u>(274,581)</u>
Net Changes	197,242
Balance at 6/30/18	<u><u>\$ 6,522,164</u></u>

Source: 2018 Audited financial statements

See “APPENDIX D – AUDITED FINANCIAL STATEMENTS OF ISSUER - NOTES TO THE FINANCIAL STATEMENTS (NOTE 13)” for additional information related to the Issuer’s deferred outflows and inflows of resources related to OPEBs, actuarial assumptions, discount rate, discount rate sensitivity and expenses.

**Population**

The following table sets forth population trends for the Issuer:

<u>Year</u>	<u>Population</u>
2010	83,035
2000	85,013
1990	80,505
1980	82,003
1970	85,925

Source: 2018 Audited financial statements

## Major Employers

Following are the major employers within the City and the current number of people they employ (March 2019):

<u>Employer</u>	<u>Product or Service</u>	<u>Number of Employees</u>
Tyson Fresh Meats	Meat Products	4,183
Sioux City Schools	Education	2,511
Bomgaars	Commercial Sales	2,100
Seaboard Triumph Foods	Pork Processing Plant	2,000
Mercy Medical Center	Health Care	1,532
UnityPoint-St. Luke's Medical Center	Health Care	1,434
Hard Rock Casino Sioux City	Casino	1,389
HyVee	Grocery	1,164
185th Iowa Air National Guard	Military	952
City of Sioux City	Government	879
Western Iowa Tech Community College	Education	700
Curly's Foods	Specialty Pork Products	630
MidAmerican Energy	Utilities	519
Sabre Industries	Telecom Manufacturing	509
Wilson Trailer	Trailer Manufacturing	500

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Source: Locatesiouxcity.com; Issuer

## Employment Statistics

The State of Iowa Department of Job Service reports unemployment unadjusted rates as follows (February, 2019)

<u>Governmental Body</u>	<u>Percentage Unemployed</u>
National Average	3.80
State of Iowa	2.40
Woodbury County:	2.60

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Source: Iowa Workforce Development

## Historical Employment Statistics

Presented below are the historical unemployment rates for the years indicated for Woodbury County and the State of Iowa.

<u>Calendar Year</u>	<u>Woodbury County</u>	<u>State Of Iowa</u>
2018	2.50%	2.50%
2017	3.20%	3.10%
2016	3.60%	3.70%
2015	3.70%	3.60%
2014	4.40%	4.40%

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Source: Iowa Workforce Development

## Retail Sales

Presented below are retail sales statistics for the City of Sioux City for the period indicated:

<u>Year Ended</u>	<u>Taxable Retail Sales</u>	<u>Number of Businesses</u>
2018	\$1,643,511,688	2,035
2017	\$1,624,501,692	2,070
2016	\$1,627,128,193	2,086
2015	\$1,614,140,785	2,059
2014	\$1,480,652,538	2,071

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Source: Iowa Department of Revenue

## Building Permits

Presented below are the building permits issued in the City for the fiscal year indicated.

<u>Fiscal Year</u>	<u>Number of Permits</u>	<u>Dollar Value</u>
2018	3,016	351,395,530
2017	3,131	309,121,007
2016	3,022	132,050,925
2015	2,869	178,308,685
2014	2,920	289,395,770

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Source: City of Sioux City

## Property Tax Valuations

In compliance with Section 441.21 of the Code of Iowa, as amended, the State Director of Revenue annually directs all county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The final values, called Actual Valuation, are then adjusted by the county auditor. Assessed or Taxable Valuation subject to tax levy is then determined by the application of State determined rollback percentages, principally to residential and commercial property.

Beginning in 1978, the State required a reduction in Actual Valuation to reduce the impact of inflation on its residents. The resulting value is defined as the Assessed or Taxable Valuation. The rollback percentages for residential, agricultural and commercial valuations are as follows:

<u>Fiscal Year</u>	<u>Residential Rollback</u>	<u>Ag. Land &amp; Buildings</u>	<u>Commercial</u>	<u>Multi-residential</u>
2019-20	56.9180	56.1324	90.0000	75.0000
2018-19	55.6209	54.4480	90.0000	78.5000
2017-18	56.9391	47.4996	90.0000	82.5000
2016-17	55.6259	46.1068	90.0000	86.2500
2015-16	55.7335	44.7021	90.0000	

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. For example, the assessments finalized on January 1, 2018 are used to calculate tax liability for the tax year starting July 1, 2019 through June 30, 2020. Presented below are the historic property valuations of the Issuer by class of property.

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Source: Iowa Department of Revenue



## Property Valuations

Valuation Year	Actual Valuation w/ Utilities	% Change in Actual Valuation	Taxable Valuation w/ Utilities	% Change in Taxable Valuation
2018	4,680,513,880	0.95%	3,133,279,874	1.61%
2017	4,636,339,857	8.58%	3,083,768,134	6.64%
2016	4,269,884,111	0.63%	2,891,711,111	1.20%
2015	4,243,247,944	7.86%	2,857,437,680	7.37%
2014	3,934,017,303	1.64%	2,661,180,249	0.05%
2013	3,870,495,210	0.42%	2,659,960,334	0.43%
2012	3,854,357,249	0.06%	2,648,548,626	1.52%
2011	3,852,204,101	3.21%	2,608,791,160	5.36%
2010	3,732,512,358	0.73%	2,476,099,581	2.45%
2009	3,705,517,541	1.89%	2,416,864,645	1.81%

### Actual Valuation

Valuation as of January Fiscal Year	2018 2019-20	% of Total	2017 2018-19	% of Total	2016 2017-18	% of Total	2015 2016-17	% of Total
Residential:	2,833,871,245	65.83%	2,824,148,675	66.39%	2,552,952,627	64.78%	2,505,808,538	65.64%
Agricultural Land:	8,085,458	0.19%	8,072,488	0.19%	8,561,879	0.22%	9,030,937	0.24%
Ag Buildings:	431,500	0.01%	364,800	0.01%	436,000	0.01%	427,900	0.01%
Commercial:	838,339,216	19.48%	827,951,862	19.46%	865,331,418	21.96%	807,821,560	21.16%
Industrial:	173,411,011	4.03%	163,378,873	3.84%	117,204,214	2.97%	105,966,011	2.78%
Multi-Residential	186,204,671	4.33%	182,300,064	4.29%	132,240,727	3.36%	133,279,187	3.49%
Personal RE:	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Railroads:	17,944,091	0.42%	15,929,864	0.37%	16,875,542	0.43%	14,933,228	0.39%
Utilities:	21,372,597	0.50%	21,534,419	0.51%	20,683,690	0.52%	21,608,531	0.57%
Other:	0	0.00%	0	0.00%	0	0.00%	0	0.00%

Total Valuation:	4,079,659,789	94.77%	4,043,681,045	95.06%	3,714,286,097	94.25%	3,598,875,892	94.27%
Less Military:	5,398,230	0.13%	5,663,416	0.13%	5,872,692	0.15%	6,178,272	0.16%

Net Valuation:	4,074,261,559	94.65%	4,038,017,629	94.93%	3,708,413,405	94.10%	3,592,697,620	94.11%
TIF Valuation:	375,879,428		382,622,073		328,911,978		425,761,996	
Utility Replacement:	230,372,893	5.35%	215,700,155	5.07%	232,558,728	5.90%	224,788,328	5.89%

### Taxable Valuation

Valuation as of January Fiscal Year	2018 2019-20	% of Total	2017 2018-19	% of Total	2016 2017-18	% of Total	2015 2016-17	% of Total
Residential:	1,612,981,778	57.35%	1,570,817,310	57.06%	1,453,628,119	55.81%	1,396,894,943	55.89%
Agricultural Land:	4,537,984	0.16%	4,395,304	0.16%	4,066,832	0.16%	4,163,880	0.17%
Ag Buildings:	242,212	0.01%	198,623	0.01%	207,088	0.01%	197,293	0.01%
Commercial:	754,505,294	26.83%	745,156,678	27.07%	778,798,277	29.90%	727,039,404	29.09%
Industrial:	156,069,910	5.55%	147,040,986	5.34%	105,483,792	4.05%	95,369,410	3.82%
Multi-Residential	139,653,515	4.97%	143,561,438	5.21%	109,098,834	4.19%	114,953,442	4.60%
Personal RE:	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Railroads:	16,149,682	0.57%	14,336,878	0.52%	15,187,989	0.58%	13,439,905	0.54%
Utilities:	21,372,597	0.76%	21,534,419	0.78%	20,683,690	0.79%	21,608,531	0.86%
Other:	0	0.00%	0	0.00%	0	0.00%	0	0.00%

Total Valuation:	2,705,512,972	96.19%	2,647,041,636	96.15%	2,487,154,621	95.48%	2,373,666,808	62.18%
Less Military:	5,398,230	0.19%	5,663,416	0.21%	5,872,692	0.23%	6,178,272	0.25%

Net Valuation:	2,700,114,742	96.00%	2,641,378,220	95.94%	2,481,281,929	95.26%	2,367,488,536	94.72%
TIF Valuation:	320,616,271		330,604,865		286,892,828		357,865,957	
Utility Replacement:	112,548,861	4.00%	111,785,049	4.06%	123,536,354	4.74%	132,083,187	5.28%

Source: Iowa Department of Management

## PROPERTY TAX LEGISLATION

During the 2013 legislative session, the Iowa General Assembly enacted Senate File 295 (the "Act"), which the Governor signed into law on June 12, 2013. Among other things, the Act (i) reduces the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property, from the current 4% to 3%, (ii) assigns a "rollback" (the percentage of a property's value that is subject to tax) to commercial, industrial and railroad property of 95% for the 2013 assessment year and 90% for the 2014 assessment year and all years thereafter, (iii) creates a new property tax classification for multi-residential properties (mobile home parks, manufactured home communities,

land-lease communities, assisted living facilities and property primarily used or intended for human habitation containing three or more separate dwelling units) (“Multi-residential Property”) that begins in the 2015 assessment year, and assigns a declining rollback percentage of 3.75% to such properties for each subsequent year until 2021 assessment year (the rollback percentage for Multi-residential Properties will be equal to the residential rollback percentage in 2022 assessment year and thereafter) and (iv) exempts a specified portion of the assessed value of telecommunication properties.

The Act includes a standing appropriation to replace some of the tax revenues lost by local governments, including tax increment districts, resulting from the new rollback for commercial and industrial property. Prior to Fiscal Year 2017-18, the appropriation is a standing unlimited appropriation, but beginning in fiscal year 2017-18 the standing appropriation cannot exceed the actual fiscal year 2016-17 appropriation amount. The appropriation does not replace losses to local governments resulting from the Act’s provisions that reduce the annual revaluation growth limit for residential and agricultural properties to 3% from 4%, the gradual transition for Multi-residential Property from the commercial rollback percentage (100% of Actual Value in Fiscal Year 2013-14) to the residential rollback percentage (currently 54.4002% of Actual Valuation), or the reduction in the percentage of telecommunications property that is subject to taxation.

Given the wide scope of the statutory changes, and the State of Iowa’s discretion in establishing the annual replacement amount that is appropriated each year commencing in fiscal year 2017-18, the impact of the Act on the City’s future property tax collections is uncertain and the City is unable to accurately assess the financial impact of the Act’s provisions on the City’s future operations.

In Moody’s Investor Service US Public Finance Weekly Credit Outlook, dated May 30, 2013, Moody’s Investor Service (“Moody’s”) projected that local governments in the State of Iowa are likely to experience modest reductions in property tax revenues starting in fiscal year 2014-15 as a result of the Act, with sizeable reductions possible starting in fiscal year 2017-18. According to Moody’s, local governments that may experience disproportionately higher revenue losses include regions that have a substantial commercial base, a large share of Multi-residential Property (such as college towns), or significant amounts of telecommunications property.

Notwithstanding any decrease in property tax revenues that may result from the Act, Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation bonds, “the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full.”

From time to time, other legislative proposals may be considered by the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described in this Official Statement. It cannot be predicted whether or in what forms any of such proposals may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for the levy of taxes by the City.

**Public Funds Investments**

As of June 30, 2018, the City held investments in the following amounts:

	<u>Amount</u>
Local Bank Deposits	39,129,260
IPAIT	22,302,461
Money Market Deposits	5,776,251
Certificates of Deposit	2,000,000
Repurchase Agreements	6,000,000
Commercial Paper	5,940,908
Federal Agency Coupon Securities	52,548,952
Federal Agency Discount	998,753
U.S. Treasury Strips	983,729
Total	<u>135,680,314</u>

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Source: City of Sioux City

## Tax Rates

The Issuer levied the following taxes for collection during the fiscal years indicated:

<u>Fiscal Year</u>	<u>General</u>	<u>Outside</u>	<u>Emergency</u>	<u>Debt Service</u>	<u>Employee Benefits</u>	<u>CIP</u>	<u>Total Levy</u>
2020*	8.10000	1.59817	0.27000	3.47477	2.23716	0.00000	15.68010
2019	8.10000	1.56007	0.27000	3.67148	2.46915	0.00000	16.07070
2018	8.10000	1.28867	0.27000	3.55059	2.56155	0.00000	15.77081
2017	8.10000	1.25984	0.27000	3.58873	2.84851	0.00000	16.06708
2016	8.10000	1.50520	0.27000	3.13435	3.10079	0.00000	16.11034
2015	8.10000	0.86902	0.27000	3.69333	3.43209	0.00000	16.36444

\*Approved by City Council on March 4, 2019

Source: Iowa Department of Management

## Combined Historic Tax Rates

Portions of the Issuer are located in four different school districts and two different counties. Presented below are the combined aggregate tax rates by taxing district for residents living in the City, in one of the three largest school districts with land in the City, and assuming Woodbury County:

### Sioux City CSD

<u>Fiscal Year</u>	<u>City</u>	<u>School</u>	<u>College</u>	<u>State</u>	<u>Assessor</u>	<u>Ag Extens</u>	<u>Hospital</u>	<u>County</u>	<u>Total Levy Rate</u>
2019	16.07070	15.35010	0.96256	0.00290	0.31049	0.12823	0.00000	7.26169	40.08667
2018	15.77081	15.39000	0.79732	0.00310	0.41730	0.13327	0.00000	7.40533	39.91713
2017	16.06708	15.48000	0.74787	0.00330	0.42081	0.13238	0.00000	7.45423	40.30567
2016	16.11034	15.77035	0.77318	0.00330	0.42983	0.13500	0.00000	7.51614	40.73814
2015	16.36444	16.52251	0.77964	0.00330	0.45866	0.13401	0.00000	7.76353	42.02609

### Sergeant Bluff-Luton CSD

<u>Fiscal Year</u>	<u>City</u>	<u>School</u>	<u>College</u>	<u>State</u>	<u>Assessor</u>	<u>Ag Extens</u>	<u>Hospital</u>	<u>County</u>	<u>Total Levy Rate</u>
2019	16.07070	10.35581	0.96256	0.00290	0.31049	0.12823	0.00000	7.26169	35.09238
2018	15.77081	12.31896	0.79732	0.00310	0.41730	0.13327	0.00000	7.40533	36.84609
2017	16.06708	13.55912	0.74787	0.00330	0.42081	0.13238	0.00000	7.45423	38.38479
2016	16.11034	14.17318	0.77318	0.00330	0.42983	0.13500	0.00000	7.51614	39.14097
2015	16.36444	12.68654	0.77964	0.00330	0.45866	0.13401	0.00000	7.76353	38.19012

### Lawton-Bronson CSD

<u>Fiscal Year</u>	<u>City</u>	<u>School</u>	<u>College</u>	<u>State</u>	<u>Assessor</u>	<u>Ag Extens</u>	<u>Hospital</u>	<u>County</u>	<u>Total Levy Rate</u>
2019	16.07070	15.55913	0.96256	0.00290	0.31049	0.12823	0.00000	7.26169	40.29570
2018	15.77081	15.59975	0.79732	0.00310	0.41730	0.13327	0.00000	7.40533	40.12688
2017	16.06708	15.57659	0.74787	0.00330	0.42081	0.13238	0.00000	7.45423	40.40226
2016	16.11034	15.15626	0.77318	0.00330	0.42983	0.13500	0.00000	7.51614	40.12405
2015	16.36444	14.98287	0.77964	0.00330	0.45866	0.13401	0.00000	7.76353	40.48645

Source: Iowa Department of Management

## Tax Collection History

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Total Tax Levy</u>
2018	42,142,657	41,570,454	98.64%	309,980	41,880,434	98.87%
2017	41,388,130	40,211,861	97.16%	475,365	40,687,226	98.31%
2016	39,428,585	39,022,739	98.97%	530,634	39,553,373	100.32%
2015	39,417,402	39,305,029	99.71%	509,961	39,814,990	101.01%
2014	38,454,955	38,210,067	99.36%	109,806	38,319,873	99.65%

Source: City of Sioux City and Iowa Department of Management

**Largest Taxpayers**

Set forth in the following table are the persons or entities which represent the 2018 largest taxpayers within the Issuer, as provided by the County Auditor’s Offices. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the City. Except as noted below, the City’s mill levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the City from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the mill levies of the other taxing entities which overlap the properties.

<u>Taxpayer</u>	<u>2018 Taxable Valuation</u>	<u>Percent of Total</u>
MidAmerican Energy (1)	111,500,904	3.56%
SM Southern Hills Mall LLC	51,592,320	1.65%
SCE Partners LLC	45,967,500	1.47%
Lakeport Commons Center LLC	29,219,490	0.93%
Seaboard Triumph Foods LLC (2)	28,900,260	0.92%
Wal-Mart Real Estate Business	24,930,000	0.80%
CCS Realty Property Owner LLC	16,708,860	0.53%
Marketplace LLC	16,026,750	0.51%
SAB (IA) LLC	16,003,260	0.51%
Cargill Inc Attn: Property Tax	14,546,160	0.46%
	<b>Total</b>	<b>11.34%</b>

Source: Woodbury County Auditor

(1) Utility Property Tax Replacement

Beginning in 1999, the State replaced its previous property tax assessment procedure in valuing the property of entities involved primarily in the production, delivery, service and sale of electricity and natural gas with a replacement tax formula based upon the delivery of energy by these entities. Electric and natural gas utilities now pay replacement taxes to the State in lieu of property taxes. All replacement taxes are allocated among local taxing cities by the State Department of Revenue and Finance and the Department of Management. This allocation is made in accordance with a general allocation formula developed by the Department of Management on the basis of general property tax equivalents. Properties of these utilities are exempt from the levy of property tax by political subdivisions. Utility property will continue to be valued by a special method as provided in the statute and taxed at the rate of three cents per one thousand dollars for the general fund of the State.

The utility replacement tax statute states that the utility replacement tax collected by the State and allocated among local taxing cities (including the City) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. However, utility property is not subject to the levy of property tax by political subdivisions, only the utility replacement tax and statewide property tax. It is possible that the general obligation debt capacity of the City could be adjudicated to be proportionately reduced in future years if utility property were determined to be other than “taxable property” for purposes of computing the City’s debt limit under Article XI of the Constitution of the State of Iowa. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the City can issue or (ii) adversely affect the City’s ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds. Approximately 3.56% of the City’s tax base currently is utility property. Notwithstanding the foregoing, the City has the obligation to levy taxes against all the taxable property in the City sufficient to pay principal of and interest on the Bonds.

(2) Due to Chapter 427B - Industrial Real Estate Partial Tax Exemption, only 25% of the actual value is taxable. The current assessed value as of January 1, 2018 is \$102,949,500.

## Outstanding Debt

The City has twenty five different general obligation issues outstanding including the Bonds. Presented below is the outstanding principal and interest of the Issuer's General Obligation Debt, assuming interest rates ranging from 2% to 3.2% on the Bonds, presented in aggregate:

Fiscal Year	Total Principal	Total Interest	Total P&I
2019	20,315,000	4,035,841	24,350,841
2020	22,665,000	4,162,240	26,827,240
2021	22,705,000	3,577,096	26,282,096
2022	19,295,000	2,941,771	22,236,771
2023	16,605,000	2,411,941	19,016,941
2024	15,550,000	1,945,314	17,495,314
2025	15,035,000	1,521,651	16,556,651
2026	12,005,000	1,122,046	13,127,046
2027	9,130,000	805,859	9,935,859
2028	7,385,000	543,958	7,928,958
2029	3,960,000	322,753	4,282,753
2030	1,170,000	193,423	1,363,423
2031	1,170,000	146,623	1,316,623
2032	1,170,000	98,653	1,268,653
2033	1,165,000	49,513	1,214,513
Totals:	169,325,000	23,878,680	193,203,680

Source: City of Sioux City

## Debt Limit

The amount of general obligation debt a political subdivision of the State of Iowa can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of property within the corporate limits, taken from the last County Tax list. The Issuer's debt limit, based upon said valuation, amounts to the following:

Actual Value of Property, 2017	4,636,339,857
X	0.05
Statutory Debt Limit:	231,816,993
Total General Obligation Debt:	169,325,000
Less 6/1/2019 maturities cash on hand at City:	-20,315,000
Warrior Guarantee <sup>1</sup>	5,214,181
Total Urban Renewal Rebate Obligations <sup>2</sup> :	89,555
Total Debt Subject to Limit:	154,313,736
Percentage of Debt Limit Obligated:	66.57%

Source: Iowa Department of Management

<sup>1</sup> On December 12, 2018, the City approved a Guaranty in support of a development project at the Warrior Hotel and the Davidson Building in downtown Sioux City, Iowa. The maximum amount of the Guaranty was \$16,556,000 which amount automatically reduces upon the award of tax credits by the Iowa Economic Development Authority for the project. The project has received \$11,341,819 in tax credits from the state, thereby reducing the City's Guaranty to the amount reported above. The developer has applied for additional tax credits, with hopes of an award in Spring 2019. In the event no further tax credits are awarded, the City amended its Amended and Restated Urban Renewal Plan for the Combined Central Sioux City - CBD Urban Renewal Area to include the project, and held a public hearing on bonds to fully fund any obligations under the Guaranty.

<sup>2</sup> The amount reported above is the amount due under development agreements payable after closing on the Bonds. The Iowa Supreme Court has not formally ruled on the question of whether contracts to rebate the tax increment generated by a particular development constitutes indebtedness of a City for constitutional debt limit purposes. The amount reported above includes amounts payable under development agreements that may not be debt. Some development agreements are subject to the right of annual appropriation by the City, thereby limiting the extent of possible debt to only amounts currently due and appropriated in the current fiscal year. Amounts payable under a particular development agreement may not constitute legal indebtedness, but are memorialized in the table above to conservatively state the City's possible financial exposure. Payment of future installments may be dependent upon undertakings by the developers, which may have not yet occurred. The Total Debt Subject to Limit amount reported above does not include \$22,394,509 in City rebate agreements (subject to yet to be achieved contingencies or annual appropriation). Were such rebate agreements determined to be constitutional debt, the City's percentage of Debt Limit Obligated would be 76.23%. The City actively pursues opportunities consistent with the development goals of its various urban renewal plans, which may be amended from time to time, and the City may enter into additional development agreements committing to additional rebate incentive in calendar year 2019 or after.

## Overlapping & Underlying Debt

Presented below is a listing of the overlapping and underlying debt for Issuers within the District and the amount applicable to the Issuer:

<u>Taxing Authority</u>	<u>Outstanding Debt</u>	<u>2018 Taxable Valuation</u>	<u>Taxable Value Within Issuer</u>	<u>Percentage Applicable</u>	<u>Amount Applicable</u>
Hinton CSD	3,735,000	233,660,841	479,080	0.21%	7,658
Lawton Bronson CSD	4,355,000	234,405,986	10,181,318	4.34%	189,157
Sergeant Bluff-Luton CSD	0	897,781,806	62,975,199	7.01%	0
Sioux City CSD	1,915,275	2,869,845,776	2,578,451,368	89.85%	1,720,804
Plymouth County	4,280,000	1,885,739,832	479,080	0.03%	1,087
Woodbury County	6,018,464	4,840,158,107	3,132,800,794	64.73%	3,895,461
Western Iowa Tech Community College	18,090,000	9,831,630,106	3,133,279,874	31.87%	5,765,171
Northwest Area Education Agency		15,140,426,857	3,133,279,874	20.69%	0
				<b>Total</b>	<b>11,579,338</b>

Source: Iowa Department of Management, Iowa State Treasurer

### FINANCIAL SUMMARY

Actual Value of Property, 2018	4,680,513,880
Taxable Value of Property, 2018	3,133,279,874
Direct General Obligation Debt:	169,325,000
Less 6/1/2019 maturities cash on hand at City:	-20,315,000
Less Self-Supported General Obligation Debt:	-102,733,571
Net Direct General Obligation Debt:	46,276,429
Overlapping Debt:	11,579,338
Net Direct & Overlapping General Obligation Debt:	57,855,767
Population, 2018 Audited Financial Statement:	83,035
Direct Debt per Capita:	2,039
Total Debt per Capita:	697
Net Direct Debt to Taxable Valuation:	1.477%
Total Debt to Taxable Valuation:	1.846%
Net Direct Debt to Actual Valuation:	0.989%
Total Debt to Actual Valuation:	1.236%
Actual Valuation per Capita:	56,368
Taxable Valuation per Capita:	37,734
Area, 2010 US Census Bureau:	57.35 sq miles
Population, 2000 US Census Bureau	85,013

Source: Iowa Department of Management

## APPENDIX B – FORM OF LEGAL OPINIONS

### DRAFT – SERIES 2019A BONDS

We hereby certify that we have examined a certified transcript of the proceedings of the City Council and acts of administrative officers of the City of Sioux City, State of Iowa (the "Issuer"), relating to the issuance of General Obligation Bonds, Series 2019A, by said City, dated June 20, 2019, in the denomination of \$5,000 or multiples thereof, in the aggregate amount of \$\_\_\_\_\_ (the "Bonds").

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion as bond counsel.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the resolution authorizing issuance of the Bonds (the "Resolution") and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on our examination and in reliance upon the certified proceedings and other certifications described above, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a body corporate and politic and political subdivision of the State of Iowa with the corporate power to adopt and perform the Resolution and issue the Bonds.
2. The Bonds are valid and binding general obligations of the Issuer.
3. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. Taxes have been levied by the Resolution for the payment of the Bonds and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.
4. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

AHLERS & COONEY, P.C.

DRAFT – SERIES 2019B BONDS

We hereby certify that we have examined a certified transcript of the proceedings of the City Council and acts of administrative officers of the City of Sioux City, State of Iowa (the "Issuer"), relating to the issuance of Taxable General Obligation Bonds, Series 2019B, by said City, dated June 20, 2019, in the denomination of \$5,000 or multiples thereof, in the aggregate amount of \$\_\_\_\_\_ (the "Bonds").

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion as bond counsel.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the resolution authorizing issuance of the Bonds (the "Resolution") and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on our examination and in reliance upon the certified proceedings and other certifications described above, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a body corporate and politic and political subdivision of the State of Iowa with the corporate power to adopt and perform the Resolution and issue the Bonds.
2. The Bonds are valid and binding general obligations of the Issuer.
3. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. Taxes have been levied by the Resolution for the payment of the Bonds and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.
4. The interest on the Bonds is not excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended. **THE HOLDERS OF THE BONDS SHOULD TREAT THE INTEREST THEREON AS SUBJECT TO FEDERAL INCOME TAXATION.** We express no other opinion regarding any other federal or state income tax consequences caused by the receipt or accrual of interest on the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

AHLERS & COONEY, P.C.



DRAFT – SERIES 2019C BONDS

We hereby certify that we have examined a certified transcript of the proceedings of the City Council and acts of administrative officers of the City of Sioux City, State of Iowa (the "Issuer"), relating to the issuance of General Obligation Urban Renewal Bonds, Series 2019C, by said City, dated June 20, 2019, in the denomination of \$5,000 or multiples thereof, in the aggregate amount of \$ \_\_\_\_\_ (the "Bonds").

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion as bond counsel.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the resolution authorizing issuance of the Bonds (the "Resolution") and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on our examination and in reliance upon the certified proceedings and other certifications described above, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a body corporate and politic and political subdivision of the State of Iowa with the corporate power to adopt and perform the Resolution and issue the Bonds.
2. The Bonds are valid and binding general obligations of the Issuer.
3. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. Taxes have been levied by the Resolution for the payment of the Bonds and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.
4. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.
5. Interest on the Bonds is exempt from the taxes imposed by Division II (Personal Net Income Tax) and Division III (Business Tax on Corporations) of Chapter 422 of the Code of Iowa, as amended (the "Iowa Code"); it should be noted, however, that interest on the Bonds is required to be included in adjusted current earnings to be used in computing the "state alternative minimum taxable income" of corporations and financial institutions for purposes of Sections 422.33 and 422.60 of the Iowa Code. Interest on the Bonds is subject to the taxes imposed by Division V (Taxation of Financial Institutions) of Chapter 422 of the Iowa Code. We express no opinion regarding other State tax consequences arising with respect to the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

AHLERS & COONEY, P.C.

## APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE

### CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Sioux City, State of Iowa (the "Issuer"), in connection with the issuance of \$\_\_\_\_\_ General Obligation Bonds, Series 2019A, \$\_\_\_\_\_ Taxable General Obligation Bonds, Series 2019B and \$\_\_\_\_\_ General Obligation Urban Renewal Bonds, Series 2019C (the "Bonds") dated June 20, 2019. The Bonds are being issued pursuant to a Resolution of the Issuer approved on June 3, 2019 (the "Resolution"). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate; Interpretation. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5). This Disclosure Certificate shall be governed by, construed and interpreted in accordance with the Rule, and, to the extent not in conflict with the Rule, the laws of the State. Nothing herein shall be interpreted to require more than required by the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Financial Information" shall mean financial information or operating data of the type included in the final Official Statement, provided at least annually by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Business Day" shall mean a day other than a Saturday or a Sunday or a day on which banks in Iowa are authorized or required by law to close.

"Dissemination Agent" shall mean the Issuer or any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with S.E.C. Rule 15c2-12.

"Holders" shall mean the registered holders of the Bonds, as recorded in the registration books of the Registrar.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"Municipal Securities Rulemaking Board" or "MSRB" shall mean the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

"National Repository" shall mean the MSRB's Electronic Municipal Market Access website, a/k/a "EMMA" (emma.msrb.org).

"Official Statement" shall mean the Issuer's Official Statement for the Bonds, dated \_\_\_\_\_, 2019.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission (S.E.C.) under the Securities Exchange Act of 1934, and any guidance and procedures thereunder published by the S.E.C., as the same may be amended from time to time.

"State" shall mean the State of Iowa.

#### Section 3. Provision of Annual Financial Information.

a) The Issuer shall, or shall cause the Dissemination Agent to, not later than the 15th day of April each year, commencing with information for the 2018/2019 fiscal year (presently June 30th), provide to the National Repository an Annual Financial Information filing consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Financial Information filing must be submitted in such format as is required by the MSRB (currently in "searchable PDF" format). The Annual Financial Information filing may be submitted as a single document or as separate documents comprising a package. The Annual Financial Information filing may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted

separately from the balance of the Annual Financial Information filing and later than the date required above for the filing of the Annual Financial Information if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

b) If the Issuer is unable to provide to the National Repository the Annual Financial Information by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board, if any, in substantially the form attached as Exhibits A-1, A-2 and A-3.

c) The Dissemination Agent shall:

i. each year file Annual Financial Information with the National Repository; and

ii. (if the Dissemination Agent is other than the Issuer), file a report with the Issuer certifying that the Annual Financial Information has been filed pursuant to this Disclosure Certificate, stating the date it was filed.

Section 4. Content of Annual Financial Information. The Issuer's Annual Financial Information filing shall contain or incorporate by reference the following:

a) The last available audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer's audited financial statements for the preceding years are not available by the time Annual Financial Information is required to be filed pursuant to Section 3(a), the Annual Financial Information filing shall contain unaudited financial statements of the type included in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Financial Information when they become available.

b) A table, schedule or other information prepared as of the end of the preceding fiscal year, of the type contained in the final Official Statement under the caption "Property Valuations", "Tax Rates", "Combined Historic Tax Rates", "Tax Collection History", "Outstanding Debt", "Debt Limit" and "Financial Summary."

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been filed with the National Repository. The Issuer shall clearly identify each such other document so included by reference.

#### Section 5. Reporting of Significant Events.

a) Pursuant to the provisions of this Section, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than 10 Business Days after the day of the occurrence of the event:

i. Principal and interest payment delinquencies;

ii. Non-payment related defaults, if material;

iii. Unscheduled draws on debt service reserves reflecting financial difficulties;

iv. Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;

v. Substitution of credit or liquidity providers, or their failure to perform;

vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Series Bonds, or material events affecting the tax-exempt status of the Bonds;

vii. Modifications to rights of Holders of the Bonds, if material;

viii. Bond calls (excluding sinking fund mandatory redemptions), if material, and tender offers;

ix. Defeasances of the Bonds;

x. Release, substitution, or sale of property securing repayment of the Bonds, if material;

xi. Rating changes on the Bonds;

xii. Bankruptcy, insolvency, receivership or similar event of the Issuer;

xiii. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

xv. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

xvi. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

b) Whenever the Issuer obtains the knowledge of the occurrence of a Listed Event, the Issuer shall determine if the occurrence is subject to notice only if material, and if so shall as soon as possible determine if such event would be material under applicable federal securities laws.

c) If the Issuer determines that knowledge of the occurrence of a Listed Event is not subject to materiality, or determines such occurrence is subject to materiality and would be material under applicable federal securities laws, the Issuer shall promptly, but not later than 10 Business Days after the occurrence of the event, file a notice of such occurrence with the Municipal Securities Rulemaking Board through the filing with the National Repository.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate with respect to each Series of Bonds shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds of that Series or upon the Issuer's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the Issuer to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

a) If the amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Financial Information filing, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Financial Information filing for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Financial Information filing or notice of occurrence of a Listed Event,

in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Financial Information filing or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Financial Information filing or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Rescission Rights. The Issuer hereby reserves the right to rescind this Disclosure Certificate without the consent of the Holders in the event the Rule is repealed by the S.E.C. or is ruled invalid by a federal court and the time to appeal from such decision has expired. In the event of a partial repeal or invalidation of the Rule, the Issuer hereby reserves the right to rescind those provisions of this Disclosure Certificate that were required by those parts of the Rule that are so repealed or invalidated.

Date: 20th day of June, 2019.

CITY OF SIOUX CITY, STATE OF IOWA

By: Mayor

ATTEST:

By: City Clerk

EXHIBIT A-1

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: City of Sioux City, Iowa.

Name of Bond Issue: \$ \_\_\_\_\_ General Obligation Bonds, Series 2019A

Dated Date of Issue: June 20, 2019

NOTICE IS HEREBY GIVEN that the Issuer has not provided Annual Financial Information with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate delivered by the Issuer in connection with the Bonds. The Issuer anticipates that the Annual Financial Information will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

CITY OF SIOUX CITY, STATE OF IOWA

By:

Its:

EXHIBIT A-2

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: City of Sioux City, Iowa.

Name of Bond Issue: \$ \_\_\_\_\_ Taxable General Obligation Bonds, Series 2019B

Dated Date of Issue: June 20, 2019

NOTICE IS HEREBY GIVEN that the Issuer has not provided Annual Financial Information with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate delivered by the Issuer in connection with the Bonds. The Issuer anticipates that the Annual Financial Information will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

CITY OF SIOUX CITY, STATE OF IOWA

By:

Its:

EXHIBIT A-3

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: City of Sioux City, Iowa.

Name of Bond Issue: \$ \_\_\_\_\_ General Obligation Urban Renewal Bonds, Series 2019C

Dated Date of Issue: June 20, 2019

NOTICE IS HEREBY GIVEN that the Issuer has not provided Annual Financial Information with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate delivered by the Issuer in connection with the Bonds. The Issuer anticipates that the Annual Financial Information will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

CITY OF SIOUX CITY, STATE OF IOWA

By:

Its:

## **APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER**

This Appendix contains the entire 2018 audited financial statement of the issuer. The Auditor of State of the State of Iowa (the "State Auditor") maintains a webpage that contains prior years' audits of city, county, school district and community college, including audits of the Issuer, which can be found at the following link <http://auditor.iowa.gov/reports/index.html>.

The remainder of this page was left blank intentionally.

# SIoux<sup>TM</sup> CITY

*City of Sioux City, Iowa  
Comprehensive Annual Financial Report  
Year Ended June 30, 2018*



**USS SIOUX CITY (LCS 11)**

[www.sioux-city.org](http://www.sioux-city.org)



COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

OF THE  
CITY OF SIOUX CITY, IOWA

FOR THE YEAR ENDED JUNE 30, 2018

PREPARED BY

FINANCE DEPARTMENT

CITY OF SIOUX CITY, IOWA  
INTRODUCTORY SECTION

**CITY OF SIOUX CITY, IOWA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 YEAR ENDED JUNE 30, 2018**

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## THE COVER

This year's cover displays the USS Sioux City, a Freedom-class Littoral Combat Ship of the United States Navy. While it is the 11<sup>th</sup> ship in a new class of Littoral Combat Ships, it is the first time that Sioux City has been honored as a namesake city. The ceremonial "laying of the keel" was on February 19, 2014, at Marinette, Wisconsin. This ship was constructed by Fincantieri Marinette Marine and launched on January 30, 2016 after being christened by its sponsor, Mrs. Mary Winnefield.

Designed to be agile and stealthy surface combatants, Littoral Combat Ships are capable of defeating the anti-access threats of nations who challenge our freedom of navigation in contested areas like the Persian Gulf and the South China Sea. This warfighting platform incorporates innovative construction, manning, training and operational concepts geared toward ensuring a continual forward presence. This ship will have a 98-person crew and be used for maritime security throughout the world. The ship's commissioning is scheduled for Fall of 2018.



## ABOUT SIOUX CITY, IA

The City of Sioux City, the principal city of northwest Iowa and the county seat of Woodbury County, is located at the confluence of the Missouri and Big Sioux Rivers at the junction of the states of Iowa, Nebraska, and South Dakota. This Tri-State area is known as “Siouxland.”

Founded in 1854, Sioux City’s roots go back to the days of the early fur traders. In the late 1800’s, the City was a major transportation and marketing center in the Midwest, only behind St. Louis and Chicago. On April 28, 1953, voters of Sioux City approved the City Council and Manager form of government. In 1962, Sioux City was awarded the “All-America City” status by Look Magazine and the National Municipal League. Sioux City received the “All-America City” designation again in 1990.

The community has received many other high profile national rankings in recent years, including: #1 for Economic Development by Site Selection magazine; 2018 Healthy Hometown Community, #5 in the 30 Great U.S. Cities for Older Americans by the Wall Street 24/7, Top 15 Best Places for Business and Careers by Forbes; #1 City Where Incomes are Growing the Fastest according to data from the Bureau of Economic Analysis and 24/7 Wall Street; #1 in the Top 5 Metro Food Processing Industry Growth by Business Facilities Magazine; Top 10 Most Livable Small Cities by Smart Asset, and top 10 rankings for Emerging Logistics/Distribution Centers with less than 500,000 residents.

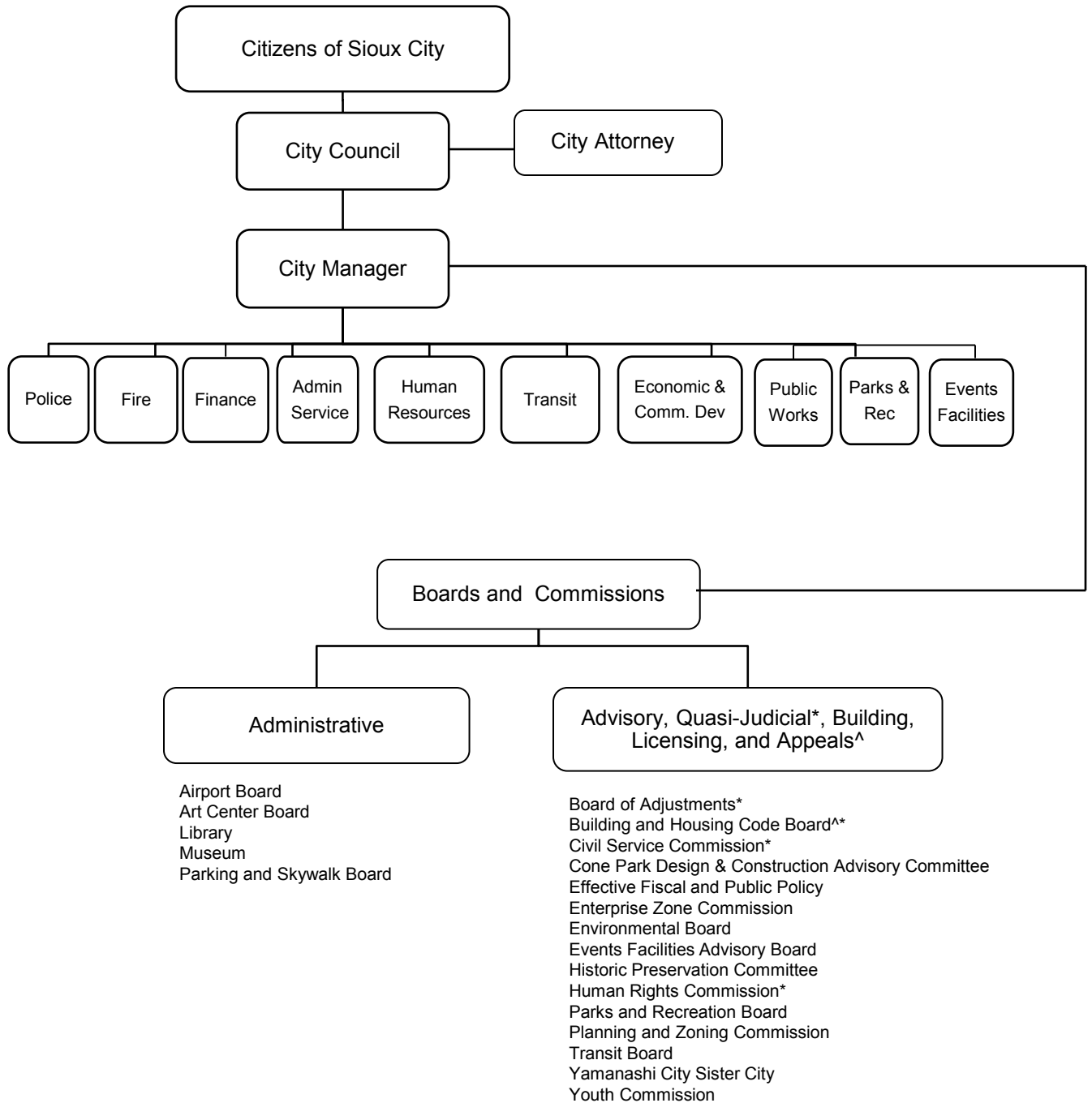
Sioux City is home to Saturday in the Park, one of the largest outdoor music festivals in the Upper Midwest, exciting sports action with USHL Hockey, Champions Indoor Football League and American Association Baseball. The LaunchPAD Children’s Museum, Hard Rock Hotel & Casino, award-winning Art Center, interactive Public Museum, Tyson Events Center, a 52-foot tall climbing wall, and multi-use trail system are a few of the fun activities to enjoy, along with two historic districts in downtown. Cultural events like the Sioux City Symphony Orchestra and Broadway at the Orpheum series, along with very diverse ethnic dining choices, set Sioux City apart from other Midwest cities.

Exciting new developments are underway with new investment in downtown including the Sioux City Reinvestment District, riverfront development project, The Arena sports and recreation training complex, trail connectivity and more.

Today, Sioux City is the fourth largest city in the State of Iowa with more than 82,000 residents dedicated to economic development and productivity. That dedication is seen through our strong, Midwestern work ethic, high-quality education and importance placed on family and neighbors. Our top-notch quality of life includes one of the lowest costs of living and crime rates in the nation. The City currently serves as the regional hub for business, employment, industry, retail trade, medical care, educational opportunities and tourism in Northwest Iowa, Southeast South Dakota and Northeast Nebraska. More than 165,000 people live in the tri-state metropolitan area.

Siouxland is also home to the headquarters of several national companies including Tyson Fresh Meats, Inc., Sioux Honey Association, American Pop Corn Company, Bomgaars, Aalfs Manufacturing, Gelita USA Inc, Wilson Trailer, Inc., Beef Products, Inc. (BPI), and Great West Casualty Company.

# City of Sioux City Organizational Chart



# SCHEDULE OF CITY OFFICIALS

June 30, 2018

## Elected Officials

		Term Expires
Mayor	Robert E. Scott	January 1, 2020
Mayor Pro Tem	Dan Moore	January 1, 2022
Council Member	Rhonda Capron	January 1, 2020
Council Member	Pete Groetken	January 1, 2022
Council Member	Alex Watters	January 1, 2022

## Council Appointed Officials

		Date of Appointment
City Manager	Robert Padmore	February 3, 2014
City Attorney	Nicole DuBois	October 3, 2011

## City Manager and Board Appointed Officials

		Date of Appointment
Art Center Director	Albert Harris-Fernandez	March 25, 2002
Assistant City Manager	Mike Collett	March 3, 2014
Economic/Community Development Director	Martin Dougherty	March 24, 2014
Finance Director	Donna Forker	March 24, 2014
Fire Chief	Tom Everett	October 13, 2008
Human Resources Director	Janelle Bertrand	August 24, 2016
Human Rights Commission Director	Karen Mackey	March 22, 2004
Library Director	Helen Rigdon	October 9, 2017
Museum Director	Steve Hansen	December 17, 2001
Parks and Recreation Director	Matthew Salvatore	August 25, 2014
Police Chief	Rex Mueller	September 1, 2017
Public Works Director	David Carney	March 7, 2016
Utilities Director	Mark Simms	September 4, 2015

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**



Offices of the City Manager & Finance Director  
*City of Sioux City, Iowa*  
P O Box 447  
Sioux City, IA 51102-0447  
December 10, 2018

Honorable Mayor  
Members of the City Council  
Citizens of Sioux City, IA  
City of Sioux City, IA

The comprehensive annual financial report of the City of Sioux City, Iowa for the fiscal year ended June 30, 2018 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities are included.

Generally Accepted Accounting Principles (GAAP) requires that the City provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the management discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The financial statements and schedules included in this report reflect all the funds of the City in accordance with standards set by the Governmental Accounting Standards Board.

The City has established a comprehensive internal control framework that is designed to compile sufficiently reliable information for the preparation of the financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The Code of Iowa requires an annual audit be made of the books of accounts, financial records and transactions of all administrative departments of the City by the State Auditor or by a Certified Public Accountant selected by the City Council. The audit for fiscal year 2018 was performed by Williams & Company, Certified Public Accountants. Williams & Company concluded that the City of Sioux City's financial statements for year ended June 30, 2018, are fairly presented in conformity with GAAP. Williams & Company's auditor's report is presented in the financial section of this report.

## **GOVERNMENT PROFILE**

The City of Sioux City was incorporated in 1855, and is located in the northwest part of Iowa. The western border is the Missouri River and the City abuts the states of Nebraska and South Dakota. The City currently occupies a land area of 60 square miles and serves a population of 82,514 within the City and 168,714 in the metropolitan area.

The City is empowered to levy a property tax on real properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council. The City has operated under the council-manager form of

government since 1954. Policy-making and legislative authority are vested in a governing council consisting of the mayor and four other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, the City Attorney and the City Treasurer. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms and the mayor is separately elected. The City provides a full range of services.

The following schedule details the available services:

<b><u>Transportation</u></b>	<b><u>Fire Services</u></b>	<b><u>Police Services</u></b>	<b><u>Utilities</u></b>
Airport	Suppression	Patrol	Water
Transit	Prevention	Prevention	Sewer
	Training	Investigation	Solid Waste
	Hazardous Materials	Safety	Storm Sewer
<b><u>Public Works</u></b>	<b><u>Community Development</u></b>	<b><u>Culture</u></b>	
Streets/Bridges	Planning/Zoning	Art Center	
Traffic/Parking	Inspections	Museum	
Engineering	Housing	Library	
Cemeteries	Economic Development	Events Facilities	
	Property	Parks/Aquatics/Recreation	

The State Code of Iowa requires the adoption of an annual budget on or before March 15 of each year, which becomes effective July 1 and constitutes the appropriation for each program specified therein until amended. Any amendments to the City budget must be prepared and adopted in the same manner as the original budget. With the exception of capital improvement projects and encumbrances, all other appropriations, as adopted and amended, lapse at the end of the fiscal year. Encumbrances outstanding at year-end are reported as commitments of fund balances since they do not constitute expenditures or liabilities.

Annual budgets are adopted on the basis consistent with generally accepted accounting principles for all governmental funds. The City's budget is prepared on the modified accrual basis of accounting. The legal level of budgetary control is mandated by State law at the program structure level for all funds rather than at the individual fund level. The City maintains control over the program structure by reviewing estimated purchase amounts prior to release of purchase orders. Purchases orders are encumbered and open encumbrances are reported as reservations of fund balances at June 30.

The Finance Department is responsible for establishing and maintaining internal control designed to ensure that the assets of the City are protected from loss, theft or misuse. The Department also ensures that adequate data is compiled to allow for the presentation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The City continues to demonstrate its responsibility for sound financial management through the statements and schedules included in the financial section of this report.

## **ECONOMIC CONDITION**

### **LOCAL ECONOMY**

A number of major initiatives and business expansions continue to have a positive impact on the economy of Sioux City and the Siouxland region bringing new jobs, increased economy activity and significant growth in the property tax base. Expansions including the \$6.2 million Hard Rock Hotel/Casino and \$9 million Curly Foods facility will provide a positive economic impact. In the Bridgeport Industrial area, Seaboard Triumph Foods plant expansions bring the total capital investment to \$330 million and Keizer Refrigeration with construction of a \$8 million facility have assisted in the continued growth of the area. Sioux City has received numerous accolades from many publications over the years, most recently including:

- 2018 Healthy Hometown Community
- Top 10 Most Livable Small Cities by Smart Asset
- Top 10 Small U.S. Metro Area with Most Energy Star Certified Buildings by the EPA
- Sioux City has been ranked as one of the Safest Cities in Iowa by National Council for Home Safety and Security
- Ranked #5 in the 30 Great U.S. Cities for Older Americans -by the Wall Street 24/7
- Cone Park was ranked the Best New Tourist Attraction in Iowa by MSN

Sioux City is faced with the challenge of minimizing property taxes, meeting current obligations, and increasing quality of life, all while the current costs of providing public services continue to rise. Notable challenges in providing services have included increasing salary and benefit obligations and decreasing federal and state funding. Road maintenance continues to be an area of particular importance due to significant increases in construction costs but inadequate growth in State Road Use Tax funding. However, successful economic development initiatives are working to offset these challenges by increasing the City's property tax base or stimulating the economy through different measures. The following is a summary of some of the major projects currently underway:

- A \$13 million Sports Training and Events Facility as well as a New Siouxland Expo Center will provide multi-purpose venues to support agricultural, recreational and major community events as well as to enhance the overall tourism appeal of the community.
- A \$25 million development of Virginia Square by Ho-Chunk, Inc. (HCI) Real Estate consisting of transforming three former industrial buildings on 1<sup>st</sup> and Virginia Streets in downtown Sioux City with plans to redevelop them into mixed-use retail, commercial and market-rate residential developments. The first building was completed in December 2016, second building completed in September 2017, and third to be completed in January 2019.
- A \$20 million construction of a five (5) story Courtyard by Marriot Hotel connected with Sioux City Convention Center. It will offer a minimum of one-hundred and fifty (150) guest rooms, including full-service amenities with a bistro, bar, and business and exercise centers.
- Interstate 29 is under reconstruction through downtown Sioux City, increasing the roadway from two lanes to three and relocating major utilities. The local economy has benefited due to additional workers in the area as well as an increased demand for supplies and services from local vendors. The major multi-year reconstruction project has an anticipated completion date of late 2020.

## **LONG-TERM FINANCIAL PLANNING**

The City Council and administration considers the long-term impact of all financial matters. Finance staff prepares detailed analysis periodically throughout the year that involves five to seven year forecasts for each of the City's major funds. Projected fund balances are reviewed to ensure they meet minimum fund balance policies. These forecasts are integral to the development of the annual operating budget and annually approved capital improvements program (CIP) budget. The CIP budget is a five-year plan of major capital expenditures and includes all corresponding revenue sources.

The City of Sioux City monitors debt capacity closely to ensure a proper level of available debt capacity and adjusts borrowings as necessary. The City continues to maintain high credit ratings from both Standard & Poor's (AA) and Moody's Investor Service (Aa2). Among the reasons cited by the rating agencies for the high ratings include very strong budgetary flexibility, strong reserves, very strong management conditions and financial practices, stable and diverse tax base, and having a long trend of balanced General Fund operations.

## **RELEVANT FINANCIAL POLICIES**

The City of Sioux City abides by its adopted debt policy. The policy states:

*It shall be the policy of the City of Sioux City, Iowa to maintain a debt policy which will provide for proper planning of capital expenditures, financing requirements, and guidelines for the issuance of various debt instruments. The results help secure favorable rating and competitive lower interest costs on all types of borrowing instruments; thereby holding borrowing costs to a minimum and providing a savings to all taxpayers.*

*It is the City's desire and direction to assure that such debt obligations are issued and administered in such a fashion as to obtain the best long-term financial advantage to the City and its residents, while making every effort to maintain and improve the City's bond ratings and reputation in the investment community.*

The City reviews its debt capacity each budget year to ensure that it complies with State law, and is at a level that will allow sufficient development projects in the community, while still able to respond to emergencies or unforeseen opportunities. The City adjusts its borrowings or postpones issuance of debt as necessary to abide by its debt policy. The State debt limit is 5% of assessed value, however the City has a self-imposed limit of 70% of debt capacity. If the 70% level will be exceeded, the additional debt issuance is to be tied directly to an Economic Development project which will generate an adequate payment to cover the debt service. The City is currently at 63.38% of its debt capacity.

To ensure a proper level of cash reserves, the City abides by its fund balance policies established for major funds. The General Fund policy states that the minimum unreserved General Fund balance, as a percentage of actual expenditures, will be no less than 12%. To avoid balances in excess of the level deemed sufficient for prudent fiscal management, the General Fund balance will not exceed 20%. The Enterprise Fund policy states that, on a cash basis, fund balance shall be no less than 15% and no more than 20% of operating expenses.

## **MAJOR INITIATIVES**

Sioux City invests in a wide array of capital improvement projects each year. These projects are primarily funded by issuing bonds, with State Revolving Fund loans, or through grant proceeds. Bonds are typically paid back over a period of 10 years with interest paid every six months.

In fiscal year 2018 the City spent about \$48 million on capital improvement projects. The largest projects were: I-29 reconstruction \$7.5 million, Annual Infrastructure \$5.4 million, West 7<sup>th</sup> Street \$4.2 million, Bridgeport West Improvements and Taxiway A at airport \$2.9 million each, Gilchrist learning center \$1.9 million, Ruth Cone Park and North Lewis 1<sup>st</sup> to 31<sup>st</sup> Street water main construction \$1.6 million each, Bryant elementary school infrastructure and Annual Resurfacing \$1.4 million each.



The City has several significant capital improvements planned for fiscal year 2019. The City has planned for over \$24 million in street maintenance projects which includes \$8.5 million for annual infrastructure, \$2.1 million for annual resurfacing, \$5.7 million for Bridgeport West improvements, \$2.6 million for Sunnybrook development, and \$1.0 million for annual bridge repairs. Additionally, the City plans to spend \$10.0 million on runway and other improvements at the Sioux Gateway Airport, \$11.2 million on Waste Water Treatment Plant asset renewal and modifications, and \$9.1 million on Renewable fuels production start-up costs.

The City continues to pursue development opportunities in areas of the City where growth and expansion prospects exist. The Northern Valley Crossing area on Floyd Boulevard will continue to grow with prospectively interested businesses and Sunnybrook Plaza continues to expand. The Southbridge and Bridgeport Business Parks continue to grow and are premier locations for large-scale industrial and commercial projects.

## **AWARDS AND ACKNOWLEDGEMENTS**

**Certificate of Achievement** - 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 for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017.

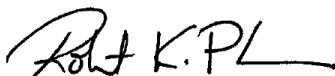
To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Sioux City, Iowa has received a Certificate of Achievement every year since fiscal year 1984 except for fiscal year 1996 and 1998. We believe that our current report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate. The fiscal year 1996 report's production was delayed past the submittal deadline because of the City's financial application software change at the beginning of the fiscal year. The fiscal year 1998 report's production was delayed past the submittal deadline because of changes in personnel and software.

**Acknowledgment** - The preparation and completion of the 2018 Comprehensive Annual Financial Report was made possible by the dedicated service of the Finance Department employees. Each member of the Department has our sincere appreciation for the contributions they made toward this report. Sioux City is very fortunate to have such excellent, versatile and dedicated people.

In closing, without the leadership and support of the City Council, the preparation of this report would not have been possible.

Respectfully Submitted,



Robert Padmore  
City Manager



Donna Forker  
Finance Director

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Sioux City  
Iowa**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**



*Christopher P. Morrill*

Executive Director/CEO

CITY OF SIOUX CITY, IOWA

FINANCIAL SECTION



705 Douglas Street, Suite 214  
P.O. Box 298  
Sioux City, IA 51101  
Phone (712) 252-5337  
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## INDEPENDENT AUDITORS' REPORT

The Mayor and Members of the  
City Council  
City of Sioux City, Iowa

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the CITY OF SIOUX CITY, IOWA (the City), as of and for the year ended June 30, 2018, 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.

### Auditors' 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 includes 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, each major fund, and the aggregate remaining fund information of the City of Sioux City, Iowa as of June 30, 2018, 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.

### **Emphasis of a Matter**

As discussed in Note 19 to the financial statements, the City adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, Schedule of Proportionate Share of Net Pension Liability, Schedule of Contributions and Schedule of changes in the City's Total OPEB Liability and Related Ratios on pages 5 through 20 and 88 through 93 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's basic financial statements. The introductory section, other financial information, combining nonmajor fund financial statements, schedule of

expenditures of passenger facility charges, continuing disclosures and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements, schedule of expenditures of passenger facility charges, and the schedule of expenditures of federal awards 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, schedule of expenditures of passenger facility charges, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory, other financial information, continuing disclosures 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 our report dated November 12, 2018, on our consideration of the City of Sioux City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Sioux 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 of Sioux City's internal control over financial reporting and compliance.

*Williams & Company, P.C.*  
Certified Public Accountants

Sioux City, Iowa  
November 12, 2018

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**





## Management Discussion and Analysis

June 30, 2018

This discussion and analysis of the City of Sioux City's financial performance provides an overview of the City's financial activities for the fiscal year ending June 30, 2018. We encourage the readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal on page xi and the City's financial statements which follow this report.

### Financial Highlights

- The assets and deferred outflows of resources of the City of Sioux City exceeded its liabilities and deferred inflows of resources at June 30, 2018, by \$512,541,324.
- The City's net position increased by \$22,766,692 during the year. Of this amount, the net position of Governmental Activities increased \$12,430,526 net position of Business-Type Activities increased \$10,336,166.
- The largest factors contributing to the increase in net position were: amount by which capital outlays exceeded depreciation, \$11,626,368, excess of Water Fund revenues over expenses and transfers out in the amount of \$3,486,465 and excess of Sewer Fund revenues over expenses and transfers out in the amount of \$4,102,091.
- The City's long term debt increased \$13,468,106 (5.26%). General obligation bonds outstanding increased \$11,955,000 (9.1%) to \$144,100,000 and notes payable outstanding increased \$1,513,106 (1.22%) to \$125,294,482.

### OVERVIEW OF THE FINANCIAL STATEMENTS

In addition to the Management Discussion and Analysis, this annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government. An additional part of the basic financial statements are the notes to the financial statements. This report contains required supplementary information and other supplementary information in addition to the basic financial statements.

## REPORTING THE CITY AS A WHOLE

### The Statement of Net Position and the Statement of Activities

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

One of the most important questions asked about the City's finances is, "Is the City of Sioux City in a better financial position at the end of this 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, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is the method of accounting used by most private-sector companies. These two statements report the City's net position, which is calculated as assets plus deferred outflows minus liabilities and deferred inflows, as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Additional factors, such as changes in the City's property tax base and sales tax collections and condition of the City's infrastructure are also important in making this determination.

In the Statement of Net Position and the Statement of Activities, we have divided the City into two kinds of activities:

- **Governmental Activities** - Most of the City's basic services are reported here, such as Police, Fire, Public Works and Parks departments, and General Administration. Property taxes and state and federal grants finance most of these activities.
- **Business-Type Activities** - The City charges fees to customers to cover the cost of these services. Included here are the City Water, Sewer, Solid Waste, Airport and Parking funds.

## REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

### 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 Council also establishes funds to control and manage money for particular purposes (such as construction projects) and to show that it is properly using certain revenues (such as Sales Tax Revenues). The City has the following types of funds:

- **Governmental Funds** - Most of the City's basic services are included in governmental funds, which focus on how money moves into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using 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 governmental operations and basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance City programs. 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 following each Governmental Fund financial statement.

- **Proprietary funds** - When the City charges customers for the service it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The major difference between the proprietary funds report and the business-type activities reported in the government-wide statements is the detail and additional information, such as cash flows, provided in the proprietary funds report.

## **THE CITY AS TRUSTEE**

### **Reporting the City's Fiduciary Responsibilities**

Fiduciary funds are used to account for resources held for the benefit of parties outside the City government. The City is the trustee, or fiduciary, for the Woodbury County Information and Communications Commission funds which can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found behind the Fiduciary funds statements.

## **THE CITY AS A WHOLE**

As stated earlier, net position may serve over time as a useful indicator of a government's financial position. The largest part of the City's net position reflects its investment in capital assets (land, buildings and improvements, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following comparison chart shows the changes in net position for the years ended June 30, 2018, and 2017:

	<b>Governmental Activities</b>	
	<u>2018</u>	<u>2017</u>
		(not restated)
Current and Other Assets	\$186,304,222	\$172,751,576
Capital Assets	<u>405,153,387</u>	<u>390,856,364</u>
Total Assets	591,457,609	563,607,940
Pension Related Deferred Outflows	<u>18,533,246</u>	<u>19,934,979</u>
Total Deferred Outflows of Resources	18,533,246	19,934,979
Other Liabilities	9,668,823	9,687,669
Long-Term Liabilities Outstanding	<u>203,465,566</u>	<u>204,534,915</u>
Total Liabilities	213,134,389	214,222,584
Deferred Inflows – Property Taxes	57,258,810	52,450,593
Deferred Inflows – OPEB Related	146,774	---
Deferred Inflows – Pension Related	<u>1,783,863</u>	<u>2,139,327</u>
Total Deferred Inflows of Resources	59,189,447	54,589,920
Net Position:		
Net Investment in Capital Assets	294,629,930	287,159,597
Restricted	75,247,928	70,861,945
Unrestricted	<u>(32,210,839)</u>	<u>(43,291,127)</u>
Total Net Position	<u>\$337,667,019</u>	<u>\$314,730,415</u>

This summary reflects an increase in total net position of 3.95% for the governmental activities and an increase of 6.28% in the business-type activities.

The restricted portion of net position (14.68%) is subject to external restrictions on how these resources may be used.

The government's total net position increased by \$22,766,692 during the current fiscal year which can be attributed to revenues outpacing expenses and capital outlays exceeding depreciation.

<b>Business-Type Activities</b>		<b>Totals</b>	
<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
			(not restated)
\$42,490,736	\$39,890,048	\$228,794,958	\$212,641,624
<u>309,911,715</u>	<u>300,136,011</u>	<u>715,065,102</u>	<u>690,992,375</u>
352,402,451	340,026,059	943,860,060	903,633,999
<u>1,546,600</u>	<u>1,254,483</u>	<u>20,079,846</u>	<u>21,189,462</u>
1,546,600	1,254,483	20,079,846	21,189,462
3,036,021	12,789,681	12,704,844	22,477,350
<u>175,812,015</u>	<u>163,711,903</u>	<u>379,277,581</u>	<u>368,246,818</u>
178,848,036	176,501,584	391,982,425	390,724,168
---	---	57,258,810	52,450,593
---	---	146,774	---
<u>226,710</u>	<u>240,819</u>	<u>2,010,573</u>	<u>2,380,146</u>
226,710	240,819	59,416,157	54,830,739
169,481,588	163,351,087	464,111,518	450,510,684
---	---	75,247,928	70,861,945
<u>5,392,717</u>	<u>1,187,052</u>	<u>(26,818,122)</u>	<u>(42,104,075)</u>
<u>\$174,874,305</u>	<u>\$164,538,139</u>	<u>\$512,541,324</u>	<u>\$479,268,554</u>

Governmental activities increased 3.95% while Business-Type Activities increased 6.28%. Details of the changes in net position are shown as follows:

Revenue Source	Governmental Activities	
	2018	2017
<b>Program Revenues:</b>		(not restated)
Charges for Services	\$ 21,360,629	\$ 17,050,171
Operating Grants and Contributions	24,649,179	25,717,743
Capital Grants and Contributions	9,321,461	6,726,564
<b>Total Program Revenues</b>	<b>55,331,269</b>	<b>49,494,478</b>
<b>General Revenues :</b>		
Property Taxes	52,270,337	53,381,179
Franchise Taxes	6,111,068	5,477,766
Hotel-Motel Taxes	2,295,884	2,288,141
Local Option Sales Taxes	12,931,221	13,713,561
Interest	658,503	613,820
Revenue from the Sale of Uncapitalized Property	523,976	706,377
Miscellaneous	1,781,682	1,814,168
Net Gain on Sale of Capital Assets	243,390	156,405
<b>Total General Revenues</b>	<b>76,816,061</b>	<b>78,151,417</b>
<b>Total Revenues</b>	<b>132,147,330</b>	<b>127,645,895</b>
<b>Expenses:</b>		
Public Safety	43,831,004	39,933,730
Public Works	23,976,620	21,684,852
Culture and Recreation	17,009,183	18,619,074
Community and Economic Development	15,135,002	14,013,100
General Government	11,045,764	12,562,923
Debt Service	5,420,699	5,450,657
Airport	---	---
Water	---	---
Sewer	---	---
Solid Waste	---	---
Parking	---	---
Skyway System	---	---
<b>Total Expenses</b>	<b>116,418,272</b>	<b>112,264,336</b>
<b>Increase in Net Position Before Transfers</b>	<b>15,729,058</b>	<b>15,381,559</b>
Transfers	(3,298,532)	(4,417,018)
<b>Increase in Net Position</b>	<b>12,430,526</b>	<b>10,964,541</b>
Net Position - Beginning of Year Before Prior Period Adjustments	314,730,415	303,765,874
Prior Period Adjustment	10,506,078	---
<b>Net Position - Beginning of Year as Restated</b>	<b>325,236,493</b>	<b>303,765,874</b>
<b>Net Position</b>	<b>\$337,667,019</b>	<b>\$314,730,415</b>

Business-Type Activities		Totals	
2018	2017	2018	2017
			(not restated)
\$ 49,410,607	\$ 44,149,433	\$70,771,236	\$61,199,604
18,326	36,508	24,667,505	25,754,251
4,548,354	1,152,552	13,869,815	7,879,116
<b>53,977,287</b>	<b>45,338,493</b>	<b>109,308,556</b>	<b>94,832,971</b>
---	---	52,270,337	53,381,179
---	---	6,111,068	5,477,766
---	---	2,295,884	2,288,141
---	---	12,931,221	13,713,561
432,070	362,787	1,090,573	976,607
---	---	523,976	706,377
262,694	267,306	2,044,376	2,081,474
---	---	243,390	156,405
<b>694,764</b>	<b>630,093</b>	<b>77,510,825</b>	<b>78,781,510</b>
<b>54,672,051</b>	<b>45,968,586</b>	<b>186,819,381</b>	<b>173,614,481</b>
---	---	43,831,004	39,933,730
---	---	23,976,620	21,684,852
---	---	17,009,183	18,619,074
---	---	15,135,002	14,013,100
---	---	11,045,764	12,562,923
---	---	5,420,699	5,450,657
4,779,360	4,100,697	4,779,360	4,100,697
15,771,123	14,455,073	15,771,123	14,455,073
19,843,501	18,445,291	19,843,501	18,445,291
5,505,705	5,402,037	5,505,705	5,402,037
1,372,187	1,202,414	1,372,187	1,202,414
362,541	352,961	362,541	352,961
<b>47,634,417</b>	<b>43,958,473</b>	<b>164,052,689</b>	<b>156,222,809</b>
<b>7,037,634</b>	<b>2,010,113</b>	<b>22,766,692</b>	<b>17,391,672</b>
3,298,532	4,417,018	---	---
<b>10,336,166</b>	<b>6,427,131</b>	<b>22,766,692</b>	<b>17,391,672</b>
164,538,139	158,111,008	479,268,554	461,876,882
---	---	10,506,078	---
<b>164,538,139</b>	<b>158,111,008</b>	<b>489,774,632</b>	<b>461,876,882</b>
<b>\$174,874,305</b>	<b>\$164,538,139</b>	<b>\$512,541,324</b>	<b>\$479,268,554</b>

Program revenues totaled \$109,308,556 for fiscal year 2018. Governmental Activities provided \$55,331,269 and Business-Type Activities provided \$53,977,287. Revenue collected for Charges for Services during fiscal year 2018 was \$70,771,236 accounting for approximately 65% of the total program revenues.

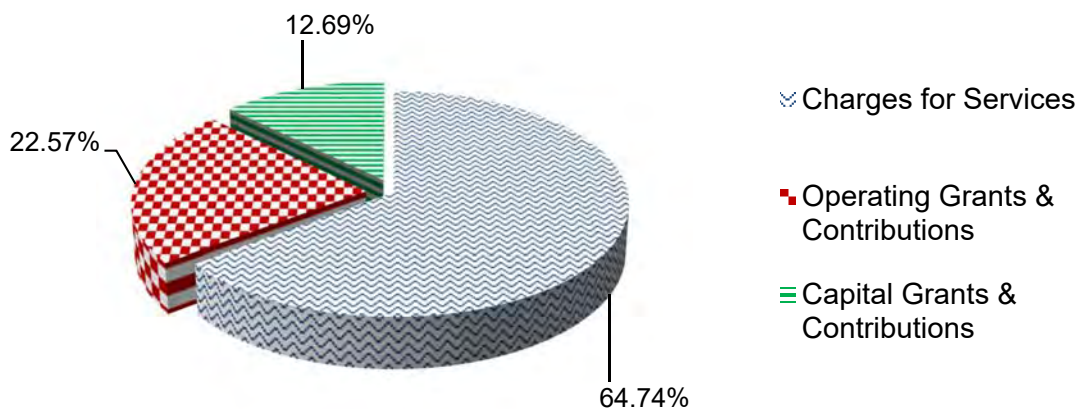
Governmental charges for services increased about \$4.3 million. Casino revenues increased \$273,500 due to increased receipts from the Hard Rock Hotel & Casino. Emergency Medical Services revenues increased \$380,000 due to the transfer of operations to the City from the Siouxland Paramedics as of January 1<sup>st</sup>, 2018. Cone Park charges increased \$160,900 due to fiscal year 2018 being the first full year of operations. In the Comprehensive Insurance Fund, health insurance and general liability insurance charges both increased \$1,930,600 and \$690,000, respectively due to increased cost of premiums. In the Central Maintenance Garage Fund, sale of lubricants increased \$375,200 due to higher fuel prices and rental income increased \$248,400 due to higher equipment replacement costs.

Governmental operating grants and contributions decreased about \$1.1 million. Operating grants decreased \$1.3 million in Debt service and increased \$289,300 in general government due to decreased commercial and industrial property tax replacement payments received from the State of Iowa and due to allocation changes between funds.

Governmental capital grants and contributions increased almost \$2.6 million. Public Works capital grants and contributions decreased \$1.9 million primarily due grants received in fiscal year 2017 from U.S Department of Transportation Highway Planning and Construction funds of \$950,000 each to support the 38<sup>th</sup> Street Bridge and Dearborn Street Bridge projects. Culture and Recreation capital contributions increased \$4.2 million due to contributions received for Gilchrist Learning Center, \$1,425,000, Pearl Street Park, \$500,000, Cone Park, \$361,000, Tyson Events Center, \$300,000, and Sertoma Trail Loop, \$250,000. In addition, upon closing of Museum Building Inc., about \$1,386,000 of remaining funds were contributed toward Culture and Recreation purposes. Public Safety increased \$429,000 for Outer Drive trail connection funds received from the Iowa Department of Transportation. In the Business-Type funds, Airport capital grants increased \$3,395,800, while operating grants decreased \$18,180 from the Federal Aviation Administration (FAA) for airport capital improvements and operations.

The following chart breaks down program revenues by source:

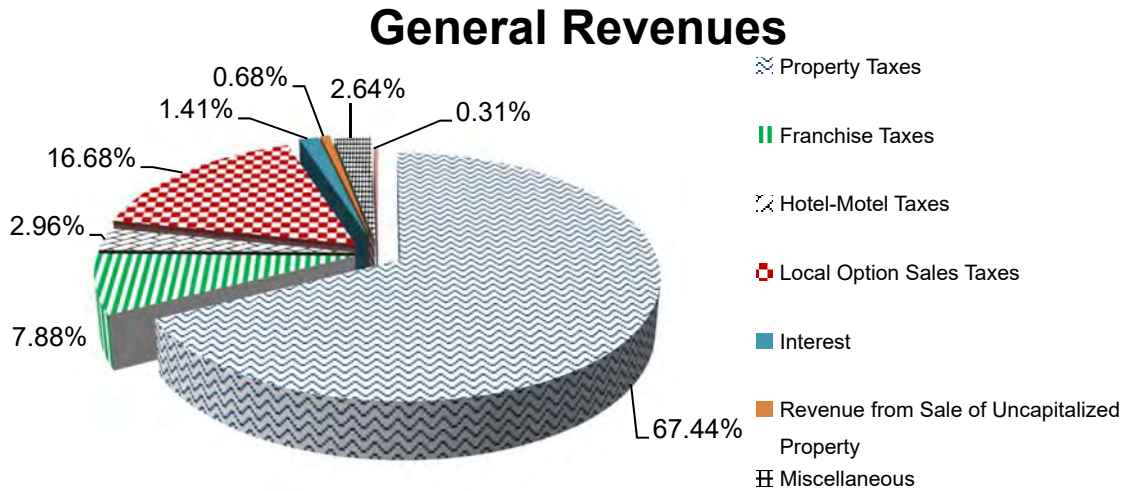
## Program Revenues





General Revenues for fiscal year 2018 totaled \$77,510,825, which is \$1,270,685 less than fiscal year 2017. Governmental Activities provided \$76,816,061 and Business-Type Activities provided \$694,764. Property tax revenues for fiscal year 2018 totaled \$52,270,337, accounting for 68% of General Revenues, \$1,110,842 lower than fiscal year 2017 due to decreased property tax rates. Franchise taxes increased \$633,302. Local Option Sales tax decreased \$782,340 due to decreased consumer spending, primarily due to the departure of temporary workforce upon the completion of CF Industries.

The following chart breaks down General Revenues by source:

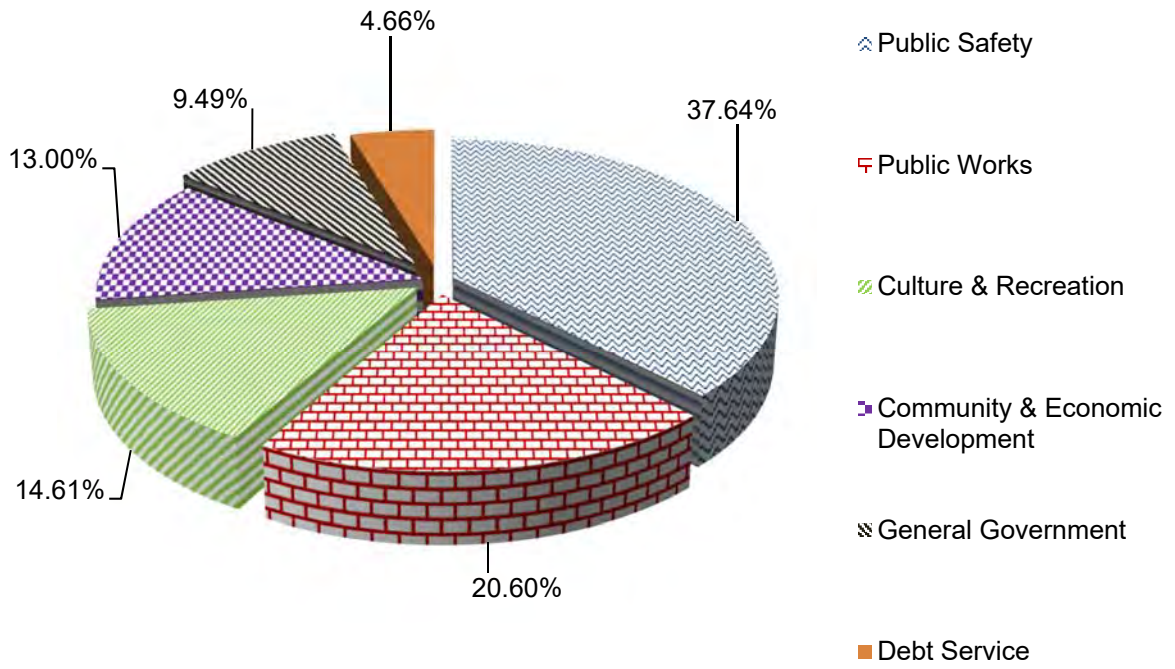


Expenses for fiscal year 2018 totaled \$164,052,689 an increase of \$7,829,880 from fiscal year 2017. Expenses for Governmental Activities totaled \$116,418,272 accounting for 71% of total expenses. Business-Type Activity expenses totaled \$47,634,417 for 29% of the total.

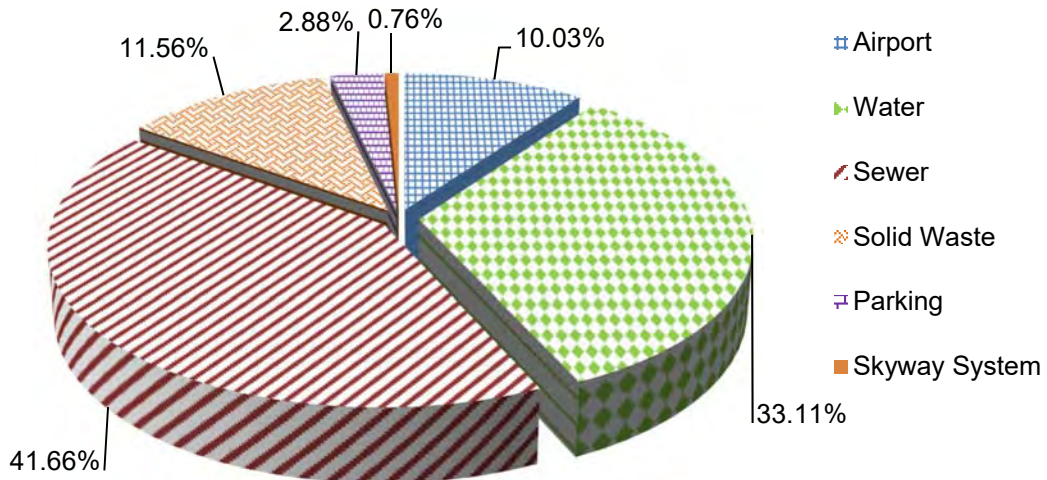
Public Safety expenses increased \$3.9 million primarily due to the Emergency Medical Services operation transferred to the City from the Siouxland Paramedics, increased group health insurance premiums, and workers compensation medical payments. Community and Economic Development expenses increased \$1.1 million due to the combination of the Civic Partner's loan write off in the amount of \$2.7 million, and \$1.6 million decrease in capital projects. General Government expenses decreased \$1.5 million due to a decrease in net pension liability related expenses of \$1.7 million and an increase in depreciation expenses of \$214,000. Airport expenses increased \$678,700 due to increased supplies and repair costs due to a hail damage. Water expenses increased \$1.3 million due to the addition of four new positions, increased group health and workers compensations insurance premiums. Sewer expenses increased \$1.4 million due to increased repair and improvement costs primarily due to hail damage.

The expenses are shown on the following page:

# Governmental Expenses



# Business-Type Expenses



The following table shows the activities included within each program level:

<b>Program Level</b>	<b>Activity</b>
Public Safety	Individual and Community Protection, Physical Health
Public Works	Public Service, Utilities, Transportation
Culture and Recreation	Education and Culture
Community and Economic Development	Housing and Community Development
General Government	Policy and Administration
Debt Service	Debt

**Governmental Activities**

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses and Changes in Fund Balance. Please note that the expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense) Revenue calculation. This format highlights the respective financial burden that each of the functions place on the taxpayers. For example, for Public Safety, the City spent \$43,831,004 and received \$3,587,580 in revenue thus leaving a cost to the taxpayer of \$40,243,424 to be funded by various methods. This format also identifies how much each function draws from general revenues or is self-financing through fees or grants. Some of the individual line item revenues reported for each function are:

Public Safety	Fines, COPS Grants, Block Grants
Community and Economic Development	HUD Grants, Building Permits, Licenses
General Government	Internal Service – Charges for Services

The total cost of governmental activities this year was \$116,418,272. Of these costs, \$21,360,629 was paid by those who directly benefited from the programs. Costs paid by other governments and organizations that subsidized certain programs with grants and contributions were \$33,970,640, leaving a Net Expense of \$61,087,003 for governmental activities. These expenses were covered with tax revenues, interest and other general revenues. The Statement of Activities in the financial section provides further detail. The Net (Expense) Revenue by governmental activity is shown in the following table:

<b><u>Functions/Programs</u></b> <b><u>Governmental Activities</u></b>	<b><u>Net (Expense) Revenue</u></b>	
	<b><u>FY18</u></b>	<b><u>FY17</u></b>
Public Safety	\$ (40,243,424)	\$ (37,431,236)
Public Works	(2,497,139)	1,462,936
Culture & Recreation	(8,275,406)	(11,956,480)
Community & Economic Development	(6,323,225)	(5,006,264)
General Government	1,192,256	(6,133,132)
Debt Service	(4,940,065)	(3,705,682)
Total Net (Expense) Revenue Government Activities	(61,087,003)	(62,769,858)
General Revenues & Transfers	73,517,529	73,734,399
Change in Net Position	<u>\$ 12,430,526</u>	<u>\$ 10,964,541</u>

Total resources available during the year to finance governmental operations were \$454,085,291, consisting of Net Position after applicable prior period adjustments at July 1, 2017, of \$325,236,493, Program Revenues of \$55,331,269, General Revenues of \$76,816,061 and Transfers of \$(3,298,532). Total Governmental Activities during the year expended \$116,418,272; thus, Net Position was increased by \$12,430,526 to \$337,667,019.

**Business-Type Activities**

Business-type activities increased the City's net position by \$10,336,166.

The cost of all Proprietary activities this year was \$47,634,417. As shown in the Statement of Activities, the amounts paid by users of the systems was \$49,410,607, and \$4,566,680 was funded from grants and contributions, resulting in total net revenue for business-type activities of \$6,342,870. As discussed in the revenue section, Airport capital grants increased \$3,395,800, while operating grants decreased \$18,180 from the Federal Aviation Administration (FAA) for airport capital improvements and operations.

The Net (Expense) Revenue by Business-Type Activity is shown in the following table:

<u>Business-Type Activities</u>	<u>Net (Expense) Revenue</u>	
	<u>FY18</u>	<u>FY17</u>
Airport System	\$ 1,831,792	\$ (797,839)
Water System	2,153,894	1,983,711
Sewer System	2,485,833	(236,317)
Solid Waste System	(44,098)	249,868
Parking	(37,837)	268,969
Skyway System	(46,714)	(88,372)
<b>Total Net (Expense) Revenue Business-Type Activities</b>	<b>6,342,870</b>	<b>1,380,020</b>
<b>General Revenues &amp; Transfers</b>	<b>3,993,296</b>	<b>5,047,111</b>
<b>Change in Net Position</b>	<b>\$ 10,336,166</b>	<b>\$ 6,427,131</b>

Total resources available during the year to finance Proprietary Fund activities were \$222,508,722, consisting of Net Position at July 1, 2017 of \$164,538,139, program revenues of \$53,977,287, General Revenues of \$694,764, and transfers of \$3,298,532. Total Proprietary Fund Activities during the year expended \$47,634,417, thus Net Position was increased by \$10,336,166 to \$174,874,305.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Fund balances that are not categorized as non-spendable, restricted, or committed may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. The City's governmental funds reported combined ending fund balances of \$106,672,698 a total increase of \$7,325,827 from the prior year.

The General Fund is the primary operating fund of the City. The fund balance of \$10,112,518 is approximately 18.1% of expenditures, which is at the upper end of the City's goal of a fund balance between 12% and 20% of expenditures. During the year, revenues and transfers in exceeded expenditures and transfers out in the general fund by \$330,710, an increase of \$122,613 from fiscal year 2017. Tax revenues increased \$2.0 million due to increased general fund property tax rates combined with increased collections, and increased franchise tax. Regulatory fees increased \$361,000 due to increased ticket revenue from the Redflex Speed cameras located along Interstate-29.

The Debt Service Fund is used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for the payment of general long-term debt principal, interest and related costs. The fiscal year 2018 fund balance decreased \$1,569,690. Tax revenues decreased \$2.1 million due to a decrease in the debt service fund property tax levy. All the fund balance is restricted for debt service.

The Capital Improvements Fund accounts for and reports all financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities, excluding those financed by Proprietary Funds and Fiduciary Funds. Intergovernmental revenue decreased \$2.2 million primarily due grants received in fiscal year 2017 from U.S Department of Transportation Highway Planning and Construction funds of \$950,000 each to support the 38<sup>th</sup> Street Bridge and Dearborn Street Bridge projects. Contributions revenue increased \$3.9 million for funds received for the following: \$1.4 million for Gilchrist Learning Center, \$500,000 for Pearl Street Park, \$361,000 for Cone Park, \$300,000 for Tyson Events Center enhancement. In addition, upon closing of Museum Building Inc., about \$1,386,000 of remaining funds were contributed towards culture and recreation purposes. Capital expenditures decreased \$6.8 million, while debt proceeds increased \$11.5 million, both due to the timing of construction and development projects in which funds are borrowed in one fiscal year and spent in another fiscal year.

The Enterprise Funds, which account for operations that are similar to a private business, had a net position increase of \$10,336,166 in fiscal year 2018. The funds with the largest net position increases were the Water Fund and the Sewer Fund. Water Fund charges for service increased due to increased rates and usage. Sewer Fund charges for service increased due to increased rates, increased waste strength discharged by major industrial users and related fines. Water fund operating expenses increased due to higher employee services and Sewer fund operating expenses increased due to higher repair and improvement costs. Airport capital grants increased \$3,395,800, while operating grants decreased \$18,180 from the Federal Aviation Administration (FAA) for airport capital improvements and operations. Airport expenses increased \$678,661 due to increased supplies and repair costs due to hail damage. Interest income increased in the Water, Sewer, and Solid Waste fund, due to higher investment returns.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Comparing the fiscal year 2018 original (adopted) General Fund amount of \$66,287,104 to the final budget amount of \$84,949,313, shows a net increase of \$18,662,209.

<u>Original Budget</u>	<u>Encumbrances</u>	<u>Beginning Balance</u>	<u>Supplemental Changes</u>	<u>Final Budget</u>
\$66,287,104	\$283,445	\$66,570,549	\$18,378,764	\$84,949,313

The following table shows the General Fund budget variances by program structure:

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Over (Under) Amended Budget</u>
<b><u>EXPENDITURES</u></b>			
Public Safety	\$ 45,153,753	\$ 39,998,058	\$ (5,155,695)
Public Works	2,578,163	1,534,741	(1,043,422)
Culture & Recreation	13,341,528	9,711,000	(3,630,528)
Community & Economic Development	2,048,454	1,044,238	(1,004,216)
General Government	9,492,381	3,711,552	(5,780,829)
	72,614,279	55,999,589	(16,614,690)
Transfers Out	12,335,034	8,113,429	(4,221,605)
Total Expenditures	<u>\$ 84,949,313</u>	<u>\$64,113,018</u>	<u>\$ (20,836,295)</u>

The City complied with statutory requirements and did not exceed the budget by program structure.

In fiscal year 2018, appropriations increased \$18.4 million between the original budget and the final amended budget. Public Safety increased \$6.6 million, Public Works increased \$653,000, Culture and Recreation increased \$3.0 million, Community and Economic Development increased \$1.0 million, and General Government increased \$1.4 million all due to additional grants received during the fiscal year and due to accrual and year-end budget adjustments.

## CAPITAL ASSETS

The City's investment in capital assets, including land, building and improvements, equipment, streets, sewer systems, lighting systems, traffic signals and other infrastructure represents the value of the resources utilized to provide services to our citizens. The investment in capital assets as of June 30, 2018 was \$464,111,518 (net of accumulated depreciation and outstanding financings). This is an increase of \$13,600,834 (3.0%) from fiscal year 2017. The gross additions to capital assets for fiscal years 2018 and 2017 are as follows:

	General Governmental Activities		Business-Type Activities	
	2018	2017	2018	2017
Land	\$ 525,546	\$ 559,405	\$ 116,916	\$ - - -
Infrastructure	19,551,867	25,340,559	- - -	- - -
Buildings	10,128,835	1,312,117	1,779,679	1,270,369
Improvements-Other than Buildings	2,053,728	1,120,927	28,838,128	9,104,739
Equipment	6,480,178	5,122,374	730,854	37,965
Construction in Progress	<u>25,115,814</u>	<u>31,918,476</u>	<u>22,648,039</u>	<u>39,870,159</u>
Total Gross Additions	<u>\$ 63,855,968</u>	<u>\$ 65,373,858</u>	<u>\$ 54,113,616</u>	<u>\$ 50,283,232</u>

	Totals	
	2018	2017
Land	\$ 642,462	\$ 559,405
Infrastructure	19,551,867	25,340,559
Buildings	11,908,514	2,582,486
Improvements-Other than Buildings	30,891,856	10,225,666
Equipment	7,211,032	5,160,339
Construction in Progress	<u>47,763,853</u>	<u>71,788,635</u>
Total Gross Additions	<u>\$ 117,969,584</u>	<u>\$ 115,657,090</u>

The majority of the expenditures for capital outlays were incurred by the Capital Improvement Fund. Infrastructure was the major capital outlay for Governmental Activities in fiscal year 2018 and included: Cypress extension, Bryant elementary school, Cone Park, Downtown Park, Ravine Park, and Annual Resurfacing. The major expenditures related to buildings included the Pierce building parking structure, Cone Park lodge, Police and Fire Headquarters building, and Maintenance and Operations facility building. New equipment included Geographic Information System enhancement, City Hall carpet remodel, and Tyson Event's Center metal detector. Major construction in progress included Outer Drive and Floyd improvement, Gilchrist Learning Center, Bridgeport West improvements, and West 7<sup>th</sup> Street. For Business-Type Activities, construction in progress included major water and sewer main relocation for Interstate 29 reconstruction, Waste Water Treatment Plant asset renewal and modifications, Parking ramp improvements, and improvements to Taxiway A at the Airport.

See Note 4 to the financial statements for more information on the City's capital assets.

## **DEBT ADMINISTRATION**

At year end, the City had \$271,914,862 of debt outstanding. This is an increase of \$15,988,486 from the prior year. Of this amount \$128,269,024 is to be paid from tax sources (primarily local option sales tax, general taxes and Tax Increment Funds) and \$143,645,838 is to be repaid from the City's Municipal Enterprises. The fiscal year 2019 bonds were borrowed in fiscal year 2018 due to favorable markets.

Debt administration is conservative since almost all City general obligation debt is to be repaid within the next 10 years. This rapid repayment when combined with the use of Tax Increment Financing and Local Option Sales Tax Revenue has allowed the City to maintain our AA bond rating. This rating is the second highest possible rating and reflects well on our community.

Major projects for fiscal year 2019 include: infrastructure improvements for the reconstruction and widening of Interstate 29, annual infrastructure reconstruction, annual bridge repairs, and annual resurfacing.

The City continues to operate well under State debt capacity limitations. The State limits the amount of General Obligation Debt outstanding to 5% of the assessed value of all taxable property in the community. The City's debt capacity is \$213,569,727. With outstanding general obligation debt applicable to this limit of \$135,361,384, the City is utilizing 63.38% of this limit. More detailed information on debt administration is provided in Note 6 of the financial statements.

## **ECONOMIC FACTORS**

A number of major initiatives and business expansions had a positive impact on the Siouxland economy in fiscal year 2018, bringing new jobs, economic stimulation, and an increased property tax base. A few of these projects discussed in greater detail in the transmittal letter include the completion of \$330 million Seaboard/Triumph Foods pork plant on track to staff up to 2,400 employees, \$9 million Curly Foods, \$8 million Keizer Refrigeration, \$6.2 million Hard Rock Hotel/Casino, and the expansion of I-29 through Sioux City from two lanes to three. Economic challenges in the prior year included increases in salary and benefit obligations and increased health care costs.

An indicator of local economic activity often used by the City is the amount of sales tax collected. In fiscal year 2018, the amount collected was \$12.9 million. This is a \$782,340 decrease over fiscal year 2017, or 5.7%.

The property value of residential and commercial building permits issued is another good sign of economic stimulation in Sioux City. Property value of permits increased in fiscal year 2018 to \$351.4 million, an increase of \$42.3 million from fiscal year 2017, or 14%. This significant increase is attributed to the commercial building developments mentioned previously.

Assessed 2018 property values increased slightly to \$4.27 billion, or 0.62%, from \$4.25 billion in 2017. Taxable Per capita income increased to \$23,573 in 2018, an increase of 3.6% from \$22,745 in 2017.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the City Finance Department at 712-279-6207.



CITY OF SIOUX CITY, IOWA  
BASIC FINANCIAL STATEMENTS

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

**CITY OF SIOUX CITY, IOWA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

**EXHIBIT 1**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 109,381,510	\$ 30,830,143	\$ 140,211,653
Accounts Receivable	3,844,017	11,310,455	15,154,472
Accrued Interest Receivable	348,326	58,594	406,920
Notes Receivable	7,956,909	---	7,956,909
Special Assessments, net of allowance	61,003	7,319	68,322
Due from Other Governments	63,761,712	292,532	64,054,244
Internal Balances	20,157	(20,157)	---
Inventories, at Cost	593,500	---	593,500
Prepaid Items	277,521	71,417	348,938
Internal Balances - Note Receivable	59,567	(59,567)	---
Capital Assets not being depreciated:			
Land	46,445,196	3,511,319	49,956,515
Construction in Progress	33,069,514	52,920,536	85,990,050
Capital Assets net of accumulated depreciation:			
Infrastructure	199,360,590	---	199,360,590
Buildings	76,778,914	51,764,208	128,543,122
Buildings under Capital Lease	1,727,128	---	1,727,128
Improvements other than buildings	27,467,781	200,679,060	228,146,841
Equipment	20,304,264	1,036,592	21,340,856
<b>Total Assets</b>	<b><u>591,457,609</u></b>	<b><u>352,402,451</u></b>	<b><u>943,860,060</u></b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension Related Deferred Outflows	18,533,246	1,546,600	20,079,846
<b>Total Deferred Outflows of Resources</b>	<b><u>18,533,246</u></b>	<b><u>1,546,600</u></b>	<b><u>20,079,846</u></b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	4,527,057	1,096,216	5,623,273
Accrued Wages	1,265,386	157,309	1,422,695
Accrued Interest Payable	300,836	286,361	587,197
Contracts and Retainers Payable	3,474,801	1,496,135	4,970,936
Due to Other Governments	100,743	---	100,743
Noncurrent Liabilities:			
Due within one year			
Due to Other Governments	---	11,836,142	11,836,142
General Obligation Bonds Payable	18,244,095	2,601,553	20,845,648
Notes Payable	---	9,077,000	9,077,000
Compensated Absences	2,578,814	327,745	2,906,559
Estimated Liability for Damage Claims	1,322,966	---	1,322,966
Estimated Liability for Landfill Closure	---	54,437	54,437
Due in more than one year			
General Obligation Bonds Payable	110,024,929	15,749,803	125,774,732
Notes Payable	---	116,217,482	116,217,482
Due to Other Governments, Net of Current Portion	---	13,740,943	13,740,943
Compensated Absences	1,154,882	147,147	1,302,029
Estimated Liability for Damage Claims	3,521,901	---	3,521,901
Estimated Liability for Landfill Closure	---	1,041,681	1,041,681
Total OPEB Liability	6,522,164	---	6,522,164
Net Pension Liability	60,095,815	5,018,082	65,113,897
<b>Total Liabilities</b>	<b><u>213,134,389</u></b>	<b><u>178,848,036</u></b>	<b><u>391,982,425</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Property Taxes	57,258,810	---	57,258,810
OPEB Related Deferred Inflows	146,774	---	146,774
Pension Related Deferred Inflows	1,783,863	226,710	2,010,573
<b>Total Deferred Inflows of Resources</b>	<b><u>59,189,447</u></b>	<b><u>226,710</u></b>	<b><u>59,416,157</u></b>
<b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	294,629,930	169,481,588	464,111,518
Restricted for:			
Capital Improvements	47,955,424	---	47,955,424
Debt Service	10,958,160	---	10,958,160
Road Use	4,139,603	---	4,139,603
Other Employee Benefits	1,059,527	---	1,059,527
Community Programs & Services	9,011,162	---	9,011,162
Other Purposes	887,735	---	887,735
Endowment, non-expendable	1,236,317	---	1,236,317
Total Restricted	<u>75,247,928</u>	<u>---</u>	<u>75,247,928</u>
Unrestricted	<u>(32,210,839)</u>	<u>5,392,717</u>	<u>(26,818,122)</u>
<b>Total Net Position</b>	<b><u>\$ 337,667,019</u></b>	<b><u>\$ 174,874,305</u></b>	<b><u>\$ 512,541,324</u></b>

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

**CITY OF SIOUX CITY, IOWA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental Activities:</b>				
Public Safety	\$ 43,831,004	\$ 1,700,743	\$ 1,341,472	\$ 545,365
Public Works	23,976,620	5,027,839	12,389,070	4,062,572
Culture and Recreation	17,009,183	3,717,303	382,563	4,633,911
Community and Economic Development	15,135,002	277,230	8,489,749	44,798
General Government	11,045,764	10,637,514	1,600,506	---
Debt Service	5,420,699	---	445,819	34,815
Total Governmental Activities	116,418,272	21,360,629	24,649,179	9,321,461
<b>Business-Type Activities:</b>				
Airport	4,779,360	2,044,472	18,326	4,548,354
Water	15,771,123	17,925,017	---	---
Sewer	19,843,501	22,329,334	---	---
Solid Waste	5,505,705	5,461,607	---	---
Parking	1,372,187	1,334,350	---	---
Skyway System	362,541	315,827	---	---
Total Business-Type Activities	47,634,417	49,410,607	18,326	4,548,354
<b>Total Functions/Programs</b>	<b>\$ 164,052,689</b>	<b>\$ 70,771,236</b>	<b>\$ 24,667,505</b>	<b>\$ 13,869,815</b>

General Revenues:

- Property Taxes
- Franchise Taxes
- Hotel-Motel Taxes
- Local Option Sales Taxes
- Interest
- Revenue from Sale of Uncapitalized Property
- Miscellaneous
- Net Gain on Sale of Capital Assets

Transfers

- Total General Revenues and Transfers
- Changes in Net Position

Net Position - Beginning of Year

Prior Period Adjustment

Net Position - Beginning of Year as Restated

Net Position - End of Year

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

**Net (Expenses) Revenues and Changes in Net  
Position**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (40,243,424)	\$ ---	\$ (40,243,424)
(2,497,139)	---	(2,497,139)
(8,275,406)	---	(8,275,406)
(6,323,225)	---	(6,323,225)
1,192,256	---	1,192,256
(4,940,065)	---	(4,940,065)
(61,087,003)	---	(61,087,003)
---	1,831,792	1,831,792
---	2,153,894	2,153,894
---	2,485,833	2,485,833
---	(44,098)	(44,098)
---	(37,837)	(37,837)
---	(46,714)	(46,714)
---	6,342,870	6,342,870
<u>\$ (61,087,003)</u>	<u>\$ 6,342,870</u>	<u>\$ (54,744,133)</u>
52,270,337	---	52,270,337
6,111,068	---	6,111,068
2,295,884	---	2,295,884
12,931,221	---	12,931,221
658,503	432,070	1,090,573
523,976	---	523,976
1,781,682	262,694	2,044,376
243,390	---	243,390
(3,298,532)	3,298,532	---
<u>73,517,529</u>	<u>3,993,296</u>	<u>77,510,825</u>
12,430,526	10,336,166	22,766,692
314,730,415	164,538,139	479,268,554
<u>10,506,078</u>	---	<u>10,506,078</u>
<u>325,236,493</u>	<u>164,538,139</u>	<u>489,774,632</u>
<u>\$ 337,667,019</u>	<u>\$ 174,874,305</u>	<u>\$ 512,541,324</u>

**CITY OF SIOUX CITY, IOWA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018**

<b><u>ASSETS</u></b>	<b>General</b>	<b>Other Employee Benefits</b>	<b>Local Option Sales Tax</b>
Cash and Cash Equivalents	\$ 9,022,421	\$ 1,003,324	\$ 1,239,653
Accounts Receivable	1,932,552	---	---
Accrued Interest Receivable	197,962	---	---
Notes Receivable	---	---	20,000
Special Assessments, net of allowance	52,453	---	---
Due from Other Governments	28,097,209	6,926,711	1,123,162
Due from Other Funds	440	---	---
Inventories	21,397	---	---
Prepaid Items	20,000	---	---
Total Assets	39,344,434	7,930,035	2,382,815
 <b><u>LIABILITIES</u></b>			
Accounts Payable	545,959	14,409	764
Accrued Wages	1,032,049	---	---
Contracts and Retainers Payable	34,046	---	400
Due to Other Governments	49,321	---	---
Due to Other Funds	1,148	---	---
Total Liabilities	1,662,523	14,409	1,164
 <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Unavailable Revenue - Property Taxes	27,569,393	6,854,974	---
Unavailable Revenue - Special Assessments	---	---	---
Unavailable Revenue - Loans	---	---	---
Total Deferred Inflows of Resources	27,569,393	6,854,974	---
 <b><u>FUND BALANCES</u></b>			
Non-Spendable:			
Inventory	21,397	---	---
Prepaid Items	20,000	---	---
Endowment, non-expendable	---	---	---
Restricted	---	1,059,527	---
Committed	283,446	1,125	---
Assigned	---	---	2,381,651
Unassigned	9,787,675	---	---
Total Fund Balances	10,112,518	1,060,652	2,381,651
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 39,344,434	\$ 7,930,035	\$ 2,382,815

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

<b>Debt Service</b>	<b>Capital Improvements</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 11,145,619	\$ 65,727,742	\$ 8,913,459	\$ 97,052,218
12,000	1,213,271	363,383	3,521,206
---	626	136,962	335,550
143,750	912,221	6,828,879	7,904,850
3,463	---	5,087	61,003
23,329,367	1,251,233	3,034,030	63,761,712
---	1,214,844	720	1,216,004
---	---	---	21,397
---	---	4,046	24,046
<u>34,634,199</u>	<u>70,319,937</u>	<u>19,286,566</u>	<u>173,897,986</u>
103,765	1,262,583	1,413,390	3,340,870
---	8,186	175,391	1,215,626
---	2,887,348	441,282	3,363,076
---	27,456	23,966	100,743
---	---	1,216,329	1,217,477
<u>103,765</u>	<u>4,185,573</u>	<u>3,270,358</u>	<u>9,237,792</u>
23,149,225	---	64,073	57,637,665
3,463	---	---	3,463
<u>118,750</u>	<u>---</u>	<u>227,618</u>	<u>346,368</u>
23,271,438	---	291,691	57,987,496
---	---	---	21,397
---	---	---	20,000
---	---	1,236,317	1,236,317
11,258,996	66,134,364	13,232,127	91,685,014
---	---	994,157	1,278,728
---	---	195	2,381,846
---	---	261,721	10,049,396
<u>11,258,996</u>	<u>66,134,364</u>	<u>15,724,517</u>	<u>106,672,698</u>
<u>\$ 34,634,199</u>	<u>\$ 70,319,937</u>	<u>\$ 19,286,566</u>	<u>\$ 173,897,986</u>

**CITY OF SIOUX CITY, IOWA**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2018**

**EXHIBIT 3A**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balances - Governmental Funds (Exhibit 3)		\$ 106,672,698
<p>Infrastructure, property and equipment used in governmental activities are not financial resources and therefore, are not reported in the funds. Those assets consist of:</p>		
Land	46,445,196	
Construction in Progress	32,887,304	
Infrastructure, net of \$89,528,456 accumulated depreciation	199,360,590	
Buildings, net of \$45,447,053 accumulated depreciation	76,778,914	
Buildings under Capital Lease, net of \$5,947,872 accumulated depreciation	1,727,128	
Improvements other than Buildings, net of \$35,160,014 accumulated depreciation	27,324,559	
Equipment, net of \$18,189,728 accumulated depreciation	5,604,306	
Total Capital Assets		390,127,997
<p>Internal Service funds (See Exhibit 5) are used by management to fund and maintain the City's insurance policies provided to user departments and for the maintenance, repair and replacement of the City's fleet and are included in the Statement of Net Position.</p>		
		13,297,931
<p>Unavailable Revenues that provide current financial resources for governmental activities.</p>		
		728,686
<p>Pension related deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, are not due and payable in the current year and, therefore, are not reported in the governmental funds.</p>		
		16,275,987
<p>Accrued interest expense from the balance sheet that requires current financial resources for governmental activities.</p>		
		(298,889)
<p>Bond discounts and premiums are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources.</p>		
Bond Discount	113,390	
Bond Premium	(2,633,770)	
Total Bond Discounts and Premiums (See Note 6)		(2,520,380)
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
General Obligation Bonds	(124,876,763)	
Compensated Absences	(3,422,661)	
Net Pension Liability	(58,317,587)	
Total Long-term Liabilities (See Note 6)		(186,617,011)
Total Net Position - Governmental Activities (Exhibit 1)		\$ 337,667,019

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



**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

**CITY OF SIOUX CITY, IOWA  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

<b><u>REVENUES</u></b>	<b><u>General</u></b>	<b><u>Other Employee Benefits</u></b>	<b><u>Local Option Sales Tax</u></b>
Taxes	\$ 33,393,589	\$ 6,621,001	\$ 12,931,221
Special Assessments	86,326	---	---
Regulatory Fees	3,142,880	---	---
Intergovernmental Revenue	2,645,712	315,255	---
Revenue from Use of Property	614,823	---	---
Charges for Services	5,915,296	---	---
Interest	408,156	---	---
Contributions	414,301	---	---
Miscellaneous	792,148	---	2,277
Total Revenue	<u>47,413,231</u>	<u>6,936,256</u>	<u>12,933,498</u>
<b><u>EXPENDITURES</u></b>			
Current:			
Public Safety	39,998,058	1,180,677	---
Public Works	1,534,741	---	---
Culture and Recreation	9,711,000	222,756	---
Community and Economic Development	1,044,238	5,254	410,161
General Government	3,711,552	76,653	---
Debt Service	---	---	---
Capital Projects	---	---	---
Total Expenditures	<u>55,999,589</u>	<u>1,485,340</u>	<u>410,161</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,586,358)	5,450,916	12,523,337
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Issuance of Debt	---	---	---
Issuance of Refunding Bonds	---	---	---
Payment for Refunded Bonds	---	---	---
Premiums on Bonds Issued	---	---	---
Proceeds on Sale of Uncapitalized Assets	---	---	---
Proceeds on Sale of Capitalized Assets	---	---	---
Transfers In	17,030,497	620,000	---
Transfers Out	(8,113,429)	(5,572,431)	(12,935,544)
Total Other Financing Sources (Uses)	<u>8,917,068</u>	<u>(4,952,431)</u>	<u>(12,935,544)</u>
Net Change in Fund Balance	330,710	498,485	(412,207)
Fund Balance (Deficit) - Beginning of Year	<u>9,781,808</u>	<u>562,167</u>	<u>2,793,858</u>
Fund Balance - End of Year	<u>\$ 10,112,518</u>	<u>\$ 1,060,652</u>	<u>\$ 2,381,651</u>

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

<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 20,497,807	\$ ---	\$ 75,898	\$ 73,519,516
11,614	---	6,163	104,103
---	---	---	3,142,880
445,819	4,200,983	20,828,092	28,435,861
6,995	322,106	2,261,671	3,205,595
---	---	3,612,151	9,527,447
43,586	15,653	169,427	636,822
25,000	3,970,823	---	4,410,124
55,000	---	866,238	1,715,663
<u>21,085,821</u>	<u>8,509,565</u>	<u>27,819,640</u>	<u>124,698,011</u>
---	---	---	41,178,735
---	---	15,356,113	16,890,854
---	---	4,436,404	14,370,160
---	---	11,438,480	12,898,133
---	---	---	3,788,205
23,467,093	---	---	23,467,093
---	29,068,046	351,498	29,419,544
<u>23,467,093</u>	<u>29,068,046</u>	<u>31,582,495</u>	<u>142,012,724</u>
(2,381,272)	(20,558,481)	(3,762,855)	(17,314,713)
132,000	27,279,642	---	27,411,642
5,272,958	---	---	5,272,958
(5,572,691)	---	---	(5,572,691)
416,298	---	---	416,298
---	30,036	---	30,036
---	518,871	---	518,871
7,319,256	10,268,001	4,220,277	39,458,031
<u>(6,756,239)</u>	<u>(7,349,344)</u>	<u>(2,167,618)</u>	<u>(42,894,605)</u>
<u>811,582</u>	<u>30,747,206</u>	<u>2,052,659</u>	<u>24,640,540</u>
(1,569,690)	10,188,725	(1,710,196)	7,325,827
<u>12,828,686</u>	<u>55,945,639</u>	<u>17,434,713</u>	<u>99,346,871</u>
<u>\$ 11,258,996</u>	<u>\$ 66,134,364</u>	<u>\$ 15,724,517</u>	<u>\$ 106,672,698</u>

**CITY OF SIOUX CITY, IOWA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**EXHIBIT 4A**

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

Net Change in Fund Balances - Governmental Funds (Exhibit 4)	\$	7,325,827
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$25,639,117) exceeded depreciation (\$14,012,749) in the current period.		11,626,368
Contributions of Capital Assets are included in the Statement of Activities but not reported in the Governmental Funds as revenue.		426,686
Governmental funds report the proceeds from the sale of capital assets as revenue whereas the statement of activities reports the gain or (loss) on the disposal of capital assets. This is the effect on the change in net position on the statement of activities.		(479,975)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		86,090
Accrued interest expense that does not require current financial resources.		(32,775)
Long-term accrual of compensated absences is not reported in the governmental funds as it does not consume current financial resources. The net change in the long-term compensated absences for the year was:		(95,524)
Pension expenses reported in the Statement of Activities do not require the use of current financial resources.		(8,522,311)
The current year City employer share of IPERS and MFPRSI contributions are reported as expenditures in the governmental funds, but reported as a deferred outflow of resources in the Statement of Net Position		6,692,845
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Additionally, governmental funds report the effect of premiums, discounts and similar items when new debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Debt Issued:		
General Obligation Bonds	(27,411,642)	
Refunding Bonds	(5,272,958)	
Bond Premium	(416,298)	
Repayments:		
General Obligation Bonds	17,325,502	
Refunding Bonds	5,572,691	
Bond Charges	769,927	
Notes Payable	300,000	
Net Adjustment (See Note 6)	(9,132,778)	(9,132,778)
Internal Service funds (See Exhibit 6) are used by the City to fund and maintain the City's insurance policies provided to user departments and for the maintenance, repair and replacement of the City's equipment and are included in the Statement of Net Position. The net expense of the Internal Service funds is reported with governmental activities.		4,536,073
Changes in Net Position - Governmental Activities (Exhibit 2)	\$	12,430,526

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

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

**CITY OF SIOUX CITY, IOWA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2018**

	<b>Business-Type Activities</b>	
	<b>Airport</b>	<b>Water System</b>
<b><u>ASSETS</u></b>		
<b><u>Current Assets</u></b>		
Cash and Cash Equivalents	\$ 5,127,734	\$ 9,363,432
Accounts Receivable	53,838	3,515,585
Accrued Interest Receivable	9,797	17,737
Notes Receivable - Current	---	---
Special Assessments, net of allowance	---	4,094
Due from Other Governments	291,309	---
Due from Other Funds	---	---
Inventories, at Cost	---	---
Prepaid Items	982	---
Total Current Assets	5,483,660	12,900,848
<b><u>Non-Current Assets</u></b>		
Advances to Other Funds	---	---
Land	1,372,328	727,910
Construction in Progress	8,049,867	5,912,045
Capital Assets, Net of Accumulated Depreciation	20,735,517	104,965,789
Total Non-Current Assets	30,157,712	111,605,744
Total Assets	35,641,372	124,506,592
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Pension Related	197,994	624,082
<b><u>LIABILITIES</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts Payable	73,028	597,372
Accrued Wages	20,738	60,595
Accrued Interest Payable	7,902	135,533
Contracts and Retainers Payable	248,562	270,597
Due to Other Governments	---	1,848,669
Due to Other Funds	21,630	50
Estimated Liability for Damage Claims	---	---
Estimated Liability for Landfill Closure	---	---
Current Portion of G.O. Bonds	684,714	1,382,294
Current Portion of Notes Payable	---	4,118,000
Current Portion of Compensated Absences	46,023	147,913
Total Current Liabilities	1,102,597	8,561,023
<b><u>Non-Current Liabilities</u></b>		
Compensated Absences, Net of Current Portion	---	70,125
Estimated Liability for Damage Claims	---	---
Estimated Liability for Landfill Closure	---	---
Advances from Other Funds	59,567	---
General Obligation Bonds, Net of Current Portion	4,651,820	8,093,937
Notes Payable, Net of Current Portion	---	47,364,326
Due to Other Governments, Net of Current Portion	---	2,280,832
Total OPEB Liability	---	---
Net Pension Liability	629,457	2,026,634
Total Non-Current Liabilities	5,340,844	59,835,854
Total Liabilities	6,443,441	68,396,877
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
OPEB Related	---	---
Pension Related	14,177	121,435
Total Deferred Inflows of Resources	14,177	121,435
<b><u>NET POSITION</u></b>		
Net Investment in Capital Assets	26,267,927	51,066,712
Unrestricted	3,113,821	5,545,650
Total Net Position	\$ 29,381,748	\$ 56,612,362

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

Business-Type Activities				Governmental Activities
Sewer System	Solid Waste System	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 11,788,477	\$ 3,492,538	\$ 1,057,962	\$ 30,830,143	\$ 12,329,292
6,518,320	886,032	336,680	11,310,455	322,811
22,501	6,675	1,884	58,594	12,776
---	---	---	---	52,059
1,488	1,737	---	7,319	---
---	---	1,223	292,532	---
---	---	2,316	2,316	21,630
---	---	---	---	572,103
70,435	---	---	71,417	253,475
<u>18,401,221</u>	<u>4,386,982</u>	<u>1,400,065</u>	<u>42,572,776</u>	<u>13,564,146</u>
---	---	---	---	59,567
567,892	455,842	387,347	3,511,319	---
38,451,723	---	506,901	52,920,536	182,210
<u>120,522,605</u>	<u>336,477</u>	<u>6,919,472</u>	<u>253,479,860</u>	<u>14,843,180</u>
<u>159,542,220</u>	<u>792,319</u>	<u>7,813,720</u>	<u>309,911,715</u>	<u>15,084,957</u>
<u>177,943,441</u>	<u>5,179,301</u>	<u>9,213,785</u>	<u>352,484,491</u>	<u>28,649,103</u>
640,339	6,264	77,921	1,546,600	544,281
332,344	6,593	86,879	1,096,216	1,186,187
67,796	642	7,538	157,309	122,938
139,173	---	3,753	286,361	1,947
465,302	443,818	67,856	1,496,135	111,725
9,953,419	34,054	---	11,836,142	---
50	---	743	22,473	---
---	---	---	---	1,322,966
---	54,437	---	54,437	---
257,923	---	276,622	2,601,553	106,016
4,959,000	---	---	9,077,000	---
<u>114,376</u>	<u>694</u>	<u>18,739</u>	<u>327,745</u>	<u>104,822</u>
<u>16,289,383</u>	<u>540,238</u>	<u>462,130</u>	<u>26,955,371</u>	<u>2,956,601</u>
42,572	---	34,450	147,147	133,035
---	---	---	---	3,521,901
---	1,041,681	---	1,041,681	---
---	---	---	59,567	---
1,593,611	---	1,410,435	15,749,803	765,865
68,853,156	---	---	116,217,482	---
11,460,111	---	---	13,740,943	---
---	---	---	---	6,522,164
<u>2,090,578</u>	<u>20,829</u>	<u>250,584</u>	<u>5,018,082</u>	<u>1,778,228</u>
<u>84,040,028</u>	<u>1,062,510</u>	<u>1,695,469</u>	<u>151,974,705</u>	<u>12,721,193</u>
<u>100,329,411</u>	<u>1,602,748</u>	<u>2,157,599</u>	<u>178,930,076</u>	<u>15,677,794</u>
---	---	---	---	146,774
<u>76,743</u>	<u>1,336</u>	<u>13,019</u>	<u>226,710</u>	<u>70,885</u>
<u>76,743</u>	<u>1,336</u>	<u>13,019</u>	<u>226,710</u>	<u>217,659</u>
84,716,107	792,319	6,638,523	169,481,588	14,526,509
(6,538,481)	2,789,162	482,565	5,392,717	(1,228,578)
<u>\$ 78,177,626</u>	<u>\$ 3,581,481</u>	<u>\$ 7,121,088</u>	<u>\$ 174,874,305</u>	<u>\$ 13,297,931</u>

**CITY OF SIOUX CITY, IOWA  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Business-Type Activities</u>	
	<u>Airport</u>	<u>Water System</u>
<b><u>OPERATING REVENUES</u></b>		
Revenue from Use of Property	\$ 1,591,395	\$ 147,645
Charges for Service	453,077	17,777,372
Total Operating Revenues	<u>2,044,472</u>	<u>17,925,017</u>
<b><u>OPERATING EXPENSES</u></b>		
Employee Services	1,222,827	5,651,312
Supplies and Services	418,672	1,703,986
Repairs and Improvements	557,974	1,148,030
Utilities	161,341	841,409
Depreciation	2,315,333	4,743,709
Damage Settlement	---	---
Total Operating Expenses	<u>4,676,147</u>	<u>14,088,446</u>
Operating Income (Loss)	(2,631,675)	3,836,571
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>		
Intergovernmental Revenue	18,326	---
Interest Income	4,498	178,858
Gain on Sale of Capital Assets	---	---
Other Non-Operating Revenues	173,286	49,000
Interest Expense	(103,213)	(1,544,438)
Other Non-Operating Expenses	---	(138,239)
Total Non-Operating Revenues (Expenses)	<u>92,897</u>	<u>(1,454,819)</u>
Income (Loss) before Capital Grants, Contributions, and Transfers	(2,538,778)	2,381,752
Capital Grants and Contributions	4,548,354	---
Transfers In	655,354	1,104,713
Transfers Out	---	---
Changes in Net Position	2,664,930	3,486,465
Net Position - Beginning of the Year	26,716,818	53,125,897
Prior Period Adjustments	---	---
Net Position - Beginning of the Year as Restated	<u>26,716,818</u>	<u>53,125,897</u>
Net Position - End of Year	<u>\$ 29,381,748</u>	<u>\$ 56,612,362</u>

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



Business-Type Activities				Governmental Activities
Sewer System	Solid Waste System	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 15,704	\$ 647,739	\$ ---	\$ 2,402,483	\$ 37,804
22,313,630	4,813,868	1,650,177	47,008,124	29,545,729
22,329,334	5,461,607	1,650,177	49,410,607	29,583,533
5,668,818	184,112	551,116	13,278,185	18,810,791
2,089,251	5,264,498	628,925	10,105,332	1,506,002
3,095,071	39,881	195,334	5,036,290	3,906,501
1,261,587	---	88,546	2,352,883	25,510
5,782,854	17,214	230,728	13,089,838	2,453,318
---	---	---	---	(551,429)
17,897,581	5,505,705	1,694,649	43,862,528	26,150,693
4,431,753	(44,098)	(44,472)	5,548,079	3,432,840
---	---	---	18,326	---
175,824	71,767	1,123	432,070	21,681
---	---	---	---	204,494
38,339	2,069	---	262,694	67,122
(1,753,069)	---	(40,079)	(3,440,799)	(16,260)
(192,851)	---	---	(331,090)	---
(1,731,757)	73,836	(38,956)	(3,058,799)	277,037
2,699,996	29,738	(83,428)	2,489,280	3,709,877
---	---	---	4,548,354	688,154
1,552,400	---	136,370	3,448,837	197,078
(150,305)	---	---	(150,305)	(59,036)
4,102,091	29,738	52,942	10,336,166	4,536,073
74,075,535	3,551,743	7,068,146	164,538,139	(1,744,220)
---	---	---	---	10,506,078
74,075,535	3,551,743	7,068,146	164,538,139	8,761,858
\$ 78,177,626	\$ 3,581,481	\$ 7,121,088	\$ 174,874,305	\$ 13,297,931

**CITY OF SIOUX CITY, IOWA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Business-Type Activities</b>	
	<b>Airport</b>	<b>Water System</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Cash Received from Customers	\$ 2,315,125	\$ 17,792,287
Cash Received from Other funds	---	400
Cash Paid to Other Funds	(3,147)	(1,495)
Cash Paid for Personal Services	(1,196,925)	(5,531,869)
Cash Paid to Suppliers	(1,456,356)	(2,772,261)
Other Non-Operating Revenues	173,286	49,000
Net Cash Provided (Used) by Operating Activities	(168,017)	9,536,062
<b><u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>		
Acquisition and Construction of Capital Assets	(5,049,322)	(7,294,579)
Capital Grants and Contributions	4,548,354	---
Proceeds from Sale of Assets	---	---
Proceeds from Bond Sales	1,985,298	1,255,203
Bond Issuance Costs	---	(138,239)
Proceeds from Notes Payable	---	1,133,826
Principal Paid on Notes and Bonds	(976,101)	(5,695,563)
Interest Paid on Notes and Bonds	(103,976)	(1,551,415)
Net Cash Provided (Used) by Capital and Related Financing Activities	404,253	(12,290,767)
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>		
Intergovernmental Revenue	18,326	---
Transfers In	655,354	1,104,713
Transfers Out	---	---
Net Cash Provided by Non-Capital Financing Activities	673,680	1,104,713
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Interest and Dividends on Investments	2,400	180,728
Advances Made on Notes Receivable	---	---
Payments Received on Notes Receivable	---	---
Net Cash Provided by Non-Capital Financing Activities	2,400	180,728
Net Increase (Decrease) in Cash and Cash Equivalents	912,316	(1,469,264)
Cash and Cash Equivalents at Beginning of Year	4,215,418	10,832,696
Cash and Cash Equivalents at End of Year	\$ 5,127,734	\$ 9,363,432
 <b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>		
Operating Income (Loss)	\$ (2,631,675)	\$ 3,836,571
<i>Adjustments to Reconcile Net Operating Income (Loss)</i>		
<i>to Net Cash Provided (Used) by Operating Activities:</i>		
Depreciation	2,315,333	4,743,709
Other Non-Operating Revenues	173,286	49,000
Pension Expense	23,701	70,769
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>		
Accounts Receivable	39,645	(136,476)
Special Assessments	---	2,651
Due from Other Governments	227,861	---
Due from Other Funds	---	---
Inventories	9,428	---
Advances to Other Funds	---	---
Prepaid Items	(122)	---
Accounts Payable	(151,920)	(62,135)
Accrued Wages and Compensated Absences	2,200	48,674
Contracts and Retainers Payable	(151,834)	82,944
Due to Other Governments	(653)	900,355
Due to Other Funds	(23,267)	---
Unearned Revenue	---	---
Post Retirement Benefit Obligation	---	---
Estimated Liability for Landfill Closure	---	---
Estimated Liability for Damage Claims	---	---
Total Adjustments	2,463,658	5,699,491
Net Cash Provided (Used) by Operating Activities	\$ (168,017)	\$ 9,536,062

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

Business-Type Activities				Governmental Activities
Sewer System	Solid Waste System	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 19,326,392	\$ 5,546,191	\$ 1,581,576	\$ 46,561,571	\$ 6,184,567
---	335	57,451	58,186	23,779,714
(1,148)	(635)	(10,580)	(17,005)	(23,776)
(5,562,994)	(183,063)	(538,393)	(13,013,244)	(18,399,459)
(8,834,121)	(5,331,578)	(998,484)	(19,392,800)	(5,941,130)
38,339	2,069	---	262,694	67,122
4,966,468	33,319	91,570	14,459,402	5,667,038
(9,987,770)	---	(533,869)	(22,865,540)	(5,288,738)
---	---	---	4,548,354	688,154
---	---	---	---	315,970
1,162,500	---	514,400	4,917,401	373,000
(192,851)	---	---	(331,090)	---
9,575,279	---	---	10,709,105	---
(5,034,174)	---	(247,534)	(11,953,372)	(64,435)
(1,761,462)	---	(39,628)	(3,456,481)	(15,614)
(6,238,478)	---	(306,631)	(18,431,623)	(3,991,663)
---	---	---	18,326	---
1,552,400	---	136,370	3,448,837	197,078
(150,305)	---	---	(150,305)	(59,036)
1,402,095	---	136,370	3,316,858	138,042
175,168	71,299	1,260	430,855	16,697
---	---	---	---	(18,150)
---	---	---	---	21,268
175,168	71,299	1,260	430,855	19,815
305,253	104,618	(77,431)	(224,508)	1,833,232
11,483,224	3,387,920	1,135,393	31,054,651	10,496,060
\$ 11,788,477	\$ 3,492,538	\$ 1,057,962	\$ 30,830,143	\$ 12,329,292
\$ 4,431,753	\$ (44,098)	\$ (44,472)	\$ 5,548,079	\$ 3,432,840
5,782,854	17,214	230,728	13,089,838	2,453,318
38,339	2,069	---	262,694	67,122
72,734	696	8,183	176,083	53,836
(3,007,999)	83,323	(28,293)	(3,049,800)	110,886
3,909	961	---	7,521	---
---	---	317	228,178	244,355
---	---	6,246	6,246	1,731
---	---	---	9,428	(293,972)
---	---	---	---	21,486
(1,999)	---	---	(2,121)	(34,783)
(127,137)	(4,015)	23,015	(322,192)	339,735
33,090	353	4,540	88,857	13,480
55,114	10,493	(73,529)	(76,812)	57,205
(2,314,190)	859	---	(1,413,629)	---
---	---	(165)	(23,432)	---
---	---	(35,000)	(35,000)	---
---	---	---	---	344,016
---	(34,536)	---	(34,536)	---
---	---	---	---	(1,144,217)
534,715	77,417	136,042	8,911,323	2,234,198
\$ 4,966,468	\$ 33,319	\$ 91,570	\$ 14,459,402	\$ 5,667,038

**CITY OF SIOUX CITY, IOWA  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2018**

**EXHIBIT 8**

**ASSETS**

Cash and Cash Equivalents	\$	618,582
Accounts Receivable		571,188
Due from Other Governments		<u>539,245</u>
Total Assets		<u>1,729,015</u>

**LIABILITIES**

Accounts Payable		898,614
Due to Other Governments		<u>830,401</u>
Total Liabilities		<u>1,729,015</u>

**NET POSITION**

Unrestricted		<u>---</u>
Total Net Position	\$	<u>---</u>

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

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 1 - Summary of Significant Accounting Policies**

**A. Reporting Entity**

The City of Sioux City, Iowa, was incorporated May 5, 1855, under the laws of the State of Iowa, later amended by the Home Rule City Act. The City operates under the Council-Manager form of government and provides the following program services as authorized by its charter: Public Safety, Public Works, Culture and Recreation, Community and Economic Development, and General Government. These program services are administered by departments, agencies and various boards.

These financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) that apply to governmental units. All funds created under the authority of the State Code of Iowa, the operations of which are under the control of the City's governing body, and by financial reporting standards for governmental units are included herewith.

The Governmental Accounting Standards Board (GASB) is responsible for establishing U.S. GAAP for state and local government through its pronouncements (Statements and Interpretations). The more significant accounting policies established in U.S. GAAP and used by the City are discussed below.

The City of Sioux City has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization, or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the City.

The City of Sioux City does not include any component units within its reporting entity.

The City participates in 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. The City is a member of the County Assessor's Conference Board and the City Assessor's Conference Board.

**B. Basic Financial Statements – Government-Wide Statements**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general, special revenue, debt service, capital projects, and permanent funds are classified as governmental activities. The City's internal service funds are classified as governmental-type activities. The government-wide financial statements do not include fiduciary funds.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The City first uses restricted resources to finance qualifying activities.

The Government-wide Statement of Activities reports both the gross and net cost of each of the City's functions (Public Safety, Public Works, Culture and Recreation, Community and Economic Development, General Government, and Debt Service), and business-type activities. These expenses are supported by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 1 - (Continued)**

The City does not allocate indirect costs. Certain expenses of the City are accounted for through the internal service fund on a cost-reimbursement basis.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

**C. Fund Accounting**

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues or receipts, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB No. 34 sets forth minimum criteria for the determination of major funds, which should have a specific community focus. The nonmajor funds are combined into a single column in the fund financial statements. The various funds reported in the financial statements are grouped into fund types as follows:

**Governmental Fund Types** –The governmental fund financial statements are reported using the current financial resources measurement focus. This means that the focus of the governmental funds' measurement is upon the determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General Fund - The General Fund is the general operating fund of the City. It is used to account for and report all financial resources, except those required to be accounted for and reported in another fund. The sources of revenue include property taxes, charges for services, fines and fees, licenses and permits, as well as state and federal grants. The expenditures of the General Fund relate to general administration, police and fire protection, maintenance of public streets, economic development, and culture and recreation. The General Fund is a major fund.

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects. The Special Revenue Funds for Sioux City include: Other Employee Benefits, Storm Water Drainage, Road Use, Community Development, Housing, Main Street, Local Option Sales Tax, Events Facilities, and Transit Operations. Two of the Special Revenue Funds are considered major funds: the Other Employee Benefits Fund is used to account for the City's employee benefits tax levy and the Local Option Sales Tax Fund is used to account for the City's 1% local option sales tax. Both are funded by the tax revenues of the same name.

Debt Service Fund - The Debt Service Fund is used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for, and the payment of, general long-term debt principal, interest, and related costs. The Debt Service Fund is a major fund.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 1 - (Continued)**

Capital Projects Fund - Capital Improvements Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets (other than those financed by Proprietary Funds and Fiduciary Funds). The Capital Improvements Fund is a major fund.

Permanent Fund - The Permanent Fund is used to account for and report resources that are restricted to the extent that only earnings, and not principal may be used for the care and maintenance of assets held by the City, pursuant to the cemetery trust agreement in which the City cares for its cemeteries.

**Proprietary Fund Types** – The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. Operating revenues and expenses are distinguished from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations, whereas non-operating revenue and expenses result from activities outside the normal business operations. The principal operating revenues of enterprise funds are charges to customers for services. Operating expenses consist of cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The U.S. generally accepted accounting principles used are those applicable to similar businesses in the private sector.

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City maintains several business-type activities. The funds reported as enterprise funds are listed below.

Airport Fund - The Airport Fund accounts for the operation and maintenance of the City's airport facility. The Airport Fund is a major fund.

Water Fund - The Water Utility Fund accounts for the operation and maintenance of the City's water system. The Water Fund is a major fund.

Sewer Fund - The Sewer Utility Fund accounts for the operation and maintenance of the City's sewer system. The Sewer Fund is a major fund.

Solid Waste Fund -The Solid Waste Fund accounts for the operation and maintenance of the City's solid waste facilities. The Solid Waste Fund is a major fund.

Parking Fund - The Parking Fund accounts for the operations of the City-owned parking ramps and other parking facilities.

Skyway System - The Skyway System accounts for the maintenance and security of the skyway system.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-recovery basis.

**CITY OF SIOUX CITY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**Note 1 - (Continued)**

The City's internal service funds are presented in the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service fund are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity.

Central Maintenance Garage - The Central Maintenance Garage Fund accounts for maintenance and repair services for the City's automotive equipment and acquisition of replacement vehicles.

Comprehensive Insurance - The Comprehensive Insurance Fund accounts for the funding and maintenance of the City's insurance policies provided to user departments.

**Fiduciary Fund Types** – Fiduciary funds are used to report assets held in an agency or custodial capacity for others and therefore, are not available to support City programs. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not incorporated into the government-wide financial statements.

Sioux City Housing Trust Fund – This fund accounts for the activity of the Sioux City Housing Trust Fund.

Revolving Fund – This fund accounts for refunds to City customers.

WCICC Fund – This fund accounts for the activity of the Woodbury County Information Communication Center (WCICC).

Museum Building Property, Inc. Fund – This fund accounts for the activity of Museum Building Property, Inc.

Sioux City Sports Commission – This fund accounts for the activity of the Sioux City Sports Commission.

Utility Service Line Fund – This fund accounts for the activity related to utility line service protection plan payments collected from City customers on behalf of an outside service plan provider, currently, HomeServe USA.

**D. Basis of Accounting**

Basis of accounting refers to the point at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual basis of accounting is used for all activities in the government-wide financial statements and for the proprietary and fiduciary activities in the fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

Modified accrual basis of accounting is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A 60-day availability period is typically used for revenue recognition for all other governmental fund revenues. One exception is reimbursement driven grants, which are periodically recognized beyond 60 days after year-end to match revenues with expenditures.



**CITY OF SIOUX CITY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**Note 1 - (Continued)**

Expenditures are recorded when the related fund liability is incurred. An exception to this general rule is that principal and interest on general obligation debt, if any, is recognized when due.

Those revenues susceptible to accrual are property taxes, assessments, and intergovernmental revenues. Licenses, fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

**E. Budgets**

Chapter 384, Section 16, of the State Code of Iowa, requires the adoption of an annual budget on or before March 15 of each year, which becomes effective July 1 and constitutes the appropriation for each program specified therein until amended. The City budget may be amended for specified level purposes and budget amendments must be prepared and adopted in the same manner as the original budget. Appropriations, as adopted and amended, lapse at the end of the fiscal year, with the exception of Capital Improvement Projects and encumbrances. Encumbrances outstanding at year-end are reported as commitments of fund balances since they do not constitute expenditures or liabilities.

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for all governmental funds. The City's budget is prepared on the modified accrual basis of accounting. The legal level of control (the level on which expenditures may not legally exceed appropriations) is the program level for all funds combined rather than at the individual fund level. This level of control is at a level higher than the individual fund. It is necessary, therefore, to aggregate the expenditures of governmental fund types with expenses of proprietary fund types on a program level basis and to compare such program totals to program budgeted totals in order to demonstrate legal compliance with budget. Legal budget compliance for cities in the State of Iowa is applied only to expenditures.

**F. Cash, Cash Equivalents and Investments**

Cash and cash equivalents include not only currency on hand, but also demand deposits with banks or other financial institutions. Cash also includes deposits in the cash management pool, which has the general characteristics of a demand deposit account.

Iowa Code, Chapter 452.10, Custody of Public Funds, allows the City Treasurer to invest public funds not needed for operations. Chapter 97B.7, Trustees duties, indicates that the City Treasurer shall exercise the judgment and care, under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs. Common, preferred, and guaranteed stock is an exception for the investment of public funds.

For purposes of the Statement of Cash Flows, the City considers investments with maturities of less than a year of when purchased to be cash equivalents.

**G. Accounts Receivable**

Accounts receivable result primarily from miscellaneous services provided to citizens in the General Fund, Capital Projects Fund, and other non-major governmental funds. Accounts receivable in the proprietary funds result from providing services specific to the operations of the fund. Special assessment receivables are reported net of allowances for doubtful accounts of \$996,598 in the General Fund, \$5,086 in the Storm Water Drainage Fund, \$4,094 in the Water Fund, \$1,489 in the Sewer Fund and \$1,737 in the Solid Waste Fund.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 1 - (Continued)**

**H. Short-Term Interfund Receivables/Payables**

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds have not been paid or received as of June 30, 2018, balances of interfund amounts payable or receivable have been recorded as "due to other funds" and "due from other funds", respectively. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as interfund balances.

**I. Notes Receivables/Payables From Other Funds**

Noncurrent portions of long-term interfund loans are reported as notes receivable/payable in the government-wide financial statements and as "advances from other funds" and "advances to other funds" in the fund level financial statements.

**J. Inventories**

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental and proprietary fund type inventories are recorded as expenditures when consumed rather than when purchased.

**K. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2018, are recorded as prepaid items.

**L. Restricted Assets**

Revenue bond ordinances require the City to reserve certain cash and investments to provide for payment of bonds and interest, for protection of bondholders, and for extension and improvement of facilities.

**M. Capital Assets**

Assets with an initial individual cost of \$10,000 or more are considered capital assets. Property and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available.

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at their acquisition value. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure has been capitalized using historical or estimated historical cost beginning in 1980, as required by GASB 34. Depreciation on all assets is provided on the straight-line basis over the following estimated lives:

Buildings & Structures.....	39 - 50 Years
Machinery & Equipment.....	3 - 10 Years
Infrastructure .....	15 - 70 Years

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 1 - (Continued)**

**N. Deferred Outflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so 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 expense and pension contributions from the City after the measurement date but before the end of the City's reporting period.

**O. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when the employees separate from service with the exception of employees of the Transit System. All Transit System employees who are covered by the Amalgamated Transit Union receive, upon retirement or death, a sick leave benefit of up to 120 days of paid sick leave.

**P. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types, long-term debt is reported as a liability 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 effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as issuance costs during the current period. The face amount of the debt issued is reported as other financial sources. Premiums received 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 are reported as debt service expenditures.

**Q. 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.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 1 - (Continued)**

**R. Deferred Inflows of Resources**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so 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, special assessments, and loan receivables. These amounts are considered unavailable and recognized as an inflow of resources in the period that the amounts become available.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivables that will not be recognized until the year for which it is levied, the unamortized portion of the net difference between projected and actual earning on pension plan investments, and OPEB related changes of assumption or other inputs.

**S. Net Position**

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. The portion of the debt related to unspent proceeds is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**T. Interfund Transactions**

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services provided and used transactions and reimbursements, are reported as transfers.

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

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 1 - (Continued)**

**U. Fund Balance**

Nonspendable Fund Balance – Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through resolution, unless the City Council removes or changes the specified use by taking the same type of action used to commit the amounts.

Assigned Fund Balance – Amounts that are constrained by the City's intent to use them for a specific purpose. It is the City's policy that the authority to assign fund balance has been delegated by the City Council to the City Manager.

Unassigned Fund Balance – Amounts that are available for any purpose. Positive unassigned amounts can be reported only in the City's General fund, while negative amounts may be reported in other governmental funds.

**V. Classifying Fund Balance Amounts**

Fund balance amounts represent the nature of the net resources that are reported in a governmental fund. The City fund balance classifications include non-spendable resources, restricted, and non-restricted (committed, assigned and unassigned) amounts. When the City incurs an expenditure and both restricted and unrestricted amounts are available, the City considers restricted amounts to have been spent. When the City incurs an expenditure for an unrestricted amount, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts for purposes in which any of those unrestricted fund balance classifications could be used.

**W. General Fund Balance Policy**

The City budgets sufficient General Fund revenues to finance current year expenditures. Due to the volatility of some of the major revenue sources, the minimum unrestricted General Fund balance as a percentage of actual expenditures will be no less than 12%. To avoid a balance in excess of the level deemed sufficient for prudent fiscal management, a maximum unrestricted General Fund balance, as a percentage of actual expenditures will be no more than 20%. If the General Fund balance falls outside of the above parameters, budgeted revenues will be either greater or less than budgeted expenditures in subsequent years to bring the General Fund balance into compliance with this policy.

**X. Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 2 - Deposits and Investments**

State statutes authorize the City to invest in "notes, certificates, bonds, prime eligible bankers acceptances, commercial paper rated within the two highest classifications of prime as established by at least one of the standard rating services approved by the Superintendent of Banking pursuant to Chapter 17A, perfected repurchase agreements, or other evidences of indebtedness which are obligations of or guaranteed by the United States of America or any of its agencies, or in time deposits in depositories as provided in Chapter 12B and receive the time certificates of deposit for the funds, certain registered open-end management investment companies, certain joint investment trusts or in savings accounts in depositories, or in warrants or improvement certificates of drainage districts." Additionally, as required by statute, the City Council has implemented an investment policy for the City. This policy does not specifically limit those authorized by statute, but does express the Council's preferences as to maturities, trading and location of financial institutions invested in. Investments during the year have not varied from these statutes and were consistent with those held by the City at year-end.

Deposits

The City's deposits at June 30, 2018, 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 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. The City's bank deposits, per banks, at June 30, 2018, were \$81,833,009. These deposits have a book balance of \$80,346,221.

Investments

Investments are shown at fair value, except those that have a remaining maturity at the time of purchase of one year or less are shown at amortized costs. Presented below are the ratings, where applicable, by investment type as of June 30, 2018.

Investments	Carrying Amount	Moody's Rating 6/30/18
U.S. Treasury Strips	\$ 983,729	N/A
Commercial Paper	5,940,908	P-1
U.S. Agencies	53,547,706	AAA
	\$ 60,472,343	

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

The recurring fair value measurement for the U.S. Treasury Strips of \$983,729, the Commercial Paper of \$5,940,908 and the U.S. Agencies of \$53,547,706 were all determined using the last reported sales price at current exchange rates (Level 1 inputs).

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

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 2 - (Continued)**

*Interest rate risk.* In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year.

*Credit risk.* State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. It is the City's policy to comply with rating restrictions.

*Concentration of credit risk.* The City's investment policy does not allow for an investment in any one issuer that is in excess of 5% of the City's total investments.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The 2005 Iowa Code Chapter 12C Deposit of Public Funds requires that any bank accepting deposits of public funds to fully collateralize those deposits with the State Treasurer.

*Custodial risk – investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the City's investments at June 30, 2018, the City has limited custodial credit risk exposure because all investments of the City must be held for the credit of the City in compliance with Iowa Code Chapter 12B. The counterparty must keep the securities in an account separate and apart from its own.

Cash and Cash Equivalents

The City pools the resources of each individual fund's available cash in order to obtain higher rates of return than could be if the funds were invested individually. The interest earned on the cash and cash equivalents is allocated to selected funds, as determined by the Director of Finance and the City Treasurer, in accordance with the City's investment policy, based on the ratio of each fund's participation in the pool. The cash and cash equivalents at June 30, 2018, consisted of the following:

Reconciliation to Exhibit 1:	Carrying Amount
Investments	\$ 60,472,343
Bank Deposits	80,346,221
Cash on hand, petty cash and other cash items	11,671
Total Cash and Cash Equivalents	<u>\$ 140,830,235</u>
Cash and Cash Equivalents – Exhibit 1	\$140,211,653
Cash and Cash Equivalents – Exhibit 8	618,582
Total Cash and Cash Equivalents	<u>\$ 140,830,235</u>

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 3 - Receivables**

The following schedule details receivables:

<u>Fund Type</u>	<u>Property Taxes</u>	<u>Grants/ Revenue from Other Governments</u>	<u>Accounts Receivable</u>
<b>GENERAL</b>	<b>\$ 27,840,300</b>	<b>\$ 256,909</b>	<b>\$ 1,932,552</b>
Special Revenues			
Storm Water Drainage	---	---	129,683
Road Use	---	788,539	283
Community Development	---	576,147	---
Housing	---	---	419
Main Street	81,472	---	---
Local Option Sales Tax	---	1,123,162	---
Events Facilities	---	12,500	198,383
Transit System	---	1,575,372	33,619
Employee Benefits	6,926,711	---	---
<b>TOTAL SPECIAL REVENUES</b>	<b>7,008,183</b>	<b>4,075,720</b>	<b>362,387</b>
<b>DEBT SERVICE</b>	<b>23,329,367</b>	<b>---</b>	<b>12,000</b>
<b>CAPITAL PROJECTS</b>	<b>---</b>	<b>1,251,233</b>	<b>1,213,271</b>
Enterprises			
Airport System	---	291,309	53,838
Water System	---	---	3,515,585
Sewer System	---	---	6,518,320
Solid Waste System	---	---	886,032
Parking Facility	---	1,223	278,916
Skyway System	---	---	57,764
<b>TOTAL ENTERPRISE</b>	<b>---</b>	<b>292,532</b>	<b>11,310,455</b>
Internal Service Funds			
Central Maintenance Garage	---	---	10,889
Comprehensive Insurance	---	---	311,922
<b>TOTAL INTERNAL SERVICE</b>	<b>---</b>	<b>---</b>	<b>322,811</b>
Permanent Fund			
Cemetery Trust	---	---	996
<b>TOTAL PERMANENT</b>	<b>---</b>	<b>---</b>	<b>996</b>
<b>TOTAL RECEIVABLES</b>	<b>\$ 58,177,850</b>	<b>\$ 5,876,394</b>	<b>\$ 15,154,472</b>



<u>Notes Receivable</u>	<u>Special Assessments</u>	<u>Total</u>
\$ ---	\$ 52,453	\$ 30,082,214
---	5,087	134,770
---	---	788,822
6,161,261	---	6,737,408
227,618	---	228,037
---	---	81,472
20,000	---	1,143,162
440,000	---	650,883
---	---	1,608,991
---	---	6,926,711
<b>6,848,879</b>	<b>5,087</b>	<b>18,300,256</b>
<b>143,750</b>	<b>3,463</b>	<b>23,488,580</b>
<b>912,221</b>	<b>---</b>	<b>3,376,725</b>
---	---	345,147
---	4,094	3,519,679
---	1,488	6,519,808
---	1,737	887,769
---	---	280,139
---	---	57,764
<b>---</b>	<b>7,319</b>	<b>11,610,306</b>
52,059	---	62,948
---	---	311,922
<b>52,059</b>	<b>---</b>	<b>374,870</b>
---	---	996
---	---	<b>996</b>
<b>\$ 7,956,909</b>	<b>\$ 68,322</b>	<b>\$ 87,233,947</b>

**CITY OF SIOUX CITY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**Note 3 - (Continued)**

All property subject to taxation is valued by the City Assessor, in compliance with State law, every two years subject to equalization action of the State Director of Revenue and further adjustment to restrict growth of taxable valuations to an annual limit of three percent statewide.

Taxes are billed and collected for the City of Sioux City by the Woodbury County Treasurer and are levied and due on July 1 of each year. Property taxes attach as an enforceable lien on March 15, also. The first installment becomes delinquent the following October 1, and the second installment becomes delinquent April 1 of the following calendar year. Property tax revenues are recognized when they become available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed sixty days. The maximum rate for the General Fund is \$8.10 per thousand dollars assessed valuation. General Obligation Bonds issued are payable from taxes levied in the Debt Service Fund without limitation as to rate or amount. The City has been at the \$8.10 General Fund limit for the past thirty-eight years.

In fiscal 1983, the City received an Urban Development Action Grant (UDAG) totaling almost \$2,000,000, which was loaned to area businesses for commercial and industrial developments. The City is entitled to all of the funds that are paid back on the loans. These funds can be loaned to other businesses for commercial or industrial development. All loans are secured by mortgages on the related real estate. During fiscal 2003, the City made a new loan under this program to the Civic Partners. Draws were made under this agreement totaling \$1,980,000 and the note was set up with monthly payments beginning in June 2005. Accrued interest on this note from inception until monthly payments began was capitalized into an additional note in June 2005 with an original balance of \$145,421. A third note was given during fiscal 2007 in the amount of \$25,000. These loans carry an interest rate of 6.33% with monthly payments of \$15,003 through February 2013 with balloon payments due at maturity. During fiscal 2018, the City approved a settlement and mutual release agreement with Civic Partners. They will pay \$300,000 within fifteen days of the dismissal of bankruptcy action and additional \$852,000 if paid within one year of the dismissal date or \$1,000,000 if paid after one year but within two years of the dismissal date. The combined outstanding balance of these notes at June 30, 2018, was \$1,300,000.

The City also has other notes receivable totaling \$176,715 at June 30, 2018, from rehabilitation loans made from Community Development funds. In connection with the Home Program funded by the U.S. Department of Housing and Urban Development, the Community Development Fund had notes receivable outstanding of \$4,684,546 from seventeen local businesses.

During fiscal 2011 the City executed an amendment to an agreement with Warfield Building, LLC in relation to a parking licensing agreement for property located at 3<sup>rd</sup> & Jones Street. The agreement calls for \$300,000 to be repaid with annual payments of \$25,000 beginning in January, 2012. The balance outstanding in the Debt Service Fund at June 30, 2018 was \$143,750.

During fiscal 2018, the City executed a Management Agreement with Kinseth Hospitality Company, Inc., to operate the Convention Center. Per the agreement, the City advanced \$100,000 to maintain base level balances in the operating bank accounts. Kinseth Hospitality Company, Inc., is obligated to repay this advance upon termination, cancellation or expiration of this Agreement. During fiscal 2018, the City executed a Management Agreement with Comcast Spectacor to operate the Tyson Events Center and the Orpheum Theatre. Per the agreement, the City advanced \$340,000 to maintain base level balances in the operating bank accounts. Comcast Spectacor is obligated to repay this advance upon termination, cancellation or expiration of this Agreement.

**CITY OF SIOUX CITY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**Note 3 - (Continued)**

The City has fourteen loans in the Capital Projects Fund. The City loaned \$120,000 to the Castle on the Hill in December 2003. The purpose of the loan was for the development of affordable housing in the City. The loan carries an interest rate of 1% for a term of 30 years with payments beginning in December 2013. It has a balance that includes capitalized interest as of June 30, 2018, of \$119,398. The City loaned \$413,891 to Green Valley Floyd Golf Corporation in July, 2015 for the installation of a new underground electric service. The loan carries an interest rate of 3.5% for a term of 5 years with payments beginning in July, 2016 with balloon payment due at maturity with option of two 5 year extensions. It has a balance of \$370,240 as of June 30, 2018. In fiscal 2017, the City received a Franchise fee settlement totaling almost \$800,000, which was loaned to private property owners and developers to improve and preserve neighborhoods and housing stock in Sioux City. The City is entitled to all of the funds that are paid back on the loans. These funds can be loaned to other private property owners and developers to preserve and improve primarily single family properties. All loans are secured by mortgages on the related real estate with an interest rate of 2% for a term of 10 years with monthly payments. These loans have a balance of \$72,583 as of June 30, 2018. In fiscal 2018, the City loaned \$350,000 to Lamb Arts, Ltd., to historically renovate a property into a performing arts center. The loan is to be repaid within one year with the option for the City to grant a one-year extension. The loan is secured by mortgage on the related real estate. If Lamb Arts, Ltd., is unable to pay, the property will revert to the City.

The City has one note receivable outstanding from economic development incentive packages with local businesses in the amount of \$20,000. This note receivable is reported in the Local Option Sales Tax fund.

The Housing Fund has a note receivable of \$227,618 for housing loan repayments. The amount due by June 30, 2019 is \$30,812 while \$20,611 of the balance is due after June 30, 2019. The balance of \$176,195 for housing loan repayments is a receivable through the State of Iowa Income Offset Program.

The City has four notes receivables from Siouxland District Health for vehicles purchased in 2015, 2017 and 2018. The June 30, 2018 balances total \$52,059. The amounts are reported in the Central Maintenance Garage fund.

At June 30, 2018, special assessments receivables totaled \$68,322. This amount is reported net of an allowance for doubtful accounts of \$1,009,004.

The Water, Sewer, and Solid Waste Funds accrue unbilled revenues rendered subsequent to the last billing date and prior to year-end based upon the number of days unbilled compared to the first billing subsequent to year-end. At June 30, 2018, unbilled utility revenues included in the accounts receivable of the Water, Sewer and Solid Waste System funds were \$1,880,304, \$2,699,392 and \$467,416, respectively.

**CITY OF SIOUX CITY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**Note 4 - Capital Assets**

A summary of the changes in capital assets for the year ended June 30, 2018, is as follows:

**Governmental Activities (including Internal Service Funds):**

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	\$ 46,399,625	\$ 525,546	\$ (479,975)	\$ 46,445,196
Construction in Progress	40,455,127	25,115,814	(32,501,427)	33,069,514
Total capital assets, not being depreciated	<b>86,854,752</b>	<b>25,641,360</b>	<b>(32,981,402)</b>	<b>79,514,710</b>
Capital assets, being depreciated:				
Buildings	112,781,314	10,128,835	---	122,910,149
Buildings under capital lease	7,675,000	---	---	7,675,000
Improvements other than buildings	60,985,675	2,053,728	---	63,039,403
Equipment	59,206,131	6,480,178	(2,561,495)	63,124,814
Infrastructure	269,337,179	19,551,867	---	288,889,046
Total capital assets, being depreciated	509,985,299	38,214,608	(2,561,495)	545,638,412
Less accumulated depreciation for:				
Buildings	(42,872,536)	(3,258,699)	---	(46,131,235)
Buildings under capital lease	(5,756,123)	(191,749)	---	(5,947,872)
Improvements other than buildings	(33,785,104)	(1,786,518)	---	(35,571,622)
Equipment	(41,424,400)	(3,846,169)	2,450,019	(42,820,550)
Infrastructure	(82,145,524)	(7,382,932)	---	(89,528,456)
Total accumulated depreciation	(205,983,687)	(16,466,067)	2,450,019	(219,999,735)
Total capital assets, being depreciated, net	<b>304,001,612</b>	<b>21,748,541</b>	<b>(111,476)</b>	<b>325,638,677</b>
Governmental Activities capital assets, net	<b>\$ 390,856,364</b>	<b>\$ 47,389,901</b>	<b>\$ (33,092,878)</b>	<b>\$ 405,153,387</b>

The Internal Service Funds and General Capital Assets are combined on the Governmental Activities Statement of Net Position.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 4 - (Continued)**

**Business-Type Activities:**

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	\$ 3,394,403	\$ 116,916	\$ - - -	\$ 3,511,319
Construction in Progress	61,520,571	22,648,039	(31,248,074)	52,920,536
Total capital assets, not being depreciated	<u>64,914,974</u>	<u>22,764,955</u>	<u>(31,248,074)</u>	<u>56,431,855</u>
Capital assets, being depreciated:				
Buildings	115,828,055	1,779,679	- - -	117,607,734
Improvements other than buildings	283,806,029	28,838,128	- - -	312,644,157
Equipment	8,649,855	730,854	- - -	9,380,709
Total capital assets, being depreciated	<u>408,283,939</u>	<u>31,348,661</u>	<u>- - -</u>	<u>439,632,600</u>
Less accumulated depreciation for:				
Buildings	(64,104,055)	(1,739,471)	- - -	(65,843,526)
Improvements other than buildings	(101,613,291)	(10,351,806)	- - -	(111,965,097)
Equipment	(7,345,556)	(998,561)	- - -	(8,344,117)
Total accumulated depreciation	<u>(173,062,902)</u>	<u>(13,089,838)</u>	<u>- - -</u>	<u>(186,152,740)</u>
Total capital assets, being depreciated, net	<u>235,221,037</u>	<u>18,258,823</u>	<u>- - -</u>	<u>253,479,860</u>
Business-Type Activities capital assets, net	<u>\$ 300,136,011</u>	<u>\$ 41,023,778</u>	<u>\$ (31,248,074)</u>	<u>\$ 309,911,715</u>

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

**Governmental Activities**

Public Safety	\$ 1,173,671
Public Works	5,347,196
Culture and Recreation	2,864,356
Community and Economic Development	631,563
General Government	3,995,963
Internal Service	2,453,318
Total	<u>\$ 16,466,067</u>

**Business-Type Activities**

Airport	\$ 2,315,333
Water	4,743,709
Sewer	5,782,854
Solid Waste	17,214
Parking	230,728
Total	<u>\$ 13,089,838</u>

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 4 – (Continued)**

**Reconciliation of Net Investment in Capital Assets:**

	Governmental Activities	Business- Type Activities
Capital Assets (net of accumulated depreciation)	\$ 405,153,387	\$ 309,911,715
Unspent Bond Proceeds	18,907,427	3,445,090
Less: General Obligation Bonds Payable	128,269,024	18,351,356
Notes Payable	---	125,294,482
Retainage Payable	1,161,860	229,379
Net Investment in Capital Assets	\$ 294,629,930	\$ 169,481,588

**Note 5 – Capital Leases**

In 1986, the City entered into an agreement with the Siouxland Chamber Foundation to construct the Sioux City Convention Center and lease it back to the City. This original lease expired June 1, 2007, and the title to the facility passed back to the City according to the terms of the lease. On June 1, 2007, another agreement was formed which sold the facility back to the Siouxland Chamber Foundation for \$1 and subsequently leased the facility back to the City again. The new lease terms call for a rental payment of \$1 per year for a term of 5 years. The lease also provides for two 5 year renewal options. The lease was renewed for an additional five years commencing on June 2, 2017 and ending on June 1, 2022. Per the agreement, title to the facility will transfer back to the City for no consideration at the termination of the lease. Accordingly, the lease is treated as a capital lease and the leased assets are accounted for in the governmental activities on the statement of net position. Buildings under capital lease have an original cost of \$7,675,000, accumulated depreciation of \$5,947,872 for a net book value at June 30, 2018, of \$1,727,128.

**Note 6 – Long-Term Debt**

NOTES PAYABLE

During fiscal years 2003 and 2004, the City borrowed funds from the State of Iowa Clean and Drinking Water State Revolving Fund. The City received four notes at 3% interest each to make certain improvements to the wastewater treatment and water systems. All four notes are unsecured. The notes were drawn upon as improvements were made. The final draws on the fourth note were made during fiscal 2007 bringing the total amount borrowed under these notes to \$25,000,000 in the Water fund and \$8,000,000 in the Sewer fund. The outstanding balances as of June 30, 2018, were \$8,330,000 in the Water fund and \$2,463,000 in the Sewer fund.

During fiscal 2006, the City obtained a \$31,000,000 note from the State of Iowa Clean and Drinking Water State Revolving Fund. The note was at 3% and is unsecured. The loan was drawn upon as the funds were spent on the improvements. The loan was fully drawn as of June 30, 2009 and the outstanding balance on the note as of June 30, 2018, was \$16,225,000 in the Sewer fund.

During fiscal 2007, the City obtained a note with the State of Iowa Clean and Drinking Water State Revolving Fund in the amount of \$6,000,000 with a 3% interest rate. The loan was drawn upon as improvements were made. The loan was fully drawn as of June 30, 2009 and the outstanding balance of the note as of June 30, 2018, was \$2,718,000 in the Water fund.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 6 – (Continued)**

During fiscal 2008, the City obtained a note with the State of Iowa Clean and Drinking Water State Revolving Fund in the amount of \$15,000,000 with a 3% interest rate. The loan was drawn upon as the funds were spent on improvements. The loan was fully drawn as of June 30, 2010, and the outstanding balance of the note as of June 30, 2018, was \$9,329,000 in the Sewer fund. In fiscal 2018, State of Iowa reduced the interest rate from 3% to 1.75% effective June 1, 2018.

During fiscal 2009, the City obtained four notes with the State of Iowa Clean and Drinking Water State Revolving Fund. These loans included one loan in the amount of \$31,000,000 in the Sewer Fund and three Planning & Design Loans totaling \$4,450,000 in the Water Fund, all loans have a 3% interest rate. The loans were drawn upon as improvements were made. The amount of the sewer loan increased to \$38,600,000 in fiscal 2011. The City did not draw the full loan amount authorized. The outstanding balance of the note as of June 30, 2018, was \$26,795,000 in the Sewer fund. During fiscal 2012, \$4,023,859 that had been drawn under the Planning & Design Loans in the Water Fund was rolled into a new construction loan totaling \$30,618,000. The loan was fully drawn as of June 30, 2015. The balance outstanding in the Water Fund at June 30, 2018 was \$23,373,000.

During fiscal 2010, the City obtained a note with the State of Iowa Clean Drinking Water State Revolving Fund in the amount of \$10,807,000 with an interest rate of 3%. The loan was drawn upon as funds were spent on improvements. The loan was fully drawn as of June 30, 2011. The outstanding balance of the note as of June 30, 2018, was \$7,779,000 in the Water fund.

During fiscal 2011, the City obtained a note with the State of Iowa Clean Drinking Water State Revolving Fund in the amount of \$9,193,000 with an interest rate of 3%. The loan was drawn upon as improvements were made. The loan was fully drawn as of June 30, 2011, with an outstanding balance as of June 30, 2018, of \$6,618,000 in the Water fund.

During fiscal 2013, the City obtained three Sewer Capital Loan Notes from the State of Iowa Clean and Drinking Water State Revolving Fund. The authorized loan amounts were \$3,100,000 for I-29 Sewer Relocation on S. Lafayette Street, \$4,200,000 for the Southeast Morningside Sanitary Sewer Project and \$7,100,000 for the Wastewater Treatment Plant Asset Renewal. The loans all had an interest rate of 0.75%. The City did not draw the full loan amount authorized. The outstanding balance at June 30, 2018 was \$1,134,000, \$3,303,000 and \$5,184,000 in the Sewer Fund.

During fiscal 2014, the City obtained a note with the State of Iowa Clean Drinking Water State Revolving Fund in the amount of \$2,100,000 for the Ultraviolet Disinfection Project with an interest rate of 1.75%. Loan funds drawn through June 30, 2018 totaled \$1,833,363. The outstanding balance at June 30, 2018 was \$1,502,000 in the Water Fund.

During fiscal 2017, the City obtained a Sewer Capital Loan Note from the State of Iowa Clean and Drinking Water State Revolving Fund in the amount of \$33,000,000 with an interest rate of 1.75% for I-29 Utility Relocation. The City did not draw the full loan amount authorized. The outstanding balance at June 30, 2018 was \$9,379,156 in the Sewer Fund.

During fiscal 2017, the City obtained a Water Capital Loan Note from the State of Iowa Clean and Drinking Water State Revolving Fund in the amount of \$5,700,000 with an interest rate of 1.75% for I-29 Utility Relocation. The City did not draw the full loan amount authorized. The outstanding balance at June 30, 2018 was \$1,162,326 in the Water Fund.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 6 – (Continued)**

Annual debt service requirements to maturity for the above notes payable are as follows:

Year Ending <u>June 30</u>	Governmental Activities		Business-Type Activities	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ ---	\$ ---	\$ 9,077,000	\$ 2,966,994
2020	---	---	10,947,000	2,758,884
2021	---	---	11,264,000	2,520,050
2022	---	---	11,591,000	2,274,575
2023	---	---	11,928,000	2,021,778
2024-2028	---	---	46,420,482	6,464,088
2029-2033	---	---	23,393,000	1,529,728
2034-2035	---	---	674,000	11,795
<b>Total</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ 125,294,482</b>	<b>\$ 20,547,892</b>

**GENERAL OBLIGATION BONDS**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and projects. General obligation bonds have been issued for both governmental and business-type activities. These bonds are direct obligations and pledge the full faith and credit of the City.

The City issued new general obligation bonds on June 20, 2018 in three series as follows:

Series A was issued for \$20,615,000. The bonds were sold to Jefferies, LLC for \$21,004,198.73. The bonds have a true interest rate of 2.58% with principal payments due June 1 of the years 2019 through 2028. Included in the Series A issue were refunding bonds totaling \$4,580,000. The bonds were used to refund \$4,580,000 in general obligation bonds issued March 2010, and resulted in actual future value dollar savings of \$109,706.

Series B was issued for \$15,065,000. The bonds were sold to BOK Financial Securities, Inc. for \$15,012,871.99. The bonds have a true interest rate of 3.31% with principal payments due June 1 of the years 2019 through 2028.

Series C was issued for \$2,295,000. The bonds were sold to Hutchinson, Shockey, Erley & Co., for \$2,282,898.08. The bonds have a true interest rate of 2.37% with principal payments due June 1 of the years 2019 through 2028. Included in the Series C issue were refunding bonds totaling \$1,865,000. The bonds were used to refund \$1,865,000 in general obligation bonds issued March 2010, and resulted in actual future value dollar savings of \$63,370.

General obligation bonds outstanding as of June 30, 2018, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amounts</u>
Governmental Activities	1.00 – 5.00%	\$125,748,644
Business-Type Activities	1.75 – 5.00%	18,351,356



**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 6 – (Continued)**

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

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 17,713,447	\$ 3,529,807	\$ 2,601,553	\$ 506,033
2020	17,817,012	3,139,584	2,572,988	452,807
2021	17,776,759	2,648,507	2,603,241	379,149
2022	14,559,484	2,140,950	2,355,516	304,706
2023	12,125,231	1,740,598	2,044,769	229,848
2024-2028	39,911,711	4,193,243	6,173,289	403,022
2029-2033	5,845,000	727,263	---	---
<b>Total</b>	<b>\$ 125,748,644</b>	<b>\$ 18,119,952</b>	<b>\$ 18,351,356</b>	<b>\$ 2,275,565</b>

**CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2018, was as follows:

	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 115,653,672	\$ 33,057,600	\$ 22,962,628	\$ 125,748,644	\$ 17,713,447
Unamortized Bond Charges	2,874,009	416,298	769,927	2,520,380	530,648
Notes Payable	300,000	---	300,000	---	---
Compensated Absences	3,628,367	3,818,454	3,713,125	3,733,696	2,578,814
Est. Liability for Damage Claims	5,989,084	---	1,144,217	4,844,867	1,322,966
Net Pension Liability	59,258,783	837,032	---	60,095,815	---
Total OPEB Liability	6,324,922	197,242	---	6,522,164	---
Governmental Activities Long-term Liabilities	<b>\$ 194,028,837</b>	<b>\$ 38,326,626</b>	<b>\$ 28,889,897</b>	<b>\$ 203,465,566</b>	<b>\$ 22,145,875</b>
<b>Business-Type Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 16,491,328	\$ 4,917,400	\$ 3,057,372	\$ 18,351,356	\$ 2,601,553
Notes Payable	123,481,376	10,709,106	8,896,000	125,294,482	9,077,000
Due to Other Governments	26,990,714	7,583,440	8,997,069	25,577,085	11,836,142
Compensated Absences	412,565	407,114	344,787	474,892	327,745
Est. Liability for Landfill Closure	1,130,654	---	34,536	1,096,118	54,437
Net Pension Liability	4,535,772	482,310	---	5,018,082	---
Business-type Activities Long-term Liabilities	<b>\$ 173,042,409</b>	<b>\$ 24,099,370</b>	<b>\$ 21,329,764</b>	<b>\$ 175,812,015</b>	<b>\$ 23,896,877</b>

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 6 – (Continued)**

The Governmental General Obligation Bonds are shown net of the unamortized premiums and discounts of \$2,520,380 on the Statement of Net Position.

		Exhibit 1- Statement of Net Position		
General Obligation Bonds	\$ 125,748,644	General Obligation Bonds Payable-current	\$ 18,466,481	
Unamortized Bond Charges	<u>2,520,380</u>	General Obligation Bonds Payable-long term	<u>109,802,543</u>	
	<u>\$ 128,269,024</u>		<u>\$ 128,269,024</u>	

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At June 30, 2018, \$871,881 of internal service fund general obligation debt carried by the central maintenance garage and \$311,036 of internal service fund compensated absences are included in the above amounts. For the governmental activities, compensated absences are liquidated by the funds where the employee’s wages and benefits are allocated. For the above balances in compensated absences as of June 30, 2018, approximately 71% will be liquidated by the general fund, 20% by the special revenue funds, 1% by the capital projects fund and 8% by the internal service funds.

**Arbitrage**

Arbitrage rules apply to tax-exempt debt issued after August 31, 1986. The rules require that earnings from the investment of tax-exempt bond proceeds which exceed the yield on the bonds must be remitted to the federal government every five years.

The City entered into an agreement with an outside consulting firm to assist City personnel in reviewing arbitrage rebate calculations for the above bond issues. Those bond issues that have been reviewed show that no arbitrage rebate is owed.

**Note 7 - Deficit Equity Balances**

The Comprehensive Insurance Fund showed a deficit balance at June 30, 2018, of \$3,629,211. The primary reason for the deficit is the adoption of GASB 75 which requires that the estimated amount of the post-employment benefit obligation be recorded. This liability was estimated and recorded at \$6,522,164 as of June 30, 2018. City management will be analyzing this situation to determine future action, if any, that will be taken to fund the deficit balance. If these liabilities were not recorded, the fund would not have a deficit equity balance.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 8 – Internal Balances**

The following is a summary of Interfund Receivables/Payables as of June 30, 2018:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General	\$ 440	\$ 1,148
Capital Improvements	1,214,844	---
Nonmajor Governmental	720	1,216,329
Internal Service	21,630	---
Airport	---	21,630
Water	---	50
Sewer	---	50
Nonmajor Enterprise	2,316	743
Totals	<u>\$ 1,239,950</u>	<u>\$ 1,239,950</u>

Interfund Balances represent amounts due to/from other funds as of June 30, 2018.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8 - Internal Balances (Continued)**

The following is a summary of Transfers between Fund Types:

	Governmental Fund Types				
	General	Other Employee Benefits	Debt Service	Capital Improv	Nonmajor Govt
General	\$ ---	\$ 620,000	\$ 1,611,739	\$ 3,663,154	\$ 2,218,536
Employee Benefits	4,752,297	---	---	---	820,134
Local Opt Sales Tax	8,778,200	---	---	3,520,800	611,000
Debt Service	---	---	---	2,763,689	569,257
Capital Improvements	3,500,000	---	3,847,994	---	1,350
Nonmajor Govt	---	---	1,859,523	261,322	---
Sewer	---	---	---	---	---
Internal Service	---	---	---	59,036	---
TOTAL TRANSFERS-IN	<u>\$17,030,497</u>	<u>\$ 620,000</u>	<u>\$ 7,319,256</u>	<u>\$10,268,001</u>	<u>\$ 4,220,277</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. To move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due.
3. To use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Proprietary Fund Types					Total
Airport	Water	Sewer	Nonmajor Prop	Internal Service	Transfers Out
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 8,113,429
---	---	---	---	---	5,572,431
25,544	---	---	---	---	12,935,544
629,810	1,104,713	1,552,400	136,370	---	6,756,239
---	---	---	---	---	7,349,344
---	---	---	---	46,773	2,167,618
---	---	---	---	150,305	150,305
---	---	---	---	---	59,036
<u>\$655,354</u>	<u>\$1,104,713</u>	<u>\$ 1,552,400</u>	<u>\$ 136,370</u>	<u>\$ 197,078</u>	<u>\$ 43,103,946</u>

**CITY OF SIOUX CITY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 9 - Fund Balances**

The following schedule reflects all Fund Balances as presented in the Fund Level Statements:

	<u>General Fund</u>	<u>Major Special Revenue</u>	
		<u>Other Employee Benefits</u>	<u>Local Option Sales Tax</u>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Inventory	\$ 21,397	\$ ---	\$ ---
Prepaid Items	20,000	---	---
Endowment, non-expendable	---	---	---
<b>Restricted for:</b>			
Public Works	---	---	---
Comm & Econ Develop	---	---	---
Employee Benefits	---	1,059,527	---
Debt Service Reserve	---	---	---
Capital Projects	---	---	---
Other Purposes	---	---	---
<b>Committed to:</b>			
Public Safety	104,719	1,125	---
Public Works	28,172	---	---
Culture & Recreation	80,109	---	---
Comm & Econ Develop	5,594	---	---
General Governmental	64,852	---	---
<b>Assigned to:</b>			
Culture & Recreation	---	---	---
Comm & Econ Develop	---	---	238,165
General Governmental	---	---	1,428,991
Capital Projects	---	---	714,495
<b>Unassigned:</b>	9,787,675	---	---
Total Fund Balances	<u>\$ 10,112,518</u>	<u>\$ 1,060,652</u>	<u>\$ 2,381,651</u>

<b>Major Debt Service Fund</b>	<b>Major Capital Improvements Fund</b>	<b>Other Funds</b>	<b>Total</b>
\$ ---	\$ ---	\$ ---	\$ 21,397
---	---	---	20,000
---	---	1,236,317	1,236,317
---	---	4,139,603	4,139,603
---	---	9,004,038	9,004,038
---	---	---	1,059,527
11,258,996	---	---	11,258,996
---	65,335,115	---	65,335,115
---	799,249	88,486	887,735
---	---	---	105,844
---	---	512,355	540,527
---	---	481,802	561,911
---	---	---	5,594
---	---	---	64,852
---	---	195	195
---	---	---	238,165
---	---	---	1,428,991
---	---	---	714,495
---	---	261,721	10,049,396
<u>\$ 11,258,996</u>	<u>\$ 66,134,364</u>	<u>\$ 15,724,517</u>	<u>\$ 106,672,698</u>

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 10 - Risk Management/Contingent Liabilities**

The City participates in a number of federally assisted grant programs, principally Federal Aviation Administration, FTA Capital, Planning and Operating Assistance Grants, Federal Highway Construction Grants, and Community Development Block Grant. The programs are subject to financial and compliance audits. The amount of expenditures if any, which may be disallowed by the Grantor agencies is not determinable at this time; however, City officials do not believe that such amounts would be significant.

The City is a defendant in a number of lawsuits in its normal course of operations. The City Attorney estimates that an unfavorable outcome on certain lawsuits is likely and, accordingly, a provision for losses of \$2,752,943 has been established in the accompanying financial statements as of June 30, 2018. A provision for health claims incurred but unpaid as of June 30, 2018, of \$2,091,924 has also been recorded.

The City is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees, or acts of God. The City has self-insured itself since July 1, 1986 for general liability, automobile, transit and workers compensation. The City began self-insuring health coverage as of July 1, 1988. It is self-insured for health coverage risk up to \$150,000, specific, and 125% of expected annual paid claims in the aggregate.

The self-insurance programs are administered using an internal service fund, the Comprehensive Insurance fund, which records premium revenue as "Charges for Service". All funds of the City participate in the self-insurance programs and make payments to the Comprehensive Insurance fund based on pre-determined amounts needed to pay prior and current year claims and to establish a reserve for future catastrophic losses. Currently, the City is unfunded for reserves to cover incurred but unreported claims and unanticipated claim fluctuations.

The City maintains outside insurance coverage through various insurance policies on buildings and their contents, equipment and property, employee dishonesty, and excess health coverage throughout 2018. There have been no significant reductions in insurance coverage from prior years. The City has had no amount of settlements exceeding insurance coverage for each of the past ten fiscal years.

The claims payable, including claims incurred but not yet reported, have been determined by the City's management and have been recorded in the accompanying financial statements. Changes in the fund's claims liability amount were as follows:

Year Ended June 30	Beginning Balance Liability	Claims and Changes in Estimates	Claim Payments	Ending Balance
2009	\$ 3,999,251	\$25,906,313	\$11,458,687	\$18,446,877
2010	18,446,877	12,386,583	12,023,692	18,809,768
2011	18,809,768	11,986,751	12,910,256	17,886,263
2012	17,886,263	15,592,769	12,974,935	20,504,097
2013	20,504,097	3,756,957	12,911,188	11,349,866
2014	11,349,866	6,052,645	12,770,584	4,631,927
2015	4,631,927	13,050,118	14,109,436	3,572,609
2016	3,572,609	16,732,582	15,754,165	4,551,026
2017	4,551,026	17,572,064	16,134,006	5,989,084
2018	\$ 5,989,084	\$12,782,034	\$13,926,251	\$ 4,844,867



**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 11 - Commitments**

The City has recognized as a liability only that portion of construction contracts completed through June 30, 2018. The following summary presents the amount of contracts outstanding at June 30, 2018 for both Governmental and Enterprise Funds combined:

Construction	\$ 13,576,901
Design & Engineering Services	5,757,391
Other	8,451,959
Less: Due, but unpaid at June 30, 2018	<u>(4,288,696)</u>
Construction Contract Commitments	<u>\$ 23,497,555</u>

Governmental contracts and encumbrances outstanding at June 30, 2018 are listed below and are included in fund balance committed amounts but do not include encumbered amounts already previously restricted:

	General Fund	Non-Major Governmental	Debt Service	Local Option Sales Tax	Total
Public Safety	\$ 104,717	\$ ---	\$ ---	\$ ---	\$ 104,717
Public Works	28,172	51,900	---	---	80,072
Culture & Recreation	80,108	41,802	---	---	121,910
Community & Economic Development	5,594	---	---	1,200	6,794
General Government	64,852	---	2,984	---	67,836
Totals	<u>\$ 283,443</u>	<u>\$ 93,702</u>	<u>\$ 2,984</u>	<u>\$ 1,200</u>	<u>\$ 381,329</u>

As of June 30, 2018, the City had \$4,013,870 outstanding purchase orders and \$23,772,381 outstanding contracts, less \$4,288,696 unpaid of the total commitments listed above.

Under an agreement with the Iowa Department of Transportation approved by the City Council in June 2008, the City has a commitment to cover the cost to relocate the riverfront trail in accordance with the Interstate 29 Reconstruction Project. The total cost of the project is currently expected to be \$3,225,917. The City has secured a \$1,000,000 grant from Missouri River Historical Development (MRHD) and \$1,274,945 in Iowa Department of Transportation (IDOT) Transportation Alternative Program (TAP) funding, for a net cost to the City of \$950,972. Construction is expected to be completed by September 30, 2019.

The City Council approved a pre-design agreement with the Iowa Department of Transportation for the Interstate 29 Reconstruction Project on April 13, 2009. The City's share of the cost is for sewer, water, street, and lighting infrastructure relocation and is currently expected to be \$48,947,514. Amounts will be billed by phases as each phase is completed and is payable in three equal annual installments. The first installment was made July, 2017 and installments are estimated to continue through July 1, 2021. The shares of sewer and water constructions completed as of June 30, 2018 are recorded as payable. The remaining committed construction costs to complete the total project are as follows: Sewer fund share is estimated at \$18,544,148, the Water fund share is estimated at \$5,008,120, and Governmental funds share is estimated as \$5,014,170.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 12 - Joint Venture**

The Woodbury County Information and Communication Commission (WCICC) was formed in fiscal year 1988. WCICC was established to operate a combined data processing and communications center for the City and the County. Each governmental unit selects two of its members to serve on the commission and a fifth member is selected by the commission. The operating budget is approved by both governments with contributions for operations from both. All assets, liabilities and equity are owned on a 60/40 basis. The City maintains the financial records and bank accounts of WCICC, which are recorded as an agency fund of the City (see Exhibit D-2). The capital assets are reported directly on the City/County financials per the 60/40 ownership. The remaining equity is recorded as an investment in joint venture on the City/County financials per the same 60/40 ownership. Summary financial information as of, and for the fiscal year ended June 30, 2018, is presented as follows:

Assets	\$ 806,376
Total Assets	806,376
Total Liabilities	2,332,534
Fund Equity	(1,526,158)
Total Liabilities and Fund Equity	806,376
Total Revenue	3,306,388
Total Expenditures	(3,597,914)
Net Increase (Decrease) in Fund Balance	\$ (291,526)

The Woodbury County Information and Communication Commission does not publish a Comprehensive Annual Financial Report. The City's share of the capital assets is reported in governmental activities.

City's Share of Joint Venture	
Assets	60%
Liabilities	60%
Equity	60%

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 13 - Post-Employment Health Care Benefits**

During fiscal 2018, the City adopted the provisions of Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. This statement established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditure. It replaces the requirements of the Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions, as amended.

For defined benefit OPEB plans the statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

*Plan Description.* The City's defined benefit OPEB plan, City of Sioux City, Iowa Health Benefit Plan, offers OPEB benefits for all eligible retirees. City of Sioux City, Iowa Health Benefit Plan is a single-employer defined benefit OPEB plan administered by the City. Under Chapter 509A.13 Group Insurance for Public Employees of the Code of Iowa, if a governing body, a City board of supervisors, or a city council has procured for its employees accident, health, or hospitalization insurance, or a medical service plan, or has contracted with a health maintenance organization authorized to do business in this state, the governing body, City board of supervisors, or city council shall allow its employees who retired before attaining sixty-five years of age to continue participation in the group plan or under the group contract at the employee's own expense until the employee attains sixty-five years of age. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The City is self-insured for medical benefits. No stand alone financial report is issued; the plan is self-funded and included in the City's financial statements.

*Benefits provided.* City of Sioux City, Iowa Health Benefit Plan offers medical with or without prescription and dental insurance benefits for non-Medicare eligible retirees and their dependents. The benefits are covered under the City's plan with the premium cost to be paid by the retiree. Premiums are calculated based on prior year claim experiences and amounts needed to fund the plan operations.

*Employees covered by the benefit terms.* At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	47
Active employees	<u>734</u>
	781

*Total OPEB liability.* The City's total OPEB liability of \$6,522,164 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date. The beginning of year total OPEB liability is calculated using a rollback approach in the transition year. The total OPEB liability as of July 1, 2017 is \$6,324,922.

*Changes in the Total OPEB Liability*

	Total OPEB Liability
Balance at 6/30/17	\$ 6,324,922
Changes for the year:	
Service cost	380,175
Interest cost	254,166
Changes of benefit terms	0
Differences between expected and actual experience	0
Changes in assumptions or other inputs	(162,518)
Benefit payments	(274,581)
Net Changes	197,242
Balance at 6/30/18	\$ 6,522,164

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 13 – (Continued)**

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

For the year ended June 30, 2018, the City recognized OPEB expense of \$618,597. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs		(146,774)
Net difference between projected and actual investments	-	-
Total	\$ -	\$ (146,774)

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

Year ended June 30:	
2019	\$ (15,744)
2020	(15,744)
2021	(15,744)
2022	(15,744)
2023	(15,744)
Thereafter	(68,054)

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate*

1% Decrease	\$5,643,000
1% Increase	\$7,425,000

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

1% Decrease	\$5,985,000
1% Increase	\$7,109,000

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 13 – (Continued)**

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal based on level percentage of projected salary
Discount rate	3.58% per annum for June 30, 2017 3.87% per annum for June 30, 2018 (based on Bond Buyer 20-Bond GO Index)
Salary Increase Rate	3.5% per annum
Medical Consumer Price Index Trend	3.0% per annum
Inflation Rate	3.0% per annum
Mortality Rates	RP-2014 generational table scaled using MP-17 and applied on a gender-specific basis
Plan Participation Percentage	The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 30% of all employees and their dependents who are eligible for early retiree benefits will participate in the retiree medical plan. This assumes that a one-time irrevocable election to participate is made at retirement.
Health Care Cost Trend Rate	

The health care cost trend assumptions are used to project the cost of health care in future years. The following annual trends are based on the current HCA Consulting trend study, and are applied on a select and ultimate basis. Select trends are reduced 0.5% each year until reaching the ultimate trend rate.

Expense Type	Select	Ultimate
Medical and Rx Benefits	7.0%	4.5%
Stop Loss Fees	7.0%	4.5%
Administrative Fees	4.5%	4.5%

**Per Capita Health Claim Cost**

Expected annual claim costs were developed using historical claim experience through January 2018. The expected annual medical and prescription drug claim costs for pre-Medicare and Medicare members is below.

Member Age	Claim cost
Age 60 Retiree or Spouse	\$ 13,461
Age 70 Retiree or Spouse	\$ 8,845

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 14 - Employee Benefits**

Vacation hours for City employees are accumulated for subsequent use or for payment upon termination, retirement or death up to a maximum ranging from 120 to 240 hours based upon number of years employed.

Severance pay is paid to all employees of the Professional, Administrative, Technical, Supervisory, Executive and Council Appointed employees group (PATS) and PATS Union Agreement, with a minimum of 15 years of consecutive service with the City. The pay is based on three day's pay for each full twelve months of consecutive service upon retirement, resignation, death or termination (other than for disciplinary reasons).

Vacation and severance pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. At June 30, 2018, two employment agreements involving termination benefits were in effect. These termination benefits include severance, health, life and long term disability benefits. The long-term portion of \$222,901 is reported in the governmental activities in the government-wide financial statements. The liabilities were calculated based on current salary rates and benefit cost at the time of statement preparation.

City employees accumulate sick leave hours for subsequent use. Sick leave hours are not a vested benefit and expire if unused upon termination, death or retirement, with the exception of the Transit System's employees covered by the Amalgamated Transit Union Agreement with the City of Sioux City. These employees receive a benefit of up to 120 days of paid sick leave upon death or retirement. The accumulated sick leave under this agreement for transit employees is recorded only in the government-wide financial statements. All other accumulated sick leave is not recognized as an expenditure until used or paid as it is not measurable at June 30, 2018.

Compensated absences consist of the following amounts as of June 30, 2018:

Accrued Vacation	\$ 2,638,727
Accrued Severance Pay	1,256,441
Accrued Transit Sick Leave	90,519
Accrued Termination Benefits	222,901
Total	\$ 4,208,588

Compensated absences have been recorded as follows:

	CURRENT	LONG-TERM	TOTAL
Enterprise Funds	\$ 327,745	\$ 147,147	\$ 474,892
Internal Service Funds	200,902	110,134	311,036
Government-Wide Statement	2,377,912	1,044,748	3,422,660
	\$ 2,906,559	\$ 1,302,029	\$ 4,208,588

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 15 - Pension Plans**

**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

*Plan Description.* IPERS membership is mandatory for covered City employees. Employees of the City of Sioux 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 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://www.ipers.org).

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general information 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 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits). Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

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

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

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

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

*Contributions.* Effective July 1, 2012, as a result of a 2010 law change, 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 2018, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the City contributed 8.93 percent for a total rate of 14.88 percent, and Protection occupation members contributed 6.56 percent of pay and the City contributed 9.84 percent for a total rate of 16.40 percent.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 15 – (Continued)**

The City's contributions to IPERS for the year ended June 30, 2018 were \$2,653,572.

*Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2018, the City reported a liability of \$27,000,396 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2017, the City's proportion was 0.4053343 percent, which was an increase of 0.017326 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the City recognized IPERS pension expense of \$3,587,904. At June 30, 2018, 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	\$ 247,890	\$ 233,938
Changes of assumptions	4,691,424	-
Net difference between projected and actual earnings on pension plan investments	-	282,009
Changes in proportion and differences between City contributions and proportionate share of contributions	748,176	568,948
City contributions subsequent to the measurement date	2,653,572	-
Total	\$ 8,341,062	\$ 1,084,895

An amount of \$2,653,572 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, 2019. 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,	
2019	\$ 528,354
2020	2,080,955
2021	1,326,880
2022	294,865
2023	371,541
Total	\$ 4,602,595

There were no non-employer contributing entities at IPERS.



**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 15 – (Continued)**

*Actuarial Assumptions.* The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study dated March 24, 2017.

Mortality rates were based on the RP-2000 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Projection Scale AA.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (i.e., expected returns, net of IPERS' 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:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	24.0%	6.25%
International Equity	16.0	6.71
Core-Plus Fixed Income	27.0	2.25
Public Credit	3.5	3.46
Public Real Assets	7.0	3.27
Cash	1.0	(0.31)
Private Equity	11.0	11.15
Private Real Assets	7.5	4.18
Private Credit	3.0	4.25
Total	100%	

*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 current contribution rate and that City contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 15 – (Continued)**

*Sensitivity of City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.0 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 (6.0 percent) or 1-percent 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	\$ 44,485,821	\$ 27,000,396	\$ 12,309,280

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at [www.ipers.org](http://www.ipers.org).

*Payables to the Pension Plan.* At June 30, 2018, the City reported payables to the defined benefit pension plan of \$64,949 for legally required employer contributions.

**MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA**

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

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

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

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

Active members, at least 55 years of age, with 22 or more years of service have the option to participate in the Deferred Retirement Option Program (DROP). The DROP is an arrangement whereby a member who is otherwise eligible to retire and commence benefits opts to continue to work. A member can elect a 3, 4, or 5 year DROP period. By electing to participate in DROP the member is signing a contract indicating the member will retire at the end of the selected DROP period. During the DROP period the member’s retirement benefit is frozen and a DROP benefit is credited to a DROP account established for the member. Assuming the member completes the DROP period, the DROP benefit is equal to 52% of

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 15 – (Continued)**

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, 2018.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1 percent of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the employer's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 25.68% for the year ended June 30, 2018.

The City's contributions to MFPRSI for the year ended June 30, 2018 was \$4,686,553.

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, 2018.

*Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2018, the City reported a liability of \$38,113,501 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 15 – (Continued)**

employers. At June 30, 2017, the City's proportion was 6.498742% which was an increase of .201219% from its proportions measured as of June 30, 2016.

For the year ended June 30, 2018, the City recognized pension expense of \$5,803,368. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,462,612	\$ 23,190
Changes of assumptions	3,238,826	432,893
Net difference between projected and actual earnings on pension plan investments	1,561,657	-
Changes in proportion and differences between City contributions and proportionate share of contributions	789,136	469,595
City contributions subsequent to the measurement date	4,686,553	-
Total	\$ 11,738,784	\$ 925,678

An amount of \$4,686,553 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, 2019. 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,	
2019	\$ 863,384
2020	3,493,795
2021	1,889,834
2022	(445,615)
2023	325,155
Total	\$ 6,126,553

*Actuarial Assumptions.* The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation	3.00 percent
Salary Increases	4.50 to 15.11 percent, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 15 – (Continued)**

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2002 to June 30, 2012.

Mortality rates were based on RP 2000 Blue Collar Combined Healthy table with males set-back two years, females set-forward one year and disableds set-forward one year (male only rates), with five years projection of future mortality improvement with Scale BB.

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 (i.e., expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2016 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Large Cap	5.5%
Small Cap	5.8
International Large Cap	7.3
Emerging Markets	9.0
Emerging Market Debt	6.3
Private Non-Core Real Estate	8.0
Master Limited Partnerships	9.0
Private Equity	9.0
Core Plus Fixed Income	3.3
Private Core Real Estate	6.0
Tactical Asset Allocation	6.4

*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 plan member contributions will be made at the current contribution rate and that 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	\$ 62,637,244	\$ 38,113,501	\$ 17,716,010

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 15 – (Continued)**

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued MFPRSI financial report which is available on MFPRSI's website at [www.mfprsi.org](http://www.mfprsi.org).

*Payables to the Pension Plan.* At June 30, 2018, City of Sioux City reported payables to the defined benefit pension plan of \$106,340 for legally required employer contributions.

For the year ended June 30, 2018, the City recognized IPERS and MFPRSI pension expense of \$9,391,272. At June 30, 2018, the City reported a liability of \$65,113,897 for its proportionate share of the net pension liability. At June 30, 2018, the City reported deferred outflows of resources in the amount of \$20,079,846 and deferred inflows of resources in the amount of \$2,010,573 related to pension.

**Note 16 - Landfill Closures and Post-Closure Care Costs**

State and federal laws and regulations require the City's Solid Waste System to place a final cover on its 28th Street landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The landfill was closed as of October 1, 2007. A consulting engineer's estimate for total costs prepared as of March 27, 2018 was \$1,096,118. This full amount has been accrued by the City as of June 30, 2018. Of this amount, it was estimated that \$54,437 would be incurred within the next fiscal year. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The State of Iowa specifies financial assurance requirements in Code Section 567-Chapter 113. The Iowa Code enumerates various allowable financial assurance mechanisms to meet the costs of closure and post-closure care. The City satisfies this requirement with a Local Government Dedicated Fund passed and approved on June 16, 2003, under Resolution 2003-0501.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 17 - Tax Abatements**

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

City Tax Abatements

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa, and local hotel/motel tax as provided for in Chapter 423A 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 and/or unreserved portion of the local hotel/motel tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. Because taxes are not abated until after the new construction have been completed, there are no provisions for recapturing abated taxes. Commitments, other than reducing taxes, are the City's support in the associated construction costs.

The City provides tax abatements for economic development projects under Enterprise Zone Program with tax exemption as provided for in Chapters 15E 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 exempt the property tax paid by the developers. No other commitments were made by the City as part of these agreements. Because taxes are not abated until after the new construction have been completed, there are no provisions for recapturing abated taxes. Commitments, other than reducing taxes, are the City's support in the associated construction costs.

Urban Revitalization programs provides property tax abatements to encourage new construction and improvements to residential property and eligible commercial property. The Program is established under the auspices of the Iowa State Code (Chapter 404) empowering cities and counties to establish such programs. The abatements equal 100% for 3 years or a partial exemption for 10 years on a graduated scale, of additional property tax resulting from the increase in assessed value as a result of the improvements or the new construction, administered as a reduction in the tax bill. Abatements are obtained through application by the property owner after improvements have been made. However, developers applying for the Iowa Workforce Housing Tax Incentive Program (Chapter 48) make agreement prior to commencing improvements or new construction and require subsequent provision by the owner of proof that the improvements have been made and a new assessed valuation by the City Assessor. Because taxes are not abated until after the improvements and new construction have been made, there are no provisions for recapturing abated taxes. Commitments, other than reducing taxes, may only be applicable with commercial properties. In these instances, the City supports in the associated construction costs.

For the year ended June 30, 2018, the City abated \$461,405 of property tax under the urban renewal and economic development projects and \$36,761 under the Enterprise Zone Program.

**Note 18 - Other Information**

The City of Sioux City is under obligation from the State of Iowa to remediate underground pollution located at the Sioux City Gateway Airport. The pollution was caused during the 1930's by underground storage tanks leaking petroleum-based substances. Since then, the storage tanks have been removed, but the underground contamination remains. The cost to remediate the pollution is not reasonably estimable at this time.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 19 – Accounting Change/Restatement**

Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), was implemented during fiscal year 2018. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with OPEB benefits, including additional note disclosure and required supplementary information. In addition, GASB Statement No. 75 requires a state or local government employer to use the entry age normal actuarial cost method, and requires deferred outflows of resources and deferred inflows of resources which arise from other types of events related to OPEB to be recognized. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources are not reported. Beginning net position for governmental type activities, and the Internal Service Funds were restated to retroactively report the change in valuation of the beginning total OPEB liability, as follows:

	Governmental Activities	Internal Service Funds
Net position, June 30, 2017, as previously reported:	\$ 314,730,415	\$ (1,744,220)
Net OPEB obligation measured under previous standards	16,831,000	16,831,000
Total OPEB liability at June 30, 2017	(6,324,922)	(6,324,922)
Net position, June 30, 2017, as restated	\$ 325,236,493	\$ 8,761,858

**Note 20 – Prospective Accounting Change**

Statement No. 83, “Certain Asset Retirement Obligations.” The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2019.

Statement No. 84, “Fiduciary Activities.” The requirements of this Statement will take effect for financial statements with the fiscal year that ends December 31, 2019.

Statement No. 87, “Leases.” The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2020.



## REQUIRED SUPPLEMENTARY INFORMATION (unaudited)

In accordance with the Governmental Accounting Standards Board Statements No. 25, No. 27, No. 34, No. 68 and No. 75, the following information is a required part of the basic financial statements.

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

**CITY OF SIOUX CITY, IOWA**  
**BUDGETARY COMPARISON SCHEDULE**  
**BUDGET AND ACTUAL - ALL GOVERNMENTAL AND PROPRIETARY FUNDS <sup>1</sup>**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Governmental Fund Types Actual</b>	<b>Internal Service Funds Actual</b>	<b>Proprietary Funds Actual</b>
<b><u>REVENUES</u></b>			
Taxes	\$ 73,519,516	\$ ---	\$ ---
Special Assessments	104,103	---	---
Regulatory Fees	3,142,880	---	---
Intergovernmental Revenue <sup>2</sup>	28,435,861	688,154	4,566,680
Revenue from Use of Property	3,842,417	59,485	2,834,553
Charges for Service	9,527,447	29,545,729	47,008,124
Miscellaneous	6,125,787	271,616	262,694
Total Revenues	<u>124,698,011</u>	<u>30,564,984</u>	<u>54,672,051</u>
<b><u>EXPENDITURES</u></b>			
Public Safety	41,178,735	---	---
Public Works	16,890,854	---	---
Culture and Recreation	14,370,160	---	---
Community and Economic Development	12,898,133	---	---
General Government	3,788,205	---	---
Debt Service	23,467,093	---	3,440,799
Capital Projects <sup>2</sup>	29,419,544	---	---
Business-Type/Enterprises <sup>2</sup>	---	26,166,953	44,193,618
Total Expenditures	<u>142,012,724</u>	<u>26,166,953</u>	<u>47,634,417</u>
Excess (Deficiency) of Revenues Over Expenditures	(17,314,713)	4,398,031	7,037,634
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Other Financing Sources	73,107,836	197,078	3,448,837
Other Financing Uses	(48,467,296)	(59,036)	(150,305)
Total Other Financing Sources	<u>24,640,540</u>	<u>138,042</u>	<u>3,298,532</u>
Net Change in Fund Balance (Deficit)	7,325,827	4,536,073	10,336,166
Fund Balance - Beg. of Year	99,346,871	(1,744,220)	164,538,139
Prior Period Adjustments	---	10,506,078	---
Fund Balance - Beg. of Year after Prior Period Adjustments	<u>99,346,871</u>	<u>8,761,858</u>	<u>164,538,139</u>
Fund Balance (Deficit)- End of Year	<u>\$ 106,672,698</u>	<u>\$ 13,297,931</u>	<u>\$ 174,874,305</u>

Notes:

<sup>1</sup> In accordance with the Code of Iowa, the City Council annually adopts a budget following required public notice and hearing which includes all funds, except agency funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures. The City budgets on a modified accrual basis of accounting for all governmental funds and on the accrual basis for proprietary fund types. Formal and legal budgetary control is based upon eight major classes of expenditures known as functions, not by fund or fund type. These eight functions are: Public Safety, Public Works, Culture and Recreation, Community and Economic Development, General Government, Debt Service, Capital Projects, and Business-Type/Enterprises. The legal level of control is at the aggregated function level, not at the fund or fund type level.

<sup>2</sup> Intergovernmental revenue and the expenditures for capital projects and enterprises are significantly below budgeted amounts due to the timing of when projects are actually completed and the corresponding revenue is received.

	<u>Total Actual</u>	<u>Budgeted Amounts</u>		<u>Final Budget To Actual</u>
		<u>Original</u>	<u>Final</u>	
\$	73,519,516	\$ 75,138,935	\$ 75,638,935	\$ (2,119,419)
	104,103	193,487	964,638	(860,535)
	3,142,880	1,911,365	3,393,450	(250,570)
	33,690,695	43,727,716	75,716,562	(42,025,867)
	6,736,455	8,257,917	12,274,044	(5,537,589)
	86,081,300	84,341,970	91,474,250	(5,392,950)
	<u>6,660,097</u>	<u>7,309,301</u>	<u>19,821,663</u>	<u>(13,161,566)</u>
	209,935,046	220,880,691	279,283,542	(69,348,496)
	41,178,735	38,829,112	44,919,719	3,740,984
	16,890,854	17,805,968	22,986,056	6,095,202
	14,370,160	18,847,776	22,272,254	7,902,094
	12,898,133	10,170,689	15,812,850	2,914,717
	3,788,205	8,109,483	8,567,324	4,779,119
	26,907,892	26,652,540	39,354,240	12,446,348
	29,419,544	42,849,984	55,980,097	26,560,553
	<u>70,360,571</u>	<u>104,400,736</u>	<u>137,124,350</u>	<u>66,763,779</u>
	<u>215,814,094</u>	<u>267,666,288</u>	<u>347,016,890</u>	<u>131,202,796</u>
	(5,879,048)	(46,785,597)	(67,733,348)	61,854,300
	76,753,751	86,645,743	150,733,943	(73,980,192)
	<u>(48,676,637)</u>	<u>(64,037,324)</u>	<u>(111,967,324)</u>	<u>63,290,687</u>
	<u>28,077,114</u>	<u>22,608,419</u>	<u>38,766,619</u>	<u>(10,689,505)</u>
\$	<u>22,198,066</u>	(24,177,178)	(28,966,729)	\$ 51,164,795
		262,140,790	262,140,790	
		---	---	
		<u>262,140,790</u>	<u>262,140,790</u>	
		<u>\$ 237,963,612</u>	<u>\$ 233,174,061</u>	

**CITY OF SIOUX CITY, IOWA  
SCHEDULE OF CHANGES IN THE CITY'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS**

**EXHIBIT 10**

	2018
<b>Total OPEB liability</b>	
Service cost	\$ 380,175
Interest cost	254,166
Changes of benefit terms	0
Differences between expected and actual experience	0
Changes of assumptions or other inputs	(162,518)
Benefit payments	(274,581)
Net change in total OPEB liability	197,242
<b>Total OPEB liability- beginning</b>	<b>6,324,922</b>
<b>Total OPEB liability- ending</b>	<b>\$ 6,522,164</b>
<b>Covered-employee payroll</b>	<b>\$ 44,914,847</b>
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>14.52%</b>

**Notes to Schedule:**

Change in assumptions. Changes of 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:

2018	3.87%
2017	3.58%

Notes:

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.

See accompanying independent auditor's reports.

**CITY OF SIOUX CITY, IOWA**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**EXHIBIT 11**

<b><u>IOWA PUBLIC EMPLOYEES'</u></b> <b><u>RETIREMENT SYSTEM (IPERS)</u></b>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
City's Proportion of the Net Pension Liability	0.403565%	0.397376%	0.388009%	0.405334%
City's Proportionate Share of the Net Pension Liability	\$ 16,332,624	\$ 19,755,330	\$ 24,418,604	\$ 27,000,396
City's Covered-Employee Payroll	\$ 26,947,979	\$ 27,403,485	\$ 27,851,154	\$ 30,348,499
City's Proportionate Share of the Net Pension Liability as a Percentage of it's covered-employee payroll	60.61%	72.09%	87.68%	88.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.61%	85.19%	81.82%	82.21%

<b><u>MUNICIPAL FIRE AND POLICE</u></b> <b><u>RETIREMENT SYSTEM OF IOWA (MFPRS)</u></b>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
City's Proportion of the Net Pension Liability	6.47158400%	6.34336100%	6.29752300%	6.49874200%
City's Proportionate Share of the Net Pension Liability	\$ 23,459,379	\$ 29,802,019	\$ 39,375,951	\$ 38,113,501
City's Covered-Employee Payroll	\$ 16,453,631	\$ 16,613,941	\$ 17,065,221	\$ 18,405,872
City's Proportionate Share of the Net Pension Liability as a Percentage of it's covered-employee payroll	142.58%	179.38%	230.74%	207.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.27%	83.04%	78.20%	80.60%

Notes:

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.

See accompanying independent auditor's reports.

**CITY OF SIOUX CITY, IOWA  
SCHEDULE OF CONTRIBUTIONS  
LAST TEN FISCAL YEARS**

<b><u>IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)</u></b>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Statutorily Required Contribution	\$ 1,623,512	\$ 1,719,833	\$ 1,864,429	\$ 2,192,127
Contributions in Relation to the Statutorily Required Contribution	<u>(1,623,512)</u>	<u>(1,719,833)</u>	<u>(1,864,429)</u>	<u>(2,192,127)</u>
Contribution Deficiency (Excess)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
City's Covered-Employee Payroll	25,567,777	25,862,150	26,826,317	27,197,605
Contributions as a Percentage of Covered-Employee Payroll	6.35%	6.65%	6.95%	8.06%

<b><u>MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA (MFPRSI)</u></b>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Statutorily Required Contribution	\$ 2,774,173	\$ 2,623,941	\$ 3,100,839	\$ 3,922,797
Contributions in Relation to the Statutorily Required Contribution	<u>(2,774,173)</u>	<u>(2,623,941)</u>	<u>(3,100,839)</u>	<u>(3,922,797)</u>
Contribution Deficiency (Excess)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
City's Covered-Employee Payroll	14,795,577	15,434,940	15,582,106	15,843,284
Contributions as a Percentage of Covered-Employee Payroll	18.75%	17.00%	19.90%	24.76%

Notes:  
See accompanying independent auditor's report.



2013	2014	2015	2016	2017	2018
\$ 2,355,909	\$ 2,406,454	\$ 2,447,101	\$ 2,487,027	\$ 2,710,121	\$ 2,653,572
<u>(2,355,909)</u>	<u>(2,406,454)</u>	<u>(2,447,101)</u>	<u>(2,487,027)</u>	<u>(2,710,121)</u>	<u>(2,653,572)</u>
<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
27,173,116	26,947,979	27,403,485	27,851,154	30,348,499	29,715,252
8.67%	8.93%	8.93%	8.93%	8.93%	8.93%

2013	2014	2015	2016	2017	2018
\$ 4,213,126	\$ 4,955,833	\$ 5,052,299	\$ 4,739,013	\$ 4,770,802	\$ 4,686,553
<u>(4,213,126)</u>	<u>(4,955,833)</u>	<u>(5,052,299)</u>	<u>(4,739,013)</u>	<u>(4,770,802)</u>	<u>(4,686,553)</u>
<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
16,129,888	16,453,631	16,613,941	17,065,221	18,405,872	18,249,817
26.12%	30.12%	30.41%	27.77%	25.92%	25.68%

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

CITY OF SIOUX CITY, IOWA  
OTHER SUPPLEMENTARY INFORMATION

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

**CITY OF SIOUX CITY, IOWA  
COMBINING FINANCIAL STATEMENTS  
GOVERNMENTAL FUNDS**

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

The following funds included in this fund type and their purposes are as follows:

**MAJOR FUNDS:**

**Other Employee Benefits** - To account for the City's employee benefits tax levy.

**Local Option Sales Tax** - To account for revenue generated by the one percent local option sales tax.

**NON-MAJOR FUNDS:**

**Storm Water Drainage** - To account for the collection of revenues for Storm Water Drainage Fees.

**Road Use** - To account for State revenues allocated to the City for maintenance and improvement of City streets.

**Community Development** - To account for the use of Community Development Block Grant Funds as received from the Federal Government.

**Housing** - To account for the operations of Federal Section 8, low income housing projects and municipally sponsored rent payment assistance programs.

**Main Street** - To account for the collection of a levy to fund the revitalization of the City's downtown area.

**Events Facilities** - To account for revenue generated by the operations of the Convention Center and the Tyson Events Center.

**Transit System** - To account for the Transit levy and operations of the City's bus and other transit services.

**Permanent Fund** - Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

The following fund included in this fund type and its purpose is as follows:

**Cemetery Trust** – To account for the activity of the cemeteries of the City.

**CITY OF SIOUX CITY, IOWA  
COMBINING BALANCE SHEET  
GOVERNMENTAL NONMAJOR FUNDS  
JUNE 30, 2018**

**Special Revenue Funds**

<b><u>ASSETS</u></b>	<b>Storm Water Drainage</b>	<b>Road Use</b>	<b>Community Development</b>	<b>Housing</b>
Cash and Cash Equivalents	\$ 348,212	\$ 3,683,144	\$ 2,040,155	\$ 556,657
Accounts Receivable	129,683	283	---	419
Accrued Interest Receivable	---	---	136,962	
Notes Receivable	---	---	6,161,261	227,618
Special Assessments, net of allowance	5,087	---	---	
Due from Other Governments	---	788,539	576,147	
Due from Other Funds	---	---	---	720
Prepaid Items	---	---	3,851	---
Total Assets	<u>482,982</u>	<u>4,471,966</u>	<u>8,918,376</u>	<u>785,414</u>
<b><u>LIABILITIES</u></b>				
Accounts Payable	1,970	212,078	2,307	100,118
Accrued Wages	---	98,053	13,314	14,977
Contracts & Retainers Payable	---	21,931	339,460	498
Due to Other Governments	18,587	251	300	
Due to Other Funds	---	50	1,160	
Total Liabilities	<u>20,557</u>	<u>332,363</u>	<u>356,541</u>	<u>115,593</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Unavailable Revenue - Property Taxes	---	---	---	---
Unavailable Revenue - Loans	---	---	---	227,618
Total Deferred Inflows or Resources	<u>---</u>	<u>---</u>	<u>---</u>	<u>227,618</u>
<b><u>FUND BALANCES</u></b>				
Non-Spendable:				
Endowment, non-expendable	---	---	---	---
Restricted	---	4,139,603	8,561,835	442,203
Committed	462,425	---	---	---
Assigned	---	---	---	---
Unassigned	---	---	---	---
Total Fund Balances	<u>462,425</u>	<u>4,139,603</u>	<u>8,561,835</u>	<u>442,203</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 482,982</u>	<u>\$ 4,471,966</u>	<u>\$ 8,918,376</u>	<u>\$ 785,414</u>

			<b>Permanent Fund</b>	
<u>Main Street</u>	<u>Events Facilities</u>	<u>Transit Operations</u>	<u>Cemetery Trust</u>	<u>Total Governmental Nonmajor Funds</u>
\$ 71,087	\$ 978,883	\$ ---	\$ 1,235,321	\$ 8,913,459
---	198,383	33,619	996	363,383
---	---	---	---	136,962
---	440,000	---	---	6,828,879
---	---	---	---	5,087
81,472	12,500	1,575,372	---	3,034,030
---	---	---	---	720
---	195	---	---	4,046
<u>152,559</u>	<u>1,629,961</u>	<u>1,608,991</u>	<u>1,236,317</u>	<u>19,286,566</u>
---	1,065,260	31,657	---	1,413,390
---	---	49,047	---	175,391
---	7,263	72,130	---	441,282
---	357	4,471	---	23,966
---	---	1,215,119	---	1,216,329
---	1,072,880	1,372,424	---	3,270,358
64,073	---	---	---	64,073
---	---	---	---	227,618
<u>64,073</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>291,691</u>
---	---	---	1,236,317	1,236,317
88,486	---	---	---	13,232,127
---	481,802	49,930	---	994,157
---	195	---	---	195
---	75,084	186,637	---	261,721
<u>88,486</u>	<u>557,081</u>	<u>236,567</u>	<u>1,236,317</u>	<u>15,724,517</u>
<u>\$ 152,559</u>	<u>\$ 1,629,961</u>	<u>\$ 1,608,991</u>	<u>\$ 1,236,317</u>	<u>\$ 19,286,566</u>

**CITY OF SIOUX CITY, IOWA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL NONMAJOR FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Special Revenue Funds</b>			
<b>REVENUES</b>	<b>Storm Water Drainage</b>	<b>Road Use</b>	<b>Community Development</b>	<b>Housing</b>
Taxes	\$ ---	\$ ---	\$ ---	\$ ---
Special Assessments	6,163	---	---	---
Intergovernmental Revenue	---	10,266,966	3,342,927	5,110,764
Revenue from Use of Property	---	8,773	---	---
Charges for Services	2,079,247	601	---	---
Interest	13,497	---	152,445	3,485
Miscellaneous	---	29,955	103,590	116,976
	<b>2,098,907</b>	<b>10,306,295</b>	<b>3,598,962</b>	<b>5,231,225</b>
<b>EXPENDITURES</b>				
Current:				
Public Works	267,806	10,169,509	---	---
Culture and Recreation	---	---	---	---
Community and Economic Development	---	---	5,879,651	5,232,429
Capital Projects	---	---	351,498	---
	<b>267,806</b>	<b>10,169,509</b>	<b>6,231,149</b>	<b>5,232,429</b>
Excess (Deficiency) of Revenues Over Expenditures	1,831,101	136,786	(2,632,187)	(1,204)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	---	---	333,258	---
Transfers Out	(1,867,111)	(50,072)	---	---
	<b>(1,867,111)</b>	<b>(50,072)</b>	<b>333,258</b>	<b>---</b>
Total Other Financing Sources (Uses)	<b>(1,867,111)</b>	<b>(50,072)</b>	<b>333,258</b>	<b>---</b>
Net Change in Fund Balance	(36,010)	86,714	(2,298,929)	(1,204)
Fund Balance - Beginning of Year	498,435	4,052,889	10,860,764	443,407
Fund Balance - End of Year	\$ 462,425	\$ 4,139,603	\$ 8,561,835	\$ 442,203



Special Revenue Funds			Permanent Fund	Total Governmental Nonmajor Funds
Main Street	Events Facilities	Transit Operations	Cemetery Trust	
\$ 75,898	\$ ---	\$ ---	\$ ---	\$ 75,898
---	---	---	---	6,163
36,058	50,000	2,021,377	---	20,828,092
---	2,159,839	56,533	36,526	2,261,671
---	275,268	1,257,035	---	3,612,151
---	---	---	---	169,427
---	573,009	42,708	---	866,238
111,956	3,058,116	3,377,653	36,526	27,819,640
---	---	4,918,798	---	15,356,113
---	4,436,404	---	---	4,436,404
326,400	---	---	---	11,438,480
---	---	---	---	351,498
326,400	4,436,404	4,918,798	---	31,582,495
(214,444)	(1,378,288)	(1,541,145)	36,526	(3,762,855)
235,999	1,881,382	1,769,638	---	4,220,277
---	---	(250,435)	---	(2,167,618)
235,999	1,881,382	1,519,203	---	2,052,659
21,555	503,094	(21,942)	36,526	(1,710,196)
66,931	53,987	258,509	1,199,791	17,434,713
<u>\$ 88,486</u>	<u>\$ 557,081</u>	<u>\$ 236,567</u>	<u>\$ 1,236,317</u>	<u>\$ 15,724,517</u>

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**CITY**

**CITY OF SIOUX CITY, IOWA  
COMBINING FINANCIAL STATEMENTS  
ENTERPRISE FUNDS**

**Enterprise Funds** - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The following funds included in this fund type and their purposes are as follows:

**MAJOR FUNDS:**

**Airport System** - To account for the operations of the Sioux Gateway Airport.

**Water System** - To account for the operations of the City's water facilities and services.

**Sewer System** - To account for the operations of the City's sewage treatment facilities and services.

**Solid Waste System** - To account for the operations of the City's sanitary landfill facilities.

**NON-MAJOR FUNDS:**

**Parking Facilities** - To account for the operations of the City-owned parking ramps and other parking facilities.

**Skyway System** - To account for the maintenance and security of the skyway system.

**CITY OF SIOUX CITY, IOWA  
COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
JUNE 30, 2018**

**EXHIBIT B-1**

<b>ASSETS</b>	<b>Parking Facilities</b>	<b>Skyway System</b>	<b>Totals</b>
<b><u>Current Assets</u></b>			
Cash and Cash Equivalents	\$ 989,385	\$ 68,577	\$ 1,057,962
Accounts Receivable	278,916	57,764	336,680
Accrued Interest Receivable	1,884	---	1,884
Due from Other Governments	1,223	---	1,223
Due from Other Funds	360	1,956	2,316
Total Current Assets	<u>1,271,768</u>	<u>128,297</u>	<u>1,400,065</u>
<b><u>Non-Current Assets</u></b>			
Land	387,347	---	387,347
Construction in Progress	506,901	---	506,901
Capital Assets, Net of Accumulated Depreciation	6,919,472	---	6,919,472
Total Non-Current Assets	<u>7,813,720</u>	<u>---</u>	<u>7,813,720</u>
Total Assets	<u>9,085,488</u>	<u>128,297</u>	<u>9,213,785</u>
 <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension Related	<u>62,905</u>	<u>15,016</u>	<u>77,921</u>
 <b><u>LIABILITIES</u></b>			
<b><u>Current Liabilities</u></b>			
Accounts Payable	56,674	30,205	86,879
Accrued Wages	6,114	1,424	7,538
Accrued Interest Payable	3,753	---	3,753
Contracts and Retainers Payable	67,856	---	67,856
Due to Other Funds	743	---	743
Current Portion of G.O. Bonds	276,622	---	276,622
Current Portion of Compensated Absences	15,576	3,163	18,739
Total Current Liabilities	<u>427,338</u>	<u>34,792</u>	<u>462,130</u>
<b><u>Non-Current Liabilities</u></b>			
Compensated Absences, Net of Current Portion	19,981	14,469	34,450
General Obligation Bonds, Net of Current Portion	1,410,435	---	1,410,435
Net Pension Liability	202,940	47,644	250,584
Total Non-current Liabilities	<u>1,633,356</u>	<u>62,113</u>	<u>1,695,469</u>
Total Liabilities	<u>2,060,694</u>	<u>96,905</u>	<u>2,157,599</u>
 <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension Related	<u>9,405</u>	<u>3,614</u>	<u>13,019</u>
 <b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	6,638,523	---	6,638,523
Unrestricted	439,771	42,794	482,565
Total Net Position	<u>\$ 7,078,294</u>	<u>\$ 42,794</u>	<u>\$ 7,121,088</u>

**CITY OF SIOUX CITY, IOWA  
 COMBINING STATEMENT OF REVENUES,  
 EXPENSES AND CHANGES IN NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2018**

**EXHIBIT B-2**

<b><u>OPERATING REVENUES</u></b>	<b><u>Parking Facilities</u></b>	<b><u>Skyway System</u></b>	<b><u>Totals</u></b>
Charges for Services	\$ 1,334,350	\$ 315,827	\$ 1,650,177
Total Operating Revenues	1,334,350	315,827	1,650,177
<b><u>OPERATING EXPENSES</u></b>			
Employee Services	483,328	67,788	551,116
Supplies and Services	465,939	162,986	628,925
Repairs and Improvements	133,263	62,071	195,334
Utilities	18,850	69,696	88,546
Depreciation	230,728	- - -	230,728
Total Operating Expenses	1,332,108	362,541	1,694,649
Operating Income (Loss)	2,242	(46,714)	(44,472)
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>			
Interest Income	1,091	32	1,123
Interest Expense	(40,079)	- - -	(40,079)
Total Non-Operating Revenues (Expenses)	(38,988)	32	(38,956)
(Loss) Before Transfers	(36,746)	(46,682)	(83,428)
Transfers In	50,000	86,370	136,370
Changes in Net Position	13,254	39,688	52,942
Net Position - Beginning of Year	7,065,040	3,106	7,068,146
Net Position - End of Year	<u>\$ 7,078,294</u>	<u>\$ 42,794</u>	<u>\$ 7,121,088</u>

**CITY OF SIOUX CITY, IOWA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

**EXHIBIT B-3**

	<b>Parking Facilities</b>	<b>Skyway System</b>	<b>Totals</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Cash Received from Customers	\$ 1,325,517	\$ 256,059	\$ 1,581,576
Cash Received from Other funds	3,859	53,592	57,451
Cash Paid to Other Funds	(10,580)	---	(10,580)
Cash Paid for Personal Services	(473,482)	(64,911)	(538,393)
Cash Paid to Suppliers	(706,780)	(291,704)	(998,484)
Net Cash Provided (Used) by Operating Activities	<u>138,534</u>	<u>(46,964)</u>	<u>91,570</u>
<b><u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Proceeds from Bond Sales	514,400	---	514,400
Acquisition and Construction of Capital Assets	(533,869)	---	(533,869)
Principal Paid on Notes and Bonds	(247,534)	---	(247,534)
Interest Paid on Notes and Bonds	(39,628)	---	(39,628)
Net Cash (Used) by Capital and Related Financing Activities	<u>(306,631)</u>	<u>---</u>	<u>(306,631)</u>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>			
Transfers In	<u>50,000</u>	<u>86,370</u>	<u>136,370</u>
Net Cash Provided by Non-Capital Financing Activities	50,000	86,370	136,370
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest and Dividends on Investments	<u>1,228</u>	<u>32</u>	<u>1,260</u>
Net Cash Provided by Investing Activities	<u>1,228</u>	<u>32</u>	<u>1,260</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(116,869)	39,438	(77,431)
Cash and Cash Equivalents at Beginning of Year	<u>1,106,254</u>	<u>29,139</u>	<u>1,135,393</u>
Cash and Cash Equivalents at End of Year	<u>\$ 989,385</u>	<u>\$ 68,577</u>	<u>\$ 1,057,962</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u></b>			
Operating Income (Loss)	\$ 2,242	\$ (46,714)	\$ (44,472)
<i>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</i>			
<i>Depreciation</i>			
Depreciation	230,728	---	230,728
<i>Pension Expense</i>			
Pension Expense	6,835	1,348	8,183
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>			
<i>Accounts Receivable</i>			
Accounts Receivable	(15,761)	(12,532)	(28,293)
<i>Due from Other Governments</i>			
Due from Other Governments	317	---	317
<i>Due from Other Funds</i>			
Due from Other Funds	(110)	6,356	6,246
<i>Accounts Payable</i>			
Accounts Payable	19,966	3,049	23,015
<i>Accrued Wages and Compensated Absences</i>			
Accrued Wages and Compensated Absences	3,011	1,529	4,540
<i>Contracts and Retainers Payable</i>			
Contracts and Retainers Payable	(73,529)	---	(73,529)
<i>Due to Other Funds</i>			
Due to Other Funds	(165)	---	(165)
<i>Unearned Revenues</i>			
Unearned Revenues	(35,000)	---	(35,000)
Total Adjustments	<u>136,292</u>	<u>(250)</u>	<u>136,042</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 138,534</u>	<u>\$ (46,964)</u>	<u>\$ 91,570</u>

**CITY OF SIOUX CITY, IOWA  
COMBINING FINANCIAL STATEMENTS  
INTERNAL SERVICE FUNDS**

**Internal Service Funds** - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

The following funds included in this fund type and their purposes are as follows:

**Central Maintenance Garage** - To account for maintenance and repair services for the City's automotive equipment and acquisition of replacement vehicles.

**Comprehensive Insurance** - To account for the funding and maintenance of the City's insurance policies provided to user departments.

**CITY OF SIOUX CITY, IOWA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2018**

EXHIBIT C-1

	<u>Central Maintenance</u>	<u>Comprehensive Insurance</u>	<u>Totals</u>
<b><u>ASSETS</u></b>			
<b><u>Current Assets</u></b>			
Cash and Cash Equivalents	\$ 3,818,694	\$ 8,510,598	\$ 12,329,292
Accounts Receivable	10,889	311,922	322,811
Accrued Interest Receivable	260	12,516	12,776
Notes Receivable	52,059	---	52,059
Due from Other Funds	21,630	---	21,630
Inventories, at Cost	572,103	---	572,103
Prepaid Items	296	253,179	253,475
Total Current Assets	<u>4,475,931</u>	<u>9,088,215</u>	<u>13,564,146</u>
<b><u>Non-Current Assets</u></b>			
Advances to Other Funds	59,567	---	59,567
Construction in Progress	182,210	---	182,210
Capital Assets, Net of Accumulated Depreciation	14,843,180	---	14,843,180
Total Non-Current Assets	<u>15,084,957</u>	<u>---</u>	<u>15,084,957</u>
Total Assets	<u>19,560,888</u>	<u>9,088,215</u>	<u>28,649,103</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension Related	<u>367,110</u>	<u>177,171</u>	<u>544,281</u>
<b><u>LIABILITIES</u></b>			
<b><u>Current Liabilities</u></b>			
Accounts Payable	651,769	534,418	1,186,187
Accrued Wages	30,301	92,637	122,938
Accrued Interest Payable	1,947	---	1,947
Contracts and Retainers Payable	103,544	8,181	111,725
Estimated Liability for Damage Claims	---	1,322,966	1,322,966
Current Portion of G.O. Bonds	106,016	---	106,016
Current Portion of Compensated Absences	54,516	50,306	104,822
Total Current Liabilities	<u>948,093</u>	<u>2,008,508</u>	<u>2,956,601</u>
<b><u>Non-Current Liabilities</u></b>			
Compensated Absences, Net of Current Portion	24,399	108,636	133,035
Estimated Liability for Damage Claims	---	3,521,901	3,521,901
General Obligation Bonds, Net of Current Portion	765,865	---	765,865
Total OPEB Liability		6,522,164	6,522,164
Net Pension Liability - IPERS	<u>1,209,114</u>	<u>569,114</u>	<u>1,778,228</u>
Total Non-Current Liabilities	<u>1,999,378</u>	<u>10,721,815</u>	<u>12,721,193</u>
Total Liabilities	<u>2,947,471</u>	<u>12,730,323</u>	<u>15,677,794</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
OPEB Related	---	146,774	146,774
Pension Related	53,385	17,500	70,885
Total Deferred Inflows of Resources	<u>53,385</u>	<u>164,274</u>	<u>217,659</u>
<b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	14,526,509	---	14,526,509
Unrestricted	<u>2,400,633</u>	<u>(3,629,211)</u>	<u>(1,228,578)</u>
Total Net Position	<u>\$ 16,927,142</u>	<u>\$ (3,629,211)</u>	<u>\$ 13,297,931</u>



**CITY OF SIOUX CITY, IOWA  
COMBINING STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

**EXHIBIT C-2**

	<u>Central Maintenance</u>	<u>Comprehensive Insurance</u>	<u>Totals</u>
<b><u>OPERATING REVENUE</u></b>			
Revenue from Use of Property	\$ 37,804	\$ ---	\$ 37,804
Charges for Services	8,899,027	20,646,702	29,545,729
Total Operating Revenues	8,936,831	20,646,702	29,583,533
<b><u>OPERATING EXPENSES</u></b>			
Employee Services	1,924,752	16,886,039	18,810,791
Supplies and Services	637,736	868,266	1,506,002
Repairs and Improvements	3,901,646	4,855	3,906,501
Utilities	25,013	497	25,510
Depreciation	2,453,318		2,453,318
Damage Settlement	---	(551,429)	(551,429)
Total Operating Expenses	8,942,465	17,208,228	26,150,693
Net Operating Income (Loss)	(5,634)	3,438,474	3,432,840
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>			
Interest Income	3,411	18,270	21,681
Gain on Sale of Capital Assets	204,494	---	204,494
Other Non-Operating Revenues	67,122	---	67,122
Interest Expense	(16,260)	---	(16,260)
Total Non-Operating Revenues	258,767	18,270	277,037
Income Before Transfers and Capital Grants	253,133	3,456,744	3,709,877
Capital Grants and Contributions	688,154	---	688,154
Transfers In	46,773	150,305	197,078
Transfers Out	(59,036)	---	(59,036)
Changes in Net Position	929,024	3,607,049	4,536,073
Net Position - Beginning of the Year	15,998,118	(17,742,338)	(1,744,220)
Prior Period Adjustments		10,506,078	10,506,078
Net Position - Beginning of the Year as Restated	15,998,118	(7,236,260)	8,761,858
Net Position - End of Year	\$ 16,927,142	\$ (3,629,211)	\$ 13,297,931

**CITY OF SIOUX CITY, IOWA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

EXHIBIT C-3

	<u>Central Maintenance</u>	<u>Comprehensive Insurance</u>	<u>Totals</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Cash Received from Customers	\$ 1,496,812	\$ 4,687,755	\$ 6,184,567
Cash Received from Other funds	7,845,213	15,934,501	23,779,714
Cash Paid to Other Funds	(23,496)	(280)	(23,776)
Cash Paid for Personal Services	(1,891,609)	(16,507,850)	(18,399,459)
Cash Paid to Suppliers	(4,616,609)	(1,324,521)	(5,941,130)
Other Non-Operating Revenue	67,122	---	67,122
Net Cash Provided by Operating Activities	<u>2,877,433</u>	<u>2,789,605</u>	<u>5,667,038</u>
<b><u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Proceeds from Bond Sales	373,000	---	373,000
Acquisition and Construction of Capital Assets	(5,288,738)	---	(5,288,738)
Capital Grants and Contributions	688,154	---	688,154
Proceeds from Sale of Assets	315,970	---	315,970
Principal Paid on Notes and Bonds	(64,435)	---	(64,435)
Interest Paid on Notes and Bonds	(15,614)	---	(15,614)
Net Cash (Used) by Capital and Related Financing Activities	<u>(3,991,663)</u>	<u>---</u>	<u>(3,991,663)</u>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>			
Transfers In	46,773	150,305	197,078
Transfers Out	(59,036)	---	(59,036)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(12,263)</u>	<u>150,305</u>	<u>138,042</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest and Dividends on Investments	3,461	13,236	16,697
Advances made on Notes Receivable	(18,150)	---	(18,150)
Payments Received on Notes Receivable	21,268	---	21,268
Net Cash Provided by Investing Activities	<u>6,579</u>	<u>13,236</u>	<u>19,815</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,119,914)	2,953,146	1,833,232
Cash and Cash Equivalents at Beginning of Year	4,938,608	5,557,452	10,496,060
Cash and Cash Equivalents at End of Year	<u>\$ 3,818,694</u>	<u>\$ 8,510,598</u>	<u>\$ 12,329,292</u>
<b><u>RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u></b>			
Operating Income (Loss)	\$ (5,634)	\$ 3,438,474	\$ 3,432,840
<i>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:</i>			
Depreciation	2,453,318	---	2,453,318
Other Non-Operating Revenues	67,122	---	67,122
Pension Expense	33,875	19,961	53,836
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>			
Accounts Receivable	135,612	(24,726)	110,886
Due from Other Governments	244,355	---	244,355
Due from Other Funds	1,731	---	1,731
Inventories	(293,972)	---	(293,972)
Advances to Other Funds	21,486	---	21,486
Prepaid Items	(25)	(34,758)	(34,783)
Accounts Payable	152,684	187,051	339,735
Accrued Wages and Compensated Absences	(732)	14,212	13,480
Contracts and Retainers Payable	67,613	(10,408)	57,205
Total OPEB Liability	---	344,016	344,016
Estimated Liability for Damage Claims	---	(1,144,217)	(1,144,217)
Total Adjustments	<u>2,883,067</u>	<u>(648,869)</u>	<u>2,234,198</u>
Net Cash Provided by Operating Activities	<u>\$ 2,877,433</u>	<u>\$ 2,789,605</u>	<u>\$ 5,667,038</u>

**CITY OF SIOUX CITY, IOWA  
COMBINING FINANCIAL STATEMENTS  
FIDUCIARY FUNDS**

**Agency Funds** - Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The following represents the funds and/or government agencies for which the City acts in an agent capacity.

**Sioux City Housing Trust** – To account for the activity of the Sioux City Housing Trust Fund.

**Revolving** - To account for refunds to City customers.

**Woodbury County Information Communication Commission (WCICC)** - To account for the activity of the WCICC.

**Museum Building Property, Inc.** – To account for the activity of Museum Building Property, Inc.

**Sioux City Sports Commission** – To account for the activity of Sioux City Sports Commission.

**Utility Line Service Provider Fund** – To account for the activity related to utility line service protection plan payments collected from City customers on behalf of an outside service plan provider, currently, HomeServe USA.

**CITY OF SIOUX CITY, IOWA  
 COMBINING STATEMENT OF NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2018**

	<u>Sioux City Housing Trust Fund</u>	<u>Revolving</u>	<u>Woodbury County Information Communication Commission</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ ---	\$ ---	\$ 503,518
Accounts Receivable	---	66,724	302,858
Due from Other Governments	<u>52,103</u>	<u>487,142</u>	<u>---</u>
Total Assets	<u>52,103</u>	<u>553,866</u>	<u>806,376</u>
<b><u>LIABILITIES</u></b>			
Accounts Payable	28,078	553,866	---
Due to Other Governments	<u>24,025</u>	<u>---</u>	<u>806,376</u>
Total Liabilities	<u>52,103</u>	<u>553,866</u>	<u>806,376</u>
<b><u>NET POSITION</u></b>			
Unrestricted	<u>---</u>	<u>---</u>	<u>---</u>
Total Net Position	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

<u>Museum Building Property Inc.</u>	<u>Sioux City Sports Commission</u>	<u>Utility Line Service Provider Fund</u>	<u>Totals</u>
\$ ---	\$ ---	\$ 115,064	\$ 618,582
---	---	201,606	571,188
<u>---</u>	<u>---</u>	<u>---</u>	<u>539,245</u>
<u>---</u>	<u>---</u>	<u>316,670</u>	<u>1,729,015</u>
---	---	316,670	898,614
<u>---</u>	<u>---</u>	<u>---</u>	<u>830,401</u>
<u>---</u>	<u>---</u>	<u>316,670</u>	<u>1,729,015</u>
<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**CITY OF SIOUX CITY, IOWA  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

<b>SIOUX CITY HOUSING TRUST FUND</b>	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ ---	\$ 416,212	\$ 416,212	\$ ---
Due from Other Governments	26,659	52,103	26,659	52,103
Total Assets	<u>26,659</u>	<u>468,315</u>	<u>442,871</u>	<u>52,103</u>
<b><u>LIABILITIES</u></b>				
Accounts Payable	24,298	28,172	24,392	28,078
Due to Other Governments	2,361	440,143	418,479	24,025
Total Liabilities	<u>\$ 26,659</u>	<u>\$ 468,315</u>	<u>\$ 442,871</u>	<u>\$ 52,103</u>
 <b>REVOLVING</b>				
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ ---	\$ 1,046,486	\$ 1,046,486	\$ ---
Accounts Receivable	65,634	861,769	860,679	66,724
Due from Other Governments	---	1,377,522	890,380	487,142
Total Assets	<u>65,634</u>	<u>3,285,777</u>	<u>2,797,545</u>	<u>553,866</u>
<b><u>LIABILITIES</u></b>				
Accounts Payable	55,824	1,420,673	922,631	553,866
Due to Other Governments	9,810	1,865,104	1,874,914	---
Total Liabilities	<u>\$ 65,634</u>	<u>\$ 3,285,777</u>	<u>\$ 2,797,545</u>	<u>\$ 553,866</u>
 <b>WOODBURY COUNTY INFORMATION COMMUNICATION COMMISSION (WCICC)</b>				
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 558,221	\$ 5,143,942	\$ 5,198,645	\$ 503,518
Accounts Receivable	123,350	3,573,527	3,394,019	302,858
Total Assets	<u>681,571</u>	<u>8,717,469</u>	<u>8,592,664</u>	<u>806,376</u>
<b><u>LIABILITIES</u></b>				
Due to Other Governments	681,571	8,717,469	8,592,664	806,376
Total Liabilities	<u>\$ 681,571</u>	<u>\$ 8,717,469</u>	<u>\$ 8,592,664</u>	<u>\$ 806,376</u>

**MUSEUM BUILDING  
PROPERTY INC.**

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 20,568	\$ 1,539,742	\$ 1,560,310	\$ ---
Accounts Receivable	---	34,766	34,766	---
Total Assets	<u>20,568</u>	<u>1,574,508</u>	<u>1,595,076</u>	<u>---</u>
<b><u>LIABILITIES</u></b>				
Accounts Payable	63	174,692	174,755	---
Due to Other Governments	20,505	1,399,816	1,420,321	---
Total Liabilities	<u>\$ 20,568</u>	<u>\$ 1,574,508</u>	<u>\$ 1,595,076</u>	<u>\$ ---</u>

**SIOUX CITY  
SPORTS COMMISSION**

<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 6,920	\$ 52,502	\$ 59,422	\$ ---
Total Assets	<u>6,920</u>	<u>52,502</u>	<u>59,422</u>	<u>---</u>
<b><u>LIABILITIES</u></b>				
Accounts Payable	---	29,543	29,543	---
Due to Other Governments	6,920	22,959	29,879	---
Total Liabilities	<u>\$ 6,920</u>	<u>\$ 52,502</u>	<u>\$ 59,422</u>	<u>\$ ---</u>

**UTILITY LINE SERVICE**

<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 81,364	\$ 1,191,638	\$ 1,157,938	\$ 115,064
Accounts Receivable	157,320	1,329,135	1,284,849	201,606
Total Assets	<u>238,684</u>	<u>2,520,773</u>	<u>2,442,787</u>	<u>316,670</u>
<b><u>LIABILITIES</u></b>				
Accounts Payable	238,684	2,520,773	2,442,787	316,670
Total Liabilities	<u>\$ 238,684</u>	<u>\$ 2,520,773</u>	<u>\$ 2,442,787</u>	<u>\$ 316,670</u>

**AGENCY FUNDS**

<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 667,073	\$ 9,390,522	\$ 9,439,013	\$ 618,582
Accounts Receivable	346,304	5,799,197	5,574,313	571,188
Due from Other Governments	26,659	1,429,625	917,039	539,245
Total Assets	<u>1,040,036</u>	<u>16,619,344</u>	<u>15,930,365</u>	<u>1,729,015</u>
<b><u>LIABILITIES</u></b>				
Accounts Payable	318,869	4,173,853	3,594,108	898,614
Due to Other Governments	721,167	12,445,491	12,336,257	830,401
Total Liabilities	<u>\$ 1,040,036</u>	<u>\$ 16,619,344</u>	<u>\$ 15,930,365</u>	<u>\$ 1,729,015</u>

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**



CITY OF SIOUX CITY, IOWA  
PASSENGER FACILITY CHARGES

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

**PFC Revenue and Disbursement Schedule**  
**Sioux Gateway Airport/Col. Bud Day Field Airport Authority**  
**07/01/17 - 06/30/18**

	FY-17 Program Total	Quarter 1 July - Sept.	Quarter 2 Oct. - Dec.	Quarter 3 Jan. - March	Quarter 4 April - June	FY-18 Total	FY-18 Program Total
<b>Revenue:</b>							
Collections	\$ 4,113,285	\$ 39,933	\$ 29,770	\$ 59,341	\$ 44,242	\$ 173,286	\$ 4,286,571
Interest	1,676	-	-	-	-	-	1,676
Total Revenue	4,114,961	39,933	29,770	59,341	44,242	173,286	4,288,247
<b>Disbursements:</b>							
Application #1							
Taxiway C Extension	71,875	-	-	-	-	-	71,875
Snow Equip. & Fencing	38,347	-	-	-	-	-	38,347
Security Access	62,803	-	-	-	-	-	62,803
Snow Sweeper	21,000	-	-	-	-	-	21,000
Taxiway A & E	10,440	-	-	-	-	-	10,440
Total Application #1	204,465	-	-	-	-	-	204,465
Application #2							
Term. Access Road	493,138	-	-	-	-	-	493,138
Financing & Interest	243,428	-	-	-	-	-	243,428
Airfield Signage/Marking	61,160	-	-	-	-	-	61,160
Financing & Interest	30,316	-	-	-	-	-	30,316
Snow Removal Equip.	6,240	-	-	-	-	-	6,240
Runway 13/31 Rehab.	528,087	-	-	-	-	-	528,087
Financing & Interest	260,690	-	-	-	-	-	260,690
Total Application #2	1,623,059	-	-	-	-	-	1,623,059
Application #3							
Taxiway Alpha	134,515	-	-	-	-	-	134,515
Financing & Interest	53,363	-	-	-	-	-	53,363
Taxiway Echo	60,200	-	-	-	-	-	60,200
Financing & Interest	23,887	-	-	-	-	-	23,887
AirCarrier (SIDA) Ramp	246,600	-	-	-	-	-	246,600
Financing & Interest	97,806	-	-	-	-	-	97,806
Taxiway Bravo	15,400	-	-	-	-	-	15,400
Financing & Interest	6,058	-	-	-	-	-	6,058
Taxiway Charlie	139,200	-	-	-	-	-	139,200
Financing & Interest	55,204	-	-	-	-	-	55,204
Snow Plow (#29) Replace	20,990	-	-	-	-	-	20,990
Financing & Interest	8,327	-	-	-	-	-	8,327
Airport Master Plan	15,000	-	-	-	-	-	15,000
Financing & Interest	5,951	-	-	-	-	-	5,951
Total Application #3	882,501	-	-	-	-	-	882,501
Application #4							
Taxiway Bravo	4,466	-	-	-	-	-	4,466
Financing & Interest	1,757	-	-	-	-	-	1,757
Taxiway Charlie & Air Carrier Ramp	111,882	-	-	-	-	-	111,882
Financing & Interest	44,373	-	-	-	-	-	44,373
Airport Master Plan	4,350	-	-	-	-	-	4,350
Financing & Interest	1,726	-	-	-	-	-	1,726
Snow Plow (#29) Replacement	6,087	-	-	-	-	-	6,087
Financing & Interest	2,415	-	-	-	-	-	2,415
Reconstruct Alpha South & Echo	58,021	-	-	-	-	-	58,021
Financing & Interest	23,018	-	-	-	-	-	23,018
Total Application #4	258,095	-	-	-	-	-	258,095
Application #5							
Terminal Concept Plan	8,149	-	-	-	-	-	8,149
Financing & Interest	2,119	-	-	-	-	-	2,119
Acquire and Modify Loading Bridge	49,230	-	-	-	-	-	49,230
Financing & Interest	12,800	-	-	-	-	-	12,800
Construct Terminal Entrance Road	76,510	-	-	-	-	-	76,510
Financing & Interest	19,893	-	-	-	-	-	19,893
Acquire Snow Removal Equipment	54,313	-	-	-	-	-	54,313
Financing & Interest	14,121	-	-	-	-	-	14,121
Rehabilitate Aircraft Parking Apron	59,073	-	-	-	-	-	59,073
Financing & Interest	15,359	-	-	-	-	-	15,359
Acquire Land for Runway 13 RPZ	29,919	-	-	-	-	-	29,919
Financing & Interest	7,779	-	-	-	-	-	7,779
Acquire Replace Snow Plow Truck	15,155	-	-	-	-	-	15,155
Financing & Interest	3,940	-	-	-	-	-	3,940
Extend Taxiway C (include perimeter road)	252,139	-	-	-	-	-	252,139
Financing & Interest	65,556	-	-	-	-	-	65,556
Acquire Replacement Snow Blower	20,000	-	-	-	-	-	20,000
Financing & Interest	5,200	-	-	-	-	-	5,200
Total Application #5	711,255	-	-	-	-	-	711,255

**PFC Revenue and Disbursement Schedule**  
**Sioux Gateway Airport/Col. Bud Day Field Airport Authority**  
**07/01/17 - 06/30/18**

	FY-17 Program Total	Quarter 1 July - Sept.	Quarter 2 Oct. - Dec.	Quarter 3 Jan. - March	Quarter 4 April - June	FY-18 Total	FY-18 Program Total
Application #6							
Snow Removal Equipment Building	62,673					-	62,673
Rehabilitate Apron (Design)	8,279					-	8,279
Rehabilitate Apron (Construction)	160,768					-	160,768
Acquire Snow Removal Equip-Deicer	10,263					-	10,263
Rehabilitate Terminal Building	193,603	15,117				15,117	208,720
Rehabilitate Terminal Loading Bridge	-	24,816	9,747			34,563	34,563
Install Guidance Signs	-		20,023	12,292		32,315	32,315
Acquire Snow Removal Equip-Broom	-			28,380		28,380	28,380
Update Airport Master Plan Study	-			18,669		19,063	19,063
Rehabilitate Apron (Taxiways)	-				394	43,848	43,848
Security Enhancements	-					-	-
Acquire Snow Removal Equip-Broom	-					-	-
Total Application #6	435,586	39,933	29,770	59,341	44,242	173,286	608,872
Total Disbursements	4,114,961	39,933	29,770	59,341	44,242	173,286	4,288,247
Net PFC Revenue (rev. - disb.)							
PFC Account Balance	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---

Notes:

- Schedule is presented on the cash basis of accounting.

CITY OF SIOUX CITY, IOWA  
STATISTICAL SECTION

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

# CITY OF SIOUX CITY, IOWA

## STATISTICAL SECTION

(Unaudited)

This part of the City of Sioux City’s comprehensive annual financial report presents detailed information as a context for understanding this year’s financial statements, note disclosures and supplementary information. This information has not been audited by the independent auditor.

<b><u>Contents</u></b>	<b><u>Table</u></b>
<p><b>Financial Trends</b>            These tables contain trend information that may assist the reader in assessing the City’s current financial performance by placing it in historical perspective.</p>	I -V
<p><b>Revenue Capacity</b>            These tables contain information that may assist the reader in assessing the City’s most significant local revenue source, the property tax.</p>	VI-X
<p><b>Debt Capacity</b>            These tables present information that may assist the reader in analyzing the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</p>	XI-XV
<p><b>Economic &amp; Demographic Information</b>            These tables offer economic and demographic indicators to assist the reader in understanding the environment within which the government’s financial activities take place.</p>	XVI-XVII
<p><b>Operating Information</b>            These tables contain service and infrastructure indicators that can inform one’s understanding how the information in the City’s financial statements relates to the services the City provides and the activities it performs.</p>	XVIII-XX

**Source:**

Unless otherwise noted, the information in these tables is derived from the annual financial report for the relevant year.

**CITY OF SIOUX CITY, IOWA**  
**GOVERNMENT-WIDE NET POSITION BY COMPONENT<sup>1</sup>**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	2009	2010	2011	2012
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 215,118,921	\$ 227,946,599	\$ 240,923,862	\$ 259,727,010
Restricted for:				
Capital Improvements	4,854,761	19,204,876	45,429,483	39,237,581
Debt Service	4,889,636	8,262,859	9,984,352	10,954,271
Road Use	---	---	316,770	391,564
Other Employee Benefits	---	---	234,952	151,928
Community Programs & Services	---	---	11,223,309	10,180,086
Other Purposes	---	---	41,801	41,688
Endowment, non-expendable	980,767	1,001,069	1,019,455	1,058,731
Unrestricted	41,580,680	29,719,252	(8,425,953)	(12,342,248)
<b>Total Governmental Activities Net Position</b>	<u>267,424,765</u>	<u>286,134,655</u>	<u>300,748,031</u>	<u>309,400,611</u>
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	89,062,832	97,806,290	111,463,154	106,357,863
Restricted for:				
Unrestricted	15,063,269	16,550,721	16,507,829	29,267,015
<b>Total Business-Type Activities Net Position</b>	<u>104,126,101</u>	<u>114,357,011</u>	<u>127,970,983</u>	<u>135,624,878</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	304,181,753	325,752,889	352,387,016	375,240,092
Restricted for:				
Capital Improvements	4,854,761	19,204,876	45,429,483	46,211,716
Debt Service	4,889,636	8,262,859	9,984,352	6,499,138
Road Use	---	---	316,770	1,082,738
Other Employee Benefits	---	---	234,952	96,087
Community Programs & Services	---	---	11,223,309	10,111,743
Other Purposes	---	---	41,801	41,691
Endowment, non-expendable	980,767	1,001,069	1,019,455	1,093,001
Unrestricted	56,643,949	46,269,973	8,081,876	30,058,894
<b>Total Primary Government Net Position</b>	<u>\$ 364,784,849</u>	<u>\$ 371,550,866</u>	<u>\$ 400,491,666</u>	<u>\$ 428,719,014</u>

Notes:

<sup>1</sup> Accounting standards require that net position be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net position is considered restricted only when (1) an external party, such as the State of Iowa or the Federal Government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the City.



TABLE I

2013	2014	2015	2016	2017	2018
\$ 265,299,824	\$ 262,337,178	\$ 272,782,703	\$ 274,672,271	\$ 287,159,597	\$ 294,629,930
46,211,716	40,485,135	32,839,527	44,561,561	40,315,476	47,955,424
6,499,138	5,500,549	6,882,363	8,783,652	12,561,271	10,958,160
1,082,738	612,144	1,601,417	3,148,331	4,052,889	4,139,603
96,087	- - -	- - -	352,955	562,167	1,059,527
10,111,743	10,029,197	10,254,845	10,571,257	11,304,171	9,011,162
41,691	48,552	57,395	67,184	866,180	887,735
1,093,001	1,117,948	1,162,851	1,184,079	1,199,791	1,236,317
(3,938,067)	(3,574,483)	(41,088,420)	(39,575,416)	(43,291,127)	(32,210,839)
<u>326,497,871</u>	<u>316,556,220</u>	<u>284,492,681</u>	<u>303,765,874</u>	<u>314,730,415</u>	<u>337,667,019</u>
109,940,268	118,515,774	131,172,147	131,172,147	163,351,087	169,481,588
33,996,961	33,981,982	26,938,861	26,938,861	1,187,052	5,392,717
<u>143,937,229</u>	<u>152,497,756</u>	<u>158,111,008</u>	<u>158,111,008</u>	<u>164,538,139</u>	<u>174,874,305</u>
375,240,092	380,852,952	394,466,006	450,510,684	450,510,684	464,111,518
46,211,716	40,485,135	32,839,527	44,561,561	40,315,476	47,955,424
6,499,138	5,500,549	6,882,363	8,783,652	12,561,271	10,958,160
1,082,738	612,144	1,601,417	3,148,331	4,052,889	4,139,603
96,087	- - -	- - -	352,955	562,167	1,059,527
10,111,743	10,029,197	10,254,845	10,571,257	11,304,171	9,011,162
41,691	48,552	57,395	67,184	866,180	887,735
1,093,001	1,117,948	1,162,851	1,184,079	1,199,791	1,236,317
30,058,894	30,407,499	(10,398,302)	(12,636,555)	(42,104,075)	(26,818,122)
<u>\$ 470,435,100</u>	<u>\$ 470,435,100</u>	<u>\$ 469,053,976</u>	<u>\$ 506,543,148</u>	<u>\$ 479,268,554</u>	<u>\$ 512,541,324</u>

**CITY OF SIOUX CITY, IOWA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR			
	2009	2010	2011	2012
<b>Expenses</b>				
Governmental Activities:				
Public Safety	\$ 31,565,111	\$ 32,815,671	\$ 33,066,562	\$ 35,153,307
Public Works	17,695,921	18,703,073	18,462,437	18,146,262
Culture and Recreation	18,427,540	18,748,901	18,629,284	19,105,473
Community and Economic Development	10,847,635	14,585,952	13,195,482	14,093,979
General Government	12,097,651	11,884,328	10,164,915	10,023,938
Debt Service	6,309,941	5,908,003	6,008,221	5,784,156
Total Governmental Activities Expenses	<u>96,943,799</u>	<u>102,645,928</u>	<u>99,526,901</u>	<u>102,604,487</u>
Business-Type Activities:				
Airport	3,624,184	3,683,947	4,083,451	4,489,545
Water	9,046,687	9,462,914	10,354,948	11,690,391
Sewer	12,493,265	13,573,929	14,488,052	13,213,218
Solid Waste	4,242,223	4,469,177	4,630,860	4,758,852
Parking	1,671,573	1,412,106	1,549,100	1,570,589
Skyway System	318,624	378,203	312,635	382,081
Total Business-Type Activities Expenses	<u>31,396,556</u>	<u>32,980,276</u>	<u>35,419,046</u>	<u>36,104,676</u>
Total Primary Government Expenses	<u>128,340,355</u>	<u>135,626,204</u>	<u>134,945,947</u>	<u>138,709,163</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
Public Safety	1,034,208	1,051,542	1,224,249	1,080,541
Public Works	4,245,184	4,257,041	4,462,029	4,680,854
Culture and Recreation	5,295,764	5,898,699	6,131,602	6,042,193
Community and Economic Development	212,204	208,647	209,815	206,055
General Government	5,356,830	6,377,269	7,387,758	4,168,644
Operating Grants and Contributions	18,059,563	20,164,596	21,909,868	21,777,329
Capital Grants and Contributions	6,050,466	15,344,878	8,711,966	8,856,243
Total Governmental Activities Program Revenues	<u>\$ 40,254,219</u>	<u>\$ 53,302,672</u>	<u>\$ 50,037,287</u>	<u>\$ 46,811,859</u>

TABLE II

2013	2014	2015	2016	2017	2018
\$ 35,578,147	\$ 36,482,386	\$ 34,386,270	\$ 36,180,044	\$ 39,933,730	\$ 43,831,004
18,148,457	20,050,690	19,930,848	20,348,712	21,684,852	23,976,620
19,056,629	18,423,101	19,382,608	19,834,787	18,619,074	17,009,183
11,888,737	31,236,262	16,007,475	11,938,118	14,013,100	15,135,002
9,464,502	8,830,441	9,011,536	9,733,627	12,562,923	11,045,764
5,643,693	5,858,236	5,586,537	5,630,457	5,450,657	5,420,699
<u>100,077,537</u>	<u>120,881,116</u>	<u>104,305,274</u>	<u>103,665,745</u>	<u>112,264,336</u>	<u>116,418,272</u>
4,328,864	4,425,095	4,858,212	4,549,789	4,100,697	4,779,360
12,257,979	12,746,754	14,917,467	14,325,963	14,455,073	15,771,123
13,082,732	13,381,173	14,435,262	16,170,513	18,445,291	19,843,501
5,075,557	4,670,923	5,198,453	5,210,077	5,402,037	5,505,705
1,724,424	1,414,570	1,509,232	1,394,742	1,202,414	1,372,187
372,045	359,782	360,690	356,046	352,961	362,541
<u>36,841,601</u>	<u>36,998,297</u>	<u>41,279,316</u>	<u>42,007,130</u>	<u>43,958,473</u>	<u>47,634,417</u>
<u>136,919,138</u>	<u>157,879,413</u>	<u>145,584,590</u>	<u>145,672,875</u>	<u>156,222,809</u>	<u>164,052,689</u>
964,489	1,503,474	1,374,669	1,346,662	1,233,509	1,700,743
4,586,684	4,310,705	4,541,044	4,132,529	4,511,657	5,027,839
6,154,581	5,936,331	6,137,962	6,003,577	5,778,656	3,717,303
194,676	233,563	202,127	220,404	267,608	277,230
17,421,199	6,684,762	4,039,395	5,645,760	5,258,741	10,637,514
18,601,593	19,774,495	21,981,811	23,895,611	25,717,743	24,649,179
3,260,591	2,525,860	6,842,315	4,656,416	6,726,564	9,321,461
<u>\$ 51,183,813</u>	<u>\$ 40,969,190</u>	<u>\$ 45,119,323</u>	<u>\$ 45,900,959</u>	<u>\$ 49,494,478</u>	<u>\$ 55,331,269</u>

**CITY OF SIOUX CITY, IOWA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	2009	2010	2011	2012
<b>Business-Type Activities:</b>				
Charges for Services:				
Airport	\$ 1,582,967	\$ 1,559,765	\$ 1,568,331	\$ 1,664,593
Water	10,990,717	11,365,825	11,834,682	14,029,681
Sewer	16,372,370	17,370,461	17,127,635	19,171,819
Solid Waste	4,631,072	4,607,291	4,473,164	4,584,655
Parking	1,219,013	1,261,195	1,294,498	1,423,385
Skyway System	318,624	378,203	312,635	449,611
Operating Grants and Contributions	2,329,283	131,069	598,268	435,479
Capital Grants and Contributions	-	5,454,015	9,067,435	941,572
Total Business-Type Activities Program Revenues	<u>37,444,046</u>	<u>42,127,824</u>	<u>46,276,648</u>	<u>42,700,795</u>
Total Primary Government Program Revenues	<u>90,746,718</u>	<u>92,165,111</u>	<u>93,088,507</u>	<u>93,884,608</u>
Net (Expense)/Revenue <sup>1</sup>				
Governmental Activities	(49,343,256)	(49,489,614)	(55,792,628)	(48,893,724)
Business-Type Activities	<u>4,463,770</u>	<u>6,708,778</u>	<u>10,171,972</u>	<u>5,859,194</u>
Total Primary Government Net Expense	<u>(44,879,486)</u>	<u>(42,780,836)</u>	<u>(45,620,656)</u>	<u>(43,034,530)</u>
<b>General Revenues</b>				
Governmental Activities:				
Property Taxes	50,788,744	50,213,734	48,720,069	47,856,978
Franchise Taxes	2,586,811	2,426,557	2,363,862	2,174,884
Hotel-Motel Taxes	1,061,104	1,098,913	1,245,787	1,263,522
Local Option Sales Taxes	10,992,806	11,132,267	11,138,684	11,147,414
Interest	1,457,756	1,070,516	669,439	588,020
Revenue from Sale of Uncapitalized Property	539,534	644,883	694,982	376,449
Miscellaneous	1,751,700	2,002,806	1,541,054	1,467,847
Net Gain on Sale of Capital Assets	87,064	-	9,165	90,008
Extraordinary Items	(14,034,170)	-	-	-
Transfers	(895,066)	(536,530)	(2,280,052)	(519,914)
Total Governmental Activities	<u>54,336,283</u>	<u>68,053,146</u>	<u>64,102,990</u>	<u>64,445,208</u>
Business-Type Activities:				
Interest	497,295	299,164	360,359	387,506
Miscellaneous	1,670,839	247,668	114,930	150,356
Net Gain on Sale of Capital Assets	8,624	-	1,029	-
Transfers	895,066	536,530	2,280,052	519,914
Total Business-Type Activities	<u>3,071,824</u>	<u>1,083,362</u>	<u>2,756,370</u>	<u>1,057,776</u>
Total Primary Government	<u>57,408,107</u>	<u>69,136,508</u>	<u>66,859,360</u>	<u>65,502,984</u>
<b>Change in Net Position</b>				
Governmental Activities	4,993,027	18,563,532	8,310,362	15,551,484
Business-Type Activities	<u>7,535,594</u>	<u>7,792,140</u>	<u>12,928,342</u>	<u>6,916,970</u>
Total Primary Government	<u>\$ 12,528,621</u>	<u>\$ 26,355,672</u>	<u>\$ 21,238,704</u>	<u>\$ 22,468,454</u>

Notes:

<sup>1</sup> Net (expense)/revenue is the difference between the expenses and program revenues of a function or program.

It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues.

TABLE II  
(Continued)

2013	2014	2015	2016	2017	2018
\$ 1,692,593	\$ 1,759,517	\$ 1,866,695	\$ 1,919,155	\$ 2,113,798	\$ 2,044,472
14,258,996	14,453,751	14,115,916	14,227,706	16,438,784	17,925,017
17,863,593	17,776,343	17,347,894	18,979,416	18,208,974	22,329,334
4,859,491	5,087,522	5,151,109	5,275,297	5,651,905	5,461,607
1,362,709	1,443,506	1,480,186	1,556,560	1,471,383	1,334,350
372,045	276,582	318,269	267,181	264,589	315,827
255,474	107,960	83,394	52,506	36,508	18,326
2,534,064	1,365,936	298,319	1,863,899	1,152,552	4,548,354
43,198,965	42,271,117	40,661,782	44,141,720	45,338,493	53,977,287
84,168,155	87,390,440	86,562,741	93,636,198	94,832,971	109,308,556
(79,911,926)	(59,185,951)	(57,764,786)	(62,769,858)	(62,769,858)	(61,087,003)
6,200,668	991,801	(1,345,348)	183,247	1,380,020	6,342,870
(73,711,258)	(58,194,150)	(59,110,134)	(62,586,611)	(61,389,838)	(54,744,133)
48,661,701	51,422,485	52,006,707	51,076,097	53,381,179	52,270,337
2,379,273	2,681,383	4,840,456	5,020,270	5,477,766	6,111,068
1,375,769	1,594,073	1,809,271	2,470,431	2,288,141	2,295,884
11,820,387	12,680,781	12,870,868	14,572,844	13,713,561	12,931,221
453,317	1,076,366	744,163	912,022	613,820	658,503
709,868	805,868	1,107,349	1,856,033	706,377	523,976
1,789,176	1,432,604	1,739,780	2,660,144	1,814,168	1,781,682
324,974	209,574	503,923	1,497,028	156,405	243,390
---	---	---	---	---	---
(1,523,481)	(1,451,922)	(2,287,701)	(3,026,890)	(4,417,018)	(3,298,532)
65,990,984	70,451,212	73,334,816	77,037,979	73,734,399	73,517,529
306,810	537,065	482,338	389,712	362,787	432,070
124,696	1,741,486	1,722,375	186,395	267,306	262,694
---	928,389	---	---	---	---
1,523,481	1,451,922	2,287,701	3,026,890	4,417,018	3,298,532
1,954,987	4,658,862	4,492,414	3,602,997	5,047,111	3,993,296
67,945,971	75,110,074	77,827,230	80,640,976	78,781,510	77,510,825
(13,920,942)	11,265,261	15,570,030	14,268,121	10,964,541	12,430,526
8,155,655	5,650,663	3,147,066	3,786,244	6,427,131	10,336,166
\$ (5,765,287)	\$ 16,915,924	\$ 18,717,096	\$ 18,054,365	\$ 17,391,672	\$ 22,766,692

**CITY OF SIOUX CITY  
TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

**TABLE III**

<b>FISCAL YEAR</b>	<b>GENERAL PROPERTY TAXES</b>	<b>LOCAL OPTION SALES TAXES</b>	<b>UTILITY FRANCHISE TAXES<sup>1</sup></b>	<b>CABLE TV FRANCHISE TAX</b>	<b>HOTEL-MOTEL TAXES</b>	<b>TOTAL TAXES</b>
2009	\$ 50,788,744	\$ 10,992,806	\$ 2,140,738	\$ 446,073	\$ 1,061,104	\$ 65,429,465
2010	50,213,734	11,132,267	1,965,206	461,351	1,098,913	64,871,471
2011	48,720,069	11,138,684	1,923,225	440,637	1,245,787	63,468,402
2012	47,856,978	11,147,414	1,752,345	422,539	1,263,522	62,442,798
2013	48,661,701	11,820,387	1,955,130	424,143	1,375,769	64,237,130
2014	51,422,485	12,680,781	2,261,202	420,181	1,594,073	68,378,722
2015	52,006,707	12,870,868	4,427,062	413,394	1,809,271	71,527,302
2016	51,076,097	14,572,844	4,640,488	379,782	2,470,431	73,139,642
2017	53,381,179	13,713,561	5,139,193	338,573	2,288,141	74,860,647
2018	\$ 52,270,337	\$ 12,931,221	\$ 5,730,070	\$ 380,998	\$ 2,295,884	\$ 73,608,510
Percentage Change In Dollars Over 10 Years	2.92%	17.63%	167.67%	-14.59%	116.37%	12.50%

Notes:

<sup>1</sup> In fiscal year 2015, the City passed an increase in the utility franchise taxes.

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

**CITY OF SIOUX CITY, IOWA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS<sup>3</sup>**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund				
Reserved <sup>1</sup>	\$ 574,335	\$ ---	\$ ---	\$ ---
Non-Spendable	---	22,000	314,972	13,578
Committed	---	446,436	418,019	479,418
Unreserved	7,578,177	---	---	---
Unassigned	---	7,737,493	7,559,420	7,868,807
Total General Fund	<u>8,152,512</u>	<u>8,205,929</u>	<u>8,292,411</u>	<u>8,361,803</u>
All Other Governmental Funds				
Reserved <sup>1</sup>	56,777,930	---	---	---
Non-Spendable	---	18,282,888	10,880,323	1,653,675
Restricted	---	10,330,941	56,094,282	58,674,582
Committed	---	18,833,986	956,895	594,137
Unreserved	6,656,344	---	---	---
Assigned	---	23,372,058	2,209,013	2,379,614
Unassigned	---	(2,082,783)	(1,324,552)	(1,211,015)
Total All Other Governmental Funds <sup>2</sup>	<u>63,434,274</u>	<u>68,737,090</u>	<u>68,815,961</u>	<u>62,090,993</u>
Total Governmental Funds				
Reserved	57,352,265	---	---	---
Non-Spendable	---	18,304,888	11,195,295	1,667,253
Restricted	---	10,330,941	56,094,282	58,674,582
Committed	---	19,280,422	1,374,914	1,073,555
Unreserved	14,234,521	---	---	---
Assigned	---	23,372,058	2,209,013	2,379,614
Unassigned	---	5,654,710	6,234,868	6,657,792
Total Governmental Funds	<u>\$ 71,586,786</u>	<u>\$ 76,943,019</u>	<u>\$ 77,108,372</u>	<u>\$ 70,452,796</u>

Notes:

<sup>1</sup> The fluctuations in the General Fund reserved fund balance are due to the encumbrances at year-end.

<sup>2</sup> The fluctuations in the fund balance result from construction projects in which funds are borrowed in one year and spent in another fiscal year.

<sup>3</sup> The Governmental Accounting Standards Board (GASB) issued Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in February 2009, which changed the requirements for fund balance classifications and reporting. The City implemented this standard for fiscal year 2010.



TABLE IV

2013	2014	2015	2016	2017	2018
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
8,800	17,166	20,022	22,747	22,027	41,397
343,224	366,176	273,195	307,288	247,566	283,446
---	---	---	---	---	---
8,357,777	8,548,208	8,944,762	9,243,676	9,512,215	9,787,675
<u>8,709,801</u>	<u>8,931,550</u>	<u>9,237,979</u>	<u>9,573,711</u>	<u>9,781,808</u>	<u>10,112,518</u>
---	---	---	---	---	---
1,516,903	1,479,669	3,391,007	1,379,602	1,199,791	1,236,317
86,115,972	68,420,998	68,031,384	90,082,545	84,760,483	91,685,014
750,135	899,555	577,346	242,553	640,984	995,282
---	---	---	---	---	---
3,055,795	3,402,318	2,901,447	4,474,887	2,915,382	2,381,846
(1,391,285)	(475,953)	(485,741)	(198,005)	48,423	261,721
<u>90,047,520</u>	<u>73,726,587</u>	<u>74,415,443</u>	<u>95,981,582</u>	<u>89,565,063</u>	<u>96,560,180</u>
---	---	---	---	---	---
1,525,703	1,496,835	3,411,029	1,402,349	1,221,818	1,277,714
86,115,972	68,420,998	68,031,384	90,082,545	84,760,483	91,685,014
1,093,359	1,265,731	850,541	549,841	888,550	1,278,728
---	---	---	---	---	---
3,055,795	3,402,318	2,901,447	4,474,887	2,915,382	2,381,846
6,966,492	8,072,255	8,459,021	9,045,671	9,560,638	10,049,396
<u>\$ 98,757,321</u>	<u>\$ 82,658,137</u>	<u>\$ 83,653,422</u>	<u>\$ 105,555,293</u>	<u>\$ 99,346,871</u>	<u>\$ 106,672,698</u>

**CITY OF SIOUX CITY, IOWA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR			
	2009	2010	2011	2012
<b>Revenues</b>				
Taxes	\$ 65,343,777	\$ 64,952,946	\$ 63,424,277	\$ 62,436,249
Special Assessments	180,335	220,916	427,836	206,362
Regulatory Fees	1,318,657	1,809,309	2,798,758	3,933,570
Intergovernmental Revenue	23,609,689	33,242,384	27,458,471	29,624,144
Revenue from the Use of Property	4,319,645	5,133,199	5,363,839	4,884,517
Charges for Services	8,095,902	8,124,607	8,506,318	9,026,606
Interest	1,390,580	1,048,889	645,339	561,595
Contributions	220,392	2,006,582	2,970,138	681,232
Miscellaneous	1,622,361	1,096,745	1,008,826	957,905
Gain on Sale of Land Held for Resale	---	---	---	---
Total Revenues	<u>106,101,338</u>	<u>106,101,338</u>	<u>112,603,802</u>	<u>112,603,802</u>
<b>Expenditures<sup>1</sup></b>				
Public Safety	28,364,591	30,633,912	32,033,725	32,704,574
Public Works	13,791,226	13,857,068	14,409,099	14,426,940
Culture and Recreation	14,711,438	15,830,037	15,591,587	16,021,673
Community and Economic Development	10,836,744	9,150,589	10,325,583	10,323,564
General Government	3,234,848	2,756,647	3,574,549	3,558,628
Debt Service				
Principal	15,880,284	16,477,867	14,997,906	15,845,275
Interest and Fiscal Charges	6,507,761	6,971,753	6,047,885	6,142,542
Capital Projects	34,288,621	25,298,862	34,037,802	31,445,093
Total Expenditures	<u>127,615,513</u>	<u>120,976,735</u>	<u>131,018,136</u>	<u>130,468,289</u>
Excess (Deficiency) of Revenues over Expenditures	(21,514,175)	(14,875,397)	(18,414,334)	(17,864,487)
<b>Other Financing Sources (Uses)</b>				
Proceeds from Issuance of Bonds and Notes	24,579,000	16,239,718	18,837,640	20,745,486
Proceeds from Refunding Bonds Issued	11,710,323	6,768,104	4,580,000	---
Payment to Refunded Bond Escrow Agent	(11,840,323)	(6,703,104)	(4,725,000)	---
Premiums on Bonds Issued	414,731	370,275	672,987	544,257
Discounts on Bonds Issued	---	(35,229)	(12,480)	---
Sale of Uncapitalized Property	---	263,314	39,508	77,145
Sale of Capitalized Property	2,280,333	6,062	62,667	---
Transfers In	45,028,357	38,607,508	30,327,098	35,811,281
Transfers Out	(46,215,409)	(40,185,361)	(31,043,628)	(39,148,329)
Total Other Financing Sources	<u>25,957,012</u>	<u>15,331,287</u>	<u>18,738,792</u>	<u>18,029,840</u>
Net Change in Fund Balances	<u>\$ 4,442,837</u>	<u>\$ 455,890</u>	<u>\$ 324,458</u>	<u>\$ 165,353</u>
Debt Service as a percentage of non-capital expenditures	20.60%	23.71%	20.36%	21.40%

TABLE V

2013	2014	2015	2016	2017	2018
\$ 64,190,855	\$ 68,331,626	\$ 71,473,512	\$ 73,184,732	\$ 74,873,818	\$ 73,519,516
72,625	465,315	157,787	94,180	34,669	104,103
6,292,635	4,373,879	2,389,805	4,167,323	2,781,908	3,142,880
22,638,176	21,680,579	27,764,201	27,967,402	31,593,946	28,435,861
5,363,291	5,334,070	5,646,711	5,376,707	5,244,009	3,205,595
8,557,046	8,158,094	8,499,717	8,532,238	8,518,677	9,527,447
447,227	1,032,621	720,029	898,761	604,509	636,822
701,622	471,284	1,061,883	503,860	582,492	4,410,124
1,435,012	977,468	1,325,494	1,493,315	1,313,908	1,715,663
---	---	---	1,308,821	---	---
<u>109,698,489</u>	<u>110,824,936</u>	<u>110,824,936</u>	<u>123,527,339</u>	<u>125,547,936</u>	<u>124,698,011</u>
33,480,041	34,066,744	35,277,067	36,667,604	38,168,268	41,178,735
14,549,841	14,254,052	14,318,832	14,881,606	16,048,558	16,890,854
16,057,731	15,735,629	15,162,080	16,446,088	16,697,180	14,370,160
9,641,691	8,576,328	9,328,272	9,574,078	10,469,584	12,898,133
3,477,530	3,245,037	2,730,952	3,162,941	3,505,673	3,788,205
16,427,630	17,775,542	17,843,490	16,394,085	16,953,559	17,325,502
6,020,730	5,868,579	6,152,993	5,892,896	5,918,862	6,141,591
<u>31,835,793</u>	<u>14,708,996</u>	<u>31,455,759</u>	<u>22,495,434</u>	<u>36,057,306</u>	<u>29,419,544</u>
<u>131,490,987</u>	<u>114,230,907</u>	<u>132,269,445</u>	<u>125,514,732</u>	<u>143,818,990</u>	<u>142,012,724</u>
(21,792,498)	(3,405,971)	(21,444,509)	(1,987,393)	(18,271,054)	(17,314,713)
13,050,826	34,020,304	6,096,250	22,020,537	15,760,447	27,411,642
---	---	---	9,970,056	2,004,553	5,272,958
---	---	---	(10,167,921)	(2,000,000)	(5,572,691)
173,017	824,052	828,720	668,698	153,219	416,298
(27,517)	(133,290)	---	---	---	---
12,401	113,161	121,123	62,199	206,797	30,036
---	---	---	4,362,585	---	518,871
32,079,660	27,831,966	30,533,315	32,816,296	35,629,800	39,458,031
<u>(32,765,156)</u>	<u>(29,819,250)</u>	<u>(32,234,083)</u>	<u>(35,843,186)</u>	<u>(39,692,184)</u>	<u>(42,894,605)</u>
<u>12,523,231</u>	<u>32,836,943</u>	<u>5,345,325</u>	<u>23,889,264</u>	<u>12,062,632</u>	<u>24,640,540</u>
<u>\$ (9,269,267)</u>	<u>\$ 29,430,972</u>	<u>\$ (16,099,184)</u>	<u>\$ 21,901,871</u>	<u>\$ (6,208,422)</u>	<u>\$ 7,325,827</u>
21.33%	22.64%	19.60%	20.66%	20.41%	20.17%

**CITY OF SIOUX CITY, IOWA**  
**ASSESSED AND TAXABLE VALUE OF TAXABLE PROPERTY<sup>1</sup>**  
**LAST TEN FISCAL YEARS**

FISCAL YEAR	REAL PROPERTY		UTILITIES	
	ASSESSED VALUE	TAXABLE VALUE <sup>2</sup>	ASSESSED VALUE	TAXABLE VALUE
2009	\$ 3,465,673,736	\$ 1,880,122,184	\$ 123,186,151	\$ 123,186,151
2010	3,514,390,581	1,930,302,271	125,743,849	125,743,849
2011	3,589,308,247	2,020,074,529	116,440,894	116,440,894
2012	3,614,201,445	2,080,082,950	122,683,826	122,683,826
2013	3,729,822,637	2,195,646,202	122,445,664	122,445,664
2014	3,734,625,730	2,153,780,040	120,771,919	120,771,919
2015	3,748,172,795	2,147,833,729	124,421,315	124,421,315
2016	3,811,918,005	2,149,973,472	124,532,098	124,532,098
2017	4,113,190,420	2,363,127,363	132,083,187	132,083,187
2018	\$ 4,147,858,178	\$ 2,477,008,009	\$ 123,536,354	\$ 123,536,354

Source: Woodbury County, Iowa; County Auditor

Notes:

<sup>1</sup> Taxable Value does not include the Tax Increment Levy.

<sup>2</sup> Taxable value = (percent rollback x assessed value) - exemptions (military, homestead, elderly, etc.)

**TABLE VI**

<b>TOTAL</b>		<b>TOTAL DIRECT TAX RATE</b>	<b>TOTAL TAXABLE VALUE TO TOTAL ASSESSED VALUE</b>
<b>ASSESSED VALUE</b>	<b>TAXABLE VALUE</b>		
\$ 3,588,859,887	\$ 2,003,308,335	\$ 18.712	56%
3,640,134,430	2,056,046,120	17.851	56%
3,705,749,141	2,136,515,423	17.301	58%
3,736,885,271	2,202,766,776	16.657	59%
3,852,268,301	2,318,091,866	15.989	60%
3,855,397,649	2,274,551,959	15.989	59%
3,872,594,110	2,272,255,044	16.364	59%
3,936,450,103	2,274,505,570	16.110	58%
4,245,273,607	2,495,210,550	16.067	59%
\$ 4,271,394,532	\$ 2,600,544,363	\$ 15.771	61%

**CITY OF SIOUX CITY, IOWA  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1,000 OF TAXABLE VALUE)  
LAST TEN FISCAL YEARS  
TAX RATES**

FISCAL YEAR	CITY OF SIOUX CITY				OVERLAPPING RATES	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	TOTAL DIRECT	SCHOOL DISTRICT	COUNTY
2009	\$ 8.721	\$ 8.534	\$ 1.457	\$ 18.712	\$ 17.762	\$ 7.952
2010	8.682	5.011	4.158	17.851	17.610	7.933
2011	8.471	4.763	4.067	17.301	17.755	7.985
2012	8.411	4.462	3.784	16.657	17.116	7.738
2013	8.395	4.034	3.560	15.989	17.190	7.450
2014	8.406	3.824	4.018	16.248	16.681	7.397
2015	8.335	4.336	3.693	16.364	16.523	7.764
2016	8.633	4.343	3.134	16.110	15.770	7.516
2017	8.669	3.810	3.589	16.067	15.480	7.454
2018	\$ 8.688	\$ 3.532	\$ 3.551	\$ 15.771	\$ 15.390	\$ 7.406

Source: Woodbury County, Iowa; County Auditor

**TABLE VII**

<b>OVERLAPPING RATES</b>							
<b>WESTERN IOWA TECH</b>	<b>CITY ASSESSOR</b>	<b>AG EXTENSION</b>	<b>SPECIAL STATE</b>	<b>TOTAL OVERLAPPING</b>	<b>TOTAL DIRECT AND OVERLAPPING</b>		
\$ 0.828	\$ 0.485	\$ 0.131	\$ 0.004	\$ 27.162	\$ 45.874		
0.821	0.492	0.133	0.003	26.992	44.843		
0.818	0.442	0.129	0.003	27.132	44.433		
0.779	0.429	0.125	0.003	26.189	42.846		
0.778	0.392	0.127	0.003	25.940	41.929		
0.763	0.407	0.131	0.003	25.382	41.630		
0.780	0.459	0.134	0.003	25.662	42.026		
0.773	0.521	0.135	0.003	24.719	40.829		
0.748	0.420	0.132	0.003	24.237	40.305		
\$ 0.798	\$ 0.345	\$ 0.133	\$ 0.003	\$ 24.075	\$ 39.846		

**CITY OF SIOUX CITY, IOWA**  
**PRINCIPAL TAXPAYERS AND THEIR ASSESSED VALUATIONS**  
**JUNE 30, 2018**

**TABLE VIII**

TAXPAYER	2018			2009		
	ASSESSED <sup>1</sup> VALUE	RANK	% OF TOTAL ASSESSED VALUE	ASSESSED <sup>2</sup> VALUE	RANK	% OF TOTAL ASSESSED VALUE
SOUTHERN HILLS MALL	\$ 65,256,400	1	1.528%	\$ 73,093,200	1	2.037%
HARD ROCK HOTEL AND CASINO	50,979,300	2	1.194%	---	---	0.000%
MB SIOUX CITY LAKEPORT LLC	29,052,500	3	0.680%	37,077,100	3	1.033%
WAL-MART	25,900,000	4	0.606%	38,685,600	2	1.078%
CF INDUSTRIES NITROGEN, LLC	22,034,170	5	0.516%	---	---	0.000%
SABRE INDUSTRIES	19,276,200	6	0.451%	---	---	0.000%
NEW COOPERATIVE, INC	18,979,930	7	0.444%	---	---	0.000%
MARKETPLACE LLC	17,807,500	8	0.417%	---	---	0.000%
KNOX GELATINE INC	15,165,570	9	0.355%	---	---	0.000%
BEKINS	14,288,500	10	0.335%	---	---	0.000%
LARRY BOOK	---	---	0.000%	28,382,500	4	0.791%
DAVENPORT ET AL	---	---	0.000%	24,138,500	5	0.673%
CLOVERLEAF COLD STORAGE	---	---	0.000%	23,455,300	6	0.654%
KLINGER	---	---	0.000%	22,140,900	7	0.617%
DAVIES IOWA LOGISTICS	---	---	0.000%	18,119,300	8	0.505%
UNITYPOINT HEALTH - ST. LUKE'S	---	---	0.000%	17,122,400	9	0.477%
HANDY LC	---	---	0.000%	15,568,300	10	0.434%
TOTAL PRINCIPAL TAXPAYERS	\$ 278,740,070		6.526%	\$ 297,783,100		8.299%
ALL OTHER TAXPAYERS	<u>3,992,654,462</u>		<u>93.474%</u>	<u>3,291,076,787</u>		<u>91.701%</u>
TOTAL ASSESSED VALUATION	<u>\$ 4,271,394,532</u>		<u>100.000%</u>	<u>\$ 3,588,859,887</u>		<u>100.000%</u>

Source: City Assessor, Sioux City, Iowa

Note:

<sup>1</sup> Assessed values as of January 1, 2016.

<sup>2</sup> Assessed values as of January 1, 2007.



**CITY OF SIOUX CITY, IOWA**  
**PROPERTY TAX LEVIES AND COLLECTIONS<sup>1</sup>**  
**LAST TEN FISCAL YEARS**

**TABLE IX**

<b>FISCAL YEAR</b>	<b>TOTAL TAX LEVY<sup>2</sup></b>	<b>CURRENT TAX COLLECTIONS</b>	<b>PERCENT OF LEVY COLLECTED</b>	<b>COLLECTIONS IN SUBSEQUENT YEARS<sup>3</sup></b>	<b>TOTAL TAX COLLECTIONS</b>	<b>PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY</b>	<b>OUT-STANDING DELINQUENT TAXES</b>	<b>PERCENT OF DELINQUENT TAXES TO TAX LEVY</b>
2009	\$ 38,061,596	\$ 36,876,511	96.89%	N/A	\$ 36,876,511	96.89%	\$ 1,185,085	3.11%
2010	38,020,080	36,173,461	95.14%	N/A	36,173,461	95.14%	1,846,619	4.86%
2011	38,099,144	37,779,912	99.16%	N/A	37,779,912	99.16%	319,232	0.84%
2012	37,723,796	37,664,946	99.84%	N/A	37,664,946	99.84%	58,850	0.16%
2013	38,097,867	37,867,226	99.39%	N/A	37,867,226	99.39%	230,641	0.61%
2014	38,454,955	38,210,367	99.36%	N/A	38,210,367	99.36%	244,588	0.64%
2015	39,417,402	39,305,029	99.71%	N/A	39,305,029	99.71%	112,373	0.29%
2016	39,428,585	39,022,739	98.97%	N/A	39,022,739	98.97%	405,846	1.03%
2017	41,388,130	40,211,861	97.16%	N/A	40,211,861	97.16%	240,787	0.58%
2018	\$ 42,044,168	\$ 41,570,454	98.87%	N/A	\$ 41,570,454	98.87%	\$ 262,585	0.62%

Source: Woodbury County Treasurer, Woodbury County, Iowa

Notes:

<sup>1</sup> GAAP Basis.

<sup>2</sup> Tax Increment Levy and SID tax Levy not included.

<sup>3</sup> The Woodbury County Treasurer's Office does not record for which year delinquent payments are made.

**CITY OF SIOUX CITY, IOWA  
SPECIAL ASSESSMENT COLLECTIONS  
LAST TEN FISCAL YEARS**

**TABLE X**

<b>FISCAL YEAR</b>	<b>CURRENT ASSESSMENTS DUE</b>	<b>CURRENT ASSESSMENTS COLLECTED</b>	<b>PERCENT OF COLLECTIONS TO AMOUNT DUE</b>	<b>TOTAL OUTSTANDING CURRENT &amp; DELINQUENT ASSESSMENTS<sup>1</sup></b>
2009	\$ 83,446	\$ 63,821	76%	\$ 1,171,997
2010	117,200	221,532	189%	1,393,779
2011	139,378	276,348	198%	1,543,133
2012	154,313	177,898	115%	2,017,251
2013	300,713	259,006	86%	1,743,520
2014	349,498	359,959	103%	1,850,245
2015	196,455	151,646	77%	1,636,462
2016	113,834	195,082	171%	1,388,655
2017	103,259	205,693	199%	807,293
2018	\$ 61,152	\$ 129,148	211%	\$ 1,077,325

Source: Woodbury County Treasurer, Woodbury County, Iowa

Note:

<sup>1</sup> GAAP basis.

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

**CITY OF SIOUX CITY, IOWA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

FISCAL YEAR	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES		
	NOTES PAYABLE	GENERAL OBLIGATION BONDS	CAPITAL LEASES	NOTES PAYABLE	GENERAL OBLIGATION BONDS	REVENUE BONDS
2009	\$ 15,000	\$ 95,104,514	\$ ---	\$ 75,722,515	\$ 4,840,486	\$ ---
2010	10,417	98,803,831	---	95,878,872	6,416,169	---
2011	8,353	103,706,105	---	122,823,726	7,943,895	---
2012	1,196	100,336,458	---	140,703,316	8,153,542	---
2013	---	116,582,416	---	144,342,660	8,292,584	---
2014	1,200,000	104,835,176	---	146,091,509	9,054,824	---
2015	900,000	114,334,448	---	139,680,807	12,124,885	---
2016	600,000	120,108,555	---	131,370,363	14,809,530	---
2017	300,000	118,527,681	---	123,481,376	16,491,328	---
2018	\$ ---	\$ 128,269,024	\$ ---	\$ 125,294,482	\$ 18,351,356	\$ ---

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

<sup>1</sup> See the Schedule of Demographic and Economic Statistics, Table XVI for personal income and population data.

TABLE XI

	<b>TOTAL PRIMARY GOVERNMENT</b>	<b>PERCENTAGE OF PERSONAL INCOME<sup>1</sup></b>	<b>PER CAPITA<sup>1</sup></b>
\$	175,682,515	10.38%	2,067
	201,109,289	11.46%	2,422
	234,482,079	13.69%	2,836
	249,194,512	14.20%	3,004
	269,217,660	15.09%	3,255
	261,181,509	14.29%	3,165
	267,040,140	14.61%	3,200
	266,888,448	14.39%	3,222
	258,800,385	13.73%	3,123
\$	271,914,862	13.98%	3,295

**CITY OF SIOUX CITY, IOWA  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

**TABLE XII**

<b>FISCAL YEAR</b>	<b>GENERAL OBLIGATION BONDS</b>	<b>LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUND<sup>1</sup></b>	<b>TOTAL</b>	<b>PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE<sup>2</sup> OF PROPERTY</b>	<b>PER CAPITA<sup>3</sup></b>
2009	\$ 105,220,000	\$ 3,916,810	\$ 101,303,190	5.06%	1,192
2010	111,650,000	7,127,123	104,522,877	5.08%	1,259
2011	111,650,000	7,939,178	103,710,822	4.85%	1,254
2012	108,490,000	8,914,435	99,575,565	4.52%	1,200
2013	124,875,000	6,495,042	118,379,958	5.11%	1,431
2014	113,890,000	5,781,134	108,108,866	4.75%	1,311
2015	123,510,000	7,169,974	116,340,026	4.75%	1,410
2016	131,715,000	9,054,863	122,660,137	5.12%	1,481
2017	132,145,000	12,828,686	119,316,314	4.78%	1,440
2018	\$ 146,620,380	\$ 10,958,160	\$ 135,662,220	5.22%	1,644

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

<sup>1</sup> Amounts Available in Debt Service fund is based on accrual basis of accounting. See Exhibit 1.

<sup>2</sup> See the Table of Assessed Values and Taxable Value of Taxable Property, Table VI for property value data.

<sup>3</sup> Population data can be found in the Table of Demographic and Economic Statistics, Table XVI.

**CITY OF SIOUX CITY, IOWA**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT<sup>8</sup>**  
**JUNE 30, 2018**

**TABLE XIII**

<b>NAME OF GOVERNMENTAL UNIT</b>	<b>DEBT OUTSTANDING</b>	<b>PERCENTAGE APPLICABLE<sup>9</sup> TO THIS GOVERNMENTAL UNIT</b>	<b>AMOUNT APPLICABLE TO CITY OF SIOUX CITY</b>
Direct:			
City of Sioux City	\$ 128,269,024	100.00%	\$ 128,269,024
Overlapping:			
Woodbury County <sup>1</sup>	8,559,720	61.17%	5,235,981
Plymouth County <sup>2</sup>	4,280,000	0.01%	428
Sioux City Community School District <sup>3</sup>	---	98.97%	---
Hinton Community School District <sup>4</sup>	7,422,591	0.14%	10,392
Lawton-Bronson School District <sup>5</sup>	4,590,000	4.35%	199,665
Sergeant Bluff-Luton Comm School District <sup>6</sup>	593,000	35.41%	209,981
Western Iowa Tech Community College <sup>7</sup>	18,090,000	32.50%	5,879,250
Northwest Area Education Agency	---	22.37%	---
Total Overlapping	43,535,311		11,535,697
<b>TOTAL</b>	<b>\$ 171,804,335</b>		<b>\$ 139,804,721</b>

Sources:

<sup>1</sup> County Auditor and Recorder, Woodbury County, Iowa

<sup>2</sup> County Auditor and Recorder, Plymouth County, Iowa

<sup>3</sup> Sioux City Community School District

<sup>4</sup> Hinton School District

<sup>5</sup> Lawton-Bronson School District

<sup>6</sup> Sergeant Bluff-Luton Community School District

<sup>7</sup> Western Iowa Tech Community College

Notes:

<sup>8</sup> Excluding General Obligation bonds reported in the Enterprise Funds.

<sup>9</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using assessed property values. Applicable percentages were estimated by determining the portion of another government unit's assessed value that is within the City's boundaries and dividing it by each unit's total assessed value.

**CITY OF SIOUX CITY, IOWA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt Limit	\$ 179,442,994	\$ 182,006,722	\$ 185,287,457	\$ 186,844,264
Total net debt applicable to limit	<u>96,043,190</u>	<u>98,103,294</u>	<u>103,719,175</u>	<u>99,576,761</u>
Legal Debt Margin	<u>\$ 83,399,804</u>	<u>\$ 83,903,428</u>	<u>\$ 81,568,282</u>	<u>\$ 87,267,503</u>
Total net debt applicable to limit as a percentage of debt limit	53.52%	53.90%	55.98%	53.29%

Notes:

Under Title IX, Subtitle 2, Chapter 358C, paragraph 16 of the Iowa State Code, the City's debt limit should not exceed 5% of the estimated value of the taxable property within that district.



TABLE XIV

2013	2014	2015	2016	2017	2018
\$ 192,613,415	\$ 192,769,882	\$ 193,629,706	\$ 196,822,505	\$ 212,263,680	\$ 213,569,727
118,379,958	109,308,866	117,240,026	123,261,142	119,616,314	135,361,384
<u>\$ 74,233,457</u>	<u>\$ 83,461,016</u>	<u>\$ 76,389,680</u>	<u>\$ 73,561,363</u>	<u>\$ 92,647,366</u>	<u>\$ 78,208,343</u>
61.46%	56.70%	60.55%	62.63%	56.35%	63.38%

**CITY OF SIOUX CITY, IOWA  
LEGAL DEBT MARGIN CALCULATION  
JUNE 30, 2018**

**TABLE XV**

**ASSESSED VALUE**

Real and Personal Property Within the City		\$ 4,271,394,532
TOTAL ESTIMATED VALUATION		4,271,394,532
DEBT LIMIT - 5% OF ESTIMATED VALUATION		213,569,727

**AMOUNT OF DEBT APPLICABLE TO LIMIT**

Total Bonded Debt and Long-Term Notes Payable		271,914,862
Less:		
Notes Payable		
Sewer Revolving Notes Payable	73,812,156	
Water Revolving Notes Payable	51,482,326	
		125,294,482
Amount Available for Repayment of General Obligation Debt		11,258,996

DEBT APPLICABLE TO DEBT LIMIT		135,361,384
LEGAL DEBT MARGIN		\$ 78,208,343

**Notes:**

Under Title IX, Subtitle 2, Chapter 358C, paragraph 16 of the Iowa State Code, the City's debt limit should not exceed 5% of the estimated value of the taxable property within that district.

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

**CITY OF SIOUX CITY, IOWA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>CALENDAR YEAR</b>	<b>POPULATION<sup>1</sup></b>	<b>TOTAL PERSONAL INCOME<sup>2</sup></b>	<b>PER CAPITA PERSONAL INCOME<sup>1</sup></b>
2009	85,013	\$ 1,691,928,726	\$ 19,902
2010	83,035	1,754,363,480	21,128
2011	82,684	1,713,295,164	20,721
2012	82,967	1,754,503,149	21,147
2013	82,719	1,784,496,987	21,573
2014	82,459	1,792,823,578	21,742
2015	82,517	1,827,173,931	22,143
2016	82,821	1,854,776,295	22,395
2017	82,872	1,884,923,640	22,745
2018	82,514	\$ 1,945,102,522	\$ 23,573

Sources:

<sup>1</sup> U.S. Census Bureau Estimates

<sup>2</sup> Computation of per capita personal income multiplied by population.

<sup>3</sup> Sioux City Community School District, Bishop Heelan Catholic Schools and Siouxland Community Christian School

<sup>4</sup> Iowa Workforce Development Website.

TABLE XVI

<b>EDUCATIONAL ATTAINMENT BACHELOR'S DEGREE OR HIGHER<sup>1</sup></b>	<b>MEDIAN AGE<sup>1</sup></b>	<b>SCHOOL ENROLLMENT<sup>3</sup></b>	<b>UNEMPLOYMENT RATE<sup>4</sup></b>
21%	35.4	15,497	5.60%
21%	35.4	15,643	7.50%
20%	34.3	15,573	5.80%
20%	33.7	15,536	5.20%
20%	33.7	15,692	4.80%
20%	34.0	15,895	3.80%
19%	34.0	16,098	3.70%
21%	34.0	16,417	4.00%
20%	34.0	15,799	2.90%
21%	34.0	15,814	2.60%

**CITY OF SIOUX CITY, IOWA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR**

**TABLE XVII**

EMPLOYER	2018			2009		
	# OF EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	# OF EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Tyson Fresh Meats	4,183	1	10.01%	4,768	1	11.19%
Sioux City Community School District	2,511	2	6.01%	2,057	2	4.83%
Bomgaars	2,100	3	5.02%	---	---	---
Seaboard Triumph Foods	2,000	4	4.78%	---	---	---
Mercy Medical Center	1,532	5	3.67%	2,000	3	4.69%
Unity Point Health-St. Luke's	1,434	6	3.43%	1,250	5	2.93%
Hard Rock Casino Sioux City	1,389	7	3.32%	---	---	---
Hy-Vee	1,164	8	2.78%	---	---	---
185th Iowa Air National Guard	952	9	2.28%	950	7	2.23%
City of Sioux City <sup>1</sup>	879	10	2.10%	1,024	6	2.40%
John Morrell	---	---	---	1,350	4	3.17%
Curly's Foods	---	---	---	701	8	1.65%
MidAmerican Energy Company	---	---	---	659	9	1.55%
Western Iowa Tech Community College	---	---	---	650	10	1.53%
Total Principal Employers	18,144		43.40%	15,409		36.17%
Other Employers	26,456		56.60%	27,191		63.83%
Total Employers	44,600		100.00%	42,600		100.00%

Source: Sioux City Economic Development website [www.locatesiouxcity.com](http://www.locatesiouxcity.com)

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

**CITY OF SIOUX CITY, IOWA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT BY FUNCTION**  
**LAST TEN FISCAL YEARS**

Function	Fiscal Year			
	2009	2010	2011	2012
Public Safety				
Fire <sup>10</sup>	116.00	116.00	116.00	115.00
Police	151.65	151.65	151.65	149.65
Public Works				
Central Maintenance Garage <sup>1</sup>	-	-	-	-
Engineering	20.00	19.00	19.00	18.00
Field Services <sup>2</sup>	138.95	139.28	138.90	136.48
Transit <sup>3</sup>	53.02	56.02	56.02	56.02
Culture and Recreation				
Art Center	10.49	10.36	9.89	8.72
Convention Center/Auditorium/Tourism <sup>4, 8, 9</sup>	54.82	54.82	54.82	54.14
Library	36.47	35.47	34.47	32.47
Museum	9.37	9.25	10.25	10.25
Parks and Recreation <sup>2</sup>	-	-	-	-
Community and Economic Development <sup>5</sup>				
Community Development	45.88	44.88	42.88	40.88
Economic Development	4.75	5.00	5.00	5.00
General Government				
Administrative Services <sup>6</sup>	49.00	48.75	49.05	48.90
City Council	5.00	5.00	5.00	5.00
City Manager	3.75	3.75	3.75	2.75
Finance <sup>6</sup>	-	-	-	-
Human Resources	4.63	4.63	4.63	4.53
Human Rights	2.80	2.80	2.80	2.60
Legal	7.00	7.00	7.00	7.00
Employees under 28E Agreement				
Communications Center	24.40	24.40	24.40	24.40
Information Center	14.00	14.00	13.00	13.00
Airport	17.53	16.03	15.03	15.03
Water	32.50	32.50	31.50	34.50
Sewer <sup>7</sup>	13.00	13.00	13.00	37.00
	<u>815.01</u>	<u>813.59</u>	<u>808.04</u>	<u>821.32</u>

Source: City of Sioux City Finance Department

Notes:

- <sup>1</sup> Central Maintenance Garage was separated from Transit within the Public Works function in 2014.
- <sup>2</sup> Field Services previously included Parks and Recreation personnel who during 2014 moved to the Culture and Recreation function.
- <sup>3</sup> Transit previously included Central Maintenance Garage and Purchasing personnel. Central Maintenance Garage was separated within the Public Works function and Purchasing moved to Finance within the General Government function, both in 2014.
- <sup>4</sup> Convention Center contracted out a majority of its services beginning in 2014.
- <sup>5</sup> The Real Estate Division of Economic Development was moved to Community Development in 2008.
- <sup>6</sup> The Finance and Administrative Services departments were combined in 2007 and separated again in 2014.
- <sup>7</sup> The Sewer function added 25 waste water treatment plant employees in 2012 as a result of terminating the operations contract with American Water Services.
- <sup>8</sup> In 2015, the Convention Center operations was contracted out to Centerplate.
- <sup>9</sup> In 2018, the Convention Center and Tyson Events Center operations were contracted out to Kinseth and Comcast Spectacor, respectively.
- <sup>10</sup> In 2018, the Emergency Medical Services operation was transferred to the City from the Siouxland Paramedics.



TABLE XVIII

2013	2014	2015	2016	2017	2018
115.00	114.00	114.00	114.00	114.00	141.00
149.65	148.65	147.65	147.65	149.65	149.65
-	25.00	25.00	25.00	25.00	21.00
18.00	20.00	19.00	17.00	16.00	16.00
135.48	72.10	72.98	70.98	76.03	74.03
55.15	32.65	32.65	32.65	32.65	36.65
8.50	8.50	8.50	8.50	8.50	9.45
53.82	46.36	32.77	34.20	35.20	-
31.48	33.48	32.98	32.98	32.98	32.98
10.05	10.05	10.05	10.05	10.05	10.05
-	66.50	66.89	68.89	72.28	69.18
40.38	40.38	40.01	40.00	40.00	40.00
5.00	5.00	5.00	5.00	5.00	5.00
49.10	37.00	37.00	36.58	33.10	33.10
5.00	5.00	5.00	5.00	5.00	5.00
2.00	2.00	2.00	2.00	2.00	2.00
-	14.58	13.49	13.00	13.00	13.00
4.53	4.53	4.53	4.53	5.78	5.78
2.60	2.80	2.80	2.80	2.80	2.80
7.00	7.00	8.00	8.00	8.00	8.00
24.40	24.40	24.40	24.40	24.40	24.40
13.00	14.00	14.00	14.00	15.00	15.00
15.03	15.03	14.28	13.28	13.28	13.78
34.50	34.38	33.50	34.50	35.50	37.50
38.00	39.00	39.00	38.00	38.00	40.00
<u>817.67</u>	<u>822.39</u>	<u>805.48</u>	<u>802.99</u>	<u>813.20</u>	<u>805.35</u>

**CITY OF SIOUX CITY, IOWA  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

Fiscal Year Function	Fiscal Year			
	2009	2010	2011	2012
<b>Police</b>				
Average physical arrests per day - adult	15.2	14.3	14.1	12.8
Average physical arrests per day - juvenile	4.5	3.8	4.2	3.9
Traffic citations issued	14,892	12,376	10,885	10,323
<b>Fire</b>				
Number of suppression calls	1,679	1,564	1,624	1,584
Number of emergency medical calls	4,758	4,909	5,203	5,215
% of responses where EMS on scene in 4 min	87%	83%	80%	84%
Number of hazardous materials incidents in city	3	7	7	10
<b>Public Works</b>				
Streets cleaned per year (miles)	11,846	14,068	13,982	13,156
Asphalt placed (tons)	1,849	2,401	2,651	2,266
Potholes repaired	27,533	38,181	41,841	31,782
Dirt miles bladed and shaped	17,568	17,713	12,215	10,982
Total Transit System miles	743,317	781,697	875,120	852,875
Total Transit System passengers <sup>1</sup>	1,203,818	1,202,255	1,250,294	1,204,897
Total Transit System passengers per mile	1.62	1.54	1.43	1.41
<b>Culture and Recreation</b>				
Swimming pool attendance <sup>2</sup>	64,460	52,132	49,336	65,256
Museum visitation	50,008	46,828	33,903	77,281
<b>Community and Economic Development</b>				
Total residential/commercial permits issued	2,895	2,943	2,858	3,038
Property value for commercial permits issued	\$146,361,953	\$101,417,640	\$82,687,755	\$98,358,399
Property value for residential permits issued	\$24,551,180	\$24,682,987	\$18,399,761	\$23,192,263
Number of inspections made	26,153	23,250	23,568	25,468
<b>Water</b>				
Water production (millions of gallons) <sup>3</sup>	4,775	4,654	4,365	4,044
Water main breaks per miles of pipe	0.21	0.24	0.25	0.28
Total main breaks	102	115	119	132
Length of service disruption per break (hours)	6.93	5.67	7.96	8.61
<b>Sewer</b>				
Sewer backups	78	77	44	49
Total hours per sewer backup	9.10	5.03	7.23	14.40

Source: Various City of Sioux City departments.

Notes:

<sup>1</sup> Transit system passengers decreased in fiscal year 2018 due to change in accounting procedure for transfer passengers.

<sup>2</sup>Swimming pool attendance was low in fiscal years 2010 and 2011 due to unseasonably cool weather.

<sup>3</sup>Water production increased in fiscal year 2013 with the addition of the Southbridge Water Plant.

TABLE XIX

2013	2014	2015	2016	2017	2018
13.9	13.1	13.1	13.7	11.4	11.0
3.2	3.0	2.6	2.1	1.8	1.8
10,408	11,268	9,773	8,798	12,206	17,312
1,690	1,745	1,717	1,936	1,861	2,001
5,316	5,551	6,386	6,627	6,602	7,104
82%	82%	81%	75%	73%	75%
9	15	17	8	19	11
13,365	11,684	13,502	12,313	9,968	11,950
1,821	1,662	1,469	1,552	1,709	1,775
36,936	29,889	29,967	39,599	36,669	32,230
8,319	7,965	11,073	11,560	12,552	11,200
790,196	777,667	784,011	756,966	784,338	825,740
1,111,830	1,113,911	1,128,535	1,058,198	1,030,340	868,961
1.41	1.43	1.44	1.40	1.31	1.05
64,991	55,216	55,018	69,581	59,548	57,651
69,497	69,674	68,305	67,163	66,735	65,202
2,837	2,920	2,869	3,022	3,131	3,016
\$97,358,414	\$256,865,890	\$133,486,250	\$97,714,055	\$268,492,250	\$313,141,000
\$28,586,954	\$32,529,880	\$44,822,435	\$34,336,870	\$40,628,757	\$38,254,530
32,348	45,501	48,161	59,311	60,641	62,819
4,763	4,720	3,586	3,794	3,858	4,142
0.39	0.32	0.28	0.21	0.22	0.26
184	152	133	98	107	122
4.35	5.59	5.24	4.83	4.43	9
51	47	42	37	22	22
4.28	7.12	7.27	7.27	6.48	6.49

**CITY OF SIOUX CITY, IOWA  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	Fiscal Year			
	2009	2010	2011	2012
Police				
Stations	1	1	1	1
Patrol Cars	57	53	52	59
Training Centers	1	1	1	1
Fire				
Stations	7	7	7	7
Engines	14	15	15	14
Public Works				
Transit Buses	42	43	43	40
Streets (miles)	489	489	489	489
Streetlights (City Owned)	1,476	1,499	1,499	1,517
Sidewalks (miles)	600	600	600	600
Culture and Recreation				
Parks Acres	1,700	1,700	1,700	1,700
Parks	58	58	58	57
Swimming Pools	5	5	5	5
Splash Pads	1	1	1	1
Basketball Courts	8	8	8	8
Disc Golf Courses	1	1	1	1
Tennis Courts	22	22	20	20
Softball Diamonds	13	13	12	12
Baseball Diamonds	34	34	34	34
Soccer Fields	10	10	10	10
Golf Courses (18 hole)	2	2	2	2
Play Fields	29	29	29	29
Cemetery				
Cemeteries (acres)	225	225	225	225
Cemeteries Maintained (acres)	185	185	185	185
Water				
Fire Hydrants (City maintained)	3,524	3,665	3,661	3,941
Water Mains (miles)	483	475	462	466
Sewer				
Sanitary Sewer (miles)	372	360	362	363
Storm Sewer (miles)	200	228	246	256
Solid Waste				
Solid Waste Collection Trucks	12	12	14	14

TABLE XX

2013	2014	2015	2016	2017	2018
1	1	1	1	1	1
60	48	49	47	45	44
1	1	1	1	1	1
7	7	7			
13	14	14	14	14	14
37	36	36	37	37	36
491	491	491	491	491	491
1,560	1,761	1,761	1,761	1,761	1,761
600	600	600	600	600	600
1,711	1,711	1,711	1,711	1,711	1,711
58	58	58	58	58	58
5	5	5	5	5	3
1	1	1	2	3	5
8	8	8	8	8	8
1	1	1	2	2	2
20	20	20	20	20	18
12	12	12	12	12	12
34	34	34	34	34	34
12	12	12	12	12	12
2	2	2	2	2	2
30	30	30	30	30	30
225	225	225	225	225	225
185	185	185	185	185	185
4,004	4,080	3,820	3,885	3,928	3,896
466	474	473	475	475	477
363	364	367	367	368	368
259	265	278	284	296	303
13	15	15	15	15	11

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

CITY OF SIOUX CITY, IOWA  
ADDITIONAL INFORMATION

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**



**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

**CITY OF SIOUX CITY HOUSING AUTHORITY  
BALANCE SHEET  
JUNE 30, 2018**

**EXHIBIT E-1**

Performance Center Project	242	244/245	GRAND TOTAL
Project No.	IA018V0	-	(MEMORANDUM
Contract No.	<u>KC9030V</u>	-	<u>ONLY)</u>
<u>ASSETS</u>			
Cash	\$ 235,711	\$ 320,947	\$ 556,658
Accounts Receivable	<u>228,757</u>	<u>---</u>	<u>228,757</u>
Total Assets	<u><u>464,468</u></u>	<u><u>320,947</u></u>	<u><u>785,415</u></u>
<u>LIABILITIES</u>			
Accounts Payable	1,245	---	1,245
Security Deposits	99,371	---	99,371
Deferred Revenue	227,618	---	227,618
Accrued Liabilities-Current	<u>14,977</u>	<u>---</u>	<u>14,977</u>
Total Liabilities	<u>343,211</u>	<u>---</u>	<u>343,211</u>
<u>EQUITY:</u>			
Restricted Net Position	121,257	---	121,257
Unrestricted Net Position	<u>---</u>	<u>320,947</u>	<u>320,947</u>
Total Equity/Net Position	<u>121,257</u>	<u>320,947</u>	<u>442,204</u>
Total Liabilities and Equity/Net Position	<u><u>\$ 464,468</u></u>	<u><u>\$ 320,947</u></u>	<u><u>\$ 785,415</u></u>

**CITY OF SIOUX CITY, IOWA  
SCHEDULE OF SIOUX CITY FEDERAL HOUSING AUTHORITY  
ANALYSIS OF GENERAL FUND CASH  
JUNE 30, 2018**

**EXHIBIT E-2**

Performance Center Project	242	244/245	GRAND TOTALS
Project No.	IA018V0	-	(MEMORANDUM
Contract No.	<u>KC9030V</u>	-	<u>ONLY)</u>

COMPOSITION BEFORE ADJUSTMENTS

Net Operating Receipts Retained:

Total Net Position	\$ 121,257	\$ 320,947	\$ 442,204
Total	121,257	320,947	442,204

ADJUSTMENTS

Expenses Not Paid/(Prepaid):

Accounts Payable	1,245	---	1,245
Accrued Wages	14,977	---	14,977
Deferred Revenue	227,618	---	227,618
Security Deposits	99,371	---	99,371

Income Not Received:

Accounts Receivable	(228,757)	---	(228,757)
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General Fund Cash Available	\$ 235,711	\$ 320,947	\$ 556,658
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**CITY OF SIOUX CITY, IOWA  
SCHEDULE OF SALARY, ALLOWANCES,  
AND REIMBURSED EXPENSES  
FOR TEN HIGHEST PAID EMPLOYEES  
FOR THE YEAR ENDED JUNE 30, 2018**

**EXHIBIT E-3**

NAME	SALARY <sup>1</sup>	ALLOWANCES/ REIMBURSED EXPENSES	DESCRIPTION
Robert Padmore, City Manager	\$185,447	\$5,682	Auto Allowance, Cell Phone Allowance, Travel Reimbursement
Nicole DuBois, City Attorney	\$140,049	\$4,800	Auto Allowance, Cell Phone Allowance, Travel Reimbursement
Michael Collett, Assistant City Manager	\$136,557	\$1,237	Travel Reimbursement
David Carney, Public Works Director	\$136,086	\$1,502	Cell Phone Allowance, Travel Reimbursement
John Malloy, Information Services Director	\$134,993	\$1,012	Cell Phone Allowance, Travel Reimbursement
Thomas Everett, Fire Chief	\$133,935	\$1,303	Clothing Reimbursement, Travel Reimbursement
Mark Simms, Utilities Director	\$124,549	\$2,988	Cell Phone Allowance, Travel Reimbursement
Donna Forker, Finance Director	\$122,979	\$1,153	Cell Phone Allowance, Travel Reimbursement
Rex Mueller, Police Chief	\$121,385	\$1,854	Clothing Reimbursement, Travel Reimbursement
Michael McClennen, Fire Captain	\$117,329	\$1,836	Clothing Reimbursement, Food Reimbursement, Travel Reimbursement

Notes:

<sup>1</sup> Salary includes allowances/reimbursed expenses.

**CITY OF SIOUX CITY, IOWA**  
**SCHEDULE OF INDIVIDUAL BOND MATURITIES**  
**JUNE 30, 2018**

**EXHIBIT E-4**

		<u>Interest Rate</u>	<u>Amount</u>		
<b><u>GENERAL OBLIGATION BONDS</u></b>					
Type: Corporate Purpose					
Issued: 3/1/10					
Amount Issued: \$2,080,000					
City Project # 911-164					
Matures:	2019	4.25%	205,000		
	2020	4.35%	205,000		
			410,000	\$	410,000
Type: Corporate Purpose					
Issued: 5/1/11					
Amount Issued: \$23,425,000					
City Project # 911-166					
Matures:	2019	3.00%	2,435,000		
	2020	4.00%	2,435,000		
	2021	4.00%	2,435,000		
			7,305,000	\$	7,305,000
Type: Corporate Purpose					
Issued: 6/20/12					
Amount Issued: \$9,635,000					
City Project # 911-167					
Matures:	2019	2.00%	965,000		
	2020	2.25%	960,000		
	2021	2.25%	960,000		
	2022	2.35%	960,000		
			3,845,000	\$	3,845,000
Type: Corporate Purpose					
Issued: 6/28/13					
Amount Issued: \$8,820,000					
City Project # 911-168					
Matures:	2019	4.00%	885,000		
	2020	4.00%	880,000		
	2021	4.00%	880,000		
	2022	5.00%	880,000		
	2023	5.00%	880,000		
			4,405,000	\$	4,405,000

**CITY OF SIOUX CITY, IOWA**  
**SCHEDULE OF INDIVIDUAL BOND MATURITIES**  
**JUNE 30, 2018**

**EXHIBIT E-4**

		<u>Interest Rate</u>	<u>Amount</u>	
<b><u>GENERAL OBLIGATION BONDS</u></b>				
Type: Corporate Purpose				
Issued: 6/20/12				
Amount Issued: \$4,840,000				
City Project # 911-169				
Matures:	2019	1.70%	485,000	
	2020	1.90%	485,000	
	2021	2.15%	480,000	
	2022	2.40%	480,000	
			480,000	\$ 1,930,000
Type: Corporate Purpose				
Issued: 6/28/13				
Amount Issued: \$4,480,000				
City Project # 911-170				
Matures:	2019	4.00%	450,000	
	2020	4.00%	445,000	
	2021	4.00%	445,000	
	2022	5.00%	445,000	
	2023	5.00%	445,000	
			445,000	\$ 2,230,000
Type: Corporate Purpose				
Issued: 6/28/13				
Amount Issued: \$22,215,000				
City Project # 911-171				
Matures:	2019	1.90%	1,170,000	
	2020	2.20%	1,170,000	
	2021	2.50%	1,165,000	
	2022	2.75%	1,170,000	
	2023	3.00%	1,170,000	
	2024	3.20%	1,170,000	
	2025	3.40%	1,170,000	
	2026	3.60%	1,170,000	
	2027	3.70%	1,170,000	
	2028	3.80%	1,170,000	
	2029	3.90%	1,170,000	
	2030	4.00%	1,170,000	
	2031	4.10%	1,170,000	
	2032	4.20%	1,170,000	
	2033	4.25%	1,165,000	
			1,165,000	\$ 17,540,000

**CITY OF SIOUX CITY, IOWA**  
**SCHEDULE OF INDIVIDUAL BOND MATURITIES**  
**JUNE 30, 2018**

**EXHIBIT E-4**

		<u>Interest Rate</u>	<u>Amount</u>	
<b><u>GENERAL OBLIGATION BONDS</u></b>				
Type: Corporate Purpose				
Issued: 6/24/14				
Amount Issued: \$6,655,000				
City Project # 911-172				
Matures:	2019	3.00%	670,000	
	2020	3.00%	670,000	
	2021	5.00%	670,000	
	2022	5.00%	670,000	
	2023	5.00%	670,000	
	2024	5.00%	670,000	
			670,000	\$ 4,020,000
Type: Corporate Purpose				
Issued: 6/24/14				
Amount Issued: \$1,550,000				
City Project # 911-173				
Matures:	2019	2.00%	155,000	
	2020	2.15%	155,000	
	2021	2.45%	155,000	
	2022	2.70%	155,000	
	2023	2.95%	155,000	
	2024	3.20%	155,000	
			155,000	\$ 930,000
Type: Corporate Purpose				
Issued: 6/8/15				
Amount Issued: \$23,030,000				
City Project # 911-174				
Matures:	2019	2.00%	2,200,000	
	2020	3.00%	2,240,000	
	2021	3.00%	2,310,000	
	2022	3.00%	2,380,000	
	2023	3.00%	2,450,000	
	2024	3.00%	2,525,000	
	2025	3.00%	2,600,000	
			2,600,000	\$ 16,705,000

**CITY OF SIOUX CITY, IOWA  
SCHEDULE OF INDIVIDUAL BOND MATURITIES  
JUNE 30, 2018**

**EXHIBIT E-4**

		<u>Interest Rate</u>	<u>Amount</u>	
<b><u>GENERAL OBLIGATION BONDS</u></b>				
Type: Corporate Purpose				
Issued: 6/8/15				
Amount Issued: \$5,080,000				
City Project # 911-175				
Matures:	2019	3.00%	485,000	
	2020	3.00%	500,000	
	2021	3.00%	515,000	
	2022	3.00%	530,000	
	2023	3.00%	545,000	
	2024	3.00%	560,000	
	2025	3.00%	<u>580,000</u>	
				\$ 3,715,000
Type: Corporate Purpose				
Issued: 6/22/16				
Amount Issued: \$23,515,000				
City Project # 911-176				
Matures:	2019	2.00%	1,875,000	
	2020	2.00%	1,910,000	
	2021	2.00%	1,950,000	
	2022	2.00%	1,990,000	
	2023	2.00%	2,050,000	
	2024	2.00%	2,100,000	
	2025	2.00%	2,175,000	
	2026	2.00%	<u>2,250,000</u>	
				\$ 16,300,000
Type: Corporate Purpose				
Issued: 6/22/16				
Amount Issued: \$8,720,000				
City Project # 911-178				
Matures:	2019	2.00%	615,000	
	2020	2.00%	630,000	
	2021	2.00%	645,000	
	2022	2.00%	665,000	
	2023	2.00%	685,000	
	2024	2.10%	705,000	
	2025	2.25%	725,000	
	2026	2.40%	<u>755,000</u>	
				\$ 5,425,000



**CITY OF SIOUX CITY, IOWA**  
**SCHEDULE OF INDIVIDUAL BOND MATURITIES**  
**JUNE 30, 2018**

**EXHIBIT E-4**

		<u>Interest Rate</u>	<u>Amount</u>	
<b><u>GENERAL OBLIGATION BONDS</u></b>				
Type: Corporate Purpose				
Issued: 6/22/16				
Amount Issued: \$4,235,000				
City Project # 911-179				
Matures:	2019	3.00%	800,000	
	2020	3.00%	805,000	
	2021	3.00%	805,000	
			2,410,000	\$ 2,410,000
Type: Corporate Purpose				
Issued: 6/22/17				
Amount Issued: \$14,300,000				
City Project # 911-177				
Matures:	2019	2.00%	1,685,000	
	2020	2.00%	1,700,000	
	2021	2.00%	1,700,000	
	2022	2.00%	1,300,000	
	2023	2.00%	1,300,000	
	2024	2.00%	1,300,000	
	2025	2.00%	1,300,000	
	2026	2.25%	1,200,000	
	2027	2.40%	1,200,000	
			12,685,000	\$ 12,685,000
Type: Corporate Purpose				
Issued: 6/22/17				
Amount Issued: \$7,000,000				
City Project # 911-180				
Matures:	2019	1.45%	700,000	
	2020	1.65%	700,000	
	2021	1.90%	700,000	
	2022	2.10%	700,000	
	2023	2.25%	670,000	
	2024	2.45%	700,000	
	2025	2.60%	700,000	
	2026	2.70%	700,000	
	2027	2.85%	700,000	
			6,270,000	\$ 6,270,000

**CITY OF SIOUX CITY, IOWA  
SCHEDULE OF INDIVIDUAL BOND MATURITIES  
JUNE 30, 2018**

**EXHIBIT E-4**

		<u>Interest Rate</u>	<u>Amount</u>	
<b><u>GENERAL OBLIGATION BONDS</u></b>				
Type: Corporate Purpose				
Issued: 6/20/18				
Amount Issued: \$20,615,000				
City Project # 911-181				
Matures:	2019	3.00%	2,610,000	
	2020	3.00%	2,615,000	
	2021	3.00%	2,650,000	
	2022	3.00%	2,670,000	
	2023	3.00%	1,600,000	
	2024	3.00%	1,625,000	
	2025	3.00%	1,650,000	
	2026	3.00%	1,700,000	
	2027	3.00%	1,725,000	
	2028	3.00%	1,770,000	
				\$ 20,615,000
Type: Corporate Purpose				
Issued: 6/20/18				
Amount Issued: \$15,065,000				
City Project # 911-182				
Matures:	2019	2.40%	1,380,000	
	2020	2.75%	1,385,000	
	2021	2.85%	1,415,000	
	2022	3.00%	1,450,000	
	2023	3.10%	1,480,000	
	2024	3.20%	1,515,000	
	2025	3.30%	1,550,000	
	2026	3.35%	1,585,000	
	2027	3.40%	1,630,000	
	2028	3.45%	1,675,000	
				\$ 15,065,000

**CITY OF SIOUX CITY, IOWA  
 SCHEDULE OF INDIVIDUAL BOND MATURITIES  
 JUNE 30, 2018**

**EXHIBIT E-4**

	<u>Interest</u>	<u>Rate</u>	<u>Amount</u>	
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 6/20/18				
Amount Issued: \$2,295,000				
City Project # 911-183				
Matures:				
	2019	2.00%	545,000	
	2020	2.00%	500,000	
	2021	2.00%	500,000	
	2022	2.13%	500,000	
	2023	2.25%	40,000	
	2024	2.38%	40,000	
	2025	2.50%	40,000	
	2026	2.63%	40,000	
	2027	2.63%	45,000	
	2028	2.75%	45,000	
			545,000	
				\$ 2,295,000
 Total General Obligation Bonds				 \$ 144,100,000

**CITY OF SIOUX CITY, IOWA  
CONTINUING DISCLOSURE  
FOR THE YEAR ENDED JUNE 30, 2018**

**EXHIBIT E-5**

**Population**

The following table sets forth population trends for the Issuer:

<u>Year</u>	<u>Population</u>
2010	83,035
2000	85,013
1990	80,505
1980	82,003
1970	85,925

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Source: U.S. Census Bureau

**Property Tax Valuations**

In compliance with Section 441.21 of the Code of Iowa, as amended, the State Director of Revenue annually directs all county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The final values, called Actual Valuation, are then adjusted by the county auditor. Assessed or Taxable Valuation subject to tax levy is then determined by the application of State determined rollback percentages, principally to residential and commercial property.

Beginning in 1978, the State required a reduction in Actual Valuation to reduce the impact of inflation on its residents. The resulting value is defined as the Assessed or Taxable Valuation. The rollback percentages for residential, agricultural and commercial valuations are as follows:

Fiscal Year	Residential Rollback	Ag. Land & Buildings	Commercial	Multi-residential
2018-19	55.6209	54.4480	90.00000	78.50000
2017-18	56.9391	47.4996	90.00000	82.50000
2016-17	55.6259	46.1068	90.00000	86.25000
2015-16	55.7335	44.7021	90.00000	
2014-15	54.4002	43.3997	95.00000	
2013-14	52.8166	59.9334	100.00000	

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Source: Iowa Department of Revenue

**CITY OF SIOUX CITY, IOWA  
CONTINUING DISCLOSURE  
FOR THE YEAR ENDED JUNE 30, 2018**

**EXHIBIT E-5**

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. For example, the assessments finalized on January 1, 2017 are used to calculate tax liability for the tax year starting July 1, 2018 through June 30, 2019. Presented below are the historic property valuations of the Issuer by class of

**Property Valuations**

Valuation Year	Actual Valuation w/ Utilities	% Change in Actual Valuation	Taxable Valuation w/ Utilities	% Change in Taxable Valuation
2017	\$ 4,636,339,857	8.58%	\$ 3,083,768,134	6.64%
2016	4,269,884,111	0.63%	2,891,711,111	1.20%
2015	4,243,247,944	7.86%	2,857,437,680	7.37%
2014	3,934,017,303	1.64%	2,661,180,249	0.05%
2013	3,870,495,210	0.42%	2,659,960,334	0.43%
2012	3,854,357,249	0.06%	2,648,548,626	1.52%
2011	3,852,204,101	3.21%	2,608,791,160	5.36%
2010	3,732,512,358	0.73%	2,476,099,581	2.45%
2009	3,705,517,541	1.89%	2,416,864,645	1.81%
2008	\$ 3,636,673,033	1.57%	\$ 2,374,005,002	2.72%

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Source: Iowa Department of Management

**CITY OF SIOUX CITY, IOWA  
CONTINUING DISCLOSURE  
FOR THE YEAR ENDED JUNE 30, 2018**

**EXHIBIT E-5**

**Property Valuations**

**Actual Valuation**

Valuation as of January Fiscal Year	2017 2018-2019	% of Total	2016 2017-18	% of Total	2015 2016-17	% of Total
Residential:	\$2,824,148,675	66.39%	\$2,552,952,627	64.78%	\$2,505,808,538	65.64%
Agricultural Land:	8,072,488	0.19%	8,561,879	0.22%	9,030,937	0.24%
Ag Buildings:	364,800	0.01%	436,000	0.01%	427,900	0.01%
Commercial:	827,951,862	19.46%	865,331,418	21.96%	807,821,500	21.16%
Industrial:	163,378,873	3.84%	117,204,214	2.97%	105,966,011	2.78%
Multi-Residential	182,300,064	4.29%	132,240,727	3.36%	133,279,187	3.49%
Personal RE:	-	0.00%	-	0.00%	-	0.00%
Railroads:	15,929,864	0.37%	16,875,542	0.43%	14,933,228	0.39%
Utilities:	21,534,419	0.51%	20,683,690	0.52%	21,608,531	0.57%
Other:	-	0.00%	-	0.00%	-	0.00%
Total Valuation:	4,043,681,045	95.06%	3,714,286,097	94.25%	3,598,875,892	94.28%
Less Military:	5,663,416	0.13%	5,872,692	0.15%	6,178,272	0.16%
Net Valuation:	4,038,017,629	94.93%	3,708,413,405	94.10%	3,592,697,620	94.12%
TIF Valuation:	382,622,073		328,911,978		425,761,996	
Utility Replacement:	215,700,155	5.07%	232,558,728	5.90%	224,788,328	5.89%
Total	<u>\$4,636,339,857</u>		<u>\$4,269,884,111</u>		<u>\$4,243,247,944</u>	

**Taxable Valuation**

Valuation as of January Fiscal Year	2017 2018-2019	% of Total	2016 2017-18	% of Total	2015 2016-17	% of Total
Residential:	\$1,570,817,310	57.06%	\$1,453,628,119	55.81%	\$1,396,894,943	55.89%
Agricultural Land:	4,395,304	0.16%	4,066,832	0.16%	4,163,880	0.17%
Ag Buildings:	198,623	0.01%	207,088	0.01%	197,293	0.01%
Commercial:	745,156,678	27.07%	778,798,277	29.90%	727,039,404	29.09%
Industrial:	147,040,986	5.34%	105,483,792	4.05%	95,369,410	3.82%
Multi-Residential	143,561,438	5.21%	109,098,834	4.19%	114,953,442	4.60%
Personal RE:	-	0.00%	-	0.00%	-	0.00%
Railroads:	14,336,878	0.52%	15,187,989	0.58%	13,439,905	0.54%
Utilities:	21,534,419	0.78%	20,683,690	0.79%	21,608,531	0.86%
Other:	-	0.00%	-	0.00%	-	0.00%
Total Valuation:	2,647,041,636	96.15%	2,487,154,621	95.48%	2,373,666,808	62.18%
Less Military:	5,663,416	0.21%	5,872,692	0.23%	6,178,272	0.25%
Net Valuation:	2,641,378,220	95.94%	2,481,281,929	95.25%	2,367,488,536	61.93%
TIF Valuation:	330,604,865		286,892,828		357,865,957	
Utility Replacement:	111,785,049	4.06%	123,536,354	4.74%	132,086,187	5.28%
Total	<u>\$3,083,768,134</u>		<u>\$2,891,711,111</u>		<u>\$2,857,440,680</u>	

Source: Iowa Department of Management

**CITY OF SIOUX CITY, IOWA  
CONTINUING DISCLOSURE  
FOR THE YEAR ENDED JUNE 30, 2018**

**EXHIBIT E-5**

2014 2015-16	% of Total	2013 2014-15	% of Total
\$2,350,073,798	67.51%	\$2,314,215,866	67.54%
8,518,900	0.24%	11,451,900	0.33%
675,800	0.02%	845,200	0.02%
870,044,524	24.99%	844,467,319	24.65%
33,162,730	0.95%	59,634,288	1.74%
	0.00%		0.00%
-	0.00%	-	0.00%
13,083,009	0.38%	12,671,313	0.37%
21,976,095	0.63%	23,613,950	0.69%
-	0.00%	-	0.00%
3,297,534,856	94.73%	3,266,899,836	95.34%
6,442,182	0.19%	6,658,866	0.19%
3,291,092,674	94.54%	3,260,240,970	95.15%
453,119,492		443,986,603	
189,805,137	5.45%	166,267,637	4.85%
<u>\$3,934,017,303</u>		<u>\$3,870,495,210</u>	

2014 2015-16	% of Total	2013 2014-15	% of Total
\$1,309,778,322	57.48%	\$1,258,937,830	55.27%
3,808,129	0.17%	4,970,094	0.22%
302,098	0.01%	366,816	0.02%
783,040,072	34.36%	803,250,494	35.27%
29,846,457	1.31%	56,652,573	2.49%
	0.00%		0.00%
-	0.00%	-	0.00%
11,774,708	0.52%	12,037,748	0.53%
21,976,095	0.96%	23,613,950	1.04%
-	0.00%	-	0.00%
2,160,525,881	62.07%	2,159,829,505	63.03%
6,442,182	0.28%	6,658,866	0.29%
2,154,083,699	61.79%	2,153,170,639	62.74%
382,564,452		382,368,380	
124,532,098	5.47%	124,421,315	5.46%
<u>\$2,661,180,249</u>		<u>\$2,659,960,334</u>	

**CITY OF SIOUX CITY, IOWA  
CONTINUING DISCLOSURE  
FOR THE YEAR ENDED JUNE 30, 2018**

**EXHIBIT E-5**

**Tax Rates**

The Issuer levied the following taxes for collection during the fiscal years indicated:

<u>Fiscal Year</u>	<u>General</u>	<u>Outside</u>	<u>Emergency</u>	<u>Debt Service</u>	<u>Employee Benefits</u>	<u>CIP</u>	<u>Total Levy</u>
2019	8.10000	1.56007	0.27000	3.67148	2.46915	0.00000	16.07070
2018	8.10000	1.28867	0.27000	3.55059	2.56155	0.00000	15.77081
2017	8.10000	1.25984	0.27000	3.58873	2.84851	0.00000	16.06708
2016	8.10000	1.50520	0.27000	3.13435	3.10079	0.00000	16.11034
2015	8.10000	0.86902	0.27000	3.69333	3.43209	0.00000	16.36444

Source: Iowa Department of Management

**Historic Tax Rates**

Portions of the Issuer are located in four different school districts and two different counties. Presented below are the combined aggregate tax rates by taxing district for residents living in the City, in one of the three largest school districts with land in the City, and assuming Woodbury County:

Sioux City CSD

<u>Fiscal Year</u>	<u>City</u>	<u>School</u>	<u>College</u>	<u>State</u>	<u>Assessor</u>	<u>Aq Extens</u>	<u>Hospital</u>	<u>County</u>	<u>Total Levy Rate</u>
2019	16.07070	15.35010	0.96256	0.00330	0.50886	0.12823	0.00000	7.26169	40.28544
2018	15.77081	15.39000	0.79732	0.00330	0.41730	0.13327	0.00000	7.40533	39.91733
2017	16.06708	15.48000	0.74787	0.00330	0.42081	0.13238	0.00000	7.45423	40.30567
2016	16.11034	15.77035	0.77318	0.00330	0.42983	0.13500	0.00000	7.51614	40.73814
2015	16.36444	16.52251	0.77964	0.00330	0.45866	0.13401	0.00000	7.76353	42.02609

Sergeant Bluff-Luton CSD

<u>Fiscal</u>	<u>City</u>	<u>School</u>	<u>College</u>	<u>State</u>	<u>Assessor</u>	<u>Aq Extens</u>	<u>Hospital</u>	<u>County</u>	<u>Total Levy Rate</u>
2019	16.07070	10.35581	0.96256	0.00330	0.50886	0.12823	0.00000	7.26169	35.29115
2018	15.77081	12.31896	0.79732	0.00330	0.41730	0.13327	0.00000	7.40533	36.84629
2017	16.06708	13.55912	0.74787	0.00330	0.42081	0.13238	0.00000	7.45423	38.38479
2016	16.11034	14.17318	0.77318	0.00330	0.42983	0.13500	0.00000	7.51614	39.14097
2015	16.36444	12.68654	0.77964	0.00330	0.45866	0.13401	0.00000	7.76353	38.19012

Lawton-Bronson CSD

<u>Fiscal</u>	<u>City</u>	<u>School</u>	<u>College</u>	<u>State</u>	<u>Assessor</u>	<u>Aq Extens</u>	<u>Hospital</u>	<u>County</u>	<u>Total Levy Rate</u>
2019	16.07070	15.55913	0.96256	0.00330	0.50886	0.12823	0.00000	7.26169	40.49447
2018	15.77081	15.59975	0.79732	0.00330	0.41730	0.13327	0.00000	7.40533	40.12708
2017	16.06708	15.57659	0.74787	0.00330	0.42081	0.13238	0.00000	7.45423	40.40226
2016	16.11034	15.15626	0.77318	0.00330	0.42983	0.13500	0.00000	7.51614	40.12405
2015	16.36444	14.98287	0.77964	0.00330	0.45866	0.13401	0.00000	7.76353	40.48645

Source: Iowa Department of Management



**CITY OF SIOUX CITY, IOWA  
CONTINUING DISCLOSURE  
FOR THE YEAR ENDED JUNE 30, 2018**

**EXHIBIT E-5**

**Tax Collection History**

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Total Tax Collections	Percent of Total Tax Collections to Total Tax Levy
2018	\$ 42,044,168	\$ 41,570,454	98.87%	\$ 41,570,454	98.87%
2017	41,388,130	40,211,861	97.16%	40,211,861	97.16%
2016	39,428,585	39,022,739	98.97%	39,022,739	98.97%
2015	39,417,402	39,305,029	99.71%	39,305,029	99.71%
2014	38,454,955	38,210,067	99.36%	38,210,067	99.36%
2013	38,097,867	37,867,226	99.39%	37,867,226	99.39%
2012	37,723,796	37,664,946	99.84%	37,664,946	99.84%
2011	38,099,144	37,779,912	99.16%	37,779,912	99.16%

Source: City of Sioux City and Iowa Department of Management

**Largest Taxpayers**

Set forth in the following table are the persons or entities which represent the 2017 largest taxpayers within the Issuer, as provided by the County Auditor's Offices. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the City. Except as noted below, the City's mill levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the City from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the mills levies of the other taxing entities which overlap the properties.

<u>Taxpayer</u>	<u>2017 Taxable Valuation</u>	<u>Percent of Total</u>
MidAmerican Energy	\$ 117,052,663	4.25%
SM Southern Hills Mall LLC	58,730,760	2.13%
SCE Partners LLC	45,881,370	1.67%
Seaboard Triump Foods LLC	41,109,750	1.49%
MB Sioux City Lakeport LLC	34,415,100	1.25%
Wal-Mart Real Estate Business	26,367,300	0.96%
CCS Realty Property Owner LLC	16,708,860	0.61%
Marketplace LLC	16,026,750	0.58%
SAB (IA) LLC	16,003,260	0.58%
Cargill	14,374,260	0.52%
Total of Top 10 Taxpayers:		14.04%

Source: Woodbury County Auditor

**CITY OF SIOUX CITY, IOWA  
CONTINUING DISCLOSURE  
FOR THE YEAR ENDED JUNE 30, 2018**

**EXHIBIT E-5**

**Utility Property Tax Replacement**

Beginning in 1999, the State replaced its previous property tax assessment procedure in valuing the property of entities involved primarily in the production, delivery, service and sale of electricity and natural gas with a replacement tax formula based upon the delivery of energy by these entities. Electric and natural gas utilities now pay replacement taxes to the State in lieu of property taxes. All replacement taxes are allocated among local taxing cities by the State Department of Revenue and Finance and the Department of Management. This allocation is made in accordance with a general allocation formula developed by the Department of Management on the basis of general property tax equivalents. Properties of these utilities are exempt from the levy of property tax by political subdivisions. Utility property will continue to be valued by a special method as provided in the statute and taxed at the rate of three cents per one thousand dollars for the general fund of the State.

The utility replacement tax statute states that the utility replacement tax collected by the State and allocated among local taxing cities (including the City) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. However, utility property is not subject to the levy of property tax by political subdivisions, only the utility replacement tax and statewide property tax. It is possible that the general obligation debt capacity of the City could be adjudicated to be proportionately reduced in future years if utility property were determined to be other than "taxable property" for purposes of computing the City's debt limit under Article XI of the Constitution of the State of Iowa. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the City can issue or (ii) adversely affect the City's ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds. Approximately 7.79% of the City's tax base currently is utility property. Notwithstanding the foregoing, the City has the obligation to levy taxes against all the taxable property in the City sufficient to pay principal of and interest on the Bonds.

**Outstanding General Obligation Principal and Interest**

The City has eighteen different general obligation issues outstanding including the Bonds. Presented below is the outstanding principal and interest of the Issuer's General Obligation Debt, assuming interest rates ranging from 1% to 5% on the Bonds, presented in aggregate:

<u>Dated Date</u>	<u>Original Amount</u>	<u>Final Maturity</u>	<u>2019 Interest Rate</u>	<u>Final Interest Rate</u>	<u>Princial Outstanding 6/30/2018</u>
3/1/2010	2,080,000	2020	4.000%	4.350%	410,000
5/1/2011	23,425,000	2021	3.000%	4.000%	7,305,000
6/20/2012	9,635,000	2022	2.000%	2.350%	3,845,000
6/20/2012	4,840,000	2022	1.450%	2.400%	1,930,000
6/28/2013	8,820,000	2023	3.000%	5.000%	4,405,000
6/28/2013	4,480,000	2023	2.000%	2.800%	2,230,000
6/24/2013	22,215,000	2033	2.000%	4.250%	17,540,000
6/24/2014	6,655,000	2024	3.000%	5.000%	4,020,000
6/24/2014	1,550,000	2024	2.000%	3.200%	930,000
6/29/2015	5,080,000	2025	3.000%	3.050%	3,715,000
6/29/2015	23,030,000	2025	2.000%	3.000%	16,705,000
6/22/2016	23,515,000	2026	2.000%	2.000%	16,300,000
6/22/2016	8,720,000	2026	1.000%	2.400%	5,425,000
6/22/2016	4,235,000	2021	3.000%	3.000%	2,410,000
6/23/2017	14,300,000	2027	2.000%	2.375%	12,685,000
6/23/2017	7,000,000	2027	2.250%	2.850%	6,270,000
6/20/2018	20,615,000	2028	3.000%	3.000%	20,615,000
6/20/2018	15,065,000	2028	2.400%	3.450%	15,065,000
6/20/2018	2,295,000	2028	2.000%	2.750%	2,295,000
<b>Totals</b>	<b>\$ 207,555,000</b>				<b>\$ 144,100,000</b>

Source: City of Sioux City

**CITY OF SIOUX CITY, IOWA  
CONTINUING DISCLOSURE  
FOR THE YEAR ENDED JUNE 30, 2018**

**EXHIBIT E-5**

Presented below is the outstanding principal and interest of the Issuer's General Obligation Debt for the years indicated:

<u>Fiscal Year</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total P &amp; I</u>
2019	\$ 20,315,000	\$ 4,035,840	\$ 24,350,840
2020	20,390,000	3,592,391	23,982,391
2021	20,380,000	3,027,656	23,407,656
2022	16,915,000	2,445,656	19,360,656
2023	14,170,000	1,970,446	16,140,446
2024	13,065,000	1,559,734	14,624,734
2025	12,490,000	1,193,148	13,683,148
2026	9,400,000	852,016	10,252,016
2027	6,470,000	595,729	7,065,729
2028	4,660,000	395,638	5,055,638
2029	1,170,000	239,053	1,409,053
2030	1,170,000	193,422	1,363,422
2031	1,170,000	146,623	1,316,623
2032	1,170,000	98,652	1,268,652
2033	1,165,000	49,513	1,214,513
<b>Totals</b>	<b>\$ 144,100,000</b>	<b>\$ 20,395,517</b>	<b>\$ 164,495,517</b>

**Lease Commitments**

In 1986, the City entered into an agreement with the Siouxland Chamber Foundation to construct the Sioux City Convention Center and lease it back to the City. The original lease expired June 1, 2007, and the title to the facility reverted to the City according to the terms of the lease. On June 1, 2007, another agreement was formed which sold the facility back to the Siouxland Chamber Foundation for \$1.00 which simultaneously leased the facility back to the City. The new lease terms call for a rental payment of \$1.00 per year for a term of 5 years. The lease also provides for two 5-year renewal options. Per the agreement, title to the facility will revert to the City for no consideration at the end of the lease. Accordingly, the lease is treated as a capital lease and the leased assets are accounted for in the City's audit, in the governmental activities on the statement of net position. Buildings under the capital lease have an original cost of \$7,675,000, accumulated depreciation of \$5,947,872 for a net book value at June 30, 2018, of \$1,727,128.

**Revenue Debt by Issue**

<u>Revenue Bonds</u>	<u>Original Amount</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Principal Outstanding As of 6/30/18</u>
Sewer Capital Loan Notes	\$ 8,000,000	6/1/23	1.75%	\$ 2,463,000
Sewer Capital Loan Notes	31,000,000	6/1/27	1.75%	16,225,000
Sewer Capital Loan Notes	15,000,000	6/1/28	1.75%	9,329,000
Sewer Capital Loan Notes	38,600,000	6/1/29	3.00%	26,795,000
Sewer Capital Loan Notes	3,100,000	6/1/34	0.75%	1,134,000
Sewer Capital Loan Notes	4,200,000	6/1/34	0.75%	3,303,000
Sewer Capital Loan Notes	7,100,000	6/1/34	0.75%	5,184,000
Sewer Capital Loan Notes	33,000,000	6/1/39	1.75%	9,379,156
Water Capital Loan Notes	13,736,000	6/1/23	1.75%	4,228,000
Water Capital Loan Notes	11,264,000	6/1/24	1.75%	4,102,000
Water Capital Loan Notes	6,000,000	6/1/26	1.75%	2,718,000
Water Capital Loan Notes	10,807,000	6/1/30	3.00%	7,779,000
Water Capital Loan Notes	9,193,000	6/1/31	3.00%	6,618,000
Water Capital Loan Notes	30,618,000	6/1/32	3.00%	23,373,000
Water Capital Loan Notes	2,100,000	6/1/32	1.75%	1,502,000
Water Capital Loan Notes	5,700,000	6/1/39	1.75%	1,162,326
<b>Total</b>				<b>\$ 125,294,482</b>

**CITY OF SIOUX CITY, IOWA  
CONTINUING DISCLOSURE  
FOR THE YEAR ENDED JUNE 30, 2018**

**EXHIBIT E-5**

Total principal and interest abated in the five most recent fiscal years was as follows:

**Historical Debt Statistics**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total G.O. Debt Service	\$ 23,177,648	\$ 24,487,463	\$ 27,817,490	\$22,146,564	\$ 23,095,597
Less: Abatements	17,637,190	15,383,195	15,834,557	13,648,630	13,658,842
Net G.O. Debt Service	<u>\$ 5,540,458</u>	<u>\$ 9,104,268</u>	<u>\$ 11,982,933</u>	<u>\$ 8,497,934</u>	<u>\$ 9,436,755</u>

**Debt Limit**

The amount of general obligation debt a political subdivision of the State of Iowa can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of property within the corporate limits, taken from the last County Tax list. The Issuer's debt limit, based upon said valuation, amounts to the following:

1/1/2016 Actual Valuation:	4,269,884,111
X	0.05
<hr/>	
Statutory Debt Limit:	213,494,205
Total General Obligation Debt:	144,100,000
Total Debt Subject to Limit:	144,100,000
Percentage of Debt Limit Obligated:	67.50%

Source: Iowa Department of Management

**Overlapping & Underlying Debt**

Presented below is a listing of the overlapping and underlying debt for Issuers within the District and the amount applicable to the Issuer:

<u>Taxing Authority</u>	<u>Outstanding Debt</u>	<u>2017 Taxable Valuation</u>	<u>Taxable Value Within Issuer</u>	<u>Percentage Applicable</u>	<u>Amount Applicable</u>
Hinton CSD	\$ 7,422,591	\$ 222,371,467	\$ 318,201	0.14%	\$ 10,392
Lawton Bronson CSD	4,590,000	226,161,328	9,844,158	4.35%	199,665
Sergeant Bluff-Luton CSD	593,000	846,846,398	299,846,389	35.41%	209,981
Sioux City CSD	-	2,838,652,340	2,809,326,356	98.97%	-
Plymouth County	4,280,000	1,824,289,556	247,330	0.01%	428
Woodbury County	8,559,720	4,726,948,354	2,891,463,781	61.17%	5,235,981
Western Iowa Tech Community	18,090,000	9,489,909,489	3,083,768,134	32.50%	5,879,250
Northwest Area Education Agency	-	13,787,307,530	3,083,768,134	22.37%	-
			Total		\$ 11,535,697

Source: Iowa Department of Management, Iowa State Treasurer

**CITY OF SIOUX CITY, IOWA  
CONTINUING DISCLOSURE  
FOR THE YEAR ENDED JUNE 30, 2018**

**EXHIBIT E-5**

**FINANCIAL SUMMARY**

Actual Value of Property, 2017:	\$ 4,636,339,857
Taxable Value of Property, 2017:	3,083,768,134
Direct General Obligation Debt:	\$ 144,100,000
Less Self-Supported General Obligation debt:	<u>(87,958,527)</u>
Net General Obligation Debt	\$ 56,141,473
Overlapping Debt:	11,535,697
Net Direct & Overlapping General Obligation Debt	\$ 67,677,170
Population, 2010 US Census Bureau:	82,684
Direct Debt per Capita:	\$ 1,742.78
Total Debt per Capita:	\$ 818.50
Net Direct Debt to Taxable Valuation:	1.82%
Total Debt to Taxable Valuation:	2.19%
Net Direct Debt to Actual Valuation:	1.21%
Total Debt to Actual Valuation:	1.46%
Actual Valuation per Capita:	\$ 56,073
Taxable Valuation per Capita:	\$ 37,296

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Source: Iowa Department of Management

**CITY OF SIOUX CITY, IOWA  
CONTINUING DISCLOSURE  
FOR THE YEAR ENDED JUNE 30, 2018**

**EXHIBIT E-5**

**FINANCIAL INFORMATION**

The following sets forth statements of revenue and expenditures for the General Fund for fiscal years ended June 30, 2015 through 2018.

**Statement of Revenues and Expenditures  
and Changes in Fund Balance for the General Fund  
(Years Ended June 30)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>				
Taxes	\$ 33,393,589	\$ 31,437,026	\$ 29,943,562	\$ 27,508,292
Special Assessments	86,326	---	74,319	151,740
Regulatory Fees	3,142,880	2,781,908	4,167,323	2,387,205
Intergovernmental Revenue	2,645,712	2,029,175	2,254,970	1,957,800
Revenue from Use of Property	614,823	584,084	668,233	449,699
Charges for Services	5,915,296	5,087,521	5,206,995	5,062,588
Interest	408,156	144,161	523,777	308,312
Contributions	414,301	528,780	264,262	338,173
Miscellaneous	792,148	346,901	293,527	391,048
<b>Total Revenues</b>	<b>47,413,231</b>	<b>42,939,556</b>	<b>43,396,968</b>	<b>38,554,857</b>
<b>Expenditures</b>				
Public Safety	39,998,058	37,287,620	35,509,928	35,013,803
Public Works	1,534,741	1,569,115	1,244,165	1,519,848
Culture and Recreation	9,711,000	9,304,814	8,927,216	8,433,111
Community and Economic Development	1,044,238	954,951	839,489	872,128
General Government	3,711,552	3,449,818	3,131,279	2,795,536
<b>Total Expenditures</b>	<b>55,999,589</b>	<b>52,566,318</b>	<b>49,652,077</b>	<b>48,634,426</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(8,586,358)</b>	<b>(9,626,762)</b>	<b>(6,255,109)</b>	<b>(10,079,569)</b>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	17,030,497	14,898,884	14,220,911	14,836,079
Operating Transfers Out	(8,113,429)	(5,064,025)	(7,630,070)	(4,450,081)
<b>Total Other Financing Sources (Uses)</b>	<b>8,917,068</b>	<b>9,834,859</b>	<b>6,590,841</b>	<b>10,385,998</b>
<b>Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses</b>	<b>330,710</b>	<b>208,097</b>	<b>335,732</b>	<b>306,429</b>
<b>Fund Balance - Beginning of Year</b>	<b>9,781,808</b>	<b>9,573,711</b>	<b>9,237,979</b>	<b>8,931,550</b>
<b>Fund Balance - End of Year</b>	<b>\$ 10,112,518</b>	<b>\$ 9,781,808</b>	<b>\$ 9,573,711</b>	<b>\$ 9,237,979</b>

**CITY OF SIOUX CITY, IOWA  
CONTINUING DISCLOSURE  
FOR THE YEAR ENDED JUNE 30, 2018**

EXHIBIT E-5

**Public Funds Investments**

As of June 30, 2018, the City held investments in the following amounts:

	<u>Amount</u>
Local Bank Deposits	\$ 39,129,260
IPAIT	22,302,461
Money Market Deposits	5,776,251
Certificates of Deposit	2,000,000
Repurchase Agreements	6,000,000
Commercial Paper	5,940,908
Federal Agency Coupon Securities	52,548,952
Federal Agency Coupon Discount	998,753
U.S. Treasury Strips	983,729
Total	<u><u>\$135,680,314</u></u>

Source: City of Sioux City

Statements of revenues and expenditures of the General Fund of the City have been compiled from the City's audited financial reports. They have been organized in such a manner as to facilitate year-to-year comparisons. The following Table summarizes the City's 2017/18 and 2018/19 General Fund budgets as adopted by the City Council.

**General Fund Budget<sup>(1)</sup>**

	<u>2018/2019</u>	<u>2017/2018</u>
<b>Revenues</b>		
Taxes	\$ 34,801,170	\$ 32,000,491
Regulatory Fees	1,734,365	1,574,915
Charges for Services	6,344,832	6,156,503
Intergovernmental Revenue	2,229,441	2,029,921
Revenue from Use of Property	1,258,471	895,363
Miscellaneous	2,715,240	547,695
Assessments	178,187	172,187
Other Financial Sources	20,726,850	22,285,715
Total Revenues	<u><u>\$ 69,988,556</u></u>	<u><u>\$ 65,662,790</u></u>
<b>Expenditures</b>		
City Council	\$ 266,451	\$ 326,105
City Manager	639,975	603,697
Legal	345,287	331,632
Finance	1,515,478	1,416,856
Administrative Services	3,589,387	3,533,064
Human Resources	278,597	243,288
Police	21,107,489	20,416,427
Fire	18,384,103	15,868,522
Parks and Recreation	5,322,226	5,159,337
Public Works	2,030,581	1,926,722
Community Development	2,619,059	2,598,931
Human Rights	273,238	255,792
Art Center	1,349,843	1,042,317
Library	3,085,317	2,986,681
Museum	967,898	954,597
WCICC-IT	1,228,729	1,227,386
Symphony	48,365	48,365
Other	601,403	762,351
Transfers Out	6,224,150	5,857,154
Expenditures	<u><u>\$ 69,877,576</u></u>	<u><u>\$ 65,559,224</u></u>

<sup>1</sup>Cash basis.

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CITY OF SIOUX CITY, IOWA  
SINGLE AUDIT SECTION

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**CITY**

**CITY OF SIOUX CITY, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures	Pass-Through to Subrecipients
<b>FEDERAL AWARDS</b>						
<b>DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>						
Community Development Block Grant Entitlement	14.218	B-14-MC-19-0006	\$ 1,525,278	\$ 126,746	\$ 106,945	-
	14.218	B-15-MC-19-0006	1,502,088	423,323	396,288	24,774
	14.218	B-16-MC-19-0006	1,510,298	841,707	1,007,197	30,225
	14.218	B-17-MC-19-0006	1,498,813	222,742	86,114	-
		<b>Program 14.218 Subtotal</b>		1,614,518	1,596,544	54,999
Emergency Solutions Grant Program	14.231	E-16-MC-19-0002	135,218	64,695	54,239	47,671
	14.231	E-17-MC-19-0002	279,715	115,175	144,518	136,136
		<b>Program 14.231 Subtotal</b>		179,870	198,757	183,807
Home Investment Partnerships Program	14.239	M-15-DC-19-0207	354,500	74,064	-	-
	14.239	M-16-DC-19-0207	360,140	350,433	335,305	15,291
	14.239	M-17-DC-19-0207	338,142	88,446	189,802	1,718
		<b>Program 14.239 Subtotal</b>		512,943	525,107	17,009
Fair Housing Assistance Program	14.401	FF207K147018	30,642	-	23,469	-
	14.401	FF207K157018	59,600	-	25,091	-
	14.401	FF207K167018	63,200	-	5,357	-
		<b>Program 14.401 Subtotal</b>		-	53,917	-
Section 8 Voucher Program	14.871	IA018VO0180	5,057,448	20,087	-	-
	14.871	IA018VO0197	4,972,384	4,972,384	4,972,384	-
Section 8 Voucher Program-FSS	14.871	IA018FSH170A016	138,000	138,380	167,705	-
		<b>Housing Voucher Cluster Subtotal</b>		5,130,851	5,140,089	-
Lead-Based Paint Hazard Control	14.900	IALHB0600-15	2,662,175	1,021,875	945,636	-
		<b>Program 14.900 Subtotal</b>		1,021,875	945,636	-
<b>U.S. DEPARTMENT OF JUSTICE</b>						
Bulletproof Vest Partnership Program	16.607	2015BUBX15078780	3,027	810	-	-
Bulletproof Vest Partnership Program	16.607	2016BUBX16083707	298	895	2,953	-
	16.607	2017BUBX17090744	2,995	-	2,715	-
		<b>Program 16.607 Subtotal</b>		1,705	5,668	-
Methamphetamine Drug Hot Spots Grant	16.710	15-CAMP-07	12,159	2,536	-	-
	16.710	16-CAMP-12	12,427	12,427	12,427	-
		<b>Program 16.710 Subtotal</b>		14,963	12,427	-
<b>Passed through Governor's Office of Drug Control Policy</b>						
Byrne-Justice Assistance Grant (JAG) Program	16.738	15-JAG-195907	89,142	89,142	89,142	-
<b>Passed through Woodbury County</b>						
Byrne-Justice Assistance Grant (JAG) Program	16.738	2015-DJ-BX-0680	19,911	-	5,242	-
	16.738	2016-DJ-BX-0825	19,855	-	15,884	-
		<b>Program 16.738 Subtotal</b>		89,142	110,268	-
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>						
<b>Federal Aviation Administration</b>						
Airport Improvement Project	20.106	AIP3190085049-2015	2,660,841	15,365	6,461	-
	20.106	AIP3190085050-2016	1,927,872	1,559,889	1,510,661	-
	20.106	AIP3190085051-2017	1,519,627	1,362,098	1,068,394	-
	20.106	AIP3190085052-2017	\$ 42,629	42,629	42,629	-
		<b>Program 20.106 Subtotal</b>		\$ 2,979,981	\$ 2,628,145	\$ -

**CITY OF SIOUX CITY, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures	Pass-Through to Subrecipients
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>						
Passed through Iowa Department of Transportation						
Highway Planning and Construction	20.205	BHM7057(687)8K97	\$ 1,000,000	\$ 89,034	\$ 47,874	\$ -
	20.205	BROS7057(680)8J97	1,000,000	5,000	-	-
	20.205	BROS7057(682)8J97	1,000,000	50,000	-	-
	20.205	BROS7057(697)8J97	970,000	118,968	118,968	-
	20.205	EDP7057(688)7Y97	688,952	411,682	547,070	-
	20.205	STPU7057(681)7097	1,427,000	33,563	5,060	-
	20.205	STPU7057(702)7097	2,229,000	-	12,875	-
Transportation Enhancement Program	20.205	STPESE7057(693)8I97	310,433	27,904	33,728	-
Surface Transportation Program	20.205	STPU7057(683)7097	210,000	168,362	127,794	-
	20.205	STPU7057(689)7097	1,522,833	313,123	175,559	-
	20.205	STPU7057(698)7097	1,760,000	196,910	214,976	-
Transportation Alternatives Program	20.205	TAPU7057(686)8I97	1,274,945	180,150	153,708	-
		<b>Highway Planning and Construction Cluster Subtotal</b>		<b>1,594,696</b>	<b>1,437,612</b>	<b>-</b>
Transit JPA Transportation for Elderly/Disabled	20.513	18405 2016-026-705-17	5,590	1,131	273	-
	20.513	19742 2016-026-01-705-18	7,348	5,803	7,160	-
Transit JPA Job Access/Reverse Commute	20.516	18876 IA-37-X022-705-17	7,883	5,171	2,378	-
Transit JPA New Freedom Operating Assistance	20.521	16239 IA-57-X009-705-14	2,759	2,341	1,921	-
		<b>Transit Services Programs Cluster Subtotal</b>		<b>14,446</b>	<b>11,732</b>	<b>-</b>
<b>FEDERAL TRANSIT ADMINISTRATION</b>						
Transit Operating & Capital Assistance	20.507	IA90X400	1,725,047	338,946	338,946	-
	20.507	IA90X410	1,733,471	349,208	349,208	-
	20.507	IA90X507	1,726,868	244,355	236,909	-
	20.507	IA-2017-020	1,764,960	1,635,587	59,830	-
	20.507	IA-2018-022	1,573,837	-	1,573,837	-
		<b>Federal Transit Cluster Subtotal</b>		<b>2,568,096</b>	<b>2,558,730</b>	<b>-</b>
<b>DEPARTMENT OF PUBLIC SAFETY</b>						
Passed through Governor's Traffic Safety Bureau						
State & Community Highway Safety Grant	20.600	PAP17-402, M0ALTask 13	56,127	41,348	25,564	-
	20.600	PAP18-405d, M0ALTask 33	70,350	14,514	32,433	-
		<b>Highway Safety Cluster Subtotal</b>		<b>55,862</b>	<b>57,997</b>	<b>-</b>
<b>OFFICE OF NATIONAL DRUG CONTROL POLICY</b>						
High Intensity Drug Trafficking Area/HIDTA	95.001	G16MW0002A	158,086	4,775	86	-
	95.001	G17MW0002A	158,086	107,017	68,007	-
	95.001	G18MW0002A	158,086	-	82,688	-
		<b>Program 95.001 Subtotal</b>		<b>111,792</b>	<b>150,781</b>	<b>-</b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>						
Fire Prevention & Safety Grant	97.044	EMW-2016-FP-00298	18,286	18,286	18,286	-
		<b>Program 97.044 Subtotal</b>		<b>18,286</b>	<b>18,286</b>	<b>-</b>
Urban Search & Rescue Task Force	97.067	2015-SS-00014-S01	182,050	87,953	10,868	-
	97.067	2016-SS-00017-S01	130,624	68,676	99,682	-
	97.067	2017-SS-00014-S01	\$ 165,500	28,581	30,057	-
		<b>Program 97.067 Subtotal</b>		<b>185,210</b>	<b>140,607</b>	<b>-</b>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>				<b>\$ 16,094,236</b>	<b>\$ 15,592,303</b>	<b>\$ 255,815</b>

**CITY OF SIOUX CITY, IOWA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)  
FOR THE YEAR ENDED JUNE 30, 2018**

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures	Pass-Through to Subrecipients
<b>STATE AWARDS</b>						
<b>IOWA ECONOMIC DEVELOPMENT AUTHORITY</b>						
Regional Sports Authority District Grant		<b>17-RSAD-09</b>	\$ 50,000	\$ 12,500	\$ -	\$ -
		<b>18-RSAD-08</b>	50,000	37,500	50,000	-
Economic Regions Development Initiatives Grant		<b>17-RMG-01</b>	21,400	-	9,429	-
<b>IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT/DEPARTMENT OF TOURISM</b>						
Vision Iowa		<b>16-CAT-016</b>	300,000	107,637	92,681	-
<b>IOWA DEPARTMENT OF TRANSPORTATION</b>						
Recreational Trails Program		<b>RT-7057(699)-9H-97</b>	650,000	45,038	38,427	-
Public Transit Infrastructure Grant		<b>STA-IG-705-FY16</b>	55,581	30,492	30,492	-
STA Joint Participation Agreement		<b>STA-FORM-705-FY18</b>	342,472	342,472	342,472	-
Air Service Development Program		<b>18666 9I179SUX135</b>	28,000	15,191	7,672	-
		<b>19855 9I180SUX135</b>	28,000	-	10,654	-
Airport Improvement Program		<b>18566 9I170SUX100</b>	200,000	27,694	98,400	-
		<b>17466 9I160SUX100</b>	152,950	10,074	53,433	-
Commercial Air Service Vertical Infrastructure		<b>18514 9I170SUX200</b>	104,244	16,808	20,211	-
		<b>19557 9I180SUX200</b>	61,397	10,444	10,444	-
Revitalize Iowa's Sound Economy Program		<b>RM7057(673)9D97</b>	4,791,519	17,308	10,736	-
		<b>RM7057(695)9D97</b>	9,134,471	1,973,738	2,105,560	-
Railroad Revolving Loan/Grant Program		<b>RRLGST13(03)9T84</b>	100,000	-	52,460	-
<b>IOWA DEPARTMENT OF AGRICULTURE &amp; LAND STEWARDSHIP</b>						
Water Quality Initiative Program		<b>Urban 16WQI-013</b>	80,000	80,000	80,000	-
<b>STATE LIBRARY OF IOWA</b>						
Enrich Iowa		<b>FY2018 Direct Aid</b>	17,667	17,667	17,667	-
<b>IOWA DEPARTMENT OF NATURAL RESOURCES</b>						
Iowa Brownfield Redevelopment Program		<b>18-7540-08</b>	\$ 3,200	3,200	3,200	
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>				2,747,763	3,033,938	---
<b>TOTAL FEDERAL &amp; STATE FINANCIAL ASSISTANCE</b>				<b>\$ 18,841,999</b>	<b>\$ 18,626,241</b>	<b>\$ 255,815</b>

**CITY OF SIOUX CITY, IOWA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2018**

(1) The reporting entity for purposes of the Schedule of Expenditures of Federal Awards is the same as used for reporting on the comprehensive annual financial report.

(2) The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the City of Sioux City under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Sioux City, it is not intended to and does not present the financial position, changes in financial position or cash flows of the City of Sioux City.

(3) The City administers various loan programs, including the collection of principal and interest, for the Federal government. The outstanding balances of these programs at June 30, 2017, are:

	<u>Balance</u>
CDBG loans	\$176,715
CDBG deferred loans	205,767

(4) The City accepts and approves loan applications under the Section 312 loan program. However, the proceeds of loans from the Federal government and repayment to the Federal government are not administered by the City and are not included in the current year activity for purposes of the Schedule of Expenditures of Federal Awards.

(5) The City expended \$255,815 of grant funds as a pass-through to subrecipients through CFDA numbers 14.218, 14.231, and 14.239.

	<u>Subrecipients</u>	<u>Amount</u>
14.218 Community Devel Block Grant B-15-MC-19-0006	Big 12 Youth Development	\$ 4,774
	Mary Treglia Comm House	<u>20,000</u>
	Total	\$ 24,774
	<u>Subrecipients</u>	
B-16-MC-19-0006	Community Action Agency	\$ 27,065
	Midtown Family Center-Food Bank	<u>3,160</u>
	Total	\$ 30,225
14.231 Emergency Solutions Grant E-16-MC-0002	Center for Siouxland	\$ 6,568
	Community Action Agency	17,222
	Council on Sexual Assault	18,272
	Institute for Community	<u>5,608</u>
	Total	\$ 47,671
E-17-MC-0002	Center for Siouxland	\$ 21,666
	Community Action Agency	22,226
	Council on Sexual Assault	78,067
	Institute for Community	9,866
	Shesler Hall	<u>4,311</u>
Total	\$ 136,136	

14.239	Home Investment Partnerships M-16-DC-19-0207	South Sioux City Housing Agency	\$ 15,291
	M-17-DC-19-0207	South Sioux City Housing Agency	\$ 1,718

(6) The Schedule of Expenditures of Federal Awards is prepared on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City of Sioux City has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

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CITY OF SIOUX CITY, IOWA

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

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**Independent Auditors' 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**

The Honorable City Council  
of the City of Sioux City, 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, each major fund, and the aggregate remaining fund information of the CITY OF SIOUX CITY, IOWA as of and for the year ended June 30, 2018 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 12, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Sioux City's internal control over financial reporting (internal control) to determine the 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 of Sioux City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Sioux 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 of 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 determination of financial statement amounts. 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*.

Purpose of this Report

This 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.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City during the course of our audit.

If you have any questions concerning the above matters, we would be pleased to discuss them with you at your convenience.

*Williams & Company, P.C.*  
Certified Public Accountants

November 12, 2018  
Sioux City, Iowa

CITY OF SIOUX CITY, IOWA

REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE

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**Independent Auditors' Report on Compliance for Each Major Program and on Internal Control  
Over Compliance Required by the Uniform Guidance**

Honorable Members of the City Council  
City of Sioux City, Iowa

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of the City of Sioux City, Iowa (the City) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018. The City's major federal programs are identified in the summary of auditors' 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs 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* (CRF) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of 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 each major federal program. However, our audit does not provide a legal determination of the City's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the City complied, in a material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

## Report on Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of 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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of an opinion on compliance for each 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 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.

  
Certified Public Accountants

Sioux City, Iowa  
November 12, 2018



**CITY OF SIOUX CITY, IOWA**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2018**

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I. Summary of Auditors' Results

- a. An unmodified opinion was issued on the financial statements.
- b. No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- c. No noncompliance which is material to the financial statements was disclosed.
- d. No significant deficiencies in internal control over major programs were disclosed.
- e. An unmodified opinion was issued on compliance with requirements applicable to each major program.
- f. The Audit disclosed no audit findings which were required to be reported in accordance with Uniform Guidance Section 200.516(a).
- g. Major programs:

Community Development Block Grants/Entitlement Grants	CFDA #14.218
Section 8 Housing Choice Vouchers	CFDA #14.871
Federal Transit Formula Grants	CFDA #20.507
- h. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.
- i. The Auditee did not qualify as a low-risk auditee under 2 CFR Section 200.520.

II. Findings Related to the Financial Statements Reported in Accordance with Government Auditing Standards

Instances of Non-Compliance:

No matters were reported.  
There were no prior year audit findings.

Internal Controls:

None.

III. Findings and Questioned Costs Relating to Federal Awards

Instances of Non-Compliance:

No matters were noted.

Significant Deficiency:

No matters were noted.

**CITY OF SIOUX CITY, IOWA**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2018**

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IV. Other Findings Related to Required Statutory Reporting

- 18-IV-A – Certified Budget – City expenditures during the year ended June 30, 2018 did not exceed the amounts budgeted.
- 18-IV-B – Travel Expense – No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
- 18-IV-C – Bond Coverage – Surety bond coverage of City officials and employees is in accordance with statutory provisions. However, we recommend that the amount of coverage be reviewed annually to insure that the coverage is adequate for current operations.
- 18-IV-D – Council Minutes – We noted no transactions requiring approval, which had not been approved by the City Council.
- 18-IV-E - Questionable Expenditures – We noted no questionable expenditures during our audit.
- 18-IV-F - Revenue Bonds – No violations of revenue bond resolutions were noted.
- 18-IV-G - Business Transactions – No business transactions between the City and City officials or employees were noted.
- 18-IV-H - Cash and Investments – We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy.
- 18-IV-I - Urban Renewal Annual Report – The urban renewal annual report was properly approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.

**CITY OF SIOUX CITY, IOWA**  
**Summary Schedule of Prior Year Audit Findings**  
**Year Ended June 30, 2018**

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Material Weakness in Internal Controls:

2017-001 – Financial Reporting

Criteria – A deficiency in internal control over financial reporting 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 of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the City's financial statement.

Condition – Material adjustment of payables and capital assets were required to correct the City's financial statements. Adjustments were subsequently made by the City to properly include these amounts in the financial statements.

Cause – Due to limited staff, policy and procedures have not been established to require independent review to ensure the City's financial statements are accurate and reliable.

Effect – Lack of policies and procedures resulted in City employees not detecting the errors in the normal course of performing their assigned functions. As a result, material adjustments to the City's financial statements were necessary.

Recommendation – The City should implement procedures to ensure all payables and capital asset additions are identified and included/excluded in the City's financial statements.

Response – The City will develop procedures to ensure a secondary review is performed of payables and capital asset transactions on a periodic basis throughout the year.

Status – This weakness has been corrected for the current year.

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**