

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 2020C Notes 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 2020D Notes is included in gross income for federal income tax purposes. The Notes will NOT be designated as "qualified tax-exempt obligations." See "TAX MATTERS" herein for more detailed discussion of tax implications.



City of Sioux City, Iowa

\$15,510,000 General Obligation Refunding Capital Loan Notes, Series 2020C

\$3,725,000 Taxable General Obligation Refunding Capital Loan Notes, Series 2020D

Dated: Date of Delivery

The General Obligation Refunding Capital Loan Notes, Series 2020C (the "Series 2020C Notes") and the Taxable General Obligation Refunding Capital Loan Notes, Series 2020D (the "Series 2020D Notes"), (collectively, the 2020C Notes and the 2020D Notes, the "Notes") described above are issuable as fully registered Notes in the denomination of \$5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as Noteholder and nominee of the Depository Trust Company, New York, NY ("DTC"). DTC will act as securities depository for the Notes. Purchases of the Notes will be made in book-entry form. Purchasers of the Notes will not receive certificates representing their interest in the Notes purchased. So long as DTC or its nominee, Cede & Co., is the Noteholder, the principal of, premium, if any, and interest on the Notes 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 Notes.

Interest on the Notes is payable on June 1, and December 1 in each year, beginning June 1, 2021 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 Notes are not subject to optional redemption prior to maturity

MATURITY SCHEDULE

Series 2020C

Note Due	Amount	Rate	Yield	Cusip Num.*	Notes Due	Amount	Rate	Yield	Cusip Num.*
June 1, 2021	\$5,930,000	5.00%	0.24%	829458 MK1	June 1, 2024	\$2,280,000	5.00%	0.35%	829458 MN5
June 1, 2022	3,000,000	5.00	0.25	829458 ML9	June 1, 2025	2,300,000	5.00	0.44%	829458 MP0
June 1, 2023	2,000,000	5.00	0.29	829458 MM7					

Series 2020D

Note Due	Amount	Rate	Yield	Cusip Num.*	Notes Due	Amount	Rate	Yield	Cusip Num.*
June 1, 2021	\$950,000	1.00%	0.23%	829458 MQ8	June 1, 2024	\$600,000	1.00%	0.50%	829458 MT2
June 1, 2022	1,125,000	1.00	0.30	829458 MR6	June 1, 2025	450,000	1.00	0.65	829458 MU9
June 1, 2023	600,000	1.00	0.35	829458 MS4					

The Notes 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 Notes. It is expected that the Notes in the definitive form will be available for delivery on or about November 18, 2020. The Underwriter intends to engage in secondary market trading of the Notes subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Notes at the request of the holder thereof.

Series 2020D

UMB Bank, n.a.

The Date of this Official Statement is October 26, 2020

* 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 Notes nor do they make any representation as to the correctness of such CUSIP numbers on the Notes 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 NOTES 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 Notes. 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
\$15,510,000 GENERAL OBLIGATION REFUNDING CAPITAL LOAN NOTES SERIES 2020C
\$3,725,000 TAXABLE GENERAL OBLIGATION REFUNDING CAPITAL LOAN NOTES, SERIES 2020D

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 Refunding Capital Loan Notes, Series 2020C (the “Series 2020C Notes”) and the Taxable General Obligation Refunding Capital Loan Notes, Series 2020D (the “Series 2020D Notes”) (Collectively, the Series 2020C Notes and the Series 2020D Notes are referred to as “Notes” herein). The Notes are being issued for the following purposes: (i) Series 2020C Notes are being issued to provide funds for the all of the issuer’s outstanding General Obligation Bonds Series 2011A (dated 5/1/2011), Series 2012A (dated 6/20/2012) and Series 2015A (dated 6/29/2015), (ii) Series 2020D Notes are being issued to provide funds for the call of the Issuer’s outstanding General Obligation Bonds Series 2012B (dated 6/20/2012) and Series 2015B (dated 6/29/2015), and (iii) each Series shall pay the costs associated with the issuance of the respective Notes. 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 Notes 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 Notes 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 NOTES – Source of Security for the Notes**” 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 NOTES

General

The Notes are dated as of the date of delivery (expected on or about November 18, 2020), 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, 2021, 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 Notes are being issued pursuant to the Code of Iowa, 2019 as amended, Sections 384.24A and 384.25.

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 and 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 take 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 be 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 Notes (i) payments of principal of or interest and premium, if any, on the Notes, (ii) certificates representing an

ownership interest or other confirmation of beneficial ownership interest in the Notes, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the Registered Owner of the Notes, 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 Notes; (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 Notes; (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Notes; or (5) any consent given or other action taken by DTC as a Noteholder.

Transfer and Exchange

In the event that the Book Entry System is discontinued, any Note 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 Note 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 Note or Notes shall be surrendered for transfer, the Registrar shall execute and deliver a new Note or Notes of the same maturity, interest rate, and aggregate principal amount.

Notes may be exchanged at the principal corporate office of the Registrar for a like aggregate principal amount of Notes or other authorized denominations of the same maturity and interest rate; provided, however, that the Registrar is not required to transfer or exchange any Notes which have been selected for prepayment and is not required to transfer or exchange any Notes during the period beginning 15 days prior to the selection of Notes for prepayment and ending the date notice of prepayment is mailed. The Registrar may require the payment by the Note Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. All Notes 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 Notes are not subject to optional redemption prior to maturity.

Source of Security for the Notes

The Notes 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 Notes, the Issuer will levy taxes for the years and in amounts sufficient to provide 100% of annual principal and interest due on the Notes. If, however, the amount credited to the debt service fund for payment of the Notes 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 Notes, "the governing authority of these political subdivisions before issuing Notes 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 Notes 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 Notes in full."

Nothing in the Resolutions authorizing the Notes 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 Notes. If and to the extent such other legally available moneys are used to pay the principal of or interest on the Notes, 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 Notes.

The Issuer's obligation to pay the principal of and interest on the Notes 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 Notes. The Resolutions authorizing the Notes 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 Notes. For a further description of the Issuer's outstanding general obligation debt upon issuance of the Notes and the annual debt service on the Notes, see "**Outstanding Debt**" herein. For a description of certain constitutional and statutory limits on the issuance of general obligation debt, see "Debt Limit" herein.

NOTEHOLDERS' RISKS

An investment in the Notes is subject to certain risks. No person should purchase the Notes unless such person understands the risks described below and is willing to bear those risks. There may be other risks not listed below which may adversely affect the value of the Notes. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement (including the Appendices hereto) in order to make a judgment as to whether the Notes are an appropriate investment. The factors described below, along with other matters, may affect the ability of the Issuer to pay the Notes when due, the Issuer's general financial condition, or the marketability of the Notes.

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 Notes are secured by an unlimited ad valorem property tax as described more fully in the "**THE NOTES - Source of Security for the Notes**" herein.

Tax Levy Procedures

The Notes 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 Notes for a particular fiscal year may cause Noteholders to experience delay in the receipt of distributions of principal of and/or interest on the Notes. In the event of a default in the payment of principal of or interest on the Notes, there is no provision for acceleration of maturity of the principal of the Notes. Consequently, the remedies of the owners of the Notes (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 Notes) 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 Notes are secured by an unlimited ad valorem property tax as described more fully in the "**THE NOTES - Source of Security for the Notes**" herein.

Secondary Market

There can be no guarantee that there will be a secondary market for the Notes or, if a secondary market exists, that such Notes 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 Note or Notes issue are suspended or terminated. Additionally, prices of Note 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 Notes.

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

Ratings Loss

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aa2" to the Notes. 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 Notes.

Standard & Poor's Corporation ("S&P") has assigned a rating of "AA" (negative outlook) to the Notes. 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 Notes.

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 Notes.

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 Notes.

Tax Matters and Loss of Tax Exemption

As discussed under the heading “Tax Matters” herein, the interest on the Series 2020C Notes could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Series 2020C Notes 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 2020C Notes 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 2020C Notes and there is no provision for an adjustment of the interest rate on the Series 2020C Notes.

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 2020C Notes will alter the tax status of the Series 2020C Notes, and, in the extreme, remove the tax exempt status from the Series 2020C Notes. In that instance, the Series 2020C Notes are not subject to mandatory prepayment, and the interest rate on the Series 2020C Notes does not increase or otherwise reset. A determination of taxability, after closing of the Series 2020C Notes, could materially adversely affect the value and marketability of the Series 2020C Notes.

DTC-Beneficial Owners

Beneficial Owners of the Notes may experience some delay in the receipt of distributions of principal of and interest on the Notes 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 Notes can be effected only through DTC Participants, indirect participants and certain banks, the ability of a Beneficial Owner to pledge the Notes to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Notes, 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 NOTES – Book-Entry Only System.**”

Other Factors

An investment in the Notes 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 Notes 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 Notes or otherwise prevent holders of the Notes from realizing the full benefit of the tax exemption of interest on the Notes. Further, such proposals may impact the marketability or market value of the Notes 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 Notes. 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 Notes. 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 Notes would be impacted thereby.

Redemption Prior to Maturity

In considering whether to make an investment in the Notes it should be noted that the Notes are subject to optional redemption, as outlined herein, without Noteholder discretion or consent. See “**THE NOTES – 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 timing and completion of certain of the Projects funded by the Notes, and the Issuer’s overall financial position which could affect its rating. However, the Notes 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 NOTES - Source of Security for the Notes**” herein.

Global Health Emergency Risk

The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, President Donald Trump declared a national emergency to unlock federal funds to help states and local governments fight the pandemic. The current spread of COVID-19 is altering the behavior of businesses and people in a manner that may have negative effects on economic activity, and therefore adversely affect the financial condition of the Issuer, either directly or indirectly. Federal, State, and local officials are taking steps to curb the spread of the virus, including providing both discretionary and mandatory guidelines and orders regarding public gatherings, and imposing mandatory closings of some businesses. The spread of the virus could reduce sales tax and other collections dependent on local business activity, which is likely to be slower. The City does not currently anticipate a material effect on the imposition and collection of property taxes. At this time, however, it is not possible to predict the full impact of COVID-19’s impact on the economy or on the Issuer and its finances. The Notes are secured by an unlimited ad valorem property tax as described more fully in the “**THE NOTES – SOURCE OF SECURITY FOR THE NOTES**” 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. In December 2019, the Issuer received notice from a third-party vendor who processed credit card transactions for parking tickets and utility billing that its system may have been hacked, potentially compromising customer data entered between August 26 and September 18, 2019. Prior to September 18, 2019, the Issuer had already engaged a different vendor to process its credit card transactions. The Issuer contacted affected card holders, provided credit monitoring, and strengthened security measures. 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 Notes are secured by an unlimited ad valorem property tax as described more fully in the “**THE NOTES - Source of Security for the Notes**” herein.

Pensions

Pursuant to GASB 68, the Issuer reported a liability of \$24,618,385 as of June 30, 2019 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2018 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, 2018, the Issuer’s collective proportion was .3890239%, which was a decrease of .016310% from its proportion measured as of June 30, 2017. Additionally, the Issuer reported a liability of \$37,383,825 as of June 30, 2019 for its proportionate share of the net MFPRSI pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the City’s collective proportion was 6.278738% which was a decrease of .220004% from its proportion measured as of June 30, 2017. 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 14)**” 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 Notes are secured by an unlimited ad valorem property tax as described more fully in the “**THE NOTES - Source of Security for the Notes**” 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 Notes are secured by an unlimited ad valorem property tax as described more fully in the “**THE NOTES - Source of Security for the Notes**” herein.

Loss of Tax Base

Economic and other factors beyond the Issuer's control, such as economic recession, deflation of property values, or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within the corporate boundaries of the City. In addition, the State of Iowa has been susceptible to tornados, flooding and other extreme weather wherein winds and flooding have from time to time caused significant damage, which if such events were to occur, may have an adverse impact on the Issuer's financial position.

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 Notes. 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 Notes and their market price.

Bankruptcy

The rights and remedies available to holders of the Notes 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 Notes 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 Notes 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 Notes, there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Notes.

Suitability of Investment

The interest rate borne by the Notes is intended to compensate the investor for assuming the risk of investing in the Notes. 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 Notes 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 Notes. 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. 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 Notes. 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 Notes or the City's ability to meet its financial obligations with regard to the Notes.

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 Notes or the Official Statement.

UNDERWRITING

The Series 2020C Notes are being purchased, subject to certain conditions, by J.P. Morgan Securities, LLC, New York, NY (the "2020C Underwriter"). The 2020C Underwriter has agreed, subject to certain conditions, to purchase all, but not less than all, of the Series 2020C Notes at an aggregate purchase price of \$16,939,940.89 plus accrued interest to the Closing Date.

The Series 2020D Notes are being purchased, subject to certain conditions, by UMB Bank, n.a., Kansas City, MO (the "2020D Underwriter"). The 2020D Underwriter has agreed, subject to certain conditions, to purchase all, but not less than all, of the Series 2020D Notes at an aggregate purchase price of \$3,758,900.21 plus accrued interest to the Closing Date.

The Underwriter for each Series may offer and sell the Notes, respectively, to certain dealers (including dealers depositing the Notes 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 Notes may be changed, from time to time, by the Underwriter(s), respectively.

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

THE PROJECT

The Notes are being issued to provide funds for (a) the current call of the Issuer's outstanding General Obligation Bonds; and (b) the costs of issuance associated with the Notes.

SOURCES AND USES OF FUNDS

Sources of Funds

	<u>Series A</u>	<u>Series B</u>
Note Proceeds	\$15,510,000.00	\$3,725,000.00
Reoffering Premium	1,450,013.00	43,321.25
<u>Total Sources of Funds</u>	\$16,960,013.00	\$3,768,321.25

Uses of Funds

Call of Prior Notes	\$16,857,771.33	\$3,738,547.33
Costs of Issuance	82,169.56	20,305.45
Underwriter's Discount	20,072.11	9,421.04
Contingency	0.00	47.43
<u>Total Uses of Funds</u>	\$16,960,013.00	\$3,768,321.25

TAX MATTERS

As to the Series 2020C Notes:

Tax Exemptions and Related Considerations: Federal tax law contains a number of requirements and restrictions that apply to the 2020C Notes. 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 2020C Notes to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the 2020C Notes to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the 2020C Notes.

Subject to the Issuer's compliance with the above referenced covenants, under present law, in the opinion of Bond Counsel, interest on the 2020C Notes is excludable from gross income for federal income tax purposes. Interest on the 2020C Notes is not an item of tax preference for purposes of the federal alternative minimum tax.

Prospective purchasers of the 2020C Notes should be aware that ownership of the 2020C Notes 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.

As to the Series 2020D Notes:

Taxable: Interest on the 2020D Notes is included in gross income for federal income tax purposes.

Ownership of the Notes may result in other federal, state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Notes. The prospective purchaser of the Notes 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 Notes 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 Notes: The initial public offering price of the Notes (the “Discount Notes”) may be less than the amount payable on such Notes at maturity. An amount equal to the difference between the initial public offering price of Discount Notes (assuming that a substantial amount of the Discount Notes 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 Notes. Owners of Discount Notes should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Notes for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Notes. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Notes 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 the Notes (the “Premium Notes”) may be greater than the amount of such Premium Notes at maturity. An amount equal to the difference between the initial public offering price of Premium Notes (assuming that a substantial amount of the Premium Notes 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 Notes. Purchasers of the Premium Notes should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Notes for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Notes.

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 Notes. 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 Notes.

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 2020C Notes. If an audit is commenced, under current procedures the Service may treat the Issuer as a taxpayer and the noteholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the 2020C Notes 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 Notes, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any note 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 note 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: Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may be considered by the Iowa legislature. Judicial interpretation of state or federal laws, rules or regulations may also affect the tax treatment. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest or other income on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the 2020C Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

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 2020C Notes to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the 2020C Notes from realizing the full current benefit of the tax status of such interest. Recent proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the 2020C Notes. The introduction or enactment of any such legislative proposals or clarification of the Code may also affect, perhaps significantly, the market price for, or marketability of, the 2020C Notes. The prospective purchaser of the 2020C Notes should consult their own tax advisors regarding any pending or proposed tax legislation, as to which Bond Counsel expresses no opinion except as expressly set forth in APPENDIX B to this Preliminary Official Statement.

Enforcement: Holders of the Notes 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 Notes, 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 Notes. There is no trustee or similar person to monitor or enforce the terms of the Resolutions for issuance of the Notes. In the event of a default in the payment of principal of or interest on the Notes, there is no provision for acceleration of maturity of the principal of the Notes. Consequently, the remedies of the owners of the Notes (consisting primarily of an action in the nature of mandamus requiring the Issuer and certain other public officials to perform the terms of the Resolution for the Notes) may have to be enforced from year to year. The enforceability of the rights and remedies of owners of the Notes may be subject to limitation as set forth in Bond Counsel's opinion.

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 Notes cannot foreclose on property within the boundaries of the City or sell such property in order to pay the debt service on the Notes. In addition, the enforceability of the rights and remedies of owners of the Notes may be subject to limitation as set forth in Bond Counsel's opinion. The opinion to be delivered concurrently with the delivery of each series of Notes 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.

No representation is made, and no assurance is given, that the enforcement of any remedies with respect to such assets will result in sufficient funds to pay all amounts due under the Resolution for the Notes, including principal of and interest on the Notes.

The Opinion: The opinion 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 Notes, 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.

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 opinions is not binding on the Service. Bond Counsel assumes no obligation to update its opinions 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 NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF OWNERSHIP OF THE NOTES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE).

FINANCIAL ADVISOR

The Issuer has retained Piper Sandler & Co. as financial advisor (the "Financial Advisor") in connection with the issuance of the Notes. 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 Notes 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 Notes or Resolutions. A broker or dealer is to

consider a known breach of the Undertaking, however, before recommending the purchase or sale of the Notes 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 Notes 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 Notes, Iowa and Federal law pertinent to the validity of the Notes, and the tax status of interest on the Notes which can be found generally under the sections "The Notes", "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 Notes.

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 Notes. 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 Notes 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.

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 \$15,510,000 General Obligation Refunding Capital Loan Notes, Series 2020C and \$3,725,000 Taxable General Obligation Refunding Capital Loan Notes, Series 2020D of said Issuer to be issued under date of delivery.

CITY OF SIOUX CITY, IOWA

/s/ Teresa Fitch
Finance Director

/s/Kelli Hill
City Treasurer

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

MAYOR	Robert E. Scott
COUNCIL MEMBERS:	Dan Moore, Mayor Pro Tem Alex Watters Pete Groetken Julie Schoenherr
CITY MANAGER:	Robert Padmore
CITY CLERK:	Lisa L. McCardle
CITY TREASURER:	Kelli Hill
FINANCE DIRECTOR:	Teresa Fitch
CITY ATTORNEY	Nicole DuBois, Esq. Sioux City, Iowa

CONSULTANTS

BOND COUNSEL & DISCLOSURE COUNSEL	Ahlers & Cooney P.C. Des Moines, Iowa
FINANCIAL ADVISOR	Piper Sandler & Co. Des Moines, Iowa
PAYING AGENT	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 and its growth was built around the stockyards, once the world's largest. 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."

Twice named an All-America City by the National Civic League and designated as an Iowa Great Place, Sioux City, Iowa 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.

Sioux City has become known as a regional medical community with two major hospitals, Siouxland District Health, and the June E Nylen Cancer Center, servicing the area within a 50-mile radius.

Sioux City is also the urban center for shopping, entertainment and culture in the tri-state region. Sioux City offers six different geographical shopping hubs. Northern Valley Crossing is the newest development on the north side of Sioux City with approximately 21 acres available for development and Sunnybrook Plaza on the southeast side has seen over 200,000 sq ft of new retail development in the last year. Cultural offerings include the Tyson Events Center, Orpheum Theatre, Sioux City Museum, Sioux City Art Center, Gilchrist Learning Center, LaunchPAD Children's Museum, Lewis & Clark Interpretive Center, Mid America Museum of Aviation & Transportation, Sioux City Railroad Museum and the Hard Rock Casino. Sioux City metro was designated as Iowa's first "Great Place" with a five-Star quality of life.

The community has received many high-profile national rankings recently, including #1 for Economic Development by Site Selection magazine six of the last eight years, #15 Hottest U.S. Job Market in metros with fewer than 1 million people by Wall Street Journal, Top 10 Most Livable Small Cities and Top 25 Best Places to Work in Manufacturing by Smart Asset, and Top 10 Startup Ecosystem in Silicon Prairie. Cone Park was also ranked the Best New Tourist Attraction in Iowa by MSN.com in 2019. Sioux City is also 1 of 4 communities in the nation to have Police, Fire, EMS, and Communications accreditations.

Siouxland is home to many national companies including Seaboard Triumph Foods, Tyson Fresh Meats, Inc., empirical foods, Sioux Honey Association, American Pop Corn, Palmer Candy Company, Aalfs Manufacturing, Bomgaars, Gelita USA Inc., Wells Dairy Inc., Wilson Trailer Inc., and Great West Casualty Company.

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 60 acres of class A property, in the southern area of Sioux City. Infrastructure is in place and sites are shovel ready. The Yards has 30 acres of shovel-ready land zoned for commercial and light industrial development. Bridgeport West has over 1,200 acres of industrial development that is nearly built out, with the most recent development of a \$300 million facility on 250 acres by Seaboard Triumph Foods. Hoeven Valley is 5 miles long and 1 mile wide with three Class A railroads serving the area. Sioux City also has three designated Opportunity Zones which encourage long-term investments in designated areas by providing investors with a capital gains tax deferral. These designated areas have generated strong interest from developers.

The recent completion of Highway 20 making it four lanes from Western to Eastern Iowa as well as the \$400 million 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 Sioux Gateway Airport is also completing a major reconstruction of its runways and serves as a regional airport providing commercial and private air service.

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, 2020.

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 assistance to communities to fund large-scale projects including new retail establishments and new hotels, supported by sales tax and hotel and motel tax revenues generated within the defined 25-acre 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. Downtown Sioux City Hotel Associates, LLC is investing \$21 million towards construction of the hotel. Pursuant to a development agreement with Downtown Sioux City Hotel Associates, 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.

In 2018, the City also entered into a 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, 2020, the City had to subsidize the Convention Center budget due to the finalization of construction at the facility and the hotel.

- Ho-Chunk, Inc. is investing over \$36 million to redevelop two historic industrial buildings and construct two additional new buildings along Virginia Street, known as Virginia Square.
 - 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 20 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 \$161,000.
 - 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 \$2 million minimum assessment agreement and was provided tax increment tax rebates estimated at \$345,000.
 - 101 Virginia is a newly constructed 73,678 sf building. The first floor contains retail space and indoor parking, and the remaining floors house 45 market-rate residential units. The developer has agreed to a minimum assessment agreement of \$400,000 in exchange for tax increment tax rebates estimated at \$45,000.
 - On a newly vacant site, within the Virginia Square district, Hart Family Hotels-Sioux City 2, LLC constructed a new \$7.4 million Avid Hotel. The developer has agreed to a minimum assessment agreement of \$5.5 million, and the City will provide 100% tax increment tax rebates for five years and 50% tax rebates for an additional five years (estimated to equate to an incentive of \$1.2 million.)

Additionally, the City has agreed to provide Ho-Chuck, Inc. with a reimbursement up to \$1.6 million of reinvestment funds received from the State and generated by their development.

- The Siouxland Expo Center is an innovative new multi-purpose venue, designed to add new recreational opportunities, provide unique spaces for large community events, and enhance the overall tourism appeal of the region. The Siouxland Expo Center is being developed by a private 501(c)(3). The project includes over 100,000 sf of large sports area, a climbing wall room, restrooms, locker rooms and office space. The project is estimated to cost \$15 million. The City has committed \$2 million to the project from tax increment funds (payable \$200,000 per year for 10 years). Additionally, a \$6.5 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. \$5.5 million of the Series 2020B Bonds is allocated to the Expo Center project. Additional City general obligation bonds in 2025 are anticipated, to an aggregate amount of \$5 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 rents space in the Expo Center (securing operational revenues) and manages the facility.
- Warrior Hotel Limited Partnership is redeveloping two historical buildings in the Reinvestment District. The project is being completed by Restoration St. Louis, a developer 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 \$75 million. IEDA awarded over \$17 million in historic tax credits to the Project. 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 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 and transit workers have tentative union contracts that will expire June 30, 2023. Police officers have a tentative union contract that will expire June 30, 2024. 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 4-year payback on the initial investment which is estimated at \$11.8 million. The City anticipates funding the project with sewer revenue obligations through the Iowa Finance Authority. See "Other Obligations of the City – Sewer Revenue Obligations" table below for more information on Sewer utility financings.

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 14)**".

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 2019, pursuant to the IPERS' required rate, the Issuer's Regular members contributed 6.29% of pay and the Issuer contributed 9.44% for a total rate of 15.73 percent, and the Issuer's Protection Occupation members contributed 6.81% of pay and the Issuer contributed 10.21% for a total rate of 17.02 percent. The Issuer's contributions to IPERS for the year ended June 30, 2019 were \$2,928,440. The City has currently budgeted a contribution of \$3,049,406 to IPERS for the year ended June 30, 2020. 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 Contributed	% of Covered Payroll	Amount Contributed	% of Covered Payroll	Amount Contributed	% of Covered Payroll	Amount Contributed	% of Covered Payroll		
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%		
2019	2,811,702	9.44%	116,738	10.21%	1,873,475	6.29%	77,863	6.81%		

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, 2019 through, and including, 2015 (collectively, the “IPERS CAFRs (2015-2019)”), and the actuarial valuation reports provided to IPERS by Cavanaugh MacDonald Consulting, LLC (collectively, the “IPERS Actuarial Reports (2015-2019)”). 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 Liability [c]	Unfunded Actuarial 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]]
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	79.27
2019	33,324,327,606	34,010,680,731	39,801,338,797	6,477,011,191	83.73	5,790,658,066	85.45	8,151,043,468	71.04

Source: IPERS Actuarial Reports

For a description of the assumptions used when calculating the funding status of IPERS for the fiscal year noted herein, see IPERS CAFRs

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 %
2015	3.96
2016	2.15
2017	11.70
2018	7.97
2019	8.35

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, 2019, the Issuer reported a liability of \$24,618,385 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2018 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, 2018, the City’s collective proportion was .3890239%, which was a decrease of .016310% from its proportion measured as of June 30, 2017. See “APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER–NOTES TO THE FINANCIAL STATEMENTS (NOTE 14)” 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, 2019, members contributed 9.40% of earnable compensation, and that rate remains the same for fiscal year 2020/21.

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 26.02% for the year ended June 30, 2019.

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 non-employer 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, 2019.

The contribution paid by the City for the fiscal year ended June 30, 2019 totaled \$4,909,015. The City has currently budgeted a contribution of \$4,742,303 to MFPRSI for the year ended June 30, 2020.

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>
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
2019	35.42	26.02	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, 2019 through, and including, 2015 (collectively, the “MFPRSI CAFRs (2015-

2019)”), and the actuarial valuation reports provided to MFPRSI (collectively, the “MFPRSI Actuarial Reports (2015-2019)”). 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]]
2015	2,239,539,373	2,769,994,684	530,455,311	80.85	273,319,323	1.941
2016	2,333,944,800	2,867,807,326	533,862,526	81.38	283,639,887	1.882
2017	2,436,896,111	3,023,371,171	562,209,754	80.60	296,237,982	1.898
2018	2,578,863,993	3,145,031,474	566,167,481	82.00	302,420,313	1.872
2019	2,649,186,492	3,269,051,818	619,865,326	81.04	315,937,395	1.962

Source: MFPRSI CAFRs (2015-2019) and MFPRSI Actuarial Reports (2015-2019)

For a description of the assumptions used when calculating the funding status of MFPRSI for each fiscal year noted herein, see MFPRSI CAFRs

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 %
2015	3.07
2016	0.01
2017	11.75
2018	7.63
2019	5.44

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, 2019, the Issuer reported a liability of \$37,383,825 for its proportional share of the MFPRSI net pension liability. The net pension liability was measured as of June 30, 2018 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, 2018, the City’s proportion was 6.278738% which was a decrease of .220004% from its proportion measured as of June 30, 2017. See “APPENDIX D–AUDITED FINANCIAL STATEMENTS OF ISSUER - NOTES TO THE FINANCIAL STATEMENTS (NOTE 14)” 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 50266 or on MFPRSI’s website at 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.

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: 2019 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	4,500
Seaboard Triumph Foods	Pork Processing Plant	2,400
Sioux City Schools	Education	2,370
Bomgaars	Commercial Sales	2,100
Mercy Medical Center	Health Care	1,562
UnityPoint-St. Luke's Medical Center	Health Care	1,500
HyVee	Grocery	1,023
185th Iowa Air National Guard	Military	952
City of Sioux City	Government	878
Western Iowa Tech Community College	Education	700
Sabre Industries	Telecom Manufacturing	550
MidAmerican Energy	Utilities	519
Hard Rock Casino Sioux City	Casino	512
Curly's Foods	Specialty Pork Products	500

Source: Locatesiouxcity.com; Issuer

Employment Statistics

The State of Iowa Department of Job Service reports unemployment unadjusted rates as follows (August, 2020)

<u>Governmental Body</u>	<u>Percentage Unemployed</u>
National Average	8.0
State of Iowa	6.0
Woodbury County:	5.7

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>
2019	2.70%	2.70%
2018	2.60%	2.60%
2017	3.20%	3.10%
2016	3.60%	3.60%
2015	3.80%	3.80%

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>
2019	\$1,621,272,203	2,035
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

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>
2020	2,766	210,770,806
2019	2,657	292,912,987
2018	3,016	351,395,530
2017	3,131	309,121,007
2016	3,022	132,050,925
2015	2,869	178,308,685

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 & Buildings</u>	<u>Commercial</u>	<u>Multi-residential</u>
2020-21	55.0743	81.4832	90.0000	71.2500
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

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, 2019 are used to calculate tax liability for the tax year starting July 1, 2020 through June 30, 2021. Presented below are the historic property valuations of the Issuer by class of property.

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
2019	5,312,752,220	13.51%	3,465,807,451	10.61%
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%

Actual Valuation

Valuation as of January Fiscal Year	2019 2020-21	% of Total	2018 2019-20	% of Total	2017 2018-19	% of Total	2016 2017-18	% of Total	2015 2016-17
Residential:	3,278,114,093	66.56%	2,833,871,245	65.83%	2,824,148,675	66.39%	2,552,952,627	64.78%	2,505,808,538
Agricultural Land:	5,901,543	0.12%	8,085,458	0.19%	8,072,488	0.19%	8,561,879	0.22%	9,030,937
Ag Buildings:	290,351	0.01%	431,500	0.01%	364,800	0.01%	436,000	0.01%	427,900
Commercial:	1,000,717,381	20.32%	838,339,216	19.48%	827,951,862	19.46%	865,331,418	21.96%	807,821,560
Industrial:	153,831,039	3.12%	173,411,011	4.03%	163,378,873	3.84%	117,204,214	2.97%	105,966,011
Multi-Residential	181,459,589	3.68%	186,204,671	4.33%	182,300,064	4.29%	132,240,727	3.36%	133,279,187
Personal RE:	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0
Railroads:	19,693,780	0.40%	17,944,091	0.42%	15,929,864	0.37%	16,875,542	0.43%	14,933,228
Utilities:	19,553,176	0.40%	21,372,597	0.50%	21,534,419	0.51%	20,683,690	0.52%	21,608,531
Other:	5,300,000	0.11%	0	0.00%	0	0.00%	0	0.00%	0

Total Valuation:	4,664,860,952	94.72%	4,079,659,789	94.77%	4,043,681,045	95.06%	3,714,286,097	94.25%	3,598,875,892
Less Military:	5,150,412	0.10%	5,398,230	0.13%	5,663,416	0.13%	5,872,692	0.15%	6,178,272

Net Valuation:	4,659,710,540	94.61%	4,074,261,559	94.65%	4,038,017,629	94.93%	3,708,413,405	94.10%	3,592,697,620
TIF Valuation:	387,719,326		375,879,428		382,622,073		328,911,978		425,761,996
Utility Replacement:	265,322,354	5.39%	230,372,893	5.35%	215,700,155	5.07%	232,558,728	5.90%	224,788,328

Taxable Valuation

Valuation as of January Fiscal Year	2019 2020-21	% of Total	2018 2019-20	% of Total	2017 2018-19	% of Total	2016 2017-18	% of Total	2015 2016-17
Residential:	1,788,035,603	58.09%	1,612,981,778	57.35%	1,570,817,310	57.06%	1,453,628,119	55.81%	1,396,894,943
Agricultural Land:	4,801,224	0.16%	4,537,984	0.16%	4,395,304	0.16%	4,066,832	0.16%	4,163,880
Ag Buildings:	236,562	0.01%	242,212	0.01%	198,623	0.01%	207,088	0.01%	197,293
Commercial:	872,711,892	28.35%	754,505,294	26.83%	745,156,678	27.07%	778,798,277	29.90%	727,039,404
Industrial:	131,761,379	4.28%	156,069,910	5.55%	147,040,986	5.34%	105,483,792	4.05%	95,369,410
Multi-Residential	128,465,333	4.17%	139,653,515	4.97%	143,561,438	5.21%	109,098,834	4.19%	114,953,442
Personal RE:	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0
Railroads:	17,724,402	0.58%	16,149,682	0.57%	14,336,878	0.52%	15,187,989	0.58%	13,439,905
Utilities:	19,553,176	0.64%	21,372,597	0.76%	21,534,419	0.78%	20,683,690	0.79%	21,608,531
Other:	4,770,000	0.15%	0	0.00%	0	0.00%	0	0.00%	0

Total Valuation:	2,968,059,571	96.43%	2,705,512,972	96.19%	2,647,041,636	96.15%	2,487,154,621	95.48%	2,373,666,808
Less Military:	5,150,412	0.17%	5,398,230	0.19%	5,663,416	0.21%	5,872,692	0.23%	6,178,272

Net Valuation:	2,962,909,159	96.26%	2,700,114,742	96.00%	2,641,378,220	95.94%	2,481,281,929	95.26%	2,367,488,536
TIF Valuation:	387,719,326		320,616,271		330,604,865		286,892,828		357,865,957
Utility Replacement:	115,178,966	3.74%	112,548,861	4.00%	111,785,049	4.06%	123,536,354	4.74%	132,083,187

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 August 31, 2020, the City held investments in the following amounts:

	<u>Amount</u>
Local Bank Deposits	21,912,597.95
IPAIT	5,149,683.38
Money Market Deposits	17,091,668.10
Certificates of Deposit	7,009,059.21
Repurchase Agreements	6,000,000.00
Commercial Paper	4,982,986.11
Federal Agency Coupon Securities	19,226,957.23
U.S. Treasury Strips	<u>17,319,450.39</u>
Total	<u>98,692,402.37</u>

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>
2021	8.10000	1.99361	0.27000	3.39473	1.14118	0.00000	14.89952
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

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>
2021	14.89952	13.52558	0.88483	0.00270	0.38116	0.12200	0.00000	7.16414	36.97993
2020	15.68010	15.30404	0.90221	0.00280	0.42948	0.12727	0.00000	7.22786	39.67376
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

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>
2021	14.89952	10.59626	0.88483	0.00270	0.38116	0.12200	0.00000	7.16414	34.05061
2020	15.68010	9.89197	0.90221	0.00280	0.42948	0.12727	0.00000	7.22786	34.26169
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

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>
2021	14.89952	15.25871	0.88483	0.00270	0.38116	0.12200	0.00000	7.16414	38.71306
2020	15.68010	15.54993	0.90221	0.00280	0.42948	0.12727	0.00000	7.22786	39.91965
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

Source: Iowa Department of Management

Tax Collection History (1)

<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>
2020	45,156,343	44,621,489	93.36%	511,279	45,132,768	99.95%
2019	45,506,233	44,621,489	98.06%	483,502	45,104,991	99.12%
2018	42,044,168	41,570,454	98.87%	309,981	41,880,435	99.61%
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%

(1) FY20 results are unaudited

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 2019 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>2019 Taxable Valuation</u>	<u>Percent of Total</u>
MidAmerican Energy – Electric #7289 (1)	81,384,648	2.32%
SCE Partners LLC	46,383,930	1.32%
Seaboard Triumph Foods LLC (2)	45,907,650	1.31%
Southern Hills Mall LLC	40,488,930	1.15%
MidAmerican Energy - Gas #5289 (1)	32,801,725	0.93%
Wal-Mart Real Estate Business	22,338,360	0.64%
Lakeport Commons Center LLC	19,889,640	0.57%
Balogh Associates VI LLC	17,843,760	0.51%
SAB (IA) LLC	16,886,970	0.48%
Cargill, Inc.	15,845,040	0.45%
	Total	9.67%

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 3.25% 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 40% of the actual value is taxable. The current assessed value as of January 1, 2019 is \$127,477,700.

Outstanding Debt (1) (2)

The City has twenty 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 estimated from 1.7% to 3% on the Bonds, presented in aggregate:

Fiscal Year	Total Principal	Total Interest	Total P&I
2021	24,980,000	3,787,869	28,767,869
2022	21,205,000	3,420,199	24,625,199
2023	18,385,000	2,813,099	21,198,099
2024	17,555,000	2,292,196	19,847,196
2025	16,855,000	1,802,334	18,657,334
2026	14,290,000	1,339,444	15,629,444
2027	11,460,000	983,156	12,443,156
2028	9,750,000	679,785	10,429,785
2029	6,370,000	415,323	6,785,323
2030	3,625,000	240,730	3,865,730
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:	147,980,000	18,068,921	166,048,921

(1) Source: City of Sioux City

(2) Pursuant to 28E agreements with the State of Iowa – Department of Transportation, the City has an obligation to repay, in addition to the above, \$1,031,217 to the DOT over the period through 7/1/2025.

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, 2019	5,312,752,220
X	0.05
Statutory Debt Limit:	265,637,611
Total General Obligation Debt:	147,980,000
IDOT loan:	1,031,217
Total Urban Renewal Revenue Debt:	875,619
Total Debt Subject to Limit:	149,886,836
Percentage of Debt Limit Obligated:	56.43%

Source: Iowa Department of Management and the City of Sioux City

1 The amount reported above is the amount due in the current fiscal year under development agreements payable after closing on the Bonds, as reported by the City pursuant to development agreements for urban renewal projects under the authority of Iowa Code Chapter 403 or other intergovernmental agreements (under chapter 28E, etc). 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 \$48,143,576 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 74.55%. 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 2020 or after. See "**Other Tax Increment Rebate Agreements**" table herein for more information.

Other Obligations of the City

The City has entered into loan agreements with the Iowa State Revolving Loan Fund program for various water and sewer revenue obligations over the years. Presented below is the current amortization of those loans (assuming all of the proceeds of the loans for projects currently under construction are drawn in full):

Sewer Revenue Obligations (1) (2) (3)

Fiscal Year	<u>6/25/02</u>	<u>4/14/06</u>	<u>4/9/08</u>	<u>5/6/09</u>	<u>5/31/13</u>	<u>5/31/13</u>	<u>5/31/13</u>	<u>6/23/17</u>	<u>11/13/20</u>	<u>11/13/20</u>	<u>11/13/20</u>	Total <u>Principal</u>	Admin <u>Fee</u>	Total <u>Interest</u>	Total <u>P&I</u>
2021	492,000	1,694,000	773,000	1,801,000	72,000	195,000	306,000	1,385,000				6,718,000	261,448	1,524,701	8,504,149
2022	507,000	1,745,000	796,000	1,859,000	73,000	197,000	310,000	1,413,000	412,000	285,000	67,000	7,664,000	244,653	1,638,760	9,547,413
2023	522,000	1,798,000	820,000	1,920,000	73,000	199,000	313,000	1,441,000	420,000	291,000	69,000	7,866,000	225,493	1,522,388	9,613,880
2024		1,852,000	844,000	1,982,000	74,000	201,000	316,000	1,470,000	428,000	297,000	71,000	7,535,000	205,828	1,389,893	9,130,720
2025		1,907,000	870,000	2,046,000	75,000	203,000	319,000	1,500,000	437,000	303,000	73,000	7,733,000	186,990	1,263,230	9,183,220
2026		1,964,000	896,000	2,113,000	76,000	205,000	322,000	1,530,000	445,000	309,000	75,000	7,935,000	167,658	1,133,143	9,235,800
2027		2,023,000	923,000	2,182,000	76,000	207,000	325,000	1,560,000	454,000	315,000	78,000	8,143,000	147,820	999,560	9,290,380
2028			950,000	2,253,000	77,000	209,000	329,000	1,591,000	463,000	321,000	80,000	6,273,000	127,463	862,358	7,262,820
2029			979,000	2,326,000	78,000	212,000	332,000	1,623,000	473,000	327,000	82,000	6,432,000	111,780	757,930	7,301,710
2030				2,401,000	79,000	214,000	335,000	1,656,000	482,000	334,000	85,000	5,586,000	95,700	650,770	6,332,470
2031				2,479,000	79,000	216,000	338,000	1,689,000	492,000	341,000	87,000	5,721,000	81,735	558,445	6,361,180
2032					80,000	218,000	342,000	1,722,000	502,000	348,000	90,000	3,302,000	67,433	463,788	3,833,220
2033					81,000	220,000	345,000	1,757,000	512,000	354,000	93,000	3,362,000	59,178	411,503	3,832,680
2034						222,000	349,000	1,792,000	522,000	362,000	96,000	3,343,000	50,773	358,198	3,751,970
2035								1,828,000	532,000	369,000	98,000	2,827,000	42,415	304,445	3,173,860
2036								1,864,000	543,000	376,000	101,000	2,884,000	35,348	253,993	3,173,340
2037								1,902,000	554,000	384,000	104,000	2,944,000	28,138	202,513	3,174,650
2038								1,940,000	565,000	391,000	108,000	3,004,000	20,778	149,953	3,174,730
2039								1,979,000	576,000	399,000	111,000	3,065,000	13,268	96,303	3,174,570
2040									588,000	407,000	114,000	1,109,000	5,605	41,555	1,156,160
2041									600,000	415,000	118,000	1,133,000	2,833	21,008	1,156,840
Totals	1,521,000	12,983,000	7,851,000	23,362,000	993,000	2,918,000	4,581,000	31,642,000	10,000,000	6,928,000	1,800,000	104,579,000	2,182,330	14,604,432	121,365,762

(1) Unless otherwise noted, the interest rate on the SRF loan noted is 1.75%. The sewer revenue note dated 11/13/20 outstanding in the amount of \$1.8M carries a rate of 2.75%.

(2) With respect to the Sewer Revenue bonds dated 5/31/13 (two issues), the interest rate is 0.75%.

(3) Pursuant to a 28E agreement with the State of Iowa – Department of Transportation, the City has an obligation to repay, in addition to the above, \$610,312 to the DOT over the period through 7/1/2025, out of net operating revenues of the Sewer System of the City.

Water Revenue Obligations (1) (2) (3) (4)

<u>Fiscal Year</u>	<u>6/25/02</u>	<u>6/25/02</u>	<u>3/3/04</u>	<u>9/20/06</u>	<u>5/5/10</u>	<u>11/3/10</u>	<u>9/7/11</u>	<u>8/30/13</u>	<u>6/23/17</u>	<u>7/12/19</u>	<u>Total Principal</u>	<u>Admin Fee</u>	<u>Total Interest</u>	<u>Total P&I</u>
2021	403,000	442,000	673,000	376,000	523,000	445,000	1,434,000	84,000	239,000	279,000	4,898,000	134,135	980,933	6,013,068
2022	415,000	455,000	693,000	388,000	540,000	459,000	1,480,000	86,000	244,000	284,000	5,044,000	121,890	871,730	6,037,620
2023	428,000	469,000	714,000	399,000	557,000	474,000	1,529,000	87,000	249,000	289,000	5,195,000	109,280	764,960	6,069,240
2024			735,000	411,000	576,000	490,000	1,578,000	89,000	254,000	294,000	4,427,000	96,293	674,048	5,197,340
2025				424,000	594,000	506,000	1,629,000	91,000	259,000	300,000	3,803,000	85,225	596,575	4,484,800
2026					614,000	522,000	1,682,000	93,000	264,000	305,000	3,480,000	75,718	530,023	4,085,740
2027					633,000	539,000	1,737,000	94,000	269,000	310,000	3,582,000	67,018	469,123	4,118,140
2028					654,000	556,000	1,794,000	96,000	275,000	316,000	3,691,000	58,063	406,438	4,155,500
2029					675,000	574,000	1,852,000	98,000	280,000	321,000	3,800,000	48,835	341,845	4,190,680
2030					697,000	593,000	1,912,000	100,000	286,000	327,000	3,915,000	39,335	275,345	4,229,680
2031					720,000	612,000	1,974,000	102,000	292,000	332,000	4,032,000	29,548	206,833	4,268,380
2032							2,038,000	104,000	298,000	338,000	2,778,000	19,468	136,273	2,933,740
2033								106,000	303,000	344,000	753,000	12,523	87,658	853,180
2034								109,000	310,000	350,000	769,000	10,640	74,480	854,120
2035									316,000	356,000	672,000	8,718	61,023	741,740
2036									322,000	362,000	684,000	7,038	49,263	740,300
2037									328,000	369,000	697,000	5,328	37,293	739,620
2038									335,000	375,000	710,000	3,585	25,095	738,680
2039									342,000	382,000	724,000	1,810	12,670	738,480
Totals:	1,246,000	1,366,000	2,815,000	1,998,000	6,783,000	5,770,000	20,639,000	1,339,000	5,465,000	6,233,000	53,654,000	934,445	6,601,603	61,190,048

(1) Unless otherwise noted, the interest rate on the SRF loan noted is 1.75%

(2) With respect to the Water revenue loans dated 11/3/10 and 9/7/11, the interest rate on the loan is 3%. The City anticipates that the interest rate on these loans will reset to 1.75% on 12-1-20 (for the 11/3/10 issue) and 12/1/2021 (for the 9/7/11 issue). The interest rate reset is voluntary at the option of the State Revolving Loan Fund (“SRF”) program, and the City’s expectations may not be achieved were the SRF to choose to discontinue its current interest-rate reset practice.

(3) Pursuant to a 28E agreement with the State of Iowa – Department of Transportation, the City has an obligation to repay, in addition to the above, \$462,996 to the DOT over the period through 7/1/2025, out of net operating revenues of the Water System of the City.

(4) The City has submitted to the SRF a construction loan application for approximately \$10,000,000 water revenue capital loan notes to be funded by the SRF. The date of closing on this loan is unknown at this time but likely at some point during fiscal year 2020-21.

Other Tax-Increment Rebate Agreements

<u>Description of Security and Original Par Amount</u>	<u>Date Incurred</u>	<u>Final Payment Date</u>	<u>Rates</u>	<u>Total Potential Obligation</u>	<u>Amount due in current FY</u>
Warrior Hotel LP - Hotel/Motel Tax Grant	3/19/18	7/15/41	0.00%	8,500,000	
Warrior Hotel LP - Infrastructure Assistance	3/19/18	6/30/20	0.00%	1,000,000	
SCE Partners, LLC - Parking Ramp	6/11/18	Undefined	0.00%	5,500,000	
Siouxland Expo Center	6/18/18	1/1/41	0.00%	12,500,000	
Warrior Hotel LP	3/19/18	4/1/37	0.00%	7,283,091	
Echo Electric	5/12/14	10/1/25	0.00%	361,981	
Westrock	10/10/16	6/1/31	0.00%	1,929,439	333,965
Consumer Supply	6/25/12	9/1/27	0.00%	338,139	72,380
J P Goldsmith	3/2/15	3/31/21	0.00%	10,099	10,099
GR Equipment	8/18/14	7/1/19	0.00%	26,000	
Bomgaars	1/27/14	6/30/21	0.00%	250,000	
Sabre	5/24/12	6/30/25	0.00%	1,528,622	296,689
413 Pierce, LLC	12/18/17	3/31/29	0.00%	137,543	
Motor Mart, LLC	12/18/17	3/31/29	0.00%	395,094	
HCI Real Estate Company 100 Virginia	3/20/17	9/30/28	0.00%	168,196	23,536
HCI Real Estate Company 102 Virginia	3/20/17	9/30/28	0.00%	424,339	29,420
HCI Real Estate Company 101 Virginia	3/20/17	9/30/30	0.00%	146,004	
Keizer Refrigeration, Inc	11/20/17	9/30/25	0.00%	775,549	72,463
Rocklin Manufacturing/110 SJ, LLC	2/27/17	9/30/24	0.00%	51,707	
Kinseth Hospitality Company	6/5/17	9/30/34	0.00%	6,000,000	
TMS, Inc. and KV, LLC	1/23/17	3/31/24	0.00%	33,382	8,082
Beth Bruening, PC	1/23/17	3/31/27	0.00%	182,438	28,985
Interstate Mechanical Corporation	9/10/18	6/30/27	0.00%	73,366	
Hart Family Hotels-Sioux City, LLC	3/4/19	6/30/33	0.00%	1,404,206	

Totals 49,019,195 875,619

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>2019 Taxable Valuation</u>	<u>Taxable Value Within Issuer</u>	<u>Percentage Applicable</u>	<u>Amount Applicable</u>
Hinton CSD	3,463,000	251,024,376	724,418	0.29%	9,994
Lawton Bronson CSD	3,580,000	242,162,483	10,247,046	4.23%	151,487
Sergeant Bluff-Luton CSD	0	958,517,062	355,337,783	37.07%	0
Sioux City CSD	1,569,516	3,172,316,216	3,125,043,208	98.51%	1,546,127
Plymouth County	3,565,000	1,999,087,181	724,418	0.04%	1,292
Woodbury County	4,397,824	5,225,383,277	3,465,083,033	66.31%	2,916,308
Western Iowa Tech Community College	14,310,000	10,559,473,680	3,465,807,451	32.82%	4,696,797
Northwest Area Education Agency	0	16,112,275,838	3,465,807,451	21.51%	0

Total 9,322,005

Source: Iowa Department of Management, Iowa State Treasurer

FINANCIAL SUMMARY

Actual Value of Property, 2019	5,312,752,220
Taxable Value of Property, 2019	3,465,807,451
Direct General Obligation Debt:	147,980,000
Less Self-Supported General Obligation Debt:	-88,255,513
Net Direct General Obligation Debt:	59,724,487
Overlapping Debt:	9,322,005
Net Direct & Overlapping General Obligation Debt:	69,046,492
Population, 2010 US Census Bureau:	83,035
Direct Debt per Capita:	1,782
Total Debt per Capita:	832
Net Direct Debt to Taxable Valuation:	1.723%
Total Debt to Taxable Valuation:	1.992%
Net Direct Debt to Actual Valuation:	1.124%
Total Debt to Actual Valuation:	1.300%
Actual Valuation per Capita:	63,982
Taxable Valuation per Capita:	41,739
Area, 2010 US Census Bureau:	57.35
Population, 2000 US Census Bureau	85,013

Source: Iowa Department of Management

APPENDIX B – FORM OF LEGAL OPINIONS

Series 2020C

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 Refunding Capital Loan Notes, Series 2020C, by said City, dated November 18, 2020, in the denomination of \$5,000 or multiples thereof, in the aggregate amount of \$_____ (the "Notes").

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 the Loan Agreement and issuance of the Notes (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 Loan Agreement and issue the Notes.
2. The Loan Agreement and Notes 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 Notes. Taxes have been levied by the Resolution for the payment of the Notes and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes to the extent the necessary funds are not provided from other sources.
4. Interest on the Notes 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 Notes 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 Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

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

The rights of the owners of the Notes and the enforceability of the Notes 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,

Series 2020D

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 Refunding Capital Loan Notes, Series 2020D, by said City, dated November 18, 2020, in the denomination of \$5,000 or multiples thereof, in the aggregate amount of \$ _____ (the "Notes").

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 the Loan Agreement and issuance of the Notes (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 Loan Agreement and issue the Notes.
2. The Loan Agreement and Notes 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 Notes. Taxes have been levied by the Resolution for the payment of the Notes and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes to the extent the necessary funds are not provided from other sources.
4. The interest on the Notes 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 NOTES 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 Notes.

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

The rights of the owners of the Notes and the enforceability of the Notes 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,

APPENDIX C – FORM OF 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 Refunding Capital Loan Notes, Series 2020C and \$_____ Taxable General Obligation Refunding Capital Loan Notes, Series 2020D (the "Notes") dated November 18, 2020. The Notes are being issued pursuant to a Resolution of the Issuer approved on November 2, 2020 (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 Notes 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 Notes (including persons holding Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Notes 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 Notes, 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 Notes, dated _____, 2020.

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

"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 2020/2021 fiscal year, 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 and A-2.
- 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 Notes 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 Notes 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 Notes, or material events affecting the tax-exempt status of the Notes;
 - vii. Modifications to rights of Holders of the Notes, if material;
 - viii. Note calls (excluding sinking fund mandatory redemptions), if material, and tender offers;
 - ix. Defeasances of the Notes;
 - x. Release, substitution, or sale of property securing repayment of the Notes, if material;
 - xi. Rating changes on the Notes;
 - 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 Notes shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Notes 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 Notes, 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 Notes, 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 Notes 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 Notes.

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 Notes 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 Notes.

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 Notes, 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: 18th day of November, 2020.

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 Note Issue: \$_____ General Obligation Refunding Capital Loan Notes, Series 2020C

Dated Date of Issue: November 18, 2020

NOTICE IS HEREBY GIVEN that the Issuer has not provided Annual Financial Information with respect to the above-named Notes as required by Section 3 of the Continuing Disclosure Certificate delivered by the Issuer in connection with the Notes. 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 Note Issue: \$_____ Taxable General Obligation Refunding Capital Loan Notes, Series 2020D

Dated Date of Issue: November 18, 2020

NOTICE IS HEREBY GIVEN that the Issuer has not provided Annual Financial Information with respect to the above-named Notes as required by Section 3 of the Continuing Disclosure Certificate delivered by the Issuer in connection with the Notes. 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 2019 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 <https://www.auditor.iowa.gov/reports/audit-reports>

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*City of Sioux City, Iowa
Comprehensive Annual
Financial Report
Year Ended June 30, 2019*



COMPREHENSIVE ANNUAL
FINANCIAL REPORT

OF THE
CITY OF SIOUX CITY, IOWA

FOR THE YEAR ENDED JUNE 30, 2019

PREPARED BY

FINANCE DEPARTMENT

CITY OF SIOUX CITY, IOWA
INTRODUCTORY SECTION

**CITY OF SIOUX CITY, IOWA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED JUNE 30, 2019**

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**CITY OF SIOUX CITY, IOWA
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THE COVER

This year's cover displays Cone Park at 3800 Line Drive, boasting a 700-foot tubing hill, Blue Bunny Hill for children, refrigerated 5,400 square-foot ice skating rink, outdoor fire pit and day lodge for warming, rentals and concessions in the winter months. Snow Glow Tubing, an LED light show set to music, also is offered during some evening sessions. The day lodge offers a unique place to host a birthday or graduation party, family reunion, small wedding reception, or even a business meeting during spring, summer and fall. The contemporary open design, with panoramic views of the park, provides seating for up to 80 guests. Visitors also have access to a two-mile trail loop connecting Sertoma Park to the east along with a free public splashpad in the summer months.

The MSN listed the Cone Park Sioux City as the Best New Tourist attraction in Iowa. The MSN lifestyle story highlighted the park's "gamut of outdoor fun." The Iowa Tourism Bureau and the Travel Federation of Iowa bestowed the 2019 "outstanding attraction" honor on the all-season park.

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; re-designated as an Iowa Great Place by Iowa Department of Cultural Affairs, Cone Park received the 2019 Outstanding Attraction Award in a metro area from Iowa Economic Development Authority and named Best New Tourist Attraction in Iowa by MSN, 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 in the Top 5 Metro Food Processing Industry Growth by Business Facilities Magazine, and top 10 rankings for Emerging Logistics/Distribution Centers with less than 500,000 residents.

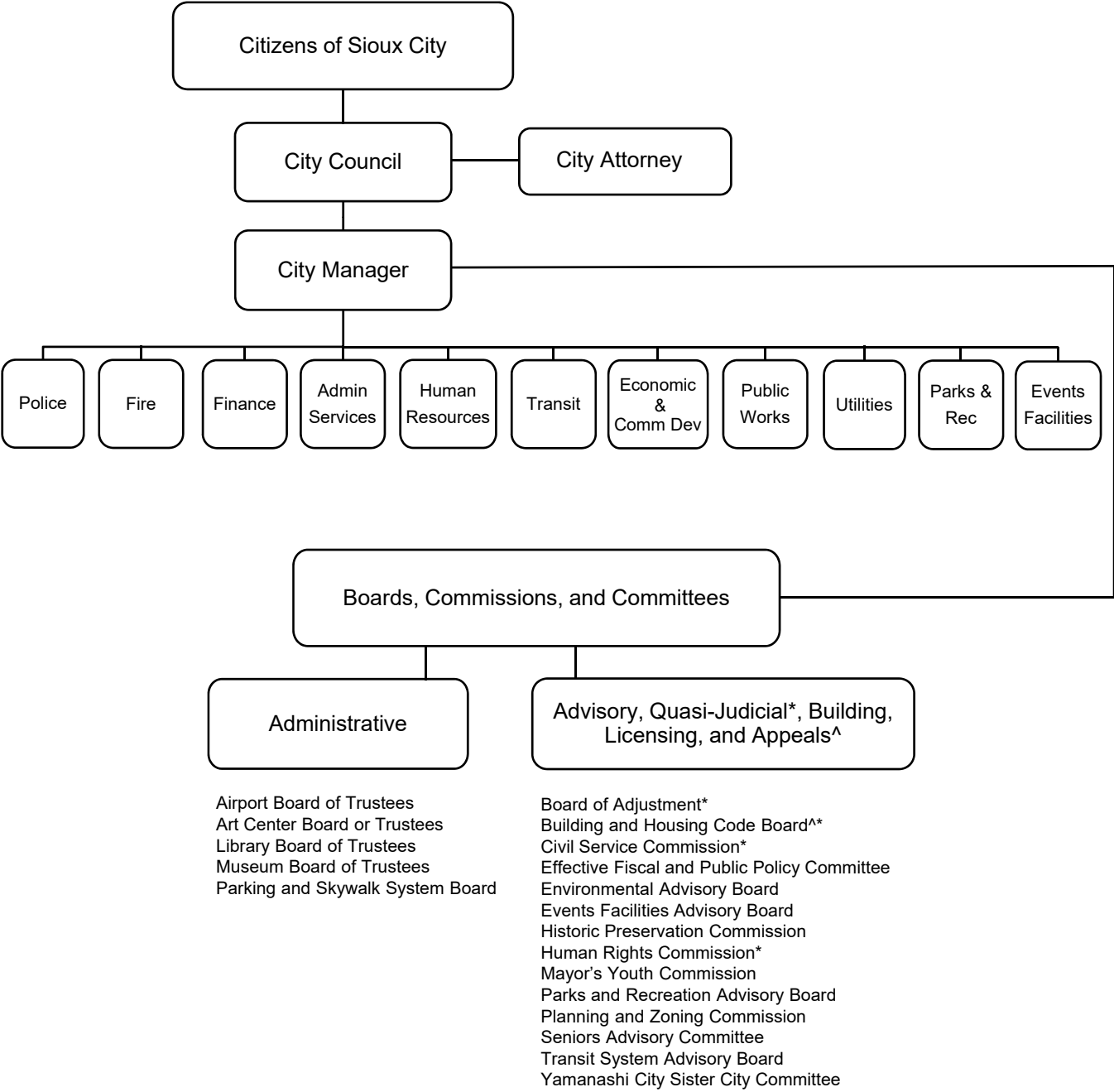
Sioux City is home to Saturday in the Park, one of the largest outdoor music festivals in the Upper Midwest, exciting sports action with USHL Hockey, Champions Indoor Football League and American Association Baseball. The LaunchPAD Children’s Museum, Hard Rock Hotel & Casino, award-winning Art Center, the Gilchrist Learning 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, the Siouxland Expo Center, 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 Council Organizational Chart



SCHEDULE OF CITY OFFICIALS

June 30, 2019

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^oUXTM
CITY



Offices of the City Manager & Finance Director
City of Sioux City, Iowa
P O Box 447
Sioux City, IA 51102-0447
December 9, 2019

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, 2019 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 2019 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, 2019, are fairly presented in conformity with GAAP. Williams & Company's auditors' 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 82,396 within the City and 169,405 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:

<u>Transportation</u>	<u>Fire Services</u>	<u>Police Services</u>	<u>Utilities</u>
Airport	Suppression	Patrol	Water
Transit	Prevention	Prevention	Sewer
	Training	Investigation	Solid Waste
	Hazardous Materials	Safety	Storm Sewer
<u>Public Works</u>	<u>Community Development</u>	<u>Culture</u>	
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 31 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 GAAP 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 GAAP. 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. Business expansions including the \$3.4 million Interstate Mechanical Corporation and Metal Specialists facility, and a \$6 million FiberComm facility will assist with the continued growth of the area. A new \$11 million public parking ramp constructed in partnership between the City and Hard Rock Hotel and Casino will offer 15,000 square feet for new retail and restaurant establishments. Marto Brewing invested \$1 million in to downtown Sioux City and opened a state of the art brewhouse, taproom and restaurant which will provide a positive economic impact. Sioux City has received numerous accolades from many publications over the years, most recently including:

- Sioux City re-designated as an Iowa Great Place - Iowa Department of Cultural Affairs
- City of Sioux City receives Best-in-State Employer - Forbes
- Siouxland has been recognized by Site Selection Magazine as the Top Economic Development Community for populations under 200,000 for the 3rd consecutive year
- Cone Park received the 2019 Outstanding Attraction Award in metro area from Iowa Economic Development Authority, and named 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 \$70 million redevelopment of the historic Warrior and Davidson buildings into boutique hotel, including full-service amenities with a restaurant, bar, business and exercise centers, hotel lobby, ballroom, banquet kitchen, pre-function space, commercial and retail space, and luxury apartments.
- A \$35 million development of Virginia Square by Ho-Chunk Inc. (HCI) Real Estate consisting of the redevelopment of two historical buildings and construction of two new buildings into mixed-use retail, commercial, and market-rate residential uses, as well as a new hotel, all located along the Virginia Street entrance off Interstate 29. The first building was completed in December 2016, second building completed in September 2017, and the third and fourth buildings will be completed in 2020.
- A \$26 million construction of a five (5) story Courtyard by Marriot Hotel connected to the Sioux City Convention Center, with an addition of a ballroom to the Convention Center, and a new two-story parking ramp. It will offer one-hundred and fifty-one (151) guest rooms, including full-service amenities with a bistro, bar, and business and exercise centers.
- A \$13 million The Arena Sports Academy as well as a \$15 million 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.
- 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 the state imposed limit. 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 59.81% 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 2019 the City spent about \$57 million on capital improvement projects. The largest projects were: Hard Rock Hotel and Casino and Tyson Events Center parking ramp \$8.3 million, I-29 reconstruction \$5.3 million, Convention Center renovations and parking ramp, \$5.3 million, Bridgeport West Improvements \$4.8 million, West 7th Street \$3.0 million, Runway 17/35 reconstruction at airport \$2.9 million, Waste Water Treatment Plant rehabilitation \$4.1 million, and Annual Resurfacing \$2.3 million.

The City has several significant capital improvements planned for fiscal year 2020. The City has planned for over \$14 million in street maintenance projects which includes \$2.7 million for annual infrastructure, \$4.2 million for annual resurfacing, \$3.0 million for riverfront upgrades, \$1.5 million for Military Road Bridge, \$1.2 million for Bluff Road reconstruction, \$1.0 million for off-site infrastructure for new school sites. Additionally, the City plans to spend \$4.0 million on runway and other improvements at the Sioux Gateway Airport, and \$3.5 million on Waste Water Treatment Plant asset renewal and modifications.

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, 2018.

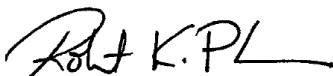
To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

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.

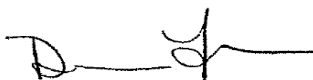
Acknowledgment - The preparation and completion of the 2019 Comprehensive Annual Financial Report was made possible by the dedicated service of the Finance Department employees. Each member of the Department has our sincere appreciation for the contributions they made toward this report. Sioux City is 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^oUXTM
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, 2018

Christopher P. Morrill

Executive Director/CEO

CITY OF SIOUX CITY, IOWA

FINANCIAL SECTION



4280 Sergeant Rd, Suite 250
P.O. Box 298
Sioux City, IA 51102
Phone (712) 252-5337
www.williamscpas.com

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, 2019, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 90 through 95 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. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the year ended June 30, 2018, (which are not presented herein) and expressed unmodified opinions on those 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 11, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City 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.


Certified Public Accountants

Sioux City, Iowa
November 11, 2019

SI^oUXTM
CITY



Management Discussion and Analysis

June 30, 2019

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, 2019. 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, 2019, by \$531,387,233.
- The City's net position increased by \$18,845,909 during the year. Of this amount, the net position of Governmental Activities increased \$17,206,472 net position of Business-Type Activities increased \$1,639,437
- The largest factors contributing to the increase in net position were: amount by which capital outlays exceeded depreciation, \$23,370,837, excess of Water Fund revenues over expenses and transfers out in the amount of \$4,038,064, and shortage of Sewer Fund revenues over expenses and transfers out in the amount of \$4,186,919.
- The City's long-term debt increased \$7,189,673 (2.7%). General obligation bonds outstanding increased \$4,910,000 (3.4%) to \$149,010,000 and notes payable outstanding increased \$2,279,673 (1.8%) to \$127,574,154.

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, Skyway 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, 2019, and 2018:

	Governmental Activities	
	<u>2019</u>	<u>2018</u>
Current and Other Assets	\$ 190,750,005	\$ 186,304,222
Capital Assets	<u>430,591,456</u>	<u>405,153,387</u>
Total Assets	621,341,461	591,457,609
OPEB Related Deferred Outflows	195,755	---
Pension Related Deferred Outflows	<u>17,416,770</u>	<u>18,533,246</u>
Total Deferred Outflows of Resources	17,612,525	18,533,246
Other Liabilities	16,418,526	9,668,823
Long-Term Liabilities Outstanding	<u>207,126,245</u>	<u>203,465,566</u>
Total Liabilities	223,544,771	213,134,389
Deferred Inflows – Property Taxes	56,468,273	57,258,810
Deferred Inflows – OPEB Related	131,030	146,774
Deferred Inflows – Pension Related	<u>3,936,421</u>	<u>1,783,863</u>
Total Deferred Inflows of Resources	60,535,724	59,189,447
Net Position:		
Net Investment in Capital Assets	319,410,307	294,629,930
Restricted	60,687,507	75,247,928
Unrestricted	<u>(25,224,323)</u>	<u>(32,210,839)</u>
Total Net Position	<u>\$ 354,873,491</u>	<u>\$ 337,667,019</u>

This summary reflects an increase in total net position of 5.10% for the governmental activities and an increase of 0.94% in the business-type activities.

The restricted portion of net position (11.42%) is subject to external restrictions on how these resources may be used.

The government's total net position increased by \$18,845,909 during the current fiscal year which can be attributed to revenues outpacing expenses and capital outlays exceeding depreciation.

Business-Type Activities		Totals	
2019	2018	2019	2018
\$ 33,602,533	\$ 42,490,736	\$ 224,352,538	\$ 228,794,958
<u>314,261,945</u>	<u>309,911,715</u>	<u>744,853,401</u>	<u>715,065,102</u>
347,864,478	352,402,451	969,205,939	943,860,060
---	---	195,755	---
<u>1,324,837</u>	<u>1,546,600</u>	<u>18,741,607</u>	<u>20,079,846</u>
1,324,837	1,546,600	18,937,362	20,079,846
6,816,437	3,036,021	23,234,963	12,704,844
<u>165,371,135</u>	<u>175,812,015</u>	<u>372,497,380</u>	<u>379,277,581</u>
172,187,572	178,848,036	395,732,343	391,982,425
---	---	56,468,273	57,258,810
---	---	131,030	146,774
<u>488,001</u>	<u>226,710</u>	<u>4,424,422</u>	<u>2,010,573</u>
488,001	226,710	61,023,725	59,416,157
170,374,605	169,481,588	489,804,912	464,111,518
---	---	60,687,507	75,247,928
<u>6,119,137</u>	<u>5,392,717</u>	<u>(19,105,186)</u>	<u>(26,818,122)</u>
<u><u>\$ 176,513,742</u></u>	<u><u>\$ 174,874,305</u></u>	<u><u>\$ 531,387,233</u></u>	<u><u>\$ 512,541,324</u></u>

Governmental activities increased 5.10% while Business-Type Activities increased 0.94%. Details of the changes in net position are shown as follows:

Revenue Source	Governmental Activities	
	2019	2018
Program Revenues:		
Charges for Services	\$ 25,049,979	\$ 21,360,629
Operating Grants and Contributions	25,873,503	24,649,179
Capital Grants and Contributions	12,767,812	9,321,461
Total Program Revenues	63,691,294	55,331,269
General Revenues :		
Property Taxes	56,584,131	52,270,337
Franchise Taxes	6,220,468	6,111,068
Hotel-Motel Taxes	1,998,188	2,295,884
Local Option Sales Taxes	13,174,477	12,931,221
Interest	2,443,660	658,503
Revenue from the Sale of Uncapitalized Property	657,578	523,976
Miscellaneous	1,204,834	1,781,682
Net Gain on Sale of Capital Assets	1,014,385	243,390
Total General Revenues	83,297,721	76,816,061
Total Revenues	146,989,015	132,147,330
Expenses:		
Public Safety	45,985,924	43,831,004
Public Works	31,626,002	23,976,620
Culture and Recreation	17,719,144	17,009,183
Community and Economic Development	15,565,420	15,135,002
General Government	10,900,487	11,045,764
Debt Service	6,274,198	5,420,699
Airport	---	---
Water	---	---
Sewer	---	---
Solid Waste	---	---
Parking	---	---
Skyway System	---	---
Total Expenses	128,071,175	116,418,272
Increase in Net Position Before Transfers	18,917,840	15,729,058
Transfers	(1,711,368)	(3,298,532)
Increase in Net Position	17,206,472	12,430,526
Net Position - Beginning of Year	337,667,019	325,236,493
Net Position	\$ 354,873,491	\$ 337,667,019

Business-Type Activities		Totals	
2019	2018	2019	2018
\$ 50,998,247	\$ 49,410,607	\$ 76,048,226	\$ 70,771,236
42,404	18,326	25,915,907	24,667,505
3,179,981	4,548,354	15,947,793	13,869,815
54,220,632	53,977,287	117,911,926	109,308,556
---	---	56,584,131	52,270,337
---	---	6,220,468	6,111,068
---	---	1,998,188	2,295,884
---	---	13,174,477	12,931,221
896,470	432,070	3,340,130	1,090,573
---	---	657,578	523,976
293,364	262,694	1,498,198	2,044,376
---	---	1,014,385	243,390
1,189,834	694,764	84,487,555	77,510,825
55,410,466	54,672,051	202,399,481	186,819,381
---	---	45,985,924	43,831,004
---	---	31,626,002	23,976,620
---	---	17,719,144	17,009,183
---	---	15,565,420	15,135,002
---	---	10,900,487	11,045,764
---	---	6,274,198	5,420,699
4,610,625	4,779,360	4,610,625	4,779,360
16,878,942	15,771,123	16,878,942	15,771,123
26,377,872	19,843,501	26,377,872	19,843,501
5,752,295	5,505,705	5,752,295	5,505,705
1,425,315	1,372,187	1,425,315	1,372,187
437,348	362,541	437,348	362,541
55,482,397	47,634,417	183,553,572	164,052,689
(71,931)	7,037,634	18,845,909	22,766,692
1,711,368	3,298,532	---	---
1,639,437	10,336,166	18,845,909	22,766,692
174,874,305	164,538,139	512,541,324	489,774,632
\$ 176,513,742	\$ 174,874,305	\$ 531,387,233	\$ 512,541,324

Program revenues totaled \$117,911,926 for fiscal year 2019. Governmental Activities provided \$63,691,294 and Business-Type Activities provided \$54,220,632. Revenue collected for Charges for Services during fiscal year 2019 was \$76,048,226 accounting for approximately 64% of the total program revenues.

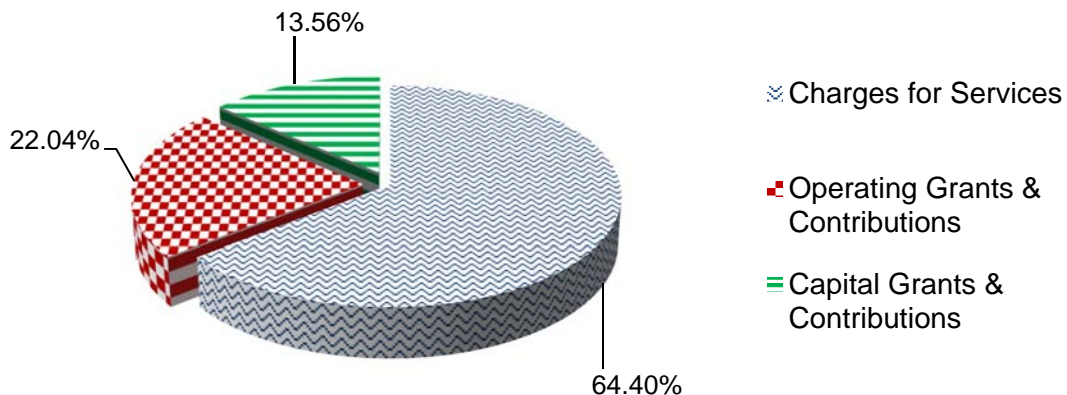
Governmental charges for services increased about \$3.7 million. At the government-wide level, increased speed camera tickets of \$1.4 million in the General Fund contributed to the increase. Emergency Medical Services (EMS) revenues increased \$1.3 million due to fiscal year 2019 being the first full year of operations after the transfer of operations to the City from the Siouxland Paramedics as of January 2018. In the Comprehensive Insurance Fund, workers' compensation insurance charges increased \$1.4 million, due to increased cost of premiums.

Governmental operating grants and contributions increased about \$1.2 million. Operating grants increased \$1.0 million in Debt service due to increased commercial and industrial property tax replacement payments received from the State of Iowa. Culture and recreation operating grants and contributions increased almost \$0.2 million due to contributions to the library for reading programs and facility improvements.

Governmental capital grants and contributions increased to about \$3.4 million. Public Works capital grants and contributions increased \$3.5 million primarily due \$1.5 million additional funds received from Revitalize Iowa's Sound Economy (RISE) from Iowa Department of Transportation (IDOT) for Bridgeport Area Improvements, \$0.9 million received from IDOT for Military Road Reconstruction and Bridge Rehabilitation project, \$1.3 million received from IDOT for new transit buses. Culture and Recreation capital contributions decreased \$3.9 million due to contributions received in fiscal year 2018 for Gilchrist Learning Center, \$1.4 million, Pearl Street Park, \$0.5 million, Tyson Events Center and Sertoma Trail Loop, \$0.3 million each. In addition, in fiscal year 2018, upon the closing of Museum Building Inc., almost \$1.4 million of remaining funds were contributed toward Culture and Recreation purposes. Community and Economic Development increased \$3.6 million due to a partial reimbursement from Hard Rock Hotel and Casino for parking ramp. In the Business-Type funds, Airport capital grants decreased \$1.4 million, while operating grants increased \$24,078 from the Federal Aviation Administration (FAA) for airport capital improvements and operations.

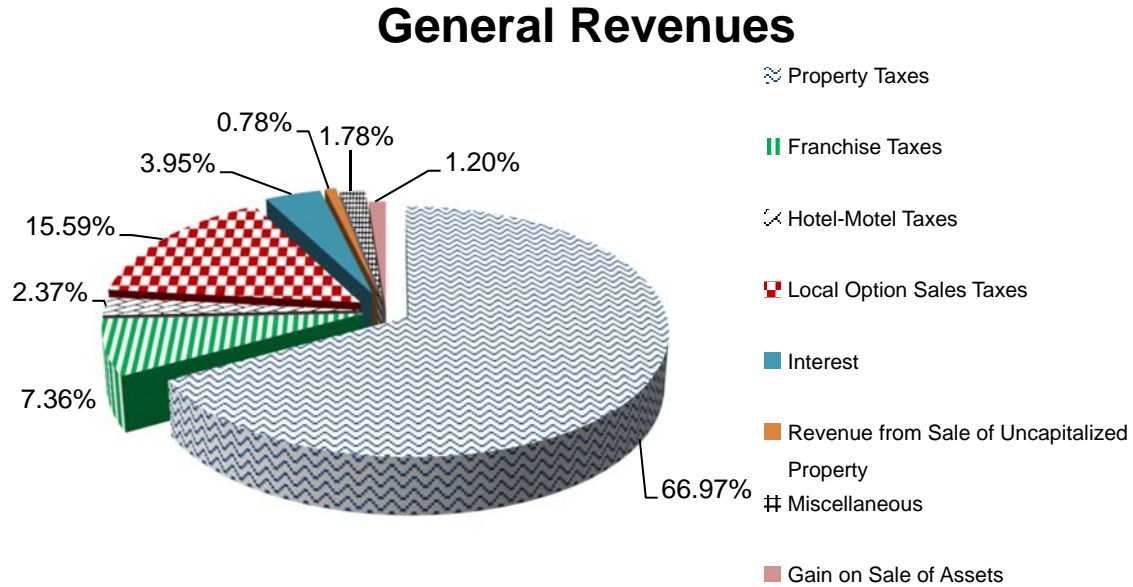
The following chart breaks down program revenues by source:

Program Revenues



General Revenues for fiscal year 2019 totaled \$84,487,555, which is \$6,976,730 more than fiscal year 2018. Governmental Activities provided \$83,297,721 and Business-Type Activities provided \$1,189,834. Property tax revenues for fiscal year 2019 totaled \$56,584,131, accounting for 67% of General Revenues. Property tax revenues were \$4,313,794 higher than fiscal year 2018 due to increased property tax rates. Franchise taxes increased \$109,400. Local Option Sales taxes increased \$243,256, while hotel and motel taxes decreased \$297,696.

The following chart breaks down General Revenues by source:



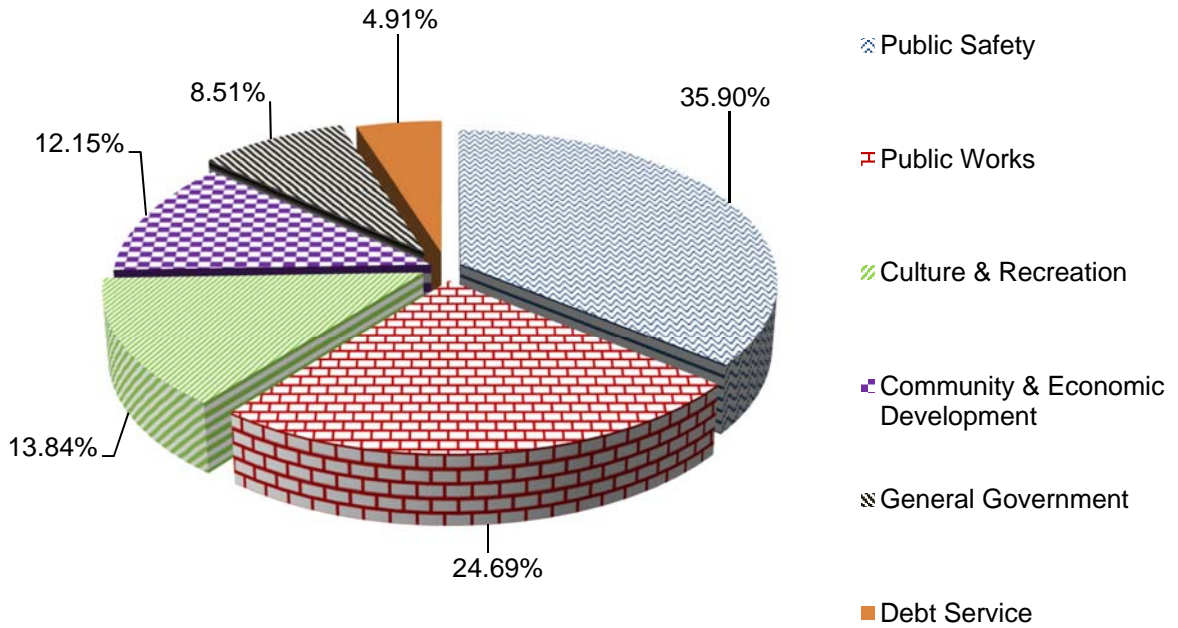
Expenses for fiscal year 2019 totaled \$183,553,572, an increase of \$19,500,883 from fiscal year 2018. Expenses for Governmental Activities totaled \$128,071,175 accounting for 70% of total expenses. Business-Type Activity expenses totaled \$55,482,397 for 30% of the total.

Public Safety expenses increased \$2.2 million primarily due to fiscal year 2019 being the first full year of the EMS operations after being transferred to the City from the Siouxland Paramedics as of January 2018, increased contributions to Municipal Fire and Police Retirement System of Iowa (MFRSI) due to an increase in contribution rate, and increased contribution to Iowa Public Employees' Retirement System (IPERS) due to an increase in contribution rate and increased number of employees due to the additions of EMS employees group, covered under Protection occupation members. Public Works expenses increased \$7.7 million due to \$2.2 million for Bridgeport Area Improvements, and \$6 million for Sunnybrook Developments. Water expenses increased \$1.1 million primarily due to \$0.9 million in increased depreciation expense due to increased value of capital assets being put into service at the end of prior fiscal year. Sewer expenses increased \$6.5 million due to increased repairs and improvements costs due to hail damage repairs, increased maintenance on machine and equipment, sewer cleaning, landfill fees, and \$3.1 million in bad debt expense.

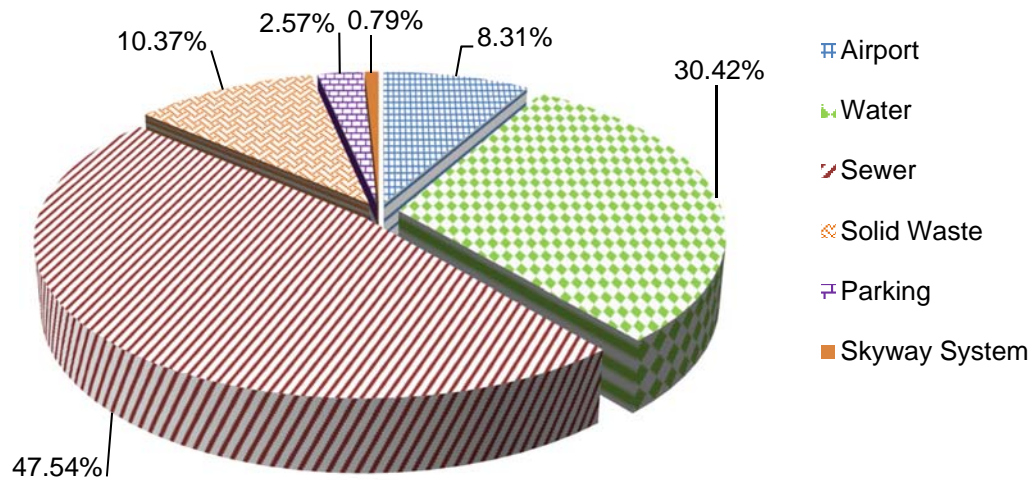
The expenses are shown on the following page:

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

Governmental Expenses



Business-Type Expenses



Program Level	Activity
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 \$45,985,924 and received \$3,944,170 in revenue thus leaving a cost to the taxpayer of \$42,041,754 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 \$128,071,175. Of these costs, \$25,049,979 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 \$38,641,315, leaving a Net Expense of \$64,379,881 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:

<u>Functions/Programs</u>	<u>Net (Expense) Revenue</u>	
<u>Governmental Activities</u>	<u>FY19</u>	<u>FY18</u>
Public Safety	\$ (42,041,754)	\$ (40,243,424)
Public Works	(5,762,725)	(2,497,139)
Culture & Recreation	(14,685,855)	(8,275,406)
Community & Economic Development	(2,525,113)	(6,323,225)
General Government	5,355,997	1,192,256
Debt Service	(4,720,431)	(4,940,065)
Total Net (Expense) Revenue Government Activities	(64,379,881)	(61,087,003)
General Revenues & Transfers	81,586,353	73,517,529
Change in Net Position	\$ 17,206,472	\$ 12,430,526

Total resources available during the year to finance governmental operations were \$482,944,666, consisting of Net Position at July 1, 2018, of \$337,667,019, Program Revenues of \$63,691,294, General Revenues of \$83,297,721 and Transfers of \$(1,711,368). Total Governmental Activities during the year expended \$128,071,175; thus, Net Position was increased by \$17,206,472 to \$354,873,491.

Business-Type Activities

Business-type activities increased the City's net position by \$1,639,437.

The cost of all Proprietary activities this year was \$55,482,397. As shown in the Statement of Activities, the amounts paid by users of the systems was \$50,998,247, and \$3,222,385 was funded from grants and contributions, resulting in total net loss for business-type activities of \$1,261,765. As discussed in the revenue section, Airport capital grants decreased \$1,368,373, while operating grants increased \$24,078 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>FY19</u>	<u>FY18</u>
Airport System	\$ 790,435	\$ 1,831,792
Water System	2,651,512	2,153,894
Sewer System	(4,491,580)	2,485,833
Solid Waste System	(84,988)	(44,098)
Parking	(85,092)	(37,837)
Skyway System	(42,052)	(46,714))
Total Net (Expense) Revenue Business-Type Activities	(1,261,765)	6,342,870
General Revenues & Transfers	2,901,202	3,993,296
Change in Net Position	\$ 1,639,437	\$ 10,336,166

Total resources available during the year to finance Proprietary Fund activities were \$231,996,139 consisting of Net Position at July 1, 2018 of \$174,874,305, program revenues of \$54,220,632, General Revenues of \$1,189,834, and transfers of \$1,711,368. Total Proprietary Fund Activities during the year expended \$55,482,397, thus Net Position was increased by \$1,639,437 to \$176,513,742.

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 \$97,169,807 a total decrease of \$9,502,891 from the prior year.

The General Fund is the primary operating fund of the City. The fund balance of \$10,493,705 is approximately 17.7% 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 \$381,187, an increase of \$50,477 from fiscal year 2018. Tax revenues increased \$1.9 million due to increased general fund property tax rates combined with increased collections, and increased local option sales tax. Regulatory fees increased \$1.4 million 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 2019 fund balance increased \$764,963. Tax revenues increased \$2.2 million due to an increase 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 increased \$2.1 million primarily due to \$1.5 million additional funds received from Iowa Department of Transportation (IDOT) for Bridgeport Area Improvements, and \$0.9 million received from IDOT for Military Road Reconstruction and Bridge Rehabilitation project. Contributions revenue increased \$0.7 million due to a reimbursement received from Hard Rock Hotel and Casino for the parking ramp of \$3.6 million, and decreases totaling \$3.0 million due to contributions received in fiscal year 2018 for Pearl Street Park of \$0.5 million, Cone Park of \$0.4 million, and Museum Building Inc.'s contribution of \$1.4 million, and \$0.7 million less received towards the Gilchrist Learning Center. Capital expenditures increased \$21.9 million, while debt proceeds decreased \$3.7 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 \$1,639,437 in fiscal year 2019. The funds with the largest net position increases were the Airport Fund, and the Water Fund. Water Fund charges for service increased due to increased rates and usage. Water fund operating expenses increased due to higher employee services and increased depreciation expense. Airport capital grants decreased \$1,368,373, while operating grants increased \$24,078 from the Federal Aviation Administration (FAA) for airport capital improvements and operations. Airport expenses decreased \$411,244 in depreciation expense due to aging capital assets. Sewer fund operating expenses increased due to higher repair and improvement costs and bad debt expense. Interest income increased in the Water, Sewer, and Solid Waste fund, due to higher investment returns.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the fiscal year 2019 original (adopted) General Fund amount of \$70,647,211 to the final budget amount of \$86,460,114, shows a net increase of \$15,812,903.

<u>Original Budget</u>	<u>Encumbrances</u>	<u>Beginning Balance</u>	<u>Supplemental Changes</u>	<u>Final Budget</u>
\$70,647,211	\$370,055	\$71,017,266	\$15,442,848	\$86,460,114

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>
<u>EXPENDITURES</u>			
Public Safety	\$ 46,625,446	\$ 42,575,237	\$ (4,050,209)
Public Works	2,683,128	1,689,189	(993,939)
Culture & Recreation	13,991,264	10,430,862	(3,560,402)
Community & Economic Development	2,113,156	1,034,550	(1,078,606)
General Government	9,536,862	3,581,359	(5,955,503)
	74,949,856	59,311,197	(15,638,659)
Transfers Out	11,510,258	8,253,859	(3,256,399)
Total Expenditures	<u>\$ 86,460,114</u>	<u>\$ 67,565,056</u>	<u>\$ (18,895,058)</u>

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

In fiscal year 2019, appropriations increased \$15.4 million between the original budget and the final amended budget. Public Safety increased \$4.8 million, Public Works increased \$0.7 million, Culture and Recreation increased \$3.1 million, Community and Economic Development increased \$1.0 million, and General Government increased \$1.3 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, 2019 was \$489,804,912 (net of accumulated depreciation and outstanding financings). This is an increase of \$25,693,394 (5.5%) from fiscal year 2018. The gross additions to capital assets for fiscal years 2019 and 2018 are as follows:

	General Governmental Activities		Business-Type Activities	
	2019	2018	2019	2018
Land	\$ 647,684	\$ 525,546	\$ 5,000	\$ 116,916
Infrastructure	12,364,343	19,551,867	- - -	- - -
Buildings	3,238,457	10,128,835	227,636	1,779,679
Improvements-Other than Buildings	1,314,758	2,053,728	8,818,370	28,838,128
Equipment	4,917,445	6,480,178	43,608	730,854
Construction in Progress	<u>38,596,355</u>	<u>25,115,814</u>	<u>17,120,959</u>	<u>22,648,039</u>
Total Gross Additions	<u>\$ 61,079,042</u>	<u>\$ 63,855,968</u>	<u>\$ 26,215,573</u>	<u>\$ 54,113,616</u>

	Totals	
	2019	2018
Land	\$ 652,684	\$ 642,462
Infrastructure	12,364,343	19,551,867
Buildings	3,466,093	11,908,514
Improvements-Other than Buildings	10,133,128	30,891,856
Equipment	4,961,053	7,211,032
Construction in Progress	<u>55,717,314</u>	<u>47,763,853</u>
Total Gross Additions	<u>\$ 87,294,615</u>	<u>\$ 117,969,584</u>

The majority of the expenditures for capital outlays were incurred by the Capital Improvements Fund. Infrastructure was the major capital outlay for Governmental Activities in fiscal year 2019 and included: 225th Street and Port Neal Road intersection improvements, 18th Street Bridge, and 38th Street Bridge, Bridgeport developments, and Annual Resurfacing. The major expenditures related to buildings included the Gilchrist Learning Center, Tyson Events Center lighting, City Hall air handler, and the Art Center paneling. New equipment included Fire Station 1 air compressor, computer upgrade, and City Hall audio and visual room equipment upgrade. Major construction in progress included Outer Drive and Floyd improvement, Morningside Library renovations, Lewis and Clark facility upgrade, Hard Rock Hotel and Casino and Tyson Events Center parking ramp, Convention Center renovations, Bridgeport West improvements, and West 7th 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 F and Runway 17/35 reconstruction 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 \$278,799,558 of debt outstanding. This is an increase of \$6,884,697 from the prior year. Of this amount \$134,020,601 is to be paid from tax sources (primarily local option sales tax, general taxes and Tax Increment Funds) and \$144,778,957 is to be repaid from the City's Municipal Enterprises. The fiscal year 2020 bonds were borrowed in fiscal year 2019 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 2020 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 \$232,727,811. With outstanding general obligation debt applicable to this limit of \$139,201,445, the City is utilizing 59.81% 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 2019, 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 expansion of \$6 million FiberComm facility, \$3.4 million Interstate Mechanical Corporation and Metal Specialists facility, \$11 million public parking ramp constructed in partnership between the City and Hard Rock Hotel and Casino, and the expansion of Interstate 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 2019, the amount collected was \$13.2 million. This is a \$243,256 increase over fiscal year 2018, or 1.9%.

The property value of residential and commercial building permits issued is another good sign of economic stimulation in Sioux City. Property value of permits decreased in fiscal year 2019, after record high of \$351.4 million in fiscal year 2018, to \$292.9 million, or 17%. The value was the third highest value of the prior ten fiscal years, after fiscal years 2017 and 2018. These continued high values are attributed to the steady economic growth in the Sioux City area.

Assessed 2019 property values increased to \$4.65 billion, or 8.97%, from \$4.27 billion in 2018. Taxable Per capita income increased to \$24,721 in 2019, an increase of 4.9% from \$23,573 in 2018.

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

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CITY OF SIOUX CITY, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2019

EXHIBIT 1

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and investments	\$ 112,551,113	\$ 21,474,823	\$ 134,025,936
Accounts Receivable	4,230,882	9,460,280	13,691,162
Accrued Interest Receivable	424,097	54,078	478,175
Notes Receivable	8,856,363	---	8,856,363
Special Assessments, net of allowance	62,389	7,424	69,813
Due from Other Governments	63,798,417	2,570,687	66,369,104
Internal Balances	16,686	(16,686)	---
Inventories, at Cost	515,024	---	515,024
Prepaid Items	255,223	91,738	346,961
Internal Balances - Note Receivable	39,811	(39,811)	---
Capital Assets not being depreciated:			
Land	47,091,402	3,516,319	50,607,721
Construction in Progress	54,083,246	62,144,306	116,227,552
Capital Assets net of accumulated depreciation:			
Infrastructure	203,668,074	---	203,668,074
Buildings	76,544,386	50,209,306	126,753,692
Buildings under Capital Lease	1,535,253	---	1,535,253
Improvements other than buildings	26,747,607	197,695,043	224,442,650
Equipment	20,921,488	696,971	21,618,459
Total Assets	621,341,461	347,864,478	969,205,939
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
OPEB Related Deferred Outflows	195,755	---	195,755
Pension Related Deferred Outflows	17,416,770	1,324,837	18,741,607
Total Deferred Outflows of Resources	17,612,525	1,324,837	18,937,362
<u>LIABILITIES</u>			
Accounts Payable	7,706,788	1,439,869	9,146,657
Accrued Wages	1,412,950	189,310	1,602,260
Accrued Interest Payable	307,976	282,211	590,187
Contracts and Retainers Payable	6,876,916	4,905,047	11,781,963
Due to Other Governments	113,896	---	113,896
Noncurrent Liabilities:			
Due within one year			
Due to Other Governments	---	11,963,474	11,963,474
General Obligation Bonds Payable	20,411,371	2,703,773	23,115,144
Notes Payable	---	11,023,000	11,023,000
Compensated Absences	2,570,441	340,666	2,911,107
Estimated Liability for Damage Claims	2,530,465	---	2,530,465
Estimated Liability for Landfill Closure	---	55,047	55,047
Due in more than one year			
General Obligation Bonds Payable	113,609,230	14,501,030	128,110,260
Notes Payable	---	116,551,154	116,551,154
Due to Other Governments, Net of Current Portion	---	2,523,906	2,523,906
Compensated Absences	1,238,412	154,771	1,393,183
Estimated Liability for Damage Claims	2,249,161	---	2,249,161
Estimated Liability for Landfill Closure	---	998,230	998,230
Total OPEB Liability	7,071,039	---	7,071,039
Net Pension Liability	57,446,126	4,556,084	62,002,210
Total Liabilities	223,544,771	172,187,572	395,732,343
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Property Taxes	56,468,273	---	56,468,273
OPEB Related Deferred Inflows	131,030	---	131,030
Pension Related Deferred Inflows	3,936,421	488,001	4,424,422
Total Deferred Inflows of Resources	60,535,724	488,001	61,023,725
<u>NET POSITION</u>			
Net Investment in Capital Assets	319,410,307	170,394,605	489,804,912
Restricted for:			
Capital Improvements	34,308,819	---	34,308,819
Debt Service	11,715,983	---	11,715,983
Road Use	3,198,680	---	3,198,680
Other Employee Benefits	886,345	---	886,345
Community Programs & Services	8,458,932	---	8,458,932
Other Purposes	854,196	---	854,196
Permanent Fund, Principal	1,264,552	---	1,264,552
Total Restricted	60,687,507	---	60,687,507
Unrestricted	(25,224,323)	6,119,137	(19,105,186)
Total Net Position	\$ 354,873,491	\$ 176,513,742	\$ 531,387,233

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, 2019**

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>Governmental Activities:</u>				
Public Safety	\$ 45,985,924	\$ 3,011,959	\$ 932,211	\$ ---
Public Works	31,626,002	5,399,451	12,936,063	7,527,763
Culture and Recreation	17,719,144	1,222,050	548,345	1,262,894
Community and Economic Development	15,565,420	283,994	8,845,437	3,910,876
General Government	10,900,487	15,132,525	1,123,959	---
Debt Service	6,274,198	---	1,487,488	66,279
Total Governmental Activities	<u>128,071,175</u>	<u>25,049,979</u>	<u>25,873,503</u>	<u>12,767,812</u>
Business-Type Activities:				
Airport	4,610,625	2,178,675	42,404	3,179,981
Water	16,878,942	19,530,454	---	---
Sewer	26,377,872	21,886,292	---	---
Solid Waste	5,752,295	5,667,307	---	---
Parking	1,425,315	1,340,223	---	---
Skyway System	437,348	395,296	---	---
Total Business-Type Activities	<u>55,482,397</u>	<u>50,998,247</u>	<u>42,404</u>	<u>3,179,981</u>
Total Functions/Programs	<u><u>\$ 183,553,572</u></u>	<u><u>\$ 76,048,226</u></u>	<u><u>\$ 25,915,907</u></u>	<u><u>\$ 15,947,793</u></u>

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

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**

Governmental Activities	Business-Type Activities	Total
\$ (42,041,754)	\$ ---	\$ (42,041,754)
(5,762,725)	---	(5,762,725)
(14,685,855)	---	(14,685,855)
(2,525,113)	---	(2,525,113)
5,355,997	---	5,355,997
(4,720,431)	---	(4,720,431)
<u>(64,379,881)</u>	<u>---</u>	<u>(64,379,881)</u>
---	790,435	790,435
---	2,651,512	2,651,512
---	(4,491,580)	(4,491,580)
---	(84,988)	(84,988)
---	(85,092)	(85,092)
---	(42,052)	(42,052)
---	<u>(1,261,765)</u>	<u>(1,261,765)</u>
<u>\$ (64,379,881)</u>	<u>\$ (1,261,765)</u>	<u>\$ (65,641,646)</u>
56,584,131	---	56,584,131
6,220,468	---	6,220,468
1,998,188	---	1,998,188
13,174,477	---	13,174,477
2,443,660	896,470	3,340,130
657,578	---	657,578
1,204,834	293,364	1,498,198
1,014,385	---	1,014,385
<u>(1,711,368)</u>	<u>1,711,368</u>	<u>---</u>
<u>81,586,353</u>	<u>2,901,202</u>	<u>84,487,555</u>
17,206,472	1,639,437	18,845,909
<u>337,667,019</u>	<u>174,874,305</u>	<u>512,541,324</u>
<u>\$ 354,873,491</u>	<u>\$ 176,513,742</u>	<u>\$ 531,387,233</u>

**CITY OF SIOUX CITY, IOWA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

<u>ASSETS</u>	General	Other Employee Benefits	Local Option Sales Tax
Cash and investments	\$ 9,444,563	\$ 898,313	\$ 1,169,105
Accounts Receivable	2,103,946	---	3,000
Accrued Interest Receivable	267,808	---	---
Notes Receivable	---	---	15,000
Special Assessments, net of allowance	48,367	---	---
Due from Other Governments	28,763,680	6,413,077	1,051,106
Due from Other Funds	---	---	---
Inventories	24,229	---	---
Prepaid Items	---	---	---
Total Assets	40,652,593	7,311,390	2,238,211
 <u>LIABILITIES</u>			
Accounts Payable	694,980	6,411	---
Accrued Wages	1,130,630	---	---
Contracts and Retainers Payable	59,387	---	---
Due to Other Governments	36,447	---	---
Due to Other Funds	2,911	78,500	---
Total Liabilities	1,924,355	84,911	---
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Revenue - Property Taxes	28,234,533	6,339,009	---
Unavailable Revenue - Special Assessments	---	---	---
Unavailable Revenue - Loans	---	---	---
Total Deferred Inflows of Resources	28,234,533	6,339,009	---
 <u>FUND BALANCES</u>			
Non-Spendable:			
Inventory	24,229	---	---
Permanent Fund, Principal	---	---	---
Restricted	---	886,345	---
Committed	370,055	1,125	---
Assigned	---	---	2,238,211
Unassigned	10,099,421	---	---
Total Fund Balances	10,493,705	887,470	2,238,211
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 40,652,593	\$ 7,311,390	\$ 2,238,211

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

Debt Service	Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$ 11,879,665	\$ 61,637,359	\$ 8,078,106	\$ 93,107,111
63,807	1,427,995	226,116	3,824,864
---	690	127,988	396,486
118,750	3,396,615	5,274,663	8,805,028
8,862	---	5,160	62,389
22,387,920	2,221,085	2,961,549	63,798,417
---	1,236,143	379	1,236,522
---	---	---	24,229
---	---	323	323
<u>34,459,004</u>	<u>69,919,887</u>	<u>16,674,284</u>	<u>171,255,369</u>
109,993	5,355,343	1,135,178	7,301,905
---	7,299	218,374	1,356,303
---	6,553,688	253,757	6,866,832
---	---	77,449	113,896
---	---	1,158,325	1,239,736
<u>109,993</u>	<u>11,916,330</u>	<u>2,843,083</u>	<u>16,878,672</u>
22,222,440	---	88,374	56,884,356
8,862	---	---	8,862
<u>93,750</u>	<u>---</u>	<u>219,922</u>	<u>313,672</u>
22,325,052	---	308,296	57,206,890
---	---	---	24,229
---	---	1,264,552	1,264,552
12,023,959	58,003,557	11,695,613	82,609,474
---	---	636,836	1,008,016
---	---	341,805	2,580,016
---	---	(415,901)	9,683,520
<u>12,023,959</u>	<u>58,003,557</u>	<u>13,522,905</u>	<u>97,169,807</u>
<u>\$ 34,459,004</u>	<u>\$ 69,919,887</u>	<u>\$ 16,674,284</u>	<u>\$ 171,255,369</u>

CITY OF SIOUX CITY, IOWA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2019

EXHIBIT 3A

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

Total Fund Balances - Governmental Funds (Exhibit 3)		\$ 97,169,807
<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	47,091,402	
Construction in Progress	53,264,629	
Infrastructure, net of \$97,458,071 accumulated depreciation	203,668,074	
Buildings, net of \$49,525,702 accumulated depreciation	76,544,386	
Buildings under Capital Lease, net of \$6,139,747 accumulated depreciation	1,535,253	
Improvements other than Buildings, net of \$37,582,221 accumulated depreciation	26,747,607	
Equipment, net of \$17,614,871 accumulated depreciation	4,250,249	
Total Capital Assets		413,101,600
<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>		
		23,595,902
<p>Unavailable Revenues that provide current financial resources for governmental activities.</p>		
		738,617
<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>		
		13,148,249
<p>Accrued interest expense from the balance sheet that requires current financial resources for governmental activities.</p>		
		(306,315)
<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	102,768	
Bond Premium	(2,318,172)	
Total Bond Discounts and Premiums (See Note 6)		(2,215,404)
<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	(131,039,332)	
Compensated Absences	(3,516,599)	
Net Pension Liability	(55,803,034)	
Total Long-term Liabilities (See Note 6)		(190,358,965)
Total Net Position - Governmental Activities (Exhibit 1)		\$ 354,873,491

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

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**CITY OF SIOUX CITY, IOWA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

REVENUES	General	Other Employee Benefits	Local Option Sales Tax
Taxes	\$ 35,323,782	\$ 6,734,610	\$ 13,174,477
Special Assessments	62,532	---	---
Regulatory Fees	4,588,238	---	---
Intergovernmental Revenue	1,944,015	216,175	10,700
Revenue from Use of Property	505,044	---	---
Charges for Services	7,414,134	---	---
Interest	2,027,197	---	---
Contributions	468,702	---	---
Proceeds on Sale of Uncapitalized Assets	---	---	---
Miscellaneous	396,256	---	10,929
Total Revenue	52,729,900	6,950,785	13,196,106
EXPENDITURES			
Current:			
Public Safety	42,575,237	1,203,470	---
Public Works	1,689,189	---	---
Culture and Recreation	10,430,862	523,368	---
Community and Economic Development	1,034,550	10,462	131,769
General Government	3,581,359	120,886	---
Debt Service	---	---	---
Capital Projects	---	---	---
Total Expenditures	59,311,197	1,858,186	131,769
Excess (Deficiency) of Revenues Over Expenditures	(6,581,297)	5,092,599	13,064,337
OTHER FINANCING SOURCES (USES)			
Issuance of Debt	---	---	---
Premiums on Bonds Issued	---	---	---
Proceeds on Sale of Capitalized Assets	---	---	---
Transfers In	15,216,343	900,525	996
Transfers Out	(8,253,859)	(6,166,306)	(13,208,773)
Total Other Financing Sources (Uses)	6,962,484	(5,265,781)	(13,207,777)
Net Change in Fund Balance	381,187	(173,182)	(143,440)
Fund Balance (Deficit) - Beginning of Year	10,112,518	1,060,652	2,381,651
Fund Balance - End of Year	\$ 10,493,705	\$ 887,470	\$ 2,238,211

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

Debt Service	Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$ 22,657,931	\$ ---	\$ 49,236	\$ 77,940,036
35,880	---	10,027	108,439
---	---	---	4,588,238
1,487,488	6,343,179	21,746,423	31,747,980
8,885	446,582	117,213	1,077,724
---	---	3,270,387	10,684,521
74,518	27,797	138,064	2,267,576
25,000	4,711,268	---	5,204,970
---	22,252	---	22,252
272,115	---	510,841	1,190,141
<u>24,561,817</u>	<u>11,551,078</u>	<u>25,842,191</u>	<u>134,831,877</u>
---	---	---	43,778,707
---	---	17,051,196	18,740,385
---	---	3,142,666	14,096,896
---	---	9,188,408	10,365,189
---	---	---	3,702,245
24,288,077	---	---	24,288,077
---	50,989,474	912,470	51,901,944
<u>24,288,077</u>	<u>50,989,474</u>	<u>30,294,740</u>	<u>166,873,443</u>
273,740	(39,438,396)	(4,452,549)	(32,041,566)
151,462	23,618,538	---	23,770,000
131,972	---	---	131,972
---	889,276	---	889,276
5,817,148	10,460,646	5,224,647	37,620,305
(5,609,359)	(3,660,871)	(2,973,710)	(39,872,878)
<u>491,223</u>	<u>31,307,589</u>	<u>2,250,937</u>	<u>22,538,675</u>
764,963	(8,130,807)	(2,201,612)	(9,502,891)
11,258,996	66,134,364	15,724,517	106,672,698
<u>\$ 12,023,959</u>	<u>\$ 58,003,557</u>	<u>\$ 13,522,905</u>	<u>\$ 97,169,807</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, 2019

EXHIBIT 4A

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

Net Change in Fund Balances - Governmental Funds (Exhibit 4) \$ (9,502,891)

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 (\$38,592,086) exceeded depreciation (\$15,221,249) in the current period. 23,370,837

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. (1,478)

Governmental funds do not report the transfer of capital assets between funds as transfers whereas the statement of activities reports the transfer in or (out) on the transfer of capital assets. This is the effect on the change in net position on the statement of activities. (395,755)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 9,932

Accrued interest expense that does not require current financial resources. (7,426)

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: (93,939)

Pension expenses reported in the Statement of Activities do not require the use of current financial resources. (7,716,524)

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 7,103,340

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	(23,770,000)		
Bond Premium	(131,972)		
Repayments:			
General Obligation Bonds	17,607,431		
Bond Charges	436,946		
Net Adjustment (See Note 6)	(5,857,595)		

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. 10,297,971

Changes in Net Position - Governmental Activities (Exhibit 2) \$ 17,206,472

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

SI^oUXTM
CITY

**CITY OF SIOUX CITY, IOWA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019**

	<u>Business-Type Activities</u>	
	<u>Airport</u>	<u>Water System</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and investments	\$ 3,588,306	\$ 9,415,080
Accounts Receivable	31,562	3,625,179
Accrued Interest Receivable	9,293	23,266
Notes Receivable - Current	---	---
Special Assessments, net of allowance	---	3,932
Due from Other Governments	2,569,334	---
Due from Other Funds	---	---
Inventories, at Cost	---	---
Prepaid Items	1,071	---
Total Current Assets	<u>6,199,566</u>	<u>13,067,457</u>
<u>Non-Current Assets</u>		
Advances to Other Funds	---	---
Land	1,372,328	732,910
Construction in Progress	11,212,208	9,815,812
Capital Assets, Net of Accumulated Depreciation	<u>19,700,519</u>	<u>100,868,933</u>
Total Non-Current Assets	<u>32,285,055</u>	<u>111,417,655</u>
Total Assets	<u>38,484,621</u>	<u>124,485,112</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
OPEB Related	---	---
Pension Related	170,109	539,529
Total Deferred Outflows of Resources	<u>170,109</u>	<u>539,529</u>
<u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Accounts Payable	67,187	897,251
Accrued Wages	25,606	67,667
Accrued Interest Payable	14,478	127,370
Contracts and Retainers Payable	859,123	1,170,556
Due to Other Governments	---	2,041,031
Due to Other Funds	19,900	---
Estimated Liability for Damage Claims	---	---
Estimated Liability for Landfill Closure	---	---
Current Portion of G.O. Bonds	795,145	1,381,238
Current Portion of Notes Payable	---	4,481,000
Current Portion of Compensated Absences	49,877	146,935
Total Current Liabilities	<u>1,831,316</u>	<u>10,313,048</u>
<u>Non-Current Liabilities</u>		
Compensated Absences, Net of Current Portion	---	74,105
Estimated Liability for Damage Claims	---	---
Estimated Liability for Landfill Closure	---	---
Advances from Other Funds	39,811	---
General Obligation Bonds, Net of Current Portion	5,061,674	6,712,699
Notes Payable, Net of Current Portion	---	44,551,678
Due to Other Governments, Net of Current Portion	---	651,141
Total OPEB Liability	---	---
Net Pension Liability	571,363	1,850,486
Total Non-Current Liabilities	<u>5,672,848</u>	<u>53,840,109</u>
Total Liabilities	<u>7,504,164</u>	<u>64,153,157</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
OPEB Related	---	---
Pension Related	47,033	221,058
Total Deferred Inflows of Resources	<u>47,033</u>	<u>221,058</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	27,406,287	54,251,626
Unrestricted	3,697,246	6,398,800
Total Net Position	<u>\$ 31,103,533</u>	<u>\$ 60,650,426</u>

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
\$ 3,920,013	\$ 3,527,697	\$ 1,023,727	\$ 21,474,823	\$ 19,444,002
4,491,460	938,601	373,478	9,460,280	406,018
9,956	9,118	2,445	54,078	27,611
---	---	---	---	51,335
1,620	1,872	---	7,424	---
---	---	1,353	2,570,687	---
---	---	4,302	4,302	19,900
---	---	---	---	490,795
90,667	---	---	91,738	254,900
8,513,716	4,477,288	1,405,305	33,663,332	20,694,561
---	---	---	---	39,811
567,892	455,842	387,347	3,516,319	---
40,434,333	---	681,953	62,144,306	818,617
121,095,623	283,093	6,653,152	248,601,320	16,671,239
162,097,848	738,935	7,722,452	314,261,945	17,529,667
170,611,564	5,216,223	9,127,757	347,925,277	38,224,228
---	---	---	---	195,755
541,780	5,314	68,105	1,324,837	479,413
541,780	5,314	68,105	1,324,837	675,168
402,606	6,029	66,796	1,439,869	404,883
86,688	717	8,632	189,310	56,647
136,916	---	3,447	282,211	1,661
2,393,786	479,532	2,050	4,905,047	10,084
9,887,522	34,921	---	11,963,474	---
30	---	1,058	20,988	---
---	---	---	---	2,530,465
---	55,047	---	55,047	---
236,514	---	290,876	2,703,773	100,492
6,542,000	---	---	11,023,000	---
124,824	862	18,168	340,666	102,085
19,810,886	577,108	391,027	32,923,385	3,206,317
44,292	---	36,374	154,771	190,169
---	---	---	---	2,249,161
---	998,230	---	998,230	---
---	---	---	39,811	---
1,357,097	---	1,369,560	14,501,030	665,373
71,999,476	---	---	116,551,154	---
1,872,765	---	---	2,523,906	---
---	---	---	---	7,071,039
1,885,252	18,849	230,134	4,556,084	1,643,092
77,158,882	1,017,079	1,636,068	139,324,986	11,818,834
96,969,768	1,594,187	2,027,095	172,248,371	15,025,151
---	---	---	---	131,030
192,869	2,456	24,585	488,001	147,313
192,869	2,456	24,585	488,001	278,343
81,685,741	738,935	6,312,016	170,394,605	16,723,991
(7,695,034)	2,885,959	832,166	6,119,137	6,871,911
\$ 73,990,707	\$ 3,624,894	\$ 7,144,182	\$ 176,513,742	\$ 23,595,902

**CITY OF SIOUX CITY, IOWA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Business-Type Activities</u>	
	<u>Airport</u>	<u>Water System</u>
<u>OPERATING REVENUES</u>		
Revenue from Use of Property	\$ 1,657,648	\$ 144,755
Charges for Service	521,027	19,385,699
Total Operating Revenues	<u>2,178,675</u>	<u>19,530,454</u>
<u>OPERATING EXPENSES</u>		
Employee Services	1,241,973	5,962,666
Supplies and Services	462,081	1,456,074
Repairs and Improvements	680,492	1,290,316
Utilities	163,736	870,862
Depreciation	1,904,089	5,668,210
Damage Settlement	---	---
Bad Debt Expense	---	---
Total Operating Expenses	<u>4,452,371</u>	<u>15,248,128</u>
Operating Income (Loss)	(2,273,696)	4,282,326
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Intergovernmental Revenue	42,404	---
Interest Income	80,031	311,205
Gain on Sale of Capital Assets	---	---
Other Non-Operating Revenues	193,159	57,656
Interest Expense	(158,254)	(1,498,899)
Other Non-Operating Expenses	---	(131,915)
Total Non-Operating Revenues (Expenses)	<u>157,340</u>	<u>(1,261,953)</u>
Income (Loss) before Capital Grants, Contributions, and Transfers	(2,116,356)	3,020,373
Capital Grants and Contributions	3,179,981	---
Transfers In	658,160	1,098,713
Transfers Out	---	(81,022)
Changes in Net Position	1,721,785	4,038,064
Net Position - Beginning of the Year	<u>29,381,748</u>	<u>56,612,362</u>
Net Position - End of Year	<u>\$ 31,103,533</u>	<u>\$ 60,650,426</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
\$ 84,562	\$ 660,522	\$ - - -	\$ 2,547,487	\$ 65,442
21,801,730	5,006,785	1,735,519	48,450,760	32,445,081
21,886,292	5,667,307	1,735,519	50,998,247	32,510,523
6,149,810	187,551	555,207	14,097,207	16,113,013
2,565,160	5,494,807	710,958	10,689,080	2,453,858
5,337,063	16,553	189,569	7,513,993	3,851,821
1,267,109	- - -	95,880	2,397,587	23,291
6,076,152	53,384	266,319	13,968,154	2,772,982
- - -	- - -	- - -	- - -	806,277
3,063,532	- - -	- - -	3,063,532	- - -
24,458,826	5,752,295	1,817,933	51,729,553	26,021,242
(2,572,534)	(84,988)	(82,414)	(731,306)	6,489,281
- - -	- - -	- - -	42,404	- - -
366,552	124,095	14,587	896,470	176,084
- - -	- - -	- - -	- - -	126,587
42,549	- - -	- - -	293,364	47,390
(1,715,723)	- - -	(44,730)	(3,417,606)	(23,072)
(203,323)	- - -	- - -	(335,238)	- - -
(1,509,945)	124,095	(30,143)	(2,520,606)	326,989
(4,082,479)	39,107	(112,557)	(3,251,912)	6,816,270
- - -	- - -	- - -	3,179,981	2,940,496
15,560	4,306	135,651	1,912,390	541,205
(120,000)	- - -	- - -	(201,022)	- - -
(4,186,919)	43,413	23,094	1,639,437	10,297,971
78,177,626	3,581,481	7,121,088	174,874,305	13,297,931
<u>\$ 73,990,707</u>	<u>\$ 3,624,894</u>	<u>\$ 7,144,182</u>	<u>\$ 176,513,742</u>	<u>\$ 23,595,902</u>

**CITY OF SIOUX CITY, IOWA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Business-Type Activities	
	Airport	Water System
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash Received from Customers	\$ 488,074	\$ 20,553,756
Cash Received from Other funds	6,579	100
Cash Paid to Other Funds	(571,727)	(1,132,834)
Cash Paid for Personal Services	(1,230,606)	(5,944,564)
Cash Paid to Suppliers	(723,164)	(3,854,793)
Other Non-Operating Revenues	193,159	57,656
Net Cash Provided (Used) by Operating Activities	(1,837,685)	9,679,321
<u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Acquisition and Construction of Capital Assets	(4,031,431)	(5,480,121)
Capital Grants and Contributions	3,179,981	---
Proceeds from Sale of Assets	---	---
Proceeds from Bond Sales	1,205,000	---
Bond Issuance Costs	---	(131,915)
Proceeds from Notes Payable	---	1,668,352
Principal Paid on Notes and Bonds	(684,714)	(5,500,294)
Interest Paid on Notes and Bonds	(151,678)	(1,507,062)
Net Cash (Used) by Capital and Related Financing Activities	(482,842)	(10,951,040)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Intergovernmental Revenue	42,404	---
Transfers In	658,160	1,098,713
Transfers Out	---	(81,022)
Net Cash Provided (Used) by Non-Capital Financing Activities	700,564	1,017,691
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest and Dividends on Investments	80,535	305,676
Advances Made on Notes Receivable	---	---
Payments Received on Notes Receivable	---	---
Net Cash Provided by Non-Capital Financing Activities	80,535	305,676
Net Increase (Decrease) in Cash and Cash Equivalents	(1,539,428)	51,648
Cash and Cash Equivalents at Beginning of Year	5,127,734	9,363,432
Cash and Cash Equivalents at End of Year	\$ 3,588,306	\$ 9,415,080
 <u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>		
<u>PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating Income (Loss)	\$ (2,273,696)	\$ 4,282,326
<i>Adjustments to Reconcile Net Operating Income (Loss)</i>		
<i>to Net Cash Provided (Used) by Operating Activities:</i>		
Depreciation	1,904,089	5,668,210
Other Non-Operating Revenues	193,159	57,656
OPEB Expense	---	---
Pension Expense	2,645	8,028
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>		
Accounts Receivable	22,276	(109,594)
Special Assessments	---	162
Due from Other Governments	(2,278,025)	---
Due from Other Funds	---	---
Inventories	---	---
Advances to Other Funds	---	---
Prepaid Items	(89)	---
Accounts Payable	(5,841)	299,879
Accrued Wages and Compensated Absences	8,722	10,074
Contracts and Retainers Payable	610,561	899,959
Due to Other Governments	---	(1,437,329)
Due to Other Funds	(21,486)	(50)
Estimated Liability for Landfill Closure	---	---
Estimated Liability for Damage Claims	---	---
Total Adjustments	436,011	5,396,995
Net Cash Provided (Used) by Operating Activities	\$ (1,837,685)	\$ 9,679,321

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
\$ 22,239,775	\$ 5,632,575	\$ 1,780,172	\$ 50,694,352	\$ 8,925,245
38	---	31,802	38,519	23,866,880
(1,390,345)	(17,972)	(115,369)	(3,228,247)	(363,079)
(6,109,392)	(187,218)	(551,828)	(14,023,608)	(15,781,368)
(16,844,061)	(5,518,184)	(1,081,979)	(28,022,181)	(7,983,794)
42,549	---	---	293,364	47,390
(2,061,436)	(90,799)	62,798	5,752,199	8,711,274
(8,631,780)	---	(175,052)	(18,318,384)	(3,977,634)
---	---	---	3,179,981	1,647,083
---	---	---	---	160,183
---	---	250,000	1,455,000	---
(203,323)	---	---	(335,238)	---
9,769,321	---	---	11,437,673	---
(5,297,923)	---	(276,622)	(11,759,553)	(106,016)
(1,717,980)	---	(45,036)	(3,421,756)	(23,358)
(6,081,685)	---	(246,710)	(17,762,277)	(2,299,742)
---	---	---	42,404	---
15,560	4,306	135,651	1,912,390	541,205
(120,000)	---	---	(201,022)	---
(104,440)	4,306	135,651	1,753,772	541,205
379,097	121,652	14,026	900,986	161,249
---	---	---	---	(18,583)
---	---	---	---	19,307
379,097	121,652	14,026	900,986	161,973
(7,868,464)	35,159	(34,235)	(9,355,320)	7,114,710
11,788,477	3,492,538	1,057,962	30,830,143	12,329,292
\$ 3,920,013	\$ 3,527,697	\$ 1,023,727	\$ 21,474,823	\$ 19,444,002
\$ (2,572,534)	\$ (84,988)	\$ (82,414)	\$ (731,306)	\$ 6,489,281
6,076,152	53,384	266,319	13,968,154	2,772,982
42,549	---	---	293,364	47,390
---	---	---	---	337,376
9,358	90	934	21,055	6,163
2,026,860	(52,569)	(36,798)	1,850,175	(83,207)
(132)	(135)	---	(105)	---
---	---	(130)	(2,278,155)	---
---	---	(1,986)	(1,986)	1,730
---	---	---	---	81,308
---	---	---	---	19,756
(20,232)	---	---	(20,321)	(1,425)
70,262	(564)	(20,083)	343,653	(781,304)
31,060	243	2,447	52,546	(11,894)
1,928,484	35,714	(65,806)	3,408,912	(101,641)
(9,653,243)	867	---	(11,089,705)	---
(20)	---	315	(21,241)	---
---	(42,841)	---	(42,841)	---
---	---	---	---	(65,241)
511,098	(5,811)	145,212	6,483,505	2,221,993
\$ (2,061,436)	\$ (90,799)	\$ 62,798	\$ 5,752,199	\$ 8,711,274

**CITY OF SIOUX CITY, IOWA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019**

EXHIBIT 8

ASSETS

Cash and Cash Equivalents	\$	1,047,804
Accounts Receivable		617,731
Due from Other Governments		<u>225,491</u>
Total Assets		<u><u>1,891,026</u></u>

LIABILITIES

Accounts Payable		654,992
Due to Other Governments		<u>1,236,034</u>
Total Liabilities		<u><u>1,891,026</u></u>

NET POSITION

Unrestricted		<u>---</u>
Total Net Position	\$	<u><u>---</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, 2019

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, 2019**

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, 2019

Note 1 - (Continued)

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

Sewer Fund - The Sewer 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 Fund - 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, 2019

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

Comprehensive Insurance Fund - 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 and Communication Commission (WCICC).

Sioux City Sports Commission Fund - 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, 2019

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 31 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 three months or less 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. Accounts receivable is reported net of allowances for doubtful accounts of \$3,063,532 in the Sewer Fund. Special assessment receivables are reported net of allowances for doubtful accounts of \$918,975 in the General Fund, \$5,160 in the Storm Water Drainage Fund, \$3,933 in the Water Fund, \$1,620 in the Sewer Fund, and \$1,872 in the Solid Waste Fund.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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, 2019, 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, 2019, are recorded as prepaid items. The costs of governmental and proprietary fund type prepaid items are recorded as expenditures when consumed rather than when purchased.

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, 2019

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, 2019

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 Other Post-Employment Benefits (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, 2019

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, 2019**

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, 2019, 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, 2019, were \$77,208,897. These deposits have a book balance of \$76,313,333.

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, 2019.

Investments	Carrying Amount	Moody's Rating 6/30/19
U.S. Treasury Strips	\$ 12,074,141	N/A
Commercial Paper	1,972,398	P-1
U.S. Agencies	<u>44,701,305</u>	Aaa
	<u><u>\$ 58,747,844</u></u>	

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 \$12,074,141, the Commercial Paper of \$1,972,398, and the U.S. Agencies of \$44,701,305 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, 2019**

Note 2 - (Continued)

Interest rate risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the City's investment policy, the City minimizes the fair value risk of investments in the portfolio by structuring its investment portfolio so that securities mature to meet cash requirements for operations, thereby avoiding the need to sell securities in the open market prior to maturity.

The City employs a laddered maturity approach to its investments. Within 12 months, \$25,609,004 of the fair value will mature. An additional \$23,068,556 will mature between 13 and 24 months. The remaining \$10,070,284 will mature between 25 and 60 months.

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, 2019, 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 investments

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 investments is allocated to selected funds, as determined by the Finance Director 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 investments at June 30, 2019, consisted of the following:

Reconciliation to Exhibit 1:	Carrying Amount
Investments	\$ 58,747,844
Bank Deposits	76,313,333
Cash on hand, petty cash and other cash items	12,563
Total Cash and investments	<u>\$ 135,073,740</u>
Cash and investments – Exhibit 1	\$134,025,936
Cash and investments – Exhibit 8	1,047,804
Total Cash and investments	<u>\$ 135,073,740</u>

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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>
GENERAL	\$ 28,532,642	\$ 231,038	\$ 2,103,946
Special Revenues			
Storm Water Drainage	---	5,344	130,725
Road Use	---	853,525	3,464
Community Development	---	345,019	---
Housing	---	---	702
Main Street	88,374	---	---
Local Option Sales Tax	---	1,051,106	3,000
Events Facilities	---	12,500	70,361
Transit System	---	1,656,787	18,844
Employee Benefits	6,413,077	---	---
TOTAL SPECIAL REVENUES	6,501,451	3,924,281	227,096
DEBT SERVICE	22,387,920	---	63,807
CAPITAL PROJECTS	---	2,221,085	1,427,995
Enterprises			
Airport System	---	2,569,334	31,562
Water System	---	---	3,625,179
Sewer System	---	---	4,491,460
Solid Waste System	---	---	938,601
Parking Facility	---	1,353	308,188
Skyway System	---	---	65,290
TOTAL ENTERPRISE	---	2,570,687	9,460,280
Internal Service Funds			
Central Maintenance Garage	---	---	57,941
Comprehensive Insurance	---	---	348,077
TOTAL INTERNAL SERVICE	---	---	406,018
Permanent Fund			
Cemetery Trust	---	---	2,020
TOTAL PERMANENT	---	---	2,020
TOTAL RECEIVABLES	\$ 57,422,013	\$ 8,947,091	\$ 13,691,162

<u>Notes Receivable</u>	<u>Special Assessments</u>	<u>Total</u>
\$ ---	\$ 48,367	\$ 30,915,993
---	5,160	141,229
---	---	856,989
4,614,741	---	4,959,760
219,922	---	220,624
---	---	88,374
15,000	---	1,069,106
440,000	---	522,861
---	---	1,675,631
---	---	6,413,077
<u>5,289,663</u>	<u>5,160</u>	<u>15,947,651</u>
 118,750	 8,862	 22,579,339
 3,396,615	 ---	 7,045,695
 ---	 ---	 2,600,896
---	3,932	3,629,111
---	1,620	4,493,080
---	1,872	940,473
---	---	309,541
---	---	65,290
<u>---</u>	<u>7,424</u>	<u>12,038,391</u>
 51,335	 ---	 109,276
---	---	348,077
<u>51,335</u>	<u>---</u>	<u>457,353</u>
 ---	 ---	 2,020
 ---	 ---	 2,020
 <u>\$ 8,856,363</u>	 <u>\$ 69,813</u>	 <u>\$ 88,986,442</u>

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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. 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 60 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-nine years.

In fiscal year 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 year 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 year 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 year 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. During fiscal year 2019, the City received \$1,152,000 payment in accordance with the settlement and mutual release agreement. The combined outstanding balance of these notes at June 30, 2019, was zero.

The City also has other notes receivable totaling \$174,787 at June 30, 2019, 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 \$4,439,954 from seventeen local businesses.

During fiscal year 2011 the City executed an amendment to an agreement with Warfield Building, LLC in relation to a parking licensing agreement for property located at Third and 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, 2019 was \$118,750.

During fiscal year 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 year 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. The combined outstanding balance of these notes at June 30, 2019 was \$440,000.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 3 - (Continued)

The City has eighteen loans in the Capital Improvements 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, 2019, 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 \$323,481 as of June 30, 2019.
- In fiscal year 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 \$87,621 as of June 30, 2019.
- In fiscal year 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. During fiscal year 2019, the City approved a first amendment to the development agreement and extended the loan repayment to October 22, 2020. 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.
- During fiscal year 2019, the City approved a development and minimum assessment agreement with Warrior Hotel Operator LLC., to redevelop two properties into a Marriott Tribute or Autograph Collection branded hotel and luxury apartments including retail, restaurant, and commercial spaces. As part of the agreement, the City will provide financing in an amount up to \$5 million as a loan to the developer to assist with the cost of the infrastructure improvements. Upon repayment by the developer of \$2.5 million of the loan to the City, the remaining \$2.5 million will be forgiven. The City loaned \$2,516,115 to the developer during fiscal year 2019.

The combined outstanding balance of these notes at June 30, 2019 was \$3,396,615.

The City has one note receivable outstanding from economic development incentive packages with local businesses in the amount of \$15,000. This note receivable is reported in the Local Option Sales Tax Fund.

The Housing Trust Fund has a note receivable of \$219,922 for housing loan repayments. The amount due by June 30, 2020 is \$27,642 while \$17,827 of the balance is due after June 30, 2020. The balance of \$174,453 for housing loan repayments is a receivable through the State of Iowa Income Offset Program.

The City has five notes receivables from Siouxland District Health for vehicles purchased in 2015, 2017, 2018, and 2019. The June 30, 2019 balances total \$51,335. The amounts are reported in the Central Maintenance Garage Fund.

At June 30, 2019, special assessments receivables totaled \$69,813. This amount is reported net of an allowance for doubtful accounts of \$931,560.

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, 2019, unbilled utility revenues included in the accounts receivable of the Water, Sewer, and Solid Waste System Funds were \$1,944,637, \$2,067,359, and \$494,968, respectively.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 4 - Capital Assets

A summary of the changes in capital assets for the year ended June 30, 2019, is as follows:

Governmental Activities (including Internal Service Funds):

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 46,445,196	\$ 647,684	\$ (1,478)	\$ 47,091,402
Construction in Progress	33,069,514	38,596,355	(17,582,623)	54,083,246
Total capital assets, not being depreciated	79,514,710	39,244,039	(17,584,101)	101,174,648
Capital assets, being depreciated:				
Buildings	122,910,149	3,238,457	(78,518)	126,070,088
Buildings under capital lease	7,675,000	---	---	7,675,000
Improvements other than buildings	63,039,403	1,314,758	(24,333)	64,329,828
Equipment	63,124,814	4,917,445	(3,580,416)	64,461,843
Infrastructure	288,889,046	12,364,343	(127,244)	301,126,145
Total capital assets, being depreciated	545,638,412	21,835,003	(3,810,511)	563,662,904
Less accumulated depreciation for:				
Buildings	(46,131,235)	(3,538,884)	144,417	(49,525,702)
Buildings under capital lease	(5,947,872)	(191,875)	---	(6,139,747)
Improvements other than buildings	(35,571,622)	(2,034,932)	24,333	(37,582,221)
Equipment	(42,820,550)	(4,148,461)	3,428,656	(43,540,355)
Infrastructure	(89,528,456)	(8,080,079)	150,464	(97,458,071)
Total accumulated depreciation	(219,999,735)	(17,994,231)	3,747,870	(234,246,096)
Total capital assets, being depreciated, net	325,638,677	3,840,772	(62,641)	329,416,808
Governmental Activities capital assets, net	\$ 405,153,387	\$43,084,811	\$ (17,646,742)	\$ 430,591,456

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, 2019

Note 4 - (Continued)

Business-Type Activities:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 3,511,319	\$ 5,000	\$ - - -	\$ 3,516,319
Construction in Progress	52,920,536	17,120,959	(7,897,189)	62,144,306
Total capital assets, not being depreciated	<u>56,431,855</u>	<u>17,125,959</u>	<u>(7,897,189)</u>	<u>65,660,625</u>
Capital assets, being depreciated:				
Buildings	117,607,734	227,636	(29,609)	117,805,761
Improvements other than buildings	312,644,157	8,818,370	(88,173)	321,374,354
Equipment	9,380,709	43,608	(931,418)	8,492,899
Total capital assets, being depreciated	<u>439,632,600</u>	<u>9,089,614</u>	<u>(1,049,200)</u>	<u>447,673,014</u>
Less accumulated depreciation for:				
Buildings	(65,843,526)	(1,798,926)	45,997	(67,596,455)
Improvements other than buildings	(111,965,097)	(11,801,130)	86,916	(123,679,311)
Equipment	(8,344,117)	(368,098)	916,287	(7,795,928)
Total accumulated depreciation	<u>(186,152,740)</u>	<u>(13,968,154)</u>	<u>1,049,200</u>	<u>(199,071,694)</u>
Total capital assets, being depreciated, net	<u>253,479,860</u>	<u>(4,878,540)</u>	<u>- - -</u>	<u>248,601,320</u>
Business-Type Activities capital assets, net	<u>\$ 309,911,715</u>	<u>\$ 12,247,419</u>	<u>\$ (7,897,189)</u>	<u>\$ 314,261,945</u>

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

Governmental Activities

Public Safety	\$ 1,241,747
Public Works	5,871,308
Culture and Recreation	3,235,585
Community and Economic Development	729,934
General Government	4,142,675
Internal Service	2,772,982
Total	<u>\$ 17,994,231</u>

Business-Type Activities

Airport	\$ 1,904,089
Water	5,668,210
Sewer	6,076,152
Solid Waste	53,384
Parking	266,319
Total	<u>\$ 13,968,154</u>

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 4 - (Continued)

Reconciliation of Net Investment in Capital Assets:

	Governmental Activities	Business- Type Activities
Capital Assets (net of accumulated depreciation)	\$ 430,591,456	\$ 314,261,945
Unspent Bond Proceeds	24,568,538	1,455,000
Less: General Obligation Bonds Payable	134,020,601	17,204,803
Notes Payable	---	127,574,154
Retainage Payable	1,729,086	543,383
Net Investment in Capital Assets	\$ 319,410,307	\$ 170,394,605

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 \$6,139,747 for a net book value at June 30, 2019, of \$1,535,253.

Note 6 - Long-Term Debt

NOTES PAYABLE - DIRECT BORROWINGS

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 year 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, 2019, were \$6,900,000 in the Water Fund and \$1,999,000 in the Sewer Fund.

During fiscal year 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, 2019, was \$14,628,000 in the Sewer Fund.

During fiscal year 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, 2019, was \$2,363,000 in the Water Fund.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 6 – (Continued)

During fiscal year 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, 2019, was \$8,601,000 in the Sewer Fund. In fiscal year 2018, State of Iowa reduced the interest rate from 3% to 1.75% effective June 1, 2018.

During fiscal year 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 year 2011. The City did not draw the full loan amount authorized. The outstanding balance of the note as of June 30, 2019, was \$25,106,000 in the Sewer Fund. During fiscal year 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, 2019 was \$22,028,000.

During fiscal year 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, 2019, was \$7,289,000 in the Water Fund.

During fiscal year 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, 2019, of \$6,201,000 in the Water Fund.

During fiscal year 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, 2019 was \$1,064,000, \$3,111,000, and \$4,884,000 in the Sewer Fund.

During fiscal year 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 was fully drawn as of June 30, 2017. The outstanding balance at June 30, 2019 was \$1,421,000 in the Water Fund.

During fiscal year 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, 2019 was \$19,148,476 in the Sewer Fund.

During fiscal year 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, 2019 was \$2,830,678 in the Water Fund.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 6 – (Continued)

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

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2020	\$ ---	\$ ---	\$ 11,023,000	\$ 2,899,758
2021	---	---	11,337,000	2,661,650
2022	---	---	11,660,000	2,416,445
2023	---	---	11,992,000	2,163,970
2024	---	---	10,872,000	1,903,960
2025-2029	---	---	49,085,000	5,959,593
2030-2034	---	---	21,605,154	921,074
Total	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 127,574,154</u>	<u>\$ 18,926,450</u>

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, 2019 in three series as follows:

Series A was issued for \$10,560,000. The bonds were sold to Morgan Stanley for \$10,558,820. The bonds have a true interest rate of 2.19% with principal payments due June 1 of the years 2020 through 2029.

Series B was issued for \$11,560,000. The bonds were sold to Northland Securities. for \$11,559,961. The bonds have a true interest rate of 2.75% with principal payments due June 1 of the years 2020 through 2029.

Series C was issued for \$3,105,000. The bonds were sold to Morgan Stanley for \$3,104,976. The bonds have a true interest rate of 2.19% with principal payments due June 1 of the years 2020 through 2029.

General obligation bonds outstanding as of June 30, 2019, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amounts</u>
Governmental Activities	1.00 – 5.00%	\$131,805,197
Business-Type Activities	1.75 – 5.00%	17,204,803

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 6 – (Continued)

Annual debt service requirements to maturity for general obligation bonds 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>
2020	\$ 19,961,227	\$ 3,675,779	\$ 2,703,773	\$ 486,463
2021	19,968,004	3,165,495	2,736,996	411,601
2022	16,802,408	2,607,763	2,492,592	334,008
2023	14,419,835	2,156,022	2,185,165	255,919
2024	13,478,877	1,753,815	2,071,123	191,499
2025-2029	42,499,846	4,020,775	5,015,154	295,491
2029-2033	4,675,000	488,210	---	---
Total	\$ 131,805,197	\$ 17,867,859	\$ 17,204,803	\$ 1,974,981

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$125,748,644	\$23,770,000	\$17,713,447	\$131,805,197	\$19,961,227
Unamortized Bond Charges	2,520,380	131,972	436,948	2,215,404	450,144
Compensated Absences	3,733,696	3,947,481	3,872,324	3,808,853	2,570,441
Est. Liability for Damage Claims	4,844,867	234,886	300,127	4,779,626	2,530,465
Net Pension Liability	60,095,815	---	2,649,689	57,446,126	---
Total OPEB Liability	6,522,164	548,875	---	7,071,039	---
Governmental Activities Long-term Liabilities	<u>\$203,465,566</u>	<u>\$28,633,214</u>	<u>\$24,972,535</u>	<u>\$207,126,245</u>	<u>\$25,512,277</u>
Business-Type Activities:					
Bonds Payable:					
General Obligation Bonds	\$18,351,356	\$1,455,000	\$2,601,553	\$17,204,803	\$2,703,773
Notes Payable-Direct Borrowings	125,294,481	11,437,673	9,158,000	127,574,154	11,023,000
Due to Other Governments	25,577,085	---	11,089,705	14,487,380	11,963,474
Compensated Absences	474,892	398,852	378,307	495,437	340,666
Est. Liability for Landfill Closure	1,096,118	---	42,841	1,053,277	55,047
Net Pension Liability	5,018,082	---	461,998	4,556,084	---
Business-type Activities Long-term Liabilities	<u>\$175,812,014</u>	<u>\$13,291,525</u>	<u>\$23,732,404</u>	<u>\$165,371,135</u>	<u>\$26,085,960</u>

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 6 – (Continued)

The Governmental General Obligation Bonds are shown net of the unamortized premiums and discounts of \$2,215,404 on the Statement of Net Position.

		Exhibit 1- Statement of Net Position	
General Obligation Bonds	\$ 131,805,197	General Obligation Bonds Payable-current	\$ 20,411,371
Unamortized Bond Charges	2,215,404	General Obligation Bonds Payable-long term	113,609,230
	<u>\$ 134,020,601</u>		<u>\$ 134,020,601</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, 2019, \$765,865 of Internal Service Fund general obligation debt carried by the Central Maintenance Garage. Internal Service Fund's \$292,254 of compensated absences, \$7,071,039 of total OPEB liability, and \$1,643,092 of net pension liability are included in the above amounts. For the governmental activities, compensated absences and net pension liability 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, 2019, approximately 74% will be liquidated by the General Fund, 18% by the Special Revenue Funds, and 8% by the Internal Service Funds. For the above balances in net pension liability as of June 30, 2019, approximately 81% will be liquidated by the General Fund, 9% by the Special Revenue Funds, 3% by the Internal Service Funds, and 7% by the Enterprise Funds. For the above balances in total OPEB liability as of June 30, 2019, the full balance will be liquidated by the Internal Service Fund.

At June 30, 2019, the general obligation debt issued by the City did not exceed its legal debt margin, computed as follows:

Assessed Value as of January 1, 2017 (Unaudited)	\$ 4,654,556,211
Debt Limit- 5% of valuation	232,727,811
Amount of Debt Applicable to Limit	
Total Bonded Debt and Long-Term Notes Payable	278,799,558
Less: Notes Payable	(127,574,154)
Funds on Hand Available to Service Debt	(12,023,959)
Debt Applicable to Debt Limit	139,201,445
Legal Debt Margin	\$ 93,526,366

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.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 7 - Internal Balances

The following is a summary of Interfund Receivables/Payables as of June 30, 2019:

	Interfund Receivable	Interfund Payable
General	\$ ---	\$ 2,911
Employee Benefits	---	78,500
Capital Improvements	1,236,143	---
Nonmajor Govt	379	1,158,325
Internal Service	19,900	---
Airport	---	19,900
Sewer	---	30
Nonmajor Enterprise	<u>4,302</u>	<u>1,058</u>
TOTALS	<u><u>\$ 1,260,724</u></u>	<u><u>\$ 1,260,724</u></u>

Interfund Balances represent amounts due to/from other funds as of June 30, 2019.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 7 - (Continued)

The following is a summary of transfers between fund types:

	Governmental Fund Types					
	General	Other Employee Benefits	Sales Tax	Debt Service	Capital Improv	Nonmajor Govt
General	\$ ---	\$ 6,000	\$ ---	\$ 1,292,505	\$ 3,813,348	\$ 3,119,949
Employee Benefits	6,166,306	---	---	---	---	---
Local Opt Sales Tax	9,050,037	---	---	665,289	2,479,150	1,014,297
Debt Service	---	---	---	---	3,333,827	584,759
Capital Improvements	---	894,525	996	1,650,139	---	505,642
Nonmajor Govt	---	---	---	2,128,193	834,321	---
Water	---	---	---	81,022	---	---
Sewer	---	---	---	---	---	---
Total Transfers In	\$ 15,216,343	\$ 900,525	\$ 996	\$ 5,817,148	\$ 10,460,646	\$ 5,224,647

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	Solid Waste	Nonmajor Prop	Internal Service	Transfers Out
\$ 7,751	\$ ---	\$ ---	\$ 4,306	\$ ---	\$ 10,000	\$ 8,253,859
---	---	---	---	---	---	6,166,306
---	---	---	---	---	---	13,208,773
650,409	904,713	---	---	135,651	---	5,609,359
---	194,000	15,560	---	---	400,009	3,660,871
---	---	---	---	---	11,196	2,973,710
---	---	---	---	---	---	81,022
---	---	---	---	---	120,000	120,000
<u>\$ 658,160</u>	<u>\$ 1,098,713</u>	<u>\$ 15,560</u>	<u>\$ 4,306</u>	<u>\$ 135,651</u>	<u>\$ 541,205</u>	<u>\$ 40,073,900</u>

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 8 - 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>
Fund Balances:			
Nonspendable:			
Inventory	\$ 24,229	\$ ---	\$ ---
Permanent Fund, Principal	---	---	---
Restricted for:			
Public Works	---	---	---
Comm & Econ Develop	---	---	---
Employee Benefits	---	886,345	---
Debt Service Reserve	---	---	---
Capital Projects	---	---	---
Other Purposes	---	---	---
Committed to:			
Public Safety	170,569	1,125	---
Public Works	44,216	---	---
Culture & Recreation	84,395	---	---
Comm & Econ Develop	4,227	---	---
General Governmental	66,648	---	---
Assigned to:			
Public Works	---	---	---
Comm & Econ Develop	---	---	223,821
General Governmental	---	---	1,342,927
Capital Projects	---	---	671,463
Unassigned:	10,099,421	---	---
Total Fund Balances	<u>\$ 10,493,705</u>	<u>\$ 887,470</u>	<u>\$ 2,238,211</u>

Major Debt Service Fund	Major Capital Improvements Fund	Other Funds	Total
\$ ---	\$ ---	\$ ---	\$ 24,229
---	---	1,264,552	1,264,552
---	---	3,198,680	3,198,680
---	---	8,441,986	8,441,986
---	---	---	886,345
12,023,959	---	---	12,023,959
---	57,204,308	---	57,204,308
---	799,249	54,947	854,196
---	---	---	171,694
---	---	143,863	188,079
---	---	492,973	577,368
---	---	---	4,227
---	---	---	66,648
---	---	341,805	341,805
---	---	---	223,821
---	---	---	1,342,927
---	---	---	671,463
---	---	(415,901)	9,683,520
<u>\$ 12,023,959</u>	<u>\$ 58,003,557</u>	<u>\$ 13,522,905</u>	<u>\$ 97,169,807</u>

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 9 - 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 \$2,952,010 has been established in the accompanying financial statements as of June 30, 2019. A provision for health claims incurred but unpaid as of June 30, 2019, of \$1,827,616 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, and automobile liability. Argonaut Insurance Company covers up to \$10 million in general liability and automobile liability, after the City's self-insured retention amount of \$500,000. The City has umbrella liability coverage with Allied Insurance Company of America covering general liability, and auto liability up to \$5 million in excess. 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.

During fiscal year 2019, the City became a member of the Iowa Municipalities Worker's Compensation Association (IMWCA). The IMWCA Pool (Pool) is a local government risk-sharing pool whose more than 530 members include various governmental entities throughout the State of Iowa, by pooling the risks of their workers' compensation liabilities. The Pool was formed in July 1981 under Chapter 28E, Code of Iowa, for the purpose of managing and funding to provide a stable, affordable alternative to the standard insurance market. To meet this purpose, the Pool uses stringent underwriting guidelines and prudent financial management, which protect the integrity of the Pool and its member's interests. Membership in the Pool is limited to Iowa cities, counties, Chapter 28E entities, and other political subdivisions subject to approval in writing by the Board of Trustees or their designee; a member may withdraw from the Pool at any time by complying with the rules of the Pool.

Each member's annual premiums are determined by using applicable standard rates for the exposure to risk and applicable experience modification factors of the National Council on Compensation Insurance (NCCI). Each member may be subject to additional premiums to pay its pro rata share of claims, when they exceed the Pool's resources available to pay such claims. Any money not used to pay claims and expenses remains with the Pool as surplus to fund future catastrophic claims. If a surplus substantially exceeds an actuarially sound figure, a distribution may be made to current members according to a formula that contemplates members' premium and claims experience of past years.

The Pool is currently reinsured with Safety National Casualty Corporation (SNCC) and NLC Mutual Insurance Company (NLC-MIC, a member owned captive insurance company). Each reinsurance carrier covers a specific layer of reinsurance risk. As of June 30, 2018, the specific limit of indemnity was unlimited per occurrence in excess of \$850,000, subject to a \$2,000,000 per occurrence sublimit for employers' liability for the members. NLC covers the first \$650,000 in excess of \$850,000 with SNCC taking the remaining risk per occurrence. To the extent that any reinsuring companies are unable to meet their obligations under the reinsurance agreements, the Pool would remain liable to the insured. The Pool attempts to mitigate reinsurance risk by checking the creditworthiness and rating of the reinsurers, if available. The Pool has elected to maintain the capital contribution with NLC whether or not there is a reinsurance agreement. NLC credits the Pool's capital contribution with the allocation of NLC's statutory earnings (loss) included in investment income.

The City does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2019, no liability has been recorded in the City's financial statements. As of June 30, 2019, settled claims have not exceeded the risk pool or reinsurance coverage.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 9 - (Continued)

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 2019. 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:

<u>Year Ended June 30</u>	<u>Beginning Balance Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
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
2019	\$ 4,844,867	\$3,745,587	\$3,810,828	\$ 4,779,626

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 10 - Commitments

The City has recognized as a liability only that portion of construction contracts completed through June 30, 2019. The following summary presents the amount of contracts outstanding at June 30, 2019 for both Governmental and Enterprise Funds combined:

Construction	\$ 75,573,823
Design & Engineering Services	8,166,439
Other	6,873,163
Less: Due, but unpaid at June 30, 2019	<u>(10,338,990)</u>
Construction Contract Commitments	<u>\$ 80,274,435</u>

Governmental contracts and encumbrances outstanding at June 30, 2019 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	\$ 170,569	\$ ---	\$ ---	\$ ---	\$ 170,569
Public Works	44,216	31,253	---	---	75,469
Culture & Recreation	84,395	52,973	---	---	137,368
Community & Economic Dev	4,227	---	---	7,500	11,727
General Government	66,648	---	2,238	---	68,886
Totals	<u>\$ 370,055</u>	<u>\$ 84,226</u>	<u>\$ 2,238</u>	<u>\$ 7,500</u>	<u>\$ 464,019</u>

As of June 30, 2019, the City had \$1,957,674 outstanding purchase orders and \$88,655,751 outstanding contracts, less \$10,338,990 unpaid of the total commitments listed above.

Under an agreement with the Siouxland Expo Center Board, the City has a commitment to oversee the construction of the new Siouxland Expo Center for the non-profit. The total cost of the project is currently expected to be \$15 million. The project has received major public donations and grant funding from Woodbury County, Missouri River Historic Development, the Gilchrist Foundation, the state's Brownfield/Grayfield Redevelopment Program, Iowa Department of Agriculture, and over thirty businesses in the community. The City Council approved a \$15 million contract on May 13, 2019 for the construction of the center. Construction is expected to be completed by June 1, 2020.

The City Council approved the Phase 1 and 2 constructions of the Runway 17/35 reconstruction and shift, and Taxiway B, C and D Reconstruction agreements with the Federal Aviation Administration (FAA) in the fall of 2018. The total cost of the project is currently estimated to be \$22.74 million. The City is expected to receive \$20.38 million from the FAA, with the remaining to be funded by the City.

The City Council approved the construction of the Military Road reconstruction and bridge rehabilitation project on January 28, 2019 for nearly \$7 million. The project is funded by \$1 million from the Iowa Department of Transportation (IDOT) Federal Bridge Funds, \$1.33 million from the IDOT Surface Transportation Program, and \$1.88 million from the South Dakota Department of Transportation, with the remaining to be funded by the City.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 11 - 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, 2019, is presented as follows:

Assets	\$ 1,236,034
Total Assets	<u>1,236,034</u>
Total Liabilities	2,319,924
Fund Equity	<u>(1,083,890)</u>
Total Liabilities and Fund Equity	<u>1,236,034</u>
Total Revenue	3,497,250
Total Expenditures	<u>(3,054,982)</u>
Net Increase (Decrease) in Fund Balance	<u>\$ 442,268</u>

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, 2019**

Note 12 - Post-Employment Health Care Benefits

During fiscal year 2018, the City adopted the provisions of Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions (OPEB). 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, 2019, 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 \$7,071,039 was measured as of June 30, 2019 with the use of update procedures to roll forward to the measurement date amounts from an actuarial valuation date as of June 30, 2018.

Changes in the Total OPEB Liability

	Total OPEB
Balance at 6/30/18	\$ 6,522,164
Changes for the year:	
Service cost	394,888
Interest cost	261,417
Changes of benefit terms	---
Differences between expected and actual experience	---
Changes in assumptions or other inputs	216,753
Benefit payments	<u>(324,183)</u>
Net Changes	<u>548,875</u>
Balance at 6/30/19	<u><u>\$ 7,071,039</u></u>

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 12 - (Continued)

The total OPEB liability as of June 30, 2019 assumes a discount rate of 3.5%.

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

For the year ended June 30, 2019, the City recognized OPEB expense of \$661,559. At June 30, 2019, 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	195,755	(131,030)
Net difference between projected and actual investments	---	---
Total	\$ 195,755	\$ (131,030)

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:	
2020	\$ 5,254
2021	5,254
2022	5,254
2023	5,254
2024	5,254
Thereafter	38,455
Total	\$ 64,725

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

1% Decrease	\$6,118,000
1% Increase	\$8,050,000

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

1% Decrease	\$7,707,000
1% Increase	\$6,489,000

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2019 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, 2019
Actuarial Cost Method	Entry Age Normal based on level percentage of projected salary
Discount rate	3.50% per annum for June 30, 2019 Source: Bond Buyer 20-Bond GO Index The projection of cash flows used to determine the discount rate assumed that employee contributions will be made based on prior year claim experiences and amounts needed to fund the plan operations.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 12 - (Continued)

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-2017 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 also assumes that 10% of Medicare retirees 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, 2019

Note 13 - 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 Fire Emergency Medical Services division employees group, Professional, Administrative, Technical, Supervisory, Executive and Council Appointed (PATS) employees group, PATS Union Agreement employees group, and Library non-bargaining employees group with a minimum of 15 years of consecutive service with the City. The 15-year requirement does not apply to those who retire and immediately become eligible to receive retirements benefits under the provisions of the Iowa Public Retirement System (IPERS), the Social Security Act, or the Municipal Fire and Police Retirement System (MFPRSI). 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).

Severance pay is paid to all employees of the Affiliated Sioux City Municipal Employee Union (AFSME) employees group, who retires and immediately upon such retirement becomes eligible for regular retirements benefits under the provisions of the IPERS, or the Social Security Act shall receive retirement severance pay, at the rate of three day's pay for each full twelve months of consecutive service.

Severance pay is paid to all employees of the Fire Supervisory employees group, and Police Supervisory employees group, who retires and immediately upon such retirement becomes eligible for regular retirements benefits under the provisions of the MFPRSI, the Social Security Act, the Workers' Compensation, or resigns as a vested member of the provisions of the MFPRSI, shall receive retirement severance pay, at the rate of three day's pay for each full twelve months of consecutive service.

Severance pay is paid to all employees of the Fire Union employees group, who terminates employment and is immediately eligible for regular retirements benefits under the provisions of the MFPRSI, shall receive retirement severance pay, at the rate of three day's pay (33.6 hours) for each full twelve months of consecutive service. A fire fighter who terminates employment and is not immediately eligible to receive payments for benefits under the MFRSI shall receive severance pay at the time of the fire fighter becomes eligible to receive payment from MFPRSI. Severance pay payable at a date other than the date of termination from service shall be calculated from the wage scale and formula in effect at the date of termination.

Severance pay is paid to all employees of the Police Union employees group, who retires and immediately upon such retirement becomes eligible for regular retirements benefits under the provisions of the MFPRSI, or resigns as a vested member of the provisions of the MFPRSI, shall receive retirement severance pay, at the rate of three day's pay for each full twelve months of consecutive service at the time of retirement or resignation.

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, 2019, 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 \$228,778 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, 2019.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 13 – (Continued)

Compensated absences consist of the following amounts as of June 30, 2019:

Accrued Vacation	\$ 2,762,852
Accrued Severance Pay	1,221,889
Accrued Transit Sick Leave	90,771
Accrued Termination Benefits	228,778
Total	\$ 4,304,290

Compensated absences have been recorded as follows:

	CURRENT	LONG-TERM	TOTAL
Enterprise Funds	\$ 340,666	\$ 154,771	\$ 495,437
Internal Service Funds	102,085	190,169	292,254
Government-Wide Statement	2,468,356	1,048,243	3,516,599
	\$ 2,911,107	\$ 1,393,183	\$ 4,304,290

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 14 - 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.

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, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

Protection occupation members may retire at normal retirement age which is generally at age 55 and may retire any time after reaching age 50 with 22 or more years of covered employment. The formula used to calculate a protection members' monthly IPERS benefit includes:

- 60% of average salary after completions of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but no more than 30 years of service.
- The member's highest three-year average salary.

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

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 14 - (Continued)

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 thirty-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 2019, pursuant to the required rate, Regular Members contributed 6.29 percent of covered payroll and the City contributed 9.44 percent of covered payroll for a total rate of 15.73 percent, and Protection Occupation Members contributed 6.81 percent of covered payroll and the City contributed 10.21 percent of covered payroll for a total rate of 17.02 percent.

The City's contributions to IPERS for the year ended June 30, 2019 were \$2,928,440.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2019, the City reported a liability of \$24,618,385 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the City's proportion was 0.3890239 percent, which was a decrease of 0.016310 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the City recognized IPERS pension expense of \$3,037,004. At June 30, 2019, 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	\$ 136,072	\$ 560,002
Changes of assumptions	3,558,976	1,691
Net difference between projected and actual earnings on pension plan investments	- - -	690,331
Changes in proportion and differences between City contributions and proportionate share of contributions	574,182	1,180,054
City contributions subsequent to the measurement date	2,928,440	- - -
Total	\$ 7,197,670	\$ 2,432,078

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 14 - (Continued)

An amount of \$2,928,440 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, 2020. 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,	
2020	\$ 1,501,080
2021	777,026
2022	(220,669)
2023	(147,363)
2024	(72,922)
Total	\$ 1,837,152

There were no non-employer contributing entities at IPERS.

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

Mortality rates were based on the RP-2014 Generational 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 MP-2017.

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:

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 14 - (Continued)

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	22.0%	6.01%
International Equity	15.0	6.48
Global smart beta equity	3.0	6.23
Core-Plus Fixed Income	27.0	1.97
Public Credit	3.5	3.93
Public Real Assets	7.0	2.91
Cash	1.0	(0.25)
Private Equity	11.0	10.81
Private Real Assets	7.5	4.14
Private Credit	3.0	3.11
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.

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	\$ 42,062,883	\$ 24,618,385	\$ 9,985,463

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

Payables to the Pension Plan. At June 30, 2019, the City reported payables to the defined benefit pension plan of \$76,343 for legally required employer contributions.

MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA (MFPRSI)

Plan Description. MFPRSI membership is mandatory for fire fighters and police officers covered by the provisions of Chapter 411 of the Code of Iowa. Employees of the City 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.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 14 - (Continued)

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

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

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

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

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

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

Benefits are increased (escalated) annually in accordance with Chapter 411.6 of the Code of Iowa which states a standard formula for the increases.

The surviving spouse or dependents of an active member who dies due to a traumatic personal injury incurred in the line of duty receives a \$100,000 lump-sum payment.

Contributions. Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2019.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 14 - (Continued)

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 26.02% for the year ended June 30, 2019.

The City's contributions to MFPRSI for the year ended June 30, 2019 was \$4,909,015.

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, 2019.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2019, the City reported a liability of \$37,383,825 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the City's proportion was 6.278738% which was a decrease of .220004% from its proportions measured as of June 30, 2017.

For the year ended June 30, 2019, the City recognized pension expense of \$5,440,851. At June 30, 2019, 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	\$ 1,003,574	\$ 507,130
Changes of assumptions	3,192,959	298,742
Net difference between projected and actual earnings on pension plan investments	1,828,602	- - -
Changes in proportion and differences between City contributions and proportionate share of contributions	609,787	1,186,472
City contributions subsequent to the measurement date	4,909,015	- - -
Total	\$ 11,543,937	\$ 1,992,344

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 14 - (Continued)

An amount of \$4,909,015 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, 2020. 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,	
2020	\$ 3,269,541
2021	1,721,836
2022	(531,527)
2023	210,170
2024	(27,442)
Total	\$ 4,642,578

Actuarial Assumptions. The total pension liability in the June 30, 2018, 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 15.00 percent, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2007 to June 30, 2017.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates 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:

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 14 - (Continued)

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	\$ 62,373,636	\$ 37,383,825	\$ 16,693,101

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

Payables to the Pension Plan. At June 30, 2019, City of Sioux City reported payables to the defined benefit pension plan of \$115,184 for legally required employer contributions.

For the year ended June 30, 2019, the City recognized IPERS and MFPRSI pension expense of \$8,477,855. At June 30, 2019, the City reported a liability of \$62,002,210 for its proportionate share of the net pension liability. At June 30, 2019, the City reported deferred outflows of resources in the amount of \$18,741,607 and deferred inflows of resources in the amount of \$4,424,422 related to pension.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 15 - 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 7, 2019 was \$1,053,277. This full amount has been accrued by the City as of June 30, 2019. Of this amount, it was estimated that \$55,047 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.

Note 16 - 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.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 16 - (Continued)

For the year ended June 30, 2019, the City abated \$1,026,539 of property tax under the urban renewal and economic development projects and \$35,079 under the Enterprise Zone Program.

Note 17 - 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.

Note 18 - Prospective Accounting Change

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.

Statement No. 90, "Majority Equity Interests- an amendment of GASB Statements No. 14 and No. 61." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2019.

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^oUXTM
CITY

SI^oUXTM
CITY

CITY OF SIOUX CITY, IOWA
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL - ALL GOVERNMENTAL AND PROPRIETARY FUNDS ¹
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

	Governmental Fund Types Actual	Internal Service Funds Actual	Proprietary Funds Actual
<u>REVENUES</u>			
Taxes	\$ 77,940,036	\$ ---	\$ ---
Special Assessments	108,439	---	---
Regulatory Fees	4,588,238	---	---
Intergovernmental Revenue ²	31,747,980	2,940,496	3,222,385
Revenue from Use of Property	3,345,300	241,526	3,443,957
Charges for Service	10,684,521	32,445,081	48,450,760
Miscellaneous	6,417,363	173,977	293,364
Total Revenues	<u>134,831,877</u>	<u>35,801,080</u>	<u>55,410,466</u>
<u>EXPENDITURES</u>			
Public Safety	43,778,707	---	---
Public Works	18,740,385	---	---
Culture and Recreation	14,096,896	---	---
Community and Economic Development	10,365,189	---	---
General Government	3,702,245	---	---
Debt Service	24,288,077	---	3,417,606
Capital Projects ²	51,901,944	---	---
Business-Type/Enterprises ²	---	26,044,314	52,064,791
Total Expenditures	<u>166,873,443</u>	<u>26,044,314</u>	<u>55,482,397</u>
Excess (Deficiency) of Revenues Over Expenditures	(32,041,566)	9,756,766	(71,931)
<u>OTHER FINANCING SOURCES (USES)</u>			
Other Financing Sources	62,411,553	541,205	1,912,390
Other Financing Uses	(39,872,878)	---	(201,022)
Total Other Financing Sources	<u>22,538,675</u>	<u>541,205</u>	<u>1,711,368</u>
Net Change in Fund Balance (Deficit)	(9,502,891)	10,297,971	1,639,437
Fund Balance - Beg. of Year	<u>106,672,698</u>	<u>13,297,931</u>	<u>174,874,305</u>
Fund Balance (Deficit)- End of Year	<u>\$ 97,169,807</u>	<u>\$ 23,595,902</u>	<u>\$ 176,513,742</u>

Notes:

¹ 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.

² 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>	
\$	77,940,036	\$ 80,471,671	\$ 80,971,671	\$ (3,031,635)
	108,439	287,357	1,058,508	(950,069)
	4,588,238	2,070,815	3,552,900	1,035,338
	37,910,861	40,499,421	55,768,850	(17,857,989)
	7,030,783	4,150,230	8,096,144	(1,065,361)
	91,580,362	85,341,309	115,936,388	(24,356,026)
	6,884,704	16,113,001	26,271,498	(19,386,794)
	<u>226,043,423</u>	<u>228,933,804</u>	<u>291,655,959</u>	<u>(65,612,536)</u>
	43,778,707	42,214,465	46,735,692	2,956,985
	18,740,385	19,103,641	24,256,518	5,516,133
	14,096,896	13,860,655	17,556,305	3,459,409
	10,365,189	9,842,826	18,731,001	8,365,812
	3,702,245	8,072,549	7,301,728	3,599,483
	27,705,683	27,937,925	33,993,359	6,287,676
	51,901,944	55,021,941	58,348,459	6,446,515
	78,109,105	123,504,639	163,424,180	85,315,075
	<u>248,400,154</u>	<u>299,558,641</u>	<u>370,347,242</u>	<u>121,947,088</u>
	(22,356,731)	(70,624,837)	(78,691,283)	56,334,552
	64,865,148	122,010,378	178,799,568	(113,934,420)
	(40,073,900)	(62,068,670)	(112,389,860)	72,315,960
	<u>24,791,248</u>	<u>59,941,708</u>	<u>66,409,708</u>	<u>(41,618,460)</u>
\$	<u>2,434,517</u>	(10,683,129)	(12,281,575)	\$ <u>14,716,092</u>
		<u>294,844,934</u>	<u>294,844,934</u>	
		<u>\$ 284,161,805</u>	<u>\$ 282,563,359</u>	

**CITY OF SIOUX CITY, IOWA
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS**

EXHIBIT 10

	<u>2018</u>	<u>2019</u>
Total OPEB liability		
Service cost	\$ 380,175	\$ 394,888
Interest cost	254,166	261,417
Changes of benefit terms	---	---
Differences between expected and actual experience	---	---
Changes of assumptions or other inputs	(162,518)	216,753
Benefit payments	<u>(274,581)</u>	<u>(324,183)</u>
Net change in total OPEB liability	197,242	548,875
Total OPEB liability- beginning	<u>6,324,922</u>	<u>6,522,164</u>
Total OPEB liability- ending	<u>\$ 6,522,164</u>	<u>\$ 7,071,039</u>
Covered-employee payroll	\$ 44,914,847	\$ 46,487,000
Total OPEB liability as a percentage of covered-employee payroll	14.52%	15.21%

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:

2019	3.50%
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

EXHIBIT 11

<u>IOWA PUBLIC EMPLOYEES'</u> <u>RETIREMENT SYSTEM (IPERS)</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
City's Proportion of the Net Pension Liability	0.403565%	0.397376%	0.388009%	0.405334%	0.389024%
City's Proportionate Share of the Net Pension Liability	\$ 16,332,624	\$ 19,755,330	\$ 24,418,604	\$ 27,000,396	\$ 24,618,385
City's Covered Payroll	\$ 26,947,979	\$ 27,403,485	\$ 27,851,154	\$ 30,348,499	\$ 29,669,202
City's Proportionate Share of the Net Pension Liability as a Percentage of it's covered payroll	60.61%	72.09%	87.68%	88.97%	82.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.61%	85.19%	81.82%	82.21%	83.62%

<u>MUNICIPAL FIRE AND POLICE</u> <u>RETIREMENT SYSTEM OF IOWA (MFPRS)</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
City's Proportion of the Net Pension Liability	6.471584%	6.343361%	6.297523%	6.498742%	6.278738%
City's Proportionate Share of the Net Pension Liability	\$ 23,459,379	\$ 29,802,019	\$ 39,375,951	\$ 38,113,501	\$ 37,383,825
City's Covered Payroll	\$ 16,453,631	\$ 16,613,941	\$ 17,065,221	\$ 18,405,872	\$ 18,249,817
City's Proportionate Share of the Net Pension Liability as a Percentage of it's covered payroll	142.58%	179.38%	230.74%	207.07%	204.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.27%	83.04%	78.20%	80.60%	81.07%

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**

<u>IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Statorily Required Contribution	\$ 1,719,833	\$ 1,864,429	\$ 2,192,127
Contributions in Relation to the Statorily Required Contribution	<u>(1,719,833)</u>	<u>(1,864,429)</u>	<u>(2,192,127)</u>
Contribution Deficiency (Excess)	<u>---</u>	<u>---</u>	<u>---</u>
City's Covered Payroll	25,862,150	26,826,317	27,197,605
Contributions as a Percentage of Covered Payroll- Regular members	6.65%	6.95%	8.06%
Contributions as a Percentage of Covered Payroll- Protection occupation members ¹	---	---	---

<u>MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA (MFPSI)</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Statorily Required Contribution	\$ 2,623,941	\$ 3,100,839	\$ 3,922,797
Contributions in Relation to the Statorily Required Contribution	<u>(2,623,941)</u>	<u>(3,100,839)</u>	<u>(3,922,797)</u>
Contribution Deficiency (Excess)	<u>---</u>	<u>---</u>	<u>---</u>
City's Covered Payroll	15,434,940	15,582,106	15,843,284
Contributions as a Percentage of Covered Payroll	17.00%	19.90%	24.76%

Notes:

See accompanying independent auditor's report.

¹ In 2018, the Emergency Medical Services operation was transferred to the City from the Siouxland Paramedics.

2013	2014	2015	2016	2017	2018	2019
\$ 2,355,909	\$ 2,406,454	\$ 2,447,101	\$ 2,487,027	\$ 2,710,121	\$ 2,653,572	\$ 2,928,440
<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>(2,928,440)</u>
---	---	---	---	---	---	---
<u>27,173,116</u>	<u>26,947,979</u>	<u>27,403,485</u>	<u>27,851,154</u>	<u>30,348,499</u>	<u>29,669,202</u>	<u>30,928,348</u>
8.67%	8.93%	8.93%	8.93%	8.93%	8.93%	9.44%
---	---	---	---	---	9.84%	10.21%

2013	2014	2015	2016	2017	2018	2019
\$ 4,213,126	\$ 4,955,833	\$ 5,052,299	\$ 4,739,013	\$ 4,770,802	\$ 4,686,553	\$ 4,909,015
<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>(4,909,015)</u>
---	---	---	---	---	---	---
<u>16,129,888</u>	<u>16,453,631</u>	<u>16,613,941</u>	<u>17,065,221</u>	<u>18,405,872</u>	<u>18,249,817</u>	<u>18,866,314</u>
26.12%	30.12%	30.41%	27.77%	25.92%	25.68%	26.02%

CITY OF SIOUX CITY, IOWA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY
YEAR ENDED JUNE 30, 2019

Changes of benefit terms:

Legislation enacted in 2010 modified benefit terms for Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

Changes of assumptions:

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of a demographic assumption study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

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

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

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

CITY OF SIOUX CITY, IOWA
OTHER SUPPLEMENTARY INFORMATION

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**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 Trust - 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, 2019**

Special Revenue Funds

<u>ASSETS</u>	Storm Water Drainage	Road Use	Community Development	Housing Trust
Cash and investments	\$ ---	\$ 2,629,546	\$ 3,308,756	\$ 362,954
Accounts Receivable	130,725	3,464	---	702
Accrued Interest Receivable	---	---	127,988	---
Notes Receivable	---	---	4,614,741	219,922
Special Assessments, net of allowance	5,160	---	---	---
Due from Other Governments	5,344	853,525	345,019	---
Due from Other Funds	---	---	---	379
Prepaid Items	---	---	---	---
Total Assets	<u>141,229</u>	<u>3,486,535</u>	<u>8,396,504</u>	<u>583,957</u>
<u>LIABILITIES</u>				
Accounts Payable	6,160	124,219	7,721	97,962
Accrued Wages	---	129,028	17,172	14,259
Contracts & Retainers Payable	---	34,608	181,061	---
Due to Other Governments	---	---	---	---
Due to Other Funds	22,782	---	378	---
Total Liabilities	<u>28,942</u>	<u>287,855</u>	<u>206,332</u>	<u>112,221</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Revenue - Property Taxes	---	---	---	---
Unavailable Revenue - Loans	---	---	---	219,922
Total Deferred Inflows or Resources	<u>---</u>	<u>---</u>	<u>---</u>	<u>219,922</u>
<u>FUND BALANCES</u>				
Non-Spendable:				
Permanent Fund, Principal	---	---	---	---
Restricted	---	3,198,680	8,190,172	251,814
Committed	112,287	---	---	---
Assigned	---	---	---	---
Unassigned	---	---	---	---
Total Fund Balances	<u>112,287</u>	<u>3,198,680</u>	<u>8,190,172</u>	<u>251,814</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 141,229</u>	<u>\$ 3,486,535</u>	<u>\$ 8,396,504</u>	<u>\$ 583,957</u>

			Permanent Fund	
Main Street	Events Facilities	Transit System	Cemetery Trust	Total Governmental Nonmajor Funds
\$ 54,947	\$ 459,371	\$ ---	\$ 1,262,532	\$ 8,078,106
---	70,361	18,844	2,020	226,116
---	---	---	---	127,988
---	440,000	---	---	5,274,663
---	---	---	---	5,160
88,374	12,500	1,656,787	---	2,961,549
---	---	---	---	379
---	---	323	---	323
<u>143,321</u>	<u>982,232</u>	<u>1,675,954</u>	<u>1,264,552</u>	<u>16,674,284</u>
---	871,651	27,465	---	1,135,178
---	---	57,915	---	218,374
---	31,396	6,692	---	253,757
---	2,113	75,336	---	77,449
---	---	1,135,165	---	1,158,325
---	905,160	1,302,573	---	2,843,083
88,374	---	---	---	88,374
---	---	---	---	219,922
<u>88,374</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>308,296</u>
---	---	---	1,264,552	1,264,552
54,947	---	---	---	11,695,613
---	492,973	31,576	---	636,836
---	---	341,805	---	341,805
---	(415,901)	---	---	(415,901)
<u>54,947</u>	<u>77,072</u>	<u>373,381</u>	<u>1,264,552</u>	<u>13,522,905</u>
<u>\$ 143,321</u>	<u>\$ 982,232</u>	<u>\$ 1,675,954</u>	<u>\$ 1,264,552</u>	<u>\$ 16,674,284</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, 2019**

<u>REVENUES</u>	Special Revenue Funds			
	Storm Water Drainage	Road Use	Community Development	Housing Trust
Taxes	\$ ---	\$ ---	\$ ---	\$ ---
Special Assessments	10,027	---	---	---
Intergovernmental Revenue	---	10,746,578	3,512,822	5,315,566
Revenue from Use of Property	---	9,032	---	---
Charges for Services	1,996,341	---	---	---
Interest	12,119	---	123,650	2,295
Miscellaneous	---	33,225	45,348	107,377
Total Revenue	2,018,487	10,788,835	3,681,820	5,425,238
<u>EXPENDITURES</u>				
Current:				
Public Works	275,947	11,365,180	---	---
Culture and Recreation	---	---	---	---
Community and Economic Development	---	---	3,232,556	5,615,627
Capital Projects	---	---	912,470	---
Total Expenditures	275,947	11,365,180	4,145,026	5,615,627
Excess (Deficiency) of Revenues Over Expenditures	1,742,540	(576,345)	(463,206)	(190,389)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	1,077	---	391,543	---
Transfers Out	(2,093,755)	(364,578)	(300,000)	---
Total Other Financing Sources (Uses)	(2,092,678)	(364,578)	91,543	---
Net Change in Fund Balance	(350,138)	(940,923)	(371,663)	(190,389)
Fund Balance - Beginning of Year	462,425	4,139,603	8,561,835	442,203
Fund Balance - End of Year	\$ 112,287	\$ 3,198,680	\$ 8,190,172	\$ 251,814

Special Revenue Funds			Permanent Fund	Total Governmental Nonmajor Funds
Main Street	Events Facilities	Transit System	Cemetery Trust	
\$ 49,236	\$ ---	\$ ---	\$ ---	\$ 49,236
---	---	---	---	10,027
5,949	50,000	2,115,508	---	21,746,423
---	---	79,946	28,235	117,213
---	---	1,274,046	---	3,270,387
---	---	---	---	138,064
---	277,894	46,997	---	510,841
55,185	327,894	3,516,497	28,235	25,842,191
---	---	5,410,069	---	17,051,196
---	3,142,666	---	---	3,142,666
340,225	---	---	---	9,188,408
---	---	---	---	912,470
340,225	3,142,666	5,410,069	---	30,294,740
(285,040)	(2,814,772)	(1,893,572)	28,235	(4,452,549)
251,501	2,334,763	2,245,763	---	5,224,647
---	---	(215,377)	---	(2,973,710)
251,501	2,334,763	2,030,386	---	2,250,937
(33,539)	(480,009)	136,814	28,235	(2,201,612)
88,486	557,081	236,567	1,236,317	15,724,517
<u>\$ 54,947</u>	<u>\$ 77,072</u>	<u>\$ 373,381</u>	<u>\$ 1,264,552</u>	<u>\$ 13,522,905</u>

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**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, 2019**

EXHIBIT B-1

ASSETS	Parking Facilities	Skyway System	Totals
Current Assets			
Cash and investments	\$ 923,993	\$ 99,734	\$ 1,023,727
Accounts Receivable	308,188	65,290	373,478
Accrued Interest Receivable	2,445	---	2,445
Due from Other Governments	1,353	---	1,353
Due from Other Funds	1,750	2,552	4,302
Total Current Assets	1,237,729	167,576	1,405,305
Non-Current Assets			
Land	387,347	---	387,347
Construction in Progress	681,953	---	681,953
Capital Assets, Net of Accumulated Depreciation	6,653,152	---	6,653,152
Total Non-Current Assets	7,722,452	---	7,722,452
Total Assets	8,960,181	167,576	9,127,757
 DEFERRED OUTFLOWS OF RESOURCES			
Pension Related	54,848	13,257	68,105
 LIABILITIES			
Current Liabilities			
Accounts Payable	41,854	24,942	66,796
Accrued Wages	6,843	1,789	8,632
Accrued Interest Payable	3,447	---	3,447
Contracts and Retainers Payable	2,050	---	2,050
Due to Other Funds	1,058	---	1,058
Current Portion of G.O. Bonds	290,876	---	290,876
Current Portion of Compensated Absences	15,416	2,752	18,168
Total Current Liabilities	361,544	29,483	391,027
Non-Current Liabilities			
Compensated Absences, Net of Current Portion	21,097	15,277	36,374
General Obligation Bonds, Net of Current Portion	1,369,560	---	1,369,560
Net Pension Liability	186,155	43,979	230,134
Total Non-current Liabilities	1,576,812	59,256	1,636,068
Total Liabilities	1,938,356	88,739	2,027,095
 DEFERRED INFLOWS OF RESOURCES			
Pension Related	18,898	5,687	24,585
 NET POSITION			
Net Investment in Capital Assets	6,312,016	---	6,312,016
Unrestricted	745,759	86,407	832,166
Total Net Position	\$ 7,057,775	\$ 86,407	\$ 7,144,182

**CITY OF SIOUX CITY, IOWA
 COMBINING STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT B-2

<u>OPERATING REVENUES</u>	<u>Parking Facilities</u>	<u>Skyway System</u>	<u>Totals</u>
Charges for Services	\$ 1,340,223	\$ 395,296	\$ 1,735,519
Total Operating Revenues	1,340,223	395,296	1,735,519
<u>OPERATING EXPENSES</u>			
Employee Services	482,042	73,165	555,207
Supplies and Services	487,837	223,121	710,958
Repairs and Improvements	126,368	63,201	189,569
Utilities	18,019	77,861	95,880
Depreciation	266,319	- - -	266,319
Total Operating Expenses	1,380,585	437,348	1,817,933
Operating (Loss)	(40,362)	(42,052)	(82,414)
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest Income	14,573	14	14,587
Interest Expense	(44,730)	- - -	(44,730)
Total Non-Operating Revenues (Expenses)	(30,157)	14	(30,143)
(Loss) Before Transfers	(70,519)	(42,038)	(112,557)
Transfers In	50,000	85,651	135,651
Changes in Net Position	(20,519)	43,613	23,094
Net Position - Beginning of Year	7,078,294	42,794	7,121,088
Net Position - End of Year	<u>\$ 7,057,775</u>	<u>\$ 86,407</u>	<u>\$ 7,144,182</u>

**CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT B-3

	Parking Facilities	Skyway System	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Received from Customers	\$ 1,408,410	\$ 371,762	\$ 1,780,172
Cash Received from Other funds	2,578	29,224	31,802
Cash Paid to Other Funds	(101,557)	(13,812)	(115,369)
Cash Paid for Personal Services	(479,592)	(72,236)	(551,828)
Cash Paid to Suppliers	(712,533)	(369,446)	(1,081,979)
Net Cash Provided (Used) by Operating Activities	117,306	(54,508)	62,798
<u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Proceeds from Bond Sales	250,000	---	250,000
Acquisition and Construction of Capital Assets	(175,052)	---	(175,052)
Principal Paid on Notes and Bonds	(276,622)	---	(276,622)
Interest Paid on Notes and Bonds	(45,036)	---	(45,036)
Net Cash (Used) by Capital and Related Financing Activities	(246,710)	---	(246,710)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Transfers In	50,000	85,651	135,651
Net Cash Provided by Non-Capital Financing Activities	50,000	85,651	135,651
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest and Dividends on Investments	14,012	14	14,026
Net Cash Provided by Investing Activities	14,012	14	14,026
Net Increase (Decrease) in Cash and Cash Equivalents	(65,392)	31,157	(34,235)
Cash and Cash Equivalents at Beginning of Year	989,385	68,577	1,057,962
Cash and Cash Equivalents at End of Year	\$ 923,993	\$ 99,734	\$ 1,023,727
<u>RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>			
Operating (Loss)	\$ (40,362)	\$ (42,052)	\$ (82,414)
<i>Adjustments to Reconcile Operating (Loss) to Net Cash Provided (Used) by Operating Activities:</i>			
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>			
Depreciation	266,319	---	266,319
Pension Expense	767	167	934
Accounts Receivable	(29,272)	(7,526)	(36,798)
Due from Other Governments	(130)	---	(130)
Due from Other Funds	(1,390)	(596)	(1,986)
Accounts Payable	(14,820)	(5,263)	(20,083)
Accrued Wages and Compensated Absences	1,685	762	2,447
Contracts and Retainers Payable	(65,806)	---	(65,806)
Due to Other Funds	315	---	315
Total Adjustments	157,668	(12,456)	145,212
Net Cash Provided (Used) by Operating Activities	\$ 117,306	\$ (54,508)	\$ 62,798

**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, 2019**

EXHIBIT C-1

	<u>Central Maintenance Garage</u>	<u>Comprehensive Insurance</u>	<u>Totals</u>
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash and investments	\$ 5,333,035	\$ 14,110,967	\$ 19,444,002
Accounts Receivable	57,941	348,077	406,018
Accrued Interest Receivable	257	27,354	27,611
Notes Receivable	51,335	---	51,335
Due from Other Funds	19,900	---	19,900
Inventories, at Cost	490,795	---	490,795
Prepaid Items	---	254,900	254,900
Total Current Assets	<u>5,953,263</u>	<u>14,741,298</u>	<u>20,694,561</u>
<u>Non-Current Assets</u>			
Advances to Other Funds	39,811	---	39,811
Construction in Progress	818,617	---	818,617
Capital Assets, Net of Accumulated Depreciation	<u>16,671,239</u>	<u>---</u>	<u>16,671,239</u>
Total Non-Current Assets	<u>17,529,667</u>	<u>---</u>	<u>17,529,667</u>
Total Assets	<u>23,482,930</u>	<u>14,741,298</u>	<u>38,224,228</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
OPEB Related	---	195,755	195,755
Pension Related	<u>327,266</u>	<u>152,147</u>	<u>479,413</u>
Total Deferred Outflows of Resources	<u>327,266</u>	<u>347,902</u>	<u>675,168</u>
<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Accounts Payable	202,945	201,938	404,883
Accrued Wages	33,957	22,690	56,647
Accrued Interest Payable	1,661	---	1,661
Contracts and Retainers Payable	689	9,395	10,084
Estimated Liability for Damage Claims	---	2,530,465	2,530,465
Current Portion of G.O. Bonds	100,492	---	100,492
Current Portion of Compensated Absences	<u>54,514</u>	<u>47,571</u>	<u>102,085</u>
Total Current Liabilities	<u>394,258</u>	<u>2,812,059</u>	<u>3,206,317</u>
<u>Non-Current Liabilities</u>			
Compensated Absences, Net of Current Portion	20,060	170,109	190,169
Estimated Liability for Damage Claims	---	2,249,161	2,249,161
General Obligation Bonds, Net of Current Portion	665,373	---	665,373
Total OPEB Liability	---	7,071,039	7,071,039
Net Pension Liability - IPERS	<u>1,126,110</u>	<u>516,982</u>	<u>1,643,092</u>
Total Non-Current Liabilities	<u>1,811,543</u>	<u>10,007,291</u>	<u>11,818,834</u>
Total Liabilities	<u>2,205,801</u>	<u>12,819,350</u>	<u>15,025,151</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
OPEB Related	---	131,030	131,030
Pension Related	<u>100,329</u>	<u>46,984</u>	<u>147,313</u>
Total Deferred Inflows of Resources	<u>100,329</u>	<u>178,014</u>	<u>278,343</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	16,723,991	---	16,723,991
Unrestricted	<u>4,780,075</u>	<u>2,091,836</u>	<u>6,871,911</u>
Total Net Position	<u>\$ 21,504,066</u>	<u>\$ 2,091,836</u>	<u>\$ 23,595,902</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, 2019**

EXHIBIT C-2

	<u>Central Maintenance Garage</u>	<u>Comprehensive Insurance</u>	<u>Totals</u>
<u>OPERATING REVENUE</u>			
Revenue from Use of Property	\$ 65,442	\$ ---	\$ 65,442
Charges for Services	10,216,362	22,228,719	32,445,081
Total Operating Revenues	10,281,804	22,228,719	32,510,523
<u>OPERATING EXPENSES</u>			
Employee Services	2,155,049	13,957,964	16,113,013
Supplies and Services	547,620	1,906,238	2,453,858
Repairs and Improvements	3,842,444	9,377	3,851,821
Utilities	22,969	322	23,291
Depreciation	2,772,982	---	2,772,982
Damage Settlement	---	806,277	806,277
Total Operating Expenses	9,341,064	16,680,178	26,021,242
Net Operating Income	940,740	5,548,541	6,489,281
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest Income	3,578	172,506	176,084
Gain on Sale of Capital Assets	126,587	---	126,587
Other Non-Operating Revenues	47,390	---	47,390
Interest Expense	(23,072)	---	(23,072)
Total Non-Operating Revenues	154,483	172,506	326,989
Income Before Transfers and Capital Grants	1,095,223	5,721,047	6,816,270
Capital Grants and Contributions	2,940,496	---	2,940,496
Transfers In	541,205	---	541,205
Changes in Net Position	4,576,924	5,721,047	10,297,971
Net Position - Beginning of the Year	16,927,142	(3,629,211)	13,297,931
Net Position - End of Year	<u>\$ 21,504,066</u>	<u>\$ 2,091,836</u>	<u>\$ 23,595,902</u>

**CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT C-3

	Central Maintenance Garage	Comprehensive Insurance	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Received from Customers	\$ 2,219,825	\$ 6,705,420	\$ 8,925,245
Cash Received from Other funds	8,374,869	15,492,011	23,866,880
Cash Paid to Other Funds	(358,212)	(4,867)	(363,079)
Cash Paid for Personal Services	(2,151,947)	(13,629,421)	(15,781,368)
Cash Paid to Suppliers	(4,863,352)	(3,120,442)	(7,983,794)
Other Non-Operating Revenue	47,390	---	47,390
Net Cash Provided by Operating Activities	3,268,573	5,442,701	8,711,274
<u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Acquisition and Construction of Capital Assets	(3,977,634)	---	(3,977,634)
Capital Grants and Contributions	1,647,083	---	1,647,083
Proceeds from Sale of Assets	160,183	---	160,183
Principal Paid on Notes and Bonds	(106,016)	---	(106,016)
Interest Paid on Notes and Bonds	(23,358)	---	(23,358)
Net Cash (Used) by Capital and Related Financing Activities	(2,299,742)	---	(2,299,742)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Transfers In	541,205	---	541,205
Net Cash Provided by Non-Capital Financing Activities	541,205	---	541,205
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest and Dividends on Investments	3,581	157,668	161,249
Advances made on Notes Receivable	(18,583)	---	(18,583)
Payments Received on Notes Receivable	19,307	---	19,307
Net Cash Provided by Investing Activities	4,305	157,668	161,973
Net Increase in Cash and Cash Equivalents	1,514,341	5,600,369	7,114,710
Cash and Cash Equivalents at Beginning of Year	3,818,694	8,510,598	12,329,292
Cash and Cash Equivalents at End of Year	<u>\$ 5,333,035</u>	<u>\$ 14,110,967</u>	<u>\$ 19,444,002</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u>			
<u>PROVIDED BY OPERATING ACTIVITIES</u>			
Operating Income	\$ 940,740	\$ 5,548,541	\$ 6,489,281
<i>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</i>			
Depreciation	2,772,982	---	2,772,982
Other Non-Operating Revenues	47,390	---	47,390
OPEB Expense	---	337,376	337,376
Pension Expense	3,787	2,376	6,163
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>			
Accounts Receivable	(47,052)	(36,155)	(83,207)
Due from Other Funds	1,730	---	1,730
Inventories	81,308	---	81,308
Advances to Other Funds	19,756	---	19,756
Prepaid Items	296	(1,721)	(1,425)
Accounts Payable	(448,824)	(332,480)	(781,304)
Accrued Wages and Compensated Absences	(685)	(11,209)	(11,894)
Contracts and Retainers Payable	(102,855)	1,214	(101,641)
Estimated Liability for Damage Claims	---	(65,241)	(65,241)
Total Adjustments	2,327,833	(105,840)	2,221,993
Net Cash Provided by Operating Activities	<u>\$ 3,268,573</u>	<u>\$ 5,442,701</u>	<u>\$ 8,711,274</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 and Communication Commission (WCICC) - To account for the activity of the WCICC.

Sioux City Sports Commission - To account for the activity of the Sioux City Sports Commission.

Utility Service Line - 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, 2019**

	<u>Sioux City Housing Trust Fund</u>	<u>Revolving</u>	<u>Woodbury County Information and Communication Commission</u>
<u>ASSETS</u>			
Cash and investments	\$ ---	\$ ---	\$ 921,941
Accounts Receivable	---	83,376	314,093
Due from Other Governments	<u>16,173</u>	<u>209,318</u>	<u>---</u>
Total Assets	<u>16,173</u>	<u>292,694</u>	<u>1,236,034</u>
<u>LIABILITIES</u>			
Accounts Payable	16,173	292,694	---
Due to Other Governments	<u>---</u>	<u>---</u>	<u>1,236,034</u>
Total Liabilities	<u>16,173</u>	<u>292,694</u>	<u>1,236,034</u>
<u>NET POSITION</u>			
Unrestricted	<u>---</u>	<u>---</u>	<u>---</u>
Total Net Position	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

<u>Sioux City Sports Commission</u>	<u>Utility Service Line</u>	<u>Totals</u>
\$ ---	\$ 125,863	\$ 1,047,804
---	220,262	617,731
<u> ---</u>	<u> ---</u>	<u> 225,491</u>
<u> ---</u>	<u> 346,125</u>	<u> 1,891,026</u>
---	346,125	654,992
<u> ---</u>	<u> ---</u>	<u> 1,236,034</u>
<u> ---</u>	<u> 346,125</u>	<u> 1,891,026</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, 2019**

Sioux City Housing Trust Fund	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
<u>ASSETS</u>				
Cash and investments	\$ ---	\$ 174,355	\$ 174,355	\$ ---
Due from Other Governments	52,103	16,173	52,103	16,173
Total Assets	<u>52,103</u>	<u>190,528</u>	<u>226,458</u>	<u>16,173</u>
<u>LIABILITIES</u>				
Accounts Payable	28,078	16,173	28,078	16,173
Due to Other Governments	24,025	174,355	198,380	---
Total Liabilities	<u>\$ 52,103</u>	<u>\$ 190,528</u>	<u>\$ 226,458</u>	<u>\$ 16,173</u>
Revolving				
<u>ASSETS</u>				
Cash and investments	\$ ---	\$ 2,526,075	\$ 2,526,075	\$ ---
Accounts Receivable	66,724	1,252,343	1,235,691	83,376
Due from Other Governments	487,142	---	277,824	209,318
Total Assets	<u>553,866</u>	<u>3,778,418</u>	<u>4,039,590</u>	<u>292,694</u>
<u>LIABILITIES</u>				
Accounts Payable	553,866	1,671,466	1,932,638	292,694
Due to Other Governments	---	2,106,952	2,106,952	---
Total Liabilities	<u>\$ 553,866</u>	<u>\$ 3,778,418</u>	<u>\$ 4,039,590</u>	<u>\$ 292,694</u>
Woodbury County Information and Communication Commission (WCICC)				
<u>ASSETS</u>				
Cash and investments	\$ 503,518	\$ 5,864,470	\$ 5,446,047	\$ 921,941
Accounts Receivable	302,858	3,161,515	3,150,280	314,093
Total Assets	<u>806,376</u>	<u>9,025,985</u>	<u>8,596,327</u>	<u>1,236,034</u>
<u>LIABILITIES</u>				
Due to Other Governments	806,376	9,025,985	8,596,327	1,236,034
Total Liabilities	<u>\$ 806,376</u>	<u>\$ 9,025,985</u>	<u>\$ 8,596,327</u>	<u>\$ 1,236,034</u>

**Sioux City
Sports Commission**

ASSETS

Cash and investments	\$ ---	\$ 57,678	\$ 57,678	\$ ---
Total Assets	<u>---</u>	<u>57,678</u>	<u>57,678</u>	<u>---</u>

LIABILITIES

Accounts Payable	---	---	---	---
Due to Other Governments	<u>---</u>	<u>57,678</u>	<u>57,678</u>	<u>---</u>
Total Liabilities	<u>\$ ---</u>	<u>\$ 57,678</u>	<u>\$ 57,678</u>	<u>\$ ---</u>

Utility Service Line

ASSETS

Cash and investments	\$ 115,064	\$ 1,403,994	\$ 1,393,195	\$ 125,863
Accounts Receivable	<u>201,606</u>	<u>1,537,274</u>	<u>1,518,618</u>	<u>220,262</u>
Total Assets	<u>316,670</u>	<u>2,941,268</u>	<u>2,911,813</u>	<u>346,125</u>

LIABILITIES

Accounts Payable	<u>316,670</u>	<u>2,941,268</u>	<u>2,911,813</u>	<u>346,125</u>
Total Liabilities	<u>\$ 316,670</u>	<u>\$ 2,941,268</u>	<u>\$ 2,911,813</u>	<u>\$ 346,125</u>

AGENCY FUNDS**ASSETS**

Cash and investments	\$ 618,582	\$ 10,026,572	\$ 9,597,350	\$ 1,047,804
Accounts Receivable	571,188	5,951,132	5,904,589	617,731
Due from Other Governments	<u>539,245</u>	<u>16,173</u>	<u>329,927</u>	<u>225,491</u>
Total Assets	<u>1,729,015</u>	<u>15,993,877</u>	<u>15,831,866</u>	<u>1,891,026</u>

LIABILITIES

Accounts Payable	898,614	4,628,907	4,872,529	654,992
Due to Other Governments	<u>830,401</u>	<u>11,364,970</u>	<u>10,959,337</u>	<u>1,236,034</u>
Total Liabilities	<u>\$ 1,729,015</u>	<u>\$ 15,993,877</u>	<u>\$ 15,831,866</u>	<u>\$ 1,891,026</u>

SI^oUXTM
CITY

CITY OF SIOUX CITY, IOWA
PASSENGER FACILITY CHARGES

SI^oUXTM
CITY

PFC Revenue and Disbursement Schedule
Sioux Gateway Airport/Col. Bud Day Field Airport Authority
07/01/18 - 06/30/19

	FY-18 Program Total	Quarter 1 Jul. - Sept.	Quarter 2 Oct. - Dec.	Quarter 3 Jan. - Mar.	Quarter 4 Apr. - Jun.	FY-19 Total	FY-19 Program Total
Revenue:							
Collections	\$ 4,286,571	\$ 42,361	\$ 53,829	\$ 49,096	\$ 47,873	\$ 193,159	\$ 4,479,730
Interest	1,676	---	---	---	---	---	1,676
Total Revenue	4,288,247	42,361	53,829	49,096	47,873	193,159	4,481,406
Disbursements:							
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
07/01/18 - 06/30/19

	FY-18 Program Total	Quarter 1 Jul. - Sept.	Quarter 2 Oct. - Dec.	Quarter 3 Jan. - Mar.	Quarter 4 Apr. - Jun.	FY-19 Total	FY-19 Program Total
Application #6							
Snow Removal Equipment Building	62,673	---	---	---	---	---	62,673
Rehabilitate Apron (Design)	8,279	---	---	---	---	---	8,279
Financing & Interest	---	---	1,508	---	---	1,508	1,508
Rehabilitate Apron (Construction)	160,768	---	---	---	---	---	160,768
Financing & Interest	---	---	5,767	---	---	5,767	5,767
Acquire Snow Removal Equip-Deicer	10,263	---	---	---	---	---	10,263
Financing & Interest	---	---	1,216	---	---	1,216	1,216
Rehabilitate Terminal Building	208,720	---	---	---	---	---	208,720
Financing & Interest	---	---	10,976	---	---	10,976	10,976
Rehabilitate Terminal Loading Bridge	34,563	---	---	---	---	---	34,563
Financing & Interest	---	---	---	---	---	---	---
Install Guidance Signs	32,315	---	---	---	---	---	32,315
Financing & Interest	---	---	---	---	---	---	---
Acquire Snow Removal Equip-Broom	28,380	---	---	---	---	---	28,380
Financing & Interest	---	---	5,201	---	---	5,201	5,201
Update Airport Master Plan Study	19,063	---	---	---	---	---	19,063
Financing & Interest	---	---	1,579	---	---	1,579	1,579
Rehabilitate Apron (Taxiways)	43,848	42,361	27,582	---	---	69,943	113,791
Financing & Interest	---	---	---	---	---	---	---
Security Enhancements	---	---	---	47,628	---	47,628	47,628
Financing & Interest	---	---	---	---	---	---	---
Acquire Snow Removal Equip-Broom	---	---	---	1,468	47,873	49,341	49,341
Financing & Interest	---	---	---	---	---	---	---
Total Application #6	608,872	42,361	53,829	49,096	47,873	193,159	802,031
Total Disbursements	4,288,247	42,361	53,829	49,096	47,873	193,159	4,481,406
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

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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.

<u>Contents</u>	<u>Table</u>
<p>Financial Trends 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>Revenue Capacity 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>Debt Capacity 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>Economic & Demographic Information 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>Operating Information 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 COMPONENT¹
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 227,946,599	\$ 240,923,862	\$ 259,727,010	\$ 265,299,824
Restricted for:				
Capital Improvements	19,204,876	45,429,483	39,237,581	46,211,716
Debt Service	8,262,859	9,984,352	10,954,271	6,499,138
Road Use	---	316,770	391,564	1,082,738
Other Employee Benefits	---	234,952	151,928	96,087
Community Programs & Services	---	11,223,309	10,180,086	10,111,743
Other Purposes	---	41,801	41,688	41,691
Permanent Fund, Principal	1,001,069	1,019,455	1,058,731	1,093,001
Unrestricted	29,719,252	(8,425,953)	(12,342,248)	(3,938,067)
Total Governmental Activities Net Position	<u>286,134,655</u>	<u>300,748,031</u>	<u>309,400,611</u>	<u>326,497,871</u>
Business-Type Activities				
Net Investment in Capital Assets	97,806,290	111,463,154	106,357,863	109,940,268
Restricted for:				
Unrestricted	16,550,721	16,507,829	29,267,015	33,996,961
Total Business-Type Activities Net Position	<u>114,357,011</u>	<u>127,970,983</u>	<u>135,624,878</u>	<u>143,937,229</u>
Primary Government				
Net Investment in Capital Assets	325,752,889	352,387,016	366,084,873	375,240,092
Restricted for:				
Capital Improvements	19,204,876	45,429,483	39,237,581	46,211,716
Debt Service	8,262,859	9,984,352	10,954,271	6,499,138
Road Use	---	316,770	391,564	1,082,738
Other Employee Benefits	---	234,952	151,928	96,087
Community Programs & Services	---	11,223,309	10,180,086	10,111,743
Other Purposes	---	41,801	41,688	41,691
Permanent Fund, Principal	1,001,069	1,019,455	1,058,731	1,093,001
Unrestricted	46,269,973	8,081,876	16,924,767	30,058,894
Total Primary Government Net Position	<u>\$ 400,491,666</u>	<u>\$ 428,719,014</u>	<u>\$ 445,025,489</u>	<u>\$ 470,435,100</u>

Notes:

¹ 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

2014	2015	2016	2017	2018	2019
\$ 262,337,178	\$ 272,782,703	\$ 274,672,271	\$ 287,159,597	\$ 294,629,930	\$ 319,410,307
40,485,135	32,839,527	44,561,561	40,315,476	47,955,424	34,308,819
5,500,549	6,882,363	8,783,652	12,561,271	10,958,160	11,715,983
612,144	1,601,417	3,148,331	4,052,889	4,139,603	3,198,680
---	---	352,955	562,167	1,059,527	886,345
10,029,197	10,254,845	10,571,257	11,304,171	9,011,162	8,458,932
48,552	57,395	67,184	866,180	887,735	854,196
1,117,948	1,162,851	1,184,079	1,199,791	1,236,317	1,264,552
(3,574,483)	(41,088,420)	(39,575,416)	(43,291,127)	(32,210,839)	(25,224,323)
<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>	<u>354,873,491</u>
118,515,774	121,683,303	131,172,147	163,351,087	169,481,588	170,394,605
33,981,982	30,690,118	26,938,861	1,187,052	5,392,717	6,119,137
<u>152,497,756</u>	<u>152,373,421</u>	<u>158,111,008</u>	<u>164,538,139</u>	<u>174,874,305</u>	<u>176,513,742</u>
380,852,952	394,466,006	405,844,418	450,510,684	464,111,518	489,804,912
40,485,135	32,839,527	44,561,561	40,315,476	47,955,424	34,308,819
5,500,549	6,882,363	8,783,652	12,561,271	10,958,160	11,715,983
612,144	1,601,417	3,148,331	4,052,889	4,139,603	3,198,680
---	---	352,955	562,167	1,059,527	886,345
10,029,197	10,254,845	10,571,257	11,304,171	9,011,162	8,458,932
48,552	57,395	67,184	866,180	887,735	854,196
1,117,948	1,162,851	1,184,079	1,199,791	1,236,317	1,264,552
30,407,499	(10,398,302)	(12,636,555)	(42,104,075)	(26,818,122)	(19,105,186)
<u>\$ 469,053,976</u>	<u>\$ 436,866,102</u>	<u>\$ 461,876,882</u>	<u>\$ 479,268,554</u>	<u>\$ 512,541,324</u>	<u>\$ 531,387,233</u>

**CITY OF SIOUX CITY, IOWA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR			
	2010	2011	2012	2013
Expenses				
Governmental Activities:				
Public Safety	\$ 32,815,671	\$ 33,066,562	\$ 35,153,307	\$ 35,578,147
Public Works	18,703,073	18,462,437	18,146,262	18,148,457
Culture and Recreation	18,748,901	18,629,284	19,105,473	19,056,629
Community and Economic Development	14,585,952	13,195,482	14,093,979	11,888,737
General Government	11,884,328	10,164,915	10,023,938	9,464,502
Debt Service	5,908,003	6,008,221	5,784,156	5,643,693
Total Governmental Activities Expenses	<u>102,645,928</u>	<u>99,526,901</u>	<u>102,604,487</u>	<u>100,077,537</u>
Business-Type Activities:				
Airport	3,683,947	4,083,451	4,489,545	4,328,864
Water	9,462,914	10,354,948	11,690,391	12,257,979
Sewer	13,573,929	14,488,052	13,213,218	13,082,732
Solid Waste	4,469,177	4,630,860	4,758,852	5,075,557
Parking	1,412,106	1,549,100	1,570,589	1,724,424
Skyway System	378,203	312,635	382,081	372,045
Total Business-Type Activities Expenses	<u>32,980,276</u>	<u>35,419,046</u>	<u>36,104,676</u>	<u>36,841,601</u>
Total Primary Government Expenses	<u>135,626,204</u>	<u>134,945,947</u>	<u>138,709,163</u>	<u>136,919,138</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Public Safety	1,051,542	1,224,249	1,080,541	964,489
Public Works	4,257,041	4,462,029	4,680,854	4,586,684
Culture and Recreation	5,898,699	6,131,602	6,042,193	6,154,581
Community and Economic Development	208,647	209,815	206,055	194,676
General Government	6,377,269	7,387,758	4,168,644	17,421,199
Operating Grants and Contributions	20,164,596	21,909,868	21,777,329	18,601,593
Capital Grants and Contributions	15,344,878	8,711,966	8,856,243	3,260,591
Total Governmental Activities Program Revenues	<u>\$ 53,302,672</u>	<u>\$ 50,037,287</u>	<u>\$ 46,811,859</u>	<u>\$ 51,183,813</u>

TABLE II

2014	2015	2016	2017	2018	2019
\$ 36,482,386	\$ 34,386,270	\$ 36,180,044	\$ 39,933,730	\$ 43,831,004	\$ 45,985,924
20,050,690	19,930,848	20,348,712	21,684,852	23,976,620	31,626,002
18,423,101	19,382,608	19,834,787	18,619,074	17,009,183	17,719,144
31,236,262	16,007,475	11,938,118	14,013,100	15,135,002	15,565,420
8,830,441	9,011,536	9,733,627	12,562,923	11,045,764	10,900,487
5,858,236	5,586,537	5,630,457	5,450,657	5,420,699	6,274,198
<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>	<u>128,071,175</u>
4,425,095	4,858,212	4,549,789	4,100,697	4,779,360	4,610,625
12,746,754	14,917,467	14,325,963	14,455,073	15,771,123	16,878,942
13,381,173	14,435,262	16,170,513	18,445,291	19,843,501	26,377,872
4,670,923	5,198,453	5,210,077	5,402,037	5,505,705	5,752,295
1,414,570	1,509,232	1,394,742	1,202,414	1,372,187	1,425,315
359,782	360,690	356,046	352,961	362,541	437,348
<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>55,482,397</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>	<u>183,553,572</u>
1,503,474	1,374,669	1,346,662	1,233,509	1,700,743	3,011,959
4,310,705	4,541,044	4,132,529	4,511,657	5,027,839	5,399,451
5,936,331	6,137,962	6,003,577	5,778,656	3,717,303	1,222,050
233,563	202,127	220,404	267,608	277,230	283,994
6,684,762	4,039,395	5,645,760	5,258,741	10,637,514	15,132,525
19,774,495	21,981,811	23,895,611	25,717,743	24,649,179	25,873,503
2,525,860	6,842,315	4,656,416	6,726,564	9,321,461	12,767,812
<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>	<u>\$ 63,691,294</u>

**CITY OF SIOUX CITY, IOWA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	2010	2011	2012	2013
Business-Type Activities:				
Charges for Services:				
Airport	\$ 1,559,765	\$ 1,568,331	\$ 1,664,593	\$ 1,692,593
Water	11,365,825	11,834,682	14,029,681	14,258,996
Sewer	17,370,461	17,127,635	19,171,819	17,863,593
Solid Waste	4,607,291	4,473,164	4,584,655	4,859,491
Parking	1,261,195	1,294,498	1,423,385	1,362,709
Skyway System	378,203	312,635	449,611	372,045
Operating Grants and Contributions	131,069	598,268	435,479	255,474
Capital Grants and Contributions	5,454,015	9,067,435	941,572	2,534,064
Total Business-Type Activities Program Revenues	<u>42,127,824</u>	<u>46,276,648</u>	<u>42,700,795</u>	<u>43,198,965</u>
Total Primary Government Program Revenues	<u>95,430,496</u>	<u>96,313,935</u>	<u>89,512,654</u>	<u>94,382,778</u>
 Net (Expense)/Revenue ¹				
Governmental Activities	(49,343,256)	(49,489,614)	(55,792,628)	(48,893,724)
Business-Type Activities	9,147,548	10,857,602	6,596,119	6,357,364
Total Primary Government Net Expense	<u>(40,195,708)</u>	<u>(38,632,012)</u>	<u>(49,196,509)</u>	<u>(42,536,360)</u>
 General Revenues				
Governmental Activities:				
Property Taxes	50,213,734	48,720,069	47,856,978	48,661,701
Franchise Taxes	2,426,557	2,363,862	2,174,884	2,379,273
Hotel-Motel Taxes	1,098,913	1,245,787	1,263,522	1,375,769
Local Option Sales Taxes	11,132,267	11,138,684	11,147,414	11,820,387
Interest	1,070,516	669,439	588,020	453,317
Revenue from Sale of Uncapitalized Property	644,883	694,982	376,449	709,868
Miscellaneous	2,002,806	1,541,054	1,467,847	1,789,176
Net Gain on Sale of Capital Assets	-	9,165	90,008	324,974
Transfers	(536,530)	(2,280,052)	(519,914)	(1,523,481)
Total Governmental Activities	<u>68,053,146</u>	<u>64,102,990</u>	<u>64,445,208</u>	<u>65,990,984</u>
Business-Type Activities:				
Interest	299,164	360,359	387,506	306,810
Miscellaneous	247,668	114,930	150,356	124,696
Net Gain on Sale of Capital Assets	-	1,029	-	-
Transfers	536,530	2,280,052	519,914	1,523,481
Total Business-Type Activities	<u>1,083,362</u>	<u>2,756,370</u>	<u>1,057,776</u>	<u>1,954,987</u>
Total Primary Government	<u>69,136,508</u>	<u>66,859,360</u>	<u>65,502,984</u>	<u>67,945,971</u>
 Change in Net Position				
Governmental Activities	18,709,890	14,613,376	8,652,580	17,097,260
Business-Type Activities	10,230,910	13,613,972	7,653,895	8,312,351
Total Primary Government	<u>\$ 28,940,800</u>	<u>\$ 28,227,348</u>	<u>\$ 16,306,475</u>	<u>\$ 25,409,611</u>

Notes:

¹ 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)

2014	2015	2016	2017	2018	2019
\$ 1,759,517	\$ 1,866,695	\$ 1,919,155	\$ 2,113,798	\$ 2,044,472	\$ 2,178,675
14,453,751	14,115,916	14,227,706	16,438,784	17,925,017	19,530,454
17,776,343	17,347,894	18,979,416	18,208,974	22,329,334	21,886,292
5,087,522	5,151,109	5,275,297	5,651,905	5,461,607	5,667,307
1,443,506	1,480,186	1,556,560	1,471,383	1,334,350	1,340,223
276,582	318,269	267,181	264,589	315,827	395,296
107,960	83,394	52,506	36,508	18,326	42,404
1,365,936	298,319	1,863,899	1,152,552	4,548,354	3,179,981
42,271,117	40,661,782	44,141,720	45,338,493	53,977,287	54,220,632
83,240,307	85,781,105	90,042,679	94,832,971	109,308,556	117,911,926
(79,911,926)	(57,764,786)	(57,764,786)	(62,769,858)	(61,087,003)	(64,379,881)
5,272,820	(1,345,348)	2,134,590	1,380,020	6,342,870	(1,261,765)
(74,639,106)	(59,110,134)	(55,630,196)	(61,389,838)	(54,744,133)	(65,641,646)
51,422,485	52,006,707	51,076,097	53,381,179	52,270,337	56,584,131
2,681,383	4,840,456	5,020,270	5,477,766	6,111,068	6,220,468
1,594,073	1,809,271	2,470,431	2,288,141	2,295,884	1,998,188
12,680,781	12,870,868	14,572,844	13,713,561	12,931,221	13,174,477
1,076,366	744,163	912,022	613,820	658,503	2,443,660
805,868	1,107,349	1,856,033	706,377	523,976	657,578
1,432,604	1,739,780	2,660,144	1,814,168	1,781,682	1,204,834
209,574	503,923	1,497,028	156,405	243,390	1,014,385
(1,451,922)	(2,287,701)	(3,026,890)	(4,417,018)	(3,298,532)	(1,711,368)
70,451,212	73,334,816	77,037,979	73,734,399	73,517,529	81,586,353
537,065	482,338	389,712	362,787	432,070	896,470
1,741,486	1,722,375	186,395	267,306	262,694	293,364
928,389	---	---	---	---	---
1,451,922	2,287,701	3,026,890	4,417,018	3,298,532	1,711,368
4,658,862	4,492,414	3,602,997	5,047,111	3,993,296	2,901,202
75,110,074	77,827,230	80,640,976	78,781,510	77,510,825	84,487,555
(9,460,714)	14,148,865	19,273,193	10,964,541	12,430,526	17,206,472
9,931,682	3,874,880	5,737,587	6,427,131	10,336,166	1,639,437
\$ 470,968	\$ 18,023,745	\$ 25,010,780	\$ 17,391,672	\$ 22,766,692	\$ 18,845,909

**CITY OF SIOUX CITY
TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

TABLE III

FISCAL YEAR	GENERAL PROPERTY TAXES	LOCAL OPTION SALES TAXES	UTILITY FRANCHISE TAXES¹	CABLE TV FRANCHISE TAX	HOTEL-MOTEL TAXES	TOTAL TAXES
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
2019	\$ 56,584,131	\$ 13,174,477	\$ 5,880,310	\$ 340,158	\$ 1,998,188	\$ 77,977,264
Percentage Change In Dollars Over 10 Years	12.69%	18.34%	199.22%	-26.27%	81.83%	20.20%

Notes:

¹ In fiscal year 2015, the City passed an increase in the utility franchise taxes.

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CITY OF SIOUX CITY, IOWA
FUND BALANCES OF GOVERNMENTAL FUNDS¹
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund				
Non-Spendable	\$ 22,000	\$ 314,972	\$ 13,578	\$ 8,800
Committed	446,436	418,019	479,418	343,224
Unassigned	<u>7,737,493</u>	<u>7,559,420</u>	<u>7,868,807</u>	<u>8,357,777</u>
Total General Fund	<u>8,205,929</u>	<u>8,292,411</u>	<u>8,361,803</u>	<u>8,709,801</u>
All Other Governmental Funds				
Non-Spendable	18,282,888	10,880,323	1,653,675	1,516,903
Restricted	10,330,941	56,094,282	58,674,582	86,115,972
Committed	18,833,986	956,895	594,137	750,135
Assigned	23,372,058	2,209,013	2,379,614	3,055,795
Unassigned	<u>(2,082,783)</u>	<u>(1,324,552)</u>	<u>(1,211,015)</u>	<u>(1,391,285)</u>
Total All Other Governmental Funds ²	<u>68,737,090</u>	<u>68,815,961</u>	<u>62,090,993</u>	<u>90,047,520</u>
Total Governmental Funds				
Non-Spendable	18,304,888	11,195,295	1,667,253	1,525,703
Restricted	10,330,941	56,094,282	58,674,582	86,115,972
Committed	19,280,422	1,374,914	1,073,555	1,093,359
Assigned	23,372,058	2,209,013	2,379,614	3,055,795
Unassigned	<u>5,654,710</u>	<u>6,234,868</u>	<u>6,657,792</u>	<u>6,966,492</u>
Total Governmental Funds	<u>\$ 76,943,019</u>	<u>\$ 77,108,372</u>	<u>\$ 70,452,796</u>	<u>\$ 98,757,321</u>

Notes:

¹ 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.

² The fluctuations in the fund balance result from construction projects in which funds are borrowed in one year and spent in another fiscal year.

TABLE IV

2014	2015	2016	2017	2018	2019
\$ 17,166	\$ 20,022	\$ 22,747	\$ 22,027	\$ 41,397	\$ 24,229
366,176	273,195	307,288	247,566	283,446	370,055
8,548,208	8,944,762	9,243,676	9,512,215	9,787,675	10,099,421
8,931,550	9,237,979	9,573,711	9,781,808	10,112,518	10,493,705
1,479,669	3,391,007	1,379,602	1,199,791	1,236,317	1,264,552
68,420,998	68,031,384	90,082,545	84,760,483	91,685,014	82,609,474
899,555	577,346	242,553	640,984	995,282	637,961
3,402,318	2,901,447	4,474,887	2,915,382	2,381,846	2,580,016
(475,953)	(485,741)	(198,005)	48,423	261,721	(415,901)
73,726,587	74,415,443	95,981,582	89,565,063	96,560,180	86,676,102
1,496,835	3,411,029	1,402,349	1,221,818	1,277,714	1,288,781
68,420,998	68,031,384	90,082,545	84,760,483	91,685,014	82,609,474
1,265,731	850,541	549,841	888,550	1,278,728	1,008,016
3,402,318	2,901,447	4,474,887	2,915,382	2,381,846	2,580,016
8,072,255	8,459,021	9,045,671	9,560,638	10,049,396	9,683,520
\$ 82,658,137	\$ 83,653,422	\$ 105,555,293	\$ 99,346,871	\$ 106,672,698	\$ 97,169,807

CITY OF SIOUX CITY, IOWA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR			
	2010	2011	2012	2013
Revenues				
Taxes	\$ 64,952,946	\$ 63,424,277	\$ 62,436,249	\$ 64,190,855
Special Assessments	220,916	427,836	206,362	72,625
Regulatory Fees	1,809,309	2,798,758	3,933,570	6,292,635
Intergovernmental Revenue	33,242,384	27,458,471	29,624,144	22,638,176
Revenue from the Use of Property	5,133,199	5,363,839	4,884,517	5,363,291
Charges for Services	8,124,607	8,506,318	9,026,606	8,557,046
Interest	1,048,889	645,339	561,595	447,227
Contributions	2,006,582	2,970,138	681,232	701,622
Proceeds on Sale of Uncapitalized Assets	39,508	77,145	12,401	113,161
Miscellaneous	1,096,745	1,008,826	957,905	1,435,012
Gain on Sale of Land Held for Resale	---	---	---	---
Total Revenues	117,675,085	112,680,947	112,324,581	109,811,650
Expenditures¹				
Public Safety	32,033,725	32,704,574	33,480,041	34,066,744
Public Works	14,409,099	14,426,940	14,549,841	14,254,052
Culture and Recreation	15,591,587	16,021,673	16,057,731	15,735,629
Community and Economic Development	10,325,583	10,323,564	9,641,691	8,576,328
General Government	3,574,549	3,558,628	3,477,530	3,245,037
Debt Service				
Principal	14,997,906	15,845,275	16,427,630	17,775,542
Interest and Fiscal Charges	6,047,885	6,142,542	6,020,730	5,868,579
Capital Projects	34,037,802	31,445,093	31,835,793	14,708,996
Total Expenditures	131,018,136	130,468,289	131,490,987	114,230,907
Excess (Deficiency) of Revenues over Expenditures	(13,343,051)	(17,787,342)	(19,166,406)	(4,419,257)
Other Financing Sources (Uses)				
Proceeds from Issuance of Bonds and Notes	18,837,640	20,745,486	13,050,826	34,020,304
Proceeds from Refunding Bonds Issued	4,580,000	---	---	---
Payment to Refunded Bond Escrow Agent	(4,725,000)	---	---	---
Premiums on Bonds Issued	672,987	544,257	173,017	824,052
Discounts on Bonds Issued	(12,480)	---	(27,517)	(133,290)
Sale of Capitalized Property	62,667	---	---	---
Transfers In	30,327,098	35,811,281	32,079,660	27,831,966
Transfers Out	(31,043,628)	(39,148,329)	(32,765,156)	(29,819,250)
Total Other Financing Sources	18,699,284	17,952,695	12,510,830	32,723,782
Net Change in Fund Balances	\$ 5,356,233	\$ 165,353	\$ (6,655,576)	\$ 28,304,525
Debt Service as a percentage of non-capital expenditures	20.36%	21.40%	21.33%	22.64%

TABLE V

2014	2015	2016	2017	2018	2019
\$ 68,331,626	\$ 71,473,512	\$ 73,184,732	\$ 74,873,818	\$ 73,519,516	\$ 77,940,036
465,315	157,787	94,180	34,669	104,103	108,439
4,373,879	2,389,805	4,167,323	2,781,908	3,142,880	4,588,238
21,680,579	27,764,201	27,967,402	31,593,946	28,435,861	31,747,980
5,334,070	5,646,711	5,376,707	5,244,009	3,205,595	1,077,724
8,158,094	8,499,717	8,532,238	8,518,677	9,527,447	10,684,521
1,032,621	720,029	898,761	604,509	636,822	2,267,576
471,284	1,061,883	503,860	582,492	4,410,124	5,204,970
121,123	286,054	62,199	206,797	30,036	22,252
977,468	1,325,494	1,493,315	1,313,908	1,715,663	1,190,141
---	---	1,308,821	---	---	---
<u>110,946,059</u>	<u>119,325,193</u>	<u>123,589,538</u>	<u>125,754,733</u>	<u>124,728,047</u>	<u>134,831,877</u>
35,277,067	36,304,029	36,667,604	38,168,268	41,178,735	43,778,707
14,318,832	14,500,431	14,881,606	16,048,558	16,890,854	18,740,385
15,162,080	15,946,104	16,446,088	16,697,180	14,370,160	14,096,896
9,328,272	9,376,134	9,574,078	10,469,584	12,898,133	10,365,189
2,730,952	2,881,136	3,162,941	3,505,673	3,788,205	3,702,245
17,843,490	17,134,443	16,394,085	16,953,559	17,325,502	17,607,431
6,152,993	5,936,861	5,892,896	5,918,862	6,141,591	6,680,646
<u>31,455,759</u>	<u>30,542,971</u>	<u>22,495,434</u>	<u>36,057,306</u>	<u>29,419,544</u>	<u>51,901,944</u>
<u>132,269,445</u>	<u>132,622,109</u>	<u>125,514,732</u>	<u>143,818,990</u>	<u>142,012,724</u>	<u>166,873,443</u>
(21,323,386)	(13,296,916)	(1,925,194)	(18,064,257)	(17,284,677)	(32,041,566)
6,096,250	22,996,382	22,020,537	15,760,447	27,411,642	23,770,000
---	---	9,970,056	2,004,553	5,272,958	---
---	---	(10,167,921)	(2,000,000)	(5,572,691)	---
828,720	650,484	668,698	153,219	416,298	131,972
---	---	---	---	---	---
---	32,500	4,362,585	---	518,871	889,276
30,533,315	30,575,703	32,816,296	35,629,800	39,458,031	37,620,305
<u>(32,234,083)</u>	<u>(39,962,868)</u>	<u>(35,843,186)</u>	<u>(39,692,184)</u>	<u>(42,894,605)</u>	<u>(39,872,878)</u>
<u>5,224,202</u>	<u>14,292,201</u>	<u>23,827,065</u>	<u>11,855,835</u>	<u>24,610,504</u>	<u>22,538,675</u>
<u>\$ (16,099,184)</u>	<u>\$ 995,285</u>	<u>\$ 21,901,871</u>	<u>\$ (6,208,422)</u>	<u>\$ 7,325,827</u>	<u>\$ (9,502,891)</u>
19.44%	18.64%	20.66%	20.41%	20.17%	18.93%

CITY OF SIOUX CITY, IOWA
ASSESSED AND TAXABLE VALUE OF TAXABLE PROPERTY¹
LAST TEN FISCAL YEARS

FISCAL YEAR	REAL PROPERTY		UTILITIES	
	ASSESSED VALUE	TAXABLE VALUE ²	ASSESSED VALUE	TAXABLE VALUE
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
2019	\$ 4,536,467,722	\$ 2,637,105,929	\$ 118,088,489	\$ 118,088,489

Source: Woodbury County, Iowa; County Auditor

Notes:

¹ Taxable Value does not include the Tax Increment Levy.

² Taxable value = (percent rollback x assessed value) - exemptions (military, homestead, elderly, etc.)

TABLE VI

TOTAL		TOTAL DIRECT TAX RATE	TOTAL TAXABLE VALUE TO TOTAL ASSESSED VALUE
ASSESSED VALUE	TAXABLE VALUE		
\$ 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	16.248	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%
\$ 4,654,556,211	\$ 2,755,194,418	\$ 16.071	59%

**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
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
2019	\$ 8.726	\$ 3.674	\$ 3.671	\$ 16.071	\$ 15.350	\$ 7.262

Source: Woodbury County, Iowa; County Auditor

TABLE VII

OVERLAPPING RATES							
WESTERN IOWA TECH	CITY ASSESSOR	AG EXTENSION	SPECIAL STATE	TOTAL OVERLAPPING	TOTAL DIRECT AND OVERLAPPING		
\$ 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		
\$ 0.963	\$ 0.310	\$ 0.128	\$ 0.003	\$ 24.016	\$ 40.087		

CITY OF SIOUX CITY, IOWA
PRINCIPAL TAXPAYERS AND THEIR ASSESSED VALUATIONS
JUNE 30, 2019

TABLE VIII

TAXPAYER	2019			2010		
	ASSESSED ¹ VALUE	RANK	% OF TOTAL ASSESSED VALUE	ASSESSED ² VALUE	RANK	% OF TOTAL ASSESSED VALUE
SOUTHERN HILLS MALL	\$ 59,871,700	1	1.286%	\$ 72,828,100	1	2.001%
HARD ROCK HOTEL AND CASINO	50,979,300	2	1.095%	---	---	0.000%
SEABOARD TRIUMPH FOODS LLC	45,677,500	3	0.981%	---	---	0.000%
MB SIOUX CITY LAKEPORT LLC	28,866,100	4	0.620%	---	---	0.000%
WAL-MART	27,700,000	5	0.595%	39,178,700	2	1.076%
SABRE INDUSTRIES	19,276,200	6	0.414%	---	---	0.000%
MARKETPLACE LLC	17,807,500	7	0.383%	---	---	0.000%
CARGILL	17,654,400	8	0.379%	14,200,200	10	0.390%
BEKINS	14,288,500	9	0.307%	---	---	0.000%
CONFLUENT ENTERPRISES LLC	13,860,600	10	0.298%	---	---	0.000%
LARRY BOOK	---	---	0.000%	25,588,900	3	0.703%
DAVENPORT ET AL	---	---	0.000%	23,590,700	4	0.648%
CLOVERLEAF COLD STORAGE	---	---	0.000%	22,835,300	5	0.627%
KLINGER	---	---	0.000%	20,865,400	6	0.573%
UNITYPOINT HEALTH - ST. LUKE'S	---	---	0.000%	20,010,000	7	0.550%
DAVIES IOWA LOGISTICS	---	---	0.000%	18,119,300	8	0.498%
HANDY LC	---	---	0.000%	15,056,300	9	0.414%
TOTAL PRINCIPAL TAXPAYERS	\$ 295,981,800		6.358%	\$ 272,272,900		7.480%
ALL OTHER TAXPAYERS	<u>4,358,574,411</u>		<u>93.642%</u>	<u>3,367,861,530</u>		<u>92.520%</u>
TOTAL ASSESSED VALUATION	<u>\$ 4,654,556,211</u>		<u>100.000%</u>	<u>\$ 3,640,134,430</u>		<u>100.000%</u>

Source: City Assessor, Sioux City, Iowa

Note:

¹ Assessed values as of January 1, 2017.

² Assessed values as of January 1, 2008.

**CITY OF SIOUX CITY, IOWA
PROPERTY TAX LEVIES AND COLLECTIONS¹
LAST TEN FISCAL YEARS**

TABLE IX

FISCAL YEAR	TOTAL TAX LEVY²	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	COLLECTIONS IN SUBSEQUENT YEARS³	TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	OUT-STANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TAX LEVY
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%
2019	\$ 45,506,233	\$ 44,621,489	98.06%	N/A	\$ 44,621,489	98.06%	\$ 297,203	0.65%

Source: Woodbury County Treasurer, Woodbury County, Iowa

Notes:

¹ GAAP Basis.

² Tax Increment Levy and SID tax Levy not included.

³ 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

FISCAL YEAR	CURRENT ASSESSMENTS DUE	CURRENT ASSESSMENTS COLLECTED	PERCENT OF COLLECTIONS TO AMOUNT DUE	TOTAL OUTSTANDING CURRENT & DELINQUENT ASSESSMENTS¹
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
2019	\$ 64,858	\$ 109,047	168%	\$ 1,001,373

Source: Woodbury County Treasurer, Woodbury County, Iowa

Note:

¹ GAAP basis.

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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
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	---
2019	\$ ---	\$ 134,020,601	\$ ---	\$ 127,574,154	\$ 17,204,803	\$ ---

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

¹ See the Schedule of Demographic and Economic Statistics, Table XVI for personal income and population data.

TABLE XI

	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME¹	PER CAPITA¹
\$	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
\$	278,799,558	13.69%	3,384

**CITY OF SIOUX CITY, IOWA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

TABLE XII

FISCAL YEAR	GENERAL OBLIGATION BONDS	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUND¹	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE² OF PROPERTY	PER CAPITA³
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
2019	\$ 151,225,404	\$ 11,715,983	\$ 139,509,421	5.06%	1,693

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

¹ Amounts Available in Debt Service fund is based on accrual basis of accounting. See Exhibit 1.

² See the Table of Assessed Values and Taxable Value of Taxable Property, Table VI for property value data.

³ 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 DEBT⁸
JUNE 30, 2019

TABLE XIII

NAME OF GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE⁹ TO THIS GOVERNMENTAL UNIT	AMOUNT APPLICABLE TO CITY OF SIOUX CITY
Direct:			
City of Sioux City	\$ 134,020,601	100.00%	\$ 134,020,601
Overlapping:			
Woodbury County ¹	7,152,887	64.73%	4,630,064
Plymouth County ²	3,670,185	0.03%	1,101
Sioux City Community School District ³	---	89.85%	---
Hinton Community School District ⁴	6,711,344	0.21%	14,094
Lawton-Bronson School District ⁵	3,970,000	4.34%	172,298
Sergeant Bluff-Luton Comm School District ⁶	---	7.01%	---
Western Iowa Tech Community College ⁷	16,000,000	31.87%	5,099,200
Northwest Area Education Agency	---	20.69%	---
Total Overlapping	37,504,416		9,916,757
TOTAL	\$ 171,525,017		\$ 143,937,358

Sources:

¹ County Auditor and Recorder, Woodbury County, Iowa

² County Auditor and Recorder, Plymouth County, Iowa

³ Sioux City Community School District

⁴ Hinton School District

⁵ Lawton-Bronson School District

⁶ Sergeant Bluff-Luton Community School District

⁷ Western Iowa Tech Community College

Notes:

⁸ Excluding General Obligation bonds reported in the Enterprise Funds.

⁹ 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**

	2010	2011	2012	2013
Debt Limit	\$ 182,006,722	\$ 185,287,457	\$ 186,844,264	\$ 192,613,415
Total net debt applicable to limit	98,103,294	103,719,175	99,576,761	118,379,958
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	53.90%	55.98%	53.29%	61.46%

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

2014	2015	2016	2017	2018	2019
\$ 192,769,882	\$ 193,629,706	\$ 196,822,505	\$ 212,263,680	\$ 213,569,727	\$ 232,727,811
109,308,866	117,240,026	123,261,142	119,616,314	135,361,384	139,201,445
<u>\$ 74,233,457</u>	<u>\$ 83,461,016</u>	<u>\$ 76,389,680</u>	<u>\$ 73,561,363</u>	<u>\$ 78,208,343</u>	<u>\$ 93,526,366</u>
56.70%	60.55%	62.63%	56.35%	63.38%	59.81%

**CITY OF SIOUX CITY, IOWA
LEGAL DEBT MARGIN CALCULATION
JUNE 30, 2019**

TABLE XV

ASSESSED VALUE

Real and Personal Property Within the City		\$ 4,654,556,211
TOTAL ESTIMATED VALUATION		4,654,556,211
DEBT LIMIT - 5% OF ESTIMATED VALUATION		232,727,811

AMOUNT OF DEBT APPLICABLE TO LIMIT

Total Bonded Debt and Long-Term Notes Payable		278,799,558
Less:		
Notes Payable		
Sewer Revolving Notes Payable	78,541,476	
Water Revolving Notes Payable	49,032,678	151,225,404
		127,574,154
Amount Available for Repayment of General Obligation Debt		12,023,959

DEBT APPLICABLE TO DEBT LIMIT
LEGAL DEBT MARGIN

139,201,445
\$ 93,526,366

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.

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**CITY OF SIOUX CITY, IOWA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

CALENDAR YEAR	POPULATION¹	TOTAL PERSONAL INCOME²	PER CAPITA PERSONAL INCOME¹
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
2019	82,396	\$ 2,037,158,704	\$ 24,724

Sources:

¹ U.S. Census Bureau Estimates

² Computation of per capita personal income multiplied by population.

³ Sioux City Community School District, Bishop Heelan Catholic Schools and Siouxland Community Christian School

⁴ Iowa Workforce Development Website.

TABLE XVI

EDUCATIONAL ATTAINMENT BACHELOR'S DEGREE OR HIGHER¹	MEDIAN AGE¹	SCHOOL ENROLLMENT³	UNEMPLOYMENT RATE⁴
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%
22%	34.0	15,825	2.50%

**CITY OF SIOUX CITY, IOWA
PRINCIPAL EMPLOYERS
CURRENT YEAR**

TABLE XVII

EMPLOYER	2019			2010		
	# 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	11.30%
Sioux City Community School District	2,511	2	6.01%	2,057	2	4.87%
Bomgaars	2,100	3	5.02%	---	---	---
Seaboard Triumph Foods	2,000	4	4.78%	---	---	---
Mercy Medical Center	1,532	5	3.67%	1,800	3	4.27%
Unity Point Health-St. Luke's	1,434	6	3.43%	1,229	4	2.91%
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	6	2.25%
City of Sioux City ¹	879	10	2.10%	1,024	5	2.43%
Morningside College	---	---	---	880	7	2.09%
Curly's Foods	---	---	---	700	8	1.66%
Tri-State Nursing	---	---	---	700	9	1.66%
MidAmerican Energy Company	---	---	---	659	10	1.56%
Total Principal Employers	18,144		43.40%	14,767		35.00%
Other Employers	28,256		56.60%	27,433		65.00%
Total Employers	46,400		100.00%	42,200		100.00%

Source: Sioux City Economic Development website www.locatesiouxcity.com

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CITY OF SIOUX CITY, IOWA
FULL-TIME EQUIVALENT CITY GOVERNMENT BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year			
	2010	2011	2012	2013
Public Safety				
Fire ⁹	116.00	116.00	115.00	115.00
Police	151.65	151.65	149.65	149.65
Public Works				
Central Maintenance Garage ¹	---	---	---	---
Engineering	19.00	19.00	18.00	18.00
Field Services ²	139.28	138.90	136.48	135.48
Transit ³	56.02	56.02	56.02	55.15
Culture and Recreation				
Art Center	10.36	9.89	8.72	8.50
Convention Center/Auditorium/Tourism ^{4, 7, 8, 1C}	54.82	54.82	54.14	53.82
Library	35.47	34.47	32.47	31.48
Museum	9.25	10.25	10.25	10.05
Parks and Recreation ²	---	---	---	---
Community and Economic Development				
Community Development	44.88	42.88	40.88	40.38
Economic Development	5.00	5.00	5.00	5.00
General Government				
Administrative Services ⁵	48.75	49.05	48.90	49.10
City Council	5.00	5.00	5.00	5.00
City Manager	3.75	3.75	2.75	2.00
Finance ⁵	---	---	---	---
Human Resources	4.63	4.63	4.53	4.53
Human Rights	2.80	2.80	2.60	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	13.00	13.00	13.00
Airport	16.03	15.03	15.03	15.03
Water	32.50	31.50	34.50	34.50
Sewer ⁶	13.00	13.00	37.00	38.00
	<u>813.59</u>	<u>808.04</u>	<u>821.32</u>	<u>817.67</u>

Source: City of Sioux City Finance Department

Notes:

- ¹ Central Maintenance Garage was separated from Transit within the Public Works function in 2014.
- ² Field Services previously included Parks and Recreation personnel who during 2014 moved to the Culture and Recreation function.
- ³ 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.
- ⁴ Convention Center contracted out a majority of its services beginning in 2014.
- ⁵ The Finance and Administrative Services departments were separated in 2014.
- ⁶ The Sewer function added 25 waste water treatment plant employees in 2012 as a result of terminating the operations contract with American Water Services.
- ⁷ In 2015, the Convention Center operations was contracted out to Centerplate.
- ⁸ In 2018, the Convention Center and Tyson Events Center operations were contracted out to Kinseth and Comcast Spectacor, respectively.
- ⁹ In 2018, the Emergency Medical Services operation was transferred to the City from the Siouxland Paramedics.
- ⁹ In 2019, Events Coordinator position was added to act as a liaison with Kinseth and Comcast Spectacor.

TABLE XVIII

2014	2015	2016	2017	2018	2019
114.00	114.00	114.00	114.00	141.00	141.00
148.65	147.65	147.65	149.65	149.65	149.65
25.00	25.00	25.00	25.00	21.00	21.00
20.00	19.00	17.00	16.00	16.00	16.00
72.10	72.98	70.98	76.03	74.03	73.30
32.65	32.65	32.65	32.65	36.65	36.78
8.50	8.50	8.50	8.50	9.45	11.45
46.36	32.77	34.20	35.20	- - -	1.00
33.48	32.98	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	70.25
40.38	40.01	40.00	40.00	40.00	40.00
5.00	5.00	5.00	5.00	5.00	4.00
37.00	37.00	36.58	33.10	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	4.54
14.58	13.49	13.00	13.00	13.00	14.00
4.53	4.53	4.53	5.78	5.78	6.78
2.80	2.80	2.80	2.80	2.80	2.80
7.00	8.00	8.00	8.00	8.00	8.00
24.40	24.40	24.40	24.40	24.40	24.40
14.00	14.00	14.00	15.00	15.00	15.00
15.03	14.28	13.28	13.28	13.78	13.78
34.38	33.50	34.50	35.50	37.50	37.50
39.00	39.00	38.00	38.00	40.00	43.00
<u>822.39</u>	<u>805.48</u>	<u>802.99</u>	<u>813.20</u>	<u>805.35</u>	<u>815.36</u>

**CITY OF SIOUX CITY, IOWA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Fiscal Year Function	Fiscal Year			
	2010	2011	2012	2013
Police				
Average physical arrests per day - adult	14.3	14.1	12.8	13.9
Average physical arrests per day - juvenile	3.8	4.2	3.9	3.2
Traffic citations issued	12,376	10,885	10,323	10,408
Fire				
Number of suppression calls	1,564	1,624	1,584	1,690
Number of emergency medical calls	4,909	5,203	5,215	5,316
% of responses where EMS on scene in 4 min	83%	80%	84%	82%
Number of hazardous materials incidents in city	7	7	10	9
Public Works				
Streets cleaned per year (miles)	14,068	13,982	13,156	13,365
Asphalt placed (tons)	2,401	2,651	2,266	1,821
Potholes repaired	38,181	41,841	31,782	36,936
Dirt miles bladed and shaped	17,713	12,215	10,982	8,319
Total Transit System miles	781,697	875,120	852,875	790,196
Total Transit System passengers ¹	1,202,255	1,250,294	1,204,897	1,111,830
Total Transit System passengers per mile	1.54	1.43	1.41	1.41
Culture and Recreation				
Swimming pool attendance ²	52,132	49,336	65,256	64,991
Museum visitation	46,828	33,903	77,281	69,497
Community and Economic Development				
Total residential/commercial permits issued	2,943	2,858	3,038	2,837
Property value for commercial permits issued	\$101,417,640	\$82,687,755	\$98,358,399	\$97,358,414
Property value for residential permits issued	\$24,682,987	\$18,399,761	\$23,192,263	\$28,586,954
Number of inspections made	23,250	23,568	25,468	32,348
Water				
Water production (millions of gallons) ³	4,654	4,365	4,044	4,763
Water main breaks per miles of pipe	0.24	0.25	0.28	0.39
Total main breaks	115	119	132	184
Length of service disruption per break (hours)	5.67	7.96	8.61	4.35
Sewer				
Sewer backups	77	44	49	51
Total hours per sewer backup	5.03	7.23	14.40	4.28

Source: Various City of Sioux City departments.

Notes:

¹ Transit system passengers decreased in fiscal year 2018 due to change in accounting procedure for transfer passengers.

²Swimming pool attendance was low in fiscal years 2010 and 2011 due to unseasonably cool weather.

³Water production increased in fiscal year 2013 with the addition of the Southbridge Water Plant.

TABLE XIX

2014	2015	2016	2017	2018	2019
13.1	13.1	13.7	11.4	11.0	10.1
3.0	2.6	2.1	1.8	1.8	1.8
11,268	9,773	8,798	12,206	17,312	17,006
1,745	1,717	1,936	1,861	2,001	1,821
5,551	6,386	6,627	6,602	7,104	7,432
82%	81%	75%	73%	75%	75%
15	17	8	19	11	20
11,684	13,502	12,313	9,968	11,950	11,743
1,662	1,469	1,552	1,709	1,775	2,064
29,889	29,967	39,599	36,669	32,230	35,155
7,965	11,073	11,560	12,552	11,200	10,377
777,667	784,011	756,966	784,338	825,740	864,583
1,113,911	1,128,535	1,058,198	1,030,340	868,961	877,336
1.43	1.44	1.40	1.31	1.05	1.01
55,216	55,018	69,581	59,548	57,651	56,331
69,674	68,305	67,163	66,735	65,202	67,054
2,920	2,869	3,022	3,131	3,016	2,658
\$256,865,890	\$133,486,250	\$97,714,055	\$268,492,250	\$313,141,000	\$262,399,490
\$32,529,880	\$44,822,435	\$34,336,870	\$40,628,757	\$38,254,530	\$30,513,497
45,501	48,161	59,311	60,641	62,819	60,076
4,720	3,586	3,794	3,858	4,142	4,487
0.32	0.28	0.21	0.22	0.26	0.26
152	133	98	107	122	123
5.59	5.24	4.83	4.43	9.00	9.52
47	42	37	22	22	49
7.12	7.27	7.27	6.48	6.49	17.64

**CITY OF SIOUX CITY, IOWA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year			
	2010	2011	2012	2013
Police				
Stations	1	1	1	1
Patrol Cars	53	52	59	60
Training Centers	1	1	1	1
Fire				
Stations	7	7	7	7
Engines	15	15	14	13
Public Works				
Transit Buses	43	43	40	37
Streets (miles)	489	489	489	491
Streetlights (City Owned)	1,499	1,499	1,517	1,560
Sidewalks (miles)	600	600	600	600
Culture and Recreation				
Parks Acres	1,700	1,700	1,700	1,711
Parks	58	58	57	58
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	20	20	20
Softball Diamonds	13	12	12	12
Baseball Diamonds	34	34	34	34
Soccer Fields	10	10	10	12
Golf Courses (18 hole)	2	2	2	2
Play Fields	29	29	29	30
Cemetery				
Cemeteries (acres)	225	225	225	225
Cemeteries Maintained (acres)	185	185	185	185
Water				
Fire Hydrants (City maintained)	3,665	3,661	3,941	4,004
Water Mains (miles)	475	462	466	466
Sewer				
Sanitary Sewer (miles)	360	362	363	363
Storm Sewer (miles)	228	246	256	259
Solid Waste				
Solid Waste Collection Trucks	12	14	14	13

TABLE XX

2014	2015	2016	2017	2018	2019
1	1	1	1	1	1
48	49	47	45	44	48
1	1	1	1	1	1
7	7				
14	14	14	14	14	14
36	36	37	37	36	41
491	491	491	491	491	491
1,761	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	1,786
58	58	58	58	58	62
5	5	5	5	3	3
1	1	2	3	5	5
8	8	8	8	8	8
1	1	2	2	2	3
20	20	20	20	18	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
4,080	3,820	3,885	3,928	3,896	3,887
474	473	475	475	477	482
364	367	367	368	368	370
265	278	284	296	303	318
15	15	15	15	11	8

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CITY OF SIOUX CITY, IOWA
ADDITIONAL INFORMATION

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**CITY OF SIOUX CITY HOUSING AUTHORITY
BALANCE SHEET
JUNE 30, 2019**

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	\$ 226,300	\$ 136,654	\$ 362,954
Accounts Receivable	221,003	---	221,003
Total Assets	<u>447,303</u>	<u>136,654</u>	<u>583,957</u>
<u>LIABILITIES</u>			
Accounts Payable	2,607	---	2,607
Security Deposits	95,355	---	95,355
Deferred Revenue	219,921	---	219,921
Accrued Liabilities-Current	14,259	---	14,259
Total Liabilities	<u>332,142</u>	<u>---</u>	<u>332,142</u>
<u>EQUITY:</u>			
Restricted Net Position	115,161	---	115,161
Unrestricted Net Position	---	136,654	136,654
Total Equity/Net Position	<u>115,161</u>	<u>136,654</u>	<u>251,815</u>
Total Liabilities and Equity/Net Position	<u>\$ 447,303</u>	<u>\$ 136,654</u>	<u>\$ 583,957</u>

**CITY OF SIOUX CITY, IOWA
SCHEDULE OF SIOUX CITY FEDERAL HOUSING AUTHORITY
ANALYSIS OF GENERAL FUND CASH
JUNE 30, 2019**

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	\$ 115,161	\$ 136,654	\$ 251,815
Total	<u>115,161</u>	<u>136,654</u>	<u>251,815</u>

ADJUSTMENTS

Expenses Not Paid/(Prepaid):

Accounts Payable	2,607	---	2,607
Accrued Wages	14,259	---	14,259
Deferred Revenue	219,921	---	219,921
Security Deposits	95,355	---	95,355

Income Not Received:

Accounts Receivable	<u>(221,003)</u>	<u>---</u>	<u>(221,003)</u>
---------------------	------------------	------------	------------------

General Fund Cash Available	<u>\$ 226,300</u>	<u>\$ 136,654</u>	<u>\$ 362,954</u>
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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, 2019**

EXHIBIT E-3

NAME	SALARY ¹	ALLOWANCES/ REIMBURSED EXPENSES	DESCRIPTION
Robert Padmore, City Manager	\$192,242	\$6,449	Auto Allowance, Cell Phone Allowance, Travel Reimbursement
Nicole DuBois, City Attorney	\$144,828	\$5,031	Auto Allowance, Cell Phone Allowance, Travel Reimbursement
Michael Collett, Assistant City Manager	\$143,899	\$883	Travel Reimbursement
Thomas Everett, Fire Chief	\$142,076	\$1,426	Clothing Reimbursement, Travel Reimbursement
David Carney, Public Works Director	\$141,905	\$1,461	Cell Phone Allowance, Travel Reimbursement
John Malloy, Information Services Director	\$139,367	\$713	Cell Phone Allowance, Travel Reimbursement
Rex Mueller, Police Chief	\$134,791	\$1,460	Clothing Reimbursement, Travel Reimbursement
Mark Simms, Utilities Director	\$130,519	\$2,928	Cell Phone Allowance, Travel Reimbursement
Donna Forker, Finance Director	\$127,979	\$360	Cell Phone Allowance
Gordon Phair, City Engineer	\$126,400	\$939	Cell Phone Allowance, Travel Reimbursement

Notes:

¹ Salary includes allowances/reimbursed expenses.

CITY OF SIOUX CITY, IOWA
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2019

EXHIBIT E-4

	<u>Interest Rate</u>	<u>Amount</u>	
<u>GENERAL OBLIGATION BONDS</u>			
Type: Corporate Purpose			
Issued: 3/1/10			
Amount Issued: \$2,080,000			
City Project # 911-164			
Matures:	2020	4.35%	205,000
			\$ 205,000
Type: Corporate Purpose			
Issued: 5/1/11			
Amount Issued: \$23,425,000			
City Project # 911-166			
Matures:	2020	4.00%	2,435,000
	2021	4.00%	2,435,000
			\$ 4,870,000
Type: Corporate Purpose			
Issued: 6/20/12			
Amount Issued: \$9,635,000			
City Project # 911-167			
Matures:	2020	2.25%	960,000
	2021	2.25%	960,000
	2022	2.35%	960,000
			\$ 2,880,000
Type: Corporate Purpose			
Issued: 6/28/13			
Amount Issued: \$8,820,000			
City Project # 911-168			
Matures:	2020	4.00%	880,000
	2021	4.00%	880,000
	2022	5.00%	880,000
	2023	5.00%	880,000
			\$ 3,520,000
Type: Corporate Purpose			
Issued: 6/20/12			
Amount Issued: \$4,840,000			
City Project # 911-169			
Matures:	2020	1.90%	485,000
	2021	2.15%	480,000
	2022	2.40%	480,000
			\$ 1,445,000

CITY OF SIOUX CITY, IOWA
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2019

EXHIBIT E-4

		<u>Interest Rate</u>	<u>Amount</u>	
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 6/28/13				
Amount Issued: \$4,480,000				
City Project # 911-170				
Matures:	2020	4.00%	445,000	
	2021	4.00%	445,000	
	2022	5.00%	445,000	
	2023	5.00%	445,000	
			1,780,000	\$ 1,780,000
Type: Corporate Purpose				
Issued: 6/28/13				
Amount Issued: \$22,215,000				
City Project # 911-171				
Matures:	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	
			16,370,000	\$ 16,370,000
Type: Corporate Purpose				
Issued: 6/24/14				
Amount Issued: \$6,655,000				
City Project # 911-172				
Matures:	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	
			3,350,000	\$ 3,350,000

CITY OF SIOUX CITY, IOWA
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2019

EXHIBIT E-4

		<u>Interest Rate</u>	<u>Amount</u>	
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 6/24/14				
Amount Issued: \$1,550,000				
City Project # 911-173				
Matures:	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	\$ 775,000
Type: Corporate Purpose				
Issued: 6/8/15				
Amount Issued: \$23,030,000				
City Project # 911-174				
Matures:	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	\$ 14,505,000
Type: Corporate Purpose				
Issued: 6/8/15				
Amount Issued: \$5,080,000				
City Project # 911-175				
Matures:	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%	580,000	
			580,000	\$ 3,230,000

CITY OF SIOUX CITY, IOWA
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2019

EXHIBIT E-4

		<u>Interest Rate</u>	<u>Amount</u>	
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 6/22/16				
Amount Issued: \$23,515,000				
City Project # 911-176				
Matures:	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%	2,250,000	
				\$ 14,425,000
Type: Corporate Purpose				
Issued: 6/22/16				
Amount Issued: \$8,720,000				
City Project # 911-178				
Matures:	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%	755,000	
				\$ 4,810,000
Type: Corporate Purpose				
Issued: 6/22/16				
Amount Issued: \$4,235,000				
City Project # 911-179				
Matures:	2020	3.00%	805,000	
	2021	3.00%	805,000	
				\$ 1,610,000

CITY OF SIOUX CITY, IOWA
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2019

EXHIBIT E-4

		<u>Interest Rate</u>	<u>Amount</u>	
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 6/22/17				
Amount Issued: \$14,300,000				
City Project # 911-177				
Matures:	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	
				\$ 11,000,000
Type: Corporate Purpose				
Issued: 6/22/17				
Amount Issued: \$7,000,000				
City Project # 911-180				
Matures:	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	
				\$ 5,570,000
Type: Corporate Purpose				
Issued: 6/20/18				
Amount Issued: \$20,615,000				
City Project # 911-181				
Matures:	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	
				\$ 18,005,000

**CITY OF SIOUX CITY, IOWA
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2019**

EXHIBIT E-4

		<u>Interest Rate</u>	<u>Amount</u>	
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 6/20/18				
Amount Issued: \$15,065,000				
City Project # 911-182				
Matures:	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%	<u>1,675,000</u>	
				\$ 13,685,000
Type: Corporate Purpose				
Issued: 6/20/18				
Amount Issued: \$2,295,000				
City Project # 911-183				
Matures:	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%	<u>45,000</u>	
				\$ 1,750,000
Type: Corporate Purpose				
Issued: 6/20/19				
Amount Issued: \$10,560,000				
City Project # 911-184				
Matures:	2020	2.00%	965,000	
	2021	2.00%	985,000	
	2022	2.00%	1,005,000	
	2023	2.00%	1,025,000	
	2024	2.00%	1,045,000	
	2025	2.00%	1,065,000	
	2026	2.00%	1,085,000	
	2027	2.00%	1,105,000	
	2028	2.00%	1,130,000	
	2029	3.00%	<u>1,150,000</u>	
				\$ 10,560,000

CITY OF SIOUX CITY, IOWA
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2019

EXHIBIT E-4

		<u>Interest Rate</u>	<u>Amount</u>	
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 6/20/19				
Amount Issued: \$11,560,000				
City Project # 911-185				
Matures:				
	2020	2.65%	1,025,000	
	2021	2.65%	1,050,000	
	2022	2.65%	1,080,000	
	2023	2.65%	1,110,000	
	2024	2.65%	1,135,000	
	2025	2.65%	1,165,000	
	2026	2.65%	1,200,000	
	2027	2.70%	1,230,000	
	2028	2.80%	1,265,000	
	2029	3.00%	<u>1,300,000</u>	
				\$ 11,560,000
Type: Corporate Purpose				
Issued: 6/20/19				
Amount Issued: \$3,105,000				
City Project # 911-186				
Matures:				
	2020	2.00%	285,000	
	2021	2.00%	290,000	
	2022	2.00%	295,000	
	2023	2.00%	300,000	
	2024	2.00%	305,000	
	2025	2.00%	315,000	
	2026	2.00%	320,000	
	2027	2.00%	325,000	
	2028	2.00%	330,000	
	2029	3.00%	<u>340,000</u>	
				<u>\$ 3,105,000</u>
Total General Obligation Bonds				<u><u>\$ 149,010,000</u></u>

**CITY OF SIOUX CITY, IOWA
CONTINUING DISCLOSURE
FOR THE YEAR ENDED JUNE 30, 2019**

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

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
2019-20	56.9180	56.1324	90.00000	75.00000
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	---

Source: Iowa Department of Revenue

**CITY OF SIOUX CITY, IOWA
CONTINUING DISCLOSURE
FOR THE YEAR ENDED JUNE 30, 2019**

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, 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.

Property Valuations

<u>Valuation Year</u>	<u>Actual Valuation w/ Utilities</u>	<u>% Change in Actual Valuation</u>	<u>Taxable Valuation w/ Utilities</u>	<u>% Change in Taxable Valuation</u>
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%

Source: Iowa Department of Management

**CITY OF SIOUX CITY, IOWA
CONTINUING DISCLOSURE
FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT E-5

Property Valuations

Actual Valuation

Valuation as of January Fiscal Year	2018 2019-2020	% of Total	2017 2018-2019	% of Total	2016 2017-18	% of Total
Residential:	\$2,833,871,245	65.83%	\$2,824,148,675	66.39%	\$2,552,952,627	64.78%
Agricultural Land:	8,085,458	0.19%	8,072,488	0.19%	8,561,879	0.22%
Ag Buildings:	431,500	0.01%	364,800	0.01%	436,000	0.01%
Commercial:	838,339,216	19.48%	827,951,862	19.46%	865,331,418	21.96%
Industrial:	173,411,011	4.03%	163,378,873	3.84%	117,204,214	2.97%
Multi-Residential	186,204,671	4.33%	182,300,064	4.29%	132,240,727	3.36%
Personal RE:	---	0.00%	---	0.00%	---	0.00%
Railroads:	17,944,091	0.42%	15,929,864	0.37%	16,875,542	0.43%
Utilities:	21,372,597	0.50%	21,534,419	0.51%	20,683,690	0.52%
Other:	---	0.00%	---	0.00%	---	0.00%
Total Valuation:	4,079,659,789	94.79%	4,043,681,045	95.06%	3,714,286,097	94.25%
Less Military:	5,398,230	0.13%	5,663,416	0.13%	5,872,692	0.15%
Net Valuation:	4,074,261,559	94.66%	4,038,017,629	94.93%	3,708,413,405	94.10%
TIF Valuation:	375,879,428		382,622,073		328,911,978	
Utility Replacement:	230,372,893	5.35%	215,700,155	5.07%	232,558,728	5.90%
Total	<u>\$4,680,513,880</u>		<u>\$4,636,339,857</u>		<u>\$4,269,884,111</u>	

Taxable Valuation

Valuation as of Fiscal Year	2018 2019-2020	% of Total	2017 2018-2019	% of Total	2016 2017-18	% of Total
Residential:	\$1,612,981,778	57.35%	\$1,570,817,310	57.06%	\$1,453,628,119	55.81%
Agricultural Land:	4,537,984	0.16%	4,395,304	0.16%	4,066,832	0.16%
Ag Buildings:	242,212	0.01%	198,623	0.01%	207,088	0.01%
Commercial:	754,505,294	26.83%	745,156,678	27.07%	778,798,277	29.90%
Industrial:	156,069,910	5.55%	147,040,986	5.34%	105,483,792	4.05%
Multi-Residential	139,653,515	4.97%	143,561,438	5.21%	109,098,834	4.19%
Personal RE:	---	0.00%	---	0.00%	---	0.00%
Railroads:	16,149,682	0.57%	14,336,878	0.52%	15,187,989	0.58%
Utilities:	21,372,597	0.76%	21,534,419	0.78%	20,683,690	0.79%
Other:	---	0.00%	---	0.00%	---	0.00%
Total Valuation:	2,705,512,972	96.20%	2,647,041,636	96.15%	2,487,154,621	95.48%
Less Military:	5,398,230	0.19%	5,663,416	0.21%	5,872,692	0.23%
Net Valuation:	2,700,114,742	96.01%	2,641,378,220	95.94%	2,481,281,929	95.25%
TIF Valuation:	320,616,271		330,604,865		286,892,828	
Utility Replacement:	112,548,861	4.00%	111,785,049	4.06%	123,536,354	4.74%
Total	<u>\$3,133,279,874</u>		<u>\$3,083,768,134</u>		<u>\$2,891,711,111</u>	

Source: Iowa Department of Management

**CITY OF SIOUX CITY, IOWA
CONTINUING DISCLOSURE
FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT E-5

2015 2016-17	% of Total	2014 2015-16	% of Total
\$2,505,808,538	65.64%	\$2,350,073,798	67.51%
9,030,937	0.24%	8,518,900	0.24%
427,900	0.01%	675,800	0.02%
807,821,500	21.16%	870,044,524	24.99%
105,966,011	2.78%	33,162,730	0.95%
133,279,187	3.49%	---	0.00%
---	0.00%	---	0.00%
14,933,228	0.39%	13,083,009	0.38%
21,608,531	0.57%	21,976,095	0.63%
---	0.00%	---	0.00%
3,598,875,892	94.28%	3,297,534,856	94.73%
6,178,272	0.16%	6,442,182	0.19%
3,592,697,620	94.12%	3,291,092,674	94.54%
425,761,996		453,119,492	
224,788,328	5.89%	189,805,137	5.45%
<u>\$4,243,247,944</u>		<u>\$3,934,017,303</u>	

2015 2016-17	% of Total	2014 2015-16	% of Total
\$1,396,894,943	55.89%	\$1,309,778,322	57.48%
4,163,880	0.17%	3,808,129	0.17%
197,293	0.01%	302,098	0.01%
727,039,404	29.09%	783,040,072	34.36%
95,369,410	3.82%	29,846,457	1.31%
114,953,442	4.60%	---	0.00%
---	0.00%	---	0.00%
13,439,905	0.54%	11,774,708	0.52%
21,608,531	0.86%	21,976,095	0.96%
---	0.00%	---	0.00%
2,373,666,808	62.18%	2,160,525,881	62.07%
6,178,272	0.25%	6,442,182	0.28%
2,367,488,536	61.93%	2,154,083,699	61.79%
357,865,957		382,564,452	
132,086,187	5.28%	124,532,098	5.47%
<u>\$2,857,440,680</u>		<u>\$2,661,180,249</u>	

**CITY OF SIOUX CITY, IOWA
CONTINUING DISCLOSURE
FOR THE YEAR ENDED JUNE 30, 2019**

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>
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

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	0.00290	0.31049	0.12823	0.00000	7.26169	40.08667
2018	15.77081	15.39000	0.79732	0.00310	0.34549	0.13327	0.00000	7.40533	39.84532
2017	16.06708	15.48000	0.74787	0.00330	0.42001	0.13238	0.00000	7.45423	40.30487
2016	16.11034	15.77035	0.77318	0.00330	0.52092	0.13500	0.00000	7.51614	40.82923
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	0.00290	0.31049	0.12823	0.00000	7.26169	35.09238
2018	15.77081	12.31896	0.79732	0.00310	0.34549	0.13327	0.00000	7.40533	36.77428
2017	16.06708	13.55912	0.74787	0.00330	0.42001	0.13238	0.00000	7.45423	38.38399
2016	16.11034	14.17318	0.77318	0.00330	0.52092	0.13500	0.00000	7.51614	39.23206
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	0.00290	0.31049	0.12823	0.00000	7.26169	40.29570
2018	15.77081	15.59975	0.79732	0.00310	0.34549	0.13327	0.00000	7.40533	40.05507
2017	16.06708	15.57659	0.74787	0.00330	0.42001	0.13238	0.00000	7.45423	40.40146
2016	16.11034	15.15626	0.77318	0.00330	0.52092	0.13500	0.00000	7.51614	40.21514
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, 2019**

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
2019	\$ 45,506,233	\$ 44,621,489	98.06%	\$ 44,621,489	98.06%
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%

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 mills levies of the other taxing entities which overlap the properties.

<u>Taxpayer</u>	2018 Taxable Valuation	Percent of Total
MidAmerican Energy	\$ 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	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	\$ 14,546,160	0.46%
Total of Top 10 Taxpayers:		11.34%

Source: Woodbury County Auditor

**CITY OF SIOUX CITY, IOWA
CONTINUING DISCLOSURE
FOR THE YEAR ENDED JUNE 30, 2019**

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 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.

Industrial Real Estate Partial Tax Exemption

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.

**CITY OF SIOUX CITY, IOWA
CONTINUING DISCLOSURE**

EXHIBIT E-5

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 2% to 5% on the Bonds, presented in aggregate:

<u>Dated Date</u>	<u>Original Amount</u>	<u>Final Maturity</u>	<u>2020 Interest Rate</u>	<u>Final Interest Rate</u>	<u>Princial Outstanding 6/30/2019</u>
3/1/2010	\$ 2,080,000	2020	4.350%	4.350%	\$ 205,000
5/1/2011	23,425,000	2021	4.000%	4.000%	4,870,000
6/20/2012	9,635,000	2022	2.250%	2.350%	2,880,000
6/20/2012	4,840,000	2022	1.900%	2.400%	1,445,000
6/28/2013	8,820,000	2023	4.000%	5.000%	3,520,000
6/28/2013	4,480,000	2023	2.200%	2.800%	1,780,000
6/28/2013	22,215,000	2033	2.200%	4.250%	16,370,000
6/24/2014	6,655,000	2024	3.000%	5.000%	3,350,000
6/24/2014	1,550,000	2024	2.150%	3.200%	775,000
6/29/2015	5,080,000	2025	3.000%	3.050%	3,230,000
6/29/2015	23,030,000	2025	3.000%	3.000%	14,505,000
6/22/2016	23,515,000	2026	2.000%	2.000%	14,425,000
6/22/2016	8,720,000	2026	2.000%	2.400%	4,810,000
6/22/2016	4,235,000	2021	3.000%	3.000%	1,610,000
6/22/2017	14,300,000	2027	2.000%	2.375%	11,000,000
6/22/2017	7,000,000	2027	2.250%	2.850%	5,570,000
6/20/2018	20,615,000	2028	3.000%	3.000%	18,005,000
6/20/2018	15,065,000	2028	2.750%	3.450%	13,685,000
6/20/2018	2,295,000	2028	2.000%	2.750%	1,750,000
6/20/2019	10,560,000	2029	2.000%	3.000%	10,560,000
6/20/2019	11,560,000	2029	2.650%	3.000%	11,560,000
6/20/2019	3,105,000	2029	2.000%	3.000%	3,105,000
Totals	\$ 232,780,000				\$ 149,010,000

Source: City of Sioux City

**CITY OF SIOUX CITY, IOWA
CONTINUING DISCLOSURE
FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT E-5

Presented below is the outstanding principal and interest of the Issuer's General Obligation Debt for the years indicated:

Fiscal Year	Total Principal	Total Interest	Total P & I
2020	\$ 22,665,000	\$ 4,162,242	\$ 26,827,242
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	543,957	7,928,957
2029	3,960,000	322,753	4,282,753
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
Totals	\$ 149,010,000	\$ 19,842,840	\$ 168,852,840

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 \$6,139,747 for a net book value at June 30, 2019, of \$1,535,253.

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 6/30/19</u>
Sewer Capital Loan Notes	\$ 8,000,000	6/1/23	1.75%	\$ 1,999,000
Sewer Capital Loan Notes	31,000,000	6/1/27	1.75%	14,628,000
Sewer Capital Loan Notes	15,000,000	6/1/29	1.75%	8,601,000
Sewer Capital Loan Notes	38,600,000	6/1/31	1.75%	25,106,000
Sewer Capital Loan Notes	3,204,000	6/1/33	0.75%	1,064,000
Sewer Capital Loan Notes	4,513,000	6/1/34	0.75%	3,111,000
Sewer Capital Loan Notes	7,574,000	6/1/34	0.75%	4,884,000
Sewer Capital Loan Notes	33,000,000	6/1/39	1.75%	19,148,476
Water Capital Loan Notes	13,736,000	6/1/23	1.75%	3,432,000
Water Capital Loan Notes	11,264,000	6/1/24	1.75%	3,468,000
Water Capital Loan Notes	6,000,000	6/1/25	1.75%	2,363,000
Water Capital Loan Notes	10,807,000	6/1/31	3.00%	7,289,000
Water Capital Loan Notes	9,193,000	6/1/31	3.00%	6,201,000
Water Capital Loan Notes	30,618,000	6/1/32	3.00%	22,028,000
Water Capital Loan Notes	2,100,000	6/1/34	1.75%	1,421,000
Water Capital Loan Notes	5,700,000	6/1/39	1.75%	2,830,678
Total				\$ 127,574,154

**CITY OF SIOUX CITY, IOWA
CONTINUING DISCLOSURE
FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT E-5

Total principal and interest abated in the five most recent fiscal years was as follows:

Historical Debt Statistics

	<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>
Total G.O. Debt Service	\$ 24,350,841	\$	23,177,648	\$	24,487,463	\$	27,817,490	\$	22,146,564
Less: Abatements	14,445,061		17,637,190		15,383,195		15,834,557		13,648,630
Net G.O. Debt Service	<u>\$ 9,905,780</u>	\$	<u>5,540,458</u>	\$	<u>9,104,268</u>	\$	<u>11,982,933</u>	\$	<u>8,497,934</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:

1/1/2017 Actual Valuation:	\$4,636,339,857
X	0.05
<hr/>	
Statutory Debt Limit:	231,816,993
Total General Obligation Debt:	149,010,000
Total Urban Renewal Rebate Obligations:	89,555
Total Debt Subject to Limit:	149,099,555
Percentage of Debt Limit Obligated:	64.30%

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>2018 Taxable Valuation</u>	<u>Taxable Value Within Issuer</u>	<u>Percentage Applicable</u>	<u>Amount Applicable</u>
Hinton CSD	\$ 6,711,344	\$ 233,660,841	\$ 479,080	0.21%	\$ 14,094
Lawton Bronson CSD	3,970,000	234,405,986	10,181,318	4.34%	172,298
Sergeant Bluff-Luton CSD	---	897,781,806	62,975,199	7.01%	---
Sioux City CSD	---	2,869,845,776	2,578,451,368	89.85%	---
Plymouth County	3,670,185	1,885,739,832	479,080	0.03%	1,101
Woodbury County	7,152,887	4,840,158,107	3,132,800,794	64.73%	4,630,064
Western Iowa Tech Community	16,000,000	9,831,630,106	3,133,279,874	31.87%	5,099,200
Northwest Area Education Agency	---	15,140,426,857	3,133,279,874	20.69%	---
			Total		\$ 9,916,757

Source: Iowa Department of Management, Iowa State Treasurer

**CITY OF SIOUX CITY, IOWA
CONTINUING DISCLOSURE
FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT E-5

FINANCIAL SUMMARY

Actual Value of Property, 2018:	\$ 4,680,513,880
Taxable Value of Property, 2018:	3,133,279,874
Direct General Obligation Debt:	\$ 149,010,000
Less Self-Supported General Obligation debt:	<u>(102,733,571)</u>
Net General Obligation Debt	\$ 46,276,429
Overlapping Debt:	9,916,757
Net Direct & Overlapping General Obligation Debt	\$ 56,193,186
Population, 2010 US Census Bureau:	83,035
Direct Debt per Capita:	\$ 1,794.54
Total Debt per Capita:	\$ 676.74
Net Direct Debt to Taxable Valuation:	1.48%
Total Debt to Taxable Valuation:	1.79%
Net Direct Debt to Actual Valuation:	0.99%
Total Debt to Actual Valuation:	1.20%
Actual Valuation per Capita:	\$ 56,368
Taxable Valuation per Capita:	\$ 37,734

Source: Iowa Department of Management

**CITY OF SIOUX CITY, IOWA
CONTINUING DISCLOSURE
FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT E-5

FINANCIAL INFORMATION

The following sets forth statements of revenue and expenditures for the General Fund for fiscal years ended June 30, 2016 through 2019.

**Statement of Revenues and Expenditures
and Changes in Fund Balance for the General Fund
(Years Ended June 30)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues				
Taxes	\$ 35,323,782	\$ 33,393,589	\$ 31,437,026	\$ 29,943,562
Special Assessments	62,532	86,326	---	74,319
Regulatory Fees	4,588,238	3,142,880	2,781,908	4,167,323
Intergovernmental Revenue	1,944,015	2,645,712	2,029,175	2,254,970
Revenue from Use of Property	505,044	614,823	584,084	668,233
Charges for Services	7,414,134	5,915,296	5,087,521	5,206,995
Interest	2,027,197	408,156	144,161	523,777
Contributions	468,702	414,301	528,780	264,262
Miscellaneous	396,256	792,148	346,901	293,527
Total Revenues	52,729,900	47,413,231	42,939,556	43,396,968
Expenditures				
Public Safety	42,575,237	39,998,058	37,287,620	35,509,928
Public Works	1,689,189	1,534,741	1,569,115	1,244,165
Culture and Recreation	10,430,862	9,711,000	9,304,814	8,927,216
Community and Economic Development	1,034,550	1,044,238	954,951	839,489
General Government	3,581,359	3,711,552	3,449,818	3,131,279
Total Expenditures	59,311,197	55,999,589	52,566,318	49,652,077
Excess (Deficiency) of Revenues over Expenditures	(6,581,297)	(8,586,358)	(9,626,762)	(6,255,109)
Other Financing Sources (Uses)				
Operating Transfers In	15,216,343	17,030,497	14,898,884	14,220,911
Operating Transfers Out	(8,253,859)	(8,113,429)	(5,064,025)	(7,630,070)
Total Other Financing Sources (Uses)	6,962,484	8,917,068	9,834,859	6,590,841
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	381,187	330,710	208,097	335,732
Fund Balance - Beginning of Year	10,112,518	9,781,808	9,573,711	9,237,979
Fund Balance - End of Year	\$ 10,493,705	\$ 10,112,518	\$ 9,781,808	\$ 9,573,711

**CITY OF SIOUX CITY, IOWA
CONTINUING DISCLOSURE
FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT E-5

Public Funds Investments

As of June 30, 2019, the City held investments in the following amounts:

	<u>Amount</u>
Local Bank Deposits	\$ 25,338,304
IPAIT	24,583,505
Money Market Deposits	5,598,266
Certificates of Deposit	8,196,149
Repurchase Agreements	6,000,000
Commercial Paper	1,972,398
Federal Agency Coupon Securities	44,701,305
U.S. Treasury Strips	12,074,141
Total	<u>\$128,464,068</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 2018/19 and 2019/20 General Fund budgets as adopted by the City Council.

General Fund Budget⁽¹⁾

	<u>2019/2020</u>	<u>2018/2019</u>
Revenues		
Taxes	\$ 36,199,700	\$ 34,801,170
Regulatory Fees	1,931,030	1,734,365
Charges for Services	8,179,332	6,344,832
Intergovernmental Revenue	2,110,333	2,229,441
Revenue from Use of Property	1,624,757	1,258,471
Miscellaneous	857,789	2,715,240
Assessments	164,587	178,187
Other Financial Sources	20,727,373	20,726,850
Total Revenues	<u>\$ 71,794,901</u>	<u>\$ 69,988,556</u>
Expenditures		
City Council	\$ 429,764	\$ 266,451
City Manager	611,941	639,975
Legal	364,288	345,287
Finance	1,508,451	1,515,478
Administrative Services	3,307,496	3,589,387
Economic Development	36,082	-
Human Resources	424,811	278,597
Police	21,430,358	21,107,489
Fire	18,519,890	18,384,103
Parks and Recreation	5,504,263	5,322,226
Public Works	2,104,930	2,030,581
Community Development	2,662,517	2,619,059
Human Rights	276,400	273,238
Art Center	1,330,409	1,349,843
Library	3,077,101	3,085,317
Museum	1,054,406	967,898
WCICC-IT	1,250,699	1,228,729
Symphony	48,365	48,365
Other	802,398	601,403
Transfers Out	6,941,797	6,224,150
Expenditures	<u>\$ 71,686,366</u>	<u>\$ 69,877,576</u>

¹Cash basis.

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, 2019

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures	Pass-Through to Subrecipients
FEDERAL AWARDS						
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT						
Community Development Block Grant Entitlement	14.218	B-16-MC-19-0006	\$ 1,510,298	\$ 668,406	\$ 503,101	\$ 17,248
	14.218	B-17-MC-19-0006	1,498,813	911,234	936,367	9,777
	14.218	B-18-MC-19-0006	1,660,166	989,353	1,019,122	---
		<i>Program 14.218 Subtotal</i>		2,568,993	2,458,590	27,025
Emergency Solutions Grant Program	14.231	E-17-MC-19-0002	279,715	164,540	135,197	122,600
Passed through Iowa Finance Authority						
Emergency Solutions Grant Program	14.231	ESG-97007-19	38,250	8,354	18,859	---
		<i>Program 14.231 Subtotal</i>		172,894	154,056	122,600
Home Investment Partnerships Program	14.239	M-16-DC-19-0207	360,140	9,707	---	---
	14.239	M-17-DC-19-0207	338,142	198,215	82,885	5,445
	14.239	M-18-DC-19-0207	472,000	54,716	91,997	1,350
		<i>Program 14.239 Subtotal</i>		262,638	174,882	6,795
Fair Housing Assistance Program	14.401	FF207K157018	59,600	---	34,509	---
	14.401	FF207K167018	63,200	---	28,862	---
		<i>Program 14.401 Subtotal</i>		---	63,371	---
Section 8 Voucher Program	14.871	IA018VO0205	5,176,807	5,176,807	5,176,807	---
Section 8 Voucher Program-FSS	14.871	IA018FSH18IA2559	138,759	138,759	138,759	---
		<i>Housing Voucher Cluster Subtotal</i>		5,315,566	5,315,566	---
Lead-Based Paint Hazard Control	14.900	IALHB0600-15	2,662,175	739,424	656,179	---
	14.900	IALHB0664-18	4,100,000	---	56,343	---
		<i>Program 14.900 Subtotal</i>		739,424	712,522	---
U.S. DEPARTMENT OF JUSTICE						
Bulletproof Vest Partnership Program	16.607	2016BUBX16083707	2,958	2,105	5	---
Bulletproof Vest Partnership Program	16.607	2017BUBX17090744	2,995	2,995	280	---
	16.607	2018BUBX18095273	6,000	3,847	5,022	---
		<i>Program 16.607 Subtotal</i>		8,947	5,307	---
Methamphetamine Drug Hot Spots Grant	16.710	17-CAMP-10	12,861	11,711	12,861	---
		<i>Program 17.710 Subtotal</i>		11,711	12,861	---
Passed through Governor's Office of Drug Control Policy						
Byrne-Justice Assistance Grant (JAG) Program	16.738	16-JAG-249045	98,056	98,056	98,056	---
Passed through Woodbury County						
Byrne-Justice Assistance Grant (JAG) Program	16.738	2017-DJ-BX-0995	20,157	20,157	20,157	---
		<i>Program 16.738 Subtotal</i>		118,213	118,213	---
U.S. DEPARTMENT OF TRANSPORTATION						
Federal Aviation Administration						
Airport Improvement Project	20.106	AIP3190085049-2015	2,660,841	---	483,034	---
	20.106	AIP3190085050-2016	1,927,872	---	14,195	---
	20.106	AIP3190085051-2017	1,519,499	---	151,136	---
	20.106	AIP3190085053-2018	12,737,500	796,991	810,271	---
	20.106	AIP3190085054-2018	149,396	---	149,396	---
	20.106	AIP3190085055-2018	\$ 7,640,781	---	1,031,904	---
		<i>Program 20.106 Subtotal</i>		\$ 796,991	\$ 2,639,936	\$ ---

CITY OF SIOUX CITY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2019

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures	Pass-Through to Subrecipients
U.S. DEPARTMENT OF TRANSPORTATION						
Passed through Iowa Department of Transportation						
Highway Planning and Construction	20.205	BHM7057(692)8K97	\$ 1,000,000	\$ ---	\$ 148,733	\$ ---
	20.205	BROS7057(680)8J97	1,000,000	45,000	---	---
	20.205	BROS7057(697)8J97	970,000	21,589	32,789	---
	20.205	EDP7057(688)7Y97	688,952	115,939	---	---
Transportation Enhancement Program	20.205	STPESE7057(693)8I97	310,433	8,544	4,352	---
Surface Transportation Program	20.205	STPU7057(683)7O97	210,000	18,885	---	---
	20.205	STPU7057(698)7O97	1,760,000	837,876	1,077,174	---
	20.205	STPU7057(701)7O97	1,325,000	28,956	316,057	---
	20.205	STPU7057(702)7O97	2,229,000	147,835	142,468	---
Transportation Alternatives Program	20.205	TAPU7057(686)8I97	1,274,945	55,809	33,376	---
Congestion Mitigation and Air Quality Improvement	20.205	IA-95-X018-705-FY17	48,063	29,024	29,024	---
	Highway Planning and Construction Cluster Subtotal			1,309,457	1,783,973	---
Transit JPA Transportation for Elderly/Disabled	20.513	19742 2016-026-01-705-18	7,348	1,545	188	---
	20.513	18782 2016-026-705-17	62,900	62,900	62,900	---
	20.513	19781 2016-026-01-705-17	62,900	62,900	62,900	---
	20.513	20675 2016-026-02-705-19	3,011	3,011	3,011	---
	Transit Services Programs Cluster Subtotal			130,356	128,999	---
FEDERAL TRANSIT ADMINISTRATION						
Federal Transit Capital Assistance	20.500	18573 2016-027-705-16	76,516	76,516	76,516	---
	20.507	IA-2016-028	1,753,120	263,251	263,251	---
	20.507	IA-2017-020	1,764,960	112,650	104,398	---
	20.507	IA-2018-022	1,573,836	1,573,836	---	---
	20.507	IA-2019-000	1,656,787	---	1,656,787	---
Bus and Bus Facilities Project	20.526	2016-027-01-705-17	447,200	60,399	60,399	---
	20.526	18573 2016-019-705-16	284,720	284,720	284,720	---
	20.526	18572 2016-019-705-16	373,150	365,960	365,960	---
	20.526	19622 IA34-002	33,083	33,083	33,083	---
	Federal Transit Cluster Subtotal			2,770,415	2,845,114	---
Passed through Iowa Department of Transportation						
Congestion Mitigation and Air Quality Improvement	20.509	18519 2016-027-705-16	351,920	344,437	344,437	---
DEPARTMENT OF PUBLIC SAFETY						
Passed through Governor's Traffic Safety Bureau						
State & Community Highway Safety Grant	20.600	PAP18-405d, M0ALTask 33	39,725	25,211	7,292	---
	20.600	PAP19-405d, M0PTTask 22	66,000	18,540	25,568	---
	Highway Safety Cluster Subtotal			43,751	32,860	---
OFFICE OF NATIONAL DRUG CONTROL POLICY						
High Intensity Drug Trafficking Area/HIDTA	95.001	G17MW0002A	158,086	7,145	871	---
	95.001	G18MW0002A	184,311	145,399	100,021	---
	95.001	G19MW0002A	173,895	---	72,325	---
	Program 95.001 Subtotal			152,544	173,217	---
U.S. DEPARTMENT OF HOMELAND SECURITY						
Urban Search & Rescue Task Force	97.067	2015-SS-00014-S01	181,761	24,711	10,893	---
	97.067	2016-SS-00017-S01	130,624	61,948	4,030	---
	97.067	2017-SS-00014-S01	165,500	113,709	119,869	---
	97.067	2017-SS-00014-S01	170,500	---	18,349	---
	Program 97.067 Subtotal			200,368	153,141	---
TOTAL FEDERAL FINANCIAL ASSISTANCE				\$ 14,946,705	\$ 17,117,045	\$ 156,420

**CITY OF SIOUX CITY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2019**

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures	Pass-Through to Subrecipients
STATE AWARDS						
IOWA ECONOMIC DEVELOPMENT AUTHORITY						
Regional Sports Authority District Grant		<i>18-RSAD-08</i>	\$ 50,000	\$ 12,500	\$ ---	\$ ---
		<i>19-RSAD-08</i>	50,000	37,500	49,000	---
Economic Regions Development Initiatives Grant		<i>17-RMG-01</i>	21,400	10,700	11,938	---
IOWA DEPARTMENT OF TRANSPORTATION						
Recreational Trails Program		<i>RT-7057(699)-9H-97</i>	650,000	13,952	8,344	---
Public Transit Infrastructure Grant		<i>STA-IG-705-FY19</i>	195,064	---	8,856	---
STA Joint Participation Agreement		<i>STA-FORM-705-FY19</i>	349,849	349,849	349,849	---
Air Service Development Program		<i>19855 9I180SUX135</i>	28,000	23,379	12,730	---
		<i>20789 9I190SUX135</i>	48,000	---	23,946	---
Airport Improvement Program		<i>17466 9I160SUX100</i>	152,950	43,358	34,547	---
		<i>18566 9I170SUX100</i>	200,000	70,705	23,432	---
Commercial Air Service Vertical Infrastructure		<i>18514 9I170SUX200</i>	104,244	3,403	2,533	---
		<i>19557 9I180SUX200</i>	61,397	6,524	49,451	---
Revitalize Iowa's Sound Economy Program		<i>RM7057(673)9D97</i>	4,791,519	1,013	---	---
		<i>RM7057(695)9D97</i>	9,134,471	3,777,989	3,957,482	---
Railroad Revolving Loan/Grant Program		<i>RRLGST13(03)9T84</i>	99,915	99,915	26,903	---
STATE LIBRARY OF IOWA						
Enrich Iowa		<i>FY2019 Direct Aid</i>	\$ 18,752	18,752	18,752	---
TOTAL STATE FINANCIAL ASSISTANCE				4,469,539	4,577,763	---
TOTAL FEDERAL & STATE FINANCIAL ASSISTANCE				<u>\$ 19,416,244</u>	<u>\$ 21,694,808</u>	<u>\$ 156,420</u>

CITY OF SIOUX CITY, IOWA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2019

(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, 2019. 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, 2019, are:

	<u>Balance</u>
CDBG loans	\$174,787
CDBG deferred loans	218,267

(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 \$156,420 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	Community Action Agency	\$ 13,648
B-16-MC-19-0006	Midtown Family Center-Food Bank	<u>3,600</u>
	Total	\$ 17,248
	<u>Subrecipients</u>	<u>Amount</u>
B-17-MC-19-0006	Community Action Agency	\$ 9,714
	Midtown Family Center-Food Bank	<u>63</u>
	Total	\$ 9,777
14.231 Emergency Solutions Grant	Center for Siouxland	\$ 29,134
E-17-MC-0002	Community Action Agency	81,971
	Council on Sexual Assault	1,672
	Institute for Community	7,134
	Shesler Hall	<u>2,689</u>
	Total	\$ 122,600
	<u>Subrecipients</u>	
14.239 Home Investment Partnerships	South Sioux City Housing Agency	\$ 5,445
M-17-DC-19-0207		
	<u>Subrecipients</u>	
M-18-DC-19-0207	South Sioux City Housing Agency	\$ 1,350

(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.

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

SI^oUXTM
CITY



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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, 2019 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 11, 2019.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a material weakness.

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*.

The City of Sioux City's Responses to the Findings

The City of Sioux City's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The City of Sioux City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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. Should you have any questions concerning the above matters, we would be pleased to discuss them with you at your convenience.


Certified Public Accountants

November 11, 2019
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, 2019. 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, 2019.

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 11, 2019

CITY OF SIOUX CITY, IOWA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

I. Summary of Auditors' Results

- a. An unmodified opinion was issued on the financial statements.
- b. A material weakness in internal control over financial reporting was 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:

Section 8 Housing Choice Vouchers	CFDA #14.871
Airport Improvement Program	CFDA #20.106

- 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.

Material Weakness:

2019-001 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 statements.

Condition – A material adjustment of capital assets was required to correct the City's financial statements. Adjustments were subsequently made by the City to properly reflect these amounts in the financial statements.

CITY OF SIOUX CITY, IOWA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

II. Findings Related to the Financial Statements Reported in Accordance with Government Auditing Standards (Continued)

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 capital asset additions are properly identified and included in the City's financial statements.

Response – The City will develop procedures to ensure a secondary review is performed of capital asset transactions on a periodic basis throughout the year.

Conclusion – Response accepted.

There were no prior year audit findings.

III. Findings and Questioned Costs Relating to Federal Awards

Instances of Non-Compliance:

No matters were noted.

Significant Deficiency:

No matters were noted.

IV. Other Findings Related to Required Statutory Reporting

19-IV-A – Certified Budget – City expenditures during the year ended June 30, 2019 did not exceed the amounts budgeted.

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

19-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.

19-IV-D – Council Minutes – We noted no transactions requiring approval, which had not been approved by the City Council.

19-IV-E - Questionable Expenditures – We noted no questionable expenditures during our audit.

CITY OF SIOUX CITY, IOWA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

IV. Other Findings Related to Required Statutory Reporting (Continued)

- 19-IV-F - Revenue Bonds – No violations of revenue bond resolutions were noted.
- 19-IV-G - Business Transactions – No business transactions between the City and City officials or employees were noted.
- 19-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.
- 19-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.



Schedule of Findings and Questioned Costs
Corrective Action Plan
June 30, 2019

The City of Sioux City, Iowa, respectfully submits the following corrective action plan for the year ended June 30, 2019.

The audit was performed by Williams & Company, 4280 Sergeant Rd, Sioux City, Iowa 51106, for the fiscal year ended June 30, 2019.

The findings from the June 30, 2019 Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

Internal Control Deficiency:

2019-001 – 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 statements.

Condition – A material adjustment to capital assets was required to correct the City's financial statements. Adjustments were subsequently made by the City to properly reflect 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 capital asset additions are properly identified and included in the City's financial statements.

Response – The City will develop procedures to ensure a secondary review is performed of capital asset transactions on a periodic basis throughout the year.

Conclusion – Response accepted.

If involved agencies have any questions regarding this plan, please call Donna Forker at 712-279-6230.

Sincerely yours,

Donna Forker
Finance Director

FINANCE

OFFICE OF THE DIRECTOR

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