



# **CITY OF MARSHALLTOWN, IOWA**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**Year Ended June 30, 2023**

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**Prepared by:  
City Finance Department**

## Introductory Section

Letter of Transmittal .....	1
Certificate of Achievement for Excellence in Financial Reporting.....	6
City Organizational Chart.....	7
Officials .....	8

## Financial Section

Independent Auditor's Report.....	9
Management's Discussion and Analysis (MD&A) .....	13
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position .....	22
Statement of Activities.....	24
Governmental Fund Financial Statements	
Balance Sheet – Governmental Funds .....	26
Reconciliation of the Balance Sheet Governmental Funds to the Statement of Net Position .....	27
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) – Governmental Funds.....	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds to the Statement of Activities .....	30
Proprietary Fund Financial Statements	
Statement of Net Position – Proprietary Funds.....	31
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds.....	33
Statement of Cash Flows – Proprietary Funds.....	34
Statement of Fiduciary Net Position – Fiduciary Funds .....	36
Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	37
Notes to Financial Statements .....	38

## Required Supplementary Information

Schedule of Changes in the City's Total OPEB Liability, Related Ratios, and Notes .....	78
Budgetary Comparison Schedule of Receipts, Disbursements, and Changes in Balances – Budget and Actual (Cash Basis) – Governmental Funds and Enterprise Funds .....	79
Budgetary Comparison Schedule – Budget to GAAP Reconciliation .....	80
Notes to Required Supplementary Information – Budgetary Reporting .....	81
Schedule of City's Proportionate Share of Net Pension Liability – Iowa Public Employees' Retirement System – IPERS .....	82
Schedule of City Contributions – Iowa Public Employees' Retirement System – IPERS .....	83
Notes to Required Supplementary Information – Pension Liability – Iowa Public Employees' Retirement System – IPERS.....	84
Schedule of City's Proportionate Share of Net Pension Liability – Municipal Fire and Police Retirement System of Iowa – MFPSI.....	85
Schedule of City Contributions – Municipal Fire and Police Retirement System of Iowa – MFPSI .....	86

## Other Supplementary Information

Nonmajor Governmental Funds	
Combining Balance Sheet – Nonmajor Governmental Funds.....	88
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit) –	
Nonmajor Governmental Funds .....	90
Combining Financial Statements	
Combining Statement of Net Position – Nonmajor Enterprise Funds .....	92
Combining Statement of Revenues, Expenditures, and Changes in Fund Net Position – Nonmajor	
Enterprise Funds .....	94
Combining Statement of Cash Flows – Nonmajor Enterprise Funds .....	95
Combining Financial Statements	
Combining Statement of Net Position – Internal Service Funds.....	98
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service	
Funds.....	99
Combining Statement of Cash Flows – Internal Service Funds.....	100
Combining Financial Statements	
Combining Statement of Fiduciary Net Position – All Custodial Funds .....	102
Combining Statement of Changes in Fiduciary Net Position – All Custodial Funds.....	103
Long-Term Debt	
Schedule of Bond Maturities .....	104
Statistical Section (Unaudited)	
Statistical Section - Contents .....	111
Net Position by Component.....	112
Changes in Net Position .....	113
Program Revenues by Function/Program.....	116
Fund Balances – Governmental Funds.....	117
Changes in Fund Balances – Governmental Funds .....	118
Tax Revenues by Source – Governmental Funds.....	119
General Governmental Tax Revenues by Source.....	120
Assessed Value and Estimated Value of Taxable Property .....	121
Tax Rates – Direct and Overlapping Governments.....	122
Principal Property Taxpayers .....	123
Sales Tax.....	124
Property Tax Levies and Collections .....	125
Ratios of Outstanding Debt by Type .....	126
Ratios of General Bonded Debt Outstanding.....	127
Direct and Overlapping Governmental Activities Debt .....	128
Legal Debt Margin Information.....	129
Pledged – Revenue Coverage .....	130
Demographic and Economic Statistics .....	131
Principal Employers.....	132
Full-Time Equivalent City Government Employees by Function/Program .....	133
Operating Indicators by Function/Program .....	134
Capital Asset and Employment Statistics by Function/Program.....	135
Water Pollution Control – Historic Earnings .....	136
Water Pollution Control – Number of Customers by Type .....	137
Water Pollution Control – Present Net Position.....	138
Water Pollution Control – Major Users – Two Year Comparison .....	139

## Compliance Section

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	140
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.....	142
Schedule of Expenditures of Federal Awards .....	145
Notes to the Schedule of Expenditures of Federal Awards .....	148
Schedule of Findings and Questioned Costs .....	149

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Introductory Section  
June 30, 2023  
**City of Marshalltown**

# MARSHALLTOWN

— I O W A —

**Joel Greer, Mayor**  
**Diana Steiner, Finance Director**  
**24 North Center Street**  
**Marshalltown, IA 50158-4911**  
**Tel - (641) 754-5760**  
**Fax - (641) 754-5781**

June 27, 2024

To the Honorable Mayor, City Council Members  
And Citizens of the City of Marshalltown, Iowa:

The City of Marshalltown, Iowa, is required by various state and federal regulations to publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles or GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to these requirements, the Annual Comprehensive Financial Report (ACFR) of the City of Marshalltown, Iowa for the fiscal year ended June 30, 2023 as prepared by the Finance Department is hereby submitted in accordance with the provisions of Chapter 11.6 of the Code of Iowa.

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

The City's financial statements have been audited by Eide Bailly, L.L.P., a firm of licensed Certified Public Accountants, and they have issued an unmodified ("clean") opinion on the City's financial statements for the year ended June 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, Independent Auditor's Report on Compliance for Each Major Program and Report on Internal Control over Compliance Required by the Uniform Guidance and Schedule of Findings and Questioned Costs is included in the section entitled Compliance Section.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the City**

The City was incorporated July 27, 1863 under the laws of the State of Iowa, later amended on June 16, 1975 under the City Home Rule Act. Marshalltown is located in the central region of the state, with a land area of 19.28 square miles and a population of 27,591 as of the 2020 census. The City is empowered to levy a property tax on real property located within its boundaries, and has the power to extend its corporate limits by annexation.

The City operates under a mayor-council form of government. Setting policy and legislative authority are vested in the seven-member council. The City Council is responsible for passing ordinances, resolutions, adopting and amending the budget, appointing committees and hiring the City Administrator as provided by city ordinance. The Mayor and Council are elected for a four-year staggered term rotation, allowing continuity within the membership. Four of the council members are elected from within their respective districts. The mayor and the three remaining council members are elected at large. The City Administrator, hired by the City Council is responsible for carrying out the policies and ordinances of the council, overseeing the day-to-day operations of the government, and for hiring the City Clerk and department directors.

The City provides the following services as authorized by its charter: public safety, public works, culture, recreation, and community development. The City also provides additional services including sewage collection and disposal, a compost facility, a transit system, and municipal parking lots.

The City's financial statements include all funds, departments, boards and commissions, and other government entities that do not have separate legal status as required by accounting principles generally accepted in the United States of America.

In Marshalltown, the library is overseen by a board of directors and included in the operations of the general fund. The water distribution system, administered by an independent utility board of trustees, is included as a component unit of the City.

The annual budget serves as the foundation for the City of Marshalltown's financial planning, development and control. The City Administrator and Finance Director are responsible for developing a budget proposal to the City Council. The FY23 proposed budget was presented to the Council January through March of 2022. The Council was required to hold public hearings on the proposed budget and to adopt the final budget no later than March 31, 2022 for the fiscal year beginning the following July first. The appropriated budget is prepared by fund and function.

### **Local Economy**

The 2020 census showed Marshalltown's population increasing .14% from 27,552 to 27,591. Unemployment in the City was at 6.8% as of June 2023. This is higher than the Iowa rate of 3.1% as of June 2023.

The number of building permits stayed the same in fiscal year 2023 compared to 2022. 31 new residential construction building permits were issued, of which some were apartments, creating 143 housing units for a value of \$21,919,304. 66 residential remodeling, repairs, additions and accessory structure permits were issued for a value of \$2,304,574. Total building permit activity for commercial and industrial totaled 26 building permits with a valuation of \$12,353,846. Larger housing projects included 2 buildings with 36 apartments each and a senior living apartment building with 42 units. Larger commercial projects included Karl of Marshalltown auto dealership phase 2, a new pharmacy, a new mental health center, and a new credit union. The total building activity for the fiscal year included 125 permits with a valuation of \$35,540,340.

The Local Option Sales Tax (LOST) was approved by City residents via an election and became effective April 1, 2000. The voters passed a referendum August 1, 2017 to reallocate the LOST from 75% being designated for property tax relief, 20% for street projects and 5% allocated for any lawful purpose as authorized by the City Council to 78% for property tax relief and 22% for any lawful purpose authorized by City Council. This became effective November 1, 2017 and would sunset June 30, 2025. On March 5, 2024, a special election was held to renew the one cent local option sales tax with no sunset date. The allocation effective July 1, 2025 will be 75% for property tax relief and 25% any lawful purpose as authorized by City Council. For the fiscal year ending June 30, 2023, the City collected approximately \$4.03 million (accrual basis)

### **Major Initiatives**

Fiscal year 2023 was again a year of restoration and growth, with many projects continuing into fiscal year 2024.

All demolitions of City-owned buildings in downtown were completed in fiscal year 2023, with the grant-funded restoration work of shared walls also completed by the end of the fiscal year. This is setting up fiscal year 2024 to be a year where some significant work can take place, and the first time in five years when damage and destruction were not visible from everywhere in downtown. Developers are still being sought for the redevelopment. The first phase of the Downtown Implementation Plan started in late March 2023 with the reconstruction of six blocks of State Street, including new water, sewer and storm sewer as well as new streets and sidewalks. This project will not be complete until 2024 but is a major step forward in revitalizing downtown Marshalltown. The City was also awarded a contract for work under a \$500,000 Downtown Revitalization Grant, which will help restore multiple façades. Work started in fiscal year 2023, but will not be complete until 2024 or later.

Private investment in downtown also continues. The restorations of Hopkins and Willard Buildings continued, with the first-floor commercial space of the Hopkins Building opening for business in June 2023. The Chamber of Commerce is leasing this space. Work continues on the upper story housing and the first-floor commercial space in the Willard Building. The upper story units of Gildner's Building were still under construction at the end of the fiscal year, with work expected to be completed in 2024. Five Star Real Estate Group relocated to downtown and launched The Outlet, a one-of-a-kind co-working space in downtown. One other major downtown enhancement was the re-opening of the Marshall County Courthouse. This space was rededicated on the fifth anniversary of the tornado, with departments continuing to move in after that point.

Industrial development continued to be a priority in fiscal year 2023. The Edgewood Extension Project was not complete by the end of the fiscal year, but was open for use later in the calendar year. This project provides a truck diversion route from Highway 14/North 3<sup>rd</sup> Avenue to help direct trucks and other industrial traffic to those areas without going through a residential/commercial portion of Highway 14. The other aspect of this project is the creation of new industrially zoned lots on approximately 40 acres of land. The City also enrolled in the Iowa Economic Development Authority's Site Certification program for the certification of more than 90 acres of land to the east of the Edgewood Industrial Park. This process involves completing a number of studies and compiling information about the property to assist future developers in assurance that preliminary work has been done to understand the state of the property. Once certified, IEDA will market this land as a certified site, increasing the number of development prospects.

Multi-family and single-family housing continue to be a development focus for the City in fiscal year 2023. JBS, the City's largest employer partnered with a developer to begin the construction of two multi-family buildings available to rent by JBS employees. This construction was ongoing in fiscal year 2023 and involved a partnership with the City to extend South 7<sup>th</sup> Avenue where the possibility exists for future development of more than 80 acres of land. A third building is being constructed as part of a Community Development Block Grant related to disaster recovery from the 2020 derecho. Marshalltown saw awards for one other multi-family property as part of the CDBG-DR grant process. The Glenwood 7<sup>th</sup> Addition with more than 40 single lots saw the first homes constructed and sold with even more building permits being issued for future development.

The City also utilized past planning efforts to undertake a number of quality of life projects which enhance the community. The City Council and many other organizations formally adopted the Marshalltown Arts and Culture Master Plan, which was facilitated with the Marshall County Arts and Culture Alliance. Planning efforts led to the City being awarded \$2 million from the State of Iowa for a Destination Iowa Creative Placemaking grant. The grant projects will focus on the Linn Creek District and enhancing connectivity and provide gathering spaces at a trailhead for the Iowa River's Edge Trail and the creation of a Water Plaza to celebrate the community's diversity while providing an addition to the parks system.

Another major initiative that started in fiscal year 2023 was Marshalltown Waterworks undertaking an engineering and design process for increasing the capacity and redundancy of the community's treated water. The improvements involve the construction of new buildings for treatment and storage at the existing Sand Road site. These improvements will allow the community to consider industrial development that requires significant water use as well as ensure water is available for additional residential growth.

Looking ahead, many significant capital projects are planned for the coming years, while others are yet to be prioritized and funded. The City is focused on maintaining existing infrastructure while balancing quality of life needs and new infrastructure for development.

### **Long-Term Financial Planning**

Maintenance and rehabilitation of the City's infrastructure (such as streets, sewers and bridges) have been the major priority of the City during the last five years. The City annually adopts a five-year Capital Improvement Program that provides a framework for the development and maintenance of infrastructure to meet current and future needs. In conjunction with this program, the City of Marshalltown includes a five-year equipment replacement plan.

The City held a special election in fiscal year 2023 asking the voters to approve a franchise fee on gas and electric utilities to provide funding for street construction, facility maintenance and public safety. Unfortunately, this initiative failed, so the City will continue to rely upon general obligation bonds and/or Local Option Sales Tax to fund significant infrastructure improvements.

### **Awards and Acknowledgements**

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 annual comprehensive financial report for the years ending June 30, 1990, and consecutively 1993 through 2022. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. 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. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not be accomplished without the dedicated services of the entire Finance Department staff. We also want to acknowledge the assistance from many other department staff, agencies and organizations which are all vital to the culmination of this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Diana Steiner".

Diana Steiner  
Finance Director

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Government Finance Officers Association

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

Presented to

**City of Marshalltown  
Iowa**

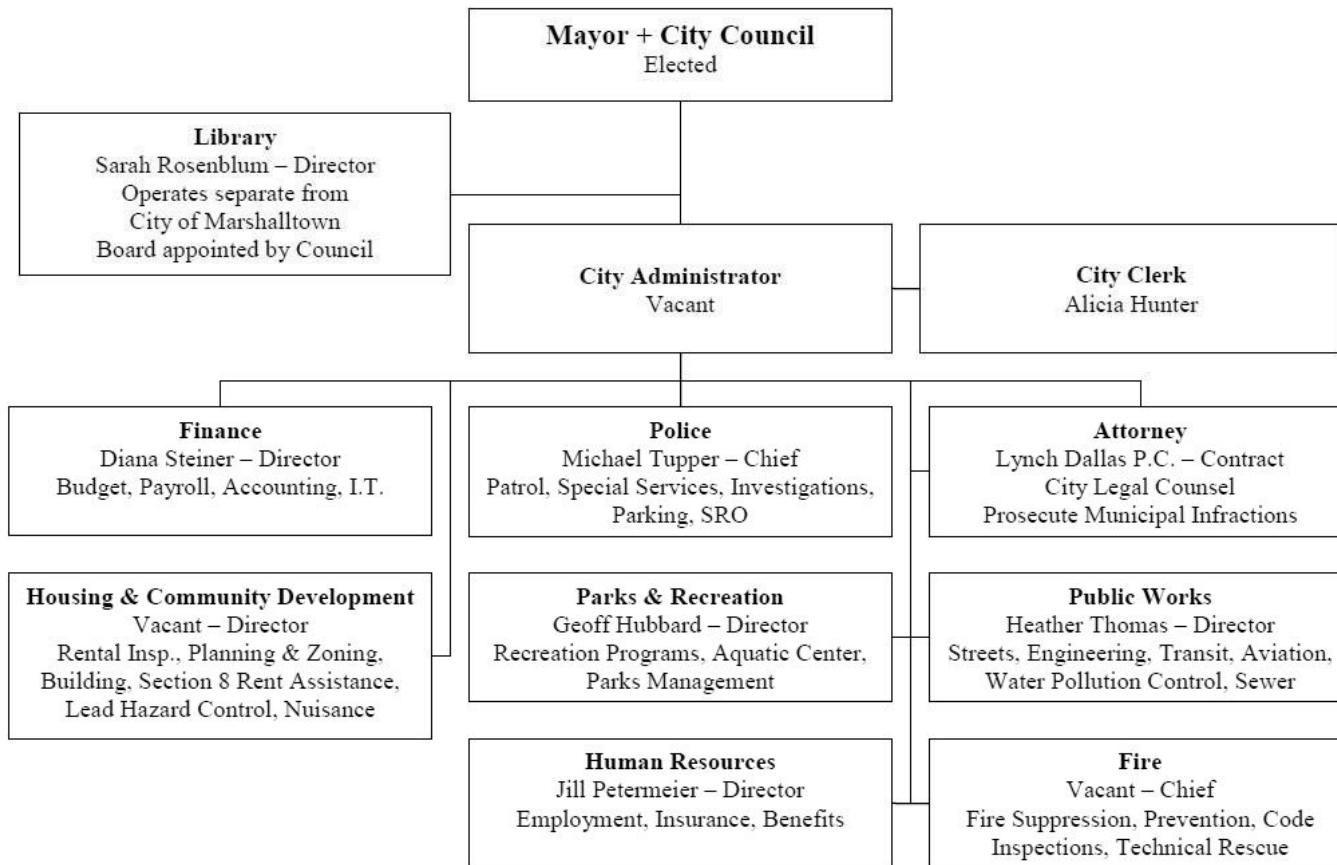
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Monill*

Executive Director/CEO

**MARSHALLTOWN**  
IOWA  
ORGANIZATIONAL CHART



**City of Marshalltown**

Officials

June 30, 2023

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Name	Title	Term Expires
<b>Elected officials:</b>		
Joel Greer	Mayor	December 31, 2025
Gary Thompson	Council Member At Large	December 31, 2027
Barry Kell	Council Member At Large	December 31, 2025
Jeff Schneider	Council Member At Large	December 31, 2025
Mike Ladehoff	Council Member First Ward	December 31, 2025
Mark Mitchell	Council Member Second Ward	December 31, 2027
Greg Nichols	Council Member Third Ward	December 31, 2025
Vacant	Council Member Fourth Ward	December 31, 2027
<b>Council-appointed officials:</b>		
Vacant	City Administrator	
<b>City Administrator appointment with Council Approval:</b>		
Alicia Hunter	City Clerk	Indefinite
Diana Steiner	Finance Director	Indefinite
Christopher Cross	Acting Fire Chief	Indefinite
Vacant	Housing & Community Dev. Director	Indefinite
Geoff Hubbard	Parks and Recreation Director	Indefinite
Michael Tupper	Police Chief	Indefinite
Heather Thomas	Public Works Director	Indefinite
Jill Petermeier	Human Resources Director	Indefinite

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Financial Statements  
June 30, 2023  
**City of Marshalltown**

## Independent Auditor's Report

To the Honorable Mayor and  
Members of the City Council  
City of Marshalltown, Iowa

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Marshalltown, Iowa (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Marshalltown Water Works, which represents the entire assets, net position, and revenues of the discretely presented component unit as of and for the year ended June 30, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Marshalltown Water Works is based solely on the report of the other auditors.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements, schedule of bond maturities, and the schedule of expenditures of federal awards required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, schedule of bond maturities, 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.

### ***Other Information***

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eddie Bailely LLP". The signature is cursive and fluid, with "Eddie" and "Bailely" connected, and "LLP" in a smaller, separate section.

Dubuque, Iowa  
June 27, 2024

The following is a narrative overview and analysis of the financial activities of the City of Marshalltown for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report and the City's financial statements, which begin on page 22. Additional historical information can be found in the Statistical Section of this report supporting some of the analysis presented in this discussion and the transmittal letter.

## Financial Highlights of Primary Government

- Government-wide, total assets plus deferred outflows of resources of the City of Marshalltown exceeded its total liabilities plus deferred inflows of resources at the close of the most recent fiscal year by \$125,852,230 (net position) as compared to \$114,755,957 in the prior year which is an increase of \$11,096,273. This increase is primarily due to the Edgewood Street and 7<sup>th</sup> Avenue extension project, airport terminal/hangar project, sanitary sewer headworks/CIPP project, and various infrastructure projects throughout the City.
- As of the close of the current fiscal year, the City of Marshalltown's governmental funds reported combined ending fund balances of \$40,746,815 an increase of \$5,823,644 in comparison with the prior year. This change was primarily from expenditures related to remaining bond proceeds for projects in process and the receipt of grant revenue related to prior year expenditures.
- \$5,152,216 in unassigned fund balance is available for spending at the City's discretion. Prior year unassigned fund balance was \$4,342,279. This is an increase of \$809,937.
- The City's total debt had a net increase of \$6.4 million during the current fiscal year. This change reflects the retirement of existing bonds of \$6.3 million and new issuances of \$12.7 million of GO Debt and Sewer notes. The new debt was for the streets and sidewalks, parks and trails, dangerous and dilapidated buildings, alleys and parking lots, and sanitary sewer projects.

## Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Marshalltown's basic financial statements. The City of Marshalltown's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Marshalltown's finances, in a manner more similar to a private-sector business.

The statement of net position presents information on all of the City of Marshalltown's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Marshalltown is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Marshalltown that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Marshalltown include public safety, public works (roads, utilities and traffic controls), health and social services, parks and recreation, library, economic development and general government. The business-type activities of the City of Marshalltown include compost, aquatic center concessions, storm sewer, water pollution control and transportation activities.

The government-wide financial statements include the City of Marshalltown itself (known as the primary government) and also a legally separate Water Works component unit for which the City of Marshalltown is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Marshalltown, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Marshalltown can be divided into three categories: governmental, proprietary and fiduciary.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of governmental funds is narrower than that of the government-wide financial statements, so it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the city's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Marshalltown maintains 15 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances. Major funds include General, Road Use Tax, Local Option Sales Tax, HUD Programs, Disaster, Debt Service, Property Tax, Public Works and Other Projects Funds. Data from the other seven non-major governmental funds are combined into a single, aggregated presentation in the governmental funds financial statements. Individual fund data on each of the non-major governmental funds is provided in the form of combining statements in the supplementary information section.

The City of Marshalltown adopts an annual appropriated budget for all funds as required by state statute. In Iowa, budgetary compliance is at the function level, transcending fund level accounting as demonstrated in this report. Budgetary comparison statements have been provided for the governmental and enterprise/proprietary fund levels. This comparison demonstrates the City's compliance with state requirements.

**Proprietary funds.** The City of Marshalltown maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Marshalltown uses enterprise funds to account for its Storm Sewer, Water Pollution Control, Compost, Transit and Concession activities. Internal service funds are an accounting vehicle used to accumulate and allocate costs internally among the City of Marshalltown's various functions. The City of Marshalltown uses internal service funds to account for its insurance operations. This service predominantly benefits governmental rather than business-type functions, so they have been included with governmental activities in the government-wide financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the supplementary information section.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Storm Sewer, Water Pollution Control and Non-major Enterprise funds, namely Compost, Transit and Concession activities.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not available to support the City of Marshalltown's own programs. The most significant fiduciary fund maintained by the City of Marshalltown is the 911 commission fund; which records the payroll activity of the 911 commission. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** The City's budgetary comparison schedule and other postemployment benefit plan information is presented as required supplementary information immediately following the notes to basic financial statements. The combining statements referred to earlier in connection with non-major governmental, non-major enterprise funds, internal service funds, and custodial funds are presented immediately following the required supplementary information (RSI).

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Marshalltown, assets exceeded liabilities by \$125,852,230 at the close of the most recent fiscal year.

City of Marshalltown Net Position  
June 30, 2023

	Governmental Activities		Business-Type Activities		Total	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Current and Other Assets						
Capital Assets	\$ 66,550,433	\$ 57,525,814	\$ 28,793,063	\$ 26,595,555	\$ 95,343,496	\$ 84,121,369
	79,034,176	74,082,384	66,778,460	64,013,985	145,812,636	138,096,369
Total Assets	145,584,609	131,608,198	95,571,523	90,609,540	241,156,132	222,217,738
Deferred Outflows of Resources						
	5,471,276	6,036,452	1,006,777	1,071,348	6,478,053	7,107,800
Current and Other Liabilities						
Noncurrent Liabilities	11,327,144	8,923,135	4,733,585	3,616,880	16,060,729	12,540,015
	64,877,373	52,161,895	18,276,100	18,072,691	83,153,473	70,234,586
Total Liabilities	76,204,517	61,085,030	23,009,685	21,689,571	99,214,202	82,774,601
Deferred Inflow of Resources						
	21,704,860	29,737,355	862,893	2,057,625	22,567,753	31,794,980
Net Position						
Net investment in capital assets	50,666,331	43,863,682	49,376,169	46,838,546	100,042,500	90,702,228
Restricted	16,717,131	18,841,821	139,016	139,024	16,856,147	18,980,845
Unrestricted	(14,236,954)	(15,883,238)	23,190,537	20,956,122	8,953,583	5,072,884
Total net position	\$ 53,146,508	\$ 46,822,265	\$ 72,705,722	\$ 67,933,692	\$ 125,852,230	\$ 114,755,957

**City of Marshalltown**  
Management's Discussion and Analysis (MD&A)

By far, the largest portion of the City of Marshalltown's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less depreciation and any related debt at \$100,042,500. The City of Marshalltown uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Marshalltown'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 resources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City of Marshalltown's governmental and business-type activities net position of \$16,856,147 represents resources that are subject to external restrictions. Prior year comparison shows \$18,980,845, a decrease of \$2,124,698.

The following is a more detailed review of the year's operation.

City of Marshalltown Changes in Net Position  
June 30, 2023

	Governmental Activities		Business-Type Activities		Total	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,994,504	\$ 1,582,242	\$ 10,138,207	\$ 9,821,744	\$ 12,132,711	\$ 11,403,986
Operating grants and contributions	9,144,930	12,656,539	844,729	1,533,280	9,989,659	14,189,819
Capital grants and contributions	3,455,224	1,295,459	417,045	666,252	3,872,269	1,961,711
General revenues						
Property and other taxes	18,511,423	19,014,579	-	-	18,511,423	19,014,579
Grants and contributions not restricted to specific programs	1,196,818	1,293,843	-	-	1,196,818	1,293,843
Other	1,725,649	1,051,701	859,477	232,822	2,585,126	1,284,523
Total revenues	36,028,548	36,894,363	12,259,458	12,254,098	48,288,006	49,148,461
<b>Expenses:</b>						
Public safety	\$11,630,414	10,499,453	-	-	11,630,414	10,499,453
Public works	6,505,283	6,496,345	-	-	6,505,283	6,496,345
Health and social services	1,073,163	606,476	-	-	1,073,163	606,476
Culture and recreation	3,844,255	3,321,913	-	-	3,844,255	3,321,913
Community and economic development	3,876,264	4,095,459	-	-	3,876,264	4,095,459
General government	1,776,228	1,370,834	-	-	1,776,228	1,370,834
Interest on long-term debt	984,801	637,438	-	-	984,801	637,438
Business type	-	-	7,501,325	8,365,837	7,501,325	8,365,837
Total expenses	29,690,408	27,027,918	7,501,325	8,365,837	37,191,733	35,393,755
Increase in net position before transfers	6,338,140	9,866,445	4,758,133	3,888,261	11,096,273	13,754,706
Transfers	(13,897)	153,883	13,897	(153,883)	-	-
Increase in Net Position	6,324,243	10,020,328	4,772,030	3,734,378	11,096,273	13,754,706
Net Position - Beginning of Year	46,822,265	36,801,937	67,933,692	64,199,314	114,755,957	101,001,251
Net Position - End of Year	\$ 53,146,508	\$ 46,822,265	\$ 72,705,722	\$ 67,933,692	\$ 125,852,230	\$ 114,755,957

**Governmental Activities.** Governmental revenues in the current year decreased by \$866,000. Within this difference charges for services increased by \$412,000, some of which were building permits, and operating/capital grants and contributions decreased by \$1.3 million primarily due to derecho related funds recorded in the prior year. Governmental expenses increased by \$2.7 million from the prior fiscal year due to increases in HUD grant expenditures and other grants.

**Business-type Activities.** Revenue received through charges for services stayed comparable to the prior year. Business-type expenses decreased by \$865,000 and are largely based on a decrease in services and supplies in the storm sewer utility due to Derecho Stream Channel Clearing in FY22.

#### **Financial Analysis of the Government's Funds**

As noted earlier, the City of Marshalltown uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The financial reporting focus of the City of Marshalltown's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the City of Marshalltown's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Marshalltown's governmental funds reported a combined ending fund balance of \$40,746,815, an increase of \$5,823,644 in comparison with the prior year. Of this total amount \$5,152,216 is unassigned fund balance, which is available to meet the future financial needs of the City. \$34,828,628 is restricted, \$250,000 is committed and \$515,971 is nonspendable.

The General fund is the chief operating fund of the City of Marshalltown. At the end of the current fiscal year this fund balance increased by \$382,952 to \$7,003,067, with an unassigned fund balance of \$6,257,989 and a committed balance of \$250,000. The remaining \$495,078 is nonspendable (land held for resale and prepaid items).

The Road Use Tax fund is apportioned to the City from the state gasoline taxes based upon population. This fund is used for street related purposes only. Major street resurfacing and reconstruction are scheduled each year in the spring after the impact of winter weather can be determined. At the end of the current fiscal year, the ending fund balance of \$8,051,898 is an increase of \$1,559,905 compared to the prior year.

The Housing and Urban Development (HUD) program for Section 8 housing assistance continued all year and the Lead Abatement grant was awarded in the spring of 2019, which was funded from the Lead-Based Paint Hazard Control grant. The City administers these grants in collaboration with many health and welfare agencies throughout the community. The City expended \$2,397,268 under these programs, which is an increase of \$526,263 in comparison with the prior year. This was primarily due to less Covid restrictions.

Collections for Local Option Sales Tax (L.O.S.T.) are allocated to property tax relief (78%) and any lawful purpose designated by the Council (22%). Property tax relief dollars in the amount of \$3,641,775 were transferred to the Debt Service Fund to lower the property tax levy. The Council used \$91,502 of their designated share to increase the Cash Flow Reserve Fund. Some of the other Council designated projects this fiscal year included a site certification study for 100 acres of industrial development, street and bike trail improvements, and the removal of trees and stumps in parks that were remaining from the Derecho storm. At fiscal year-end, the fund balance was \$6,379,309, which was a \$640,928 decrease from the prior fiscal year.

The Disaster Fund accounts for the activity after the City experienced a Derecho windstorm on August 10, 2020. Industry, businesses and residences throughout the community were affected. The City received a Federal Public Assistance Disaster Declaration, which allowed the City to request reimbursement of up to 100 percent (90 percent Federal and 10 percent State) for debris removal, emergency protective measures, and other repair projects throughout the City. Revenue and expenses were tracked in a disaster fund. In the current year approximately \$1.8 million was received by the City for community clean-up after the Derecho. The City anticipates it will receive an additional \$200,000 from the federal and state government related to the Derecho.

The Property Tax Fund is used to account for all special revenue property tax levies utilized by the City. These levies include the emergency levy, police and fire retirement, FICA and IPERS, and other employee benefits. The total fund balance in this fund increased by \$497,254 in FY23 due to expenditures being less than budgeted.

During fiscal year 2023, the second half of the American Rescue Plan Act funds were received in the amount of \$1,993,589. Only \$696,690 was recognized as intergovernmental revenue. Expenditures and transfers out included the MPACT contract with YSS to assist the Police Department with crisis situations dealing with mental health/social work issues, the Edgewood Street/Stormwater project, and revenue replacement.

The Debt Service Fund accounts for the City's debt service property tax levy and all related debt. This activity is related to the debt backed by the full faith and credit of the City. In the current fiscal year this fund paid \$4.8 million in principal and interest payments and saw a fund balance increase of \$53,410.

Changes in the Public Works and Other Projects capital project fund is due to the continuation of several street projects during the fiscal year and several park improvement projects. The City issued bonds for new projects in FY23 for \$10.2 million for the construction of streets, sidewalks, trail and park improvements, and the airport hanger and terminal.

Enterprise funds. The City of Marshalltown's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail.

The ending net position for the enterprise funds was \$72,705,722 a net position increase of \$4,772,030.

## **Budgetary Highlights**

### **General Fund**

The City of Marshalltown presents budgetary information as allowed by GASB Statement No. 41. Budgets are based on nine functional areas as required by state statute, not by fund or fund type. During the year ended June 30, 2023, revenues and transfers in for the general fund operations, on the GAAP basis, were less than revenue estimates by \$746,805 and departmental expenditures and transfers out on the GAAP basis were \$923,243 less than expenditure estimates.

During the fiscal year ended June 30, 2023, there was one budget amendment dated May 22, 2023. Actual expenditures on a cash basis were less than the budgeted amounts on a cash basis in each of the nine functional areas before the budget amendment and at the close of the fiscal year.

## Capital Asset and Debt Administration

**Capital assets.** The City of Marshalltown's investment in capital assets for its governmental and business type activities as of June 30, 2023 amounts to \$247,808,025. This investment in capital assets includes land, land improvements, buildings, machinery and equipment, park facilities, roads, highways and sewers. The total increase in the City of Marshalltown's investment in capital assets for the current fiscal year was \$13,622,678, of which \$8.5 million was from Construction in Progress which includes major work on State Street, Edgewood Road, and the Water Pollution headworks, digester, and CIPP projects.

City of Marshalltown's 2023 Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Land and Improvements	\$ 11,418,794	\$ 11,275,678	\$ 3,219,626	\$ 3,219,626	\$ 14,638,420	\$ 14,495,304
Buildings and Structures	40,783,451	37,937,251	12,505,059	12,505,059	53,288,510	50,442,310
Equipment and Vehicles	20,960,085	19,935,042	21,756,994	21,531,456	42,717,079	41,466,498
Infrastructure	51,132,479	50,544,977	67,939,121	67,676,742	119,071,600	118,221,719
Construction in Progress	9,581,636	5,825,408	8,510,780	3,734,108	18,092,416	9,559,516
<b>Total</b>	<b>\$ 133,876,445</b>	<b>\$ 125,518,356</b>	<b>\$ 113,931,580</b>	<b>\$ 108,666,991</b>	<b>\$ 247,808,025</b>	<b>\$ 234,185,347</b>

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

- Beginning of Water Pollution headworks, digester and CIPP construction by contractors (SRF will fund \$13.125 million less \$2 million forgiven when project completed).
- Various machinery and equipment purchases throughout the year including new vehicles for several departments, street paint machine, wheel loader, mowers, new playground equipment at Elks Park, a sewer cleaner and backhoe.
- Continuation and completing of various street and storm water projects.
- New airport hanger and terminal were constructed.

Additional information on the City' of Marshalltown's capital assets can be found in Note 5 on pages 52-53 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Marshalltown had total debt outstanding and unamortized premiums and discounts of \$67,151,733. Of this amount, \$54,185,868 comprises debt backed by the full faith and credit of the City and \$325,863 is a forgivable loan. The remainder of the City of Marshalltown's debt in the amount of \$12,640,002 represents bonds secured solely by revenues generated from the sanitary sewer rental fees.

The City's total debt had a net increase of \$6.4 million during the current fiscal year. This change reflects the retirement of existing bonds of \$6.3 million and new issuances of \$12.7 million of GO Debt and Sewer notes. The new debt was for the streets, parks, trail bridge and trailhead, dangerous and dilapidated buildings and sanitary sewer projects.

Moody's Investors Service assigned a bond rating in October 31, 2022. The City maintained their Aa2 bond rating.

State statute limits the amount of general obligation debt a governmental entity may issue to 5 percent of its total assessed valuation. The current debt limitation for the City of Marshalltown is \$90,962,921 significantly in excess of the City of Marshalltown's outstanding general obligation debt.

Additional information on the City' of Marshalltown's long-term debt can be found in Note 6 on pages 54-57 this report.

### **Economic Factors and Next Year's Budgets and Rates**

The local economy of the City remains strong and is creating more private public agreements to maintain that strength. The regular taxable property tax valuations as of January 1, 2022, which was applied to FY2024, were \$929,248,952 (excluding debt service), which was an increase over the prior year of \$3.3 million. The property tax rollback is decreasing from 54.65% in FY24 to 46.34% in FY25 and for commercial/industrial property, the first \$150,000 is taxed at the lower residential rollback rate, then at the 90% commercial rate. During 2023, State legislative action created a mechanism whereby cities that have property valuation growth over 3% from one year to the next will be forced to reduce their General Fund tax levy rate.

For the fiscal year ending June 30, 2023, the City issued 125 building permits totaling \$35.5 million in construction value. Ten building permits were issued for new large commercial and industrial projects. Three multi-family building permits were issued for two buildings with 36 units each and one building with 42 units. Twenty-eight new single-family permits were issued, which demonstrates the drive brought about by developers and buyers to take advantage of a \$10,000 new construction incentive offered by the Marshalltown Area Chamber of Commerce. The City has pledged to support 25 percent of this incentive in lieu of tax abatement. Sixty-six residential and 18 commercial property permits were issued for renovation/alternations.

Looking ahead, the multiple-family housing growth, originally platted as single family, was sold to a new developer. This will open the housing market to first time renters or those that wish to upgrade their housing needs. This building activity will be market rate units. The City will continue to use Community Development Block Grant funds for Disaster Recovery to help support housing for low-to-moderate income individuals and families in the community. These one-time funds are remaining from the 2020 derecho and are to be awarded for both owner-occupied and rental housing.

The city continues to pursue development of vacant spaces in the Downtown. The Brownfields grant and other incentives are being used to entice buyers to purchase vacant buildings in the Downtown as well. The City also continues to sell vacant lots in the community to those that may want to develop or combine to adjacent lots.

The City began the first phase of the Downtown Implementation Plan in 2023 which includes reconstruction of six-blocks of State Street. Construction is planned to be completed on this phase by the end of 2024. Planning has begun on the next phase which is three blocks of East Main Street and two blocks of Center Street with construction projected to begin in 2025.

In addition to the City's work in Downtown, significant renovations are underway by private developers (with some City funding assistance) at three historic buildings, which will result in 4-5 new first floor commercial spaces and 16 new upper-story housing units. Work is also underway with façade work on five storefronts thanks to a \$500,000 Downtown Revitalization Grant through the Iowa Economic Development Authority cost-share funds with completion anticipated by end of 2024. A new pharmacy building was recently constructed downtown and is open for business.

New commercial development is also occurring outside of downtown. A new medical clinic opened in 2023. A new VA medical clinic and a credit union are also under construction. A local car dealer is expanding their capital improvements.

The City is also focusing on industrial growth. The Edgewood Industrial Park construction is underway, with completion anticipated in 2024. Grants from IDOT and USEDA are covering more than 75% of the costs to construct a new bypass roadway from Hwy 14 to Marion Street and JBS USA pork processing plant. This will divert approximately 150-200 semi-trucks each day. This opened up around 40 acres of land owned by the City which is zoned for heavy industry. The City is also in the final stages of Step 3 for a General Industrial site certification of 95 acres of City-owned farmland with the IEDA.

The budget for the ensuing fiscal year 2024 considers many factors and estimates about the finances of the upcoming year. City-wide there was an increase in property tax valuations in FY24. Local Option Sales Tax collections of (\$4 million) and hotel/motel tax (\$600,000) are expected to remain the same. There was a special election in March 2024 and voters passed to renew the one cent local option sales tax and remove the sunset date of June 2025. Also the use will be changed from 78% to 75% property tax relief and 22% to 25% for any lawful purpose which become effective July 1, 2025. The road use taxes collected by the state are stable but the forecast is to maintain a conservative projection for these revenue sources.

The following items are also forefront in revenue and expenditure projections: (a) The City's contribution rate for the Municipal Fire and Police retirement system decreased in fiscal year 2023 to 23.9%, decreased in fiscal year 2024 to 22.98% and will decrease in fiscal year 2025 to 22.6%. The employer share of the rate fluctuates on an annual basis. (b) The Iowa Public Employees Retirement System remained steady for fiscal years 2021 through 2025. (c) Compliance with sanitary and storm water regulations will continue to be implemented over the next several years. Sewer rates have been increased to accommodate the costs with these mandates. A sanitary sewer rehabilitation project and headworks equipment replacement project for over \$13 million started in FY23 and will continue through FY25. (d) The cost of health care continues to rise. The City has experienced an increase in health-related claims and an increase in premium will occur in fiscal year 2024. Changes in claims are always a factor that the City continues to monitor. More preventive care options are encouraged to help avoid the high dollar claims. (e) Finding staff to hire has been challenging in this economy, especially police officers. (f) The city continues to see increases in utilities, supplies, contracted services, maintenance agreements, etc. due to inflation and supply shortages. (g) The City received \$3,987,179 from the American Rescue Plan Act and plans to continue to spend it on street/stormwater/utility projects, MPACT, and revenue replacement.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Marshalltown's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Finance Director, 24 N. Center Street, Marshalltown, IA 50158-4911.

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Basic Financial Statements  
June 30, 2023  
**City of Marshalltown**

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**City of Marshalltown**  
**Statement of Net Position**  
**June 30, 2023**

	Primary Government			Component Unit
			Total	Marshalltown
	Governmental Activities	Business-Type Activities		Water Works
<b>Assets</b>				
Cash and cash equivalents	\$ 44,082,975	\$ 25,862,531	\$ 69,945,506	\$ 5,319,866
Receivables				
Property taxes				
Delinquent	321,566	-	321,566	-
Succeeding year	14,958,196	-	14,958,196	-
Accounts and unbilled usage	475,258	1,606,787	2,082,045	1,171,255
Lease receivable	330,199	-	330,199	-
Notes receivable	-	320,000	320,000	-
Due from component unit	10,685	523,190	533,875	-
Due from other governments	5,853,383	109,576	5,962,959	-
Inventories	11,097	27,978	39,075	-
Prepaid items	507,074	203,692	710,766	77,740
Restricted assets				
Cash and cash equivalents	-	139,309	139,309	818,974
Capital assets				
Land	5,029,351	898,294	5,927,645	1,115,721
Land improvements	6,389,443	2,321,332	8,710,775	-
Buildings and structures	40,783,451	12,505,059	53,288,510	20,476,656
Equipment and vehicles	20,960,085	21,756,994	42,717,079	3,208,550
Sanitary sewers and lift stations	-	48,935,230	48,935,230	16,779,994
Infrastructure	51,132,479	19,003,891	70,136,370	-
Construction in progress	9,581,636	8,510,780	18,092,416	1,512,996
Accumulated depreciation	(54,842,269)	(47,153,120)	(101,995,389)	(18,597,365)
Total assets	145,584,609	95,571,523	241,156,132	31,884,387
Deferred Outflows of Resources				
OPEB related deferred outflows	2,920,614	728,411	3,649,025	-
Pension related deferred outflows	2,550,662	278,366	2,829,028	292,645
Total deferred outflows of resources	5,471,276	1,006,777	6,478,053	292,645

**City of Marshalltown**  
**Statement of Net Position**  
**June 30, 2023**

	Primary Government			Component Unit	
	Governmental Activities		Business-Type Activities	Total	Marshalltown
					Water Works
<b>Liabilities</b>					
Accounts payable	\$ 2,021,768	\$ 1,150,364	\$ 3,172,132	\$ 125,352	
Accrued payroll and benefits	492,442	105,724	598,166	113,516	
Retainage payable	448,982	340,124	789,106	-	
Deposits payable	196,322	-	196,322	-	
Due to other governments	25,049	34,136	59,185	-	
Accrued interest payable	135,285	25,815	161,100	8,213	
Grant proceeds received in advance	3,093,763	-	3,093,763	-	
Due to primary government	-	-	-	533,875	
Liabilities payable from restricted assets					
Customer deposits	-	-	-	282,463	
<b>Noncurrent liabilities</b>					
Due within one year					
Bonds and notes payable	4,550,000	3,013,000	7,563,000	340,000	
Compensated absences payable	363,533	64,422	427,955	181,552	
Due in more than one year					
Bonds and notes payable	44,401,833	15,186,900	59,588,733	4,656,000	
Compensated absences payable	778,994	239,196	1,018,190	-	
Total OPEB liability	9,672,812	1,898,949	11,571,761	-	
Net pension liability	10,023,734	951,055	10,974,789	1,702,485	
<b>Total liabilities</b>	<b>76,204,517</b>	<b>23,009,685</b>	<b>99,214,202</b>	<b>7,943,456</b>	
<b>Deferred Inflows of Resources</b>					
Succeeding year property taxes	14,958,196	-	14,958,196	-	
Pension related deferred inflows	1,039,275	182,050	1,221,325	55,385	
Lease deferred inflow	330,199	-	330,199	-	
OPEB related deferred inflows	5,377,190	680,843	6,058,033	-	
<b>Total deferred inflows of resources</b>	<b>21,704,860</b>	<b>862,893</b>	<b>22,567,753</b>	<b>55,385</b>	
<b>Net Position</b>					
Net investment in capital assets	50,666,331	49,376,169	100,042,500	19,500,552	
Restricted for					
Bond and interest payments	-	139,016	139,016	-	
Capital improvements	4,931,706	-	4,931,706	-	
Community development	276,154	-	276,154	-	
Debt service	234,604	-	234,604	-	
Employee benefits	4,535,840	-	4,535,840	-	
Other purposes	6,738,827	-	6,738,827	427,430	
Unrestricted	(14,236,954)	23,190,537	8,953,583	4,250,209	
<b>Total net position</b>	<b>\$ 53,146,508</b>	<b>\$ 72,705,722</b>	<b>\$ 125,852,230</b>	<b>\$ 24,178,191</b>	

**City of Marshalltown**  
**Statement of Activities**  
**Year Ended June 30, 2023**

Functions/Programs	Expenses							Net (Expense) Revenue and Changes in Net Position				Component Unit Marshalltown Water Works					
		Program Revenues			Capital Grants and Contributions		Primary Government										
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total										
<b>Primary Government</b>																	
Governmental activities																	
Public safety	\$ 11,630,414	\$ 638,298	\$ 426,584	\$ 16,240	\$ (10,549,292)	\$ -	\$ (10,549,292)	\$ -	\$ -	\$ -	\$ -						
Public works	6,505,283	535,390	4,293,715	3,352,586	1,676,408	-	1,676,408	-	-	-	-						
Health and social services	1,073,163	65,241	975,265	-	(32,657)	-	(32,657)	-	-	-	-						
Culture and recreation	3,844,255	455,313	258,941	86,398	(3,043,603)	-	(3,043,603)	-	-	-	-						
Community and economic development	3,876,264	102,862	2,482,906	-	(1,290,496)	-	(1,290,496)	-	-	-	-						
General government	1,776,228	197,400	707,519	-	(871,309)	-	(871,309)	-	-	-	-						
Interest on long-term debt	984,801	-	-	-	(984,801)	-	(984,801)	-	-	-	-						
Total governmental activities	29,690,408	1,994,504	9,144,930	3,455,224	(15,095,750)	-	(15,095,750)	-	-	-	-						
Business-type activities																	
Water pollution control	5,246,534	8,506,422	-	81,247	-	3,341,135	3,341,135	-	-	-	-						
Storm sewer	1,166,483	1,360,092	-	335,798	-	529,407	529,407	-	-	-	-						
Compost	32,617	88,476	-	-	-	55,859	55,859	-	-	-	-						
Transit	1,018,504	150,780	844,729	-	-	(22,995)	(22,995)	-	-	-	-						
Concessions	37,187	32,437	-	-	-	(4,750)	(4,750)	-	-	-	-						
Total business-type activities	7,501,325	10,138,207	844,729	417,045	-	3,898,656	3,898,656	-	-	-	-						
Total primary government	\$ 37,191,733	\$ 12,132,711	\$ 9,989,659	\$ 3,872,269	\$ (15,095,750)	\$ 3,898,656	\$ (11,197,094)	\$ -	\$ -	\$ -	\$ -						
<b>Component Units</b>																	
Water works	\$ 5,214,922	\$ 8,310,821	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,095,899						

**City of Marshalltown**  
**Statement of Activities**  
**Year Ended June 30, 2023**

---

	<b>Net (Expense) Revenue and Changes in Net Position</b>				
	<b>Primary Government</b>			<b>Component Unit</b>	
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Marshalltown</b>	
<b>General Revenues</b>					
Taxes					
Property	\$ 12,118,239	\$ -	\$ 12,118,239	\$ -	
Tax increment financing	445,926	-	445,926	-	
Local option sales	4,033,437	-	4,033,437	-	
Utility excise	1,326,312	-	1,326,312	-	
Hotel/motel	577,626	-	577,626	-	
Mobile homes	9,883	-	9,883	-	
Unrestricted					
State generated revenues	1,196,818	-	1,196,818	-	
Investment earnings	1,424,260	859,477	2,283,737	54,063	
Miscellaneous revenues	301,389	-	301,389	-	
Transfers	(13,897)	13,897	-	-	
Total general revenues and transfers	<u>21,419,993</u>	<u>873,374</u>	<u>22,293,367</u>	<u>54,063</u>	
Change in net position					
	6,324,243	4,772,030	11,096,273	3,149,962	
Net Position - Beginning	<u>46,822,265</u>	<u>67,933,692</u>	<u>114,755,957</u>	<u>21,028,229</u>	
Net Position - Ending	<u>\$ 53,146,508</u>	<u>\$ 72,705,722</u>	<u>\$ 125,852,230</u>	<u>\$ 24,178,191</u>	

City of Marshalltown  
Balance Sheet  
Governmental Funds  
June 30, 2023

	Special Revenue Funds										Capital Projects Funds					
	General		Road Use Tax		Local Option Sales Tax		Property Tax		Disaster Fund		HUD Programs		American Rescue Plan		Debt Service	
	General	Road Use Tax	Local Option Sales Tax	Property Tax	Disaster Fund	HUD Programs	American Rescue Plan	Debt Service	Public Works and Other Projects	Nonmajor Governmental Funds	Total					
<b>Assets</b>																
Cash and cash equivalents	\$ 5,368,549	\$ 7,872,927	\$ 6,012,924	\$ 4,411,288	\$ 609,739	\$ 293,730	\$ 3,105,941	\$ 216,258	\$ 14,851,553	\$ 1,159,792	\$ 43,902,701					
Receivables																
Property taxes																
Delinquent	176,141	-	-	90,932	-	-	-	-	16,698	12,967	24,828	321,566				
Succeeding year	8,587,500	-	-	3,417,479	-	-	-	-	2,325,974	627,243	-	14,958,196				
Accounts and unbilled usage	193,198	60,002	45,826	33,620	-	1,856	-	1,648	121,440	16,293	473,883					
Due from other funds	1,297,424	-	-	-	-	-	-	-	-	-	-	1,297,424				
Due from component unit	10,685	-	-	-	-	-	-	-	-	-	-	10,685				
Due from other governments	246,609	310,103	322,532	-	24,665	85,754	-	-	-	3,307,298	1,556,422	5,853,383				
Inventory	-	11,097	-	-	-	-	-	-	-	-	-	11,097				
Prepaid items	495,078	4,154	-	-	-	5,474	-	-	-	-	-	168	504,874			
Lease receivable	330,199	-	-	-	-	-	-	-	-	-	-	330,199				
<b>Total assets</b>	<b>\$ 16,705,383</b>	<b>\$ 8,258,283</b>	<b>\$ 6,381,282</b>	<b>\$ 7,953,319</b>	<b>\$ 634,404</b>	<b>\$ 386,814</b>	<b>\$ 3,105,941</b>	<b>\$ 2,560,578</b>	<b>\$ 18,920,501</b>	<b>\$ 2,757,503</b>	<b>\$ 67,664,008</b>					
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>																
Liabilities																
Accounts payable	\$ 251,890	\$ 188,276	\$ 1,973	\$ -	\$ -	\$ 99,083	\$ 12,178	\$ -	\$ 1,023,429	\$ 103,287	\$ 1,680,116					
Accrued payroll and payroll benefits	476,934	608	-	-	-	10,342	-	-	-	-	4,558	492,442				
Retainable payable	-	4,627	-	-	-	-	-	-	-	319,644	124,711	448,982				
Due to other governments	12,151	12,874	-	-	-	24	-	-	-	-	-	25,049				
Grant proceeds received in advance	-	-	-	-	-	-	3,093,763	-	-	-	-	3,093,763				
Due to other funds	-	-	-	-	-	-	-	-	-	-	1,297,424	1,297,424				
<b>Total liabilities</b>	<b>740,975</b>	<b>206,385</b>	<b>1,973</b>	<b>-</b>	<b>-</b>	<b>109,449</b>	<b>3,105,941</b>	<b>-</b>	<b>1,343,073</b>	<b>1,529,980</b>	<b>7,037,776</b>					
Deferred Inflows of Resources																
Unavailable revenue- property taxes	8,587,500	-	-	3,417,479	-	-	-	-	2,325,974	627,243	-	14,958,196				
Unavailable revenue- other	43,642	-	-	-	-	1,211	-	-	-	-	-	44,853				
Unavailable revenue- intergovernmental	-	-	-	-	10,332	-	-	-	-	3,273,305	1,262,532	4,546,169				
Lease deferred inflow	330,199	-	-	-	-	-	-	-	-	-	-	330,199				
<b>Total deferred inflows of resources</b>	<b>8,961,341</b>	<b>-</b>	<b>-</b>	<b>3,417,479</b>	<b>10,332</b>	<b>1,211</b>	<b>-</b>	<b>2,325,974</b>	<b>3,900,548</b>	<b>1,262,532</b>	<b>19,879,417</b>					
Fund Balances																
Nonspendable	495,078	15,251	-	-	-	5,474	-	-	-	-	-	168	515,971			
Restricted	-	8,036,647	6,379,309	4,535,840	624,072	270,680	-	234,604	13,676,880	1,070,596	34,828,628					
Committed	250,000	-	-	-	-	-	-	-	-	-	-	250,000				
Unassigned	6,257,989	-	-	-	-	-	-	-	-	-	(1,105,773)	5,152,216				
<b>Total fund balances (deficit)</b>	<b>7,003,067</b>	<b>8,051,898</b>	<b>6,379,309</b>	<b>4,535,840</b>	<b>624,072</b>	<b>276,154</b>	<b>-</b>	<b>234,604</b>	<b>13,676,880</b>	<b>(35,009)</b>	<b>40,746,815</b>					
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 16,705,383</b>	<b>\$ 8,258,283</b>	<b>\$ 6,381,282</b>	<b>\$ 7,953,319</b>	<b>\$ 634,404</b>	<b>\$ 386,814</b>	<b>\$ 3,105,941</b>	<b>\$ 2,560,578</b>	<b>\$ 18,920,501</b>	<b>\$ 2,757,503</b>	<b>\$ 67,664,008</b>					

**City of Marshalltown**  
 Reconciliation of the Balance Sheet  
 Governmental Funds to the Statement of Net Position  
 June 30, 2023

---

Total governmental fund balances \$ 40,746,815

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

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

The cost of capital assets is	\$ 133,876,445
Accumulated depreciation is	<u>(54,842,269)</u>

79,034,176

Some of the City's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and, therefore, are recognized as deferred inflows of resources, in the governmental funds.

4,591,022

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

OPEB related deferred outflows	2,920,614
Pension related deferred outflows	2,550,662
OPEB related deferred inflows	<u>(5,377,190)</u>
Pension related deferred inflows	<u>(1,039,275)</u>

(945,189)

Internal service funds are used by the City's management to charge the costs of self-insurance programs to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

(354,125)

Some liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Those liabilities consist of:

Bonds and notes payable	(48,951,833)
Accrued interest on the bonds	(135,285)
Compensated absences	<u>(1,142,527)</u>
Net pension liability	<u>(10,023,734)</u>
Total OPEB liability	<u>(9,672,812)</u>

(69,926,191)

Net position of governmental activities

\$ 53,146,508

**City of Marshalltown**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)**  
**Governmental Funds**  
**Year Ended June 30, 2023**

	Special Revenue Funds								Capital Projects Funds				Nonmajor Governmental Funds		Total
	General	Road Use Tax	Local Option Sales Tax	Property Tax	Disaster Fund	HUD Programs	American Rescue Plan	Debt Service	Public Works and Other Projects						
<b>Revenues</b>															
Property taxes	\$ 7,190,907	\$ -	\$ -	\$ 3,726,224	\$ -	\$ -	\$ -	\$ 669,842	\$ 531,252	\$ -	\$ -	\$ 447,001	\$ 447,001	\$ 12,118,225	
TIF revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other city taxes	1,559,047	-	4,033,437	419,743	-	-	-	74,290	59,843	-	-	-	-	6,146,360	
Use of money and property	332,173	230,288	217,101	68,970	-	5,952	-	28,755	567,816	-	44,204	-	-	1,495,259	
Licenses and permits	402,464	-	-	-	-	-	-	-	-	-	-	-	-	402,464	
Intergovernmental	989,562	3,815,231	-	375,613	1,770,420	2,356,711	696,690	67,460	522,291	-	1,253,439	-	-	11,847,417	
Charges for service	963,054	-	-	-	-	-	-	-	-	-	-	-	-	963,054	
Miscellaneous	175,283	104,064	81	-	-	80,146	-	-	210,681	-	527,330	-	-	1,097,585	
<b>Total revenues</b>	<b>11,612,490</b>	<b>4,149,583</b>	<b>4,250,619</b>	<b>4,590,550</b>	<b>1,770,420</b>	<b>2,442,809</b>	<b>696,690</b>	<b>840,347</b>	<b>1,891,883</b>	<b>2,271,974</b>	<b>34,517,365</b>				
<b>Expenditures</b>															
<b>Current</b>															
Public safety	10,036,540	-	6,345	-	4,500	-	63,416	-	943,829	-	392,429	-	-	11,447,059	
Public works	1,859,942	2,080,938	74,511	-	88,953	-	-	-	8,141,565	-	301,088	-	-	12,546,997	
Health and social services	-	-	-	-	-	1,108,206	-	-	-	-	-	-	-	1,108,206	
Culture and recreation	3,232,401	58	105,413	-	162	-	-	-	77,423	-	329,464	-	-	3,744,921	
Community and economic development	726,423	-	317,717	-	1,197	1,289,062	-	-	-	-	1,595,549	-	-	3,929,948	
General government	1,515,122	-	34,443	-	5,094	-	-	-	84,117	-	155	-	-	1,638,931	
<b>Debt service</b>															
Principal	-	-	-	-	-	-	-	3,825,000	-	-	-	-	-	3,825,000	
Interest and other fiscal charges	-	-	-	-	-	-	-	990,077	-	-	-	-	-	990,077	
<b>Total expenditures</b>	<b>17,370,428</b>	<b>2,080,996</b>	<b>538,429</b>	<b>-</b>	<b>99,906</b>	<b>2,397,268</b>	<b>63,416</b>	<b>4,815,077</b>	<b>9,246,934</b>	<b>2,618,685</b>	<b>39,231,139</b>				

**City of Marshalltown**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)**  
**Governmental Funds**  
**Year Ended June 30, 2023**

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	Special Revenue Funds							Capital Projects Funds			Nonmajor Governmental Funds	
	General	Road Use Tax	Local Option Sales Tax	Property Tax	Disaster Fund	HUD Programs	American Rescue Plan	Debt Service	Public Works and Other Projects		Total	
Excess (Deficiency) of Revenues over (under) Expenditures	\$ (5,757,938)	\$ 2,068,587	\$ 3,712,190	\$ 4,590,550	\$ 1,670,514	\$ 45,541	\$ 633,274	\$ (3,974,730)	\$ (7,355,051)	\$ (346,711)	\$ (4,713,774)	
Other Financing Sources (uses)												
General obligation bonds issued	-	-	-	-	-	-	-	-	10,165,000	200,192	10,365,192	
Premium on general obligation bonds issued	-	-	-	-	-	-	-	-	186,123	-	186,123	
Transfers in	6,420,885	595,078	-	-	-	12,364	-	4,028,140	1,365,249	106,918	12,528,634	
Transfers out	(279,995)	(1,103,760)	(4,353,118)	(4,093,296)	(8,065)	-	(633,274)	-	(1,398,803)	(672,220)	(12,542,531)	
Total other financing sources (uses)	6,140,890	(508,682)	(4,353,118)	(4,093,296)	(8,065)	12,364	(633,274)	4,028,140	10,317,569	(365,110)	10,537,418	
Net Change in Fund Balances	382,952	1,559,905	(640,928)	497,254	1,662,449	57,905	-	53,410	2,962,518	(711,821)	5,823,644	
Fund Balances (Deficit) - Beginning	6,620,115	6,491,993	7,020,237	4,038,586	(1,038,377)	218,249	-	181,194	10,714,362	676,812	34,923,171	
Fund Balances (Deficit) - Ending	\$ 7,003,067	\$ 8,051,898	\$ 6,379,309	\$ 4,535,840	\$ 624,072	\$ 276,154	\$ -	\$ 234,604	\$ 13,676,880	\$ (35,009)	\$ 40,746,815	

**City of Marshalltown**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds to the Statement of Activities**  
**Year Ended June 30, 2023**

---

Net change in fund balances – total governmental funds \$ 5,823,644

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

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 8,728,050
Depreciation expense	<u>(3,776,258)</u>
Net change in capital assets	4,951,792

Because some revenues will not be collected for several months after the City's fiscal year end, they are not considered "available" revenues and are unavailable in the governmental funds. Unavailable revenues changed by these amounts this year:

Intergovernmental	1,690,445
Charges for service	<u>(29,091)</u>
Net effect	1,661,354

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. In the current period, these amounts are:

Debt repayments and changes in accrued interest	3,869,786
Debt proceeds, including premiums	<u>(10,551,315)</u>
Net effect	(6,681,529)

Some items reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Change in compensated absences	(36,137)
Net effect of OPEB related activity	209,807
Net effect of pension related activity	<u>1,057,746</u>
Total additional expenses	1,231,416

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income (loss) of the internal service funds is reported with governmental activities.

(662,434)

Change in net position of governmental activities \$ 6,324,243

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**City of Marshalltown**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 22,107,706	\$ 2,548,671	\$ 1,206,154	\$ 25,862,531	\$ 180,274
Receivables					
Accounts and unbilled usage	1,468,034	122,455	16,298	1,606,787	1,375
Due from other funds	25,565	-	-	25,565	-
Due from component unit	418,824	104,366	-	523,190	-
Due from other governments	-	-	109,576	109,576	-
Inventories	27,978	-	-	27,978	-
Prepaid items	141,156	27,041	35,495	203,692	2,200
Total current assets	<u>24,189,263</u>	<u>2,802,533</u>	<u>1,367,523</u>	<u>28,359,319</u>	<u>183,849</u>
<b>Noncurrent assets</b>					
<b>Restricted assets</b>					
Cash and cash equivalents	139,309	-	-	139,309	-
Notes receivable	320,000	-	-	320,000	-
<b>Capital assets</b>					
Land	383,576	504,281	10,437	898,294	-
Land improvements	1,975,673	102,563	243,096	2,321,332	-
Buildings and structures	11,795,011	6,000	704,048	12,505,059	-
Equipment and vehicles	18,732,106	989,412	2,035,476	21,756,994	-
Sanitary sewers and lift stations	48,809,614	125,616	-	48,935,230	-
Infrastructure	-	19,003,891	-	19,003,891	-
Construction in progress	4,810,308	3,700,472	-	8,510,780	-
Accumulated depreciation	<u>(37,237,440)</u>	<u>(7,813,393)</u>	<u>(2,102,287)</u>	<u>(47,153,120)</u>	<u>-</u>
Total noncurrent assets	<u>49,728,157</u>	<u>16,618,842</u>	<u>890,770</u>	<u>67,237,769</u>	<u>-</u>
<b>Total assets</b>	<u>73,917,420</u>	<u>19,421,375</u>	<u>2,258,293</u>	<u>95,597,088</u>	<u>183,849</u>
<b>Deferred Outflows of Resources</b>					
OPEB related deferred outflows	464,086	111,190	153,135	728,411	-
Pension related deferred outflows	<u>178,246</u>	<u>43,709</u>	<u>56,411</u>	<u>278,366</u>	<u>-</u>
Total deferred outflows of resources	<u>642,332</u>	<u>154,899</u>	<u>209,546</u>	<u>1,006,777</u>	<u>-</u>

City of Marshalltown  
Statement of Net Position  
Proprietary Funds  
June 30, 2023

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	
<b>Liabilities</b>					
Current liabilities					
Accounts payable	\$ 1,106,116	\$ 7,139	\$ 37,109	\$ 1,150,364	\$ 341,652
Accrued payroll and payroll benefits	65,499	16,771	23,454	105,724	-
Deposits payable	-	-	-	-	196,322
Retainage payable	189,678	150,446	-	340,124	-
Due to other governments	26,491	1,145	6,500	34,136	-
Due to other funds	-	-	25,565	25,565	-
Accrued interest payable	21,147	4,668	-	25,815	-
Compensated absences	42,577	10,677	11,168	64,422	-
General obligation bonds	475,000	485,000	-	960,000	-
Revenue bonds - direct borrowings	716,000	-	-	716,000	-
Revenue bonds	<u>1,337,000</u>	<u>-</u>	<u>-</u>	<u>1,337,000</u>	<u>-</u>
Total current liabilities	<u>3,979,508</u>	<u>675,846</u>	<u>103,796</u>	<u>4,759,150</u>	<u>537,974</u>
Noncurrent liabilities					
Compensated absences	167,887	42,953	28,356	239,196	-
General obligation bonds	994,616	3,605,282	-	4,599,898	-
Revenue bonds - direct borrowings	4,700,002	-	-	4,700,002	-
Revenue bonds	5,887,000	-	-	5,887,000	-
Total OPEB liability	1,209,860	289,870	399,219	1,898,949	-
Net pension liability	<u>608,988</u>	<u>149,336</u>	<u>192,731</u>	<u>951,055</u>	<u>-</u>
Total noncurrent liabilities	<u>13,568,353</u>	<u>4,087,441</u>	<u>620,306</u>	<u>18,276,100</u>	<u>-</u>
Total liabilities	<u>17,547,861</u>	<u>4,763,287</u>	<u>724,102</u>	<u>23,035,250</u>	<u>537,974</u>
Deferred Inflows of Resources					
OPEB related deferred inflows	433,779	103,929	143,135	680,843	-
Pension related deferred inflows	<u>116,572</u>	<u>28,586</u>	<u>36,892</u>	<u>182,050</u>	<u>-</u>
Total deferred inflows of resources	<u>550,351</u>	<u>132,515</u>	<u>180,027</u>	<u>862,893</u>	<u>-</u>
Net Position					
Net investment in capital assets	35,159,230	13,326,169	890,770	49,376,169	-
Restricted for					
Bond and interest payments	139,016	-	-	139,016	-
Unrestricted	<u>21,163,294</u>	<u>1,354,303</u>	<u>672,940</u>	<u>23,190,537</u>	<u>(354,125)</u>
Total net position	<u>\$ 56,461,540</u>	<u>\$ 14,680,472</u>	<u>\$ 1,563,710</u>	<u>\$ 72,705,722</u>	<u>\$ (354,125)</u>

**City of Marshalltown**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**Year Ended June 30, 2023**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	
Operating Revenues					
Charges for service	\$ 8,430,549	\$ 1,353,715	\$ 268,635	\$ 10,052,899	\$ 2,711,271
Miscellaneous	75,875	65	451	76,391	484,115
Total operating revenues	<u>8,506,424</u>	<u>1,353,780</u>	<u>269,086</u>	<u>10,129,290</u>	<u>3,195,386</u>
Operating Expenses					
Salaries and benefits	1,815,558	522,338	627,854	2,965,750	-
Services and supplies	1,290,481	167,399	343,776	1,801,656	-
Claims	-	-	-	-	3,285,922
Health insurance premiums	-	-	-	-	410,259
Depreciation	1,938,678	471,871	116,681	2,527,230	-
Miscellaneous	21,921	541	-	22,462	169,739
Total operating expenses	<u>5,066,638</u>	<u>1,162,149</u>	<u>1,088,311</u>	<u>7,317,098</u>	<u>3,865,920</u>
Operating income (loss)	<u>3,439,786</u>	<u>191,631</u>	<u>(819,225)</u>	<u>2,812,192</u>	<u>(670,534)</u>
Nonoperating Revenues (Expenses)					
Federal and state grants	-	-	844,729	844,729	-
Interest income	737,092	88,919	33,466	859,477	8,100
Interest and other debt expense	(179,895)	(4,334)	-	(184,229)	-
Gain (loss) on disposal of capital assets	-	6,312	2,607	8,919	-
Net nonoperating revenues	<u>557,197</u>	<u>90,897</u>	<u>880,802</u>	<u>1,528,896</u>	<u>8,100</u>
Income (loss) before transfers	<u>3,996,983</u>	<u>282,528</u>	<u>61,577</u>	<u>4,341,088</u>	<u>(662,434)</u>
Capital Contributions	81,247	335,798	-	417,045	-
Transfers In	61,596	4,170	259,146	324,912	-
Transfers Out	(74,610)	(236,405)	-	(311,015)	-
Change in Net Position	4,065,216	386,091	320,723	4,772,030	(662,434)
Net Position - Beginning	<u>52,396,324</u>	<u>14,294,381</u>	<u>1,242,987</u>	<u>67,933,692</u>	<u>308,309</u>
Net Position - Ending	<u>\$ 56,461,540</u>	<u>\$ 14,680,472</u>	<u>\$ 1,563,710</u>	<u>\$ 72,705,722</u>	<u>\$ (354,125)</u>

**City of Marshalltown**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2023**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	
<b>Cash Flows from Operating Activities</b>					
Cash received from customers	\$ 8,410,226	\$ 1,321,188	\$ 262,905	\$ 9,994,319	\$ 2,735,559
Cash payments to suppliers for goods and services	(1,652,137)	(197,110)	(354,232)	(2,203,479)	(3,909,296)
Cash payments to employees for services	(1,858,077)	(460,750)	(644,681)	(2,963,508)	-
Other operating receipts	75,875	65	451	76,391	484,115
<b>Net Cash provided by (used for) Operating Activities</b>	<b>4,975,887</b>	<b>663,393</b>	<b>(735,557)</b>	<b>4,903,723</b>	<b>(689,622)</b>
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers from other funds	61,596	4,170	259,146	324,912	-
Transfers to other funds	(74,610)	(236,405)	-	(311,015)	-
Grants received	-	-	862,194	862,194	-
Change in due from other funds	(6,759)	-	-	(6,759)	-
Change in due to other funds	-	-	6,759	6,759	-
<b>Net Cash provided by (used for) Noncapital Financing Activities</b>	<b>(19,773)</b>	<b>(232,235)</b>	<b>1,128,099</b>	<b>876,091</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Proceeds from sale of capital assets	-	-	2,607	2,607	-
Acquisition and construction of capital assets	(3,570,908)	(772,283)	-	(4,343,191)	-
Proceeds from issuance of debt	2,120,002	-	-	2,120,002	-
Payment of debt	(1,946,728)	(476,272)	-	(2,423,000)	-
Interest and fiscal charges paid	(190,106)	(4,823)	-	(194,929)	-
<b>Net Cash provided by (used for) Capital and Related Financing Activities</b>	<b>(3,587,740)</b>	<b>(1,253,378)</b>	<b>2,607</b>	<b>(4,838,511)</b>	<b>-</b>
<b>Cash Flows from Investing Activities</b>					
Interest received on investment securities	737,092	88,919	33,466	859,477	8,100
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>2,105,466</b>	<b>(733,301)</b>	<b>428,615</b>	<b>1,800,780</b>	<b>(681,522)</b>
<b>Cash and Cash Equivalents, Beginning</b>	<b>20,141,549</b>	<b>3,281,972</b>	<b>777,539</b>	<b>24,201,060</b>	<b>861,796</b>
<b>Cash and Cash Equivalents, Ending</b>	<b>\$ 22,247,015</b>	<b>\$ 2,548,671</b>	<b>\$ 1,206,154</b>	<b>\$ 26,001,840</b>	<b>\$ 180,274</b>

**City of Marshalltown**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2023**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	
<b>Reconciliation of Operating Income (Loss) to Net Cash provided by (used for) Operating Activities</b>					
Operating income (loss)	\$ 3,439,786	\$ 191,631	\$ (819,225)	\$ 2,812,192	\$ (670,534)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities</b>					
Depreciation	1,938,678	471,871	116,681	2,527,230	-
<b>Changes in assets, deferred outflows, liabilities, and deferred inflows</b>					
Receivables	(20,323)	(32,527)	(6,154)	(59,004)	11,776
Inventories and prepaid items	(24,351)	(6,000)	(4,838)	(35,189)	(2,200)
Accounts payable	(324,233)	(23,167)	(938)	(348,338)	(40,910)
Accrued liabilities	21,125	8,928	367	30,420	-
Due to other governments	8,849	(3)	(4,256)	4,590	-
Unearned revenue	-	-	-	-	12,246
Total OPEB liability	72,420	63,225	49,473	185,118	-
Net pension liability	587,106	144,729	185,030	916,865	-
Deferred outflows	61,779	(12,484)	15,276	64,571	-
Deferred inflows	(784,949)	(142,810)	(266,973)	(1,194,732)	-
<b>Total</b>	<b>1,536,101</b>	<b>471,762</b>	<b>83,668</b>	<b>2,091,531</b>	<b>(19,088)</b>
<b>Net Cash provided by (used for) Operating Activities</b>	<b>\$ 4,975,887</b>	<b>\$ 663,393</b>	<b>\$ (735,557)</b>	<b>\$ 4,903,723</b>	<b>\$ (689,622)</b>
<b>Noncash Capital Activities</b>					
Donations of capital assets	\$ 81,247	\$ 335,798	\$ -	\$ 417,045	\$ -

City of Marshalltown  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2023

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	<u>Custodial Funds</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 5,004
Accounts receivable	<u>6,957</u>
Total assets	<u>11,961</u>
<b>Liabilities</b>	
Checks written in excess of deposits	<u>6,957</u>
Total liabilities	<u>6,957</u>
<b>Net Position</b>	<u>\$ 5,004</u>

**City of Marshalltown**  
 Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 Year Ended June 30, 2023

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	<u>Custodial Funds</u>
<b>Additions</b>	
Receipts from Commission	\$ 1,048,349
Investment income, interest	<u>673</u>
 Total additions	 1,049,022
 <b>Deductions</b>	
Wages and Benefits	<u>1,048,349</u>
 Change in net position	 673
 Net Position - Beginning	 <u>4,331</u>
 Net Position - Ending	 <u>\$ 5,004</u>

Notes to Financial Statements  
June 30, 2023

**City of Marshalltown**

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

The City of Marshalltown, Iowa (City) was incorporated in 1863 under the laws of the State of Iowa, later amended in July 1975, under the City Home Rule Act. The City operates by ordinance under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City of Marshalltown, Iowa, provides such services as are authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the City and its inhabitants.

The accounting and reporting policies of the City relating to the accompanying financial statements conform to U.S. generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following represents the more significant accounting and reporting policies and practices used in the preparation of these financial statements:

### **Reporting Entity**

For financial reporting purposes, the City of Marshalltown, Iowa, has included all funds, organizations, agencies, boards, commissions, and authorities. The 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.

These financial statements present the City of Marshalltown, Iowa (the primary government) and its component unit. The following component unit is an entity which is legally separate from the City, but is financially accountable to the City or whose relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Discretely Presented Component Unit: The Marshalltown Water Works (Water Works) was established to operate the City's water works facilities. The Water Works is governed by a three-member board of trustees appointed by the Mayor. A financial benefit/burden relationship exists between the City and the Water Works in that the City is authorized by statute to issue general obligation debt for a City utility and may certify taxes for the payment of the debt. The Water Works is presented as a proprietary fund type and has a June 30 year-end.

Complete financial statements for the individual component unit may be obtained at the respective entity's administrative office as follows:

Marshalltown Water Works  
205 East State Street  
Marshalltown, Iowa 50158

**Jointly Governed Organizations:** The City also participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The City Council is a member of or appoints representatives to the following boards and commissions: Mid Iowa Drug Task Force, Marshall County Emergency Management Commission, Marshall County 911 Joint Services Board, Marshall County Assessor's Conference Board, Marshall County Solid Waste Management Commission, and the Marshall County Communication Commission. Financial transactions relating to these organizations are included in the City's financial statements only to the extent of the City's contributions, if any, to these organizations.

### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services. Likewise, the *primary government* is reported separately from its certain legally separate *component unit* for which the primary government is financially accountable.

The Statement of Net Position presents the City's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following three categories.

*Net investment in capital assets* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt attributable to the acquisition, construction, or improvement of those assets.

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

*Unrestricted net position* consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment, including special assessments. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Road Use Tax Fund* is used to account for the operations of street related expenses. Financing is provided by the City's share of state gasoline taxes, which are received on a per capita basis. State law requires these revenues to be received and disbursed in a special fund.

The *Local Option Sales Tax Fund* is used to account for the taxes collected and 78% to be applied towards general property tax relief and 22% for Council designated projects.

The *Property Tax Fund* is used to account for property tax collections for the emergency fund levy and employee benefits, which are then transferred to the general fund.

The *Disaster Fund* is used to account for insurance proceeds and receipts from Federal Emergency Management Agency (FEMA).

The *HUD Programs Fund* is used to account for the operations of a Federal Section 8 rental voucher assistance program, a grant from HUD to assist with security deposits and first month's rent program, and lead abatement program.

The *American Rescue Plan Fund* is used to account for the Coronavirus State and Local Recovery Funds established under the American Rescue Plan Act.

The *Debt Service Fund* is used to account for the servicing of general obligation debt.

The *Public Works and Other Projects Fund* is used to account for resources used in the acquisition and construction of capital facilities and other capital assets with the exception of those that are financed through the Culture and Recreation Projects Fund, Airport Projects Fund, or through proprietary funds.

The City reports the following major proprietary funds:

The *Water Pollution Control Fund* is used to account for the operation and maintenance of the City's wastewater treatment facility and sanitary sewer. Services are supported primarily by user charges.

The *Storm Sewer Fund* is used to account for the operation of the City's storm sewers. Services are supported primarily by user charges.

Additionally, the City reports the following fund types:

Internal service funds account for group insurance benefits, occupational insurance benefits, and workmen's compensation benefits provided to other departments on a cost reimbursement basis.

Custodial funds function primarily as a clearing mechanism for cash resources which are collected by the City, held as such for a brief period and then disbursed to the authorized recipient. The custodial funds of the City are used for the 911 Commission and Surety Bonds.

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Property taxes are recognized as revenue in the year for which they have been levied, provided they are collected within 60 days after year-end. Sales taxes are considered measurable and available at the time the underlying transaction occurs provided they are collected within 60 days after year-end. Other taxes are considered measurable and available when they have been collected by the state or other levying authority. Special assessments receivables are recognized at the time of their levy. The related revenue is recognized at the time the assessment is due or collected. Licenses and permits, fines and forfeitures, and miscellaneous revenues are generally recognized as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recognized as earned.

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 pollution control and storm sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Under terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

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

#### **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Equity**

The following accounting policies are followed in preparing the financial statements:

*Cash, Cash Equivalents, and Investments.* The City maintains a cash and investment pool. These pooled deposits are invested in interest-bearing cash and investment accounts or certificates of deposit. Interest on the pooled cash and investments is recognized as revenue when earned and allocated to the funds on a systematic basis. Cash and investments are separately held by the discretely presented component unit for which interest is also recognized as revenue when earned.

*Property Tax Receivable, Including Tax Increment Financing.* Property tax, including tax increment financing, in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the City to the County Board of Supervisors. Current year delinquent property taxes receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the City to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the City is required to certify its budget to the County Auditor by March 31 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is unavailable and will not be recognized as revenue until the year for which it is levied.

The County Treasurer bills and collects taxes for the City. Taxes for the year ended June 30, 2023, were certified with the County during the preceding fiscal year and were due in two equal installments by September 30, 2022 and March 31, 2023. Any County collections on the 2022-2023 tax levy remitted to the City within sixty days subsequent to June 30, 2023, are recorded as property tax revenues. Taxes not collected and remitted to the City within sixty days subsequent to June 30, 2023, are delinquent and have been recorded as receivables. This amount is recorded as unavailable revenue in the governmental funds but is recognized as revenue in the government-wide financial statements.

*Accounts Receivable and Unbilled Usage.* Accounts receivable are recorded at the time the service is billed. Unbilled usage for service consumed between periodic scheduled billing dates is estimated and is recognized as revenue in the period in which the service is provided.

*Due From and Due to Other Funds.* Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

*Due From Other Governments.* Due from other governments represents various shared revenues, grants, and reimbursements from other governments. Shared revenues are recognized during the period when received by the collecting authority, the State of Iowa. Federal grant revenue is recognized when expenditures for the purpose of the grant have been incurred in the government-wide financial statements and as long as it meets the measurable and available criteria in the governmental fund statements.

*Inventories and Prepaid Items.* Inventories of materials and supplies in the proprietary and governmental fund types are stated at cost using the first-in, first-out method. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The costs of governmental fund prepaid items are recorded as expenditures when consumed rather than when purchased.

*Restricted Assets.* Funds set aside for the payment of City enterprise and component unit revenue bonds are classified as restricted assets since their use is restricted by applicable bond indentures. Other restricted assets include funds for customer deposits restricted for application to unpaid customer accounts or for refund to customers.

*Lease Receivables.* The City is a lessor for noncancelable leases for buildings located at the City’s airport. The City recognizes a lease receivable and a deferred inflow of resources in the governmental activities and governmental fund financial statements.

At the commencement of the lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the City determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

The City uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term included the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a restatement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

*Deferred Outflows of Resources.* Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and OPEB expense and contributions from the employer after the measurement date, but before the end of the employer's reporting period.

*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, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources consist of unavailable revenues, unrecognized items not yet charged to pension expense or OPEB expense, and leases where the City is a lessor.

Although certain revenues are measurable, they may not be available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Unavailable revenue represents 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 period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

Unavailable revenue at the fund level consists of property tax receivable, special assessments receivable, succeeding year property tax receivable, and other receivables not collected within 60 days after year-end. Unavailable revenue in the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year in which they are levied.

*Compensated Absences.* City employees accumulate a limited amount of earned but unused vacation, compensatory time and sick leave hours for subsequent use or for payment upon termination, death, or retirement. Accumulated sick leave is generally paid at 25%, not to exceed 1,440 hours for municipal fire employees, 1,072.5 hours for municipal police employees and 1,040 hours for all others, upon retirement if the employee has at least 15 years of service. All vacation and sick leave is accrued when incurred in the government-wide and proprietary financial statements. Governmental funds record the earned vacation and vested sick leave hours as an expenditure of the current year to the extent it is paid during the year. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The compensated absences liability has been computed based on rates of pay in effect as of June 30, 2023.

Water Works employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, retirement, or death. The liability is recorded on the Statement of Net Position based on rates of pay in effect as of June 30, 2023.

*Long-Term Obligations.* In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method.

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

*Capital Assets.* Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (\$50,000 for infrastructure) and an estimated useful life in excess of two years. All land is recorded regardless of cost. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. All infrastructure of the City has been recorded to date.

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

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

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

	Years
Land improvements	10-30
Buildings and structures	30-50
Equipment and vehicles	5-30
Sanitary sewers and lift stations	30-50
Infrastructure	20-50

Property, plant and equipment of the Water Works is depreciated using the straight-line method over the following estimated useful lives.

	Years
Plants, wells, and storage	10-40
Distribution property	50-99
Meters	10-20
Vehicles	5
Equipment	7-10

*Pensions.* For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (income), information about the fiduciary net position of the Iowa Public Employees' Retirement System and the Municipal Fire and Police Retirement Systems' and additions to/deductions from the Systems' fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability (asset) attributable to the governmental activities will be paid primarily by the General Fund.

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

*Statement of Cash Flows – Cash Equivalents.* For purposes of the Statement of Cash Flows for the proprietary funds and the component unit, all short-term cash investments that are highly liquid (including restricted assets) are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase they have a maturity date no longer than three months.

*Fund Equity.* In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable fund balances cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

Restricted fund balances are restricted for specific purposes when constraints placed on the use of the resources are either externally imposed by their providers, such as creditors, grantors, or other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed fund balances can be used only for specific purposes determined pursuant to constraints formally imposed by the City Council, the highest level of decision-making authority, through resolution approved prior to year-end.

Assigned fund balances are amounts the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. These amounts are assigned by City Council.

Unassigned fund balances are amounts not included in the other spendable classifications. The general fund is the only fund that reports a positive unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council has provided otherwise in its commitment or assigned actions.

**City of Marshalltown**  
**Notes to Financial Statements**  
**June 30, 2023**

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As of June 30, 2023, fund balances consisted of the following:

	General	Road Use Tax	Local Option Sales Tax	Property Tax	Disaster Fund	HUD Programs	American Rescue Plan	Debt Service	Public Works and Other Projects	Nonmajor Governmental Funds	Total
<b>Nonspendable</b>											
Inventory and prepaid items	\$ 495,078	\$ 15,251	\$ -	\$ -	\$ -	\$ 5,474	\$ -	\$ -	\$ -	\$ 168	\$ 515,971
<b>Restricted for</b>											
Capital improvements	-	8,036,647	1,335,150	-	-	-	-	-	13,676,880	-	23,048,677
Property tax relief	-	-	1,642,088	-	-	-	-	-	-	-	1,642,088
Community development	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	234,604	-	-	234,604
Employee benefits	-	-	-	4,535,840	-	-	-	-	-	-	4,535,840
Emergency communication	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	195,666	195,666
Health and welfare	-	-	-	-	-	-	-	-	-	223,032	223,032
Parks and recreation	-	-	-	-	-	-	-	-	-	619,388	619,388
Airport projects	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	270,680	-	-	-	-	270,680
Other	-	-	3,402,071	-	624,072	-	-	-	-	32,510	4,058,653
<b>Total restricted</b>	-	8,036,647	6,379,309	4,535,840	624,072	270,680	-	234,604	13,676,880	1,070,596	34,828,628
<b>Committed</b>											
Capital improvements	250,000	-	-	-	-	-	-	-	-	-	250,000
<b>Unassigned</b>	<b>6,257,989</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,105,773)</b>	<b>5,152,216</b>
<b>Total fund balance</b>	<b>\$ 7,003,067</b>	<b>\$ 8,051,898</b>	<b>\$ 6,379,309</b>	<b>\$ 4,535,840</b>	<b>\$ 624,072</b>	<b>\$ 276,154</b>	<b>\$ -</b>	<b>\$ 234,604</b>	<b>\$ 13,676,880</b>	<b>\$ (35,009)</b>	<b>\$ 40,746,815</b>

### **Note 2 - Budgets and Budgetary Accounting**

The budgetary comparison and related disclosures are reported as Required Supplementary Information. At June 30, 2023, disbursements did not exceed amounts budgeted.

### **Note 3 - Deposits and Investments**

*Deposits.* The City's deposits in banks at June 30, 2023, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

As of June 30, 2023, the City's carrying amount of deposits, related bank balances, and other cash, including fiduciary funds, were as follows:

	Carrying Amount	Bank Balance
Demand deposits	\$ 51,722,395	\$ 52,004,216
Iowa Public Agency Investment Trust	10,362,536	10,362,536
Treasury securities	7,996,156	7,996,156
Petty cash	1,775	-
 Total	 <u>\$ 70,082,862</u>	 <u>\$ 70,362,908</u>

The Marshalltown Water Works' carrying amount of deposits was \$6,138,840, all of which was covered by federal depository insurance or insured by the state through pooled collateral, State Sinking Funds and by the state's ability to assess for lost funds.

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

*Interest Rate Risk.* The City's investment policy limits the investments of operating funds (funds expected to be expended in the current budget year or within fifteen months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in instruments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the City. The City did not hold any instruments with a maturity greater than 397 days during the year.

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

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

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

*Custodial Credit Risk – Investments.* For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City had no custodially-held investments during the year.

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 of the Treasury securities was determined using quoted market prices for similar assets (Level 2 inputs). Treasury securities of the City mature within 365 days and were rated Aaa by Moody's Investors Service at the time of purchase.

In addition, the City had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$10,362,536. There were no limitations or restrictions on the withdrawals for the IPAIT investments. The City's investment in the Iowa Public Agency Investment Trust is unrated.

#### **Note 4 - Interfund Balance and Transfers**

Due to/from primary government and component unit balances as of June 30, 2023, consisted of the following:

Receivable Entity	Payable Entity	Amount
Primary Government	Component Unit	
Governmental Fund, General Fund	Water Works	\$ 10,685
Enterprise Fund, Water Pollution Control	Water Works	418,824
Enterprise Fund, Storm Sewer	Water Works	<u>104,366</u>
		<u><u>\$ 533,875</u></u>

Due from/to other funds as of June 30, 2023, consisted of the following:

Due to General Fund from Nonmajor Governmental	<u><u>\$ 1,297,424</u></u>
Due to Water Pollution Control Fund from Nonmajor Enterprise	<u><u>\$ 25,565</u></u>

**City of Marshalltown**  
**Notes to Financial Statements**  
**June 30, 2023**

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The interfund balances result from negative cash balances.

Interfund transfers for the year ended June 30, 2023, consisted of the following:

Transfers to General Fund from	
Road use tax	\$ 1,036,556
Local option sales tax	217,672
Property tax	4,093,296
Public works and other projects	805,956
American rescue plan	87,070
Nonmajor governmental	<u>180,335</u>
 Total Transfers to General Fund	 <u>\$ 6,420,885</u>
Transfers to Public Works and Other Projects Fund from	
General	\$ 26,707
Road use tax	67,204
Local option sales tax	414,119
American rescue plan	546,204
Sewer	74,610
Storm sewer	<u>236,405</u>
 Total Transfers to Public Works and Other Projects Fund	 <u>\$ 1,365,249</u>
Transfers to Road Use Tax Fund from	
General	\$ 2,231
Public works and other projects	<u>592,847</u>
 Total Transfers to Road Use Tax Fund	 <u>\$ 595,078</u>
Transfers to HUD Programs Fund from Local Option Sales Tax Fund	<u>\$ 12,364</u>
Transfers to Debt Service Fund from	
Local option sales tax	\$ 3,641,776
Nonmajor governmental	<u>386,364</u>
 Total Transfers to Debt Service Fund	 <u>\$ 4,028,140</u>

City of Marshalltown  
Notes to Financial Statements  
June 30, 2023

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Transfers to Nonmajor Governmental Funds from	
Local option sales tax	\$ 36,349
Disaster	8,065
Nonmajor governmental	<u>62,504</u>
 Total transfers to Nonmajor Governmental Funds	 <u>\$ 106,918</u>
Transfers to Water Pollution Control Fund from	
Local option sales tax	\$ 18,580
Nonmajor governmental	<u>43,016</u>
 Total Transfers to Water Pollution Control Fund	 <u>\$ 61,596</u>
Transfers to Storm Sewer Fund from Local Option Sales Tax Fund	<u>\$ 4,170</u>
Transfers to Nonmajor Enterprise Funds from	
General	\$ 251,056
Local option sales tax	<u>8,090</u>
 Total Transfers to Nonmajor Enterprise Funds	 <u>\$ 259,146</u>

Transfers are used to (1) move property tax revenues from the fund that state statute requires to collect them to the fund that expends the associated expenditure, (2) offset public works salaries within the general fund with road use tax dollars collected, and (3) move a portion of local option sales tax to the fund that is receiving the property tax relief.

**City of Marshalltown**  
**Notes to Financial Statements**  
**June 30, 2023**

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**Note 5 - Capital Assets**

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

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
<b>Primary Government</b>				
<b>Governmental activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 5,029,351	\$ -	\$ -	\$ 5,029,351
Construction in progress	<u>5,825,408</u>	<u>7,639,281</u>	<u>(3,883,053)</u>	<u>9,581,636</u>
Total capital assets, not being depreciated	<u>10,854,759</u>	<u>7,639,281</u>	<u>(3,883,053)</u>	<u>14,610,987</u>
<b>Capital assets, being depreciated</b>				
Buildings and structures	37,937,251	2,846,200	-	40,783,451
Land improvements	6,246,327	143,116	-	6,389,443
Equipment and vehicles	19,913,070	1,396,701	(349,686)	20,960,085
Infrastructure	<u>50,544,977</u>	<u>587,502</u>	<u>-</u>	<u>51,132,479</u>
Total capital assets, being depreciated	<u>114,641,625</u>	<u>4,973,519</u>	<u>(349,686)</u>	<u>119,265,458</u>
Less accumulated depreciation for				
Buildings and structures	(9,958,676)	(1,120,544)	-	(11,079,220)
Land improvements	(2,048,024)	(208,206)	-	(2,256,230)
Equipment and vehicles	(10,873,230)	(1,120,709)	349,686	(11,644,253)
Infrastructure	<u>(28,535,767)</u>	<u>(1,326,799)</u>	<u>-</u>	<u>(29,862,566)</u>
Total accumulated depreciation	<u>(51,415,697)</u>	<u>(3,776,258)</u>	<u>349,686</u>	<u>(54,842,269)</u>
<b>Total Capital Assets, Being Depreciated, Net</b>	<u>63,225,928</u>	<u>1,197,261</u>	<u>-</u>	<u>64,423,189</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 74,080,687</u>	<u>\$ 8,836,542</u>	<u>\$ (3,883,053)</u>	<u>\$ 79,034,176</u>

**City of Marshalltown**  
**Notes to Financial Statements**  
**June 30, 2023**

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
<b>Business-Type Activities</b>				
Capital assets, not being depreciated				
Land	\$ 898,294	\$ -	\$ -	\$ 898,294
Construction in progress	3,734,108	5,039,051	(262,379)	8,510,780
Total capital assets, not being depreciated	<u>4,632,402</u>	<u>5,039,051</u>	<u>(262,379)</u>	<u>9,409,074</u>
Capital assets, being depreciated				
Buildings and structures	12,505,059	-	-	12,505,059
Land improvements	2,321,332	-	-	2,321,332
Equipment and vehicles	21,553,428	252,654	(49,088)	21,756,994
Sanitary sewers and lift stations	48,816,650	118,580	-	48,935,230
Infrastructure	18,860,092	143,799	-	19,003,891
Total capital assets, being depreciated	<u>104,056,561</u>	<u>515,033</u>	<u>(49,088)</u>	<u>104,522,506</u>
Less accumulated depreciation for				
Buildings and structures	(8,028,683)	(341,607)	-	(8,370,290)
Land improvements	(2,012,023)	(32,932)	-	(2,044,955)
Equipment and vehicles	(14,273,045)	(654,955)	49,088	(14,878,912)
Sanitary sewers and lift stations	(13,373,831)	(1,072,606)	-	(14,446,437)
Infrastructure	(6,987,396)	(425,130)	-	(7,412,526)
Total accumulated depreciation	<u>(44,674,978)</u>	<u>(2,527,230)</u>	<u>49,088</u>	<u>(47,153,120)</u>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b><u>59,381,583</u></b>	<b><u>(2,012,197)</u></b>	<b><u>-</u></b>	<b><u>57,369,386</u></b>
<b>Business-Type Activities Capital Assets, Net</b>	<b><u>\$ 64,013,985</u></b>	<b><u>\$ 3,026,854</u></b>	<b><u>\$ (262,379)</u></b>	<b><u>\$ 66,778,460</u></b>

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

<b>Governmental Activities</b>	
Public safety	\$ 984,605
Public works	1,799,396
Culture and recreation	880,102
General government	<u>112,155</u>
<b>Total Depreciation Expense – Governmental Activities</b>	<b><u>\$ 3,776,258</u></b>
 <b>Business-Type Activities</b>	
Water pollution control	\$ 1,938,678
Storm sewer	471,871
Compost facility	2,270
Bus transit	<u>114,411</u>
<b>Total Depreciation Expense – Business-Type Activities</b>	<b><u>\$ 2,527,230</u></b>

**City of Marshalltown**  
**Notes to Financial Statements**  
**June 30, 2023**

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**Note 6 - Long-Term Debt**

The following is a summary of changes in the City's long-term debt for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
<b>Governmental Activities</b>					
General obligation bonds and notes payable	\$ 41,430,000	\$ 10,165,000	\$ 3,825,000	\$ 47,770,000	\$ 4,550,000
Unamortized premiums	758,885	186,123	89,038	855,970	-
Total general obligation bonds and notes	42,188,885	10,351,123	3,914,038	48,625,970	4,550,000
Revenue bonds - direct borrowings	125,671	200,192	-	325,863	-
Compensated absences payable	1,106,390	285,579	249,442	1,142,527	363,533
	<u>43,420,946</u>	<u>10,836,894</u>	<u>4,163,480</u>	<u>50,094,360</u>	<u>4,913,533</u>
 <b>Business-Type Activities</b>					
General obligation bonds and notes payable	\$ 6,395,000	\$ -	\$ 930,000	\$ 5,465,000	\$ 960,000
Unamortized premiums	107,709	-	12,811	94,898	-
Total general obligation bonds	6,502,709	-	942,811	5,559,898	960,000
Revenue bonds - direct borrowings	3,471,000	2,120,002	175,000	5,416,002	716,000
Revenue bonds payable	8,542,000	-	1,318,000	7,224,000	1,337,000
Compensated absences payable	287,001	71,657	55,040	303,618	64,422
	<u>18,802,710</u>	<u>2,191,659</u>	<u>2,490,851</u>	<u>18,503,518</u>	<u>3,077,422</u>
<b>Total</b>	<b><u>\$ 62,223,656</u></b>	<b><u>\$ 13,028,553</u></b>	<b><u>\$ 6,654,331</u></b>	<b><u>\$ 68,597,878</u></b>	<b><u>\$ 7,990,955</u></b>

For the governmental activities, compensated absences are generally liquidated by the general fund.

**City of Marshalltown**  
**Notes to Financial Statements**  
**June 30, 2023**

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**Bonded Debt.** Details of the City's bonds and notes payable as of June 30, 2023, are as follows:

	Interest Rates	Govern- mental Activities	Business- type Activities	Total
<b>General Obligation Bonds and Notes</b>				
2012A Essential corporate purpose, issued April 12, 2012	2.00-2.25	\$ 825,000	\$ -	\$ 825,000
2015A Essential corporate purpose, issued November 24, 2015	2.35-2.60	225,000	-	225,000
2016A General obligation corporate purpose, issued August 9, 2016	2.00	860,000	1,600,000	2,460,000
2016B General obligation corporate purpose, issued December 1, 2016	2.00	2,505,000	-	2,505,000
2017A General obligation corporate purpose, issued October 10, 2017	3.00	10,900,000	-	10,900,000
2018A General obligation corporate purpose, issued December 3, 2018	3.00	2,290,000	-	2,290,000
2019 General obligation corporate purpose, issued December 12, 2019	2.00	4,605,000	1,465,000	6,070,000
2020A General obligation corporate purpose, issued September 28, 2020	1.00	4,835,000	2,400,000	7,235,000
2020B General obligation corporate purpose, issued September 28, 2020	1.00	2,030,000	-	2,030,000
2021 General obligation corporate purpose, issued December 14, 2021	2.00	8,530,000	-	8,530,000
2022A General obligation corporate purpose, issued December 13, 2022	4.00	9,555,000	-	9,555,000
2022B General obligation corporate purpose, issued December 13, 2022	5.00	<u>610,000</u>	-	<u>610,000</u>
Total general obligation bonds and notes		<u>47,770,000</u>	<u>5,465,000</u>	<u>53,235,000</u>
<b>Capital loan notes</b>				
IEDA forgiveable loan, issued March 3, 2020	0.00	<u>325,863</u>	-	<u>325,863</u>
<b>Revenue Bonds</b>				
Water Pollution Control, improvement bonds, Series 2013, issued June 18, 2013	2.09	-	1,404,000	1,404,000
Water Pollution Control, improvement Series 2020 Refunding bonds issued January 8, 2020	1.96	-	3,045,000	3,045,000
Water Pollution Control, improvement Series 2021 Refunding bonds issued April 1, 2021	1.23	-	2,775,000	2,775,000
2021A Sewer Revenue Improvement, issued September 24, 2021	0.86	-	3,296,000	3,296,000
2022 Sewer Revenue Improvement issued January 27, 2023	2.00	<u>-</u>	<u>2,120,002</u>	<u>2,120,002</u>
Total revenue bonds		<u>-</u>	<u>12,640,002</u>	<u>12,640,002</u>
Total long-term debt		<u>\$ 48,095,863</u>	<u>\$ 18,105,002</u>	<u>\$ 66,200,865</u>

**City of Marshalltown**  
**Notes to Financial Statements**  
**June 30, 2023**

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The resolutions providing for the issuance of the City's revenue bonds include the following provisions:

- (1) The bonds will only be redeemed from the future earnings of the enterprise activity and the bond holders hold a lien on the future earnings of the funds.
- (2) Sufficient monthly transfers shall be made to a separate sewer revenue bond and interest sinking fund for the purpose of making the bond principal and interest payments when due.

**Future Requirements to Maturity.** Principal and interest requirements to maturity for the City's bonds and notes outstanding as of June 30, 2023, are as follows:

Years Ending June 30,	Governmental Activities General Obligation Bonds and Notes		Business-Type Activities General Obligation Bonds and Notes	
	Principal	Interest	Principal	Interest
2024	\$ 4,550,000	\$ 1,429,413	\$ 960,000	\$ 85,300
2025	4,650,000	1,133,478	990,000	69,350
2026	4,350,000	1,025,805	1,000,000	52,850
2027	4,370,000	931,205	520,000	36,200
2028	3,805,000	835,715	570,000	29,250
2029-2033	16,495,000	2,839,501	1,425,000	39,450
2034-2038	9,875,863	893,500	-	-
2039-2040	-	-	-	-
<b>Total</b>	<b>\$ 48,095,863</b>	<b>\$ 9,088,617</b>	<b>\$ 5,465,000</b>	<b>\$ 312,400</b>

Years Ending June 30,	Business-Type Activities Revenues Bonds		Total Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 2,053,000	\$ 166,004	\$ 3,013,000	\$ 251,304
2025	2,097,000	137,781	3,087,000	207,131
2026	2,135,000	108,921	3,135,000	161,771
2027	2,066,002	79,528	2,586,002	115,728
2028	1,467,000	50,421	2,037,000	79,671
2029-2033	1,389,000	94,978	2,814,000	134,428
2034-2038	1,012,000	44,411	1,012,000	44,411
2039-2040	421,000	5,444	421,000	5,444
<b>Total</b>	<b>\$ 12,640,002</b>	<b>\$ 687,488</b>	<b>\$ 18,105,002</b>	<b>\$ 999,888</b>

In fiscal year ended June 30, 2023, the Water Pollution Control Fund had net revenues of \$6,115,556 and the amount of principal and interest due on the revenue bonds and notes was \$1,677,495.

City of Marshalltown  
Notes to Financial Statements  
June 30, 2023

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*Legal Debt Margin.* The City's legal debt margin as of June 30, 2023, is as follows:

Regular Realty Valuations	\$ 1,351,109,942
Utility Valuations	455,112,249
Incremental Valuations	<u>13,036,223</u>
 Total actual valuations applicable to debt	 <u>1,819,258,414</u>
 Debt Limit - 5% of Total Actual Valuations	 
Applicable to Debt	<u>90,962,921</u>
 Amount of Debt Applicable to Limitation	 
General obligation bonds and notes	53,560,863
Urban renewal rebate agreements	<u>2,011,872</u>
 Less funds available from	 
Debt service fund	234,604
Tax increment financing	<u>195,666</u>
 Total debt applicable to debt margin	 <u>55,142,465</u>
 Legal debt margin	 <u>\$ 35,820,456</u>

## **Note 7 - Retirement Plans**

The primary government participates in two public pension systems, Iowa Public Employees' Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MFPSI). The component unit Water Works participates in IPERS only. The following sections outline the pension related disclosures for each pension of both entities. The aggregate amount of recognized pension expense (income) for the period associated with the net pension liability for all plans is \$590,670 for the primary government and \$10,488 for the Water Works. Other aggregate amounts related to pension are separately displayed in the financial statements.

### **(a) Iowa Public Employees' Retirement System - IPERS**

Plan Description – IPERS membership is mandatory for employees of the City and the Water Works, except for those covered by another retirement system. Throughout this IPERS disclosure, all references to the City will incorporate both the City and the Water Works, unless otherwise noted.

Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://www.ipers.org).

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

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early retirement deduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member’s years of service plus the member’s age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member’s first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member’s monthly IPERS benefit includes:

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

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

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

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member’s beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member’s accrued benefits 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 – Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS’ Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the “entry age normal” actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2023, pursuant to the required rate, Regular members contributed 6.29% of pay and the City contributed 9.44% for a total rate of 15.73%.

The City’s total contributions to IPERS for the year ended June 30, 2023 were \$635,539. The Water Work’s total contributions to IPERS for the year ended June 30, 2023 were \$92,498.

There were no non-employer contributing entities to IPERS.

**City of Marshalltown**  
**Notes to Financial Statements**  
**June 30, 2023**

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting and expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	22.0%	3.57%
Core Plus Fixed Income	20.0	1.66
International Equity	17.5	4.79
Private Equity/Debt	13.0	7.57
Private Real Assets	8.5	3.55
Private Credit	8.0	3.63
Global smart beta equity	6.0	4.16
Public Credit	4.0	3.77
Cash	1.0	0.77
	<b>100%</b>	

City of Marshalltown  
Notes to Financial Statements  
June 30, 2023

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

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

**City Specific IPERS Disclosures**

**Net Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – At June 30, 2023, the City reported a liability of \$3,118,047 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2022, the City's collective proportion was .082528 percent, which was an increase of .116304 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension expense (income) of \$(45,016). At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 138,223	\$ 42,710
Changes of Assumptions	2,646	74
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	333,777
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	136,218	220,292
City Contributions Subsequent to the Measurement Date	<u>635,539</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 912,626</u></b>	<b><u>\$ 596,853</u></b>

City of Marshalltown  
Notes to Financial Statements  
June 30, 2023

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The \$635,539 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30	Total
2024	\$ (303,915)
2025	(229,328)
2026	(419,065)
2027	643,493
2028	<u>(10,951)</u>
	 <u>\$ (319,766)</u>

**Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate** - The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,809,297	\$ 3,118,047	\$ 746,317

**Payable to the Pension Plan** – At June 30, 2023, the City reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

#### **Water Works Specific IPERS Disclosures**

**Net Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – At June 30, 2023, the Water Works reported a liability of \$351,042 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Water Work's proportion of the net pension liability was based on the Water Work's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2022, the Water Work's collective proportion was .009291 percent which was an increase of .012689 percent from its proportion measured as of June 30, 2021.

**City of Marshalltown**  
**Notes to Financial Statements**  
**June 30, 2023**

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For the year ended June 30, 2023, the Water Works recognized pension expense (income) of \$10,488. At June 30, 2023, the Water Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Results	\$ 15,562	\$ 4,808
Changes of Assumptions	298	8
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	37,578
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	30,145	12,991
Water Works Contributions Subsequent to the Measurement Date	<u>92,498</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 138,503</u></b>	<b><u>\$ 55,385</u></b>

The \$92,498 reported as deferred outflows of resources related to pensions resulting from the Water Works contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending June 30,</u>	<u>Total</u>
2024	\$ (25,612)
2025	(23,163)
2026	(44,054)
2027	80,900
2028	<u>2,549</u>
	<b><u>\$ (9,380)</u></b>

**Sensitivity of the Utility's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the Water Utility's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the Water Utility's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	<u>1% Decrease (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
Water Works' Proportionate Share of the Net Pension Liability	\$ 654,033	\$ 351,042	\$ 84,023

**Payable to the Pension Plan** – At June 30, 2023, the Water Works reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

**(b) Municipal Fire and Police Retirement System of Iowa – MFPSI**

Plan Description – MFPSI membership is mandatory for fire fighters and police officers covered by provisions of Chapter 411 of the Code of Iowa. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by MFPSI. MFPSI issues a stand-alone financial report which is available to the public by mail at 7155 Lake Drive, Suite 201, West Des Moines, Iowa 50366 or at [www.mfpsi.org](http://www.mfpsi.org).

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

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

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

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

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

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

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

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

Contributions – Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa as modified by act of the 1994 General Assembly, to establish compliance with the Federal Older Workers Benefit Protections Act, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2023.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1 percent of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the employer's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 23.90% for the year ended June 30, 2023.

The City's contributions to MFPSI for the year ended June 30, 2023 was \$1,179,402.

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 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 MFPSI during the fiscal year ended June 30, 2023.

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

Rate of inflation (effective June 30, 2017)	3.00 percent per annum
Rates of salary increase (effective June 30, 2017)	3.75 to 15.11 percent, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.50 percent compounded annually, net of investment expense including inflation

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period of July 1, 2010 to June 30, 2020. There were no significant changes of benefit terms.

Postretirement mortality rates were based on the RP-2014 Blue Collar Combined Healthy Annuitant Table with males set-forward zero years, females set-forward two years and disabled individuals 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 (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. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Broad Fixed Income	3.5%
Broad U.S. Equity	6.7%
Global Equity	6.8%
Broad Non-US Equity	7.0%
Managed Futures	5.1%
Emerging Market	7.2%
Real Estate - Core	6.4%
Opportunistic Real Estate	11.0%
Global Infrastructure	6.8%
Private Credit	8.6%
Private Equity	12.0%

City of Marshalltown  
Notes to Financial Statements  
June 30, 2023

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Discount Rate – The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions will be made at 9.40% of covered payroll and the City contributions will be made at rates equal to the difference between actuarially determined rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – At June 30, 2023, the City reported a liability of \$7,856,742 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all MFPSI participating employers. At June 30, 2022, the City's collective proportion was 1.399066 percent which was a decrease of .078629 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension expense of \$635,686. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Results	\$ 487,885	\$ 10,101
Changes of Assumptions	22,039	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	93,089
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	227,076	521,280
City Contributions Subsequent to the Measurement Date	1,179,402	-
<b>Total</b>	<b>\$ 1,916,402</b>	<b>\$ 624,470</b>

The \$1,179,402 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

**City of Marshalltown**  
**Notes to Financial Statements**  
**June 30, 2023**

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

<u>Years Ended June 30,</u>	<u>Total</u>
2024	\$ (76,485)
2025	(222,348)
2026	(584,419)
2027	1,004,017
2028	(8,235)
	<hr/>
	<u>\$ 112,530</u>

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 14,219,238	\$ 7,856,742	\$ 2,585,327

**Payables to the Pension Plan** – At June 30, 2023, the City reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to MFPSI.

**(c) Pension Plan – Marshalltown Water Works Supplemental Retirement and Pension Plan**

**Plan Description** – The Water Works maintains the Marshalltown Water Works Supplemental Retirement and Pension Plan, which is a single employer defined benefit plan administered by United Bank and Trust.

The Plan was established by the Marshalltown Water Works' Board of Trustees on September 30, 1953. The Plan was restated and amended on January 1, 2014. The Board of Trustees has the authority to amend the Plan at any time.

**Pension Benefits** – Employees who retire at or after age 65, or age 62 with 25 years of credited service, are entitled to retirement benefits payable monthly for life. Monthly benefits are equal to 2.12% of the employee's five-year final average salary multiplied by the number of years of consecutive service for the year ended June 30, 2023. Service prior to January 1, 1986 shall be limited to 25 years. Benefits are fully vested on reaching 10 or more years of credited service.

City of Marshalltown  
Notes to Financial Statements  
June 30, 2023

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Disability and Death Benefits – A vested member who is awarded federal Social Security disability benefits is eligible to claim Water Works pension benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement and has participated in the plan for 10 or more years prior to death, and is totally vested, the surviving spouse may request a return of the participant's accrued contributions with interest to the date of the participant's death, or may leave the balance in the pension plan and be entitled to a joint and 100% survivor annuity at the time the participant would have become eligible for pension benefits.

Contributions – The Water Works' funding policy provides for employer and employee contributions at actuarially determined rates that are sufficient to accumulate assets to pay benefits when due. The frozen entry age actuarial cost method is used to determine annual plan costs. The employer contribution rate for the year ended June 30, 2023 and 2022 was 8.93% plus an additional \$5,000 per bi-weekly payroll. The employee contribution rate for the years ended June 30, 2023 and 2022 was 4.95%. Contributions paid by the Water Works for the year ended June 30, 2023 totaled \$185,905, and the contributions paid by employees totaled \$30,989.

**Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – At June 30, 2023, the Water Works reported a net pension liability of \$1,351,443. The net pension liability was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of March 31, 2023.

For the year ended June 30, 2023, the Water Works recognized pension expense (income) of \$(48,504). At June 30, 2023 Water Works 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 Results	\$ 72,152	\$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>81,990</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 154,142</u></b>	<b><u>\$ -</u></b>

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

<u>Years Ending June 30,</u>	<u>Total</u>
2024	\$ 51,814
2025	1,342
2026	56,252
2027	<u>44,734</u>
	<b><u>\$ 154,142</u></b>

**City of Marshalltown  
Notes to Financial Statements  
June 30, 2023**

Actuarial Assumptions – The total pension liability in the March 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rates of salary increase (effective March 31, 2023)	3.00 percent per annum
Long-term investment rate of return (effective March 31, 2023)	7.00 percent compounded annually

The actuarial assumptions used in the March 31, 2023 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the 1983 Group Annuity Mortality Table.

The long-term expected rate of return on pension plan investments was determined using best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation). These ranges are combined to produce the long-term expected rate of return. The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.67% based on the target allocation of assets summarized in the following table:

Asset Class	Asset Allocation
Large Cap Equity	30.0%
Small Cap Equity	10.0
International Equity	10.0
High Dividend Equity	10.0
Fixed Income	40.0
<b>Total</b>	<b>100.0%</b>

Sensitivity of the Water Works' Net Pension Liability to Changes in the Discount Rate – The following presents the Water Works' net pension liability calculated using the discount rate of 7.0 percent, as well as what the Water Works' net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0 percent) or 1-percentage point higher (8.0 percent) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Water Works' Proportionate Share of the Net Pension Liability	\$ 1,586,621	\$ 1,351,443	\$ 1,148,573

#### **Note 8 - Other Postemployment Benefits**

Plan Description - The City operates a single-employer retiree benefit plan which provides postemployment medical and dental benefits for retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue a stand-alone financial report.

OPEB Benefits - Retirees or eligible spouses are required to contribute for their coverage the following percentages of the total premium:

50% if disabled while on duty (police or fire) except disability related expenses are 100% paid by the City,  
50% if retiring employee satisfies the rule of 88 or police/fire employee is 55 with 22 years of service,  
50% for grandfathered police/fire,  
100% for all other including surviving spouses.

To be eligible for the medical and dental insurance coverage, a retiree must be at least 55 years old, or disabled and receiving or eligible to receive a pension under the Iowa Public Employees' Retirement System (IPERS) or the Municipal Fire and Police Retirement System of Iowa (MFPSI). At July 1, 2021 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	56
Active employees	<hr/> 155
Total	<hr/> <hr/> 211

Total OPEB Liability – The City's total OPEB liability of \$11,571,761 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions – The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2022)	3.00% per annum
Rates of salary increase (effective June 30, 2022)	0.00%, OPEB's directly determined by Service Years not Salary
Discount rate (effective June 30, 2022)	4.55% compounded annually, net of investment expense including inflation
Healthcare cost trend rate (effective June 30, 2022)	6.00%

City of Marshalltown  
Notes to Financial Statements  
June 30, 2023

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**Discount Rate** – The discount rate used to measure the total OPEB liability was 4.55% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP 2014 Annuity Mortality table. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

**Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Total OPEB Liability Beginning of Year	<u>\$ 11,128,291</u>
Changes for the Year	
Service Cost	158,959
Interest	491,727
Net difference between projected and actual earnings on pension plan investments	219,056
Benefit payments	<u>(426,272)</u>
Net changes	<u>443,470</u>
Total OPEB Liability, End of Year	<u>\$ 11,571,761</u>

**Sensitivity of the City's Total OPEB Liability to Changes in the Discount Rate** – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.55%) or 1% higher (5.55%) than the current discount rate.

	<u>1% Decrease (3.55%)</u>	<u>Discount Rate (4.55%)</u>	<u>1% Increase (5.55%)</u>
Total OPEB Liability	\$ 13,141,428	\$ 11,571,761	\$ 10,265,989

**Sensitivity of the City's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.00%) or 1% higher (7.00%) than the current healthcare cost trend rates.

	<u>1% Decrease (5.00%)</u>	<u>Healthcare Cost Trend Rate (6.00%)</u>	<u>1% Increase (7.00%)</u>
Total OPEB Liability	\$ 9,999,203	\$ 11,571,761	\$ 13,474,782

City of Marshalltown  
Notes to Financial Statements  
June 30, 2023

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**OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** – For the year ended June 30, 2023, the City recognized OPEB expense of \$354,808. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,529,699	\$ 2,949,647
Changes in assumptions	<u>1,119,326</u>	<u>3,108,386</u>
<b>Total</b>	<b><u>\$ 3,649,025</u></b>	<b><u>\$ 6,058,033</u></b>

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

Years Ending June 30	Total
2024	(295,878)
2025	(295,878)
2026	(203,221)
2027	(170,317)
2028	(196,751)
Thereafter	<u>(1,246,963)</u>
	<b><u>\$ (2,409,008)</u></b>

#### **Note 9 - Risk Management**

The City is a member in the Iowa Communities Assurance Pool (Pool), as allowed by Chapter 670.7 of the Code of Iowa. The Pool is a local government risk-sharing pool whose 794 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials' liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses, and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The City's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The City's contributions to the Pool for the year ended June 30, 2023 were \$482,674.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional and public officials' liability risks up to \$500,000 per claim. Claims exceeding \$500,000 are reinsured through reinsurance and excess risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location, with excess coverage reinsured by Lexington Insurance Company.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhaust total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The City does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such losses can be reasonably estimated. Accordingly, at June 30, 2023, no liability has been recorded in the City's financial statements. As of June 30, 2023, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given sixty days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their casualty capital contributions. If a member withdraws after the sixth year, the member is refunded 100% of its casualty capital contributions. However, the refund is reduced by an amount equal to the annual casualty operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The City has established a Group Insurance Benefits Fund for insuring health benefits provided to City employees and covered dependents which is included as an internal service fund. Health benefits were self-insured up to a specific stop-loss amount of \$85,000 and an aggregate stop-loss of approximately \$2,800,000 for 2023. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop-loss amount. All claims handling procedures are performed by a third-party claims administrator. Reported claims as of June 30, 2023, as well as incurred but not reported claims, have been accrued as a liability based upon the claims administrator's estimate and are included in accounts payable. The liability does not include any allocated or unallocated claim adjustment expenses.

City of Marshalltown  
Notes to Financial Statements  
June 30, 2023

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All operating funds of the City participate in the program and make payments to the Group Insurance Benefits Fund based on actuarial estimates of the amounts needed to pay prior and current year claims.

The City has established an Occupational Insurance Benefits Fund to self-insure for workers' compensation benefits for all currently employed police officers and firefighters and police officers and firefighters who have retired due to an accidental disability prior to December 1992, in accordance with Chapter 411.15 of the Code of Iowa. The General Fund is charged for benefits paid to police officers and firefighters by the Occupational Insurance Benefits Fund, which is also accounted for as an internal service fund. Reported claims as of June 30, 2023, as well as incurred but not reported claims, have been accrued as a liability based upon the City's best estimate and are included in accounts payable. The liability does not include any allocated or unallocated claim adjustment expenses. There is no stop-loss insurance for this coverage.

The claims liabilities of \$299,865 in the Group Insurance Benefits Fund and \$41,750 in the Occupational Insurance Benefits Fund are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The entire amounts will be paid within one year of year-end.

Changes in reported liabilities for the fiscal years ended June 30, 2023 and 2022, are summarized as follows:

	Group Insurance Benefits Fund	Occupational Insurance Benefits Fund
Liabilities as of June 30, 2021	\$ 386,879	\$ 4,980
Claims and Changes in Estimates During Fiscal Year 2022	3,073,207	85,757
Claim Payments	<u>(3,092,671)</u>	<u>(75,642)</u>
Liabilities as of June 30, 2022	367,415	15,095
Claims and Changes in Estimates During Fiscal Year 2023	3,208,379	76,167
Claim Payments	<u>(3,275,929)</u>	<u>(49,512)</u>
Liabilities as of June 30, 2023	<u>\$ 299,865</u>	<u>\$ 41,750</u>

#### **Note 10 - Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all regular City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees, until termination, retirement, death, or unforeseeable emergency. The plan complies with IRC Section 457(g), which allows for the plan to hold its assets in trust. Under these requirements, the City does not own the amount deferred by employees and, therefore, the liability and corresponding investment are not reflected in the financial statements.

During this fiscal year, the City also made payroll IRAs available to its employees in accordance with Internal Revenue Code Section 401. This plan is also available to all regular City employees. Participation is optional and withdrawals are governed by current IRS regulations.

#### **Note 11 - Commitments**

The City has recognized as a liability only that portion of construction contracts representing construction completed through June 30, 2023. The City has additional commitments for signed construction contracts of approximately \$25,900,283 as of June 30, 2023, to be paid as work on the projects progresses.

#### **Note 12 - Major Customer**

The financial statements of the Water Pollution Control Enterprise Fund include sales and receivables from Swift and Company, a major customer, of \$3,026,992 and \$264,209 respectively.

#### **Note 13 - Litigation**

The City is a defendant in several claims and lawsuits. In the opinion of the City Attorney and management, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

#### **Note 14 - Deficit Balances**

At June 30, 2023, funds with deficit balances were as follows:

Non-major Special Revenue Fund - Grant Fund	(1,104,143)
Non-major Capital Projects Fund - Airport Projects Fund	(1,630)
Non-major Enterprise Fund - Recreation Concessions	(36,605)
Internal Service Fund - Group Insurance Benefits	(469,323)

These deficit balances will be recovered through future grant funding and future charges for services.

#### **Note 15 - 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.

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. For these types of projects, the City enters into agreements with developers which require the City, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. No other commitments were made by the City as part of these agreements.

For the year ended June 30, 2023, \$84,227 of property tax was diverted from the City under the urban renewal and economic development projects.

#### **Note 16 - Subsequent Events**

On November 27, 2023, the City of Marshalltown authorized a loan agreement to issue tax-exempt General Obligation Corporate Purpose Bonds Series 2023 in the amount of \$9,840,000 with a true interest rate of 4.1481% with a maturity of June 1, 2039. The City maintained its Aa2 bond rating. The bond proceeds may be used towards costs for constructing streets, bridges, sanitary sewer utility, storm water drainage, alley and sidewalk improvements, street lighting, signage and signalization improvements, streetscape beautification improvements, including art installation, planting of new trees and landscaping, and certain costs of issuance related to the bonds. The bond closing date was December 12, 2023.

On January 9, 2023, the City of Marshalltown authorized a loan through the Iowa Finance Authority State Revolving Fund (SRF) for wastewater projects in the amount of \$13,125,000. On February 27, 2024, the City accepted a principal forgiveness award up to \$2 million, which will be applied to the loan once the project is complete and all final documents have been completed by the City. Loan forgiveness was offered because the City of Marshalltown met the Program's definition of disadvantaged community and project eligibility criteria. The SRF program reimburses the City as expenses are incurred and a request for reimbursement is made. In FY23, the City received \$2,120,002 including the SRF loan initiation fee. In FY24, the City received \$6,935,591. The remaining amount of \$4,069,407 is anticipated to be received in FY25.

On March 3, 2020, the Iowa Economic Development Authority (IEDA) approved a promissory note in the amount of \$500,000 with interest at 0% under its Nuisance and Abandoned Building Program. On September 13, 2023, IEDA forgave the repayment on this note in full since the City of Marshalltown met all the obligations under this program.

City of Marshalltown  
Notes to Financial Statements  
June 30, 2023

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**Note 17 - Lease Receivable**

The City owns buildings located at the airport which the City rents to Marshalltown Aviation. Effective January 1, 2022, the City entered into a 15-year lease. The City is to receive monthly payments of \$2,333, respectively with an incremental lending rate of 2.0%. During the year ended June 30, 2023, the City earned principal of \$21,114 and interest of \$6,886 on the agreement. A summary of the remaining lease receivable principal and interest to maturity is as follows:

Years Ending June 30,	Principal	Interest	Total
2024	\$ 21,540	\$ 6,459	\$ 27,999
2025	21,975	6,024	27,999
2026	22,419	5,581	28,000
2027	22,871	5,129	28,000
2028	23,333	4,667	28,000
2029-2033	123,923	16,077	140,000
2034-2037	94,138	3,374	97,512
<b>Total</b>	<b>\$ 330,199</b>	<b>\$ 47,311</b>	<b>\$ 377,510</b>

Required Supplementary Information  
June 30, 2023

**City of Marshalltown**

**City of Marshalltown**  
**Required Supplementary Information**  
**Schedule of Changes in the City's Total OPEB Liability, Related Ratios, and Notes**

	Service Cost	Interest Cost	Difference between expected and actual	Changes in assumptions	Changes in Demographics	Benefit payments	Net change in total OPEB liability	Total OPEB liability beginning of year	Total OPEB liability end of year	Covered employee payroll	Total OPEB liability as a % of covered-employee payroll
2023	\$ 158,959	\$ 491,727	\$ 219,056	\$ -	\$ -	\$ (426,272)	\$ 443,470	\$ 11,128,291	\$ 11,571,761	\$ 11,515,555	100.49%
2022	159,127	497,899	(2,860,266)	(3,925,423)	2,035,105	(420,331)	(4,513,889)	15,642,185	11,128,291	11,589,775	96.02%
2021	276,270	254,503	465,181	-	-	(544,976)	450,978	15,191,207	15,642,185	11,474,039	136.33%
2020	276,589	270,079	(953,812)	894,265	-	(523,029)	(35,908)	15,227,115	15,191,207	11,192,555	135.73%
2019	281,820	499,714	96,036	1,061,967	-	(540,579)	1,398,958	13,828,157	15,227,115	10,534,199	144.55%
2018	242,496	458,043	206,821	-	-	(504,093)	403,267	13,424,890	13,828,157	10,496,813	131.74%

**Note:** GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Notes to Schedule of Changes in the City of Marshalltown's Total OPEB Liability and Related Ratios

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

Changes in benefit terms – There were no significant changes in benefit terms.

Changes in assumptions – Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2023	4.55%
Year ended June 30, 2022	4.55%
Year ended June 30, 2021	2.70%
Year ended June 30, 2020	2.70%
Year ended June 30, 2019	3.15%
Year ended June 30, 2018	3.72%

**City of Marshalltown**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule of Receipts, Disbursements, and**  
**Changes in Balances – Budget and Actual (Cash Basis)**  
**Governmental Funds and Enterprise Funds**  
**Year Ended June 30, 2023**

	Actual			Budgeted Amounts		Final to Actual Variance
	Governmental Funds	Enterprise Funds	Total	Original Budget	Final Budget	
<b>Receipts</b>						
Property taxes	\$ 12,846,103	\$ -	\$ 12,846,103	\$ 12,999,858	\$ 12,999,858	\$ (153,755)
TIF revenues	470,298	-	470,298	485,255	485,255	(14,957)
Other city taxes	6,194,913	-	6,194,913	6,130,837	5,951,637	243,276
Licenses and permits	409,409	10,318	419,727	292,650	369,951	49,776
Use of money and property	1,179,181	707,517	1,886,698	410,280	1,391,653	495,045
Intergovernmental	15,503,929	1,055,132	16,559,061	16,668,914	23,133,180	(6,574,119)
Charges for service	882,559	10,164,296	11,046,855	10,821,042	11,284,097	(237,242)
Special assessments	-	-	-	5,000	500	(500)
Miscellaneous	1,090,988	46,083	1,137,071	1,594,403	1,563,161	(426,090)
Other financing sources	10,530,904	2,129,122	12,660,026	22,000,200	17,988,323	(5,328,297)
<b>Total receipts</b>	<b>49,108,284</b>	<b>14,112,468</b>	<b>63,220,752</b>	<b>71,408,439</b>	<b>75,167,615</b>	<b>(11,946,863)</b>
<b>Disbursements</b>						
Public safety	10,344,601	-	10,344,601	10,338,254	10,768,259	423,658
Public works	4,190,329	-	4,190,329	5,396,534	5,096,717	906,388
Health and social services	1,102,281	-	1,102,281	1,605,324	1,687,785	585,504
Culture and recreation	3,565,255	-	3,565,255	3,833,586	4,392,674	827,419
Community and economic development	3,810,744	-	3,810,744	5,678,314	5,029,467	1,218,723
General government	1,546,207	-	1,546,207	1,542,401	1,667,556	121,349
Debt service	5,846,501	-	5,846,501	5,846,502	5,846,502	1
Capital projects	9,287,492	-	9,287,492	25,613,707	19,676,467	10,388,975
Business-type activities	-	11,294,832	11,294,832	22,204,352	17,588,724	6,293,892
<b>Total disbursements</b>	<b>39,693,410</b>	<b>11,294,832</b>	<b>50,988,242</b>	<b>82,058,974</b>	<b>71,754,151</b>	<b>20,765,909</b>
<b>Excess (deficiency) of receipts over (under) disbursements</b>	<b>9,414,874</b>	<b>2,817,636</b>	<b>12,232,510</b>	<b>(10,650,535)</b>	<b>3,413,464</b>	<b>8,819,046</b>
<b>Transfers</b>						
Transfers in	14,175,714	324,913	14,985,294	19,109,221	16,971,339	1,628,802
Transfers out	(13,158,188)	(1,342,439)	(14,985,294)	(19,109,221)	(16,971,339)	(1,628,802)
<b>Total transfers</b>	<b>1,017,526</b>	<b>(1,017,526)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>10,432,400</b>	<b>1,800,110</b>	<b>12,232,510</b>	<b>(10,650,535)</b>	<b>3,413,464</b>	<b>8,819,046</b>
<b>Fund Balances, Beginning</b>	<b>33,470,341</b>	<b>24,203,528</b>	<b>57,673,869</b>	<b>51,112,742</b>	<b>57,673,869</b>	<b>-</b>
<b>Fund Balances, Ending</b>	<b>\$ 43,902,741</b>	<b>\$ 26,003,638</b>	<b>\$ 69,906,379</b>	<b>\$ 40,462,207</b>	<b>\$ 61,087,333</b>	<b>\$ 8,819,046</b>

**City of Marshalltown**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule – Budget to GAAP Reconciliation**  
**Year Ended June 30, 2023**

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	Governmental Funds			Proprietary Funds		
			Modified Accrual Basis			Enterprise
	Cash Basis	Accrual Adjustments		Cash Basis	Accrual Adjustments	
Revenues	\$ 49,108,284	\$ (4,039,604)	\$ 45,068,680	\$ 14,112,468	\$ (1,853,008)	\$ 12,259,460
Expenditures/Expenses	<u>39,693,410</u>	<u>(462,271)</u>	<u>39,231,139</u>	<u>11,294,832</u>	<u>(3,793,505)</u>	<u>7,501,327</u>
Net	9,414,874	(3,577,333)	5,837,541	2,817,636	1,940,497	4,758,133
Transfers	1,017,526	(1,031,423)	(13,897)	(1,017,526)	1,031,423	13,897
Beginning Fund Balances/ Net Position	<u>33,470,341</u>	<u>1,452,830</u>	<u>34,923,171</u>	<u>24,203,528</u>	<u>43,730,164</u>	<u>67,933,692</u>
Ending Fund Balances/ Net Position	<u>\$ 43,902,741</u>	<u>\$ (3,155,926)</u>	<u>\$ 40,746,815</u>	<u>\$ 26,003,638</u>	<u>\$ 46,702,084</u>	<u>\$ 72,705,722</u>

City of Marshalltown  
Notes to Required Supplementary Information – Budgetary Reporting  
Year Ended June 30, 2023

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

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

Formal and legal budgetary control is based upon nine (9) major classes of disbursements known as functions, not by fund or fund type. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business-type activities. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, the Debt Service Fund, Capital Projects Funds and Enterprise Funds. Although the budget document presents function disbursements by fund type, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment was prepared with the required public hearing. The amendment decreased budgeted disbursements by \$10,304,823, excluding transfers out.

At June 30, 2023, disbursements did not exceed the amended budgeted amounts.

**City of Marshalltown**  
**Required Supplementary Information**  
**Schedule of City's Proportionate Share of Net Pension Liability**  
**Iowa Public Employees' Retirement System – IPERS**

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Fiscal Year Ended	City's proportion of the net pension liability (asset)	City's proportionate share of the net pension liability (asset)	City's covered payroll	City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2023	0.0825284%	\$ 3,118,047	\$ 6,635,456	46.99%	91.41%
2022*	-0.0337752%	116,601	6,751,706	1.73%	100.81%
2021	0.0817364%	5,741,766	6,483,102	88.57%	82.90%
2020	0.0793407%	4,594,347	6,042,108	76.04%	85.45%
2019	0.0804147%	5,088,837	6,059,552	83.98%	83.62%
2018	0.0777900%	5,181,791	5,806,629	89.24%	82.21%
2017	0.0815720%	5,044,545	5,772,452	87.39%	81.82%
2016	0.0827000%	4,109,324	5,714,192	71.91%	85.19%
2015	0.0827556%	3,349,191	5,521,483	60.66%	87.61%

See accompanying notes to required supplementary information.

**Note:** GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

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

\* The Plan has three groups; regular, sheriff, and protection. In total, the Plan reported a net pension asset at June 30, 2021. However, the City only participates in the regular and protection groups. The City's portions of these groups resulted in a net pension liability at June 30, 2021.

**City of Marshalltown**  
 Required Supplementary Information  
 Schedule of City Contributions  
 Iowa Public Employees' Retirement System – IPERS

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Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 635,539	\$ 635,539	\$ -	\$ 6,732,405	9.44%
2022	626,387	626,387	-	6,635,456	9.44%
2021	637,361	637,361	-	6,751,706	9.44%
2020	616,287	616,287	-	6,483,102	9.51%
2019	570,375	570,375	-	6,042,108	9.44%
2018	541,118	541,118	-	6,059,552	8.93%
2017	518,532	518,532	-	5,806,629	8.93%
2016	515,480	515,480	-	5,772,452	8.93%
2015	510,213	510,213	-	5,714,192	8.93%
2014	493,003	493,003	-	5,521,483	8.93%

City of Marshalltown  
Notes to Required Supplementary Information – Pension Liability  
Iowa Public Employees’ Retirement System – IPERS

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**Changes of benefit terms**

There are no significant changes in benefit terms.

**Changes of assumptions**

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

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

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

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

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

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

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member account 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 beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

**City of Marshalltown**  
**Required Supplementary Information**  
**Schedule of City's Proportionate Share of Net Pension Liability**  
**Municipal Fire and Police Retirement System of Iowa - MFPRSI**

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Fiscal Year Ended	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered payroll	City's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	1.399066%	\$ 7,856,742	\$ 4,725,220	166.27%	84.62%
2022	1.477695%	3,318,521	4,801,829	69.11%	93.62%
2021	1.426045%	11,374,139	4,530,594	251.05%	76.47%
2020	1.444308%	9,473,600	4,372,115	216.68%	79.94%
2019	1.534724%	9,137,800	4,460,800	204.85%	81.07%
2018	1.480374%	8,682,024	4,192,720	207.07%	80.60%
2017	1.560279%	9,755,815	4,229,147	230.68%	78.20%
2016	1.515981%	7,122,296	3,975,266	179.17%	83.04%
2015	1.561055%	5,658,798	3,987,282	141.92%	86.27%

**Note:** GASB Statement No.68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

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

City of Marshalltown  
 Required Supplementary Information  
 Schedule of City Contributions  
 Municipal Fire and Police Retirement System of Iowa – MFPRSI

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 1,179,402	\$ 1,179,402	\$ -	\$ 4,934,736	23.90%
2022	1,237,081	1,237,081	-	4,725,290	26.18%
2021	1,215,343	1,215,343	-	4,801,829	25.31%
2020	1,105,918	1,105,918	-	4,530,594	24.41%
2019	1,137,624	1,137,624	-	4,372,114	26.02%
2018	1,145,545	1,145,545	-	4,460,800	25.68%
2017	1,086,753	1,086,753	-	4,192,720	25.92%
2016	1,174,434	1,174,434	-	4,229,147	27.77%
2015	1,208,879	1,208,879	-	3,975,266	30.41%
2014	1,200,723	1,200,723	-	3,987,282	30.11%

Notes to Required Supplementary Information – Pension Liability:

Changes of benefit terms: There were no significant changes of benefit terms.

Changes of assumptions:

The 2018 valuation changed the Postretirement mortality rates to the RP-2014 Blue Collar Combined Health Mortality Table with males set-forward two years, females set-forward two years and individuals with disabilities set-forward three years (male only rates), with generational projection of future mortality improvement with 50% of Scale BB in 2017.

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

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

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

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

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Other Supplementary Information  
June 30, 2023

**City of Marshalltown**

## **Special Revenue Funds**

**Grant Fund** – To account for various state and federal grant activities.

**Special Contributions** – To reflect activities associated with donations and special contributions to various City departments.

**Tax Increment Financing** – To account for revenue taxes levied for specific uses within the designated district. Specific uses may include the construction of infrastructure and payments associated with debt and other development agreements.

**Other** – To account for other various revenues, seized assets, City tort liability, special assessments and economic development gift funding.

## **Capital Projects Fund**

**Airport Projects** – To account for ongoing projects at the municipal airport.

**Culture and Recreation Projects** – To account for resources used in the acquisition and construction of capital facilities and other capital assets associated with the City's culture and recreation function.

City of Marshalltown  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2023

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	Special Revenue Funds				Capital Projects Funds			Total Nonmajor Governmental Funds	
	Grant Fund	Special Contributions	Tax Increment Financing	Other	Airport Projects	Culture and Recreation Projects			
Assets									
Cash and cash equivalents	\$ -	\$ 618,120	\$ 169,546	\$ 225,578	\$ 122,393	\$ 24,155	\$ 1,159,792		
Receivables									
Property taxes									
Delinquent	-	-	24,828	-	-	-	-	24,828	
Accounts and unbilled usage		5,107	1,292	8,765	933	196	16,293		
Due from other governments	1,362,881	-	-	-	185,091	8,450	1,556,422		
Prepaid items	-	168	-	-	-	-	168		
Total assets	<u>\$ 1,362,881</u>	<u>\$ 623,395</u>	<u>\$ 195,666</u>	<u>\$ 234,343</u>	<u>\$ 308,417</u>	<u>\$ 32,801</u>	<u>\$ 2,757,503</u>		

City of Marshalltown  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2023

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	Special Revenue Funds				Capital Projects Funds			Total Nonmajor Governmental Funds
	Grant Fund	Special Contributions	Tax Increment Financing	Other	Airport Projects	Culture and Recreation Projects		
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>								
Liabilities								
Accounts payable	\$ 93,432	\$ 3,290	\$ -	\$ 6,029	\$ 245	\$ 291	\$ 103,287	
Accrued payroll and payroll benefits	4,009	549	-	-	-	-	-	4,558
Retainage payable	-	-	-	-	124,711	-	-	124,711
Due to other funds	1,297,424	-	-	-	-	-	-	1,297,424
Total liabilities	1,394,865	3,839	-	6,029	124,956	291	-	1,529,980
Deferred Inflows of Resources								
Unavailable revenue- intergovernmental	1,072,159	-	-	5,282	185,091	-	-	1,262,532
Fund Balances								
Nonspendable	-	168	-	-	-	-	-	168
Restricted	-	619,388	195,666	223,032	-	32,510	-	1,070,596
Unassigned	(1,104,143)	-	-	-	(1,630)	-	-	(1,105,773)
Total fund balances (deficit)	(1,104,143)	619,556	195,666	223,032	(1,630)	32,510	-	(35,009)
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,362,881	\$ 623,395	\$ 195,666	\$ 234,343	\$ 308,417	\$ 32,801	\$ 2,757,503	

City of Marshalltown  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances (Deficit)  
 Nonmajor Governmental Funds  
 Year Ended June 30, 2023

	Special Revenue Funds				Capital Projects Funds			Total Nonmajor Governmental Funds	
	Grant Fund	Special Contributions	Tax Increment Financing	Other	Airport Projects	Culture and Recreation Projects			
Revenues									
TIF revenues	\$ -	\$ -	\$ 447,001	\$ -	\$ -	\$ -	\$ -	\$ 447,001	
Use of money and property	-	19,064	13,156	7,193	3,749	1,042		44,204	
Intergovernmental	793,320	4,126	37,411	-	309,153	109,429		1,253,439	
Miscellaneous	7,389	224,188	-	236,602	4,386	54,765		527,330	
Total revenues	800,709	247,378	497,568	243,795	317,288	165,236		2,271,974	
Expenditures									
Current									
Public safety	272,302	50,539	-	69,588	-	-		392,429	
Public works	122,543	-	-	2,055	176,490	-		301,088	
Culture and recreation	104,214	152,523	-	4,580	-	68,147		329,464	
Community and economic development	1,324,800	-	215,212	(280)	-	55,817		1,595,549	
General government	-	-	-	155	-	-		155	
Total expenditures	1,823,859	203,062	215,212	76,098	176,490	123,964		2,618,685	
Excess of revenues (expenditures) over expenditures (revenues)	\$ (1,023,150)	\$ 44,316	\$ 282,356	\$ 167,697	\$ 140,798	\$ 41,272	\$ (346,711)		
Other Financing Sources (Uses)									
General obligation bonds issued	200,192	-	-	-	-	-		200,192	
Transfers in	-	54,124	-	8,065	8,380	36,349		106,918	
Transfers out	-	-	(566,700)	(105,520)	-	-		(672,220)	
Total other financing sources (uses)	200,192	54,124	(566,700)	(97,455)	8,380	36,349		(365,110)	
Net Change in Fund Balances	(822,958)	98,440	(284,344)	70,242	149,178	77,621		(711,821)	
Fund Balances (Deficit) - Beginning	(281,185)	521,116	480,010	152,790	(150,808)	(45,111)		676,812	
Fund Balances (Deficit) - Ending	\$ (1,104,143)	\$ 619,556	\$ 195,666	\$ 223,032	\$ (1,630)	\$ 32,510	\$ (35,009)		

## **Nonmajor Enterprise Funds**

**Compost Facility** – To account for the operation and maintenance of the City's facility for yard wastes. Services are supported primarily by user charges.

**Bus Transit** – To account for the City's mass transit operations. Services are supported primarily from transit property taxes accounted for and transferred from the General Fund, intergovernmental revenues, and user charges.

**Recreation Concessions** – To account for the concession's activity of the municipal swimming pool. Services are supported by user fees.

City of Marshalltown  
 Combining Statement of Net Position  
 Nonmajor Enterprise Funds  
 June 30, 2023

	Compost Facility	Bus Transit	Recreation Concessions	Total Nonmajor Enterprise Funds
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 200,498	\$ 1,005,656	\$ -	\$ 1,206,154
Receivables				
Accounts and unbilled usage	3,227	13,071	-	16,298
Due from other governments	-	109,576	-	109,576
Prepaid items	<u>498</u>	<u>34,545</u>	<u>452</u>	<u>35,495</u>
Total current assets	<u>204,223</u>	<u>1,162,848</u>	<u>452</u>	<u>1,367,523</u>
<b>Noncurrent assets</b>				
<b>Capital assets</b>				
Land	10,437	-	-	10,437
Land improvements	235,361	7,735	-	243,096
Buildings and structures	26,919	677,129	-	704,048
Equipment and vehicles	122,142	1,913,334	-	2,035,476
Accumulated depreciation	<u>(355,978)</u>	<u>(1,746,309)</u>	<u>-</u>	<u>(2,102,287)</u>
Total noncurrent assets	<u>38,881</u>	<u>851,889</u>	<u>-</u>	<u>890,770</u>
Total assets	<u>243,104</u>	<u>2,014,737</u>	<u>452</u>	<u>2,258,293</u>
<b>Deferred Outflows of Resources</b>				
OPEB related deferred outflows	-	153,135	-	153,135
Pension related deferred outflows	-	56,411	-	56,411
Total deferred outflows of resources	<u>-</u>	<u>209,546</u>	<u>-</u>	<u>209,546</u>

City of Marshalltown  
 Combining Statement of Net Position  
 Nonmajor Enterprise Funds  
 June 30, 2023

	Compost Facility	Bus Transit	Recreation Concessions	Total Nonmajor Enterprise Funds
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 1,127	\$ 27,026	\$ 8,956	\$ 37,109
Accrued payroll and payroll benefits	476	20,442	2,536	23,454
Due to other governments	-	6,500	-	6,500
Due to other funds	-	-	25,565	25,565
Compensated absences	-	11,168	-	11,168
<b>Total current liabilities</b>	<b>1,603</b>	<b>65,136</b>	<b>37,057</b>	<b>103,796</b>
<b>Noncurrent liabilities</b>				
Compensated absences	-	28,356	-	28,356
Total OPEB liability	-	399,219	-	399,219
Net pension liability	-	192,731	-	192,731
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>620,306</b>	<b>-</b>	<b>620,306</b>
<b>Total liabilities</b>	<b>1,603</b>	<b>685,442</b>	<b>37,057</b>	<b>724,102</b>
<b>Deferred Inflows of Resources</b>				
OPEB related deferred inflows	-	143,135	-	143,135
Pension related deferred inflows	-	36,892	-	36,892
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>180,027</b>	<b>-</b>	<b>180,027</b>
<b>Net Position</b>				
Net investment in capital assets	38,881	851,889	-	890,770
Unrestricted	<u>202,620</u>	<u>506,925</u>	<u>(36,605)</u>	<u>672,940</u>
<b>Total net position</b>	<b><u>\$ 241,501</u></b>	<b><u>\$ 1,358,814</u></b>	<b><u>\$ (36,605)</u></b>	<b><u>\$ 1,563,710</u></b>

**City of Marshalltown**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Net Position**  
**Nonmajor Enterprise Funds**  
**Year Ended June 30, 2023**

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	Compost Facility	Bus Transit	Recreation Concessions	Total Nonmajor Enterprise Funds
<b>Operating Revenues</b>				
Charges for service	\$ 88,476	\$ 148,146	\$ 32,013	\$ 268,635
Miscellaneous	-	27	424	451
<b>Total operating revenue</b>	<b>88,476</b>	<b>148,173</b>	<b>32,437</b>	<b>269,086</b>
<b>Operating Expenses</b>				
Salaries and benefits	25,722	589,416	12,716	627,854
Services and supplies	4,626	314,679	24,471	343,776
Depreciation	2,270	114,411	-	116,681
<b>Total operating expenses</b>	<b>32,618</b>	<b>1,018,506</b>	<b>37,187</b>	<b>1,088,311</b>
<b>Operating gain (loss)</b>	<b>55,858</b>	<b>(870,333)</b>	<b>(4,750)</b>	<b>(819,225)</b>
<b>Nonoperating Revenues</b>				
Federal and state grants	-	844,729	-	844,729
Interest income	5,804	27,662	-	33,466
Gain on disposal of capital assets	-	2,607	-	2,607
<b>Net nonoperating revenues</b>	<b>5,804</b>	<b>874,998</b>	<b>-</b>	<b>880,802</b>
<b>Income (loss) before transfers</b>	<b>61,662</b>	<b>4,665</b>	<b>(4,750)</b>	<b>61,577</b>
<b>Transfers in</b>	<b>-</b>	<b>259,146</b>	<b>-</b>	<b>259,146</b>
<b>Change in Net Position</b>	<b>61,662</b>	<b>263,811</b>	<b>(4,750)</b>	<b>320,723</b>
<b>Net Position - Beginning</b>	<b>179,839</b>	<b>1,095,003</b>	<b>(31,855)</b>	<b>1,242,987</b>
<b>Net Position - Ending</b>	<b>\$ 241,501</b>	<b>\$ 1,358,814</b>	<b>\$ (36,605)</b>	<b>\$ 1,563,710</b>

**City of Marshalltown**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Fund**  
**Year Ended June 30, 2023**

	<u>Compost Facility</u>	<u>Bus Transit</u>	<u>Recreation Concessions</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Cash Flows from Operating Activities</b>				
Cash received from customers	\$ 85,789	\$ 143,335	\$ 33,781	\$ 262,905
Cash payments to suppliers for goods and services	(3,988)	(321,668)	(28,576)	(354,232)
Cash payments to employees for services	(26,319)	(605,974)	(12,388)	(644,681)
Other operating receipts	<u>-</u>	<u>27</u>	<u>424</u>	<u>451</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>55,482</u>	<u>(784,280)</u>	<u>(6,759)</u>	<u>(735,557)</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers from other funds	-	259,146	-	259,146
Grants received	-	862,194	-	862,194
Change in due to other funds	<u>-</u>	<u>-</u>	<u>6,759</u>	<u>6,759</u>
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>-</u>	<u>1,121,340</u>	<u>6,759</u>	<u>1,128,099</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Proceeds from sale of capital assets	<u>-</u>	<u>2,607</u>	<u>-</u>	<u>2,607</u>
<b>Cash Flows from Investing Activities</b>				
Interest received	<u>5,804</u>	<u>27,662</u>	<u>-</u>	<u>33,466</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>61,286</u>	<u>367,329</u>	<u>-</u>	<u>428,615</u>
<b>Cash and Cash Equivalents, Beginning</b>	<u>139,212</u>	<u>638,327</u>	<u>-</u>	<u>777,539</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 200,498</u>	<u>\$ 1,005,656</u>	<u>\$ -</u>	<u>\$ 1,206,154</u>

**City of Marshalltown**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**Year Ended June 30, 2023**

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	<u>Compost Facility</u>	<u>Bus Transit</u>	<u>Recreation Concessions</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash provided by (used for) Operating Activities</b>				
Operating income (loss)	<u>\$ 55,858</u>	<u>\$ (870,333)</u>	<u>\$ (4,750)</u>	<u>\$ (819,225)</u>
Adjustments to reconcile operating income (loss) to net cash provided for operating activities				
Depreciation	2,270	114,411	-	116,681
Changes in assets, deferred outflows, liabilities, and deferred inflows				
Receivables	(2,687)	(4,811)	1,344	(6,154)
Inventories and prepaid items	(215)	(4,526)	(97)	(4,838)
Accounts payable	853	1,793	(3,584)	(938)
Accrued liabilities	(597)	636	328	367
Due to other governments	-	(4,256)	-	(4,256)
Total OPEB liability	-	49,473	-	49,473
Net pension liability	-	185,030	-	185,030
Deferred outflows	-	15,276	-	15,276
Deferred inflows	-	(266,973)	-	(266,973)
Total adjustments	<u>(376)</u>	<u>86,053</u>	<u>(2,009)</u>	<u>83,668</u>
Net Cash provided by (used for) Operating Activities	<u>\$ 55,482</u>	<u>\$ (784,280)</u>	<u>\$ (6,759)</u>	<u>\$ (735,557)</u>

## **Internal Service Funds**

**Group Insurance Benefits** – To account for employee health insurance premiums and claim payments.

**Occupational Insurance Benefits** – To account for medical claims associated with work related injuries and disabled policemen and firemen.

**Workmen's Compensation Deductible** – To account for workmen's compensation deductible insurance claims.

**City of Marshalltown**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2023**

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	<u>Group Insurance Benefits</u>	<u>Occupational Insurance Benefits</u>	<u>Workmen's Compensation Deductible</u>	<u>Total</u>
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 24,477	\$ 120,913	\$ 34,884	\$ 180,274
Receivables				
Accounts	187	922	266	1,375
Prepaid items	<u>2,200</u>	<u>-</u>	<u>-</u>	<u>2,200</u>
Total current assets	<u>26,864</u>	<u>121,835</u>	<u>35,150</u>	<u>183,849</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	299,865	41,750	37	341,652
Deposits payable	<u>196,322</u>	<u>-</u>	<u>-</u>	<u>196,322</u>
Total current liabilities	<u>496,187</u>	<u>41,750</u>	<u>37</u>	<u>537,974</u>
<b>Net Position (Deficit)</b>				
Unrestricted	<u><u>\$ (469,323)</u></u>	<u><u>\$ 80,085</u></u>	<u><u>\$ 35,113</u></u>	<u><u>\$ (354,125)</u></u>

**City of Marshalltown**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Fund Net Position**  
**Internal Service Funds**  
**Year Ended June 30, 2023**

---

	Group Insurance Benefits	Occupational Insurance Benefits	Workmen's Compensation Deductible	Total
<b>Operating Revenues</b>				
Charges for service	\$ 2,561,041	\$ 150,230	\$ -	\$ 2,711,271
Miscellaneous	<u>484,115</u>	<u>-</u>	<u>-</u>	<u>484,115</u>
<b>Total operating revenues</b>	<b><u>3,045,156</u></b>	<b><u>150,230</u></b>	<b><u>-</u></b>	<b><u>3,195,386</u></b>
<b>Operating Expenses</b>				
Claims	3,208,379	76,167	1,376	3,285,922
Health insurance premiums	370,476	39,783	-	410,259
Miscellaneous	<u>169,655</u>	<u>-</u>	<u>84</u>	<u>169,739</u>
<b>Total operating expenses</b>	<b><u>3,748,510</u></b>	<b><u>115,950</u></b>	<b><u>1,460</u></b>	<b><u>3,865,920</u></b>
<b>Operating income (loss)</b>	<b><u>(703,354)</u></b>	<b><u>34,280</u></b>	<b><u>(1,460)</u></b>	<b><u>(670,534)</u></b>
<b>Nonoperating Revenues</b>				
Interest income	<u>3,539</u>	<u>3,456</u>	<u>1,105</u>	<u>8,100</u>
<b>Change in Net Position</b>	<b><u>(699,815)</u></b>	<b><u>37,736</u></b>	<b><u>(355)</u></b>	<b><u>(662,434)</u></b>
<b>Net Position - Beginning</b>	<b><u>230,492</u></b>	<b><u>42,349</u></b>	<b><u>35,468</u></b>	<b><u>308,309</u></b>
<b>Net Position (Deficit) - Ending</b>	<b><u>\$ (469,323)</u></b>	<b><u>\$ 80,085</u></b>	<b><u>\$ 35,113</u></b>	<b><u>\$ (354,125)</u></b>

**City of Marshalltown**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**Year Ended June 30, 2023**

	Group Insurance Benefits	Occupational Insurance Benefits	Workmen's Compensation Deductible	Total
<b>Cash Flows from Operating Activities</b>				
Cash received from customers	\$ 2,586,251	\$ 149,308	\$ -	\$ 2,735,559
Cash payments to suppliers for goods and services	(3,818,260)	(89,295)	(1,741)	(3,909,296)
Other operating receipts	<u>484,115</u>	<u>-</u>	<u>-</u>	<u>484,115</u>
<b>Net Cash provided by (used for) Operating Activities</b>	<u>(747,894)</u>	<u>60,013</u>	<u>(1,741)</u>	<u>(689,622)</u>
<b>Cash Flows from Investing Activities</b>				
Interest received	<u>3,539</u>	<u>3,456</u>	<u>1,105</u>	<u>8,100</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>				
	(744,355)	63,469	(636)	(681,522)
<b>Cash and Cash Equivalents, Beginning</b>	<u>768,832</u>	<u>57,444</u>	<u>35,520</u>	<u>861,796</u>
<b>Cash and Cash Equivalents, Ending</b>	<u><b>\$ 24,477</b></u>	<u><b>\$ 120,913</b></u>	<u><b>\$ 34,884</b></u>	<u><b>\$ 180,274</b></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash provided from (used for) Operating Activities</b>				
Operating income (loss)	<u>\$ (703,354)</u>	<u>\$ 34,280</u>	<u>\$ (1,460)</u>	<u>\$ (670,534)</u>
Changes in assets and liabilities				
Receivables	12,964	(922)	(266)	11,776
Prepaid items	(2,200)	-	-	(2,200)
Accounts payable	(67,550)	26,655	(15)	(40,910)
Deposits payable	<u>12,246</u>	<u>-</u>	<u>-</u>	<u>12,246</u>
<b>Total</b>	<u>(44,540)</u>	<u>25,733</u>	<u>(281)</u>	<u>(19,088)</u>
<b>Net Cash provided by (used for) Operating Activities</b>	<u><b>\$ (747,894)</b></u>	<u><b>\$ 60,013</b></u>	<u><b>\$ (1,741)</b></u>	<u><b>\$ (689,622)</b></u>

## **Fiduciary Funds**

Custodial funds are used to account for funds where the City acts as custodian. Custodial funds include:

**911 Commission** – To account for funds of a legally separate entity governed by the Marshall County Communications Commission Board of Directors.

**Surety Bonds/Deposits** – To account for receipts and disbursements of separately held deposits.

**City of Marshalltown**  
 Combining Statement of Fiduciary Net Position  
 All Custodial Funds  
 June 30, 2023

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	<u>911 Commision</u>	<u>Surety Bonds</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$            -	\$        5,004	\$        5,004
Accounts receivable	<u>6,957</u>	<u>-</u>	<u>6,957</u>
Total assets	<u><u>6,957</u></u>	<u><u>5,004</u></u>	<u><u>11,961</u></u>
<b>Liabilities</b>			
Checks written in excess of deposits	\$        6,957	\$            -	\$        6,957
<b>Net Position</b>			
Individuals and organizations	<u><u>-</u></u>	<u><u>5,004</u></u>	<u><u>5,004</u></u>

City of Marshalltown  
 Combining Statement of Changes in Fiduciary Fund Net Position  
 All Custodial Funds  
 Year Ended June 30, 2023

---

	<u>911 Commision</u>	<u>Surety Bonds</u>	<u>Total</u>
Additions			
Receipts from commission	\$ 1,048,349	\$ -	\$ 1,048,349
Investment income, interest	<u>-</u>	<u>673</u>	<u>673</u>
Total additions	<u>1,048,349</u>	<u>673</u>	<u>1,049,022</u>
Deductions			
Wages and benefits	<u>1,048,349</u>	<u>-</u>	<u>1,048,349</u>
Total deductions	<u>1,048,349</u>	<u>-</u>	<u>1,048,349</u>
Change in net position	- -	673	673
Net position - beginning	<u>-</u>	<u>4,331</u>	<u>4,331</u>
Net position - ending	<u>\$ -</u>	<u>\$ 5,004</u>	<u>\$ 5,004</u>

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Long-Term Debt  
June 30, 2023  
**City of Marshalltown**

**City of Marshalltown**  
**Schedule of Bond Maturities**  
**June 30, 2023**

---

Issue	Year Ending June 30,	Interest Rates	Interest	Principal
<b>Governmental Activities</b>				
<b>General Obligation</b>				
2012A Essential corporate purpose Issued April 12, 2012				
	2024	2.25%	\$ 18,563	\$ 400,000
	2025	2.25%	<u>9,563</u>	<u>425,000</u>
			<u>28,126</u>	<u>825,000</u>
2015A Essential corporate purpose Issued November 24, 2015				
	2024	2.60%	<u>5,850</u>	<u>225,000</u>
2016A General obligation corporate purpose Issued August 9, 2016				
	2024	2.00%	17,200	420,000
	2025	2.00%	<u>8,800</u>	<u>440,000</u>
			<u>26,000</u>	<u>860,000</u>
2016B General obligation corporate purpose Issued December 1, 2016				
	2024	2.00%	50,100	275,000
	2025	2.00%	44,600	275,000
	2026	2.00%	39,100	475,000
	2027	2.00%	29,600	485,000
	2028	2.00%	19,900	495,000
	2029	2.00%	<u>10,000</u>	<u>500,000</u>
			<u>193,300</u>	<u>2,505,000</u>

(Continued)

**City of Marshalltown**  
**Schedule of Bond Maturities**  
**June 30, 2023**

---

Issue	Year Ending June 30,	Interest Rates	Interest	Principal
<b>Governmental Activities (continued)</b>				
<b>General Obligation (continued)</b>				
2017A General obligation corporate purpose				
Issued October 10, 2017				
2024	3.00%	\$ 327,000	\$ 515,000	
2025	3.00%	311,550		535,000
2026	3.00%	295,500		350,000
2027	3.00%	285,000		360,000
2028	3.00%	274,200		375,000
2029	3.00%	262,950		390,000
2030	3.00%	251,250		915,000
2031	3.00%	223,800		950,000
2032	3.00%	195,300		990,000
2033	3.00%	165,600		1,020,000
2034	3.00%	135,000		1,060,000
2035	3.00%	103,200		1,105,000
2036	3.00%	70,050		1,155,000
2037	3.00%	35,400		1,180,000
			<hr/> 2,935,800	<hr/> 10,900,000
2018A General obligation corporate purpose				
Issued December 3, 2018				
2024	3.00%	68,700		350,000
2025	3.00%	58,200		360,000
2026	3.00%	47,400		375,000
2027	3.00%	36,150		385,000
2028	3.00%	24,600		400,000
2029	3.00%	12,600		420,000
			<hr/> 247,650	<hr/> 2,290,000
2019 General Obligation corporate purpose				
Issued December 12, 2019				
2024	2.00%	92,100		685,000
2025	2.00%	78,400		700,000
2026	2.00%	64,400		725,000
2027	2.00%	49,900		650,000
2028	2.00%	36,900		650,000
2029	2.00%	23,900		600,000
2030	2.00%	11,900		595,000
			<hr/> 357,500	<hr/> 4,605,000

(Continued)

City of Marshalltown  
Schedule of Bond Maturities  
June 30, 2023

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Issue	Year Ending June 30,	Interest Rates	Interest	Principal
<b>Governmental Activities (continued)</b>				
<b>General Obligation (continued)</b>				
2020A General Obligation corporate purpose Issued September 28, 2020				
2024	1.00%	\$ 48,350	\$ 465,000	
2025	1.00%	43,700		470,000
2026	1.00%	39,000		940,000
2027	1.00%	29,600		960,000
2028	1.00%	20,000		310,000
2029	1.00%	16,900		420,000
2030	1.00%	12,700		415,000
2031	1.00%	8,550		425,000
2032	1.00%	4,300		430,000
		<hr/> 223,100		<hr/> 4,835,000
2020B General Obligation corporate purpose Issued September 28, 2020				
2024	1.00%	22,225		210,000
2025	1.00%	20,125		210,000
2026	1.00%	18,025		215,000
2027	1.00%	15,875		220,000
2028	1.00%	13,675		225,000
2029	1.00%	11,425		230,000
2030	1.00%	9,010		235,000
2031	1.00%	6,308		240,000
2032	1.00%	3,308		245,000
		<hr/> 119,976		<hr/> 2,030,000
2021 General Obligation corporate purpose Issued December 14, 2021				
2024	2.00%	170,600		695,000
2025	2.00%	156,700		710,000
2026	2.00%	142,500		725,000
2027	2.00%	128,000		740,000
2028	2.00%	113,200		755,000
2029	2.00%	98,100		775,000
2030	2.00%	82,600		795,000
2031	2.00%	66,700		810,000
2032	2.00%	50,500		825,000
2033	2.00%	34,000		840,000
2034	2.00%	17,200		860,000
		<hr/> 1,060,100		<hr/> 8,530,000
IDEA forgiveable loan Issued March 3, 2020	2037	0.00%	-	325,863

(Continued)

**City of Marshalltown**  
**Schedule of Bond Maturities**  
**June 30, 2023**

Issue	Year Ending June 30,	Interest Rates	Interest	Principal
<b>Governmental Activities (continued)</b>				
<b>Notes Payable</b>				
2022A General Obligation corporate purpose				
Issued December 13, 2022				
2024	4.00%	\$ 565,781	\$ 210,000	
2025	4.00%	377,360		405,000
2026	4.00%	361,160		420,000
2027	4.00%	344,360		440,000
2028	4.00%	326,760		460,000
2029	4.00%	308,360		635,000
2030	4.00%	282,960		660,000
2031	4.00%	256,560		685,000
2032	4.00%	229,160		710,000
2033	4.00%	200,760		740,000
2034	4.00%	171,160		770,000
2035	4.00%	140,360		800,000
2036	4.00%	108,360		840,000
2037	4.00%	74,760		875,000
2038	4.00%	38,010		905,000
			<u>3,785,871</u>	<u>9,555,000</u>
2022B General Obligation corporate purpose				
Issued December 13, 2022				
2024	4.80%	42,944		100,000
2025	4.80%	24,480		120,000
2026	4.80%	18,720		125,000
2027	4.80%	12,720		130,000
2028	4.80%	6,480		135,000
			<u>105,344</u>	<u>610,000</u>
<b>General Obligation and Notes Payable</b>				
Total governmental activities				
2024		1,429,413		4,550,000
2025		1,133,478		4,650,000
2026		1,025,805		4,350,000
2027		931,205		4,370,000
2028		835,715		3,805,000
2029		744,235		3,970,000
2030		650,420		3,615,000
2031		561,918		3,110,000
2032		482,568		3,200,000
2033		400,360		2,600,000
2034		323,360		2,690,000
2035		243,560		1,905,000
2036		178,410		1,995,000
2037		110,160		2,380,863
2038		38,010		905,000
			<u>\$ 9,088,617</u>	<u>\$ 48,095,863</u>

(Continued)

**City of Marshalltown**  
**Schedule of Bond Maturities**  
**June 30, 2023**

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Issue	Year Ending June 30	Interest Rates	Interest	Principal
<b>Business-type Activities</b>				
<b>General Obligation</b>				
2016A General obligation corporate purpose				
Issued August 9, 2016				
	2024	2.00%	\$ 32,000	\$ 160,000
	2025	2.00%	28,800	165,000
	2026	2.00%	25,500	170,000
	2027	2.00%	22,100	175,000
	2028	2.00%	18,600	220,000
	2029	2.00%	14,200	230,000
	2030	2.00%	9,600	235,000
	2031	2.00%	4,900	245,000
			<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
			155,700	1,600,000
2019 General Obligation corporate purpose				
Issued December 12, 2019				
	2024	2.00%	29,300	475,000
	2025	2.00%	19,800	495,000
	2026	2.00%	9,900	495,000
			<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
			59,000	1,465,000
2020A General obligation corporate purpose				
Issued September 28, 2020				
	2024	1.00%	24,000	325,000
	2025	1.00%	20,750	330,000
	2026	1.00%	17,450	335,000
	2027	1.00%	14,100	345,000
	2028	1.00%	10,650	350,000
	2029	1.00%	7,150	355,000
	2030	1.00%	3,600	360,000
			<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
			97,700	2,400,000

(Continued)

**City of Marshalltown**  
**Schedule of Bond Maturities**  
**June 30, 2023**

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Issue	Year Ending June 30	Interest Rates	Interest	Principal
<b>Business-type Activities</b>				
<b>Revenue Bonds</b>				
2021A Sewer Revenue Improvement, Refunding 2019 SRF Bonds Issued September 24, 2021				
	2024	0.86%	\$ 28,346	\$ 176,000
	2025	0.86%	26,832	179,000
	2026	0.86%	25,293	181,000
	2027	0.86%	23,736	183,000
	2028	0.86%	22,162	185,000
	2029	0.86%	20,571	187,000
	2030	0.86%	18,963	190,000
	2031	0.86%	17,329	192,000
	2032	0.86%	15,678	194,000
	2033	0.86%	14,009	196,000
	2034	0.86%	12,324	198,000
	2035	0.86%	10,621	200,000
	2036	0.86%	8,901	202,000
	2037	0.86%	7,164	205,000
	2038	0.86%	5,401	207,000
	2039	0.86%	3,621	209,000
	2040	0.86%	1,823	212,000
			<hr/> 262,774	<hr/> 3,296,000
2022 Sewer Revenue Improvement Issued September 24, 2021				
	2024	1.75%	15,900	540,000
	2025	1.75%	11,850	551,000
	2026	1.75%	7,718	562,000
	2027	1.75%	3,503	467,002
			<hr/> 38,971	<hr/> 2,120,002
Sewer Revenue Improvement Issued June 18, 2013				
	2024	2.09%	27,943	269,000
	2025	2.09%	22,290	275,000
	2026	2.09%	16,511	281,000
	2027	2.09%	10,607	287,000
	2028	2.09%	4,588	292,000
			<hr/> 81,939	<hr/> 1,404,000

(Continued)

**City of Marshalltown**  
**Schedule of Bond Maturities**  
**June 30, 2023**

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Issue	Year Ending June 30	Interest Rates	Interest	Principal
<b>Business-type Activities</b>				
<b>Revenue Bonds</b>				
Sewer Revenue Improvement and Refunding, refunding of series 2012 & 2014 Issued January 8, 2020				
2024	1.96%	\$ 59,682	\$ 530,000	
2025	1.96%	49,294	545,000	
2026	1.96%	38,612	555,000	
2027	1.96%	27,734	565,000	
2028	1.96%	16,660	420,000	
2029	1.96%	8,428	430,000	
				200,410
				3,045,000
Sewer Revenue Improvement and Refunding, refunding of series 2015 Issued April 1, 2021				
2024	1.23%	34,133	538,000	
2025	1.23%	27,515	547,000	
2026	1.23%	20,787	556,000	
2027	1.23%	13,948	564,000	
2028	1.23%	7,011	570,000	
				103,394
				2,775,000
<b>General Obligation and Revenue Bonds</b>				
Total business-type activities				
2024		251,304	3,013,000	
2025		207,131	3,087,000	
2026		161,771	3,135,000	
2027		115,728	2,586,002	
2028		79,671	2,037,000	
2029		50,349	1,202,000	
2030		32,163	785,000	
2031		22,229	437,000	
2032		15,678	194,000	
2033		14,009	196,000	
2034		12,324	198,000	
2035		10,621	200,000	
2036		8,901	202,000	
2037		7,164	205,000	
2038		5,401	207,000	
2039		3,621	209,000	
2040		1,823	212,000	
				\$ 999,888
				\$ 18,105,002

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Statistical Section (Unaudited)

June 30, 2023

**City of Marshalltown**

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

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	112
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	119
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	126
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	131
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	133

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

**City of Marshalltown**  
**Net Position by Component**  
**Last Ten Fiscal Years (Accrual Basis of Accounting)**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Governmental activities</b>										
Net investment in capital assets	\$ 50,666,331	\$ 43,863,682	\$ 44,056,444	\$ 41,349,928	\$ 39,411,094	\$ 37,973,695	\$ 35,605,495	\$ 34,132,724	\$ 32,948,014	\$ 30,504,272
Restricted	16,717,131	18,841,821	18,055,545	18,176,221	16,316,062	13,150,024	26,679,991	16,806,635	10,119,191	8,457,793
Unrestricted	(14,236,954)	(15,883,238)	(25,310,052)	(23,253,296)	(23,880,433)	(25,557,161)	(29,968,723)	(20,244,351)	(17,323,596)	(5,613,806)
<b>Total governmental activities net position</b>	<b>\$ 53,146,508</b>	<b>\$ 46,822,265</b>	<b>\$ 36,801,937</b>	<b>\$ 36,272,853</b>	<b>\$ 31,846,723</b>	<b>\$ 25,566,558</b>	<b>\$ 32,316,763</b>	<b>\$ 30,695,008</b>	<b>\$ 25,743,609</b>	<b>\$ 33,348,259</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 49,376,169	\$ 46,838,546	\$ 44,098,791	\$ 41,855,980	\$ 41,571,280	\$ 39,699,525	\$ 38,990,163	\$ 39,370,548	\$ 38,458,793	\$ 40,565,122
Restricted	139,016	139,024	138,750	157,266	139,016	177,299	180,225	181,757	130,261	80,048
Unrestricted	23,190,537	20,956,122	19,961,773	17,953,621	14,681,909	11,965,382	10,555,689	8,989,797	7,413,347	4,444,459
<b>Total business-type activities net position</b>	<b>\$ 72,705,722</b>	<b>\$ 67,933,692</b>	<b>\$ 64,199,314</b>	<b>\$ 59,966,867</b>	<b>\$ 56,392,205</b>	<b>\$ 51,842,206</b>	<b>\$ 49,726,077</b>	<b>\$ 48,542,102</b>	<b>\$ 46,002,401</b>	<b>\$ 45,089,629</b>
<b>Primary Government</b>										
Net investment in capital assets	\$ 100,042,500	\$ 90,702,228	\$ 88,155,235	\$ 83,205,908	\$ 80,982,374	\$ 77,673,220	\$ 74,595,658	\$ 73,503,272	\$ 71,406,807	\$ 71,069,394
Restricted	16,856,147	18,980,845	18,194,295	18,333,487	16,455,078	13,327,323	26,860,216	16,988,392	10,249,452	8,537,841
Unrestricted	8,953,583	5,072,884	(5,348,279)	(5,299,675)	(9,198,524)	(13,591,779)	(19,413,034)	(11,254,554)	(9,910,249)	(1,169,347)
<b>Total primary government net position</b>	<b>\$ 125,852,230</b>	<b>\$ 114,755,957</b>	<b>\$ 101,001,251</b>	<b>\$ 96,239,720</b>	<b>\$ 88,238,928</b>	<b>\$ 77,408,764</b>	<b>\$ 82,042,840</b>	<b>\$ 79,237,110</b>	<b>\$ 71,746,010</b>	<b>\$ 78,437,888</b>

**City of Marshalltown**  
**Changes in Net Position**  
**Last Ten Fiscal Years (Accrual Basis of Accounting)**

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	<b>Fiscal Year</b>									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Expenses</b>										
Governmental activities:										
Public safety	\$ 11,630,414	\$ 10,499,453	\$ 12,491,799	\$ 12,037,799	\$ 9,976,152	\$ 11,732,583	\$ 10,713,027	\$ 8,996,389	\$ 8,516,307	\$ 9,092,842
Public works	6,505,283	6,496,345	7,601,957	5,211,049	5,841,806	5,591,152	8,553,684	5,706,337	6,186,551	6,465,974
Health and social services	1,073,163	606,476	458,481	646,290	58,376	654,311	1,306,389	1,274,669	1,784,302	1,301,574
Culture and recreation	3,844,255	3,321,913	4,103,470	3,187,800	3,294,383	3,888,793	3,654,545	3,358,064	3,505,193	3,645,774
Community and economic development	3,876,264	4,095,459	4,990,850	3,003,969	2,749,981	2,288,991	2,433,608	1,449,883	1,370,533	3,051,319
General government	1,776,228	1,370,834	1,681,032	1,532,609	2,034,176	1,575,523	685,937	1,158,789	1,299,063	1,322,112
Interest on long term debt	984,801	637,438	902,118	938,277	806,440	764,344	429,296	429,891	425,967	627,060
Total governmental activities expenses	<u>29,690,408</u>	<u>27,027,918</u>	<u>32,229,707</u>	<u>26,557,793</u>	<u>24,761,314</u>	<u>26,495,697</u>	<u>27,776,486</u>	<u>22,374,022</u>	<u>23,087,916</u>	<u>25,506,655</u>
Business-type activities:										
Water pollution control	5,246,534	5,224,982	4,862,069	5,225,179	4,385,870	5,105,834	5,574,332	5,375,656	4,584,245	4,608,246
Storm sewer	1,166,483	2,115,646	979,773	1,141,277	998,362	958,434	970,912	683,181	698,627	786,788
Compost	32,617	69,283	27,106	226,725	533,956	70,920	88,171	79,479	42,054	39,846
Transit	1,018,504	909,398	935,788	930,182	818,510	837,136	837,259	771,818	767,054	827,333
Concessions	37,187	46,528	41,903	24,657	40,717	63,800	46,512	49,816	34,907	42,535
Total business-type activities expenses	<u>7,501,325</u>	<u>8,365,837</u>	<u>6,846,639</u>	<u>7,548,020</u>	<u>6,777,415</u>	<u>7,036,124</u>	<u>7,517,186</u>	<u>6,959,950</u>	<u>6,126,887</u>	<u>6,304,748</u>
Total primary government expenses	<u>\$ 37,191,733</u>	<u>\$ 35,393,755</u>	<u>\$ 39,076,346</u>	<u>\$ 34,105,813</u>	<u>\$ 31,538,729</u>	<u>\$ 33,531,821</u>	<u>\$ 35,293,672</u>	<u>\$ 29,333,972</u>	<u>\$ 29,214,803</u>	<u>\$ 31,811,403</u>

**City of Marshalltown**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years (Accrual Basis of Accounting)**

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	<b>Fiscal Year</b>									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Program Revenues</b>										
Governmental activities										
Charges for service:										
Public safety	\$ 638,298	\$ 527,244	\$ 1,335,335	\$ 538,637	\$ 1,025,001	\$ 409,649	\$ 518,463	\$ 264,966	\$ 150,181	\$ 254,952
Public works	535,390	543,111	961,557	586,097	869,553	443,091	231,554	970,315	1,529,047	658,590
Health and social services	65,241	4,222	25,685	15,259	4,377	7,065	4,250	37,053	52,534	68,187
Culture and recreation	455,313	329,765	889,394	1,185,031	3,205,738	463,866	449,955	468,455	449,155	426,653
Community and economic development	102,862	19,837	37,837	40,519	49,259	93,679	106,562	265,176	278,924	360,999
Other activities	197,400	158,063	301,670	217,877	595,691	117,524	248,336	123,855	171,846	112,992
Operating grants and contributions	9,144,930	12,656,539	7,740,884	7,204,542	6,303,997	6,768,632	7,387,980	6,712,866	6,461,208	6,354,163
Capital grants and contributions	3,455,224	1,295,459	671,318	1,386,180	250,571	1,026,153	1,768,179	519,172	170,084	701,920
Total governmental activities program revenues	<u>14,594,658</u>	<u>15,534,240</u>	<u>11,963,680</u>	<u>11,174,142</u>	<u>12,304,187</u>	<u>9,329,659</u>	<u>10,715,279</u>	<u>9,361,858</u>	<u>9,262,979</u>	<u>8,938,456</u>
Business-type activities										
Charges for service:										
Water pollution control	8,506,422	8,190,886	8,027,211	8,032,176	8,286,670	7,857,197	7,545,682	6,563,351	6,066,644	5,860,659
Storm sewer	1,360,092	1,352,335	1,344,685	1,346,034	1,400,019	1,407,673	1,129,135	948,214	776,483	709,946
Compost	88,476	103,451	56,202	71,202	57,440	67,077	75,803	73,336	74,687	60,223
Transit	150,780	131,937	66,637	76,149	70,385	78,047	57,749	93,352	110,342	124,956
Concessions	32,437	43,135	36,342	23,199	41,003	41,200	37,777	40,917	32,522	39,208
Operating grants and contributions	844,729	1,533,280	732,325	1,121,378	351,965	383,646	381,810	363,188	386,922	407,338
Capital grants and contributions	417,045	666,252	365,186	-	472,223	209,668	432,400	942,209	493,326	444,674
Total business-type activities program revenues	<u>11,399,981</u>	<u>12,021,276</u>	<u>10,628,588</u>	<u>10,670,138</u>	<u>10,679,705</u>	<u>10,044,508</u>	<u>9,660,356</u>	<u>9,024,567</u>	<u>7,940,926</u>	<u>7,647,004</u>
Total primary government program revenues	<u>\$ 25,994,639</u>	<u>\$ 27,555,516</u>	<u>\$ 22,592,268</u>	<u>\$ 21,844,280</u>	<u>\$ 22,983,892</u>	<u>\$ 19,374,167</u>	<u>\$ 20,375,635</u>	<u>\$ 18,386,425</u>	<u>\$ 17,203,905</u>	<u>\$ 16,585,460</u>

**City of Marshalltown**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years (Accrual Basis of Accounting)**

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	<b>Fiscal Year</b>									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (15,095,750)	\$ (11,493,678)	\$ (20,266,027)	\$ (15,383,651)	\$ (12,457,127)	\$ (17,166,038)	\$ (17,061,207)	\$ (13,012,164)	\$ (13,824,937)	\$ (16,568,199)
Business-type activities	<u>3,898,656</u>	<u>3,655,439</u>	<u>3,781,949</u>	<u>3,122,118</u>	<u>3,902,290</u>	<u>3,008,384</u>	<u>2,143,170</u>	<u>2,064,617</u>	<u>1,814,039</u>	<u>1,342,256</u>
Total primary government net expense	<u><u>\$ (11,197,094)</u></u>	<u><u>\$ (7,838,239)</u></u>	<u><u>\$ (16,484,078)</u></u>	<u><u>\$ (12,261,533)</u></u>	<u><u>\$ (8,554,837)</u></u>	<u><u>\$ (14,157,654)</u></u>	<u><u>\$ (14,918,037)</u></u>	<u><u>\$ (10,947,547)</u></u>	<u><u>\$ (12,010,898)</u></u>	<u><u>\$ (15,225,943)</u></u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property	\$ 12,118,239	\$ 11,579,880	\$ 11,662,441	\$ 10,834,252	\$ 10,611,119	\$ 10,510,365	\$ 10,156,476	\$ 9,534,568	\$ 9,777,342	\$ 10,036,577
Other	<u>6,393,184</u>	<u>7,434,699</u>	<u>6,591,470</u>	<u>6,711,465</u>	<u>6,013,835</u>	<u>4,823,392</u>	<u>5,347,532</u>	<u>6,983,922</u>	<u>5,755,121</u>	<u>5,778,420</u>
Unrestricted										
State generated revenues	1,196,818	1,293,843	1,263,047	1,284,875	1,353,217	1,331,709	1,384,158	1,244,225	845,140	453,645
Investment earnings	1,424,260	326,696	472,386	655,282	678,426	456,079	113,371	90,717	53,042	112,280
Miscellaneous revenues	301,389	725,005	895,268	331,183	297,453	561,844	645,749	551,452	660,348	493,213
Transfers	<u>(13,897)</u>	<u>153,883</u>	<u>(89,501)</u>	<u>(7,276)</u>	<u>(216,758)</u>	<u>(49,377)</u>	<u>1,035,676</u>	<u>(441,321)</u>	<u>(172,735)</u>	<u>(169,951)</u>
Total governmental activities	<u><u>21,419,993</u></u>	<u><u>21,514,006</u></u>	<u><u>20,795,111</u></u>	<u><u>19,809,781</u></u>	<u><u>18,737,292</u></u>	<u><u>17,634,012</u></u>	<u><u>18,682,962</u></u>	<u><u>17,963,563</u></u>	<u><u>16,918,258</u></u>	<u><u>16,704,184</u></u>
Business-type activities:										
Investment earnings	859,477	232,822	357,747	442,318	430,951	213,581	76,481	33,763	26,891	38,161
Miscellaneous revenues	-	-	3,250	2,950	-	-	-	-	-	-
Transfers	<u>13,897</u>	<u>(153,883)</u>	<u>89,501</u>	<u>7,276</u>	<u>216,758</u>	<u>49,377</u>	<u>(1,035,676)</u>	<u>441,321</u>	<u>172,735</u>	<u>169,951</u>
Total business-type activities	<u><u>873,374</u></u>	<u><u>78,939</u></u>	<u><u>450,498</u></u>	<u><u>452,544</u></u>	<u><u>647,709</u></u>	<u><u>262,958</u></u>	<u><u>(959,195)</u></u>	<u><u>475,084</u></u>	<u><u>199,626</u></u>	<u><u>208,112</u></u>
Total primary government	<u><u>\$ 22,293,367</u></u>	<u><u>\$ 21,592,945</u></u>	<u><u>\$ 21,245,609</u></u>	<u><u>\$ 20,262,325</u></u>	<u><u>\$ 19,385,001</u></u>	<u><u>\$ 17,896,970</u></u>	<u><u>\$ 17,723,767</u></u>	<u><u>\$ 18,438,647</u></u>	<u><u>\$ 17,117,884</u></u>	<u><u>\$ 16,912,296</u></u>
<b>Change in Net Position</b>										
Governmental activities	\$ 6,324,243	\$ 10,020,328	\$ 529,084	\$ 4,426,130	\$ 6,280,165	\$ 467,974	\$ 1,621,755	\$ 4,951,399	\$ 3,093,321	\$ 135,985
Business-type activities	<u>4,772,030</u>	<u>3,734,378</u>	<u>4,232,447</u>	<u>3,574,662</u>	<u>4,549,999</u>	<u>3,271,342</u>	<u>1,183,975</u>	<u>2,539,701</u>	<u>2,013,665</u>	<u>1,550,368</u>
Total primary government	<u><u>\$ 11,096,273</u></u>	<u><u>\$ 13,754,706</u></u>	<u><u>\$ 4,761,531</u></u>	<u><u>\$ 8,000,792</u></u>	<u><u>\$ 10,830,164</u></u>	<u><u>\$ 3,739,316</u></u>	<u><u>\$ 2,805,730</u></u>	<u><u>\$ 7,491,100</u></u>	<u><u>\$ 5,106,986</u></u>	<u><u>\$ 1,686,353</u></u>

**City of Marshalltown**  
**Program Revenues by Function/Program**  
**Last Ten Fiscal Years (Accrual Basis of Accounting)**

Function/Program	Program Revenues by Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Governmental activites</b>										
Public safety	\$ 1,081,122	\$ 887,343	\$ 2,549,596	\$ 860,439	\$ 1,356,113	\$ 969,017	\$ 1,219,476	\$ 1,215,215	\$ 875,300	\$ 1,478,721
Public works	8,181,691	10,725,589	5,615,482	5,490,074	4,537,044	4,379,697	5,200,920	4,825,946	4,657,620	3,501,138
Health and social services	1,040,506	640,326	486,793	240,431	744,822	682,100	1,213,441	967,598	1,470,156	1,834,718
Culture and recreation	800,652	709,158	1,251,396	2,547,311	3,448,519	1,629,312	1,252,730	670,183	638,615	565,562
Community and economic development	2,585,768	2,158,558	1,751,125	1,441,649	1,570,150	1,551,934	1,535,644	1,559,061	1,447,647	1,387,104
General government	904,919	413,266	309,288	594,238	647,539	117,599	293,068	123,855	173,641	171,213
<b>Total governmental activites</b>	<b>\$ 14,594,658</b>	<b>\$ 15,534,240</b>	<b>\$ 11,963,680</b>	<b>\$ 11,174,142</b>	<b>\$ 12,304,187</b>	<b>\$ 9,329,659</b>	<b>\$ 10,715,279</b>	<b>\$ 9,361,858</b>	<b>\$ 9,262,979</b>	<b>\$ 8,938,456</b>
<b>Business-type activities</b>										
Water pollution control	\$ 8,587,669	\$ 8,425,657	\$ 8,141,787	\$ 8,033,891	\$ 8,286,670	\$ 7,864,148	\$ 7,550,029	\$ 6,976,658	\$ 6,378,473	\$ 5,896,233
Storm sewer	1,695,890	2,609,494	1,595,295	1,349,276	1,435,587	1,610,390	1,557,188	1,477,116	992,924	887,240
Compost	88,476	103,451	56,202	595,175	57,440	67,077	75,803	73,336	74,687	60,223
Transit	995,509	839,539	798,962	668,597	859,005	461,693	439,559	456,540	462,320	764,100
Concessions	32,437	43,135	36,342	23,199	41,003	41,200	37,777	40,917	32,522	39,208
<b>Total business-type activities</b>	<b>\$ 11,399,981</b>	<b>\$ 12,021,276</b>	<b>\$ 10,628,588</b>	<b>\$ 10,670,138</b>	<b>\$ 10,679,705</b>	<b>\$ 10,044,508</b>	<b>\$ 9,660,356</b>	<b>\$ 9,024,567</b>	<b>\$ 7,940,926</b>	<b>\$ 7,647,004</b>

**City of Marshalltown**  
**Fund Balances – Governmental Funds**  
**Last Ten Fiscal Years (Modified Accrual Basis of Accounting)**

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	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>General Fund</b>										
Nonspendable	\$ 495,078	\$ 512,340	\$ 386,346	\$ 323,334	\$ 284,681	\$ 256,518	\$ 266,203	\$ 221,785	\$ 237,568	\$ 249,958
Restricted	-	-	57,806	425,925	581,566	932,307	812,092	725,844	694,247	588,928
Committed	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Unassigned	6,257,989	5,857,775	5,698,328	4,206,391	3,822,879	2,953,579	2,551,887	2,520,920	2,371,948	2,663,261
<b>Total general fund</b>	<b>7,003,067</b>	<b>6,620,115</b>	<b>6,392,480</b>	<b>5,205,650</b>	<b>4,939,126</b>	<b>4,392,404</b>	<b>3,880,182</b>	<b>3,718,549</b>	<b>3,553,763</b>	<b>3,752,147</b>
<b>All Other Governmental Funds</b>										
Nonspendable	20,893	234,429	90,381	55,467	34,931	144,786	192,113	169,570	146,258	79,862
Restricted	34,828,628	29,584,123	23,434,094	25,176,208	20,790,563	23,731,636	19,689,514	14,107,300	11,301,502	7,328,052
Unassigned	(1,105,773)	(1,515,496)	(4,772,277)	(512,924)	(111,051)	(339,302)	(98,997)	(195,159)	(84,155)	(270,543)
<b>Total all other governmental funds</b>	<b>33,743,748</b>	<b>28,303,056</b>	<b>18,752,198</b>	<b>24,718,751</b>	<b>20,714,443</b>	<b>23,537,120</b>	<b>19,782,630</b>	<b>14,081,711</b>	<b>11,363,605</b>	<b>7,137,371</b>
<b>Total fund balances of governmental funds</b>	<b>\$ 40,746,815</b>	<b>\$ 34,923,171</b>	<b>\$ 25,144,678</b>	<b>\$ 29,924,401</b>	<b>\$ 25,653,569</b>	<b>\$ 27,929,524</b>	<b>\$ 23,662,812</b>	<b>\$ 17,800,260</b>	<b>\$ 14,917,368</b>	<b>\$ 10,889,518</b>

**City of Marshalltown**  
**Changes in Fund Balances – Governmental Funds**  
**Last Ten Fiscal Years (Modified Accrual Basis of Accounting)**

	<b>Fiscal Year Ended June 30,</b>									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Revenues</b>										
Taxes	\$ 18,711,586	\$ 19,232,101	\$ 18,458,836	\$ 17,752,767	\$ 16,829,256	\$ 15,826,177	\$ 16,039,312	\$ 17,018,694	\$ 16,030,409	\$ 16,251,920
Use of money and property	1,495,259	390,573	578,241	700,147	722,104	544,479	208,132	129,003	124,857	169,135
Licenses and permits	402,464	263,037	726,420	295,022	395,611	238,263	285,839	289,261	321,446	391,091
Intergovernmental	11,847,417	13,035,441	9,420,732	8,331,123	7,370,622	8,965,509	10,190,351	7,931,849	7,471,242	6,618,339
Charges for service	963,054	881,478	752,848	834,556	1,404,943	956,493	990,972	1,023,895	964,075	874,840
Special assessments	-	537	3,433	5,603	10,292	6,445	10,406	12,991	14,738	11,688
Miscellaneous	1,097,585	721,591	1,495,368	1,494,352	688,833	606,655	1,084,447	410,616	2,102,572	684,707
Total revenues	34,517,365	34,524,758	31,435,878	29,413,570	27,421,661	27,144,021	28,809,459	26,816,309	27,029,339	25,001,720
<b>Expenditures</b>										
Public safety	11,231,137	10,593,801	9,761,502	10,115,758	8,912,807	10,336,569	9,337,823	8,864,323	8,743,014	8,559,357
Public works	4,785,382	5,134,708	5,338,651	2,993,961	4,596,625	3,872,055	6,930,498	4,208,292	4,669,213	4,985,535
Health and social services	1,108,209	643,545	463,850	471,182	84,067	736,559	1,282,479	1,352,206	1,907,586	1,385,246
Culture and recreation	3,010,864	2,409,067	3,176,177	2,347,201	2,410,945	3,059,464	2,840,820	2,539,673	2,268,546	2,739,578
Community and economic development	3,929,948	4,120,495	4,957,535	3,108,078	2,661,457	2,232,438	1,812,299	1,431,086	1,381,445	3,044,706
General government	1,621,972	1,369,238	1,590,857	1,452,659	1,885,554	1,338,066	1,245,851	1,133,255	1,273,399	1,253,001
Capital outlay	8,728,550	6,196,824	12,345,993	6,825,047	11,432,855	9,628,133	4,477,017	2,554,674	1,439,787	2,944,911
Debt service										
Principal	3,825,000	3,459,243	6,373,486	3,358,486	3,348,761	3,684,361	2,730,690	3,066,991	2,971,716	5,663,840
Interest and other fiscal charges	990,077	786,526	841,620	874,044	773,999	886,842	419,527	436,018	457,343	649,203
Total expenditures	39,231,139	34,713,447	44,849,671	31,546,416	36,107,070	35,774,487	31,077,004	25,586,518	25,112,049	31,225,377
Excess (deficiency) of revenues over (under) expenditures	(4,713,774)	(188,689)	(13,413,793)	(2,132,846)	(8,685,409)	(8,630,466)	(2,267,545)	1,229,791	1,917,290	(6,223,657)
<b>Other Financing Sources (Uses)</b>										
Sale of governmental assets	-	-	-	-	-	-	-	-	-	4,000
Insurance Proceeds	-	283,139	291,467	1,032,556	4,192,646	-	-	-	-	-
Debt issued	10,365,192	9,130,000	8,385,671	5,610,000	2,433,566	12,720,000	6,957,430	2,000,000	2,225,000	67,463
Payment of refunded bonds	-	-	-	-	-	-	-	-	-	-
Premium and accrued interest on debt issued	186,123	400,160	46,433	81,652	-	226,555	136,991	94,422	58,295	-
Transfers in	12,528,634	10,193,495	10,945,116	10,415,126	9,996,948	12,200,051	9,692,037	8,003,404	8,268,840	8,195,955
Transfers out	(12,542,531)	(10,039,612)	(11,034,617)	(10,735,656)	(10,213,706)	(12,249,428)	(8,656,361)	(8,444,725)	(8,441,575)	(8,365,906)
Total other financing sources (uses)	10,537,418	9,967,182	8,634,070	6,403,678	6,409,454	12,897,178	8,130,097	1,653,101	2,110,560	(98,488)
Net change in fund balances	\$ 5,823,644	\$ 9,778,493	\$ (4,779,723)	\$ 4,270,832	\$ (2,275,955)	\$ 4,266,712	\$ 5,862,552	\$ 2,882,892	\$ 4,027,850	\$ (6,322,145)
Debt service as a percentage of noncapital expenditures	15.8%	14.9%	22.2%	16.9%	16.9%	17.5%	11.8%	15.2%	14.5%	22.3%

**City of Marshalltown**  
 Tax Revenues by Source – Governmental Funds  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

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Fiscal year	Utility												Total
	Tax Increment		Utility		Franchise		Hotel/Motel		Local Option		911		Mobile Home
Property Tax	Financing Tax	Excise Tax	Fee	Tax	Sales Tax	Surcharge	Tax			Tax			
2013-14	\$ 10,036,577	\$ 1,475,200	\$ 921,454	\$ 163,488	\$ 432,108	\$ 2,936,344	\$ 273,435	\$ 13,314	\$ 16,251,920				
2014-15	9,777,342	1,219,210	884,215	223,758	474,474	3,164,249	274,188	12,973	16,030,409				
2015-16	9,534,568	1,276,898	903,826	226,548	542,180	4,248,087	273,656	12,931	17,018,694				
2016-17	10,156,477	435,098	938,663	217,475	479,576	3,476,514	317,829	17,680	16,039,312				
2017-18	10,510,365	169,316	1,105,221	206,702	403,116	3,121,920	280,925	28,612	15,826,177				
2018-19	10,611,119	814,444	1,262,499	206,346	567,559	3,330,991	-	36,298	16,829,256				
2019-20	10,834,251	580,979	1,647,407	204,641	469,544	4,003,548	-	12,397	17,752,767				
2020-21	11,662,441	607,004	1,648,899	199,349	396,745	3,930,728	-	13,670	18,458,836				
2021-22	11,579,861	828,771	1,378,432	213,258	518,928	4,697,959	-	14,892	19,232,101				
2022-23	12,118,225	447,001	1,326,312	197,261	577,626	4,033,437	-	11,724	18,711,586				

City of Marshalltown  
 General Governmental Tax Revenues by Source  
 Year Ended June 30, 2023  
 (Modified Accrual Basis of Accounting)

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Fund	Tax Increment		Utility	Utility	Hotel/Motel	Local Option	Mobile	Total
	Property Tax	Financing Tax	Excise Tax	Franchise Fee	Tax	Sales Tax	Home Tax	
General	\$ 7,190,907	\$ -	\$ 777,247	\$ 197,261	\$ 577,626	\$ -	\$ 6,913	\$ 8,749,954
Tax Increment								
Financing	-	447,001	-	-	-	-	-	447,001
Local Option								
Sales Tax	-	-	-	-	-	4,033,437	-	4,033,437
Property tax	3,726,224	-	416,092	-	-	-	3,651	4,145,967
Debt Service	669,842	-	73,651	-	-	-	639	744,132
Capital Projects	531,252	-	59,322	-	-	-	521	591,095
Total	<u>\$ 12,118,225</u>	<u>\$ 447,001</u>	<u>\$ 1,326,312</u>	<u>\$ 197,261</u>	<u>\$ 577,626</u>	<u>\$ 4,033,437</u>	<u>\$ 11,724</u>	<u>\$ 18,711,586</u>

City of Marshalltown  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

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Levy Year	Fiscal Year	Residential Property		Commercial Property		Industrial Property		Total Regular Realty		TIF		Total Taxable Agland Realty		Total Direct Tax Rate		Estimated Actual Gross Value		Taxable Assessed Value as a Percentage of Actual Gross Value	
		Property	Property	Property	Property	Realty	TIF	Assessed Value	Agland Realty	Tax Rate	Gross Value	Estimated Actual	Gross Value	Value as a Percentage of Actual Gross Value					
2012	2013-14	\$ 449,211,004	\$ 219,544,651	\$ 64,114,746	\$ 732,870,401	\$ 44,270,422	\$ 4,695,878	\$ 781,836,701	14.18432	\$ 1,333,053,884				58.650%					
2013	2014-15	434,833,408	202,005,765	58,618,711	695,457,884	37,409,137	4,496,113	737,363,134	14.76356					57.522%					
2014	2015-16	448,390,423	183,199,944	57,943,159	689,533,526	40,194,757	4,601,327	734,329,610	14.76257					55.524%					
2015	2016-17	477,738,442	184,047,569	60,250,209	722,036,220	14,353,482	4,665,045	741,054,747	15.28158					54.614%					
2016	2017-18	462,642,384	213,234,801	70,301,288	746,178,473	5,394,151	4,680,367	756,252,991	15.28158					52.322%					
2017	2018-19	504,172,982	189,737,930	56,495,980	750,406,892	24,539,106	4,683,585	779,629,583	15.28158					49.670%					
2018	2019-20	493,017,822	219,841,198	65,351,198	778,210,218	17,723,868	4,771,279	800,705,365	15.38434					48.679%					
2019	2020-21	534,421,951	205,938,772	55,862,462	796,223,185	17,610,264	5,119,874	818,953,323	15.38434					47.743%					
2020	2021-22	549,890,991	201,679,406	58,282,660	809,853,057	24,793,485	5,118,609	839,765,151	15.36163					48.650%					
2021	2022-23	559,050,263	220,402,490	60,528,379	839,981,132	13,036,223	5,153,952	858,171,307	15.36163					47.291%					

Fiscal Year	Tax Exempt		Rollback Factors by Class				
	Gas & Electric	Property	Residential	Multi-Residential	Agricultural	Commercial	Railroad
2013-14	\$ 153,467,212	\$ 112,570,348	52.81660		59.93340	100.00000	100.00000
2014-15	165,363,180	156,351,613	54.40020		43.39970	95.00000	100.00000
2015-16	203,378,461	148,643,971	55.73350		44.02100	90.00000	90.00000
2016-17	226,574,365	168,759,389	55.62590	86.25000	46.10680	90.00000	90.00000
2017-18	307,764,842	171,600,722	56.93910	82.50000	47.49960	90.00000	90.00000
2018-19	375,124,239	172,069,004	56.91800	75.00000	56.13240	90.00000	90.00000
2019-20	375,124,239	170,951,592	55.07430	71.25000	81.48320	90.00000	90.00000
2020-21	445,705,906	185,817,935	56.40940	67.50000	84.03050	90.00000	90.00000
2021-22	441,966,524	232,590,253	54.13020	63.75000	89.04120	90.00000	90.00000
2022-23	455,112,249	272,809,951	54.13020	63.75000	89.04120	90.00000	90.00000

Source: Marshall County Auditor's Office and IA Dept of Mgmt website.

**Notes:** Effective with the January 1, 1999 valuations, Alliant Energy, the local gas and electric provider, is assessed a utility excise tax instead of taxes based upon property valuations.

Starting with levy year 2021, the tax-exempt property is only for the City properties. Prior to this, it was for all of Marshall County.

Each year the State of Iowa assigns a rollback factor to calculate the percent of assessed value which will be taxable.

This rate is assigned per property classification and can fluctuate each year. Industrial property is taxed at 100% of its gross assessed value.

City of Marshalltown  
 Tax Rates – Direct and Overlapping Governments  
 Last Ten Fiscal Years (Per \$1,000 Assessed Valuations)

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Levy year Jan 1,	Collection Year	Marshall County	Community Schools	Marshalltown	City Assessor	Community College	County Extension	State of Iowa	Total
2012	2013-14	7.44499	17.52934	14.18432	0.27661	1.80632	0.13567	0.00330	41.38055
2013	2014-15	7.44499	18.15000	14.76355	0.29712	1.79487	0.15194	0.00330	42.60577
2014	2015-16	7.44499	18.33104	14.76257	0.29197	1.78170	0.15594	0.00330	42.77151
2015	2016-17	6.94499	17.97478	15.28158	0.25199	1.74505	0.15749	0.00330	42.35918
2016	2017-18	6.71518	17.94963	15.28158	0.23909	1.36842	0.14644	0.00310	41.70344
2017	2018-19	6.32150	17.99365	15.28158	0.21350	0.99668	0.14541	0.00290	40.95522
2018	2019-20	6.01018	18.33190	15.38434	0.21338	0.88410	0.14882	0.00290	40.97562
2019	2020-21	6.01018	18.34688	15.38434	0.26530	1.58101	0.15050	0.00270	41.74091
2020	2021-22	6.20707	18.13904	15.36163	0.26619	1.65540	0.14816	0.00260	41.78009
2021	2022-23	6.23143	17.86083	15.36163	0.49548	1.74287	0.14617	0.00240	41.84081

Source: Marshall County Auditor's Office

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

## City of Marshalltown Principal Property Taxpayers Current Year and Nine Years Ago

Taxpayer	Jan 1, 2021		Percentage of Total City Taxable Assessed Value	Jan 1, 2012		Percentage of Total City Taxable Assessed Value
	Taxable Assessed Value	Payable 22-23		Taxable Assessed Value	Payable 13-14	
IES Utilities(Interstate Power)	\$ 75,402,635	1	8.0%	\$ 58,800,965	1	7.6%
Menard, Inc	24,857,424	2	2.6%	8,691,000	8	1.1%
Emerson Process Mgt/Fisher Controls	18,500,013	3	2.0%	19,661,785	2	2.5%
UnityPoint Health Marshalltown	12,115,782	4	1.3%			
Lennox Manufacturing Inc	12,016,778	5	1.3%	13,950,275	4	1.8%
Walmart, Real Estate Business	9,960,354	6	1.1%	10,022,453	5	1.3%
Swift, Pork Company	9,574,420	7	1.0%	9,866,189	6	1.3%
Swift & Company	8,901,027	8	0.9%	9,361,884	7	1.2%
ITC Midwest LLC	5,830,594	9	0.6%			1.1%
Union Pacific Railroad Co.	5,131,252	10	0.5%			
MMSC, Ventures Inc				18,145,180	3	2.3%
Marshalltown, Center IA LLC				5,035,002	9	0.6%
Packaging Corporation of America				4,880,815	10	0.6%
	\$ 182,290,279		19.3%	\$ 158,415,548		21.4%

## City of Marshalltown

### Sales Tax

#### Last Ten Years

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Calendar Year	Taxable Retail Sales
2013	\$ 346,378,427
2014	328,920,980
2015	331,780,905
2016	352,326,540
2017	360,825,713
2018	361,952,957
2019	375,183,985
2020	359,899,562
2021	394,288,419
2022	391,059,559

Source: Iowa Department of Revenue Sales and Use Tax Report based on fiscal year ending March 31 following the calendar year.

City of Marshalltown  
 Property Tax Levies and Collections  
 Last Ten Fiscal Years

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Collection year	Levy year	Current levy	Collected within the fiscal year of the levy		Delinquent tax collections (3)	Total tax collections	Collections to total tax levy (2)
			Amount (1)	Percent of levy collected (2)			
2013-14	2012	\$ 10,535,094	\$ 10,478,161	99.46%	4,710	\$ 10,482,871	99.50%
2014-15	2013	10,397,290	10,381,760	99.85%	6,716	10,388,476	99.92%
2015-16	2014	10,329,114	10,314,800	99.86%	2,945	10,317,745	99.89%
2016-17	2015	11,100,009	11,056,848	99.61%	1,976	11,058,824	99.63%
2017-18	2016	11,436,367	11,386,656	99.57%	1,352	11,388,008	99.58%
2018-19	2017	11,502,245	11,155,160	96.98%	1,352	11,156,512	96.99%
2019-20	2018	12,004,303	11,392,194	94.90%	4,538	11,396,732	94.94%
2020-21	2019	12,285,038	11,974,777	97.47%	207,295	12,182,072	99.16%
2021-22	2020	12,483,630	12,326,315	98.74%	139,857	12,466,172	99.86%
2022-23	2021	12,999,858	12,819,670	98.61%	9,710	12,829,380	98.69%

(1) Current tax collections reflect payments received by the Marshall County Treasurer's office from July 1 through June 30 of each year. Taxes levied for the current year are classified as delinquent if not paid by June 30 each year.

(2) Collection percentages are close to 100% each year since the State of Iowa provides for "tax sales" in June of each year for properties with unpaid taxes. Substantially all of the taxes are paid by investors purchasing tax certificates from the "tax sales." Collections in excess of 100% are due to rounding differences when tax rates are applied to property valuations, differences in tax credits reimbursed by the State of Iowa, or changes in taxable valuations by the County Assessor after the City's budget is certified.

(3) Delinquent tax collections reflect amounts of delinquent taxes the City received during the year. Information is not available from the County Treasurer's Office as to the year(s) for which the delinquent tax collections apply.

Source: General Purpose Financial Statements

City of Marshalltown  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

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Governmental Activities      Business-type Activities

Fiscal Year Ended June 30,	Sewer										Percentage of Personal Income Population Per Capita		
	General Obligation Bonds	Notes Payable	General Obligation Bonds	Revenue Bonds	Bonds - Direct Borrowings	Total Government	Primary Government	Personal Income	Personal Income	Population			
2014	\$ 21,185,242	\$ 81,304	\$ 4,720,834	\$ 12,727,000	\$ -	\$ 38,714,380	\$ 21,880	\$ 1,769	27,844	1,390			
2015	20,512,103	44,588	4,705,702	11,710,000	619,452	37,591,845	22,512	1,670	27,727	1,356			
2016	19,519,042	32,597	4,343,820	16,308,000	522,266	40,725,725	22,403	1,818	27,727	1,469			
2017	23,718,996	149,337	6,593,854	14,911,000	423,838	45,797,025	22,535	2,032	27,328	1,676			
2018	32,961,820	109,976	6,061,806	13,473,000	324,152	52,930,754	23,059	2,295	27,280	1,940			
2019	32,022,168	71,215	5,504,758	12,009,000	223,193	49,830,334	23,042	2,163	27,068	1,841			
2020	34,315,035	42,729	4,950,649	10,991,000	2,490,461	52,789,874	24,060	2,194	26,666	1,980			
2021	36,200,580	139,914	7,440,520	9,834,000	3,369,550	56,984,564	24,600	2,316	27,591	2,065			
2022	42,188,885	125,671	6,502,709	8,542,000	3,471,000	60,830,265	26,000	2,340	27,388	2,221			
2023	48,625,970	325,863	5,559,898	7,224,000	5,416,002	67,151,733	27,718	2,423	27,574	2,435			

Source: Census Quick Facts

**City of Marshalltown**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

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Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Estimated Actual Taxable Value of		
	General Obligation			Property	Per Capita	
	Bonds	Notes Payable	Total			
2014	\$ 25,906,076	\$ 81,304	\$ 25,987,380	1.42%	\$ 941.54	
2015	25,217,805	44,588	25,262,393	1.39%	911.11	
2016	23,862,862	32,597	23,895,459	1.31%	880.65	
2017	30,312,850	149,337	30,462,187	1.67%	1,113.93	
2018	39,023,626	109,976	39,133,602	2.15%	1,434.52	
2019	37,526,926	71,215	37,598,141	2.06%	1,389.03	
2020	39,265,684	42,729	39,308,413	2.16%	1,544.22	
2021	43,641,100	139,914	43,781,014	2.40%	1,708.91	
2022	48,691,594	125,671	48,817,265	2.68%	1,895.12	
2023	54,185,868	325,863	54,511,731	2.98%	2,172.00	

City of Marshalltown  
Direct and Overlapping Governmental Activities Debt  
As of June 30, 2023

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Name of Governmental Unit	Debt Outstanding	Percentage Applicable to Marshalltown	City of Marshalltown Share of Debt
Iowa Valley Schools	\$ 23,690,000	49.20%	\$ 11,655,860
Marshalltown Community School District	2,005,000	86.12%	1,726,638
Marshall County	<u>3,495,000</u>	46.18%	<u>1,613,924</u>
 City of Marshalltown	 <u>29,190,000</u>	 100.00%	 <u>14,996,422</u>
	<u>48,951,833</u>		<u>48,951,833</u>
	 <u><b>\$ 78,141,833</b></u>		 <u><b>\$ 63,948,255</b></u>

Source:

- 1) State of Iowa Treasurer's Office
- 2) IA Valley School District

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

**City of Marshalltown**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

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	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Gross assessed valuations:										
Regular realty	\$ 1,351,109,942	\$ 1,264,193,716	\$ 1,256,879,027	\$ 1,198,094,512	\$ 1,176,284,153	\$ 1,139,671,155	\$ 1,123,584,265	\$ 1,322,550,079	\$ 1,281,885,530	\$ 1,135,316,250
Utility	455,112,249	441,966,524	445,705,906	435,377,442	375,124,239	307,764,842	226,574,365	203,378,461	165,363,180	153,467,212
Incremental	13,036,223	24,793,485	17,610,264	17,723,868	24,539,106	5,394,151	14,353,482	40,194,757	37,409,137	44,270,422
Total actual valuations applicable to debt	1,819,258,414	1,730,953,725	1,720,195,197	1,651,195,822	1,575,947,498	1,452,830,148	1,364,512,112	1,566,123,297	1,484,657,847	1,333,053,884
Debt limit - 5% of total actual valuations applicable to debt	90,962,921	86,547,686	86,009,760	82,559,791	78,797,375	72,641,507	68,225,606	78,306,165	74,232,892	66,652,694
Amount of debt applicable to limitation:										
General obligation bonds and notes	53,560,863	47,950,671	43,222,302	38,757,729	37,086,215	38,914,128	30,508,175	24,204,863	25,734,040	26,216,304
Urban Renewal Rebate agreements	2,011,872	1,760,833	2,032,149	3,527,122	3,727,567	3,907,856	4,023,000	1,690,000	-	-
Total debt applicable to limitation	55,572,735	49,711,504	45,254,451	42,284,851	40,813,782	42,821,984	34,531,175	25,894,863	25,734,040	26,216,304
Less:										
Funds available from:										
Debt service	234,604	181,194	140,449	146,008	154,543	111,879	237,889	107,604	2,722,301	2,517,292
Special revenue	195,666	480,010	348,568	507,304	534,114	501,381	943,301	-	-	-
Total debt applicable to debt margin	55,142,465	49,050,300	44,765,434	41,631,539	40,125,125	42,175,991	33,349,985	25,787,259	23,011,739	23,699,012
Legal debt margin	\$ 35,820,456	\$ 37,497,386	\$ 41,244,326	\$ 40,928,252	\$ 38,672,250	\$ 30,465,516	\$ 34,875,621	\$ 52,518,906	\$ 51,221,153	\$ 42,953,682

**City of Marshalltown**  
**Pledged – Revenue Coverage**  
**Last Ten Fiscal Years**

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**Water Pollution Control**

Year	Gross			Available For			Debt Service Requirements	
	Revenue		Expenses (1)	Debt Service	Principal	Interest & other debt	Total	Coverage
2013-14	\$ 5,897,218	\$ 2,994,802	\$ 2,902,416	\$ 595,000	\$ 307,956	\$ 902,956	3.21	
2014-15	6,091,170	2,731,357	3,359,813	1,017,000	503,890	1,520,890	2.21	
2015-16	6,593,505	3,246,028	3,347,477	1,402,000	641,312	2,043,312	1.64	
2016-17	7,552,524	3,535,085	4,017,439	1,397,000	426,022	1,823,022	2.20	
2017-18	8,017,913	3,000,387	5,017,526	1,438,000	389,721	1,827,721	2.75	
2018-19	8,622,756	2,300,008	6,322,748	1,464,000	352,330	1,816,330	3.48	
2019-20	8,406,006	3,105,396	5,300,610	1,102,000	311,559	1,413,559	3.75	
2020-21	8,305,110	2,782,206	5,522,904	1,399,000	299,885	1,698,885	3.25	
2021-22	8,384,092	3,124,297	5,259,795	1,493,000	186,195	1,679,195	3.13	
2022-23	9,243,516	3,127,960	6,115,556	1,493,000	184,495	1,677,495	3.65	

(1) Total operating expenses, less depreciation.

Sources: City Financial Records and Water Works Financial Records

**City of Marshalltown**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

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Calendar Year	Median Age (Zip 50158)	School Enrollment		Unemployment Percent (4)
		Public (2)	Private (3)	
		(1)		
2014	37.3	5,085	218	5.9%
2015	35.3	5,385	216	5.0%
2016	35.3	5,322	221	4.0%
2017	36.1	5,435	215	3.7%
2018	36.6	5,458	227	4.0%
2019	35.9	5,173	269	2.8%
2020	37.8	5,420	232	6.3%
2021	37.5	5,076	257	6.2%
2022	37.0	5,287	231	4.5%
2023	38.5	5,352	275	6.8%

Note: Total personal income information for the City of Marshalltown is not available.

Sources:

- (1) Citydata.com web site
- (2) Iowa Department of Education
- (3) Iowa Dept of Education website for nonpublic schools: St. Francis Catholic School, and Marshalltown Christian School
- (4) Job Service of Iowa: <http://www.iowaworkforce.org>

**City of Marshalltown**  
**Principal Employers**  
**Current Year and Nine Years Ago**

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Employer	Industry	2023- Employees	2014- Employees
(JBS) Swift & Company	Pork processors	2,300	2,300
Emerson Process Mgt/Fisher Controls	Valves and regulators manufacturer	1,135	1,200
Lennox Industries, Inc	Furnace and air conditioning manufacturer	915	800
Iowa Veteran's Home	Hospital Care Facility	865	1,000
Marshalltown Community School District	Education	850	1,002
Unity Point Health	Hospital	400	715
HyVee Food Stores *	Grocery store	340	340
Wal-Mart*	Retail	300	325
Marshalltown Community College	Education	835	245
City of Marshalltown*	Municipal government	190	212
Marshall County	County government	180	176
McFarland Clinic PC	Medical clinic	145	223

Note: Total employment information for the City of Marshalltown is not available. Consequently, each employer's percentage of total employment can not be calculated.

Source: Marshalltown Chamber of Commerce

\* Includes full time, part time and seasonal employees

**City of Marshalltown**  
**Full-Time Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

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Function/Program	Full-time-Equivalent Employees as of June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public Safety	74.04	77.8	90.39	91.77	90.71	93.25	90.26	98.28	97.32	99.1
Public Works	18.16	18.52	22.8	20.63	19.35	20.72	20.46	20.61	21.14	21.02
Health and Social Services	1.6	2.05	2.16	1.88	0.39	1.94	4.13	8.38	9.44	8.49
Culture and Recreation	29.23	29.58	27.82	30.27	28.62	28.55	26.81	26.39	27.28	27.6
Community and Economic Development	3.32	2.98	3.04	2.75	3.81	3.39	2.26	2.6	3.29	4.21
General Government	16.4	15.71	16.01	16.04	15.93	15.62	15.93	15.57	17.67	17.91
Business-Type	32.64	33.52	32.63	33.14	29.14	29.9	29.01	32.57	32.25	32.89
Capital Projects	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>175.39</b>	<b>180.16</b>	<b>194.85</b>	<b>196.48</b>	<b>187.95</b>	<b>193.37</b>	<b>188.86</b>	<b>204.40</b>	<b>208.39</b>	<b>211.22</b>

Sources: City Department information.

**City of Marshalltown**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
Building Permits:										
New Construction:										
Number of permits	31	18	133	79	205	47	28	29	46	42
Value of permits	32,306,635	6,743,756	34,501,000	14,423,000	14,258,000	18,955,000	22,091,000	13,434,000	27,124,000	29,427,000
Remodeling, repairs and additions:										
Number of permits	94	107	113	92	158	55	120	102	80	72
Value of permits	3,233,705	10,856,423	89,965,000	22,783,000	29,092,000	12,399,000	7,434,000	11,915,000	10,719,000	24,001,000
Police										
Physical arrests	1,730	2,250	2,032	1,899	2,955	2,392	2,320	2,216	3,114	3,438
Violations:										
Parking	2,943	2,375	3,519	3,890	2,850	4,832	2,775	3,005	5,420	5,835
Traffic	2,291	1,704	1,165	1,683	2,654	2,662	1,801	1,255	1,889	1,803
Drunk driving	125	126	98	120	110	140	131	100	122	164
Narcotics	375	311	310	331	393	438	396	358	577	449
Fire										
Emergency responses	3,423	3,174	2,834	2,705	2,749	2,573	2,653	2,527	2,530	2,321
Fires extinguished	80	86	67	86	83	166	156	131	127	112
Inspections	308	269	189	261	223	343	555	519	223	471
Parks and recreation										
Adult team sports										
Leagues	5	6	5	4	4	4	6	6	8	12
Participation	6,186	5,975	6,796	4,280	7,782	8,165	9,327	9,656	8,492	5,670
Youth activities										
Programs	18	18	10	8	18	23	30	27	32	33
Participation	2,978	2,281	1,410	861	1,980	2,955	3,256	3,224	3,249	3,502
Library										
Volumes in collection	107,055	260,211	105,021	209,589	127,867	194,703	144,143	143,783	100,376	101,034
Total volumes borrowed	241,846	268,250	184,450	199,014	245,730	281,205	250,941	287,092	274,787	290,606
Sewage system										
Per million										
Daily average treatment in gallons	3.59	3.38	3.34	4.30	5.64	3.08	3.95	4.73	4.26	4.75
Maximum daily capacity of treatment plant in thousands of gallons	17,440	17,440	17,440	17,440	17,440	17,440	17,440	17,440	17,440	17,440
Sewer customers served	9,532	9,546	9,456	9,450	9,286	9,877	10,159	9,481	9,785	9,383
* Computer software was counting sewer credit meters										
Sewer rates in effect										
Base charge per month	\$24.13	\$23.99	\$23.75	\$23.75	\$23.75	\$22.67	\$20.25	\$17.57	\$15.60	\$14.31
Flow charge per 100 cubic feet	\$3.13	\$3.11	\$3.08	\$3.08	\$3.08	\$2.94	\$2.63	\$2.27	\$2.11	\$2.03
Transit										
Total route miles	129,374	139,511	126,047	124,793	122,545	142,667	131,829	134,737	110,394	133,405
# of passengers	117,609	97,581	61,066	76,490	76,132	100,178	90,353	101,805	111,542	104,513
General Elections - November of each year										
Registered voters	24,620	15,592	15,592	22,911	22,911	23,072	24,920	16,231	25,549	15,796
Number of votes cast	16,898	2,351	10,878	2,743	2,743	2,437	18,175	3,492	13,844	N/A
Percentage of registered voters voting	50.55%	15.08%	69.77%	11.97%	11.97%	10.56%	72.93%	21.51%	54.19%	N/A

Sources: City Department information.

**City of Marshalltown**  
**Capital Asset and Employment Statistics by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
# of stations	1	1	1	1	1	1	1	1	1	1
# of employees	65	63	69	68	70	70	62	57	55	55
Non-dispatch	49	48	51	52	54	57	49	45	42	43
Dispatch	16	15	15	16	14	13	13	12	13	12
Fire										
# of stations	1	1	1	1	1	1	1	1	1	1
# of employees	28	28	28	28	29	27	29	28	28	27
Parks and recreation										
Park areas										
# parks	23	25	23	23	25	25	21	21	26	26
# acres	321	321	316	316	357	357	210	210	328	328
Athletics										
# Baseball/softball fields	5	5	5	5	3	3	5	5	6	6
# Soccer/football fields	4	4	4	4	8	8	0	0	6	6
# Tennis courts	3	3	2	2	1	1	5	5	12	12
# Basketball Courts	6	6	6	6	5	5	4	4		
Other										
# playgrounds	21	20	20	20	19	19	20	20	21	21
Miles of bike trails	14.73	14.73	14.26	14.26	12.5	12.5	7	7	9.6	9.6
# Swimming pools	1	1	1	1	1	1	1	1	1	1
# Park Shelters	28	28	28	29	29	29	29	29		
Public works										
Streets:										
Paved	158.77	158.37	158	157.5	157.5	157.5	157.5	157.5	157.5	157.5
Unpaved	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8
Sewage system										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Miles of sewers										
Storm	62	60.9	60.9	60.9	60.9	60.9	60.48	60.48	59.7	59.31
Sanitary	150.8	150.9	150.9	150.7	150.7	150.7	148.85	148.85	146.6	146.5
Transit										
# of buses	10	9	10	9	9	8	7	8	10	8
Education - Public and private										
Number of elementary schools	6	7	7	6	6	8	7	6	6	8
Number of elementary school instructors	243	242	238	185	188	205	262	283	299	305
Number of secondary schools	3	4	3	4	4	4	2	3	3	3
Number of secondary school instructors	175	186	171	226	224	204	150	280	250	238
Cemeteries										
Number of facilities	2	2	2	2	2	2	2	2	2	2
Number of acres										
Developed	135	135	135	135	135	135	135	135	135	135
Undeveloped	80	80	80	80	80	80	80	80	80	80
Hospitals										
Number of hospitals	1	1	1	1	1	1	1	1	1	1
Number of beds	25	25	49	49	49	49	49	49	125	125

Sources: City Department information.

Note: as of January 15, 2018, the dispatch employees became employees of Marshall County Communications Commission, rather than City employees.

**City of Marshalltown**  
**Water Pollution Control**  
**Historic Earnings**  
**Last Ten Fiscal Years**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Revenues:</b>										
Sewer Rental	\$ 8,430,549	\$ 8,154,149	\$ 7,989,142	\$ 7,963,422	\$ 8,210,143	\$ 7,738,899	\$ 7,370,973	\$ 6,341,560	\$ 5,875,990	\$ 5,611,519
Interest Income	737,092	193,206	277,899	373,830	336,086	160,716	62,404	30,154	24,526	36,356
Grants	-	-	-	1,715	-	-	-	-	-	39,669
Miscellaneous	75,875	36,737	38,069	68,754	76,527	118,298	119,147	221,791	190,654	218,797
<b>Total revenues</b>	<b>9,243,516</b>	<b>8,384,092</b>	<b>8,305,110</b>	<b>8,407,721</b>	<b>8,622,756</b>	<b>8,017,913</b>	<b>7,552,524</b>	<b>6,593,505</b>	<b>6,091,170</b>	<b>5,906,341</b>
<b>Expenses:</b>										
Costs of Service	3,127,960	3,124,297	2,782,206	3,105,396	2,290,877	3,000,387	3,543,159	3,217,648	2,678,407	2,994,802
Depreciation	1,938,678	1,820,603	1,729,029	1,701,557	1,618,145	1,583,463	1,470,579	1,487,116	1,283,352	1,269,460
Debt Service	2,137,895	2,178,467	2,288,090	2,014,216	2,426,037	2,430,979	2,426,016	2,492,501	1,502,938	1,252,956
<b>Total expenses</b>	<b>7,204,533</b>	<b>7,123,367</b>	<b>6,799,325</b>	<b>6,821,169</b>	<b>6,335,059</b>	<b>7,014,829</b>	<b>7,439,754</b>	<b>7,197,265</b>	<b>5,464,697</b>	<b>5,517,218</b>
<b>Net Income (Loss)</b>	<b>\$ 2,038,983</b>	<b>\$ 1,260,725</b>	<b>\$ 1,505,785</b>	<b>\$ 1,586,552</b>	<b>\$ 2,287,697</b>	<b>\$ 1,003,084</b>	<b>\$ 112,770</b>	<b>\$ (603,760)</b>	<b>\$ 626,473</b>	<b>\$ 389,123</b>

**Water Pollution Control Historic Coverage**

Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net Income (Loss)	\$ 2,038,981	\$ 1,260,725	\$ 1,505,785	\$ 1,586,552	\$ 2,287,697	\$ 1,003,084	\$ 112,770	\$ (603,760)	\$ 626,473	\$ 389,123
Add depreciation	1,938,678	1,820,603	1,729,029	1,701,557	1,618,145	1,618,145	1,470,579	1,487,116	1,283,352	1,269,460
Add debt retirement	2,137,895	2,178,467	2,288,090	2,014,216	2,426,037	2,430,979	2,426,016	2,492,501	1,502,938	1,252,956
<b>Net income available for debt service</b>	<b>\$ 6,115,554</b>	<b>\$ 5,259,795</b>	<b>\$ 5,522,904</b>	<b>\$ 5,302,325</b>	<b>\$ 6,331,879</b>	<b>\$ 5,052,208</b>	<b>\$ 4,009,365</b>	<b>\$ 3,375,857</b>	<b>\$ 3,412,763</b>	<b>\$ 2,911,539</b>
Historic debt service	\$ 2,137,895	\$ 2,178,467	\$ 2,288,090	\$ 2,014,216	\$ 2,426,037	\$ 2,430,979	\$ 2,426,016	\$ 2,492,501	\$ 1,502,938	\$ 1,252,956
Historic coverage	2.86	2.41	2.41	2.63	2.61	2.08	1.65	1.35	2.27	2.32
Projected max future debt	\$ 2,763,891	\$ 2,384,787	\$ 2,384,787	\$ 2,384,787	\$ 2,430,980	\$ 2,430,980	\$ 2,430,980	\$ 2,430,980	\$ 1,343,085	\$ 1,343,085
Projected coverage	2.21	2.21	2.32	2.22	2.60	2.08	1.65	1.39	2.54	2.17

**City of Marshalltown**  
**Water Pollution Control**  
**Number of Customers by Type**  
**Last Ten Fiscal Years**

Year	Residential	Multi-Family	Commercial	Industrial	Total	Incr (Decr)
2014	8,469	397	824	50	9,740	331
2015	8,505	398	823	51	9,777	37
2016	8,525	394	840	50	9,809	32
2017	8,730	389	988	52	10,159	350
2018	8,751	396	964	52	10,163	4
2019	8,785	390	954	49	10,178	15
2020	8,832	391	959	48	10,230	52
2021	8,846	387	946	50	10,229	-1
2022	8,915	362	947	53	10,277	48
2023	8,922	357	937	53	10,269	-8

Prior years included credit meters. Information based upon number of meters.

City of Marshalltown  
Water Pollution Control  
Present Net Position  
As of June 30, 2023

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Sewer Revenue Operating and Maintenance Accounts	\$ 559,438
Sewer Revenue Sinking Reserve Fund Account	139,016
Additional Capital Replacement Fund Account	1,242,085
Undesignated	<u>19,361,771</u>
 Total Water Pollution Control Net Position	 <u><u>\$ 21,302,310</u></u>

City of Marshalltown  
Water Pollution Control  
Major Users – Two Year Comparison

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	2023			2022		
	Avg Gallons Per Month	Monthly Bill	2023 Ranking	Avg Gallons Per Month	Monthly Bill	2022 Ranking
JBS Swift & Company	67,753,523	\$ 251,369	1	70,897,718	\$ 231,055	1
IA Veterans Home	1,657,007	6,952	2	1,613,561	6,706	2
Emerson Processing/Fisher Controls	720,636	3,037	3	840,627	3,505	3
Marshalltown Community School District	641,098	2,705	4	677,314	2,829	4
GGG Washes LLC	594,972	2,512	5	N/A	N/A	N/A
Central Iowa Truckwash LLC	584,562	2,468	6	519,050	2,173	5
Sunset Village Mobile Home Park	537,625	2,272	7	514,375	2,154	7
Unity Point Health	497,545	2,104	8	360,910	1,518	9
Packaging Corporation	477,411	2,020	9	518,613	2,171	6
Dada Hospitality, LLC	429,601	1,820	10	406,476	1,707	8
Supershine/Rainbow Carwash I & III				326,315	1,375	10

Source: City Financial Records and Marshalltown Water Works

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Compliance Section

June 30, 2023

**City of Marshalltown**



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with  
Government Auditing Standards**

To the Honorable Mayor and  
Members of the City Council  
City of Marshalltown, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Marshalltown, Iowa (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2024. Our report includes a reference to other auditors who audited the financial statement of the Marshalltown Waterworks, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be a material weakness.

### **Report on Compliance and Other Matters**

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

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

### **The City's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dubuque, Iowa  
June 27, 2024



**Independent Auditor's Report on Compliance for Each Major Federal Program and Report on  
Internal Control Over Compliance Required by the Uniform Guidance**

To the Honorable Mayor and  
Members of the City Council  
City of Marshalltown, Iowa

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Marshalltown, Iowa's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.



Dubuque, Iowa  
June 27, 2024

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**City of Marshalltown**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2023**

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Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
Department of Commerce				
Direct program				
Economic Development Cluster				
Economic Adjustment Assistance	11.307		\$ 1,875,221	\$ -
Department of Housing and Urban Development				
Pass-through program from				
Iowa Economic Development Authority				
COVID-19 - Community Development Block				
Grants/States Program and Non-Entitlement				
Grants in Hawaii	14.228	20-CVN-015	13,354	-
Community Development Block Grants/				
States Program and Non-Entitlement				
Grants in Hawaii	14.228	21-CF-003	2,285	-
Community Development Block Grants/				
States Program and Non-Entitlement				
Grants in Hawaii	14.228	21-HSGU-006	238,379	-
Community Development Block Grants/				
States Program and Non-Entitlement				
Grants in Hawaii	14.228	21-DTR-004	24,187	-
Community Development Block Grants/				
States Program and Non-Entitlement				
Grants in Hawaii	14.228	19-OT-005	23,355	-
Total			301,560	-
Direct program				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871		1,288,452	-
Lead Hazard Reduction Grant Program	14.900		1,068,259	-
Total Department of Housing and Urban Development			2,658,271	-
Department of Justice				
Pass-through program from				
Iowa Department of Justice				
COVID-19 Coronavirus Emergency				
Supplemental Funding Program	16.034	2020-H1157-IA-VD	2,811	-
Violence Against Women Formula Grants	16.588	VW-21-06-CJ	1,786	-
Violence Against Women Formula Grants	16.588	15JOVW-22-GG- 00420-STOP	41,415	-
Total			43,201	-
Direct program				
Bulletproof Vest Partnership Program	16.607		6,633	-

**City of Marshalltown**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2023**

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<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal Financial Assistance Listing</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>	<u>Amounts Passed-Through to Subrecipients</u>
Department of Justice (continued)				
Pass-through program from				
Iowa Department of Justice				
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-21CG-02316-SPPS	\$ 89,464	86,353
Marshall County				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	20-JAG-444548	27,333	-
Direct program				
Edward Byrne Memorial Justice Assistance Grant Program	16.738		16,433	8,217
Edward Byrne Memorial Justice Assistance Grant Program	16.738		5,693	-
Total			49,459	8,217
Total Department of Justice			191,568	8,217
Department of Transportation				
Direct program				
Airport Improvement Program	20.106		55,605	-
Pass-through program from				
Iowa Department of Transportation				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	2019-024-02-SFY22	219,177	-
COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program	20.509	2022-009-00-FY22	97,845	-
COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program	20.509	2020-010-00	297,288	-
Total			614,310	-
Highway Safety Cluster				
State and Community Highway Safety	20.600	PAP 20-402 MOAL, Task 11-00-00	1,581	-
State and Community Highway Safety	20.600	PAP 23-402 M0PT, Task00-55-00	4,536	-
Cluster total			6,117	-
Total Department of Transportation			676,032	-

**City of Marshalltown**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2023**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
<b>Department of the Treasury</b>				
Direct program				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ 87,070	\$ -
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		546,204	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		<u>63,416</u>	<u>60,063</u>
<b>Total Department of the Treasury</b>			<u>696,690</u>	<u>60,063</u>
<b>Environmental Protection Agency:</b>				
Direct program				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Clean/ Cooperative Agreements	66.818		<u>122,529</u>	<u>-</u>
<b>Department of Homeland Security</b>				
Pass-through program from				
Iowa Department of Homeland Security				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA-07-IA-4392	63,397	-
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA-07-IA-4483	10,829	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA-07-4557	88,717	88,717
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	HMGP-DR-4557	<u>46,518</u>	<u>-</u>
<b>Total Department of Homeland Security</b>			<u>209,461</u>	<u>88,717</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 6,429,772</u>	<u>\$ 243,350</u>

City of Marshalltown  
Notes to the Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023

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**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal award activity of the City of Marshalltown, Iowa under programs of the federal government for the year ended June 30, 2023. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position or changes in fund balance of the City.

**Note 2 - Significant Accounting Policies**

Expenditures reported in the schedule of expenditures of federal awards are recognized on the modified accrual basis, except for subrecipient expenditures, which are recorded on the cash basis. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3 - Indirect Cost Rate**

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

City of Marshalltown  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2023

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**Part I: Summary of the Independent Auditor's Results:**

**Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	Yes
Significant deficiency not considered to be a material weakness	None reported
Noncompliance material to financial statements noted	No

**Federal Awards**

Internal control over major program:	
Material weakness identified	No
Significant deficiency not considered to be a material weakness	Yes
Type of auditor's report issued on compliance for the major programs	Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	Yes
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Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing</u>
Economic Adjustment Assistance	11.307
Lead Hazard Reduction Grant Program	14.900
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee	Yes

City of Marshalltown  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2023

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**Part II: Findings Related to the Financial Statements:**

**Material Weakness**

**2023-001 Material Audit Adjustments**

**Criteria** – A properly designed system of internal control over financial reporting allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

**Condition** – During the course of our engagement, we proposed material audit adjustments to the financial statements which were necessary in order to present accurate financial information.

**Cause** – There is a limited number of office employees with varying levels of experience with reporting requirements. This significantly limits the City's review procedures.

**Effect** – The effect of this condition was financial data not in accordance with generally accepted accounting principles.

**Recommendation** – We recommend that finance staff continue to receive relevant training and that additional review procedures be implemented in preparing the financial statements.

**Views of Responsible Officials** – We agree with the auditor's recommendation and staff will seek training opportunities prior to the preparation of the next audit.

**Part III: Findings and Questioned Costs for Federal Awards:**

**2023-002 U.S. Department of Commerce**  
**Economic Assistance Adjustment 11.307**  
**Economic Development Cluster**

**Reporting**  
**Significant Deficiency in Internal Control over Compliance**

**Criteria** – An effective system of internal controls should be in place to ensure accuracy, completeness and timely submission of the reports required by the grantor. In accordance with the federal grant guidelines, Project Progress Reports are required to be submitted on a quarterly basis until the final grant payment is made. Reports are due no later than 15 days following the end of the quarterly period.

**Condition** – During the year ending June 30, 2023, the City submitted their quarterly Project Progress Reports more than 15 days after the end of the quarterly periods.

**Cause** – The City's policies and procedures did not have adequate controls to ensure the reports were filed within 15 days of the quarterly period end.

City of Marshalltown  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2023

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**Effect** – Reports were not filed within 15 days as required by the grant agreement.

**Questioned Costs** – None reported.

**Context** – All four quarterly Project Progress Reports were tested.

**Repeat Finding From Prior Years** – No.

**Recommendation** – We recommend that finance staff continue to establish effective internal controls to ensure reports are filed timely.

**Views of Responsible Officials** – We agree with the auditor's recommendation and staff will more closely monitor the third party that is administering the grant.

**Part IV: Other Findings Related to Required Statutory Reporting:**

- 2023-IA-A Certified Budget** – Disbursements at June 30, 2023 did not exceed the amended budget.
- 2023-IA-B Questionable Expenditures** – We noted no expenditures that we believe may fail to meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- 2023-IA-C Travel Expense** – No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
- 2023-IA-D Business Transactions** – No business transactions between the City and City officials or employees were noted.
- 2023-IA-E Restricted Donor Activity** – No transactions were noted between the City, City officials, City employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- 2023-IA-F Bond Coverage** – Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.
- 2023-IA-G Council Minutes** – No transactions were found that we believe should have been approved in the Council minutes but were not.
- 2023-IA-H Deposits and Investments** – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy were noted.
- 2023-IA-I Revenue Bonds** – No instances of noncompliance with provisions of the City's revenue bond resolutions were noted.

City of Marshalltown  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2023

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**2023-IA-J** **Annual Urban Renewal Report** – The annual urban renewal report was properly approved and certified to the Iowa Department of Management on or before December 1.

**2023-IA-K** **Tax Increment Financing** – The Special Revenue Tax Increment Financing Fund properly disbursed payments for TIF loans and rebates. Also, the City properly completed the Tax Increment Debt Certificate forms to request TIF property taxes.

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