



CITY OF MARSHALLTOWN, IOWA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended June 30, 2021

**Prepared by:
City Finance Department**

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Introductory Section

June 30, 2021

City of Marshalltown

MARSHALLTOWN

I O W A

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Jessica Kinser, Administrator
Diana Steiner, Finance Director
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January 24, 2022

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, 2021 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, 2021. 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 the 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 of

area 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 managers.

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 proposed budget is presented to the Council January through March of each year. The Council is required to hold public hearings on the proposed budget and to adopt the final budget no later than March 31 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 6.2% as of June 2021. This is higher than the Iowa rate of 4.0% as of June 2021.

The number of building permits increased in fiscal year 2021 compared to 2020. We had a significant amount of activity related to the August 10, 2020 derecho. 50 new residential construction building permits were issued creating 149 housing units for a value of \$20,786,000. 30 residential remodeling, repairs, and addition permits were issued for a value of \$506,000. 44 additional residential remodeling, repairs, and addition permits were issued specifically related to the August 2020 derecho for a value of \$717,970. Total building permit activity for commercial, industrial, and accessory structures totaled 88 building permits with a valuation of \$69,684,000. 50 additional commercial, industrial, and accessory structures building permits were issued specifically related to the Derecho with a valuation of \$32,850,000. This included large projects such as: Marshall County buildings, UnityPoint, Marshalltown Lofts, Lennox, Kading Properties, McFarland, IVCCD, Marshalltown Co., Aldi, Fareway, Kwik Trip, Primary Health Care, and the Marshalltown Community School District. The total building activity for the fiscal year included 262 permits with a valuation of \$124,543,970.

The Local Option Sales Tax (LOST) which began April 1, 2000 was voted and approved for another 10 year extension which will end in 2025. 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 council designated to 78% for property tax relief and 22% for council designated. This became effective November 1, 2017. For fiscal year ending June 30, 2021 the City collected approximately \$4.0 million (accrual basis).

Major Initiatives

Housing development of all types continues to be a focus of the City and other community partners. The Marshalltown Area Chamber of Commerce launched the Make Marshalltown Home program in June 2021 to provide the buyers of new construction homes \$10,000 (in lieu of tax abatement) to 100 new homes. The City has pledged \$250,000 towards this effort. Implementation of this incentive has spurred three new owner-occupied developments which will result in new constructed residences in 2022 and beyond. Specifically, the Creekside Estates subdivision will provide duplex and townhome (owner-occupied) options in the heart of the Linn Creek District. The City is funding a majority of the infrastructure costs for this development to help spur growth. The City also entered into a development agreement with Glenwood Marshalltown LLC for the creation of more than 40 single family lots in an addition to the Glenwood Park subdivision. The developer will be rebated incremental taxes for a 10-year period to repay infrastructure costs. The City-created lots on East Southridge Road have sold to a developer who is planning a project in 2022 and beyond for new construction of single-family homes. The East Merle Hibbs extension project was completed in 2021, which opens up 100 acres of farmland for future residential development.

Multi-family residential growth continues to be strong in the community as well. Crosby Park continued to fill their new townhome units as soon as available to rent and began construction of their third and final phase of 13 units in 2021 valued at \$2 million. Kading Properties started construction on 78 duplex units and one single family home as part of their Bloomfield Acres complex in the northwest part of the community. These will all be market-rate rental properties. Construction started on Marshalltown Lofts, a 50-unit, multi-family complex in downtown with a construction value of \$6 million. This project is funded in part with low-income housing tax credits and most of the units will be income-restricted. It is expected to open in 2022. Additional multi-family projects include the development of more than 100 units of multi-family housing on South 7th Avenue, which is a partnership with the City and the developer on the infrastructure costs to extend a public street and utilities to the site.

The City will also be opening a new industrial park in 2022 and beyond with the construction of the Edgewood Extension project. This new roadway will open hundreds of acres of City-owned agricultural land for industrial and commercial development. Grants from both the Iowa DOT and U.S. EDA are funding a majority of this \$6 million project. In addition to creating new industrial lots, this project will address safety issues along Highway 14 which has more than 150 large trucks making a dangerous left turn each day to access JBS Swift & Co. The City will be pursuing a certified site in the same area to help further promote industrial growth and development.

Downtown Marshalltown has seen significant damage from the 2018 tornado and the 2020 derecho. The City has stepped in and acquired title to a number of properties slated for demolition and others which have been abandoned. As a result, the City will own continuous vacant lots at two major intersections in Downtown, which will assist in the redevelopment of Downtown. The City also adopted the Downtown Implementation Plan, which is a prioritized work plan for updating the infrastructure, addressing parking, changing one-way streets, and enhancing the safety and aesthetic appeal of Downtown. The first phase is the reconstruction of six blocks of State Street, which is set to start in 2022 and end in 2023, funded with general obligation bonds and American Rescue Plan Act funds. Additional phases will be pursued as funding allows.

The City completed the renovation of the Veterans Memorial Coliseum and reopened the building to the public in early 2021. Since that time, it has been used to host youth sporting events, community events like the Holiday Stroll, and many other smaller meetings and gatherings. The City also started and has nearly completed the construction of a new terminal and hangar at the Marshalltown Municipal Airport. This investment will allow for larger planes to be housed overnight in a hangar, which was not possible before. Additional projects wrapping up include the repaving of portions of the Linn Creek Trail, completion of a sidewalk along 12th Avenue and Olive Street, and the creation of a downtown pocket park.

Looking ahead, the City is refocusing on maintaining existing infrastructure while balancing quality of life needs and new infrastructure for development. The Center Street viaduct will have joints replaced and other repairs in 2023, while a plan for street improvements across the community begins in earnest in 2022 with an initial \$3 million investment which will increase in future years depending upon debt capacity.

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.

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 2020. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized 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 dark ink, appearing to read "Diana Steiner". The signature is fluid and cursive, with the first name "Diana" and last name "Steiner" clearly distinguishable.

Diana Steiner
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Marshalltown
Iowa**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

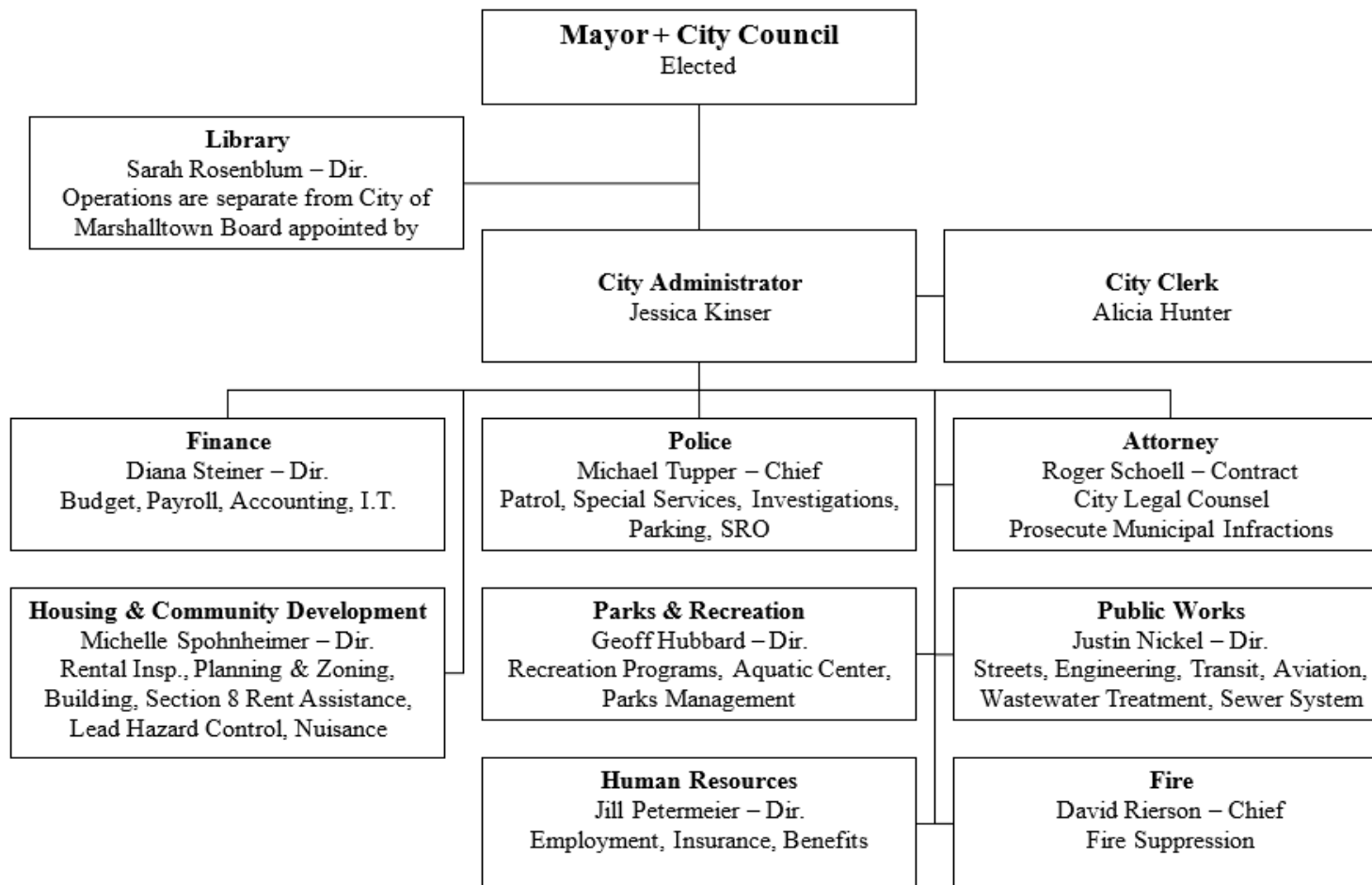
Christopher P. Morrill

Executive Director/CEO

MARSHALLTOWN

— I O W A —

ORGANIZATIONAL CHART



Name	Title	Term Expires
Elected officials:		
Joel Greer	Mayor	December 31, 2021
Bethany Wirin	Mayor Pro-Tem, Council At Large	December 31, 2021
Bill Martin	Council Member At Large	December 31, 2021
Gary Thompson	Council Member At Large	December 31, 2023
Mike Ladehoff	Council Member First Ward	December 31, 2021
Gabriel Isom	Council Member Second Ward	December 31, 2023
Mike Gowdy	Council Member Third Ward	December 31, 2021
Al Hoop	Council Member Fourth Ward	December 31, 2023
Council-appointed officials:		
Jessica Kinser	City Administrator	Contract Expires November 14, 2026
City Administrator appointment with Council Approval:		
Alicia Hunter	City Clerk	Indefinite
Diana Steiner	Finance Director	Indefinite
David Rierson	Fire Chief	Indefinite
Michelle Spohnheimer	Housing & Community Dev. Director	Indefinite
Geoff Hubbard	Parks and Recreation Director	Indefinite
Michael Tupper	Police Chief	Indefinite
Justin Nickel	Public Works Director	Indefinite
Jill Petermeier	Human Resources Director	Indefinite

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Financial Statements
June 30, 2021
City of Marshalltown



Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Marshalltown Water Works, which represent the entire assets, net position and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Marshalltown Water Works, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Marshalltown, Iowa, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Notes 1 and 18 to the financial statements, the City has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the fund balance/net position (deficit) as of July 1, 2020. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Generally accepted accounting principles 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, 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 inquires of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Marshalltown, Iowa's basic financial statements. The introductory section, combining nonmajor fund financial statements, schedule of bond maturities, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements.

The combining nonmajor fund financial statements, schedule of bond maturities, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, schedule of 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Dubuque, Iowa
January 24, 2022

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The following is a narrative overview and analysis of the financial activities of the City of Marshalltown for the fiscal year ended June 30, 2021. 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 1-4 of this report and the City's financial statements, which begin on page 20. 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, assets plus deferred outflows of resources of the City of Marshalltown exceeded its liabilities plus deferred inflows of resources at the close of the most recent fiscal year by \$101,001,251 (net position) as compared to \$96,239,720 in the prior year which is an increase of \$4,761,531. This increase is primarily the renovation of the Veterans Memorial Coliseum 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 \$25,144,678 a decrease of \$4,779,723 in comparison with the prior year. This change was primarily from expenditures related to the August 2020 derecho wind storm and expenditures related to bond proceeds in prior years.
- \$926,051 in unassigned fund balance is available for spending at the City's discretion. Prior year unassigned fund balance was \$3,693,467. This is a decrease of \$2,767,416. This decrease is primarily due to derecho related expenditures which the City has not been reimbursed for yet from FEMA or the State.
- The City's total debt had a net increase of \$4.1 million during the current fiscal year. This change reflects the retirement of existing bonds of \$ 5.8 million and new issuances of \$9.9 million of GO Debt and Sewer notes. The new debt was for the streets, sidewalks, parks, trail bridge replacement, airport hangar/terminal, storm water and sewer projects. In addition, \$7.2 million of existing debt was refunded to lower interest rates.

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 14 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 six 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 \$101,001,251 at the close of the most recent fiscal year.

City of Marshalltown Net Position
June 30, 2021

	Governmental Activities		Business-Type Activities		Total	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Current and Other Assets	\$ 44,781,526	\$ 48,858,613	\$ 27,376,847	\$ 22,104,511	\$ 72,158,373	\$ 70,963,124
Capital Assets	71,530,665	62,713,361	61,733,214	60,288,091	133,263,879	123,001,452
Total Assets	116,312,191	111,571,974	89,110,061	82,392,602	205,422,252	193,964,576
Deferred Outflows of Resources	7,005,423	5,702,896	617,280	513,044	7,622,703	6,215,940
Current and Other Liabilities	7,649,253	6,531,764	3,561,257	2,776,672	11,210,510	9,308,436
Noncurrent Liabilities	63,437,776	58,381,901	21,583,227	19,524,888	85,021,003	77,906,789
Total liabilities	71,087,029	64,913,665	25,144,484	22,301,560	96,231,513	87,215,225
Deferred Inflow of Resources	15,428,648	16,088,352	383,543	637,219	15,812,191	16,725,571
Net Position						
Net investment in capital assets	44,056,444	41,349,928	44,098,791	41,855,980	88,155,235	83,205,908
Restricted	18,055,545	18,176,221	138,750	157,266	18,194,295	18,333,487
Unrestricted	(25,310,052)	(23,253,296)	19,961,773	17,953,621	(5,348,279)	(5,299,675)
Total net position	\$ 36,801,937	\$ 36,272,853	\$ 64,199,314	\$ 59,966,867	\$ 101,001,251	\$ 96,239,720

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 \$88,155,235. 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 \$18,194,295 represents resources that are subject to external restrictions. Prior year comparison shows \$18,333,487, a decrease of \$139,192.

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

City of Marshalltown Changes in Net Position
June 30, 2021

	Governmental Activities		Business-Type Activities		Total	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Revenues:						
Program revenues:						
Charges for services	\$ 3,551,478	\$ 2,583,420	\$ 9,531,077	\$ 9,548,760	\$ 13,082,555	\$ 12,132,180
Operating grants and contributions	7,740,884	7,204,542	732,325	1,121,378	8,473,209	8,325,920
Capital grants and contributions	671,318	1,386,180	365,186	-	1,036,504	1,386,180
General revenues						
Property and other taxes	18,253,911	17,545,717	-	-	18,253,911	17,545,717
Grants and contributions not restricted to specific programs	1,263,047	1,284,875	-	-	1,263,047	1,284,875
Other	1,367,654	986,465	360,997	445,268	1,728,651	1,431,733
Total revenues	32,848,292	30,991,199	10,989,585	11,115,406	43,837,877	42,106,605
Expenses:						
Public safety	\$12,491,799	12,037,799	-	-	12,491,799	12,037,799
Public works	7,601,957	5,211,049	-	-	7,601,957	5,211,049
Health and social services	458,481	646,290	-	-	458,481	646,290
Culture and recreation	4,103,470	3,187,800	-	-	4,103,470	3,187,800
Community and economic development	4,990,850	3,003,969	-	-	4,990,850	3,003,969
General government	1,681,032	1,532,609	-	-	1,681,032	1,532,609
Interest on long-term debt	902,118	938,277	-	-	902,118	938,277
Business type	-	-	6,846,639	7,548,020	6,846,639	7,548,020
Total expenses	32,229,707	26,557,793	6,846,639	7,548,020	39,076,346	34,105,813
Increase in net position before transfers	618,585	4,433,406	4,142,946	3,567,386	4,761,531	8,000,792
Transfers	(89,501)	(7,276)	89,501	7,276	-	-
Increase in Net Position	529,084	4,426,130	4,232,447	3,574,662	4,761,531	8,000,792
Net Position - Beginning of Year,	36,272,853	31,846,723	59,966,867	56,392,205	96,239,720	88,238,928
Net Position - End of Year	\$ 36,801,937	\$ 36,272,853	\$ 64,199,314	\$ 59,966,867	\$ 101,001,251	\$ 96,239,720

Governmental Activities. Governmental revenues in the current year increased by \$1.8 million. Within this difference charges for services increased by \$1 million due to additional building permits and insurance proceeds from the derecho and operating grants and contributions increased by \$.5 million due to the receipt of federal Cares act receipts. Governmental expenses increased by \$5.6 million from the prior fiscal year due to disaster fund expenditures related to the derecho in August 2020.

Business-type Activities. Revenue received through charges for services stayed comparable to the prior year. Business-type expenses decreased by \$.7 million and are largely based on Water Pollution Control usage and a decrease in services and supplies in the storm sewer utility.

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 \$25,144,678, a decrease of \$4,779,723 in comparison with the prior year. Of this total amount \$926,051 is unassigned fund balance, which is available to meet the future financial needs of the City. \$23,491,900 is restricted, \$250,000 is committed and \$476,727 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 \$1,186,830 to \$6,392,480, with an unassigned fund balance of \$5,698,328, a restricted balance of \$57,806, and a committed balance of \$250,000. The remaining \$386,346 is nonspendable (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 \$6,045,226 is a decrease of \$246,164 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. For fiscal year 2021, the City expended \$1,616,076 under these programs.

Collections for Local Option Sales Tax (L.O.S.T.) are allocated to property tax relief (78%) and any project designated by the Council (22%). Property tax relief dollars in the amount of \$2,825,797 were transferred to the Debt Service Fund to lower the property tax levy. The Council used \$60,314 of their designated share to increase the Cash Flow Reserve Fund. Some of the other Council designated projects this fiscal year included a shared wall grant for a local business, zoning ordinance update, fireworks, and the downtown design guideline project. The increase in the L.O.S.T. fund balance this year was \$973,056.

The Disaster Fund accounts for the activity after the City experienced an EF-3 tornado on July 19, 2018 and the derecho windstorm on August 10, 2020. Industry, businesses and residences throughout the community were affected by the derecho. The City received a Federal Public Assistance Disaster Declaration, which allows the City to request reimbursement of up to 85 percent (75 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 \$4.4 million was expended by the City for community clean-up after the Derecho. The street repair project related to the tornado disaster expended approximately \$1.3 million was also completed,

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 \$397,418 in FY 21 due to expenditures being less than budgeted.

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 \$7.2 million in principal and interest payments and saw a fund balance decrease of \$5,559.

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 FY21 for \$2.1 million for the construction of streets, sidewalks, a parking lot, and railroad crossing safety improvements.

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 \$64,199,314, a net position increase of \$4,232,447.

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, 2021, revenues and transfers in for the general fund operations, on the GAAP basis, were less than revenue estimates by \$411,256 and departmental expenditures and transfers out on the GAAP basis were \$1,279,750 less than expenditure estimates.

During the fiscal year ended June 30, 2021 there was one budget amendment dated May 24, 2021.

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, 2021 amounts to \$224,042,302. 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 \$13,517,019, of which \$1.8 million was from the completing the remodel of the Coliseum.

City of Marshalltown's 2021 Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Land and Improvements	\$ 8,972,809	\$ 8,108,681	\$ 3,201,551	\$ 3,128,988	\$ 12,174,360	\$ 11,237,669
Buildings and Structures	37,291,788	31,881,317	11,320,193	10,845,458	48,611,981	42,726,775
Equipment and Vehicles	17,932,182	18,678,781	20,585,323	20,457,580	38,517,505	39,136,361
Infrastructure	47,656,780	45,265,388	62,187,822	61,739,952	109,844,602	107,005,340
Construction in Progress	8,152,900	6,270,987	6,740,954	4,148,151	14,893,854	10,419,138
Total	<u>\$ 120,006,459</u>	<u>\$ 110,205,154</u>	<u>\$ 104,035,843</u>	<u>\$ 100,320,129</u>	<u>\$ 224,042,302</u>	<u>\$ 210,525,283</u>

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

- Completion of the Coliseum remodel project.
- Various machinery and equipment purchases throughout the year including new vehicles for several departments including a new dump truck and fire trucks for the fire department.
- Continuation and completing of various street and storm water projects.

Additional information on the City' of Marshalltown's capital assets can be found in Note 5 on pages 49-50 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 \$56,984,564. Of this amount, \$43,781,014 comprises debt backed by the full faith and credit of the City. The remainder of the City of Marshalltown's debt in the amount of \$13,203,550 represents bonds secured solely by revenues generated from the sanitary sewer rental fees.

The City's total debt had a net increase of \$4.1 million during the current fiscal year. This change reflects the retirement of existing bonds of \$5.8 million and new issuances of \$9.9 million of GO Debt and Sewer notes. The new debt was for the streets, sidewalks, parks, trail bridge replacement, airport hangar/terminal, storm water and sewer projects. In addition, \$7.2 million of existing debt was refunded to lower interest rates.

Moody's Investors Service assigned a bond rating in August 2020. 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 \$86,009,760 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 51-54 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 taxable property tax valuations from 1/1/19 to 1/1/20, which was applied to FY20 to FY21, increased by \$26 million.

The lack of availability and inflation in building material prices seemed to have a minimal impact on overall development and new construction in Marshalltown. For the fiscal year ending June 30, 2021, the City issued building permits totaling \$124 million in construction value which far exceeds prior fiscal years. The one area with stagnant growth is new construction of single-family homes, which we anticipate to occur in 2022. While a portion of the value is for improvements or construction related to tax exempt entities, the construction itself has been an economic boost to the community.

The construction of new healthcare facilities has also been a large part of the new construction boom in Marshalltown. UnityPoint Health- Marshalltown is completing construction (\$4.9 million) of their south campus, which will now house all of their medical operations in Marshalltown. Construction is to be completed by the Spring of 2022. This resulted in moving urgent care services to a new, stand-alone location, which was a \$600,000 value estimate. This location is now open and active. McFarland Clinic is also constructing a new 66,000 square foot facility located off of the newly constructed East Merle Hibbs. This facility is expected to open in the Fall of 2022 and has a construction value of \$18.4 million. And finally, Primary Health Care, a non-profit health group serving underserved and uninsured/under-insured, is also relocating to an existing facility which required a renovation of \$1.8 million. New healthcare facilities and the potential for growth in this area are a positive area of growth in Marshalltown.

Fiscal year 2021 was still a year of recovery from the August 2020 derecho, nearly a quarter of the approved building permit valuations being tied to storm repairs. Outside of the storm repairs, Marshalltown Company undertook another expansion at their currently facility, Fareway constructed a new grocery store with plans to demolish their existing store, HyVee completed a renovation to better serve their drive-up grocery customers, and Kwik Star built a new, larger gas station and demolished an existing station.

Looking into fiscal year 2022, additional growth is likely to be seen with the historic restoration of multiple downtown buildings. The City will also be opening a new industrial park in 2022 and 2023, creating opportunities for new growth. There will also be additional brownfield sites for which redevelopment will be discussed, specifically in the downtown area.

The budget for the ensuing fiscal year 2022 considers many factors and estimates about the finances of the upcoming year. City-wide there was an increase in overall property tax valuations in FY22. Sales taxes are expected to remain steady and hotel/motel tax is expected to increase to pre-pandemic levels. The road use taxes collected by the state are stable but the forecast is to maintain a conservative projection for these revenue sources. The City experienced a Derecho wind storm on August 10, 2020. The County Assessor will be reviewing the progress on repairs from the Derecho and make adjustments to property tax valuations which impacts fiscal year 2023. The City and community are continuing to develop plans for Marshalltown to come back stronger than ever.

The following items are also forefront in revenue and expenditure projections: (a) The City's contribution rate for the Police and Fire retirement system increased in fiscal year 2021, will increase in fiscal year 2022 and will decrease in fiscal year 2023. This rate fluctuates on an annual basis. (b) The Iowa Public Employees Retirement System remained steady for fiscal years 2021, 2022 and 2023. (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. (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 calendar year 2022. 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.

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, 2021

City of Marshalltown

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City of Marshalltown

Statement of Net Position

June 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Marshalltown Water Works
Assets				
Cash and cash equivalents	\$ 27,947,065	\$ 25,124,744	\$ 53,071,809	\$ 5,291,655
Receivables				
Property taxes				
Delinquent	227,781	-	227,781	-
Succeeding year	14,021,128	-	14,021,128	-
Accounts and unbilled usage	509,916	1,226,001	1,735,917	780,512
Special assessments	1,636	-	1,636	-
Due from component unit	14,054	613,971	628,025	-
Due from other governments	1,583,219	126,286	1,709,505	-
Inventories	68,859	19,535	88,394	-
Prepaid items	407,868	127,560	535,428	52,663
Restricted assets				
Cash and cash equivalents	-	138,750	138,750	858,394
Capital assets				
Land	4,820,214	898,294	5,718,508	1,115,721
Land improvements	4,152,595	2,303,257	6,455,852	-
Buildings and structures	37,291,788	11,320,193	48,611,981	19,648,456
Equipment and vehicles	17,932,182	20,585,323	38,517,505	2,770,478
Sanitary sewers and lift stations	-	43,852,461	43,852,461	14,000,135
Infrastructure	47,656,780	18,335,361	65,992,141	-
Construction in progress	8,152,900	6,740,954	14,893,854	-
Accumulated depreciation	(48,475,794)	(42,302,629)	(90,778,423)	(17,494,870)
Total assets	116,312,191	89,110,061	205,422,252	27,023,144
Deferred Outflows of Resources				
OPEB related deferred outflows	2,306,080	212,825	2,518,905	-
Pension related deferred outflows	4,699,343	404,455	5,103,798	269,171
Total deferred outflows of resources	7,005,423	617,280	7,622,703	269,171

City of Marshalltown
Statement of Net Position
June 30, 2021

	Primary Government			Component Unit
	Governmental	Business-Type		Marshalltown
	Activities	Activities	Total	Water Works
Liabilities				
Accounts payable	\$ 2,833,940	\$ 764,780	\$ 3,598,720	\$ 132,677
Accrued payroll and benefits	413,269	80,386	493,655	44,813
Retainage payable	190,303	228,778	419,081	-
Deposits payable	172,343	-	172,343	410,774
Due to other governments	108,910	23,935	132,845	-
Accrued interest payable	234,945	28,495	263,440	9,299
Due to primary government	-	-	-	628,025
Liabilities payable from restricted assets				
Customer deposits	-	-	-	231,585
Noncurrent liabilities				
Due within one year				
Bonds and notes payable	3,459,243	2,381,388	5,840,631	327,000
Compensated absences payable	236,300	53,495	289,795	107,071
Due in more than one year				
Bonds and notes payable	32,881,251	18,262,682	51,143,933	5,330,000
Compensated absences payable	893,412	225,569	1,118,981	-
Total OPEB liability	14,114,570	1,527,615	15,642,185	-
Net pension liability	15,548,543	1,567,361	17,115,904	1,859,951
Total liabilities	71,087,029	25,144,484	96,231,513	9,081,195
Deferred Inflows of Resources				
Succeeding year property taxes	14,021,128	-	14,021,128	-
Pension related deferred inflows	716,817	63,235	780,052	185,599
OPEB related deferred inflows	690,703	320,308	1,011,011	-
Total deferred inflows of resources	15,428,648	383,543	15,812,191	185,599
Net position				
Net investment in capital assets	44,056,444	44,098,791	88,155,235	14,382,920
Restricted for				
Bond and interest payments	-	138,750	138,750	-
Capital improvements	8,772,360	-	8,772,360	-
Community development	211,622	-	211,622	-
Debt service	140,449	-	140,449	-
Employee benefits	3,782,392	-	3,782,392	-
Other purposes	5,148,722	-	5,148,722	425,998
Unrestricted	(25,310,052)	19,961,773	(5,348,279)	3,216,603
Total net position	\$ 36,801,937	\$ 64,199,314	\$ 101,001,251	\$ 18,025,521

City of Marshalltown
Statement of Activities
Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	Marshalltown Water Works
Primary Government								
Governmental activities								
Public safety	\$ 12,491,799	\$ 1,335,335	\$ 1,210,321	\$ 3,940	\$ (9,942,203)	\$ -	\$ (9,942,203)	\$ -
Public works	7,601,957	961,557	4,195,284	458,641	(1,986,475)	-	(1,986,475)	-
Health and social services	458,481	25,685	461,108	-	28,312	-	28,312	-
Culture and recreation	4,103,470	889,394	153,265	208,737	(2,852,074)	-	(2,852,074)	-
Community and economic development	4,990,850	37,837	1,713,288	-	(3,239,725)	-	(3,239,725)	-
General government	1,681,032	301,670	7,618	-	(1,371,744)	-	(1,371,744)	-
Interest on long-term debt	902,118	-	-	-	(902,118)	-	(902,118)	-
Total governmental activities	32,229,707	3,551,478	7,740,884	671,318	(20,266,027)	-	(20,266,027)	-
Business-type activities								
Water pollution control	4,862,069	8,027,211	-	114,576	-	3,279,718	3,279,718	-
Storm sewer	979,773	1,344,685	-	250,610	-	615,522	615,522	-
Compost	27,106	56,202	-	-	-	29,096	29,096	-
Transit	935,788	66,637	732,325	-	-	(136,826)	(136,826)	-
Concessions	41,903	36,342	-	-	-	(5,561)	(5,561)	-
Total business-type activities	6,846,639	9,531,077	732,325	365,186	-	3,781,949	3,781,949	-
Total primary government	\$ 39,076,346	\$ 13,082,555	\$ 8,473,209	\$ 1,036,504	\$ (20,266,027)	\$ 3,781,949	\$ (16,484,078)	\$ -
Component Units								
Water works	\$ 4,511,204	\$ 5,706,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,195,596

City of Marshalltown
Statement of Activities
Year Ended June 30, 2021

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Marshalltown Water Works
General Revenues				
Taxes				
Property	\$ 11,662,441	\$ -	\$ 11,662,441	\$ -
Tax increment financing	601,429	-	601,429	-
Local option sales	3,930,728	-	3,930,728	-
Utility excise	1,648,898	-	1,648,898	-
Hotel/motel	396,745	-	396,745	-
Mobile homes	13,670	-	13,670	-
Unrestricted				
Gain on disposal of capital assets	-	3,250	3,250	-
State generated revenues	1,263,047	-	1,263,047	-
Investment earnings	472,386	357,747	830,133	26,577
Miscellaneous revenues	895,268	-	895,268	-
Transfers	(89,501)	89,501	-	-
Total general revenues and transfers	20,795,111	450,498	21,245,609	26,577
Change in net position	529,084	4,232,447	4,761,531	1,222,173
Net Position - Beginning	36,272,853	59,966,867	96,239,720	16,803,348
Net Position - Ending	\$ 36,801,937	\$ 64,199,314	\$ 101,001,251	\$ 18,025,521

City of Marshalltown
Balance Sheet
Governmental Funds
June 30, 2021

	Special Revenue Funds							Capital Projects Funds	Nonmajor Governmental Funds	Total
	General	Road Use Tax	Local Option Sales Tax	Property Tax	Disaster Fund	HUD Programs	Debt Service	Public Works and Other Projects		
Assets										
Cash and cash equivalents	\$ 3,368,069	\$ 5,601,549	\$ 3,987,717	\$ 3,719,541	\$ -	\$ 211,698	\$ 125,336	\$ 6,070,096	3,245,960	\$ 26,329,966
Receivables										
Property taxes										
Delinquent	123,052	-	-	62,851	-	-	15,113	9,195	17,570	227,781
Succeeding year	8,133,981	-	-	4,278,586	-	-	995,011	613,550	-	14,021,128
Accounts and unbilled usage	145,841	-	-	-	-	9,039	-	-	354,176	509,056
Special assessments	-	-	-	-	-	-	-	1,636	-	1,636
Due from other funds	2,907,266	-	1,500,000	-	-	-	-	109,463	-	4,516,729
Due from component unit	14,054	-	-	-	-	-	-	-	-	14,054
Due from other governments	139,122	431,006	319,287	-	251,309	103,693	-	-	338,802	1,583,219
Inventory	-	68,859	-	-	-	-	-	-	-	68,859
Prepaid items	386,346	7,538	-	-	-	13,928	-	-	56	407,868
Total assets	\$ 15,217,731	\$ 6,108,952	\$ 5,807,004	\$ 8,060,978	\$ 251,309	\$ 338,358	\$ 1,135,460	\$ 6,803,940	\$ 3,956,564	\$ 47,680,296
Liabilities, Deferred Inflows of Resources, and Fund Balances										
Liabilities										
Accounts payable	\$ 136,712	\$ 60,388	\$ 6,397	\$ -	\$ 178,078	\$ 56,324	\$ -	\$ 1,306,624	\$ 697,558	\$ 2,442,081
Accrued payroll and payroll benefits	400,107	439	-	-	175	8,979	-	-	3,569	413,269
Retainage payable	-	-	-	-	-	-	-	159,625	30,678	190,303
Due to other governments	106,011	2,899	-	-	-	-	-	-	-	108,910
Due to other funds	-	-	-	-	4,380,698	-	-	-	136,031	4,516,729
Total liabilities	642,830	63,726	6,397	-	4,558,951	65,303	-	1,466,249	867,836	7,671,292
Deferred Inflows of Resources										
Unavailable revenue- property taxes	8,133,981	-	-	4,278,586	-	-	995,011	613,550	-	14,021,128
Unavailable revenue- special assessments	-	-	-	-	-	-	-	1,636	-	1,636
Unavailable revenue- other	33,989	-	-	-	-	6,943	-	-	460,200	501,132
Unavailable revenue- intergovernmental	14,451	-	-	-	244,436	54,490	-	-	27,053	340,430
Total deferred inflows of resources	8,182,421	-	-	4,278,586	244,436	61,433	995,011	615,186	487,253	14,864,326
Fund Balances										
Nonspendable	386,346	76,397	-	-	-	13,928	-	-	56	476,727
Restricted	57,806	5,968,829	5,800,607	3,782,392	-	197,694	140,449	4,722,505	2,821,618	23,491,900
Committed	250,000	-	-	-	-	-	-	-	-	250,000
Unassigned	5,698,328	-	-	-	(4,552,078)	-	-	-	(220,199)	926,051
Total fund balances (deficit)	6,392,480	6,045,226	5,800,607	3,782,392	(4,552,078)	211,622	140,449	4,722,505	2,601,475	25,144,678
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,217,731	\$ 6,108,952	\$ 5,807,004	\$ 8,060,978	\$ 251,309	\$ 338,358	\$ 1,135,460	\$ 6,803,940	\$ 3,956,564	\$ 47,680,296

City of Marshalltown
Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
June 30, 2021

Total governmental fund balances	\$	25,144,678
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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	\$ 120,006,459	
Accumulated depreciation is	<u>(48,475,794)</u>	
		71,530,665

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.	843,198
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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	2,306,080	
Pension related deferred outflows	4,699,343	
OPEB related deferred inflows	(690,703)	
Pension related deferred inflows	<u>(716,817)</u>	
		5,597,903

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.	1,053,757
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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	(36,340,494)	
Accrued interest on the bonds	(234,945)	
Compensated absences	(1,129,712)	
Net pension liability	(15,548,543)	
Total OPEB liability	<u>(14,114,570)</u>	
		<u>(67,368,264)</u>

Net position of governmental activities	\$	<u><u>36,801,937</u></u>
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City of Marshalltown
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
Year Ended June 30, 2021

	Special Revenue Funds							Capital Projects Funds	Nonmajor Governmental Funds	Total
	General	Road Use Tax	Local Option Sales Tax	Property Tax	Disaster Fund	HUD Programs	Debt Service	Public Works and Other Projects		
Revenues										
Property taxes	\$ 6,838,077	\$ -	\$ -	\$ 3,486,754	\$ -	\$ -	\$ 827,490	\$ 510,120	\$ -	\$ 11,662,441
TIF revenues	-	-	-	-	-	-	-	-	607,004	607,004
Other city taxes	1,571,321	-	3,930,728	498,557	-	-	115,844	72,941	-	6,189,391
Use of money and property	303,426	-	75,520	9,220	-	3,552	16,450	118,535	51,538	578,241
Licenses and permits	726,021	-	-	-	399	-	-	-	-	726,420
Intergovernmental	1,689,297	4,091,405	-	381,958	244,444	1,651,469	91,966	55,881	1,214,312	9,420,732
Charges for service	752,533	-	-	-	-	-	-	-	315	752,848
Special assessments	-	-	-	-	-	-	-	3,433	-	3,433
Miscellaneous	148,876	-	127,901	-	137,802	35,097	-	90,647	955,045	1,495,368
Total revenues	12,029,551	4,091,405	4,134,149	4,376,489	382,645	1,690,118	1,051,750	851,557	2,828,214	31,435,878
Expenditures										
Current										
Public safety	11,019,956	-	-	10,212	13,094	-	-	319,462	335,826	11,698,550
Public works	1,796,896	2,346,117	-	-	5,671,504	-	-	1,857,925	655,984	12,328,426
Health and social services	-	-	-	-	-	463,850	-	-	-	463,850
Culture and recreation	2,564,298	-	-	-	23,733	-	-	1,386,401	2,582,696	6,557,128
Community and economic development	762,383	-	115,722	-	35	1,152,226	-	2,131,849	795,320	4,957,535
General government	1,383,973	-	12,500	-	191,095	-	16,864	13,357	11,287	1,629,076
Debt service										
Principal	-	-	-	-	-	-	6,345,000	-	-	6,345,000
Interest and other fiscal charges	-	-	-	-	-	-	870,106	-	-	870,106
Total expenditures	17,527,506	2,346,117	128,222	10,212	5,899,461	1,616,076	7,231,970	5,708,994	4,381,113	44,849,671

City of Marshalltown
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
Year Ended June 30, 2021

	Special Revenue Funds							Capital Projects Funds	Nonmajor Governmental Funds	Total
	General	Road Use Tax	Local Option Sales Tax	Property Tax	Disaster Fund	HUD Programs	Debt Service	Public Works and Other Projects		
Excess (deficiency) of revenues over (under) expenditure	\$ (5,497,955)	\$ 1,745,288	\$ 4,005,927	\$ 4,366,277	\$ (5,516,816)	\$ 74,042	\$ (6,180,220)	\$ (4,857,437)	\$ (1,552,899)	\$ (13,413,793)
Other financing sources (uses)										
Insurance proceeds	-	-	-	-	-	-	-	-	291,467	291,467
General obligation bonds issued	1,100,000	-	-	-	-	-	-	2,130,000	2,155,671	5,385,671
General obligation refunding bonds issued	-	-	-	-	-	-	3,000,000	-	-	3,000,000
Premium on general obligation bonds issued	-	-	-	-	-	-	-	43,903	2,530	46,433
Transfers in	5,902,023	-	-	-	1,132,771	-	3,174,661	517,220	218,441	10,945,116
Transfers out	(317,238)	(1,991,452)	(3,032,871)	(3,968,859)	(527)	-	-	(1,076,218)	(647,452)	(11,034,617)
Total other financing sources (uses)	6,684,785	(1,991,452)	(3,032,871)	(3,968,859)	1,132,244	-	6,174,661	1,614,905	2,020,657	8,634,070
Net change in fund balances	1,186,830	(246,164)	973,056	397,418	(4,384,572)	74,042	(5,559)	(3,242,532)	467,758	(4,779,723)
Fund balances (deficit) - beginning	5,205,650	6,291,390	4,827,551	3,384,974	(167,506)	137,580	146,008	7,965,037	2,133,717	29,924,401
Fund balances (deficit) - ending	\$ 6,392,480	\$ 6,045,226	\$ 5,800,607	\$ 3,782,392	\$ (4,552,078)	\$ 211,622	\$ 140,449	\$ 4,722,505	\$ 2,601,475	\$ 25,144,678

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, 2021

Net change in fund balances – total governmental funds \$ (4,779,723)

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	\$ 12,345,993	
Book value of disposals	(258,963)	
Depreciation expense	<u>(3,269,729)</u>	
Net change in capital assets		8,817,301

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	(88,488)	
Charges for service	<u>137,105</u>	
Net effect		48,617

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	6,373,486	
Debt proceeds, including premiums	<u>(8,432,104)</u>	
Net effect		(2,058,618)

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 accrued interest and premium amortization	10,776	
Change in compensated absences	79,325	
Net effect of OPEB related activity	(224,286)	
Net effect of pension related activity	<u>(989,256)</u>	
Total additional expenses		(1,123,441)

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.

Change in net position of governmental activities	<u>\$ 529,084</u>
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City of Marshalltown
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	
Assets					
Current assets					
Cash and cash equivalents	\$ 19,273,020	\$ 5,268,217	\$ 583,507	\$ 25,124,744	\$ 1,617,099
Receivables					
Accounts and unbilled usage	1,152,267	69,187	4,547	1,226,001	860
Due from other funds	17,547	-	-	17,547	-
Due from component unit	488,377	125,594	-	613,971	-
Due from other governments	-	-	126,286	126,286	-
Inventories	19,535	-	-	19,535	-
Prepaid items	91,287	12,791	23,482	127,560	-
Total current assets	<u>21,042,033</u>	<u>5,475,789</u>	<u>737,822</u>	<u>27,255,644</u>	<u>1,617,959</u>
Noncurrent assets					
Restricted assets					
Cash and cash equivalents	138,750	-	-	138,750	-
Capital assets					
Land	383,576	504,281	10,437	898,294	-
Land improvements	1,957,598	102,563	243,096	2,303,257	-
Buildings and structures	10,610,145	6,000	704,048	11,320,193	-
Equipment and vehicles	18,119,318	443,751	2,022,254	20,585,323	-
Sanitary sewers and lift stations	43,726,845	125,616	-	43,852,461	-
Infrastructure	-	18,335,361	-	18,335,361	-
Construction in progress	5,167,332	1,573,622	-	6,740,954	-
Accumulated depreciation	<u>(33,547,984)</u>	<u>(6,901,375)</u>	<u>(1,853,270)</u>	<u>(42,302,629)</u>	<u>-</u>
Total noncurrent assets	<u>46,555,580</u>	<u>14,189,819</u>	<u>1,126,565</u>	<u>61,871,964</u>	<u>-</u>
Total assets	<u>67,597,613</u>	<u>19,665,608</u>	<u>1,864,387</u>	<u>89,127,608</u>	<u>1,617,959</u>
Deferred Outflows of Resources					
OPEB related deferred outflows	138,616	26,134	48,075	212,825	-
Pension related deferred outflows	261,153	52,930	90,372	404,455	-
Total deferred outflows of resources	<u>399,769</u>	<u>79,064</u>	<u>138,447</u>	<u>617,280</u>	<u>-</u>

City of Marshalltown
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	
Liabilities					
Current liabilities					
Accounts payable	\$ 391,525	\$ 354,523	\$ 18,732	\$ 764,780	\$ 391,859
Accrued payroll and payroll benefits	49,702	10,339	20,345	80,386	-
Deposits payable	-	-	-	-	172,343
Retainage payable	187,966	40,812	-	228,778	-
Due to other governments	17,523	809	5,603	23,935	-
Due to other funds	-	-	17,547	17,547	-
Accrued interest payable	22,792	5,703	-	28,495	-
Compensated absences	33,655	7,622	12,218	53,495	-
General obligation bonds	445,000	480,000	-	925,000	-
Capital loan notes	164,388	-	-	164,388	-
Revenue bonds	1,292,000	-	-	1,292,000	-
Total current liabilities	<u>2,604,551</u>	<u>899,808</u>	<u>74,445</u>	<u>3,578,804</u>	<u>564,202</u>
Noncurrent liabilities					
Compensated absences	160,546	38,259	26,764	225,569	-
General obligation bonds	1,937,693	4,577,827	-	6,515,520	-
Capital loan notes	3,205,162	-	-	3,205,162	-
Revenue bonds	8,542,000	-	-	8,542,000	-
Net OPEB liability	994,958	187,584	345,073	1,527,615	-
Net pension liability	1,012,027	205,121	350,213	1,567,361	-
Total noncurrent liabilities	<u>15,852,386</u>	<u>5,008,791</u>	<u>722,050</u>	<u>21,583,227</u>	<u>-</u>
Total liabilities	<u>18,456,937</u>	<u>5,908,599</u>	<u>796,495</u>	<u>25,162,031</u>	<u>564,202</u>
Deferred Inflows of Resources					
OPEB related deferred inflows	208,621	39,332	72,355	320,308	-
Pension related deferred inflows	40,830	8,276	14,129	63,235	-
Total deferred inflows of resources	<u>249,451</u>	<u>47,608</u>	<u>86,484</u>	<u>383,543</u>	<u>-</u>
Net Position					
Net investment in capital assets	30,830,587	12,141,639	1,126,565	44,098,791	-
Restricted for					
Bond and interest payments	138,750	-	-	138,750	-
Unrestricted	<u>18,321,657</u>	<u>1,646,826</u>	<u>(6,710)</u>	<u>19,961,773</u>	<u>1,053,757</u>
Total net position	<u>\$ 49,290,994</u>	<u>\$ 13,788,465</u>	<u>\$ 1,119,855</u>	<u>\$ 64,199,314</u>	<u>\$ 1,053,757</u>

City of Marshalltown
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	
Operating Revenues					
Charges for service	\$ 7,989,142	\$ 1,344,685	\$ 159,181	\$ 9,493,008	\$ 2,551,854
Miscellaneous	38,069	-	-	38,069	387,852
Total operating revenues	8,027,211	1,344,685	159,181	9,531,077	2,939,706
Operating Expenses					
Salaries and benefits	1,552,731	278,548	595,764	2,427,043	-
Services and supplies	1,216,842	207,946	283,526	1,708,314	-
Claims	-	-	-	-	2,796,221
Health insurance premiums	-	-	-	-	366,905
Depreciation	1,729,029	436,199	125,507	2,290,735	-
Miscellaneous	12,633	-	-	12,633	179,136
Total operating expenses	4,511,235	922,693	1,004,797	6,438,725	3,342,262
Operating income (loss)	3,515,976	421,992	(845,616)	3,092,352	(402,556)
Nonoperating Revenues (Expenses)					
Federal and state grants	-	-	732,325	732,325	-
Interest income	277,899	74,626	5,222	357,747	27,504
Interest and other debt expense	(350,834)	(57,080)	-	(407,914)	-
Gain on disposal of capital assets	3,250	-	-	3,250	-
Net nonoperating revenues (expenses)	(69,685)	17,546	737,547	685,408	27,504
Income (loss) before transfers	3,446,291	439,538	(108,069)	3,777,760	(375,052)
Capital Contributions	114,576	250,610	-	365,186	-
Transfers In	-	-	289,121	289,121	-
Transfers Out	-	(199,620)	-	(199,620)	-
Change in Net Position	3,560,867	490,528	181,052	4,232,447	(375,052)
Net Position - Beginning	45,730,127	13,297,937	938,803	59,966,867	1,428,809
Net Position - Ending	\$ 49,290,994	\$ 13,788,465	\$ 1,119,855	\$ 64,199,314	\$ 1,053,757

City of Marshalltown
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	
Cash Flows from Operating Activities					
Cash received from customers	\$ 8,265,692	\$ 1,356,593	\$ 156,004	\$ 9,778,289	\$ 2,555,097
Cash payments to suppliers for goods and services	(1,282,436)	(177,323)	(268,637)	(1,728,396)	(3,443,619)
Cash payments to employees for services	(1,599,162)	(320,769)	(594,548)	(2,514,479)	-
Other operating receipts	38,069	-	-	38,069	387,852
Net Cash provided by (used for) Operating Activities	5,422,163	858,501	(707,181)	5,573,483	(500,670)
Cash Flows from Noncapital Financing Activities					
Transfers from other funds	-	-	289,121	289,121	-
Transfers to other funds	-	(199,620)	-	(199,620)	-
Grants received	-	-	799,302	799,302	-
Change in due from other funds	2,428	-	-	2,428	-
Change in due to other funds	-	-	(2,428)	(2,428)	-
Net Cash provided by (used for) Noncapital Financing Activities	2,428	(199,620)	1,085,995	888,803	-
Cash Flows from Capital and Related Financing Activities					
Acquisition and construction of capital assets	(2,355,506)	(665,774)	-	(3,021,280)	-
Proceeds from issuance of debt	5,461,645	3,426,155	-	8,887,800	-
Payment of debt	(6,174,556)	(490,000)	-	(6,664,556)	-
Interest and fiscal charges paid	(359,072)	(64,581)	-	(423,653)	-
Net Cash provided by (used for) Capital and Related Financing Activities	(3,427,489)	2,205,800	-	(1,221,689)	-
Cash Flows from Investing Activities					
Interest received on investment securities	277,899	74,626	5,222	357,747	27,504
Net Increase (Decrease) in Cash and Cash Equivalents	2,275,001	2,939,307	384,036	5,598,344	(473,166)
Cash and Cash Equivalents, Beginning	17,136,769	2,328,910	199,471	19,665,150	2,090,265
Cash and Cash Equivalents, Ending	<u>\$ 19,411,770</u>	<u>\$ 5,268,217</u>	<u>\$ 583,507</u>	<u>\$ 25,263,494</u>	<u>\$ 1,617,099</u>

City of Marshalltown
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for) Operating Activities					
Operating income (loss)	<u>\$ 3,515,976</u>	<u>\$ 421,992</u>	<u>\$ (845,616)</u>	<u>\$ 3,092,352</u>	<u>\$ (402,556)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation	1,729,029	436,199	125,507	2,290,735	-
Changes in assets, deferred outflows, liabilities, and deferred inflows					
Receivables	276,550	11,908	(3,177)	285,281	4,347
Inventories and prepaid items	(25,384)	(2,535)	1,669	(26,250)	-
Accounts payable	(35,472)	33,233	9,930	7,691	(101,357)
Accrued liabilities	10,346	1,190	4,245	15,781	-
Due to other governments	7,895	(75)	3,290	11,110	-
Unearned revenue	-	-	-	-	(1,104)
Total OPEB liability	(16,755)	(23,144)	10,270	(29,629)	-
Net pension liability	191,927	27,732	64,665	284,324	-
Deferred outflows	(69,935)	(8,664)	(25,637)	(104,236)	-
Deferred inflows	<u>(162,014)</u>	<u>(39,335)</u>	<u>(52,327)</u>	<u>(253,676)</u>	<u>-</u>
Total	<u>1,906,187</u>	<u>436,509</u>	<u>138,435</u>	<u>2,481,131</u>	<u>(98,114)</u>
Net Cash provided by (used for) Operating Activities	<u>\$ 5,422,163</u>	<u>\$ 858,501</u>	<u>\$ (707,181)</u>	<u>\$ 5,573,483</u>	<u>\$ (500,670)</u>

City of Marshalltown
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	<u>Custodial Funds</u>
Assets	
Cash and cash equivalents	<u>\$ 4,003</u>
Total assets	<u> 4,003</u>
Liabilities	
Checks written in excess of deposits	<u> 78,883</u>
Total liabilities	<u> 78,883</u>
Net position (deficit)	<u><u>\$ (74,880)</u></u>

City of Marshalltown
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2021

	Custodial Funds
Additions	
Receipts from Commission	\$ 1,041,298
Investment income, interest	<u>500</u>
Total additions	1,041,798
Deductions	
Wages and Benefits	<u>1,073,647</u>
Change in net position (deficit)	(31,849)
Net position (deficit) - beginning, as restated	<u>(43,031)</u>
Net position (deficit) - ending	<u><u>\$ (74,880)</u></u>

Notes to Financial Statements
June 30, 2021

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 *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 function 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 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. However, interest of the Road Use Tax Fund is credited directly to the General Fund. 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, 2021, were certified with the County during the preceding fiscal year and were due in two equal installments by September 30, 2020 and March 31, 2021. Any County collections on the 2020-2021 tax levy remitted to the City within sixty days subsequent to June 30, 2021, are recorded as property tax revenues. Taxes not collected and remitted to the City within sixty days subsequent to June 30, 2021, are delinquent and have been recorded as receivables. 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.

Deferred Outflows of Resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension 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 position 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 and unrecognized items not yet charged to pension expense or OPEB expense.

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.

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, 2021.

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, 2021.

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:

	<u>Years</u>
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.

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

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.

Implementation of GASB Statement No. 84. As of July 1, 2020, the City adopted GASB Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in the financial statements for assessing government accountability and stewardship. The impact to the City resulted in the reporting of two custodial funds.

City of Marshalltown
Notes to Financial Statements
June 30, 2021

As of June 30, 2021, fund balances consisted of the following:

	General	Road Use Tax	Local Option Sales Tax	Property Tax	Disaster Fund	HUD Programs	Debt Service	Public Works and Other Projects	Nonmajor Governmental Funds	Total
Nonspendable										
Inventory and prepaid items	\$ 386,346	\$ 76,397	\$ -	\$ -	\$ -	\$ 13,928	\$ -	\$ -	\$ 56	\$ 476,727
Restricted for										
Capital improvements	-	5,968,829	1,955,543	-	-	-	-	4,722,505	-	12,646,877
Property tax relief	-	-	1,294,946	-	-	-	-	-	-	1,294,946
Debt service	-	-	-	-	-	-	140,449	-	-	140,449
Employee benefits	-	-	-	3,782,392	-	-	-	-	-	3,782,392
Economic development	-	-	-	-	-	-	-	-	348,568	348,568
Health and welfare	-	-	-	-	-	-	-	-	475,693	475,693
Parks and recreation	-	-	-	-	-	-	-	-	421,591	421,591
Airport projects	-	-	-	-	-	-	-	-	1,575,766	1,575,766
Housing	-	-	-	-	-	197,694	-	-	-	197,694
Other	57,806	-	2,550,118	-	-	-	-	-	-	2,607,924
Total restricted	57,806	5,968,829	5,800,607	3,782,392	-	197,694	140,449	4,722,505	2,821,618	23,491,900
Committed										
Capital improvements	250,000	-	-	-	-	-	-	-	-	250,000
Unassigned	5,698,328	-	-	-	(4,552,078)	-	-	-	(220,199)	926,051
Total fund balance	<u>\$ 6,392,480</u>	<u>\$ 6,045,226</u>	<u>\$ 5,800,607</u>	<u>\$ 3,782,392</u>	<u>\$ (4,552,078)</u>	<u>\$ 211,622</u>	<u>\$ 140,449</u>	<u>\$ 4,722,505</u>	<u>\$ 2,601,475</u>	<u>\$ 25,144,678</u>

Note 2 - Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. At June 30, 2021, disbursements did not exceed amounts budgeted.

Note 3 - Deposits and Investments

Deposits. On June 30, 2021, the carrying amount of the City's deposits was \$53,214,562 and the bank balances were \$53,392,367. The City's deposits in banks at June 30, 2021, 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, 2021, 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	\$ 53,212,787	\$ 53,392,367
Petty cash	1,775	-
Total	<u>\$ 53,214,562</u>	<u>\$ 53,392,367</u>

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

The Marshalltown Water Works' carrying amount of deposits was \$6,150,049 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.

Note 4 - Interfund Balance and Transfers

Due to/from primary government and component unit balances as of June 30, 2021, consisted of the following:

Receivable Entity	Payable Entity	Amount
Primary Government:	Component Unit:	
Governmental Fund, General Fund	Water Works	\$ 14,054
Enterprise Fund, Water Pollution Control	Water Works	488,377
Enterprise Fund, Storm Sewer	Water Works	125,594
		<u>\$ 628,025</u>

Due from/to other funds as of June 30, 2021, consisted of the following:

Due to General Fund from	
Nonmajor Governmental	\$ 26,568
Disaster fund	<u>2,880,698</u>
	<u>\$ 2,907,266</u>
Due to Local Option Sales Tax fund from	
Disaster fund	<u>\$ 1,500,000</u>
Due to Public Works and Other Projects Fund from Nonmajor Governmental	<u>\$ 109,463</u>
Due to Water Pollution Control Fund from Nonmajor Enterprise	<u>\$ 17,547</u>

The interfund balances result from negative cash balances.

Interfund transfers for the year ended June 30, 2021, consisted of the following:

Transfers to General Fund from	
Road use tax	\$ 1,105,025
Local option sales tax	70,993
Property tax	3,968,859
Public works and other projects	459,205
Disaster	527
Nonmajor governmental	<u>297,414</u>
Total Transfers to General Fund	<u><u>\$ 5,902,023</u></u>
Transfers to Public Works and Other Projects Fund from:	
General	\$ 28,117
Local option sales tax	135,827
Road use tax	153,656
Storm sewer	<u>199,620</u>
Total Transfers to Public Works and Other Projects Fund	<u><u>\$ 517,220</u></u>
Transfers to Disaster Fund from:	
Public works and other capital projects	\$ 400,000
Road use tax	<u>732,771</u>
Total Transfers to Disaster Fund	<u><u>\$ 1,132,771</u></u>
Transfers to Debt Service Fund from:	
Local option sales tax	\$ 2,825,797
Nonmajor governmental	<u>348,864</u>
Total Transfers to Debt Service Fund	<u><u>\$ 3,174,661</u></u>
Transfers to nonmajor governmental funds from:	
Local option sales tax	\$ 254
Public works and other projects fund	217,013
Nonmajor governmental	<u>1,174</u>
Total transfers to nonmajor governmental funds	<u><u>\$ 218,441</u></u>
Transfers to Nonmajor Enterprise Funds from General	<u><u>\$ 289,121</u></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.

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Primary Government				
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 4,771,231	\$ 106,983	\$ (58,000)	\$ 4,820,214
Construction in progress	6,270,987	10,637,489	(8,755,576)	8,152,900
Total capital assets, not being depreciated	<u>11,042,218</u>	<u>10,744,472</u>	<u>(8,813,576)</u>	<u>12,973,114</u>
Capital assets, being depreciated				
Buildings and structures	31,881,317	5,904,922	(494,451)	37,291,788
Land improvements	3,337,450	849,382	(34,237)	4,152,595
Equipment and vehicles	18,678,781	1,196,527	(1,943,126)	17,932,182
Infrastructure	45,265,388	2,391,392	-	47,656,780
Total capital assets, being depreciated	<u>99,162,936</u>	<u>10,342,223</u>	<u>(2,471,814)</u>	<u>107,033,345</u>
Less accumulated depreciation for				
Buildings and structures	(8,240,341)	(998,913)	377,177	(8,862,077)
Land improvements	(1,812,962)	(109,061)	29,372	(1,892,651)
Equipment and vehicles	(11,412,437)	(956,415)	1,879,178	(10,489,674)
Infrastructure	(26,026,052)	(1,205,340)	-	(27,231,392)
Total accumulated depreciation	<u>(47,491,792)</u>	<u>(3,269,729)</u>	<u>2,285,727</u>	<u>(48,475,794)</u>
Total Capital Assets, Being Depreciated, Net	<u>51,671,144</u>	<u>7,072,494</u>	<u>(186,087)</u>	<u>58,557,551</u>
Governmental Activities Capital Assets, Net	<u>\$ 62,713,362</u>	<u>\$ 17,816,966</u>	<u>\$ (8,999,663)</u>	<u>\$ 71,530,665</u>

City of Marshalltown
Notes to Financial Statements
June 30, 2021

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Business-Type Activities				
Capital assets, not being depreciated				
Land	\$ 898,294	\$ -	\$ -	\$ 898,294
Construction in progress	4,148,151	3,148,374	(555,571)	6,740,954
Total capital assets, not being depreciated	<u>5,046,445</u>	<u>3,148,374</u>	<u>(555,571)</u>	<u>7,639,248</u>
Capital assets, being depreciated				
Buildings and structures	10,845,457	474,736	-	11,320,193
Land improvements	2,230,694	72,563	-	2,303,257
Equipment and vehicles	20,457,580	166,713	(38,970)	20,585,323
Sanitary sewers and lift stations	43,731,796	120,665	-	43,852,461
Infrastructure	18,008,156	327,205	-	18,335,361
Total capital assets, being depreciated	<u>95,273,683</u>	<u>1,161,882</u>	<u>(38,970)</u>	<u>96,396,595</u>
Less accumulated depreciation for				
Buildings and structures	(7,445,810)	(290,525)	-	(7,736,335)
Land improvements	(1,940,132)	(37,732)	-	(1,977,864)
Equipment and vehicles	(13,103,777)	(610,032)	28,142	(13,685,667)
Sanitary sewers and lift stations	(11,386,686)	(948,816)	-	(12,335,502)
Infrastructure	(6,163,631)	(403,630)	-	(6,567,261)
Total accumulated depreciation	<u>(40,040,036)</u>	<u>(2,290,735)</u>	<u>28,142</u>	<u>(42,302,629)</u>
Total Capital Assets, Being Depreciated, Net	<u>55,233,647</u>	<u>(1,128,853)</u>	<u>(10,828)</u>	<u>54,093,966</u>
Business-Type Activities Capital Assets, Net	<u>\$ 60,280,092</u>	<u>\$ 2,019,521</u>	<u>\$ (566,399)</u>	<u>\$ 61,733,214</u>

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

Governmental Activities	
Public safety	\$ 887,227
Public works	1,559,493
Culture and recreation	705,735
General government	<u>117,274</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 3,269,729</u>
Business-Type Activities	
Water pollution control	\$ 1,729,029
Storm sewer	436,199
Compost facility	11,096
Bus transit	<u>114,411</u>
Total Depreciation Expense – Business-Type Activities	<u>\$ 2,290,735</u>

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, 2021:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Governmental Activities					
General obligation bonds and notes payable	\$ 33,830,000	\$ 8,260,000	\$ 6,345,000	\$ 35,745,000	\$ 3,445,000
Unamortized premiums	485,035	46,433	75,888	455,580	-
Total general obligation bonds and notes	34,315,035	8,306,433	6,420,888	36,200,580	3,445,000
Notes from direct borrowings	42,729	125,671	28,486	139,914	14,243
Compensated absences payable	1,209,035	170,962	250,285	1,129,712	236,300
	<u>35,566,799</u>	<u>8,603,066</u>	<u>6,699,659</u>	<u>37,470,206</u>	<u>3,695,543</u>
	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Business-Type Activities					
General obligation bonds and notes payable	\$ 4,885,000	\$ 3,360,000	\$ 925,000	\$ 7,320,000	\$ 925,000
Unamortized premiums	65,649	66,155	11,284	120,520	-
Total general obligation bonds	4,950,649	3,426,155	936,284	7,440,520	925,000
Notes from direct borrowings	2,490,461	1,126,645	247,556	3,369,550	164,388
Revenue bonds payable	10,991,000	4,335,000	5,492,000	9,834,000	1,292,000
Compensated absences payable	273,819	51,011	45,766	279,064	53,495
	<u>18,705,929</u>	<u>8,938,811</u>	<u>6,721,606</u>	<u>20,923,134</u>	<u>2,434,883</u>
Total	<u>\$ 54,272,728</u>	<u>\$ 17,541,877</u>	<u>\$ 13,421,265</u>	<u>\$ 58,393,340</u>	<u>\$ 6,130,426</u>

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

Bonded Debt. Details of the City's bonds and notes payable as of June 30, 2021, are as follows:

	Interest Rates	Govern- mental Activities	Business- type Activities	Total
General Obligation Bonds and Notes				
2012A Essential corporate purpose, issued April 12, 2012	2.00-2.50	\$ 1,675,000	\$ -	\$ 1,675,000
2012B Refunding, issued April 24, 2012	1.90-2.05	610,000	-	610,000
2013A Essential corporate purpose, issued March 12, 2013	1.75	1,000,000	-	1,000,000
2015A Essential corporate purpose, issued November 24, 2015	2.35-2.60	950,000	-	950,000
2016A General obligation corporate purpose, issued August 9, 2016	2.00	1,440,000	1,910,000	3,350,000
2016B General obligation corporate purpose, issued December 1, 2016	2.00	3,035,000	-	3,035,000
2017A General obligation corporate purpose, issued October 10, 2017	3.00	11,505,000	-	11,505,000
2018A General obligation corporate purpose, issued December 3, 2018	3.00	2,400,000	-	2,400,000
2019 General obligation corporate purpose, issued December 12, 2019	2.00	5,350,000	2,375,000	7,725,000
2020A General obligation corporate purpose, issued September 28, 2020	1.00	5,750,000	3,035,000	8,785,000
2020B General obligation corporate purpose, issued September 28, 2020	1.00-1.35	<u>2,030,000</u>	<u>-</u>	<u>2,030,000</u>
Total general obligation bonds and notes		<u>35,745,000</u>	<u>7,320,000</u>	<u>43,065,000</u>
Capital loan notes				
Alliant loan note, issued September 17, 2014	0.00	-	17,388	17,388
IDPS fire truck loan, issued July 5, 2016	0.00	14,243	-	14,243
IEDA forgivable loan, issued March 3, 2020	0.00	125,671	-	125,671
SRF manhole & point repair, issued July 19, 2020	1.75	<u>-</u>	<u>3,352,162</u>	<u>3,352,162</u>
Total notes payable		<u>139,914</u>	<u>3,369,550</u>	<u>3,509,464</u>
Revenue Bonds				
Water Pollution Control, improvement bonds, Series 2013, issued June 18, 2013	2.09	-	1,926,000	1,926,000
Water Pollution Control, improvement Series 2020 Refunding bonds issued January 8, 2020	1.96	-	4,075,000	4,075,000
Water Pollution Control, improvement Series 2021 Refunding bonds issued April 1, 2021	1.23%	<u>-</u>	<u>3,833,000</u>	<u>3,833,000</u>
Total revenue bonds		<u>-</u>	<u>9,834,000</u>	<u>9,834,000</u>
Total long-term debt		<u>\$ 35,884,914</u>	<u>\$ 20,523,550</u>	<u>\$ 56,408,464</u>

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, 2021, 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
2022	\$ 3,459,243	\$ 781,351	\$ 1,089,388	\$ 174,808
2023	3,225,000	717,496	1,080,000	156,858
2024	3,545,000	650,088	1,113,000	138,833
2025	3,415,000	574,938	1,146,000	120,205
2026	3,080,000	503,425	1,159,000	100,975
2027-2031	11,850,000	1,696,693	3,358,000	302,685
2032-2036	6,005,000	676,758	932,000	120,978
2037-2041	1,305,671	35,400	812,162	36,050
Total	<u>\$ 35,884,914</u>	<u>\$ 5,636,148</u>	<u>\$ 10,689,550</u>	<u>\$ 1,151,391</u>

Years Ending June 30,	Business-Type Activities Revenues Bonds		Total Business-Type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 1,292,000	\$ 165,932	\$ 2,381,388	\$ 340,740
2023	1,318,000	144,067	2,398,000	300,924
2024	1,337,000	121,758	2,450,000	260,590
2025	1,367,000	99,099	2,513,000	219,304
2026	1,392,000	75,910	2,551,000	176,885
2027-2031	3,128,000	88,976	6,486,000	391,661
2032-2036	-	-	932,000	120,978
2037-2041	-	-	812,162	36,050
Total	<u>\$ 9,834,000</u>	<u>\$ 695,741</u>	<u>\$ 20,523,550</u>	<u>\$ 1,847,132</u>

In fiscal year ended June 30, 2021, the Water Pollution Control Fund had net revenues of \$5,522,904 and the amount of principal and interest due on the revenue bonds was \$1,698,885.

Legal Debt Margin. The City's legal debt margin as of June 30, 2021, is as follows:

Regular Realty Valuations	\$ 1,256,879,027
Utility Valuations	445,705,906
Incremental Valuations	<u>17,610,264</u>
Total actual valuations applicable to debt	<u>1,720,195,197</u>
Debt Limit - 5% of Total Actual Valuations Applicable to Debt	<u>86,009,760</u>
Amount of Debt Applicable to Limitation	
General obligation bonds and notes	43,222,302
Urban renewal rebate agreements	<u>2,032,149</u>
	45,254,451
Less funds available from	
Debt service fund	140,449
Tax increment financing	<u>348,568</u>
Total debt applicable to debt margin	<u>44,765,434</u>
Legal debt margin	<u><u>\$ 41,244,326</u></u>

On September 28, 2020, the City issued \$3,000,000 of general obligation bonds for a current refunding of \$1,235,000 of the 2011B general obligation bonds, \$900,000 of the 2012A general obligation bonds, and \$865,000 of the 2014 general obligation bonds. The refunding was undertaken to reduce total future debt service payments. The result of the transaction is a reduction of \$197,878 in future debt service payments and an economic gain of \$193,260.

On April 1, 2021, the City issued \$4,335,000 of revenue bonds for a current refunding of \$4,237,000 of the 2015 Sewer Revenue bonds. The refunding was undertaken to reduce total future debt service payments. The result of the transaction is a reduction of \$296,699 in future debt service payments and an economic gain of \$208,577.

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 (MFPRSI). 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 for the period associated with the net pension liability for all plans is \$2,883,266 for the primary government and \$205,878 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.

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 2021, 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, 2021 were \$637,361. The Water Work’s total contributions to IPERS for the year ended June 30, 2021 were \$64,116.

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (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, 2020 valuation were based on the results of economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2020 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Core Plus Fixed Income	28%	(0.29)
Domestic Equity	22	4.43
International Equity	17.5	5.15
Private Equity/Debt	11	6.54
Private Real Assets	7.5	4.48
Global smart beta equity	6	4.87
Public Credit	4	2.29
Private Credit	3	3.11
Cash	1	(0.78)
	<u>100%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions 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.

City Specific IPERS Disclosures

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021, the City reported a liability of \$5,741,766 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2020, the City’s collective proportion was .0817364 percent, which was an increase of .0023957 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of \$885,445. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 6,343	\$ 136,095
Changes of Assumptions	294,723	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	322,778	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	220,453	95,557
City Contributions Subsequent to the Measurement Date	637,361	-
Total	<u>\$ 1,481,658</u>	<u>\$ 231,652</u>

The \$637,361 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

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

Years Ending June 30	Total
2022	\$ (92,164)
2023	(150,601)
2024	(137,366)
2025	(215,386)
2026	(17,128)
	<u>\$ (612,645)</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 7.0 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's Proportionate Share of the Net Pension Liability	\$ 9,573,911	\$ 5,741,766	\$ 2,528,572

Payable to the Pension Plan – At June 30, 2021, 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, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021, the Water Works reported a liability of \$592,438 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2020, the Water Work's collective proportion was .008433 percent which was a decrease of .000409 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Water Works recognized pension expense of \$103,003. At June 30, 2021, the Water Utility 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	\$ 654	\$ 14,042
Changes of Assumptions	30,410	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	33,305	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	43,514	16,743
Water Works Contributions Subsequent to the Measurement Date	<u>64,116</u>	<u>-</u>
Total	<u>\$ 171,999</u>	<u>\$ 30,785</u>

The \$64,116 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30,	Total
2022	\$ 19,806
2023	24,489
2024	16,213
2025	18,341
2026	<u>(1,751)</u>
	<u>\$ 77,098</u>

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.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Water Works' Proportionate Share of the Net Pension Liability	\$ 987,846	\$ 592,438	\$ 260,901

Payable to the Pension Plan – At June 30, 2021, 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 – MFPRSI

Plan Description – MFPRSI 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 MFPRSI. MFPRSI issues a stand-alone financial report which is available to the public by mail at 7155 Lake Drive, Suite 201, West Des Moines, Iowa 50366 or at www.mfprsi.org.

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

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

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

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

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

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

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

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

Contributions – Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa as modified by act of the 1994 General Assembly, to establish compliance with the Federal Older Workers Benefit Protections Act, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2021.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1 percent of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the employer's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 25.31% for the year ended June 30, 2021.

The City's contributions to MFPRSI for the year ended June 30, 2021 was \$1,215,343.

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 MFPRSI during the fiscal year ended June 30, 2021.

Actuarial Assumptions - The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (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, 2020 valuation were based on the results of an actuarial experience study for the period of July 1, 2007 to June 30, 2017. 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:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap	7.5%
Small Cap	8.1%
International Large Cap	7.2%
Emerging Markets	7.9%
Global Infrastructure	7.5%
Private Non-Core Real Estate	11.5%
Private Credit	6.4%
Private Equity	10.8%
Core Plus Fixed Income	4.0%
Private Core Real Estate	7.2%

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 9.4% 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 MFPRSI financial report which is available on MFPRSI’s website at www.mfprsi.org.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021, the City reported a liability of \$11,374,139 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2020, the City’s collective proportion was 1.426045 percent which was a decrease of .018263 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expenses of \$1,997,821. At June 30, 2021 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Results	\$ 312,727	\$ 61,785
Changes of Assumptions	281,751	13,570
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,673,270	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	139,050	473,045
City Contributions Subsequent to the Measurement Date	<u>1,215,343</u>	<u>-</u>
Total	<u>\$ 3,622,141</u>	<u>\$ 548,400</u>

The \$1,215,343 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

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

Years Ended June 30,	Total
2022	\$ 375,757
2023	587,956
2024	521,150
2025	371,680
2026	<u>1,855</u>
	<u>\$ 1,858,398</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 (6.5%)	Discount Rate (7.50%)	1% Increase (8.50%)
City's Proportionate Share of the Net Pension Liability	\$ 17,445,716	\$ 11,374,139	\$ 6,344,944

Payables to the Pension Plan – At June 30, 2021, 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 MFPRSI.

(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, 2021. 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.

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, 2021 and 2020 was 8.93% plus an additional \$5,000 per bi-weekly payroll. The employee contribution rate for the years ended June 30, 2021 and 2020 was 4.95%. Contributions paid by the Water Works for the year ended June 30, 2021 totaled \$180,976, and the contributions paid by employees totaled \$28,257.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021, the Water Works reported a net pension liability of \$1,267,513. The net pension liability was measured as of April 1, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that April 1, 2021.

For the year ended June 30, 2021, the Water Works recognized pension expense of \$102,875. At June 30, 2021 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	\$ 97,172	\$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>-</u>	<u>154,814</u>
Total	<u><u>\$ 97,172</u></u>	<u><u>\$ 154,814</u></u>

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>
2022	\$ (204)
2023	1,912
2024	(4,439)
2025	<u>(54,911)</u>
	<u><u>\$ (57,642)</u></u>

Actuarial Assumptions – The total pension liability in the April 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rates of salary increase (effective April 1, 2021)	3.00 percent per annum
Long-term investment rate of return (effective April 1, 2021)	7.00 percent compounded annually

The actuarial assumptions used in the April 1, 2021 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 4.40% based on the target allocation of assets summarized in the following table:

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

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.

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Water Works' Proportionate Share of the Net Pension Liability	\$ 1,500,377	\$ 1,267,513	\$ 1,067,239

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 (MFPRSI). At July 1, 2019 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	58
Active employees	<u>147</u>
Total	<u><u>205</u></u>

Total OPEB Liability – The City's total OPEB liability of \$15,642,185 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions – The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2020)	3.00% per annum
Rates of salary increase (effective June 30, 2020)	0.00%, OPEB's directly determined by Service Years not Salary
Discount rate (effective June 30, 2020)	2.70% compounded annually, net of investment expense including inflation
Healthcare cost trend rate (effective June 30, 2020)	6.00%

Discount Rate – The discount rate used to measure the total OPEB liability was 2.70% 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, 2019 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>\$ 15,191,207</u>
Changes for the year	
Service Cost	276,270
Interest	254,503
Net difference between projected and actual earnings on pension plan investments	465,181
Benefit payments	<u>(544,976)</u>
Net changes	<u>450,978</u>
Total OPEB Liability, End of Year	<u><u>\$ 15,642,185</u></u>

Sensitivity of the City's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.70%) or 1% higher (3.70%) than the current discount rate.

	<u>1% Decrease (1.70%)</u>	<u>Discount Rate (2.70%)</u>	<u>1% Increase (3.70%)</u>
Total OPEB Liability	\$ 17,966,343	\$ 15,642,185	\$ 13,741,940

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	\$ 13,378,880	\$ 15,642,185	\$ 18,419,008

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2021, the City recognized OPEB expense of \$624,916. At June 30, 2021, 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	\$ 1,027,283	\$ 1,011,011
Changes in assumptions	1,491,622	-
Total	<u>\$ 2,518,905</u>	<u>\$ 1,011,011</u>

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
2022	\$ 94,143
2023	94,143
2024	94,143
2025	94,143
2026	186,800
Thereafter	<u>944,522</u>
	<u>\$ 1,507,894</u>

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 785 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, 2021 were \$326,094.

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, 2021, no liability has been recorded in the City's financial statements. As of June 30, 2021, 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 2021. 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, 2021, 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.

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, 2021, 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 \$386,879 in the Group Insurance Benefits Fund and \$4,980 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, 2021 and 2020, are summarized as follows:

	Group Insurance Benefits Fund	Occupational Insurance Benefits Fund
Liabilities as of June 30, 2019	\$ 525,902	\$ 3,116
Claims and Changes in Estimates During Fiscal Year 2020	2,959,442	128,294
Claim Payments	<u>(2,996,324)</u>	<u>(127,214)</u>
Liabilities as of June 30, 2020	489,020	4,196
Claims and Changes in Estimates During Fiscal Year 2021	2,623,488	171,775
Claim Payments	<u>(2,725,629)</u>	<u>(170,991)</u>
Liabilities as of June 30, 2021	<u><u>\$ 386,879</u></u>	<u><u>\$ 4,980</u></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, 2021. The City has additional commitments for signed construction contracts of approximately \$9,094,131 as of June 30, 2021, 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 \$2,809,336 and \$235,095 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, 2021, funds with deficit balances were as follows:

Special Revenue Fund - Disaster Fund	\$ (4,552,078)
Non-major Special Revenue Fund - Grant Fund	(65,585)
Non-major Capital Projects Fund - Culture & Recreation Projects Fund	(154,558)
Non-major Enterprise Fund - Recreation Concessions	(28,462)

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, 2021, \$75,492 of property tax was diverted from the City under the urban renewal and economic development projects.

Note 16 - Subsequent Events

On September 24, 2021, the City of Marshalltown entered into an amended loan and disbursement agreement with the Iowa Finance Authority State Revolving Fund (SRF) and borrowed money in a principal amount of \$3,646,000 for the purpose of (1) paying \$3,356,000 of the current refunding of the City's outstanding Sewer Revenue Bond SRF Series 2019 dated July 19, 2019 and (2) undertaking \$290,000 for the construction of a water resource restoration project (SRF Sponsored Project). This sewer revenue improvement and refunding bond, SRF Series 2021A, has a maturity date of June 1, 2040 and has a .86% interest rate and a .25% service fee.

On November 22, 2021, the City of Marshalltown authorized a loan agreement to issue General Obligation bonds Series 2021A in the amount of \$9,130,000 with a true interest rate of 1.3572% and a maturity date of June 1, 2034. The City maintained their Aa2 bond rating from Moody's Investors Service. The bond proceeds may be used towards street Improvements and reconstruction, a viaduct, dangerous and dilapidated Buildings, and a softball parking lot. The bond closing date was December 14, 2021.

In August of 2021, the City received \$1,986,932 from the American Rescue Plan Act (ARPA) Non-Entitlement Unit Funding Project. Those funds have been deposited into the APRA fund where they will be spent in accordance with grant requirements. A second amount of \$1,986,932 is anticipated to be received in August of 2022, so the total will be \$3,973,864 for the City.

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 allows the City to request reimbursement of up to 85 percent (75% Federal and 10% State) for debris removal, emergency protective measures, and other repair projects throughout the City. Additionally, the Federal Individual Assistance was also extended to individual citizens of the community. City properties and equipment were also damaged, but the City's insurance mostly covered its damage except for a \$10,000 deductible. The City is seeking FEMA public assistance of \$5.3 million. It is anticipated that 75% would be reimbursed from the Federal government and 10% from the State. The projects have not been obligated yet, but the City anticipates these projects will be obligated in fiscal year 2022.

Note 17 - Contingencies

The COVID-19 outbreak is disrupting businesses across a range of industries in the United States and financial markets have experienced a significant decline. As a result, local, regional and national economies, including that of the City, may be adversely impacted. The extent of the financial impact of COVID-19 will depend on future developments, including the duration and spread, which are uncertain and cannot be predicted. Due to the uncertainties surrounding the outbreak, management cannot presently estimate the potential impact to the City's operations and finances.

Note 18 - Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities, was implemented during fiscal year 2021. The new requirements change the definition of fiduciary activity and establish new financial reporting requirements for state and local governments which report fiduciary activity. Beginning net position for custodial funds was restated to retroactively report the change in net position, as follows:

	Fiduciary Activities
Net position June 30, 2020, as previously reported	\$ -
Change to implement GASB No. 84	<u>(43,031)</u>
Net position (deficit) July 1, 2020, as restated	<u><u>\$ (43,031)</u></u>

Required Supplementary Information
June 30, 2021

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	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
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, 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, 2021

	Actual			Budgeted Amounts		Final to
	Governmental Funds	Enterprise Funds	Total	Original Budget	Final Budget	Actual Variance
Receipts						
Property taxes	\$ 12,558,274	\$ -	\$ 12,558,274	\$ 12,285,038	\$ 12,399,025	\$ 159,249
TIF revenues	662,386	-	662,386	650,362	650,382	12,004
Other city taxes	6,160,259	-	6,160,259	5,770,823	6,203,685	(43,426)
Licenses and permits	715,729	8,253	723,982	284,044	707,578	16,404
Use of money and property	577,285	346,331	923,616	542,455	926,148	(2,532)
Intergovernmental	8,590,588	799,302	9,389,890	12,707,680	10,670,503	(1,280,613)
Charges for service	803,540	9,739,588	10,543,128	16,568,290	16,325,388	(5,782,260)
Special assessments	3,433	-	3,433	5,000	5,000	(1,567)
Miscellaneous	2,511,761	59,433	2,571,194	1,896,911	2,488,664	82,530
Other financing sources	8,763,012	8,911,550	17,674,562	7,825,226	17,274,396	400,166
Total receipts	<u>41,346,267</u>	<u>19,864,457</u>	<u>61,210,724</u>	<u>58,535,829</u>	<u>67,650,769</u>	<u>(6,440,045)</u>
Disbursements						
Public safety	11,595,320	-	11,593,662	11,044,587	12,252,655	658,993
Public works	10,114,385	-	10,114,385	8,387,212	12,305,629	2,191,244
Health and social services	417,609	-	417,609	1,450,453	1,108,297	690,688
Culture and recreation	2,973,145	-	2,973,145	3,124,503	3,587,354	614,209
Community and economic development	2,901,504	-	2,901,504	2,195,695	3,246,005	344,501
General government	1,685,165	-	1,685,165	1,731,605	1,800,847	115,682
Debt service	7,215,106	-	7,215,106	4,187,074	7,232,956	17,850
Capital projects	8,022,287	-	8,022,287	15,582,123	13,360,859	5,338,572
Business-type activities	-	14,355,614	14,355,593	17,530,850	22,341,965	7,986,372
Total disbursements	<u>44,924,521</u>	<u>14,355,614</u>	<u>59,278,456</u>	<u>65,234,102</u>	<u>77,236,567</u>	<u>17,958,111</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(3,578,254)</u>	<u>5,508,843</u>	<u>1,932,268</u>	<u>(6,698,273)</u>	<u>(9,585,798)</u>	<u>11,518,066</u>
Transfers						
Transfers in	12,435,810	289,121	12,724,931	9,853,471	16,312,597	3,587,666
Transfers out	<u>(12,525,311)</u>	<u>(199,620)</u>	<u>(12,724,931)</u>	<u>(9,853,471)</u>	<u>(16,312,597)</u>	<u>(3,587,666)</u>
Total transfers	<u>(89,501)</u>	<u>89,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(3,667,755)</u>	<u>5,598,344</u>	<u>1,932,268</u>	<u>(6,698,273)</u>	<u>(9,585,798)</u>	<u>11,518,066</u>
Fund Balances, Beginning	<u>29,997,721</u>	<u>19,665,150</u>	<u>49,662,871</u>	<u>45,549,809</u>	<u>55,236,089</u>	<u>9,019,939</u>
Fund Balances, Ending	<u>\$ 26,329,966</u>	<u>\$ 25,263,494</u>	<u>\$ 51,595,139</u>	<u>\$ 38,851,536</u>	<u>\$ 45,650,291</u>	<u>\$ 20,538,005</u>

City of Marshalltown
Required Supplementary Information
Budgetary Comparison Schedule – Budget to GAAP Reconciliation
Year Ended June 30, 2021

	Governmental Funds			Proprietary Funds Enterprise		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Accrual Basis
Revenues	\$ 41,346,267	\$ (1,186,818)	\$ 40,159,449	\$ 19,864,457	\$ (8,874,872)	\$ 10,989,585
Expenditures/Expenses	<u>44,924,521</u>	<u>(74,850)</u>	<u>44,849,671</u>	<u>14,355,614</u>	<u>(7,508,975)</u>	<u>6,846,639</u>
Net	(3,578,254)	(1,111,968)	(4,690,222)	5,508,843	(1,365,897)	4,142,946
Transfers	(89,501)	-	(89,501)	89,501	-	89,501
Beginning Fund Balances/ Net Position	<u>29,997,721</u>	<u>(73,320)</u>	<u>29,924,401</u>	<u>19,665,150</u>	<u>40,301,717</u>	<u>59,966,867</u>
Ending Fund Balances/ Net Position	<u>\$ 26,329,966</u>	<u>\$ (1,185,288)</u>	<u>\$ 25,144,678</u>	<u>\$ 25,263,494</u>	<u>\$ 38,935,820</u>	<u>\$ 64,199,314</u>

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 increased budgeted disbursements by \$12,002,435, excluding transfers out.

At June 30, 2021, 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

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
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.

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

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
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%
2013	471,574	471,574	-	5,462,753	8.63%
2012	422,426	422,426	-	5,234,876	8.07%

Changes of benefit terms

There are no significant changes in benefit terms.

Changes of assumptions

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

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

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

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

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

- Decreased the inflation assumption from 3.25% 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

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
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
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%
2013	1,025,722	1,025,722	-	3,908,165	26.25%
2012	950,492	950,492	-	3,838,823	24.76%

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 mortality rates to the RP-2000 Blue Collar Combined Healthy Mortality Table with males set-back two years, females set-forward one year and disabled individuals set-forward 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, 2021

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, 2021

	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	\$ -	\$ 441,041	\$ 330,998	\$ 766,522	\$ 1,707,399	\$ -	\$ 3,245,960
Receivables							
Property taxes							
Delinquent	-	-	17,570	-	-	-	17,570
Accounts and unbilled usage	-	31	-	195,794	-	158,351	354,176
Due from other governments	58,466	-	-	-	280,336	-	338,802
Prepaid items	56	-	-	-	-	-	56
Total assets	<u>\$ 58,522</u>	<u>\$ 441,072</u>	<u>\$ 348,568</u>	<u>\$ 962,316</u>	<u>\$ 1,987,735</u>	<u>\$ 158,351</u>	<u>\$ 3,956,564</u>

City of Marshalltown
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds				Capital Projects Funds		Total Nonmajor Governmental Funds
	Grant Fund	Special Contributions	Tax Increment Financing	Other	Airport Projects	Culture and Recreation Projects	
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts payable	\$ 65,039	\$ 18,849	\$ -	\$ 325,581	\$ 242,994	\$ 45,095	\$ 697,558
Accrued payroll and payroll benefits	2,937	632	-	-	-	-	3,569
Retainage payable	2,510	-	-	-	28,168	-	30,678
Due to other funds	26,568	-	-	-	-	109,463	136,031
Total liabilities	97,054	19,481	-	325,581	271,162	154,558	867,836
Deferred Inflows of Resources							
Unavailable revenue- other	-	-	-	161,042	140,807	158,351	460,200
Unavailable revenue- intergovernmental	27,053	-	-	-	-	-	27,053
Total deferred inflows of resources	27,053	-	-	161,042	140,807	158,351	487,253
Fund Balances							
Nonspendable	56	-	-	-	-	-	56
Restricted	-	421,591	348,568	475,693	1,575,766	-	2,821,618
Unassigned	(65,641)	-	-	-	-	(154,558)	(220,199)
Total fund balances (deficit)	(65,585)	421,591	348,568	475,693	1,575,766	(154,558)	2,601,475
Total liabilities, deferred inflows of resources, and fund balances	\$ 58,522	\$ 441,072	\$ 348,568	\$ 962,316	\$ 1,987,735	\$ 158,351	\$ 3,956,564

City of Marshalltown
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Deficit)
Nonmajor Governmental Funds
Year Ended June 30, 2021

	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	\$ -	\$ -	\$ 607,004	\$ -	\$ -	\$ -	\$ 607,004
Use of money and property	74	5,483	8,431	4,607	19,726	13,217	51,538
Intergovernmental	725,705	1,000	58,226	-	429,381	-	1,214,312
Charges for service	-	-	-	-	-	315	315
Miscellaneous	15,375	309,443	-	4,512	6,092	619,623	955,045
Total revenues	741,154	315,926	673,661	9,119	455,199	633,155	2,828,214
Expenditures							
Current							
Public safety	195,701	138,936	-	1,189	-	-	335,826
Public works	-	-	-	-	655,984	-	655,984
Culture and recreation	57,149	56,642	-	-	-	2,468,905	2,582,696
Community and economic development	587,291	-	194,974	-	-	13,055	795,320
General government	-	-	-	-	11,287	-	11,287
Total expenditures	840,141	195,578	194,974	1,189	667,271	2,481,960	4,381,113
Excess of revenues (expenditures) over expenditures (revenues)	\$ (98,987)	\$ 120,348	\$ 478,687	\$ 7,930	\$ (212,072)	\$ (1,848,805)	\$ (1,552,899)
Other Financing Sources (Uses)							
Insurance proceeds	-	-	-	291,467	-	-	291,467
General obligation bonds issued	125,671	-	-	-	2,030,000	-	2,155,671
Premiums issued	-	-	-	-	2,530	-	2,530
Transfers in	8,132	-	-	-	254	210,055	218,441
Transfers out	-	(1,175)	(637,423)	-	-	(8,854)	(647,452)
Total other financing sources (uses)	133,803	(1,175)	(637,423)	291,467	2,032,784	201,201	2,020,657
Net Change in Fund Balances	34,816	119,173	(158,736)	299,397	1,820,712	(1,647,604)	467,758
Fund Balances (Deficit) - Beginning	(100,401)	302,418	507,304	176,296	(244,946)	1,493,046	2,133,717
Fund Balances (Deficit) - Ending	\$ (65,585)	\$ 421,591	\$ 348,568	\$ 475,693	\$ 1,575,766	\$ (154,558)	\$ 2,601,475

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, 2021

	Compost Facility	Bus Transit	Recreation Concessions	Total Nonmajor Enterprise Funds
Assets				
Current assets				
Cash and cash equivalents	\$ 100,151	\$ 483,356	\$ -	\$ 583,507
Receivables				
Accounts and unbilled usage	2,588	1,959	-	4,547
Due from other governments	-	126,286	-	126,286
Prepaid items	492	22,651	339	23,482
Total current assets	103,231	634,252	339	737,822
Noncurrent assets				
Capital assets				
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	1,900,112	-	2,022,254
Accumulated depreciation	(349,006)	(1,504,264)	-	(1,853,270)
Total noncurrent assets	45,853	1,080,712	-	1,126,565
Total assets	149,084	1,714,964	339	1,864,387
Deferred Outflows of Resources				
OPEB related deferred outflows	-	48,075	-	48,075
Pension related deferred outflows	-	90,372	-	90,372
Total deferred outflows of resources	-	138,447	-	138,447

City of Marshalltown
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2021

	Compost Facility	Bus Transit	Recreation Concessions	Total Nonmajor Enterprise Funds
Liabilities				
Current liabilities				
Accounts payable	\$ 3,757	\$ 6,605	\$ 8,370	\$ 18,732
Accrued payroll and payroll benefits	958	16,503	2,884	20,345
Due to other governments	-	5,603	-	5,603
Due to other funds	-	-	17,547	17,547
Compensated absences	-	12,218	-	12,218
Total current liabilities	<u>4,715</u>	<u>40,929</u>	<u>28,801</u>	<u>74,445</u>
Noncurrent liabilities				
Compensated absences	-	26,764	-	26,764
Total OPEB liability	-	345,073	-	345,073
Net pension liability	-	350,213	-	350,213
Total noncurrent liabilities	<u>-</u>	<u>722,050</u>	<u>-</u>	<u>722,050</u>
Total liabilities	<u>4,715</u>	<u>762,979</u>	<u>28,801</u>	<u>796,495</u>
Deferred Inflows of Resources				
OPEB related deferred inflows	-	72,355	-	72,355
Pension related deferred inflows	-	14,129	-	14,129
Total deferred inflows of resources	<u>-</u>	<u>86,484</u>	<u>-</u>	<u>86,484</u>
Net Position				
Net investment in capital assets	45,853	1,080,712	-	1,126,565
Unrestricted	<u>98,516</u>	<u>(76,764)</u>	<u>(28,462)</u>	<u>(6,710)</u>
Total net position	<u>\$ 144,369</u>	<u>\$ 1,003,948</u>	<u>\$ (28,462)</u>	<u>\$ 1,119,855</u>

City of Marshalltown
Combining Statement of Revenues, Expenditures,
and Changes in Fund Net Position
Nonmajor Enterprise Funds
Year Ended June 30, 2021

	Compost Facility	Bus Transit	Recreation Concessions	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for service	<u>\$ 56,202</u>	<u>\$ 66,637</u>	<u>\$ 36,342</u>	<u>\$ 159,181</u>
Operating Expenses				
Salaries and benefits	4,348	572,288	19,128	595,764
Services and supplies	11,662	249,089	22,775	283,526
Depreciation	<u>11,096</u>	<u>114,411</u>	<u>-</u>	<u>125,507</u>
Total operating expenses	<u>27,106</u>	<u>935,788</u>	<u>41,903</u>	<u>1,004,797</u>
Operating gain (loss)	<u>29,096</u>	<u>(869,151)</u>	<u>(5,561)</u>	<u>(845,616)</u>
Nonoperating Revenues				
Federal and state grants	-	732,325	-	732,325
Interest income	<u>1,202</u>	<u>4,020</u>	<u>-</u>	<u>5,222</u>
Net nonoperating revenues	<u>1,202</u>	<u>736,345</u>	<u>-</u>	<u>737,547</u>
Income (loss) before transfers	<u>30,298</u>	<u>(132,806)</u>	<u>(5,561)</u>	<u>(108,069)</u>
Transfers in	<u>-</u>	<u>289,121</u>	<u>-</u>	<u>289,121</u>
Change in Net Position	30,298	156,315	(5,561)	181,052
Net Position - Beginning	<u>114,071</u>	<u>847,633</u>	<u>(22,901)</u>	<u>938,803</u>
Net Position - Ending	<u><u>\$ 144,369</u></u>	<u><u>\$ 1,003,948</u></u>	<u><u>\$ (28,462)</u></u>	<u><u>\$ 1,119,855</u></u>

City of Marshalltown
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2021

	Compost Facility	Bus Transit	Recreation Concessions	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities				
Cash received from customers	\$ 54,531	\$ 65,131	\$ 36,342	\$ 156,004
Cash payments to suppliers for goods and services	(3,816)	(248,104)	(16,717)	(268,637)
Cash payments to employees for services	(26,736)	(550,615)	(17,197)	(594,548)
Net Cash Provided by (Used for) Operating Activities	<u>23,979</u>	<u>(733,588)</u>	<u>2,428</u>	<u>(707,181)</u>
Cash Flows from Noncapital Financing Activities				
Transfers from other funds	-	289,121	-	289,121
Grants received	44,097	755,205	-	799,302
Change in due to other funds	-	-	(2,428)	(2,428)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>44,097</u>	<u>1,044,326</u>	<u>(2,428)</u>	<u>1,085,995</u>
Net Cash Provided by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities				
Interest received	<u>1,202</u>	<u>4,020</u>	<u>-</u>	<u>5,222</u>
Net Increase in Cash and Cash Equivalents	69,278	314,758	-	384,036
Cash and Cash Equivalents, Beginning	<u>30,873</u>	<u>168,598</u>	<u>-</u>	<u>199,471</u>
Cash and Cash Equivalents, Ending	<u>\$ 100,151</u>	<u>\$ 483,356</u>	<u>\$ -</u>	<u>\$ 583,507</u>

City of Marshalltown
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2021

	Compost Facility	Bus Transit	Recreation Concessions	Total Nonmajor Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash used for Operating Activities				
Operating income (loss)	\$ 29,096	\$ (869,151)	\$ (5,561)	\$ (845,616)
Adjustments to reconcile operating income to net cash provided for operating activities				
Depreciation	11,096	114,411	-	125,507
Changes in assets, deferred outflows, liabilities, and deferred inflows				
Receivables	(1,671)	(1,506)	-	(3,177)
Inventories and prepaid items	5,117	(3,353)	(95)	1,669
Accounts payable	2,729	1,048	6,153	9,930
Accrued liabilities	(4,917)	7,231	1,931	4,245
Due to other governments	-	3,290	-	3,290
Total OPEB liability	-	10,270	-	10,270
Net pension liability	(18,913)	83,578	-	64,665
Deferred outflows	4,889	(30,526)	-	(25,637)
Deferred inflows	(3,447)	(48,880)	-	(52,327)
Total adjustments	(5,117)	135,563	7,989	138,435
Net Cash provided by (used for) Operating Activities	\$ 23,979	\$ (733,588)	\$ 2,428	\$ (707,181)

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, 2021

	Group Insurance Benefits	Occupational Insurance Benefits	Workmen's Compensation Deductible	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 1,547,934	\$ 32,652	\$ 36,513	\$ 1,617,099
Receivables				
Accounts	860	-	-	860
Total current assets	1,548,794	32,652	36,513	1,617,959
Liabilities				
Current liabilities				
Accounts payable	386,879	4,980	-	391,859
Deposits payable	172,343	-	-	172,343
Total current liabilities	559,222	4,980	-	564,202
Total net position - unrestricted	\$ 989,572	\$ 27,672	\$ 36,513	\$ 1,053,757

City of Marshalltown
Combining Statement of Revenues, Expenses, and
Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2021

	Group Insurance Benefits	Occupational Insurance Benefits	Workmen's Compensation Deductible	Total
Operating Revenues				
Charges for service	\$ 2,407,428	\$ 144,426	\$ -	\$ 2,551,854
Miscellaneous	<u>387,852</u>	<u>-</u>	<u>-</u>	<u>387,852</u>
Total operating revenues	<u>2,795,280</u>	<u>144,426</u>	<u>-</u>	<u>2,939,706</u>
Operating Expenses				
Claims	2,623,488	171,775	958	2,796,221
Health insurance premiums	351,282	15,623	-	366,905
Miscellaneous	<u>179,121</u>	<u>-</u>	<u>15</u>	<u>179,136</u>
Total operating expenses	<u>3,153,891</u>	<u>187,398</u>	<u>973</u>	<u>3,342,262</u>
Operating loss	(358,611)	(42,972)	(973)	(402,556)
Nonoperating Revenues				
Interest income	<u>25,621</u>	<u>1,345</u>	<u>538</u>	<u>27,504</u>
Change in Net Position	(332,990)	(41,627)	(435)	(375,052)
Net Position - Beginning	<u>1,322,562</u>	<u>69,299</u>	<u>36,948</u>	<u>1,428,809</u>
Net Position - Ending	<u>\$ 989,572</u>	<u>\$ 27,672</u>	<u>\$ 36,513</u>	<u>\$ 1,053,757</u>

City of Marshalltown
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2021

	Group Insurance Benefits	Occupational Insurance Benefits	Workmen's Compensation Deductible	Total
Cash Flows from Operating Activities				
Cash received from customers	\$ 2,410,671	\$ 144,426	\$ -	\$ 2,555,097
Cash payments to suppliers for goods and services	(3,256,032)	(186,614)	(973)	(3,443,619)
Other operating receipts	<u>387,852</u>	<u>-</u>	<u>-</u>	<u>387,852</u>
Net Cash used for Operating Activities	<u>(457,509)</u>	<u>(42,188)</u>	<u>(973)</u>	<u>(500,670)</u>
Cash Flows from Investing Activities				
Interest received	<u>25,621</u>	<u>1,345</u>	<u>538</u>	<u>27,504</u>
Net Decrease in Cash and Cash Equivalents	(431,888)	(40,843)	(435)	(473,166)
Cash and Cash Equivalents, Beginning	<u>1,979,822</u>	<u>73,495</u>	<u>36,948</u>	<u>2,090,265</u>
Cash and Cash Equivalents, Ending	<u>\$ 1,547,934</u>	<u>\$ 32,652</u>	<u>\$ 36,513</u>	<u>\$ 1,617,099</u>
Reconciliation of Operating Income to Net Cash from Operating Activities				
Operating loss	<u>\$ (358,611)</u>	<u>\$ (42,972)</u>	<u>\$ (973)</u>	<u>\$ (402,556)</u>
Changes in assets and liabilities				
Receivables	4,347	-	-	4,347
Accounts payable	(102,141)	784	-	(101,357)
Deposits payable	<u>(1,104)</u>	<u>-</u>	<u>-</u>	<u>(1,104)</u>
Total	<u>(98,898)</u>	<u>784</u>	<u>-</u>	<u>(98,114)</u>
Net Cash used for Operating Activities	<u>\$ (457,509)</u>	<u>\$ (42,188)</u>	<u>\$ (973)</u>	<u>\$ (500,670)</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 developer's deposits for construction inspections required by the City.

City of Marshalltown
Combining Statement of Fiduciary Net Position
All Custodial Funds
June 30, 2021

	<u>911 Commision</u>	<u>Surety Bonds</u>	<u>Total</u>
Assets			
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 4,003</u>	<u>\$ 4,003</u>
Total assets	<u><u>\$ -</u></u>	<u><u>\$ 4,003</u></u>	<u><u>\$ 4,003</u></u>
Liabilities			
Checks written in excess of deposits	<u>\$ 78,883</u>	<u>\$ -</u>	<u>\$ 78,883</u>
Total liabilities	<u>78,883</u>	<u>-</u>	<u>78,883</u>
Net Position			
Individuals and organizations	-	4,003	4,003
Other governments	<u>(78,883)</u>	<u>-</u>	<u>(78,883)</u>
Total net position (deficit)	<u><u>\$ (78,883)</u></u>	<u><u>\$ 4,003</u></u>	<u><u>\$ (74,880)</u></u>

City of Marshalltown
Combining Statement of Changes in Fiduciary Fund Net Position
All Custodial Funds
Year Ended June 30, 2021

	<u>911 Commision</u>	<u>Surety Bonds</u>	<u>Total</u>
Additions			
Receipts from commission	\$ 1,041,298	\$ -	\$ 1,041,298
Investment income, interest	<u>-</u>	<u>500</u>	<u>500</u>
Total additions	<u>1,041,298</u>	<u>500</u>	<u>1,041,798</u>
Deductions			
Wages and benefits	<u>1,073,647</u>	<u>-</u>	<u>1,073,647</u>
Total deductions	<u>1,073,647</u>	<u>-</u>	<u>1,073,647</u>
Change in net position	(32,349)	500	(31,849)
Net position (deficit) - beginning, as restated	<u>(46,534)</u>	<u>3,503</u>	<u>(43,031)</u>
Net position (deficit) - ending	<u><u>\$ (78,883)</u></u>	<u><u>\$ 4,003</u></u>	<u><u>\$ (74,880)</u></u>

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Long-Term Debt
June 30, 2021

City of Marshalltown

City of Marshalltown
Schedule of Bond Maturities
June 30, 2021

Issue	Year Ending June 30,	Interest Rates	Interest	Principal
Governmental Activities				
General Obligation				
2012A Essential corporate purpose				
Issued April 12, 2012				
	2022	2.00%	\$ 35,563	\$ 425,000
	2023	2.00%	27,063	425,000
	2024	2.25%	18,563	400,000
	2025	2.25%	9,563	425,000
			<u>90,752</u>	<u>1,675,000</u>
2012B Crossover advance refunding				
Issued April 24, 2012				
	2022	1.90%	12,025	320,000
	2023	2.05%	5,945	290,000
			<u>17,970</u>	<u>610,000</u>
2013A Essential corporate purpose				
Issued March 12, 2013				
	2022	1.75%	<u>17,500</u>	<u>1,000,000</u>

(Continued)

City of Marshalltown
Schedule of Bond Maturities
June 30, 2021

Issue	Year Ending June 30,	Interest Rates	Interest	Principal
Governmental Activities (continued)				
General Obligation (continued)				
2015A Essential corporate purpose Issued November 24, 2015				
	2022	2.35%	\$ 22,888	\$ 350,000
	2023	2.35%	14,663	375,000
	2024	2.60%	5,850	225,000
			<u>43,401</u>	<u>950,000</u>
2016A General obligation corporate purpose Issued August 9, 2016				
	2022	2.00%	28,800	175,000
	2023	2.00%	25,300	405,000
	2024	2.00%	17,200	420,000
	2025	2.00%	8,800	440,000
			<u>80,100</u>	<u>1,440,000</u>
2016B General obligation corporate purpose Issued December 1, 2016				
	2022	2.00%	60,700	260,000
	2023	2.00%	55,500	270,000
	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%	10,000	500,000
			<u>309,500</u>	<u>3,035,000</u>

(Continued)

City of Marshalltown
Schedule of Bond Maturities
June 30, 2021

Issue	Year Ending June 30,	Interest Rates	Interest	Principal
Governmental Activities (continued)				
General Obligation (continued)				
2017A General obligation corporate purpose Issued October 10, 2017				
	2022	3.00%	\$ 345,150	\$ 100,000
	2023	3.00%	342,150	505,000
	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
			<u>3,623,100</u>	<u>11,505,000</u>
2018A General obligation corporate purpose Issued December 3, 2018				
	2022	3.00%	72,000	-
	2023	3.00%	72,000	110,000
	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
			<u>391,650</u>	<u>2,400,000</u>
2019 General Obligation corporate purpose Issued December 12, 2019				
	2022	2.00%	107,000	370,000
	2023	2.00%	99,600	375,000
	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
			<u>564,100</u>	<u>5,350,000</u>

(Continued)

City of Marshalltown
Schedule of Bond Maturities
June 30, 2021

Issue	Year Ending June 30,	Interest Rates	Interest	Principal
Governmental Activities (continued)				
General Obligation (continued)				
2020A General Obligation corporate purpose				
Issued September 28, 2020				
	2022	1.00%	\$ 57,500	\$ 445,000
	2023	1.00%	53,050	470,000
	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
			<u>333,650</u>	<u>5,750,000</u>
2020B General Obligation corporate purpose				
Issued September 28, 2020				
	2022	1.00%	22,225	-
	2023	1.00%	22,225	-
	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
			<u>164,425</u>	<u>2,030,000</u>
IDEA forgivable loan				
Issued March 3, 2020				
	2037	0.00%	-	125,671

(Continued)

City of Marshalltown
Schedule of Bond Maturities
June 30, 2021

Issue	Year Ending June 30,	Interest Rates	Interest	Principal
Governmental Activities (continued)				
Notes Payable				
IDPS fire truck loan note				
Issued July 5, 2016	2022	0.00%	\$ -	\$ 14,243
 General Obligation and Notes Payable				
Total governmental activities				
	2022		781,351	3,459,243
	2023		717,496	3,225,000
	2024		650,088	3,545,000
	2025		574,938	3,415,000
	2026		503,425	3,080,000
	2027		446,125	3,060,000
	2028		389,275	2,455,000
	2029		337,775	2,560,000
	2030		284,860	2,160,000
	2031		238,658	1,615,000
	2032		202,908	1,665,000
	2033		165,600	1,020,000
	2034		135,000	1,060,000
	2035		103,200	1,105,000
	2036		70,050	1,155,000
	2037		35,400	1,305,671
			<u>\$ 5,636,148</u>	<u>\$ 35,884,914</u>

(Continued)

City of Marshalltown
Schedule of Bond Maturities
June 30, 2021

Issue	Year Ending June 30	Interest Rates	Interest	Principal
Business-type Activities				
General Obligation				
2016A General obligation corporate purpose Issued August 9, 2016				
	2022	2.00%	\$ 38,200	\$ 165,000
	2023	2.00%	34,900	145,000
	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
			<u>228,800</u>	<u>1,910,000</u>
2019 General Obligation corporate purpose Issued December 12, 2019				
	2022	2.00%	47,500	445,000
	2023	2.00%	38,600	465,000
	2024	2.00%	29,300	475,000
	2025	2.00%	19,800	495,000
	2026	2.00%	9,900	495,000
			<u>145,100</u>	<u>2,375,000</u>
2020A General obligation corporate purpose Issued September 28, 2020				
	2022	1.00%	30,350	315,000
	2023	1.00%	27,200	320,000
	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
			<u>155,250</u>	<u>3,035,000</u>

(Continued)

City of Marshalltown
Schedule of Bond Maturities
June 30, 2021

Issue	Year Ending June 30	Interest Rates	Interest	Principal
Business-type Activities				
Capital Loan Notes				
Alliant Loan				
Issued September 17, 2014	2022	0.00%	\$ 28	\$ 17,388
			<u>28</u>	<u>17,388</u>
State Revolving Fund, Manhole and point repair				
Issued July 19, 2019	2022	1.75%	58,730	147,000
	2023	1.75%	56,158	150,000
	2024	1.75%	53,533	153,000
	2025	1.75%	50,855	156,000
	2026	1.75%	48,125	159,000
	2027	1.75%	45,343	162,000
	2028	1.75%	42,508	165,000
	2029	1.75%	39,620	169,000
	2030	1.75%	36,663	172,000
	2031	1.75%	33,653	175,000
	2032	1.75%	30,590	179,000
	2033	1.75%	27,458	183,000
	2034	1.75%	24,255	186,000
	2035	1.75%	21,000	190,000
	2036	1.75%	17,675	194,000
	2037	1.75%	14,280	198,000
	2038	1.75%	10,815	202,000
	2039	1.75%	7,280	206,000
	2040	1.75%	3,675	206,162
			<u>622,213</u>	<u>3,352,162</u>
Revenue Bonds				
Sewer Revenue Improvement				
Issued June 18, 2013	2022	2.09%	38,916	258,000
	2023	2.09%	33,492	264,000
	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
			<u>154,347</u>	<u>1,926,000</u>

(Continued)

City of Marshalltown
Schedule of Bond Maturities
June 30, 2021

Issue	Year Ending June 30	Interest Rates	Interest	Principal
Business-type Activities				
Revenue Bonds				
Sewer Revenue Improvement and Refunding, refunding of series 2012 & 2014 Issued January 8, 2020				
	2022	1.96%	\$ 79,870	\$ 510,000
	2023	1.96%	69,874	520,000
	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
			<u>350,154</u>	<u>4,075,000</u>
Sewer Revenue Improvement and Refunding, refunding of series 2015 Issued April 1, 2021				
	2022	1.23%	47,146	524,000
	2023	1.23%	40,701	534,000
	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
			<u>191,240</u>	<u>3,833,000</u>
General Obligation, Notes Payable, and Revenue Bonds				
Total business-type activities				
	2022		340,740	2,381,388
	2023		300,924	2,398,000
	2024		260,590	2,450,000
	2025		219,304	2,513,000
	2026		176,885	2,551,000
	2027		133,832	2,098,000
	2028		100,017	2,017,000
	2029		69,398	1,184,000
	2030		49,863	767,000
	2031		38,553	420,000
	2032		30,590	179,000
	2033		27,458	183,000
	2034		24,255	186,000
	2035		21,000	190,000
	2036		17,675	194,000
	2037		14,280	198,000
	2038		10,815	202,000
	2039		7,280	206,000
	2040		<u>3,675</u>	<u>206,162</u>
			<u>\$ 1,847,132</u>	<u>\$ 20,523,550</u>

Statistical Section (Unaudited)
June 30, 2021

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.

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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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities										
Net investment in capital assets	\$ 44,056,444	\$ 41,349,928	\$ 39,411,094	\$ 37,973,695	\$ 35,605,495	\$ 34,132,724	\$ 32,948,014	\$ 30,504,272	\$ 29,002,766	\$ 28,325,116
Restricted	18,055,545	18,176,221	16,316,062	13,150,024	26,679,991	16,806,635	10,119,191	8,457,793	9,706,673	11,863,770
Unrestricted	(25,310,052)	(23,253,296)	(23,880,433)	(25,557,161)	(29,968,723)	(20,244,351)	(17,323,596)	(5,613,806)	(5,497,165)	(730,534)
Total governmental activities net position	<u>\$ 36,801,937</u>	<u>\$ 36,272,853</u>	<u>\$ 31,846,723</u>	<u>\$ 25,566,558</u>	<u>\$ 32,316,763</u>	<u>\$ 30,695,008</u>	<u>\$ 25,743,609</u>	<u>\$ 33,348,259</u>	<u>\$ 33,212,274</u>	<u>\$ 39,458,352</u>
Business-type activities										
Net investment in capital assets	\$ 44,098,791	\$ 41,855,980	\$ 41,571,280	\$ 39,699,525	\$ 38,990,163	\$ 39,370,548	\$ 38,458,793	\$ 40,565,122	\$ 37,861,816	\$ 35,454,854
Restricted	138,750	157,266	139,016	177,299	180,225	181,757	130,261	80,048	64,281	49,296
Unrestricted	19,961,773	17,953,621	14,681,909	11,965,382	10,555,689	8,989,797	7,413,347	4,444,459	5,613,164	4,815,992
Total business-type activities net position	<u>\$ 64,199,314</u>	<u>\$ 59,966,867</u>	<u>\$ 56,392,205</u>	<u>\$ 51,842,206</u>	<u>\$ 49,726,077</u>	<u>\$ 48,542,102</u>	<u>\$ 46,002,401</u>	<u>\$ 45,089,629</u>	<u>\$ 43,539,261</u>	<u>\$ 40,320,142</u>
Primary Government										
Net investment in capital assets	\$ 88,155,235	\$ 83,205,908	\$ 80,982,374	\$ 77,673,220	\$ 74,595,658	\$ 73,503,272	\$ 71,406,807	\$ 71,069,394	\$ 66,864,582	\$ 63,779,970
Restricted	18,194,295	18,333,487	16,455,078	13,327,323	26,860,216	16,988,392	10,249,452	8,537,841	9,770,954	11,913,066
Unrestricted	(5,348,279)	(5,299,675)	(9,198,524)	(13,591,779)	(19,413,034)	(11,254,554)	(9,910,249)	(1,169,347)	115,999	4,085,458
Total primary government net position	<u>\$ 101,001,251</u>	<u>\$ 96,239,720</u>	<u>\$ 88,238,928</u>	<u>\$ 77,408,764</u>	<u>\$ 82,042,840</u>	<u>\$ 79,237,110</u>	<u>\$ 71,746,010</u>	<u>\$ 78,437,888</u>	<u>\$ 76,751,535</u>	<u>\$ 79,778,494</u>

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental activities:										
Public safety	\$ 12,491,799	\$ 12,037,799	\$ 9,976,152	\$ 11,732,583	\$ 10,713,027	\$ 8,996,389	\$ 8,516,307	\$ 9,092,842	\$ 8,607,561	\$ 8,731,373
Public works	7,601,957	5,211,049	5,841,806	5,591,152	8,553,684	5,706,337	6,186,551	6,465,974	13,472,047	7,049,394
Health and social services	458,481	646,290	58,376	654,311	1,306,389	1,274,669	1,784,302	1,301,574	903,270	1,154,023
Culture and recreation	4,103,470	3,187,800	3,294,383	3,888,793	3,654,545	3,358,064	3,505,193	3,645,774	3,435,212	2,757,409
Community and economic development	4,990,850	3,003,969	2,749,981	2,288,991	2,433,608	1,449,883	1,370,533	3,051,319	2,249,158	2,417,304
General government	1,681,032	1,532,609	2,034,176	1,575,523	685,937	1,158,789	1,299,063	1,322,112	1,285,356	1,278,776
Interest on long term debt	902,118	938,277	806,440	764,344	429,296	429,891	425,967	627,060	628,314	563,965
Total governmental activities expenses	<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>	<u>30,580,918</u>	<u>23,952,244</u>
Business-type activities:										
Water pollution control	4,862,069	5,225,179	4,385,870	5,105,834	5,574,332	5,375,656	4,584,245	4,608,246	4,295,804	4,735,491
Storm sewer	979,773	1,141,277	998,362	958,434	970,912	683,181	698,627	786,788	669,666	611,543
Compost	27,106	226,725	533,956	70,920	88,171	79,479	42,054	39,846	51,440	40,048
Transit	935,788	930,182	818,510	837,136	837,259	771,818	767,054	827,333	794,179	732,113
Concessions	41,903	24,657	40,717	63,800	46,512	49,816	34,907	42,535	59,267	82,739
Total business-type activities expenses	<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>	<u>5,870,356</u>	<u>6,201,934</u>
Total primary government expenses	<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>	<u>\$ 36,451,274</u>	<u>\$ 30,154,178</u>

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Program Revenues										
Governmental activities										
Charges for service:										
Public safety	\$ 1,335,335	\$ 538,637	\$ 1,025,001	\$ 409,649	\$ 518,463	\$ 264,966	\$ 150,181	\$ 254,952	\$ 198,296	\$ 173,007
Public works	961,557	586,097	869,553	443,091	231,554	970,315	1,529,047	658,590	766,244	477,553
Health and social services	25,685	15,259	4,377	7,065	4,250	37,053	52,534	68,187	38,891	79,159
Culture and recreation	889,394	1,185,031	3,205,738	463,866	449,955	468,455	449,155	426,653	454,318	473,715
Community and economic development	37,837	40,519	49,259	93,679	106,562	265,176	278,924	360,999	153,563	170,617
Other activities	301,670	217,877	595,691	117,524	248,336	123,855	171,846	112,992	123,157	269,371
Operating grants and contributions	7,740,884	7,204,542	6,303,997	6,768,632	7,387,980	6,712,866	6,461,208	6,354,163	6,202,784	5,656,234
Capital grants and contributions	671,318	1,386,180	250,571	1,026,153	1,768,179	519,172	170,084	701,920	326,833	492,676
Total governmental activities program revenues	<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>	<u>8,264,086</u>	<u>7,792,332</u>
Business-type activities										
Charges for service:										
Water pollution control	8,027,211	8,032,176	8,286,670	7,857,197	7,545,682	6,563,351	6,066,644	5,860,659	5,079,296	4,937,481
Storm sewer	1,344,685	1,346,034	1,400,019	1,407,673	1,129,135	948,214	776,483	709,946	310,689	310,584
Compost	56,202	71,202	57,440	67,077	75,803	73,336	74,687	60,223	57,417	59,316
Transit	66,637	76,149	70,385	78,047	57,749	93,352	110,342	124,956	134,387	104,394
Concessions	36,342	23,199	41,003	41,200	37,777	40,917	32,522	39,208	43,706	49,559
Operating grants and contributions	732,325	1,121,378	351,965	383,646	381,810	363,188	386,922	407,338	376,900	353,216
Capital grants and contributions	365,186	-	472,223	209,668	432,400	942,209	493,326	444,674	2,889,069	2,281,955
Total business-type activities program revenues	<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>	<u>8,891,464</u>	<u>8,096,505</u>
Total primary government program revenue:	<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>	<u>\$ 17,155,550</u>	<u>\$ 15,888,837</u>

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net (Expense)/Revenue										
Governmental activities	\$ (20,266,027)	\$ (15,383,651)	\$ (12,457,127)	\$ (17,166,038)	\$ (17,061,207)	\$ (13,012,164)	\$ (13,824,937)	\$ (16,568,199)	\$ (22,316,832)	\$ (16,159,912)
Business-type activities	<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>	<u>3,021,108</u>	<u>1,894,571</u>
Total primary government net expense	<u>\$ (16,484,078)</u>	<u>\$ (12,261,533)</u>	<u>\$ (8,554,837)</u>	<u>\$ (14,157,654)</u>	<u>\$ (14,918,037)</u>	<u>\$ (10,947,547)</u>	<u>\$ (12,010,898)</u>	<u>\$ (15,225,943)</u>	<u>\$ (19,295,724)</u>	<u>\$ (14,265,341)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property	\$ 11,662,441	\$ 10,834,252	\$ 10,611,119	\$ 10,510,365	\$ 10,156,476	\$ 9,534,568	\$ 9,777,342	\$ 10,036,577	\$ 9,967,944	\$ 9,853,096
Other	6,591,470	6,711,465	6,013,835	4,823,392	5,347,532	6,983,922	5,755,121	5,778,420	5,132,322	6,063,108
Unrestricted										
State generated revenues	1,263,047	1,284,875	1,353,217	1,331,709	1,384,158	1,244,225	845,140	453,645	369,337	317,412
Investment earnings	472,386	655,282	678,426	456,079	113,371	90,717	53,042	112,280	126,436	173,169
Miscellaneous revenues	895,268	331,183	297,453	561,844	645,749	551,452	660,348	493,213	637,775	602,269
Transfers	<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>	<u>(163,060)</u>	<u>(169,661)</u>
Total governmental activities	<u>20,795,111</u>	<u>19,809,781</u>	<u>18,737,292</u>	<u>17,634,012</u>	<u>18,682,962</u>	<u>17,963,563</u>	<u>16,918,258</u>	<u>16,704,184</u>	<u>16,070,754</u>	<u>16,839,393</u>
Business-type activities:										
Investment earnings	357,747	442,318	430,951	213,581	76,481	33,763	26,891	38,161	34,951	41,980
Miscellaneous revenues	3,250	2,950	-	-	-	-	-	-	-	-
Transfers	<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>	<u>163,060</u>	<u>169,661</u>
Total business-type activities	<u>450,498</u>	<u>452,544</u>	<u>647,709</u>	<u>262,958</u>	<u>(959,195)</u>	<u>475,084</u>	<u>199,626</u>	<u>208,112</u>	<u>198,011</u>	<u>211,641</u>
Total primary government	<u>\$ 21,245,609</u>	<u>\$ 20,262,325</u>	<u>\$ 19,385,001</u>	<u>\$ 17,896,970</u>	<u>\$ 17,723,767</u>	<u>\$ 18,438,647</u>	<u>\$ 17,117,884</u>	<u>\$ 16,912,296</u>	<u>\$ 16,268,765</u>	<u>\$ 17,051,034</u>
Change in Net Position										
Governmental activities	\$ 529,084	\$ 4,426,130	\$ 6,280,165	\$ 467,974	\$ 1,621,755	\$ 4,951,399	\$ 3,093,321	\$ 135,985	\$ (6,246,078)	\$ 679,481
Business-type activities	<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>	<u>3,219,119</u>	<u>2,106,212</u>
Total primary government	<u>\$ 4,761,531</u>	<u>\$ 8,000,792</u>	<u>\$ 10,830,164</u>	<u>\$ 3,739,316</u>	<u>\$ 2,805,730</u>	<u>\$ 7,491,100</u>	<u>\$ 5,106,986</u>	<u>\$ 1,686,353</u>	<u>\$ (3,026,959)</u>	<u>\$ 2,785,693</u>

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

	Program Revenues by Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Function/Program										
Governmental activities										
Public safety	\$ 2,549,596	\$ 860,439	\$ 1,356,113	\$ 969,017	\$ 1,219,476	\$ 1,215,215	\$ 875,300	\$ 1,478,721	\$ 1,154,130	\$ 777,123
Public works	5,615,482	5,490,074	4,537,044	4,379,697	5,200,920	4,825,946	4,657,620	3,501,138	4,272,126	3,602,446
Health and social services	486,793	240,431	744,822	682,100	1,213,441	967,598	1,470,156	1,834,718	702,887	955,529
Culture and recreation	1,251,396	2,547,311	3,448,519	1,629,312	1,252,730	670,183	638,615	565,562	571,380	707,189
Community and economic development	1,751,125	1,441,649	1,570,150	1,551,934	1,535,644	1,559,061	1,447,647	1,387,104	1,426,383	1,465,674
General government	<u>309,288</u>	<u>594,238</u>	<u>647,539</u>	<u>117,599</u>	<u>293,068</u>	<u>123,855</u>	<u>173,641</u>	<u>171,213</u>	<u>137,180</u>	<u>284,371</u>
Total governmental activities	<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>	<u>\$ 8,264,086</u>	<u>\$ 7,792,332</u>
Business-type activities										
Water pollution control	\$ 8,141,787	\$ 8,033,891	\$ 8,286,670	\$ 7,864,148	\$ 7,550,029	\$ 6,976,658	\$ 6,378,473	\$ 5,896,233	\$ 5,303,615	\$ 6,519,524
Storm sewer	1,595,295	1,349,276	1,435,587	1,610,390	1,557,188	1,477,116	992,924	887,240	3,016,135	767,941
Compost	56,202	595,175	57,440	67,077	75,803	73,336	74,687	60,223	57,417	59,316
Transit	798,962	668,597	859,005	461,693	439,559	456,540	462,320	764,100	470,591	700,165
Concessions	<u>36,342</u>	<u>23,199</u>	<u>41,003</u>	<u>41,200</u>	<u>37,777</u>	<u>40,917</u>	<u>32,522</u>	<u>39,208</u>	<u>43,706</u>	<u>49,559</u>
Total business-type activities	<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>	<u>\$ 8,891,464</u>	<u>\$ 8,096,505</u>

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Nonspendable	\$ 386,346	\$ 323,334	\$ 284,681	\$ 256,518	\$ 266,203	\$ 221,785	\$ 237,568	\$ 249,958	\$ 241,974	\$ 258,309
Restricted	57,806	425,925	581,566	932,307	812,092	725,844	694,247	588,928	1,153,313	517,008
Committed	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Unassigned	<u>5,698,328</u>	<u>4,206,391</u>	<u>3,822,879</u>	<u>2,953,579</u>	<u>2,551,887</u>	<u>2,520,920</u>	<u>2,371,948</u>	<u>2,663,261</u>	<u>2,736,209</u>	<u>2,783,055</u>
Total general fund	<u>6,392,480</u>	<u>5,205,650</u>	<u>4,939,126</u>	<u>4,392,404</u>	<u>3,880,182</u>	<u>3,718,549</u>	<u>3,553,763</u>	<u>3,752,147</u>	<u>4,381,496</u>	<u>3,808,372</u>
All Other Governmental Funds										
Nonspendable	90,381	55,467	34,931	144,786	192,113	169,570	146,258	79,862	141,231	222,131
Restricted	23,434,094	25,176,208	20,790,563	23,731,636	19,689,514	14,107,300	11,301,502	7,328,052	12,887,420	17,264,749
Unassigned	<u>(4,772,277)</u>	<u>(512,924)</u>	<u>(111,051)</u>	<u>(339,302)</u>	<u>(98,997)</u>	<u>(195,159)</u>	<u>(84,155)</u>	<u>(270,543)</u>	<u>(198,484)</u>	<u>(323,895)</u>
Total all other governmental funds	<u>18,752,198</u>	<u>24,718,751</u>	<u>20,714,443</u>	<u>23,537,120</u>	<u>19,782,630</u>	<u>14,081,711</u>	<u>11,363,605</u>	<u>7,137,371</u>	<u>12,830,167</u>	<u>17,162,985</u>
Total fund balances of governmental funds	<u>\$ 25,144,678</u>	<u>\$ 29,924,401</u>	<u>\$ 25,653,569</u>	<u>\$ 27,929,524</u>	<u>\$ 23,662,812</u>	<u>\$ 17,800,260</u>	<u>\$ 14,917,368</u>	<u>\$ 10,889,518</u>	<u>\$ 17,211,663</u>	<u>\$ 20,971,357</u>

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

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Taxes	\$ 18,458,836	\$ 17,752,767	\$ 16,829,256	\$ 15,826,177	\$ 16,039,312	\$ 17,018,694	\$ 16,030,409	\$ 16,251,920	\$ 15,617,908	\$ 16,392,387
Use of money and property	578,241	700,147	722,104	544,479	208,132	129,003	124,857	169,135	194,543	203,524
Licenses and permits	726,420	295,022	395,611	238,263	285,839	289,261	321,446	391,091	219,392	203,813
Intergovernmental	9,420,732	8,331,123	7,370,622	8,965,509	10,190,351	7,931,849	7,471,242	6,618,339	6,475,308	7,229,540
Charges for service	752,848	834,556	1,404,943	956,493	990,972	1,023,895	964,075	874,840	915,644	897,955
Special assessments	3,433	5,603	10,292	6,445	10,406	12,991	14,738	11,688	14,306	21,759
Miscellaneous	1,495,368	1,494,352	688,833	606,655	1,084,447	410,616	2,102,572	684,707	912,585	651,226
Total revenues	31,435,878	29,413,570	27,421,661	27,144,021	28,809,459	26,816,309	27,029,339	25,001,720	24,349,686	25,600,204
Expenditures										
Public safety	9,761,502	10,115,758	8,912,807	10,336,569	9,337,823	8,864,323	8,743,014	8,559,357	8,135,052	7,977,604
Public works	5,338,651	2,993,961	4,596,625	3,872,055	6,930,498	4,208,292	4,669,213	4,985,535	12,081,043	5,605,515
Health and social services	463,850	471,182	84,067	736,559	1,282,479	1,352,206	1,907,586	1,385,246	968,157	1,223,039
Culture and recreation	3,176,177	2,347,201	2,410,945	3,059,464	2,840,820	2,539,673	2,268,546	2,739,578	2,551,437	1,853,940
Community and economic development	4,957,535	3,108,078	2,661,457	2,232,438	1,812,299	1,431,086	1,381,445	3,044,706	2,234,323	2,414,531
General government	1,590,857	1,452,659	1,885,554	1,338,066	1,245,851	1,133,255	1,273,399	1,253,001	1,177,738	1,087,036
Capital outlay	12,345,993	6,825,047	11,432,855	9,628,133	4,477,017	2,554,674	1,439,787	2,944,911	3,118,982	2,572,134
Debt service										
Principal	6,373,486	3,358,486	3,348,761	3,684,361	2,730,690	3,066,991	2,971,716	5,663,840	2,788,840	2,928,840
Interest and other fiscal charges	841,620	874,044	773,999	886,842	419,527	436,018	457,343	649,203	643,405	626,514
Total expenditures	44,849,671	31,546,416	36,107,070	35,774,487	31,077,004	25,586,518	25,112,049	31,225,377	33,698,977	26,289,153
Excess (deficiency) of revenues over (under) expenditures	(13,413,793)	(2,132,846)	(8,685,409)	(8,630,466)	(2,267,545)	1,229,791	1,917,290	(6,223,657)	(9,349,291)	(688,949)
Other Financing Sources (Uses)										
Sale of governmental assets	-	-	-	-	-	-	-	4,000	35,298	166,128
Insurance Proceeds	291,467	1,032,556	4,192,646	-	-	-	-	-	-	-
Debt issued	8,385,671	5,610,000	2,433,566	12,720,000	6,957,430	2,000,000	2,225,000	67,463	5,600,000	10,460,000
Payment of refunded bonds	-	-	-	-	-	-	-	-	-	53,462
Premium and accrued interest on debt issued	46,433	81,652	-	226,555	136,991	94,422	58,295	-	117,359	-
Transfers in	10,945,116	10,415,126	9,996,948	12,200,051	9,692,037	8,003,404	8,268,840	8,195,955	7,813,126	7,182,963
Transfers out	(11,034,617)	(10,735,656)	(10,213,706)	(12,249,428)	(8,656,361)	(8,444,725)	(8,441,575)	(8,365,906)	(7,976,186)	(7,352,624)
Total other financing sources (uses)	8,634,070	6,403,678	6,409,454	12,897,178	8,130,097	1,653,101	2,110,560	(98,488)	5,589,597	10,509,929
Net change in fund balances	\$ (4,779,723)	\$ 4,270,832	\$ (2,275,955)	\$ 4,266,712	\$ 5,862,552	\$ 2,882,892	\$ 4,027,850	\$ (6,322,145)	\$ (3,759,694)	\$ 9,820,980
Debt service as a percentage of noncapital expenditures	22.2%	16.9%	16.9%	17.5%	11.8%	15.2%	14.5%	22.3%	11.2%	15.0%

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

Fiscal year	Property Tax	Tax Increment Financing Tax	Utility ExciseTax	Utility	Hotel/Motel Tax	Local Option Sales Tax	911 Surcharge	Mobile Home Tax	Total
				Franchise Fee					
2011-12	\$ 9,864,582	\$ 1,513,164	\$ 857,689	\$ 223,436	\$ 415,196	\$ 3,250,865	\$ 253,941	\$ 13,514	\$ 16,392,387
2012-13	9,967,944	1,138,171	820,070	277,060	378,567	2,781,316	240,582	14,198	15,617,908
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

City of Marshalltown
General Governmental Tax Revenues by Source
Year Ended June 30, 2021
(Modified Accrual Basis of Accounting)

Fund	Property Tax	Tax Increment Financing Tax	Utility ExciseTax	Utility Franchise Fee	Hotel/Motel Tax	Local Option Sales Tax	Mobile Home Tax	Total
General	\$ 6,838,077	\$ -	\$ 967,150	\$ 199,349	\$ 396,745	\$ -	\$ 8,077	\$ 8,409,398
Tax Increment								
Financing	-	607,004	-	-	-	-	-	607,004
Local Option								
Sales Tax	-	-	-	-	-	3,930,728	-	3,930,728
Property tax	3,486,754	-	494,500	-	-	-	4,057	3,985,311
Debt Service	827,490	-	114,902	-	-	-	942	943,334
Capital Projects	<u>510,120</u>	<u>-</u>	<u>72,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>594</u>	<u>583,061</u>
Total	<u>\$ 11,662,441</u>	<u>\$ 607,004</u>	<u>\$ 1,648,899</u>	<u>\$ 199,349</u>	<u>\$ 396,745</u>	<u>\$ 3,930,728</u>	<u>\$ 13,670</u>	<u>\$ 18,458,836</u>

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

Levy Year	Fiscal Year	Residential Property	Commercial Property	Industrial Property	Total Regular Realty	TIF	Agland Realty	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Gross Value	Taxable Assessed Value as a Percentage of Actual
											Gross Value
2010	2011-12	\$ 417,071,906	\$ 212,845,232	\$ 59,866,238	\$ 689,783,376	\$ 41,694,319	\$ 4,377,890	\$ 735,855,585	14.51331	\$ 1,310,087,232	56.168%
2011	2012-13	431,280,150	221,772,457	61,505,293	714,557,900	31,552,130	4,605,496	750,715,526	14.28339	1,312,105,030	57.215%
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	1,281,885,530	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	1,322,550,079	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	1,356,883,195	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	1,445,382,350	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	1,569,617,962	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	1,644,866,326	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	1,715,353,797	47.743%

Fiscal Year	Gas & Electric	Tax Exempt Property	Rollback Factors by Class				
			Residential	Multi- Residential	Agricultural	Commercial	Railroad
2011-12	\$ 135,852,760	\$ 86,651,379	48.52990		69.01520	100.00000	100.00000
2012-13	147,398,057	112,284,058	50.75180		57.54110	100.00000	100.00000
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

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.

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)

Levy year		Marshall	Community			Community	County		
Jan 1,	Collection Year	County	Schools	Marshalltown	City Assessor	College	Extension	State of Iowa	Total
2010	2011-12	7.72562	17.65203	14.51331	0.24816	1.95682	0.12408	0.00320	42.22322
2011	2012-13	7.44499	17.54224	14.28339	0.26539	1.88711	0.12385	0.00330	41.55027
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

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, 2019 Taxable Assessed Value Payable 20- 21	Rank	Percentage of Total City Taxable Assessed Value	Jan 1, 2010 Taxable Assessed Value Payable 11- 12	Rank	Percentage of Total City Taxable Assessed Value
IES Utilities(Interstate Power)	\$ 101,286,695	1	11.0%	\$ 57,302,832	1	7.7%
Emerson Process Mgt/Fisher Controls	19,269,765	2	2.1%	20,114,161	2	2.7%
Menard, Inc	13,545,333	3	1.5%	9,148,420	9	1.2%
UnityPoint Health Marshalltown	11,403,738	4	1.2%			
Swift & Company	10,717,222	5	1.2%	9,565,564	8	1.3%
Swift, Pork Company	10,308,748	6	1.1%	10,965,830	5	1.5%
Walmart, Real Estate Business	9,705,969	7	1.1%	10,957,410	6	1.5%
ITC Midwest LLC	6,844,347	8	0.7%			
Lennox Industries Inc	5,309,663	9	0.6%	14,684,500	4	2.0%
Abilit Holdings, Glenwood Place LLC	4,869,234	10	0.5%			
MMSC, Ventures Inc				19,346,483	3	2.6%
Marshalltown, Center IA LLC				10,240,900	7	1.4%
Packaging Corporation of America				5,137,700	10	0.7%
	<u>\$ 193,260,714</u>		<u>21.0%</u>	<u>\$ 167,463,800</u>		<u>22.6%</u>

Calendar Year	Taxable Retail	
	Sales	
2011	\$	327,832,928
2012		348,039,169
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

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

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)			
2011-12	2010	\$ 10,167,673	\$ 10,166,706	99.99%	\$ 7,958	\$ 10,174,664	100.07%
2012-13	2011	10,317,995	10,324,685	100.06%	4,456	10,329,141	100.11%
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%

(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

	Governmental Activities		Business-type Activities								
Fiscal							Sewer				
Year	General		General			Revenue			Percentage		
Ended	Obligation	Notes	Obligation			Capital Loan	Total Primary	Personal	of Personal		
June 30,	Bonds	Payable	Bonds	Revenue Bonds		Note Payable	Government	Income	Income	Population	Per Capita
2012	\$ 23,918,462	\$ 41,523	\$ 5,746,348	\$ 4,595,000		\$ -	\$ 34,301,333	\$ 22,204	1,545	27,552	1,245
2013	26,852,789	27,683	5,404,466	7,822,000		-	40,106,938	21,924	1,829	27,683	1,449
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

Source: Census Quick Facts

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

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>		Percentage of Estimated Actual	
	General Obligation Bonds	Taxable Value of Property	Per Capita	
2012	\$ 29,664,810	1.72%	\$	916.91
2013	32,257,255	1.88%		965.13
2014	25,906,076	1.51%		941.54
2015	25,217,805	1.47%		933.45
2016	23,862,862	1.39%		880.65
2017	30,312,850	1.76%		1,113.93
2018	39,023,626	2.27%		1,446.40
2019	37,526,926	2.18%		1,397.27
2020	39,265,684	2.28%		1,544.22
2021	43,641,100	2.54%		1,708.91

City of Marshalltown
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021

Name of Governmental Unit	Debt Outstanding	Percentage Applicable to Marshalltown	City of Marshalltown Share of Debt
Iowa Valley Schools	\$ 18,575,000	50.70%	\$ 9,417,258
Marshalltown Community School District	5,880,000	88.66%	5,213,288
Marshall County	<u>4,610,000</u>	46.57%	<u>2,146,741</u>
	29,065,000		16,777,287
City of Marshalltown	<u>36,340,494</u>	100.00%	<u>36,340,494</u>
	<u><u>\$ 65,405,494</u></u>		<u><u>\$ 53,117,781</u></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

	Fiscal Year Ending June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Gross assessed valuations:										
Regular realty	\$ 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	\$ 1,133,154,843	\$ 1,132,540,153
Utility	445,705,906	435,377,442	375,124,239	307,764,842	226,574,365	203,378,461	165,363,180	153,467,212	147,398,057	135,852,760
Incremental	17,610,264	17,723,868	24,539,106	5,394,151	14,353,482	40,194,757	37,409,137	44,270,422	31,552,130	41,694,319
Total actual valuations applicable to debt	<u>1,720,195,197</u>	<u>1,651,195,822</u>	<u>1,575,947,498</u>	<u>1,452,830,148</u>	<u>1,364,512,112</u>	<u>1,566,123,297</u>	<u>1,484,657,847</u>	<u>1,333,053,884</u>	<u>1,312,105,030</u>	<u>1,310,087,232</u>
Debt limit - 5% of total actual valuations applicable to debt	<u>86,009,760</u>	<u>82,559,791</u>	<u>78,797,375</u>	<u>72,641,507</u>	<u>68,225,606</u>	<u>78,306,165</u>	<u>74,232,892</u>	<u>66,652,694</u>	<u>65,605,252</u>	<u>65,504,362</u>
Amount of debt applicable to limitation:										
General obligation bonds and notes	43,222,302	38,757,729	37,086,215	38,914,128	30,508,175	24,204,863	25,734,040	26,216,304	32,284,938	29,706,333
Urban Renewal Rebate agreements	<u>2,032,149</u>	<u>3,527,122</u>	<u>3,727,567</u>	<u>3,907,856</u>	<u>4,023,000</u>	<u>1,690,000</u>	-	-	-	-
Total debt applicable to limitation	<u>45,254,451</u>	<u>42,284,851</u>	<u>40,813,782</u>	<u>42,821,984</u>	<u>34,531,175</u>	<u>25,894,863</u>	<u>25,734,040</u>	<u>26,216,304</u>	<u>32,284,938</u>	<u>29,706,333</u>
Less:										
Funds available from:										
Debt service	140,449	146,008	154,543	111,879	237,889	107,604	2,722,301	2,517,292	3,079,346	3,082,247
Special revenue	<u>348,568</u>	<u>507,304</u>	<u>534,114</u>	<u>501,381</u>	<u>943,301</u>	-	-	-	-	<u>474,917</u>
Total debt applicable to debt margin	<u>44,765,434</u>	<u>41,631,539</u>	<u>40,125,125</u>	<u>42,175,991</u>	<u>33,349,985</u>	<u>25,787,259</u>	<u>23,011,739</u>	<u>23,699,012</u>	<u>29,205,592</u>	<u>26,149,169</u>
Legal debt margin	<u>\$ 41,244,326</u>	<u>\$ 40,928,252</u>	<u>\$ 38,672,250</u>	<u>\$ 30,465,516</u>	<u>\$ 34,875,621</u>	<u>\$ 52,518,906</u>	<u>\$ 51,221,153</u>	<u>\$ 42,953,682</u>	<u>\$ 36,399,660</u>	<u>\$ 39,355,193</u>

City of Marshalltown
Pledged – Revenue Coverage
Last Ten Fiscal Years

Water Pollution Control				Debt Service Requirements			
Year	Gross Revenue	Expenses (1)	Available For Debt Service	Interest & other debt		Total	Coverage
				Principal	expense		
2011-12	\$ 6,557,228	\$ 3,225,133	\$ 3,332,095	\$ 605,000	\$ 384,184	\$ 989,184	3.37
2012-13	5,151,326	2,800,306	2,351,020	610,000	313,139	923,139	2.55
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

(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

Calendar Year	Median Age (Zip 50158)	School Enrollment		Unemployment Percent
		Public	Private	
	(1)	(2)	(3)	(4)
2012	38.0	5,322	227	6.7%
2013	38.0	5,308	228	6.2%
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%

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

Employer	Industry	2021- Employees	2012- Employees
(JBS) Swift & Company	Pork processors	2,300	2,400
Emerson Process Mgt/Fisher Controls	Valves and regulators manufacturer	1,200	1,200
Marshalltown Community School District	Education	1,002	1,002
Iowa Veteran's Home	Hospital Care Facility	1,000	1,000
Lennox Industries, Inc	Furnace and air conditioning manufacturer	800	800
Unity Point Health	Hospital	715	700
HyVee Food Stores *	Grocery store	340	340
Wal-Mart*	Retail	325	325
Marshalltown Community College	Education	245	245
McFarland Clinic PC	Medical clinic	223	223
City of Marshalltown*	Municipal government	178	198
Marshall County	County government	172	166

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

Function/Program	Full-time-Equivalent Employees as of June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public Safety	90.39	91.77	90.71	93.25	90.26	98.28	97.32	99.1	99.00	99.00
Public Works	22.8	20.63	19.35	20.72	20.46	20.61	21.14	21.02	21.00	21.00
Health and Social Services	2.16	1.88	0.39	1.94	4.13	8.38	9.44	8.49	8.00	8.00
Culture and Recreation	27.82	30.27	28.62	28.55	26.81	26.39	27.28	27.6	29.00	29.00
Community and Economic Development	3.04	2.75	3.81	3.39	2.26	2.6	3.29	4.21	4.00	3.00
General Government	16.01	16.04	15.93	15.62	15.93	15.57	17.67	17.91	18.00	17.00
Business-Type	32.63	33.14	29.14	29.9	29.01	32.57	32.25	32.89	34.00	35.00
Capital Projects	-	-	-	-	-	-	-	-	-	1.00
Total	<u>194.85</u>	<u>196.48</u>	<u>187.95</u>	<u>193.37</u>	<u>188.86</u>	<u>204.40</u>	<u>208.39</u>	<u>211.22</u>	<u>213.00</u>	<u>213.00</u>

Sources: City Department information.

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

Function/Program	Fiscal Year Ending June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government										
Building Permits:										
New Construction:										
Number of permits	133	79	205	47	28	29	46	42	36	58
Value of permits	34,501,000	14,423,000	14,258,000	18,955,000	22,091,000	13,434,000	27,124,000	29,427,000	2,553,000	10,523,000
Remodeling, repairs and additions:										
Number of permits	113	92	158	55	120	102	80	72	71	101
Value of permits	89,965,000	22,783,000	29,092,000	12,399,000	7,434,000	11,915,000	10,719,000	24,001,000	16,435,000	5,275,000
Police										
Physical arrests	2,032	1,899	2,955	2,392	2,320	2,216	3,114	3,438	3,000	
Violations:										
Parking	3,519	3,890	2,850	4,832	2,775	3,005	5,420	5,835	4,248	5,629
Traffic	1,165	1,683	2,654	2,662	1,801	1,255	1,889	1,803	2,500	2,939
Drunk driving	98	120	110	140	131	100	122	164	112	110
Narcotics	310	331	393	438	396	358	577	449	308	398
Fire										
Emergency responses	2,834	2,705	2,749	2,573	2,653	2,527	2,530	2,321	2,218	689
Fires extinguished	67	86	83	166	156	131	127	112	169	54
Inspections	189	261	223	343	555	519	223	471	541	353
Parks and recreation										
Adult team sports										
Leagues	5	4	4	4	6	6	8	12	8	10
Participation	6,796	4,280	7,782	8,165	9,327	9,656	8,492	5,670	8,705	8,611
Youth activities										
Programs	10	8	18	23	30	27	32	33	32	28
Participation	1,410	861	1,980	2,955	3,256	3,224	3,249	3,502	3,569	3,587
Library										
Volumes in collection	105,021	209,589	127,867	194,703	144,143	143,783	100,376	101,034	101,194	133,971
Total volumes borrowed	184,450	199,014	245,730	281,205	250,941	287,092	274,787	290,606	292,964	300,784
Sewage system										
Per million										
Daily average treatment in gallons	3.34	4.30	5.64	3.08	3.95	4.73	4.26	4.75	6.4	6.4
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	9,456	9,450	9,286	9,877	10,159	9,481	9,785	9,383	9,409	9,405
* Computer software was counting sewer credit meters										
Sewer rates in effect										
Base charge per month	\$23.75	\$23.75	\$23.75	\$22.67	\$20.25	\$17.57	\$15.60	\$14.31	\$12.12	\$10.27
Flow charge per 100 cubic feet	\$3.08	\$3.08	\$3.08	\$2.94	\$2.63	\$2.27	\$2.11	\$2.03	\$1.89	\$1.76
Transit										
Total route miles	126,047	124,793	122,545	142,667	131,829	134,737	110,394	133,405	132,475	131,749
# of passengers	61,066	76,490	76,132	100,178	90,353	101,805	111,542	104,513	113,728	112,318
General Elections - November of each year										
Registered voters	15,592	22,911	22,911	23,072	24,920	16,231	25,549	15,796	15,196	16,659
Number of votes cast	10,878	2,743	2,743	2,437	18,175	3,492	13,844	N/A	11,836	1,063
Percentage of registered voters voting	69.77%	11.97%	11.97%	10.56%	72.93%	21.51%	54.19%	N/A	77.89%	6.38%

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,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police										
# of stations	1	1	1	1	1	1	1	1	1	1
# of employees	69	68	70	70	62	57	55	55	63	59
Non-dispatch	51	52	54	57	49	45	42	43	50	47
Dispatch	15	16	14	13	13	12	13	12	13	12
Fire										
# of stations	1	1	1	1	1	1	1	1	1	1
# of employees	28	28	29	27	29	28	28	27	30	29
Parks and recreation										
Park areas										
# parks	23	23	25	25	21	21	26	26	26	26
# acres	316	316	357	357	210	210	328	328	325	325
Athletics										
# Baseball/softball fields	5	5	3	3	5	5	6	6	10	6
# Soccer/football fields	4	4	8	8	0	0	6	6	4	6
# Tennis courts	2	2	1	1	5	5	12	12	13	12
# Basketball Courts	6	6	5	5	4	4				
Other										
# playgrounds	20	20	19	19	20	20	21	21	20	17
Miles of bike trails	14.26	14.26	12.5	12.5	7	7	9.6	9.6	8	8
# Swimming pools	1	1	1	1	1	1	1	1	1	1
# Park Shelters	28	29	29	29	29	29				
Public works										
Streets:										
Paved	158	157.5	157.5	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	60.9	60.9	60.9	60.9	60.48	60.48	59.7	59.31	59.31	59.04
Sanitary	150.9	150.7	150.7	150.7	148.85	148.85	146.6	146.5	146.5	146.5
Transit										
# of buses	10	9	9	8	7	8	10	8	9	9
Education - Public and private										
Number of elementary schools	7	6	6	8	7	6	6	8	9	9
Number of elementary school instructors	238	185	188	205	262	283	299	305	243	237
Number of secondary schools	3	4	4	4	2	3	3	3	2	2
Number of secondary school instructors	171	226	224	204	150	280	250	238	143	146
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	49	49	49	49	49	49	125	125	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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Sewer Rental	\$ 7,989,142	\$ 7,963,422	\$ 8,210,143	\$ 7,738,899	\$ 7,370,973	\$ 6,341,560	\$ 5,875,990	\$ 5,611,519	\$ 4,860,499	\$ 4,661,934
Interest Income	277,899	373,830	336,086	160,716	62,404	30,154	24,526	36,356	32,361	37,704
Grants	-	1,715	-	-	-	-	-	39,669	39,669	1,582,043
Miscellaneous	38,069	68,754	76,527	118,298	119,147	221,791	190,654	218,797	218,797	275,547
Total revenues	8,305,110	8,407,721	8,622,756	8,017,913	7,552,524	6,593,505	6,091,170	5,906,341	5,151,326	6,557,228
Expenses:										
Costs of Service	2,782,206	3,105,396	2,290,877	3,000,387	3,543,159	3,217,648	2,678,407	2,994,802	2,800,306	3,225,133
Depreciation	1,729,029	1,701,557	1,618,145	1,583,463	1,470,579	1,487,116	1,283,352	1,269,460	1,182,359	1,126,174
Debt Service	2,288,090	2,014,216	2,426,037	2,430,979	2,426,016	2,492,501	1,502,938	1,252,956	1,131,139	1,859,184
Total expenses	6,799,325	6,821,169	6,335,059	7,014,829	7,439,754	7,197,265	5,464,697	5,517,218	5,113,804	6,210,491
Net Income (Loss)	\$ 1,505,785	\$ 1,586,552	\$ 2,287,697	\$ 1,003,084	\$ 112,770	\$ (603,760)	\$ 626,473	\$ 389,123	\$ 37,522	\$ 346,737

Water Pollution Control Historic Coverage
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net Income (Loss)	\$ 1,505,785	\$ 1,586,552	\$ 2,287,697	\$ 1,003,084	\$ 112,770	\$ (603,760)	\$ 626,473	\$ 389,123	\$ 37,522	\$ 346,737
Add depreciation	1,729,029	1,701,557	1,618,145	1,618,145	1,470,579	1,487,116	1,283,352	1,269,460	1,182,359	1,126,174
Add debt retirement	2,288,090	2,014,216	2,426,037	2,430,979	2,426,016	2,492,501	1,502,938	1,252,956	1,131,139	1,859,184
Net income available for debt service	\$ 5,522,904	\$ 5,302,325	\$ 6,331,879	\$ 5,052,208	\$ 4,009,365	\$ 3,375,857	\$ 3,412,763	\$ 2,911,539	\$ 2,351,020	\$ 3,332,095
Historic debt service	\$ 2,288,090	\$ 2,014,216	\$ 2,426,037	\$ 2,430,979	\$ 2,426,016	\$ 2,492,501	\$ 1,502,938	\$ 1,252,956	\$ 1,131,139	\$ 1,859,184
Historic coverage	2.41	2.63	2.61	2.08	1.65	1.35	2.32	2.32	2.08	1.79
Projected max future debt	\$ 2,384,787	\$ 2,384,787	\$ 2,430,980	\$ 2,430,980	\$ 2,430,980	\$ 2,430,980	\$ 1,343,085	\$ 1,343,085	\$ 1,085,594	\$ 1,085,594
Projected coverage	2.32	2.22	2.60	2.08	1.65	1.39	2.16	2.17	2.17	3.07

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

Year	Residential	Multi-Family	Commercial	Industrial	Total	Incr (Decr)
2012	8,216	406	743	40	9,405	-42
2013	8,228	405	737	39	9,409	4
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

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

City of Marshalltown
Water Pollution Control
Present Net Position
As of June 30, 2021

Sewer Revenue Operating and Maintenance Accounts	\$ 459,736
Sewer Revenue Sinking Reserve Fund Account	138,750
Additional Capital Replacement Fund Account	1,226,443
Undesignated	<u>16,635,478</u>
Total Water Pollution Control Net Position	<u>\$ 18,460,407</u>

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

	2021			2020		
	Avg Gallons Per Month	Monthly Bill	2021 Ranking	Avg Gallons Per Month	Monthly Bill	2020 Ranking
JBS Swift & Company	74,081,256	233,064	1	73,130,331	230,683	1
IA Veterans Home	1,693,908	6,999	2	1,668,788	6,895	2
Unity Point Health	970,904	4,022	3	899,283	3,727	3
Emerson Processing/Fisher Controls	837,074	3,471	4	822,177	3,409	4
Sunset Village Mobile Home Park	580,448	2,414	5	624,642	2,596	6
Marshalltown Community School District	540,991	2,251	6	645,399	2,681	5
Dada Hospitality, LLC	448,239	1,869	7			
Rainbow Carwash I & III	444,561	1,854	8	469,993	1,959	8
Central Iowa Truckwash LLC	410,091	1,712	9	467,126	1,947	9
Packaging Corporation	391,142	1,634	10	601,517	2,501	7
BW Marshalltown Venture LLC				386,467	1,615	10

Source: City Financial Records and Marshalltown Water Works

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Compliance Section

June 30, 2021

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, 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 City of Marshalltown, Iowa, (City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 24, 2022. 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.

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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

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*. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part IV of the accompanying schedule of findings and questioned costs.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2021 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City and are reported in Part IV of the accompanying schedule of findings and questioned costs. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

City's Responses to the Findings

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

Purpose of this Report

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
January 24, 2022



Independent Auditor's Report on Compliance for the 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 the Major Federal Program

We have audited the City of Marshalltown, Iowa's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2021. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

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

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Dubuque, Iowa
January 24, 2022

City of Marshalltown
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Financial Assistance Listing / Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
Department of Housing and Urban Development				
Pass-through program from				
Iowa Economic Development Authority				
Community Development Block Grants/ States Program and Non-Entitlement Grants in Hawaii	14.228	19-OT-005	\$ 202,679	\$ -
Direct program				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871		1,165,670	-
COVID-19 - Section 8 Housing Choice Vouchers	14.871		79,231	-
			1,244,901	-
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900		461,107	-
Total Department of Housing and Urban Development			1,908,687	-
Department of Justice				
Direct program				
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034		29,161	-
Pass-through program from				
Iowa Department of Justice				
Violence Against Women Formula Grants	16.588	VW-20-06-CJ	41,674	-
Direct program				
Bulletproof Vest Partnership Program	16.607		4,069	-
Pass-through program from				
Iowa Department of Justice				
Public Safety Partnership and Community Policing Grants	16.710	18-CAMP-08	1,238	-
Marshall County				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	17-JAG-301037	27,333	-
Direct program				
Edward Byrne Memorial Justice Assistance Grant Program	16.738		13,013	13,013
			40,346	13,013
Total Department of Justice			116,488	13,013

(continued)

City of Marshalltown
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-through Grantor/Program	Federal Financial Assistance Listing / Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
Department of Transportation				
Direct program				
Airport Improvement Program	20.106		\$ 3,747	\$ -
Covid-19 - Airport Improvement Program	20.106		30,000	-
Airport Improvement Program	20.106		260,757	-
			<u>294,504</u>	<u>-</u>
Pass-through program from				
Iowa Department of Transportation				
Formula Grants for Rural Areas and				
Tribal Transit Program	20.509	IA-19-X030	211,895	-
COVID-19 - Formula Grants for Rural Areas	20.509	2020-010-00-FY2020	307,974	-
and Tribal Transit Program			<u>519,869</u>	<u>-</u>
Highway Safety Cluster				
State and Community Highway Safety	20.600	PAP 20-402 MOAL, Task 06-00-00	2,504	-
State and Community Highway Safety	20.600	PAP 19-402 MOAL, Task11-00-00	<u>9,916</u>	<u>-</u>
Cluster total			<u>12,420</u>	<u>-</u>
Total Department of Transportation			<u>826,793</u>	<u>-</u>
Department of the Treasury				
Pass-through program from				
Iowa Department of Revenue				
Covid-19 - Coronavirus Relief Fund	21.019	00107	<u>633,759</u>	<u>-</u>
Department of Homeland Security				
Pass-through program from				
Iowa Department of Homeland Security				
Disaster Grants - Public Assistance				
(Presidentially Declared Disasters)	97.036	DR-4392-IA	5,592	-
COVID-19 - Disaster Grants - Public Assistance				
(Presidentially Declared Disasters)	97.036	DR-4483-IA	<u>30,290</u>	<u>-</u>
			<u>35,882</u>	<u>-</u>
Total Federal Financial Assistance			<u>\$ 3,521,609</u>	<u>\$ 13,013</u>

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, 2021. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position 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.

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

Financial Statements

Type of auditor's report issued	Unmodified
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Internal control over financial reporting:

Material weakness identified	No
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Significant deficiency not considered to be a material weakness	Yes
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Noncompliance material to financial statements noted	No
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Federal Awards

Internal control over major program:

Material weakness identified	No
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Significant deficiency not considered to be a material weakness	None reported
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Type of auditor's report issued on compliance for the major programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	No
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Identification of major program:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
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Housing Voucher Cluster	
Section 8 Housing Choice Vouchers	14.871

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
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Auditee qualified as low-risk auditee	Yes
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Part II: Findings Related to the Financial Statements:

Significant Deficiency

2021-001 Significant Audit Adjustment

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 a significant audit adjustment to accounts receivable.

Cause – The City's existing internal controls over accounts receivable are limited.

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

Recommendation – We recommend the City increase review procedures over accounts receivable.

Views of Responsible Officials – We agree with the auditor's comments.

Part III: Findings and Questioned Costs for Federal Awards:

There were no findings and questioned costs to report.

Part IV: Other Findings Related to Required Statutory Reporting:

2021-IA-A Certified Budget – Disbursements at June 30, 2021 did not exceed the amended budget. However, disbursements exceeded the original budget for the Community and Economic Development function, the Debt Service function, and the Public Works function at the time of the May amendment.

Recommendation – The budget should have been amended in accordance with Chapter 384.18 of the Code of Iowa before disbursements were allowed to exceed budget.

Response – Unpredictable and immediate expenses were incurred in response to the Derecho in August 2020 which caused budget overages. The City amended the budget at its nearest convenience.

2021-IA-B Questionable Expenditures - We noted no expenditures that we believe may fail to meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

2021-IA-C Travel Expense - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

- 2021-IA-D Business Transactions** - No business transactions between the City and City officials or employees were noted.
- 2021-IA-E Restricted Donor Activity** - No transactions were noted between the City, City officials, City employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- 2021-IA-F Bond Coverage** - Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.
- 2021-IA-G Council Minutes** - No transactions were found that we believe should have been approved in the Council minutes but were not.
- 2021-IA-H Deposits and Investments** - No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy were noted.
- 2021-IA-I Revenue Bonds** – No instances of noncompliance with provisions of the City's revenue bond resolutions were noted.
- 2021-IA-J Annual Urban Renewal Report** – The annual urban renewal report was properly approved and certified to the Iowa Department of Management on or before December 1.
- 2021-IA-K Tax Increment Financing** – The Special Revenue Tax Increment Financing Fund properly disbursed payments for TIF loans and rebates. Also, the City properly completed the Tax Increment Debt Certificate forms to request TIF property taxes.