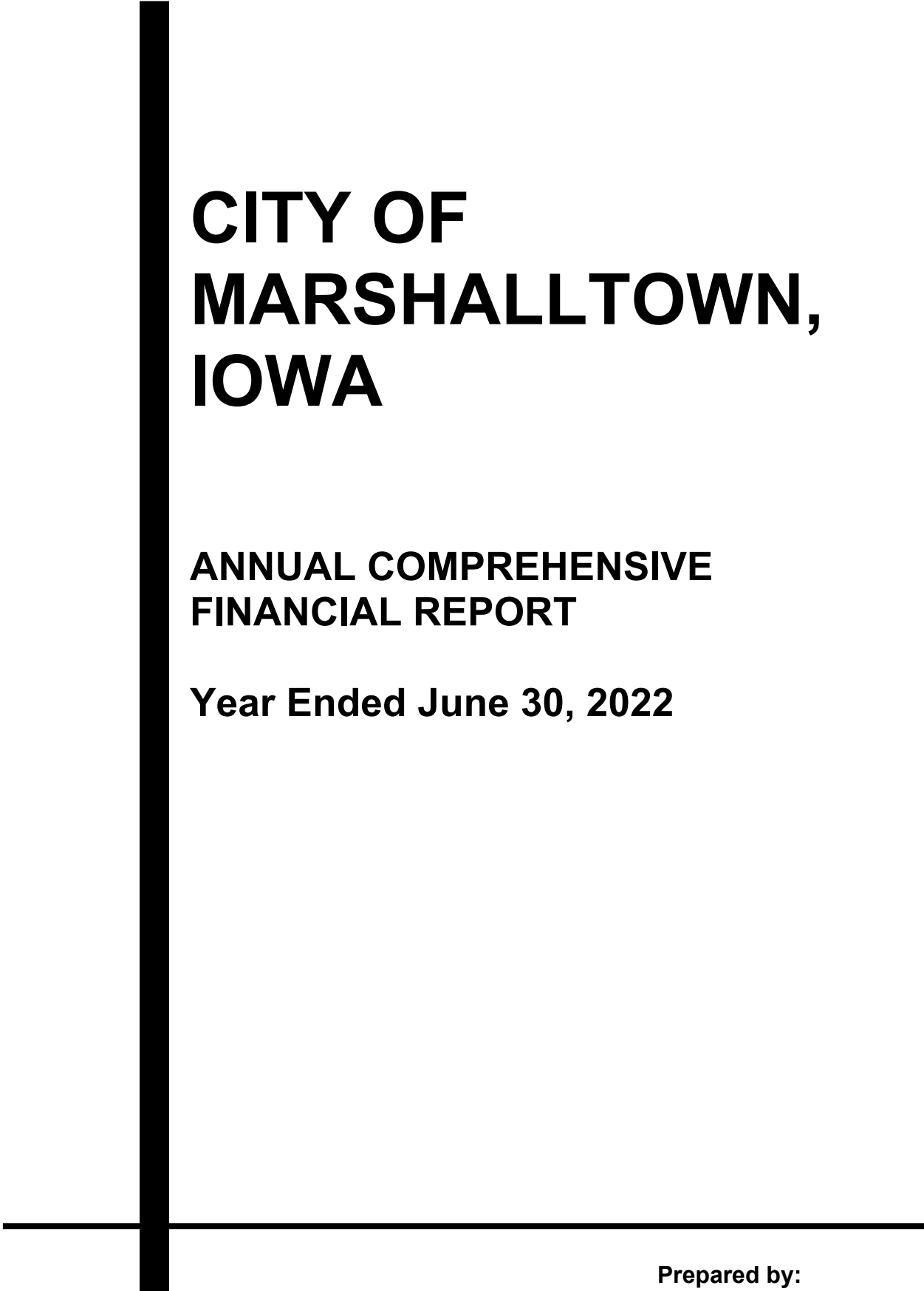




CITY OF MARSHALLTOWN, IOWA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended June 30, 2022

Introductory Section

Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	5
City Organizational Chart.....	6
Officials	7

Financial Section

Independent Auditor's Report	8
Management's Discussion and Analysis (MD&A).....	12
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	21
Statement of Activities	23
Governmental Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	25
Reconciliation of the Balance Sheet Governmental Funds to the Statement of Net Position.....	26
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) – Governmental Funds	27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds to the Statement of Activities.....	29
Proprietary Fund Financial Statements:	
Statement of Net Position – Proprietary Funds	30
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	32
Statement of Cash Flows – Proprietary Funds	33
Statement of Fiduciary Net Position – Fiduciary Funds	35
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	36
Notes to Financial Statements	37

Required Supplementary Information

Schedule of Changes in the City's Total OPEB Liability, Related Ratios, and Notes	77
Budgetary Comparison Schedule of Receipts, Disbursements, and Changes in Balances – Budget and Actual (Cash Basis) – Governmental Funds and Enterprise Funds	78
Budgetary Comparison Schedule – Budget to GAAP Reconciliation	79
Notes to Required Supplementary Information – Budgetary Reporting	80
Schedule of City's Proportionate Share of Net Pension Liability – Iowa Public Employees' Retirement System – IPERS	81
Schedule of City Contributions – Iowa Public Employees' Retirement System – IPERS.....	82
Notes to Required Supplementary Information – Pension Liability – Iowa Public Employees' Retirement System – IPERS	83
Schedule of City's Proportionate Share of Net Pension Liability – Municipal Fire and Police Retirement System of Iowa – MFPRSI	84
Schedule of City Contributions – Municipal Fire and Police Retirement System of Iowa – MFPRSI.....	85

Other Supplementary Information

Nonmajor Governmental Funds	
Combining Balance Sheet – Nonmajor Governmental Funds	87
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit) – Nonmajor Governmental Funds	89
Combining Financial Statements	
Combining Statement of Net Position – Nonmajor Enterprise Funds	91

Combining Statement of Revenues, Expenditures, and Changes in Fund Net Position – Nonmajor Enterprise Funds	93
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	94
Combining Financial Statements	
Combining Statement of Net Position – Internal Service Funds	97
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds	98
Combining Statement of Cash Flows – Internal Service Funds	99
Combining Financial Statements	
Combining Statement of Fiduciary Net Position – All Custodial Funds.....	101
Combining Statement of Changes in Fiduciary Net Position – All Custodial Funds	102
Long-Term Debt	
Schedule of Bond Maturities	103
Statistical Section (Unaudited)	
Statistical Section - Contents.....	110
Net Position by Component	111
Changes in Net Position.....	112
Program Revenues by Function/Program	115
Fund Balances – Governmental Funds	116
Changes in Fund Balances – Governmental Funds.....	117
Tax Revenues by Source – Governmental Funds	118
General Governmental Tax Revenues by Source	119
Assessed Value and Estimated Value of Taxable Property	120
Tax Rates – Direct and Overlapping Governments	121
Principal Property Taxpayers.....	122
Sales Tax	123
Property Tax Levies and Collections	124
Ratios of Outstanding Debt by Type.....	125
Ratios of General Bonded Debt Outstanding	126
Direct and Overlapping Governmental Activities Debt	127
Legal Debt Margin Information	128
Pledged – Revenue Coverage	129
Demographic and Economic Statistics	130
Principal Employers	131
Full-Time Equivalent City Government Employees by Function/Program	132
Operating Indicators by Function/Program	133
Capital Asset and Employment Statistics by Function/Program	134
Water Pollution Control – Historic Earnings.....	135
Water Pollution Control – Number of Customers by Type	136
Water Pollution Control – Present Net Position	137
Water Pollution Control – Major Users – Two Year Comparison.....	138
Compliance Section	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	139
Independent Auditor’s Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	141
Schedule of Expenditures of Federal Awards.....	144
Notes to the Schedule of Expenditures of Federal Awards.....	147
Schedule of Findings and Questioned Costs	148

Introductory Section

June 30, 2022

City of Marshalltown

MARSHALLTOWN

— I O W A —

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

December 20, 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, 2022 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, 2022. The independent auditor's report is located at the front of the financial section of this report.

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

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

City Council

Mike Gowdy, Al Hoop, Gabe Isom, Mike Ladehoff
Gary Thompson, Bill Martin, Bethany Wirin

Profile of the City

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

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

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

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

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

The annual budget serves as the foundation for the City of Marshalltown's financial planning, development and control. The City Administrator and Finance Director are responsible for developing a budget proposal to the City Council. The 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 4.5% as of June 2022. This is higher than the Iowa rate of 2.6% as of June 2022.

The number of building permits decreased in fiscal year 2022 compared to 2021. 13 new residential construction building permits were issued creating 13 housing units for a value of \$2,752,833. 80 residential remodeling, repairs, additions and accessory structure permits were issued for a value of \$1,452,461. Total building permit activity for commercial and industrial totaled 32 building permits with a valuation of \$13,394,884. This included large projects such as: Marshalltown Arts & Civic Center, Scooters Coffee, Wendy's renovation, Karl of Marshalltown, and Home Rental Center. The total building activity for the fiscal year included 125 permits with a valuation of \$17,600,179.

The Local Option Sales Tax (LOST) which begun 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, 2022 the City collected approximately \$4.7 million (accrual basis).

Major Initiatives

The City of Marshalltown continued to focus on restoration and growth in the fiscal year that ended June 30, 2022. National economic challenges did not prevent work from happening throughout the community, though supply chain issues have continued to provide challenges to projects. Despite the challenges and delays, the community remains on a growth-focused tract that looks to see dividends in future years from the planning and work put in now.

Downtown continues to go through a recovery process following the 2018 tornado and 2020 derecho. The City awarded contracts for the demolition of seven City-owned downtown buildings, of which three were completed at the end of the fiscal year. Following the demolitions and site restorations, the City will seek developers to build back in these key spaces. The City also acquired two properties as abandoned buildings which will not be demolished, but will see minimal improvements to then be resold and reused. The first phase of the Downtown Implementation Plan (the reconstruction of six blocks of State Street) was awarded in May 2022. However, supply chain issues prevented any work from starting in the 2022 construction season, leaving 2023 and 2024 for construction. The City was also awarded a \$500,000 Downtown Revitalization Grant during this fiscal year, which will help restore multiple façades in 2023.

The City of Marshalltown also moved the needle on creating additional industrial development land with the start of the Edgewood Extension Project. This project was awarded and construction began during the fiscal year, with completion to come in 2023. A new truck diversion route off of Highway 14/North 3rd Avenue will provide a direct route for trucks to access JBS, a pork meat packer, and the other industries in the eastern part of the City. At the same time, more than 40 acres will be for sale by the City for industrial development. The turnkey properties do not exist elsewhere in the community and will be another asset in the community's portfolio in 2023 and beyond.

Marshalltown saw more movement in housing throughout the community during the last fiscal year than in prior years. Specifically, one new subdivision with more than 40 single lots is now complete. The Glenwood 7th Addition offers opportunities for new single-family construction in a growing part of the community. The construction of Creekside Drive was nearly completed by June 30, 2022. This street is the result of a partnership with Prime Development Group to do an infill subdivision in the heart of the Linn Creek District. Building is expected to start in both subdivisions in 2023. Single-family construction was also bolstered by JBS, the City's largest employer, who built four new homes this year for their employees to purchase.

Additional multi-family units hit the market this year with the completion of the third phase of Crosby Park and the completion of Bloomfield Acres. In total, this results in 92 new market-rate units. Marshalltown Lofts, a low-income housing tax credit project, also wrapped up construction, bringing 45 new income-restricted units to the market as well as 5 market-rate apartments. 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.

Other community quality of life projects launched in the last fiscal year which the City helped to support. The Marshalltown Arts and Civic Center started a multi-million-dollar renovation to restore the building following damage from the 2020 derecho. This includes the Fisher Art Museum which houses a valuable Impressionist art collection. The City supported this project with a direct financial contribution and with in-kind assistance through grant writing. The City also provided financial support to the Marshall County Arts and Culture Alliance for the development of a Arts and Culture Master Plan for the community. Work also continued on the Parks and Recreation Master Plan, with a renovation of Elks Park.

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

Long-Term Financial Planning

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

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 2021. 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**

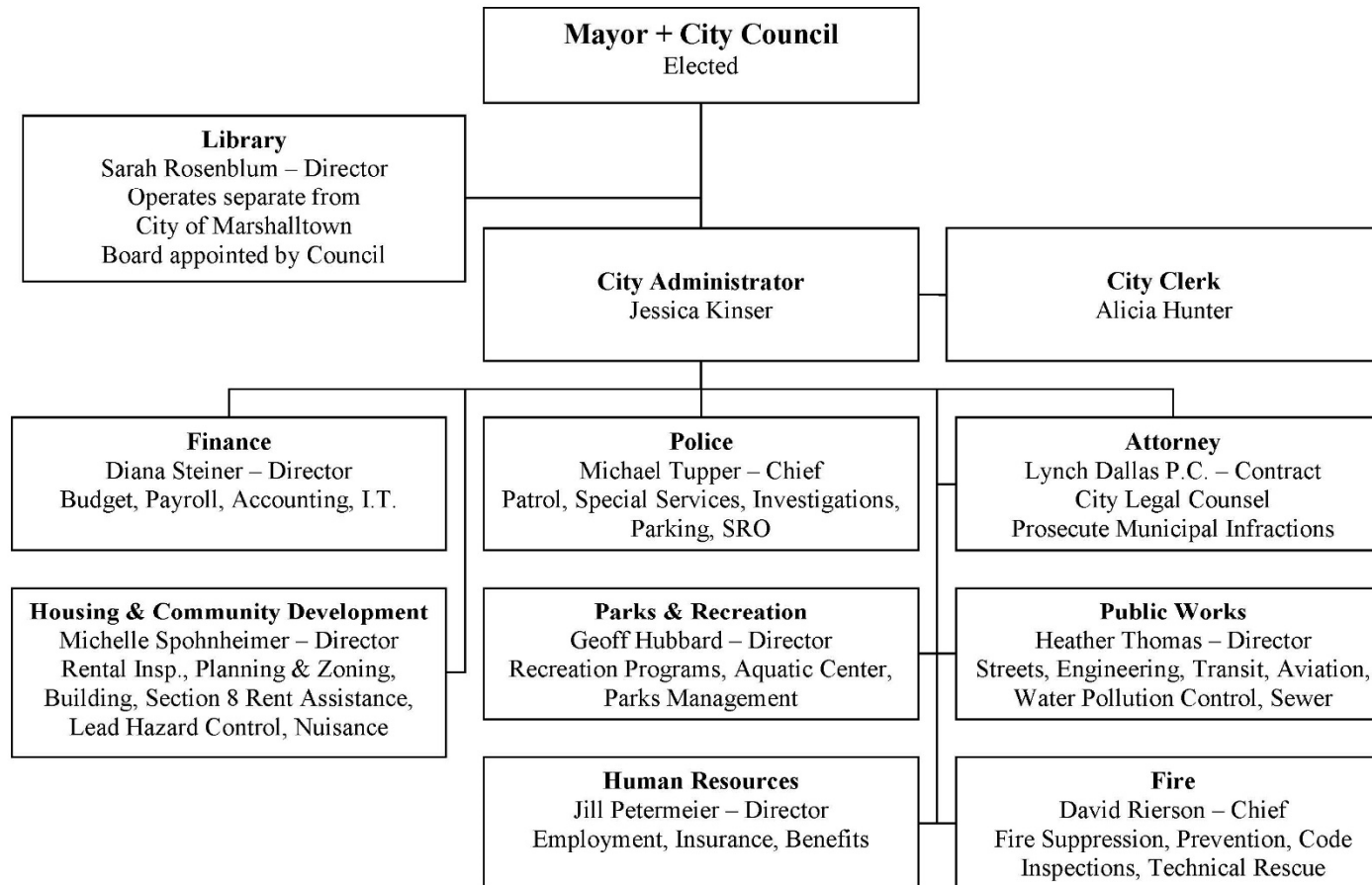
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

MARSHALLTOWN
— I O W A —
ORGANIZATIONAL CHART



Name	Title	Term Expires
Elected officials:		
Joel Greer	Mayor	December 31, 2025
Gary Thompson	Council Member At Large	December 31, 2023
Barry Kell	Council Member At Large	December 31, 2025
Jeff Schneider	Council Member At Large	December 31, 2025
Mike Ladehoff	Council Member First Ward	December 31, 2025
Gabriel Isom	Council Member Second Ward	December 31, 2023
Dex Walker	Council Member Third Ward	December 31, 2025
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
Heather Thomas	Public Works Director	Indefinite
Jill Petermeier	Human Resources Director	Indefinite

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Financial Statements
June 30, 2022
City of Marshalltown



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Marshalltown, Iowa (City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Marshalltown Water Works, which represents the entire assets, net position, and revenues of the discretely presented component unit as of and for the year ended June 30, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Marshalltown Water Works is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Sully LLP".

Dubuque, Iowa
December 20, 2022

The following is a narrative overview and analysis of the financial activities of the City of Marshalltown for the fiscal year ended June 30, 2022. 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 21. 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 \$114,755,957 (net position) as compared to \$101,001,251 in the prior year which is an increase of \$13,754,706. This increase is primarily the renovation of the East Merle Hibbs extension project and various infrastructure projects throughout the City.
- As of the close of the current fiscal year, the City of Marshalltown's governmental funds reported combined ending fund balances of \$34,923,171 an increase of \$9,778,493 in comparison with the prior year. This change was primarily from expenditures related to remaining bond proceeds for projects in process and the receipt grant revenue related to prior year expenditures.
- \$4,342,279 in unassigned fund balance is available for spending at the City's discretion. Prior year unassigned fund balance was \$926,051. This is an increase of \$3,416,228. This increase is primarily related the receipt of derecho related revenue. The City has been partially reimbursed from FEMA.
- The City's total debt had a net increase of \$3.8 million during the current fiscal year. This change reflects the retirement of existing bonds of \$ 9.3 million and new issuances of \$13.1 million of GO Debt and Sewer notes. The new debt was for the streets, parks, dangerous and dilapidated buildings and sanitary sewer projects. In addition, \$3.6 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 15 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances. Major funds include General, Road Use Tax, Local Option Sales Tax, HUD Programs, Disaster, Debt Service, Property Tax, Public Works and Other Projects Funds. Data from the other seven non-major governmental funds are combined into a single, aggregated presentation in the governmental funds financial statements. Individual fund data on each of the non-major governmental funds is provided in the form of combining statements in the supplementary information section.

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

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Marshalltown, assets exceeded liabilities by \$114,755,957 at the close of the most recent fiscal year.

City of Marshalltown Net Position
June 30, 2022

	Governmental Activities		Business-Type Activities		Total	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Current and Other Assets	\$ 57,525,814	\$ 44,781,526	\$ 26,595,555	\$ 27,376,847	\$ 84,121,369	\$ 72,158,373
Capital Assets	74,082,384	71,530,665	64,013,985	61,733,214	138,096,369	133,263,879
Total Assets	131,608,198	116,312,191	90,609,540	89,110,061	222,217,738	205,422,252
Deferred Outflows of Resources	6,036,452	7,005,423	1,071,348	617,280	7,107,800	7,622,703
Current and Other Liabilities	8,923,135	7,649,253	3,616,880	3,561,257	12,540,015	11,210,510
Noncurrent Liabilities	52,161,895	63,437,776	18,072,691	21,583,227	70,234,586	85,021,003
Total liabilities	61,085,030	71,087,029	21,689,571	25,144,484	82,774,601	96,231,513
Deferred Inflow of Resources	29,737,355	15,428,648	2,057,625	383,543	31,794,980	15,812,191
Net Position						
Net investment in capital assets	43,863,682	44,056,444	46,838,546	44,098,791	90,702,228	88,155,235
Restricted	18,841,821	18,055,545	139,024	138,750	18,980,845	18,194,295
Unrestricted	(15,883,238)	(25,310,052)	20,956,122	19,961,773	5,072,884	(5,348,279)
Total net position	\$ 46,822,265	\$ 36,801,937	\$ 67,933,692	\$ 64,199,314	\$ 114,755,957	\$ 101,001,251

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 \$90,702,228. 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 \$18,980,845 represents resources that are subject to external restrictions. Prior year comparison shows \$18,194,295, an increase of \$786,550.

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

City of Marshalltown Changes in Net Position
June 30, 2022

	Governmental Activities		Business-Type Activities		Total	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Revenues:						
Program revenues:						
Charges for services	\$ 1,582,242	\$ 3,551,478	\$ 9,821,744	\$ 9,531,077	\$ 11,403,986	\$ 13,082,555
Operating grants and contributions	12,656,539	7,740,884	1,533,280	732,325	14,189,819	8,473,209
Capital grants and contributions	1,295,459	671,318	666,252	365,186	1,961,711	1,036,504
General revenues						
Property and other taxes	19,014,579	18,253,911	-	-	19,014,579	18,253,911
Grants and contributions not restricted to specific programs	1,293,843	1,263,047	-	-	1,293,843	1,263,047
Other	1,051,701	1,367,654	232,822	360,997	1,284,523	1,728,651
Total revenues	36,894,363	32,848,292	12,254,098	10,989,585	49,148,461	43,837,877
Expenses:						
Public safety	\$10,499,453	12,491,799	-	-	10,499,453	12,491,799
Public works	6,496,345	7,601,957	-	-	6,496,345	7,601,957
Health and social services	606,476	458,481	-	-	606,476	458,481
Culture and recreation	3,321,913	4,103,470	-	-	3,321,913	4,103,470
Community and economic development	4,095,459	4,990,850	-	-	4,095,459	4,990,850
General government	1,370,834	1,681,032	-	-	1,370,834	1,681,032
Interest on long-term debt	637,438	902,118	-	-	637,438	902,118
Business type	-	-	8,365,837	6,846,639	8,365,837	6,846,639
Total expenses	27,027,918	32,229,707	8,365,837	6,846,639	35,393,755	39,076,346
Increase in net position before transfers	9,866,445	618,585	3,888,261	4,142,946	13,754,706	4,761,531
Transfers	153,883	(89,501)	(153,883)	89,501	-	-
Increase in Net Position	10,020,328	529,084	3,734,378	4,232,447	13,754,706	4,761,531
Net Position - Beginning of Year	36,801,937	36,272,853	64,199,314	59,966,867	101,001,251	96,239,720
Net Position - End of Year	\$ 46,822,265	\$ 36,801,937	\$ 67,933,692	\$ 64,199,314	\$ 114,755,957	\$ 101,001,251

Governmental Activities. Governmental revenues in the current year increased by \$4.0 million. Within this difference charges for services decreased by \$1.9 million due to insurance proceeds from the derecho in the prior year and operating grants and contributions increased by \$ 4.9 million due to the receipt of derecho related funds and ARPA funding. Governmental expenses decreased by \$5.2 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 increased by \$1.5 million and are largely based on Water Pollution Control usage and an increase 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 \$34,923,171, an increase of \$9,778,493 in comparison with the prior year. Of this total amount 4,342,279 is unassigned fund balance, which is available to meet the future financial needs of the City. \$29,584,123 is restricted, \$250,000 is committed and \$746,769 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 \$227,635 to \$6,620,115, with an unassigned fund balance of \$5,857,775, a, and a committed balance of \$250,000. The remaining \$512,340 is nonspendable (land held for resale and prepaid items).

The Road Use Tax fund is apportioned to the City from the state gasoline taxes based upon population. This fund is used for street related purposes only. Major street resurfacing and reconstruction are scheduled each year in the spring after the impact of winter weather can be determined. At the end of the current fiscal year, the ending fund balance of \$6,491,993 is an increase of 446,767 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 2022, the City expended \$1,871,005 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 \$2,879,760 were transferred to the Debt Service Fund to lower the property tax levy. The Council used \$99,023 of their designated share to increase the Cash Flow Reserve Fund. Some of the other Council designated projects this fiscal year included the Fisher Community Center renovation, fireworks, new construction incentives, and zoning ordinance update. The increase in the L.O.S.T. fund balance this year was \$1,219,630.

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 100 percent (90 percent Federal and 10 percent State) for debris removal, emergency protective measures, and other repair projects throughout the City. Revenue and expenses were tracked in a disaster fund. In the current year approximately \$3.7 million was received by the City for community clean-up after the Derecho. The City anticipates it will receive an additional 1.1 million from the federal government and .5 million from the State related to Derecho

The Property Tax Fund is used to account for all special revenue property tax levies utilized by the City. These levies include the emergency levy, police and fire retirement, FICA and IPERS, and other employee benefits. The total fund balance in this fund increased by \$256,194 in FY 22 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 \$4.2 million in principal and interest payments and saw a fund balance increase of \$40,745.

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 FY22 for 9.1 million for the construction of streets, sidewalks, and park 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 \$67,933,692, a net position increase of \$3,734,378.

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, 2022, revenues and transfers in for the general fund operations, on the GAAP basis, were less than revenue estimates by \$954,750 and departmental expenditures and transfers out on the GAAP basis were \$1,123,755 less than expenditure estimates.

During the fiscal year ended June 30, 2022 there was one budget amendment dated March 14, 2022.

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, 2022 amounts to \$234,185,347. 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 \$10,143,045, of which \$4.7 million was from the completing of sanitary sewer improvements.

City of Marshalltown's 2022 Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Land and Improvements	\$ 11,275,678	\$ 8,972,809	\$ 3,219,626	\$ 3,201,551	\$ 14,495,304	\$ 12,174,360
Buildings and Structures	37,937,251	37,291,788	12,505,059	11,320,193	50,442,310	48,611,981
Equipment and Vehicles	19,935,042	17,932,182	21,531,456	20,585,323	41,466,498	38,517,505
Infrastructure	50,544,977	47,656,780	67,676,742	62,187,822	118,221,719	109,844,602
Construction in Progress	5,825,408	8,152,900	3,734,108	6,740,954	9,559,516	14,893,854
Total	<u>\$ 125,518,356</u>	<u>\$ 120,006,459</u>	<u>\$ 108,666,991</u>	<u>\$ 104,035,843</u>	<u>\$ 234,185,347</u>	<u>\$ 224,042,302</u>

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

- Completion of sanitary sewer improvements.
- Various machinery and equipment purchases throughout the year including new vehicles for several departments including a new dump truck and a Jet/Vac Truck.
- 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 50-51 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 \$60,830,264. Of this amount, \$48,691,594 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 \$12,013,000 represents bonds secured solely by revenues generated from the sanitary sewer rental fees.

The City's total debt had a net increase of \$3.8 million during the current fiscal year. This change reflects the retirement of existing bonds of \$ 9.3 million and new issuances of \$13.1 million of GO Debt and Sewer notes. The new debt was for the streets, parks, dangerous and dilapidated buildings and sanitary sewer projects. In addition, \$3.6 million of existing debt was refunded to lower interest rates.

Moody's Investors Service assigned a bond rating in November 2021. 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 \$86,547,686 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 52-55 this report.

Economic Factors and Next Year's Budgets and Rates

The local economy of the City remains strong and is creating more private public agreements to maintain that strength. The regular taxable property tax valuations as of January 1, 2021, which was applied to FY2023, increased by \$17 million.

For the fiscal year ending June 30, 2022, the City issued 125 building permits totaling \$17.6 million in construction value which is a significant decrease from prior fiscal years. This fiscal year saw far fewer building permits for large commercial and industrial projects, which was to be expected. Building permits were issued for 13 new single-family dwellings, which is a much larger number than prior years and demonstrates the drive brought about by developers and buyers to take advantage of a \$10,000 new construction incentive offered by the Marshalltown Area Chamber of Commerce. The City has pledged to support 25 percent of this incentive in lieu of tax abatement.

Looking ahead, the single-family growth is likely to continue with two new subdivisions coming online for new construction in late 2022/early 2023. This building activity is highly dependent on mortgage interest rates and other factors. The City will also likely see Community Development Block Grant funds for Disaster Recovery in 2023 to help support housing for low-to-moderate income individuals and families in the community. These one-time funds are a result of the 2020 derecho and are to be awarded for both owner-occupied and rental housing.

In addition to residential growth possibilities, new vacant spaces are being created in Downtown which will be actively solicited for redevelopment in the coming year. The City is also working to complete the Edgewood Extension project to open up 40 acres of industrial land for development, while looking at another adjacent 100 acres as a certified industrial site. The Site Certification designation would be anticipated in 2023.

The budget for the ensuing fiscal year 2023 considers many factors and estimates about the finances of the upcoming year. City-wide there was an increase in property tax valuations in FY23. Local Option Sales Tax is expected to decline 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 following items are also forefront in revenue and expenditure projections: (a) The City's contribution rate for the Municipal Fire and Police retirement system increased in fiscal year 2022, decreased in fiscal year 2023 and will decrease in fiscal year 2024. The employer share of the rate fluctuates on an annual basis. (b) The Iowa Public Employees Retirement System remained steady for fiscal years 2021 through 2024. (c) Compliance with sanitary and storm water regulations will continue to be implemented over the next several years. Sewer rates have been increased to accommodate the costs with these mandates. A sanitary sewer rehabilitation project and headworks equipment replacement project for over \$13 million is budgeted to start in FY23. (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 2023. Changes in claims are always a factor that the City continues to monitor. More preventive care options are encouraged to help avoid the high dollar claims. (e) Finding staff to hire has been challenging in this economy, especially police officers. (f) The city continues to see increases in utilities, supplies, contracted services, maintenance agreements, etc. due to inflation and supply shortages. (g) The City received \$3,987,179 from the American Rescue Plan Act and plans to spend it on stormwater/utility projects, MPACT, and revenue replacement. (h) The City received approximately \$3.7 million in FY22, accrual basis, from FEMA and will collect approximately an additional 1.6 million for the Derecho storm that occurred in FY21 from FEMA and the State of Iowa.

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, 2022

City of Marshalltown

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City of Marshalltown

Statement of Net Position

June 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Marshalltown Water Works
Assets				
Cash and cash equivalents	\$ 34,332,678	\$ 24,062,036	\$ 58,394,714	\$ 6,713,798
Receivables				
Property taxes				
Delinquent	135,412	-	135,412	-
Succeeding year	14,252,495	-	14,252,495	-
Accounts and unbilled usage	400,403	1,477,255	1,877,658	863,951
Special assessments	1,099	-	1,099	-
Lease Receivable	354,511	-	354,511	-
Due from component unit	13,576	593,718	607,294	-
Due from other governments	7,288,871	127,041	7,415,912	-
Inventories	71,159	37,795	108,954	-
Prepaid items	476,610	158,686	635,296	60,265
Restricted assets				
Cash and cash equivalents	-	139,024	139,024	849,037
Land held for resale	199,000	-	199,000	-
Capital assets				
Land	5,029,351	898,294	5,927,645	1,115,721
Land improvements	6,246,327	2,321,332	8,567,659	-
Buildings and structures	37,937,251	12,505,059	50,442,310	19,925,837
Equipment and vehicles	19,935,042	21,531,456	41,466,498	2,841,242
Sanitary sewers and lift stations	-	48,816,650	48,816,650	15,112,697
Infrastructure	50,544,977	18,860,092	69,405,069	-
Construction in progress	5,825,408	3,734,108	9,559,516	44,197
Accumulated depreciation	(51,435,972)	(44,653,006)	(96,088,978)	(18,030,805)
Total assets	131,608,198	90,609,540	222,217,738	29,495,940
Deferred Outflows of Resources				
OPEB related deferred outflows	3,245,147	779,086	4,024,233	-
Pension related deferred outflows	2,791,305	292,262	3,083,567	181,791
Total deferred outflows of resources	6,036,452	1,071,348	7,107,800	181,791

City of Marshalltown
Statement of Net Position
June 30, 2022

	Primary Government			Component Unit
	Governmental	Business-Type		Marshalltown
	Activities	Activities	Total	Water Works
Liabilities				
Accounts payable	\$ 1,977,670	\$ 807,382	\$ 2,785,052	\$ 125,098
Accrued payroll and benefits	482,065	91,921	573,986	64,484
Retainage payable	200,193	186,287	386,480	-
Deposits payable	184,076	-	184,076	375,775
Due to other governments	116,792	29,546	146,338	-
Accrued interest payable	91,033	23,704	114,737	8,760
Grant proceeds received in advance	1,796,864	-	1,796,864	-
Due to primary government	-	-	-	607,294
Liabilities payable from restricted assets				
Customer deposits	-	-	-	242,970
Noncurrent liabilities				
Due within one year				
Bonds and notes payable	3,825,000	2,423,000	6,248,000	334,000
Compensated absences payable	249,442	55,040	304,482	117,591
Due in more than one year				
Bonds and notes payable	38,489,556	16,092,709	54,582,265	4,996,000
Compensated absences payable	856,948	231,961	1,088,909	-
Total OPEB liability	9,414,460	1,713,831	11,128,291	-
Net pension liability	3,400,931	34,190	3,435,121	1,212,302
Total liabilities	61,085,030	21,689,571	82,774,601	8,084,274
Deferred Inflows of Resources				
Succeeding year property taxes	14,252,495	-	14,252,495	-
Pension related deferred inflows	8,960,467	1,279,334	10,239,801	565,228
Lease deferred inflow	354,511	-	354,511	-
OPEB related deferred inflows	6,169,882	778,291	6,948,173	-
Total deferred inflows of resources	29,737,355	2,057,625	31,794,980	565,228
Net position				
Net investment in capital assets	43,863,682	46,838,546	90,702,228	15,678,889
Restricted for				
Bond and interest payments	-	139,024	139,024	-
Capital improvements	7,941,001	-	7,941,001	-
Community development	218,249	-	218,249	-
Debt service	181,194	-	181,194	-
Employee benefits	4,038,586	-	4,038,586	-
Other purposes	6,462,791	-	6,462,791	427,275
Unrestricted	(15,883,238)	20,956,122	5,072,884	4,922,065
Total net position	\$ 46,822,265	\$ 67,933,692	\$ 114,755,957	\$ 21,028,229

City of Marshalltown
Statement of Activities
Year Ended June 30, 2022

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	\$ 10,499,453	\$ 527,244	\$ 344,952	\$ 15,147	\$ (9,612,110)	\$ -	\$ (9,612,110)	\$ -
Public works	6,496,345	543,111	8,976,506	1,205,972	4,229,244	-	4,229,244	-
Health and social services	606,476	4,222	636,104	-	33,850	-	33,850	-
Culture and recreation	3,321,913	329,765	305,053	74,340	(2,612,755)	-	(2,612,755)	-
Community and economic development	4,095,459	19,837	2,138,721	-	(1,936,901)	-	(1,936,901)	-
General government	1,370,834	158,063	255,203	-	(957,568)	-	(957,568)	-
Interest on long-term debt	637,438	-	-	-	(637,438)	-	(637,438)	-
Total governmental activities	27,027,918	1,582,242	12,656,539	1,295,459	(11,493,678)	-	(11,493,678)	-
Business-type activities								
Water pollution control	5,224,982	8,190,886	581	234,190	-	3,200,675	3,200,675	-
Storm sewer	2,115,646	1,352,335	825,097	432,062	-	493,848	493,848	-
Compost	69,283	103,451	-	-	-	34,168	34,168	-
Transit	909,398	131,937	707,602	-	-	(69,859)	(69,859)	-
Concessions	46,528	43,135	-	-	-	(3,393)	(3,393)	-
Total business-type activities	8,365,837	9,821,744	1,533,280	666,252	-	3,655,439	3,655,439	-
Total primary government	\$ 35,393,755	\$ 11,403,986	\$ 14,189,819	\$ 1,961,711	\$ (11,493,678)	\$ 3,655,439	\$ (7,838,239)	\$ -
Component Units								
Water works	\$ 4,419,621	\$ 7,093,918	\$ -	\$ 309,954	\$ -	\$ -	\$ -	\$ 2,984,251

City of Marshalltown
Statement of Activities
Year Ended June 30, 2022

	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	\$ 11,579,880	\$ -	\$ 11,579,880	\$ -
Tax increment financing	824,488	-	824,488	-
Local option sales	4,697,959	-	4,697,959	-
Utility excise	1,378,432	-	1,378,432	-
Hotel/motel	518,928	-	518,928	-
Mobile homes	14,892	-	14,892	-
Unrestricted				
State generated revenues	1,293,843	-	1,293,843	-
Investment earnings	326,696	232,822	559,518	18,457
Miscellaneous revenues	725,005	-	725,005	-
Transfers	153,883	(153,883)	-	-
Total general revenues and transfers	21,514,006	78,939	21,592,945	18,457
Change in net position	10,020,328	3,734,378	13,754,706	3,002,708
Net Position - Beginning	36,801,937	64,199,314	101,001,251	18,025,521
Net Position - Ending	\$ 46,822,265	\$ 67,933,692	\$ 114,755,957	\$ 21,028,229

City of Marshalltown
Balance Sheet
Governmental Funds
June 30, 2022

	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	\$ 1,751,469	\$ 6,303,687	\$ 6,654,633	\$ 4,000,843	\$ -	\$ 187,997	\$ 172,477	\$ 11,439,725	2,960,051	\$ 33,470,882
Receivables										
Property taxes										
Delinquent	72,825	-	-	37,743	-	-	8,717	5,413	10,714	135,412
Succeeding year	8,456,396	-	-	4,384,124	-	-	786,939	625,036	-	14,252,495
Accounts and unbilled usage	156,563	77	-	-	-	2,464	-	10,000	218,148	387,252
Special assessments	-	-	-	-	-	-	-	1,099	-	1,099
Due from other funds	4,673,936	-	-	-	-	-	-	74,226	-	4,748,162
Due from component unit	13,576	-	-	-	-	-	-	-	-	13,576
Due from other governments	221,266	291,980	361,323	-	4,964,059	202,916	-	259,275	988,052	7,288,871
Inventory	-	71,159	-	-	-	-	-	-	-	71,159
Prepaid items	438,340	9,095	10,723	-	-	17,337	-	920	195	476,610
Land held for resale	74,000	-	-	-	-	-	-	125,000	-	199,000
Lease receivable	354,511	-	-	-	-	-	-	-	-	354,511
Total assets	\$ 16,212,882	\$ 6,675,998	\$ 7,026,679	\$ 8,422,710	\$ 4,964,059	\$ 410,714	\$ 968,133	\$ 12,540,694	\$ 4,177,160	\$ 61,399,029
Liabilities, Deferred Inflows of Resources, and Fund Balances										
Liabilities										
Accounts payable	\$ 153,367	\$ 162,634	\$ 6,442	\$ -	\$ -	\$ 88,613	\$ -	\$ 902,457	\$ 281,595	\$ 1,595,108
Accrued payroll and payroll benefits	466,437	494	-	-	-	9,988	-	-	5,146	482,065
Retainage payable	-	13,158	-	-	-	-	-	38,330	148,705	200,193
Due to other governments	108,931	7,719	-	-	-	7	-	135	-	116,792
Grant proceeds received in advance	-	-	-	-	-	-	-	-	1,796,864	1,796,864
Due to other funds	-	-	-	-	4,348,387	-	-	-	399,775	4,748,162
Total liabilities	728,735	184,005	6,442	-	4,348,387	98,608	-	940,922	2,632,085	8,939,184
Deferred Inflows of Resources										
Unavailable revenue- property taxes	8,456,396	-	-	4,384,124	-	-	786,939	625,036	-	14,252,495
Unavailable revenue- special assessments	-	-	-	-	-	-	-	1,099	-	1,099
Unavailable revenue- other	53,125	-	-	-	-	864	-	-	18,856	72,845
Unavailable revenue- intergovernmental	-	-	-	-	1,654,049	92,993	-	259,275	849,407	2,855,724
Lease deferred inflow	354,511	-	-	-	-	-	-	-	-	354,511
Total deferred inflows of resources	8,864,032	-	-	4,384,124	1,654,049	93,857	786,939	885,410	868,263	17,536,674
Fund Balances										
Nonspendable	512,340	80,254	10,723	-	-	17,337	-	125,920	195	746,769
Restricted	-	6,411,739	7,009,514	4,038,586	-	200,912	181,194	10,588,442	1,153,736	29,584,123
Committed	250,000	-	-	-	-	-	-	-	-	250,000
Unassigned	5,857,775	-	-	-	(1,038,377)	-	-	-	(477,119)	4,342,279
Total fund balances (deficit)	6,620,115	6,491,993	7,020,237	4,038,586	(1,038,377)	218,249	181,194	10,714,362	676,812	34,923,171
Total liabilities, deferred inflows of resources, and fund balances	\$ 16,212,882	\$ 6,675,998	\$ 7,026,679	\$ 8,422,710	\$ 4,964,059	\$ 410,714	\$ 968,133	\$ 12,540,694	\$ 4,177,160	\$ 61,399,029

City of Marshalltown
Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
June 30, 2022

Total governmental fund balances		\$ 34,923,171
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	\$ 125,518,356	
Accumulated depreciation is	<u>(51,435,972)</u>	
		74,082,384
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.		
		2,929,668
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	3,245,147	
Pension related deferred outflows	2,791,305	
OPEB related deferred inflows	(6,169,882)	
Pension related deferred inflows	<u>(8,960,467)</u>	
		(9,093,897)
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.		
		308,309
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	(42,314,556)	
Accrued interest on the bonds	(91,033)	
Compensated absences	(1,106,390)	
Net pension liability	(3,400,931)	
Total OPEB liability	<u>(9,414,460)</u>	
		<u>(56,327,370)</u>
Net position of governmental activities		<u><u>\$ 46,822,265</u></u>

City of Marshalltown
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
Year Ended June 30, 2022

	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	\$ 6,724,298	\$ -	\$ -	\$ 3,536,518	\$ -	\$ -	\$ 811,904	\$ 507,141	\$ -	\$ 11,579,861
TIF revenues	-	-	-	-	-	-	-	-	828,771	828,771
Other city taxes	1,532,584	-	4,697,959	433,939	-	-	96,757	62,230	-	6,823,469
Use of money and property	206,022	-	56,660	5,784	-	2,543	13,558	86,661	19,345	390,573
Licenses and permits	263,037	-	-	-	-	-	-	-	-	263,037
Intergovernmental	1,038,099	3,674,225	-	384,900	3,704,077	1,855,427	90,444	305,193	1,983,076	13,035,441
Charges for service	881,368	-	-	-	-	-	-	-	110	881,478
Special assessments	-	-	-	-	-	-	-	537	-	537
Miscellaneous	129,936	2,560	247,700	-	-	19,662	-	35,126	286,607	721,591
Total revenues	10,775,344	3,676,785	5,002,319	4,361,141	3,704,077	1,877,632	1,012,663	996,888	3,117,909	34,524,758
Expenditures										
Current										
Public safety	9,606,254	-	10,000	7,013	7,688	-	-	925,398	330,572	10,886,925
Public works	1,888,321	2,113,014	-	-	168,986	-	-	2,332,157	2,997,124	9,499,602
Health and social services	-	-	-	-	-	643,545	-	-	-	643,545
Culture and recreation	2,873,148	230	29,500	-	11,095	-	-	556,700	348,502	3,819,175
Community and economic development	703,351	-	452,736	-	17	1,227,460	-	627,249	1,109,682	4,120,495
General government	1,421,026	-	7,145	-	7,150	-	-	62,615	-	1,497,936
Debt service										
Principal	-	-	-	-	-	-	3,459,243	-	-	3,459,243
Interest and other fiscal charges	-	-	-	-	-	-	786,526	-	-	786,526
Total expenditures	16,492,100	2,113,244	499,381	7,013	194,936	1,871,005	4,245,769	4,504,119	4,785,880	34,713,447

City of Marshalltown
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
Year Ended June 30, 2022

	Special Revenue Funds							Capital Projects Funds		
	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
Excess (deficiency) of revenues over (under) expenditures	\$ (5,716,756)	\$ 1,563,541	\$ 4,502,938	\$ 4,354,128	\$ 3,509,141	\$ 6,627	\$ (3,233,106)	\$ (3,507,231)	\$ (1,667,971)	\$ (188,689)
Other financing sources (uses)										
Insurance proceeds	-	-	-	-	-	-	-	-	283,139	283,139
General obligation bonds issued	-	-	-	-	-	-	-	9,130,000	-	9,130,000
Premium on general obligation bonds issued	-	-	-	-	-	-	-	400,160	-	400,160
Transfers in	6,131,140	-	-	-	4,560	-	3,273,851	582,699	201,245	10,193,495
Transfers out	(186,749)	(1,116,774)	(3,283,308)	(4,097,934)	-	-	-	(613,771)	(741,076)	(10,039,612)
Total other financing sources (uses)	5,944,391	(1,116,774)	(3,283,308)	(4,097,934)	4,560	-	3,273,851	9,499,088	(256,692)	9,967,182
Net change in fund balances	227,635	446,767	1,219,630	256,194	3,513,701	6,627	40,745	5,991,857	(1,924,663)	9,778,493
Fund balances (deficit) - beginning	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
Fund balances (deficit) - ending	\$ 6,620,115	\$ 6,491,993	\$ 7,020,237	\$ 4,038,586	\$ (1,038,377)	\$ 218,249	\$ 181,194	\$ 10,714,362	\$ 676,812	\$ 34,923,171

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, 2022

Net change in fund balances – total governmental funds \$ 9,778,493

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	\$ 6,196,824	
Book value of disposals	(17,525)	
Depreciation expense	<u>(3,627,580)</u>	
Net change in capital assets		2,551,719

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	2,078,382	
Charges for service	<u>8,087</u>	
Net effect		2,086,469

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	3,459,243	
Debt proceeds, including premiums	<u>(9,530,159)</u>	
Net effect		(6,070,916)

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	240,767	
Change in compensated absences	23,323	
Net effect of OPEB related activity	159,998	
Net effect of pension related activity	<u>1,995,923</u>	
Total additional expenses		2,420,011

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.

	<u>(745,448)</u>	
Change in net position of governmental activities	<u>\$ 10,020,328</u>	

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City of Marshalltown
Statement of Net Position
Proprietary Funds
June 30, 2022

	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	\$ 20,002,525	\$ 3,281,972	\$ 777,539	\$ 24,062,036	\$ 861,796
Receivables					
Accounts and unbilled usage	1,393,205	73,906	10,144	1,477,255	13,151
Due from other funds	18,806	-	-	18,806	-
Due from component unit	473,330	120,388	-	593,718	-
Due from other governments	-	-	127,041	127,041	-
Inventories	37,795	-	-	37,795	-
Prepaid items	106,988	21,041	30,657	158,686	-
Total current assets	<u>22,032,649</u>	<u>3,497,307</u>	<u>945,381</u>	<u>26,475,337</u>	<u>874,947</u>
Noncurrent assets					
Restricted assets					
Cash and cash equivalents	139,024	-	-	139,024	-
Capital assets					
Land	383,576	504,281	10,437	898,294	-
Land improvements	1,975,673	102,563	243,096	2,321,332	-
Buildings and structures	11,795,011	6,000	704,048	12,505,059	-
Equipment and vehicles	18,542,814	966,388	2,022,254	21,531,456	-
Sanitary sewers and lift stations	48,691,034	125,616	-	48,816,650	-
Infrastructure	-	18,860,092	-	18,860,092	-
Construction in progress	620,194	3,113,914	-	3,734,108	-
Accumulated depreciation	<u>(35,324,230)</u>	<u>(7,356,392)</u>	<u>(1,972,384)</u>	<u>(44,653,006)</u>	<u>-</u>
Total noncurrent assets	<u>46,823,096</u>	<u>16,322,462</u>	<u>1,007,451</u>	<u>64,153,009</u>	<u>-</u>
Total assets	<u>68,855,745</u>	<u>19,819,769</u>	<u>1,952,832</u>	<u>90,628,346</u>	<u>874,947</u>
Deferred Outflows of Resources					
OPEB related deferred outflows	517,066	103,030	158,990	779,086	-
Pension related deferred outflows	187,045	39,385	65,832	292,262	-
Total deferred outflows of resources	<u>704,111</u>	<u>142,415</u>	<u>224,822</u>	<u>1,071,348</u>	<u>-</u>

City of Marshalltown
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	
Liabilities					
Current liabilities					
Accounts payable	\$ 376,377	\$ 392,958	\$ 38,047	\$ 807,382	\$ 382,562
Accrued payroll and payroll benefits	56,013	12,661	23,247	91,921	-
Deposits payable	-	-	-	-	184,076
Retainage payable	52,351	133,936	-	186,287	-
Due to other governments	17,642	1,148	10,756	29,546	-
Due to other funds	-	-	18,806	18,806	-
Accrued interest payable	18,547	5,157	-	23,704	-
Compensated absences	37,520	6,623	10,897	55,040	-
General obligation bonds	465,000	465,000	-	930,000	-
Capital loan notes	175,000	-	-	175,000	-
Revenue bonds	1,318,000	-	-	1,318,000	-
Total current liabilities	2,516,450	1,017,483	101,753	3,635,686	566,638
Noncurrent liabilities					
Compensated absences	161,305	42,189	28,467	231,961	-
General obligation bonds	1,471,155	4,101,554	-	5,572,709	-
Capital loan notes	3,296,000	-	-	3,296,000	-
Revenue bonds	7,224,000	-	-	7,224,000	-
Net OPEB liability	1,137,440	226,645	349,746	1,713,831	-
Net pension liability	21,882	4,607	7,701	34,190	-
Total noncurrent liabilities	13,311,782	4,374,995	385,914	18,072,691	-
Total liabilities	15,828,232	5,392,478	487,667	21,708,377	566,638
Deferred Inflows of Resources					
OPEB related deferred inflows	516,538	102,925	158,828	778,291	-
Pension related deferred inflows	818,762	172,400	288,172	1,279,334	-
Total deferred inflows of resources	1,335,300	275,325	447,000	2,057,625	-
Net Position					
Net investment in capital assets	32,734,917	13,096,178	1,007,451	46,838,546	-
Restricted for					
Bond and interest payments	139,024	-	-	139,024	-
Unrestricted	19,522,383	1,198,203	235,536	20,956,122	308,309
Total net position	\$ 52,396,324	\$ 14,294,381	\$ 1,242,987	\$ 67,933,692	\$ 308,309

City of Marshalltown
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	
Operating Revenues					
Charges for service	\$ 8,154,149	\$ 1,352,335	\$ 277,935	\$ 9,784,419	\$ 2,605,799
Miscellaneous	36,737	-	87	36,824	396,885
Total operating revenues	8,190,886	1,352,335	278,022	9,821,243	3,002,684
Operating Expenses					
Salaries and benefits	1,651,877	361,339	571,601	2,584,817	-
Services and supplies	1,448,565	1,242,053	334,418	3,025,036	-
Claims	-	-	-	-	3,160,291
Health insurance premiums	-	-	-	-	414,205
Depreciation	1,820,603	455,017	119,115	2,394,735	-
Miscellaneous	23,855	-	75	23,930	184,736
Total operating expenses	4,944,900	2,058,409	1,025,209	8,028,518	3,759,232
Operating income (loss)	3,245,986	(706,074)	(747,187)	1,792,725	(756,548)
Nonoperating Revenues (Expenses)					
Federal and state grants	581	825,097	707,602	1,533,280	-
Interest income	193,206	32,952	6,664	232,822	11,100
Interest and other debt expense	(249,079)	(57,237)	-	(306,316)	-
Gain (loss) on disposal of capital assets	(31,003)	-	501	(30,502)	-
Net nonoperating revenues (expenses)	(86,295)	800,812	714,767	1,429,284	11,100
Income (loss) before transfers	3,159,691	94,738	(32,420)	3,222,009	(745,448)
Capital Contributions	234,190	432,062	-	666,252	-
Transfers In	-	33,733	155,552	189,285	-
Transfers Out	(288,551)	(54,617)	-	(343,168)	-
Change in Net Position	3,105,330	505,916	123,132	3,734,378	(745,448)
Net Position - Beginning	49,290,994	13,788,465	1,119,855	64,199,314	1,053,757
Net Position - Ending	\$ 52,396,324	\$ 14,294,381	\$ 1,242,987	\$ 67,933,692	\$ 308,309

City of Marshalltown
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2022

	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	\$ 7,928,258	\$ 1,352,822	\$ 272,851	\$ 9,553,931	\$ 2,605,241
Cash payments to suppliers for goods and services	(1,657,025)	(1,464,547)	(317,212)	(3,438,784)	(3,768,529)
Cash payments to employees for services	(1,707,098)	(353,173)	(632,015)	(2,692,286)	-
Other operating receipts	36,737	-	87	36,824	396,885
Net Cash provided by (used for) Operating Activities	<u>4,600,872</u>	<u>(464,898)</u>	<u>(676,289)</u>	<u>3,459,685</u>	<u>(766,403)</u>
Cash Flows from Noncapital Financing Activities					
Transfers from other funds	-	33,733	155,552	189,285	-
Transfers to other funds	(288,551)	(54,617)	-	(343,168)	-
Grants received	581	825,097	706,847	1,532,525	-
Change in due from other funds	(1,259)	-	-	(1,259)	-
Change in due to other funds	-	-	1,259	1,259	-
Net Cash provided by (used for) Noncapital Financing Activities	<u>(289,229)</u>	<u>804,213</u>	<u>863,658</u>	<u>1,378,642</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition and construction of capital assets	(1,884,658)	(1,809,456)	-	(3,694,114)	-
Proceeds from issuance of debt	3,649,838	-	-	3,649,838	-
Payment of debt	(5,274,115)	(491,273)	-	(5,765,388)	-
Interest and fiscal charges paid	(266,135)	(57,783)	-	(323,918)	-
Net Cash provided by (used for) Capital and Related Financing Activities	<u>(3,775,070)</u>	<u>(2,358,512)</u>	<u>-</u>	<u>(6,133,582)</u>	<u>-</u>
Cash Flows from Investing Activities					
Interest received on investment securities	<u>193,206</u>	<u>32,952</u>	<u>6,663</u>	<u>232,821</u>	<u>11,100</u>
Net Increase (Decrease) in Cash and Cash Equivalents	729,779	(1,986,245)	194,032	(1,062,434)	(755,303)
Cash and Cash Equivalents, Beginning	<u>19,411,770</u>	<u>5,268,217</u>	<u>583,507</u>	<u>25,263,494</u>	<u>1,617,099</u>
Cash and Cash Equivalents, Ending	<u>\$ 20,141,549</u>	<u>\$ 3,281,972</u>	<u>\$ 777,539</u>	<u>\$ 24,201,060</u>	<u>\$ 861,796</u>

City of Marshalltown
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2022

	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>\$ 3,245,986</u>	<u>\$ (706,074)</u>	<u>\$ (747,187)</u>	<u>\$ 1,792,725</u>	<u>\$ (756,548)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation	1,820,603	455,017	119,115	2,394,735	-
Changes in assets, deferred outflows, liabilities, and deferred inflows					
Receivables	(225,891)	487	(5,597)	(231,001)	(12,291)
Inventories and prepaid items	(33,961)	(8,250)	(7,175)	(49,386)	-
Accounts payable	(150,763)	(214,583)	19,315	(346,031)	(9,297)
Accrued liabilities	10,935	5,253	3,785	19,973	-
Due to other governments	119	339	5,153	5,611	-
Unearned revenue	-	-	-	-	11,733
Total OPEB liability	142,482	39,061	4,673	186,216	-
Net pension liability	(990,145)	(200,514)	(342,512)	(1,533,171)	-
Deferred outflows	(304,342)	(63,351)	(86,375)	(454,068)	-
Deferred inflows	<u>1,085,849</u>	<u>227,717</u>	<u>360,516</u>	<u>1,674,082</u>	<u>-</u>
Total	<u>1,354,886</u>	<u>241,176</u>	<u>70,898</u>	<u>1,666,960</u>	<u>(9,855)</u>
Net Cash provided by (used for) Operating Activities	<u>\$ 4,600,872</u>	<u>\$ (464,898)</u>	<u>\$ (676,289)</u>	<u>\$ 3,459,685</u>	<u>\$ (766,403)</u>
Noncash Capital Activities					
Donations of capital assets	<u>\$ 234,190</u>	<u>\$ 432,062</u>	<u>\$ -</u>	<u>\$ 666,252</u>	<u>\$ -</u>

City of Marshalltown
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	<u>Custodial Funds</u>
Assets	
Cash and cash equivalents	\$ 4,331
Accounts receivable	<u>84,021</u>
Total assets	<u>88,352</u>
Liabilities	
Checks written in excess of deposits	<u>84,021</u>
Total liabilities	<u>84,021</u>
Net position (deficit)	<u><u>\$ 4,331</u></u>

City of Marshalltown
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2022

	Custodial Funds
Additions	
Receipts from Commission	\$ 1,101,524
Investment income, interest	<u>328</u>
Total additions	1,101,852
Deductions	
Wages and Benefits	<u>1,022,641</u>
Change in net position (deficit)	79,211
Net position (deficit) - beginning, as restated	<u>(74,880)</u>
Net position (deficit) - ending	<u><u>\$ 4,331</u></u>

Notes to Financial Statements
June 30, 2022

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

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

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

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

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

Cash, Cash Equivalents, and Investments. The City maintains a cash and investment pool. These pooled deposits are invested in interest-bearing cash 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, 2022, were certified with the County during the preceding fiscal year and were due in two equal installments by September 30, 2021 and March 31, 2022. Any County collections on the 2021-2022 tax levy remitted to the City within sixty days subsequent to June 30, 2022, are recorded as property tax revenues. Taxes not collected and remitted to the City within sixty days subsequent to June 30, 2022, are delinquent and have been recorded as receivables. This amount is recorded as unavailable revenue in the governmental funds but is recognized as revenue in the government-wide financial statements.

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

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

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

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

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

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

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

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

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

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

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

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

Deferred Inflows of Resources. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources consist of unavailable revenues, unrecognized items not yet charged to pension expense or OPEB expense, and leases where the City is a lessor.

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, 2022.

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, 2022.

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

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

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

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

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

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

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

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

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

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

Implementation of GASB Statement No. 87. As of July 1, 2021, the City adopted GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The impact to the City resulted in the reporting of lease receivable and deferred inflows of resources related to leases. There was no effect of the on beginning net position as the City did not have any leases under GASB Statement No. 87 as of July, 1, 2021.

City of Marshalltown
Notes to Financial Statements
June 30, 2022

As of June 30, 2022, 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, prepaid items, and land held for resale	\$ 512,340	\$ 80,254	\$ 10,723	\$ -	\$ -	\$ 17,337	\$ -	\$ 125,920	\$ 195	\$ 746,769
Restricted for										
Capital improvements	-	6,411,739	1,700,459	-	-	-	-	10,588,442	-	18,700,640
Property tax relief	-	-	2,092,610	-	-	-	-	-	-	2,092,610
Debt service	-	-	-	-	-	-	181,194	-	-	181,194
Employee benefits	-	-	-	4,038,586	-	-	-	-	-	4,038,586
Economic development	-	-	-	-	-	-	-	-	480,010	480,010
Health and welfare	-	-	-	-	-	-	-	-	152,790	152,790
Parks and recreation	-	-	-	-	-	-	-	-	520,936	520,936
Housing	-	-	-	-	-	200,912	-	-	-	200,912
Other	-	-	3,216,445	-	-	-	-	-	-	3,216,445
Total restricted	-	6,411,739	7,009,514	4,038,586	-	200,912	181,194	10,588,442	1,153,736	29,584,123
Committed										
Capital improvements	250,000	-	-	-	-	-	-	-	-	250,000
Unassigned	5,857,775	-	-	-	(1,038,377)	-	-	-	(477,119)	4,342,279
Total fund balance	<u>\$ 6,620,115</u>	<u>\$ 6,491,993</u>	<u>\$ 7,020,237</u>	<u>\$ 4,038,586</u>	<u>\$ (1,038,377)</u>	<u>\$ 218,249</u>	<u>\$ 181,194</u>	<u>\$ 10,714,362</u>	<u>\$ 676,812</u>	<u>\$ 34,923,171</u>

Note 2 - Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. At June 30, 2022, disbursements did not exceed amounts budgeted.

Note 3 - Deposits and Investments

Deposits. On June 30, 2022, the carrying amount of the City's deposits was \$54,536,133 and the bank balances were \$54,688,255. The City's deposits in banks at June 30, 2022, 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, 2022, 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	\$ 54,536,133	\$ 54,688,255
Treasury securities	4,000,161	4,000,161
Petty cash	1,775	-
	<u>58,538,069</u>	<u>-</u>
Total	<u>\$ 58,538,069</u>	<u>\$ 58,688,416</u>

The Marshalltown Water Works' carrying amount of deposits was \$7,562,835 all of which was covered by federal depository insurance or insured by the state through pooled collateral, State Sinking Funds and by the state's ability to assess for lost funds.

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

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

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

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

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

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

The City uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, Level 3 inputs are significant unobservable inputs. The recurring fair value of the Treasury securities was determined using quoted market prices for similar assets (Level 2 inputs). Treasury securities of the City mature within 365 days and were rated Aaa by Moody's Investors Service at the time of purchase.

Note 4 - Interfund Balance and Transfers

Due to/from primary government and component unit balances as of June 30, 2022, consisted of the following:

Receivable Entity	Payable Entity	Amount
Primary Government:	Component Unit:	
Governmental Fund, General Fund	Water Works	\$ 13,576
Enterprise Fund, Water Pollution Control	Water Works	473,330
Enterprise Fund, Storm Sewer	Water Works	<u>120,388</u>
		<u>\$ 607,294</u>

Due from/to other funds as of June 30, 2022, consisted of the following:

Due to General Fund from	
Nonmajor Governmental	\$ 325,549
Disaster fund	<u>4,348,387</u>
	<u>\$ 4,673,936</u>
Due to Public Works and Other Projects Fund from Nonmajor Governmental	<u>\$ 74,226</u>
Due to Water Pollution Control Fund from Nonmajor Enterprise	<u>\$ 18,806</u>

The interfund balances result from negative cash balances.

Interfund transfers for the year ended June 30, 2022, consisted of the following:

Transfers to General Fund from	
Road use tax	\$ 1,116,774
Local option sales tax	99,023
Property tax	4,097,934
Public works and other projects	478,085
Nonmajor governmental	<u>339,324</u>
Total Transfers to General Fund	<u><u>\$ 6,131,140</u></u>
Transfers to Public Works and Other Projects Fund from:	
General	\$ 18,034
Local option sales tax	271,614
Sewer	288,551
Nonmajor governmental	<u>4,500</u>
Total Transfers to Public Works and Other Projects Fund	<u><u>\$ 582,699</u></u>
Transfers to Disaster Fund from:	
General	<u><u>\$ 4,560</u></u>
Transfers to Debt Service Fund from:	
Local option sales tax	\$ 2,879,760
Nonmajor governmental	<u>394,091</u>
Total Transfers to Debt Service Fund	<u><u>\$ 3,273,851</u></u>
Transfers to nonmajor governmental funds from:	
General	\$ 8,603
Local option sales tax	32,911
Public works and other projects fund	101,953
Storm sewer	54,617
Nonmajor governmental	<u>3,161</u>
Total transfers to nonmajor governmental funds	<u><u>\$ 201,245</u></u>
Transfers to Storm Sewer Fund from Public Works and Other Projects Fund	<u><u>\$ 33,733</u></u>
Transfers to Nonmajor Enterprise Funds from General	<u><u>\$ 155,552</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, 2022, was as follows:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Primary Government				
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 4,820,214	\$ 209,137	\$ -	\$ 5,029,351
Construction in progress	8,152,900	4,741,599	(7,069,091)	5,825,408
Total capital assets, not being depreciated	<u>12,973,114</u>	<u>4,950,736</u>	<u>(7,069,091)</u>	<u>10,854,759</u>
Capital assets, being depreciated				
Buildings and structures	37,291,788	652,660	(7,197)	37,937,251
Land improvements	4,152,595	2,093,732	-	6,246,327
Equipment and vehicles	17,932,182	2,680,590	(677,730)	19,935,042
Infrastructure	47,656,780	2,888,197	-	50,544,977
Total capital assets, being depreciated	<u>107,033,345</u>	<u>8,315,179</u>	<u>(684,927)</u>	<u>114,663,597</u>
Less accumulated depreciation for				
Buildings and structures	(8,862,077)	(1,103,796)	7,197	(9,958,676)
Land improvements	(1,892,651)	(155,373)	-	(2,048,024)
Equipment and vehicles	(10,489,674)	(1,064,036)	660,205	(10,893,505)
Infrastructure	<u>(27,231,392)</u>	<u>(1,304,375)</u>	<u>-</u>	<u>(28,535,767)</u>
Total accumulated depreciation	<u>(48,475,794)</u>	<u>(3,627,580)</u>	<u>667,402</u>	<u>(51,435,972)</u>
Total Capital Assets, Being Depreciated, Net	<u>58,557,551</u>	<u>4,687,599</u>	<u>(17,525)</u>	<u>63,227,625</u>
Governmental Activities Capital Assets, Net	<u>\$ 71,530,665</u>	<u>\$ 9,638,335</u>	<u>\$ (7,086,616)</u>	<u>\$ 74,082,384</u>

City of Marshalltown
Notes to Financial Statements
June 30, 2022

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Business-Type Activities				
Capital assets, not being depreciated				
Land	\$ 898,294	\$ -	\$ -	\$ 898,294
Construction in progress	6,740,954	3,942,377	(6,949,223)	3,734,108
Total capital assets, not being depreciated	<u>7,639,248</u>	<u>3,942,377</u>	<u>(6,949,223)</u>	<u>4,632,402</u>
Capital assets, being depreciated				
Buildings and structures	11,320,193	1,184,866	-	12,505,059
Land improvements	2,303,257	18,075	-	2,321,332
Equipment and vehicles	20,906,099	700,988	(75,631)	21,531,456
Sanitary sewers and lift stations	43,852,461	4,964,189	-	48,816,650
Infrastructure	18,014,585	845,507	-	18,860,092
Total capital assets, being depreciated	<u>96,396,595</u>	<u>7,713,625</u>	<u>(75,631)</u>	<u>104,034,589</u>
Less accumulated depreciation for				
Buildings and structures	(7,736,335)	(292,348)	-	(8,028,683)
Land improvements	(1,977,864)	(34,159)	-	(2,012,023)
Equipment and vehicles	(13,685,667)	(609,764)	44,358	(14,251,073)
Sanitary sewers and lift stations	(12,335,502)	(1,039,317)	-	(13,374,819)
Infrastructure	(6,567,261)	(419,147)	-	(6,986,408)
Total accumulated depreciation	<u>(42,302,629)</u>	<u>(2,394,735)</u>	<u>44,358</u>	<u>(44,653,006)</u>
Total Capital Assets, Being Depreciated, Net	<u>54,093,966</u>	<u>5,318,890</u>	<u>(31,273)</u>	<u>59,381,583</u>
Business-Type Activities Capital Assets, Net	<u>\$ 61,733,214</u>	<u>\$ 9,261,267</u>	<u>\$ (6,980,496)</u>	<u>\$ 64,013,985</u>

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

Governmental Activities	
Public safety	\$ 1,012,177
Public works	1,669,702
Culture and recreation	822,240
General government	<u>123,461</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 3,627,580</u>
Business-Type Activities	
Water pollution control	\$ 1,820,603
Storm sewer	455,017
Compost facility	4,703
Bus transit	<u>114,412</u>
Total Depreciation Expense – Business-Type Activities	<u>\$ 2,394,735</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, 2022:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Governmental Activities					
General obligation bonds and notes payable	\$ 35,745,000	\$ 9,130,000	\$ 3,445,000	\$ 41,430,000	\$ 3,825,000
Unamortized premiums	455,580	400,160	96,855	758,885	-
Total general obligation bonds and notes	36,200,580	9,530,160	3,541,855	42,188,885	3,825,000
Notes from direct borrowings	139,914	-	14,243	125,671	-
Compensated absences payable	1,129,712	212,978	236,300	1,106,390	249,442
	<u>37,470,206</u>	<u>9,743,138</u>	<u>3,792,398</u>	<u>43,420,946</u>	<u>4,074,442</u>
Business-Type Activities					
General obligation bonds and notes payable	\$ 7,320,000	\$ -	\$ 925,000	\$ 6,395,000	\$ 930,000
Unamortized premiums	120,520	-	12,811	107,709	-
Total general obligation bonds	7,440,520	-	937,811	6,502,709	930,000
Notes from direct borrowings	3,369,550	3,649,838	3,548,388	3,471,000	175,000
Revenue bonds payable	9,834,000	-	1,292,000	8,542,000	1,318,000
Compensated absences payable	279,064	61,432	53,495	287,001	55,040
	<u>20,923,134</u>	<u>3,711,270</u>	<u>5,831,694</u>	<u>18,802,710</u>	<u>2,478,040</u>
Total	<u>\$ 58,393,340</u>	<u>\$ 13,454,408</u>	<u>\$ 9,624,092</u>	<u>\$ 62,223,656</u>	<u>\$ 6,552,482</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, 2022, 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	2.00-2.25	\$ 1,250,000	\$ -	\$ 1,250,000
2012B Refunding, issued April 24, 2012 issued April 24, 2012	2.05	290,000	-	290,000
2015A Essential corporate purpose, issued November 24, 2015	2.35-2.60	600,000	-	600,000
2016A General obligation corporate purpose, issued August 9, 2016	2.00	1,265,000	1,745,000	3,010,000
2016B General obligation corporate purpose, issued December 1, 2016	2.00	2,775,000	-	2,775,000
2017A General obligation corporate purpose, issued October 10, 2017	3.00	11,405,000	-	11,405,000
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	4,980,000	1,930,000	6,910,000
2020A General obligation corporate purpose, issued September 28, 2020	1.00	5,305,000	2,720,000	8,025,000
2020B General obligation corporate purpose, issued September 28, 2020	1.00	2,030,000	-	2,030,000
2021 General obligation corporate purpose, issued December 14, 2021	2.00	9,130,000	-	9,130,000
Total general obligation bonds and notes		<u>41,430,000</u>	<u>6,395,000</u>	<u>47,825,000</u>
Capital loan notes				
IEDA forgivable loan, issued March 3, 2020	0.00	125,671	-	125,671
2021A Sewer Revenue Improvement, issued September 24, 2021	0.86	-	3,471,000	3,471,000
Total notes payable		<u>125,671</u>	<u>3,471,000</u>	<u>3,596,671</u>
Revenue Bonds				
Water Pollution Control, improvement bonds, Series 2013, issued June 18, 2013	2.09	-	1,668,000	1,668,000
Water Pollution Control, improvement Series 2020 Refunding bonds issued January 8, 2020	1.96	-	3,565,000	3,565,000
Water Pollution Control, improvement Series 2021 Refunding bonds issued April 1, 2021	1.23	-	3,309,000	3,309,000
Total revenue bonds		<u>-</u>	<u>8,542,000</u>	<u>8,542,000</u>
Total long-term debt		<u>\$ 41,555,671</u>	<u>\$ 18,408,000</u>	<u>\$ 59,963,671</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, 2022, 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
2023	\$ 3,825,000	\$ 984,802	\$ 1,105,000	\$ 130,551
2024	4,240,000	820,688	1,136,000	113,646
2025	4,125,000	731,638	1,169,000	96,182
2026	3,805,000	645,925	1,181,000	78,143
2027	3,800,000	574,125	703,000	59,936
2028-2032	14,415,000	1,864,575	2,943,000	163,403
2033-2037	7,345,671	560,450	1,001,000	53,019
2038-2041	-	-	628,000	10,845
Total	<u>\$ 41,555,671</u>	<u>\$ 6,182,203</u>	<u>\$ 9,866,000</u>	<u>\$ 705,725</u>

Years Ending June 30,	Business-Type Activities Revenues Bonds		Total Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 1,318,000	\$ 144,067	\$ 2,423,000	\$ 274,618
2024	1,337,000	121,758	2,473,000	235,404
2025	1,367,000	99,099	2,536,000	195,281
2026	1,392,000	75,910	2,573,000	154,053
2027	1,416,000	52,289	2,119,000	112,225
2027-2031	1,712,000	36,687	4,655,000	200,090
2032-2036	-	-	1,001,000	53,019
2037-2041	-	-	628,000	10,845
Total	<u>\$ 8,542,000</u>	<u>\$ 529,810</u>	<u>\$ 18,408,000</u>	<u>\$ 1,235,535</u>

In fiscal year ended June 30, 2022, the Water Pollution Control Fund had net revenues of \$5,259,795 and the amount of principal and interest due on the revenue bonds was \$1,672,416.

Legal Debt Margin. The City's legal debt margin as of June 30, 2022, is as follows:

Regular Realty Valuations	\$ 1,264,193,716
Utility Valuations	441,966,524
Incremental Valuations	<u>24,793,485</u>
Total actual valuations applicable to debt	<u>1,730,953,725</u>
Debt Limit - 5% of Total Actual Valuations Applicable to Debt	<u>86,547,686</u>
Amount of Debt Applicable to Limitation	
General obligation bonds and notes	47,950,671
Urban renewal rebate agreements	<u>1,760,833</u>
	49,711,504
Less funds available from	
Debt service fund	181,194
Tax increment financing	<u>480,010</u>
Total debt applicable to debt margin	<u>49,050,300</u>
Legal debt margin	<u><u>\$ 37,497,386</u></u>

Note 7 - Retirement Plans

The primary government participates in two public pension systems, Iowa Public Employees' Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (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 (income) for the period associated with the net pension liability for all plans is \$(337,333) for the primary government and \$(30,649) 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 2022, 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, 2022 were \$626,387. The Water Work’s total contributions to IPERS for the year ended June 30, 2022 were \$70,642.

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2021 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, 2021 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 2021 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:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Core Plus Fixed Income	26.0%	0.29%
Domestic Equity	22.0	4.43
International Equity	17.5	6.01
Private Equity/Debt	13.0	9.51
Private Real Assets	7.5	4.63
Global smart beta equity	6.0	5.1
Public Credit	4.0	2.08
Private Credit	3.0	2.87
Cash	1.0	(0.25)
	<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 (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the City reported a liability of \$116,601 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, the City’s collective proportion was (.0337752) percent, which was a decrease of .115512 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the City recognized pension expense (income) of \$(382,544). At June 30, 2022, 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	\$ 88,717	\$ 89,077
Changes of Assumptions	76,267	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	4,224,657
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	205,327	49,192
City Contributions Subsequent to the Measurement Date	626,387	-
Total	<u>\$ 996,698</u>	<u>\$ 4,362,926</u>

The \$626,387 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, 2023.

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
2023	\$ 980,378
2024	993,673
2025	914,865
2026	1,115,080
2027	(11,381)
	<u>\$ 3,992,615</u>

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate -

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 4,126,904	\$ 116,601	\$ (3,244,287)

Payable to the Pension Plan – At June 30, 2022, the City reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Water Works Specific IPERS Disclosures

Net Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the Water Works reported a liability of \$11,732 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, the Water Work's collective proportion was (.003398) percent which was a decrease of .011831 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Water Works recognized pension expense (income) of \$(30,649). At June 30, 2022, 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	\$ 8,926	\$ 8,962
Changes of Assumptions	7,674	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	425,062
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	26,823	18,243
Water Works Contributions Subsequent to the Measurement Date	70,642	-
Total	<u>\$ 114,065</u>	<u>\$ 452,267</u>

The \$70,642 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, 2023. 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
2023	\$ (92,108)
2024	(100,375)
2025	(98,361)
2026	(118,171)
2027	171
	<u>\$ (408,844)</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	\$ 415,227	\$ 11,732	\$ (326,423)

Payable to the Pension Plan – At June 30, 2022, 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, 2022.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1 percent of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the employer's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 26.18% for the year ended June 30, 2022.

The City's contributions to MFPRSI for the year ended June 30, 2022 was \$1,237,081.

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, 2022.

Actuarial Assumptions - The total pension liability in the June 30, 2021, 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, 2021 valuation were based on the results of an actuarial experience study for the period of July 1, 2010 to June 30, 2020. There were no significant changes of benefit terms.

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

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

Asset Class	Long-Term Expected Real Rate of Return
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, 2022, the City reported a liability of \$3,318,521 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, the City’s collective proportion was 1.477695 percent which was an increase of .051650 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the City recognized pension expense of \$45,211. At June 30, 2022 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	\$ 384,940	\$ 37,347
Changes of Assumptions	124,983	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	5,544,843
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	339,856	294,677
City Contributions Subsequent to the Measurement Date	1,237,081	-
Total	<u>\$ 2,086,860</u>	<u>\$ 5,876,867</u>

The \$1,237,081 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, 2023.

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
2023	\$ (1,038,357)
2024	(1,107,527)
2025	(1,263,901)
2026	(1,648,572)
2027	31,269
	<u>\$ (5,027,088)</u>

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

	1% Decrease -6.50%	Discount Rate (7.50%)	1% Increase (8.50%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 9,820,200	\$ 3,318,521	\$ (2,077,496)

Payables to the Pension Plan – At June 30, 2022, 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, 2022. 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, 2022 and 2021 was 8.93% plus an additional \$5,000 per bi-weekly payroll. The employee contribution rate for the years ended June 30, 2022 and 2021 was 4.95%. Contributions paid by the Water Works for the year ended June 30, 2022 totaled \$181,309, and the contributions paid by employees totaled \$28,441.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the Water Works reported a net pension liability of \$1,200,570. The net pension liability was measured as of March 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that March 31, 2022.

For the year ended June 30, 2022, the Water Works recognized pension expense (income) of \$(79,350). At June 30, 2022 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	\$ 67,726	\$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	112,961
Total	<u>\$ 67,726</u>	<u>\$ 112,961</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:

Years Ending June 30,	Total
2023	\$ 4,963
2024	(1,388)
2025	(51,860)
2026	3,050
	<u>\$ (45,235)</u>

Actuarial Assumptions – The total pension liability in the March 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rates of salary increase (effective March 31, 2022)	3.00 percent per annum
Long-term investment rate of return (effective March 31, 2022)	7.00 percent compounded annually

The actuarial assumptions used in the March 31, 2022 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	40.0
Total	<u>100.0%</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	\$ 1,429,405	\$ 1,200,570	\$ 1,004,099

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

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

Total OPEB Liability – The City's total OPEB liability of \$11,128,296 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021.

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

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

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

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

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	<u>\$ 15,642,185</u>
Changes for the year	
Service Cost	159,127
Interest	497,899
Net difference between projected and actual earnings on pension plan investments	(2,860,266)
Change in assumptions	(3,925,428)
Demographic change	2,035,105
Benefit payments	<u>(420,331)</u>
Net changes	<u>(4,513,894)</u>
Total OPEB Liability, End of Year	<u><u>\$ 11,128,291</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 (3.55%) or 1% higher (5.55%) than the current discount rate.

	<u>1% Decrease (3.55%)</u>	<u>Discount Rate (4.55%)</u>	<u>1% Increase (5.55%)</u>
Total OPEB Liability	\$ 12,687,701	\$ 11,128,291	\$ 9,838,845

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

	<u>1% Decrease (5.00%)</u>	<u>Healthcare Cost Trend Rate (6.00%)</u>	<u>1% Increase (7.00%)</u>
Total OPEB Liability	\$ 9,676,762	\$ 11,128,291	\$ 12,882,746

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2022, the City recognized OPEB expense of \$338,271. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,718,762	\$ 3,431,267
Changes in assumptions	1,305,471	3,516,906
Total	<u>\$ 4,024,233</u>	<u>\$ 6,948,173</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
2023	\$ (318,754)
2024	(318,754)
2025	(318,754)
2026	(226,097)
2027	(193,193)
Thereafter	<u>(1,548,388)</u>
	<u>\$ (2,923,940)</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 794 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials' liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

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

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

The City's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The City's contributions to the Pool for the year ended June 30, 2022 were \$381,700.

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, 2022, no liability has been recorded in the City's financial statements. As of June 30, 2022, 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 2022. 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, 2022, 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, 2022, 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 \$367,415 in the Group Insurance Benefits Fund and \$15,095 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, 2022 and 2021, are summarized as follows:

	Group Insurance Benefits Fund	Occupational Insurance Benefits Fund
	<u> </u>	<u> </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	386,879	4,980
Claims and Changes in Estimates During Fiscal Year 2022	3,073,207	85,757
Claim Payments	<u>(3,092,671)</u>	<u>(75,642)</u>
Liabilities as of June 30, 2022	<u><u>\$ 367,415</u></u>	<u><u>\$ 15,095</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, 2022. The City has additional commitments for signed construction contracts of approximately \$13,662,546 as of June 30, 2022, 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 \$2,786,225 and \$485,120 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, 2022, funds with deficit balances were as follows:

Special Revenue Fund - Disaster Fund	\$ (1,038,377)
Non-major Special Revenue Fund - Grant Fund	(281,185)
Non-major Capital Projects Fund - Airport Projects Fund	(150,808)
Non-major Capital Projects Fund - Culture & Recreation Projects Fund	(45,111)
Non-major Enterprise Fund - Recreation Concessions	(31,855)

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, 2022, \$78,240 of property tax was diverted from the City under the urban renewal and economic development projects.

Note 16 - Subsequent Events

On November 28, 2022, the City of Marshalltown authorized a loan agreement to issue tax-exempt General Obligation Corporate Purpose Bonds Series 2022A in the amount of \$9,555,000 with a true interest rate of 3.7958% and a maturity date of June 1, 2038. The City maintained their Aa2 bond rating from Moody's Investors Service. The bond proceeds may be used towards street design, Improvements and reconstruction, park improvements, trailhead building/bridge/connection, pedestrian alley, parking lot, and sidewalk gap projects. The bond closing date was December 13, 2022.

On November 28, 2022, the City of Marshalltown authorized a loan agreement to issue Taxable General Obligation Property Restoration Bonds, Series 2022B in the amount of \$610,000 with a true interest rate of 5.0321% and a maturity date of June 1, 2028. The City maintained their Aa2 bond rating from Moody's Investors Service. The bond proceeds may be used towards acquiring and demolishing dangerous and dilapidated buildings. The bond closing date was December 13, 2022.

In August of 2022, the City received \$1,993,589 the second installment from the American Rescue Plan Act (ARPA) Non Entitlement Unit Funding Project. Those funds have been deposited into the American Rescue Plan Fund where they will be spent in accordance with grant requirements. The first installment was received in FY2022. Total received for both years was \$3,987,180 for the City.

The Marshalltown Water Works entered into an engineering service contract totaling \$4,057,641 for design and construction of a new reverse osmosis membrane treatment process train at the water treatment plant.

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 - Lease Receivable

The City owns buildings located at the airport which the City rents to Marshalltown Aviation. Effective January 1, 2022, the City entered into a 15-year lease. The City is to receive monthly payments of \$2,333, respectively with an incremental lending rate of 2.0%. During the year ended June 30, 2022, the City earned principal of \$11,007 and interest of \$2,993 on the agreement. A summary of the remaining lease receivable principal and interest to maturity is as follows:

Years Ending June 30,	Principal	Interest	Total
2023	\$ 21,114	\$ 6,885	\$ 27,999
2024	21,540	6,459	27,999
2025	21,975	6,024	27,999
2026	22,419	5,581	28,000
2027	22,871	5,129	28,000
2028-2032	121,471	18,529	140,000
2033-2037	123,121	5,765	128,886
Total	<u>\$ 354,511</u>	<u>\$ 54,372</u>	<u>\$ 408,883</u>

Required Supplementary Information
June 30, 2022

City of Marshalltown

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

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

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

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

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

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

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

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

City of Marshalltown
Required Supplementary Information
Budgetary Comparison Schedule of Receipts, Disbursements, and
Changes in Balances – Budget and Actual (Cash Basis)
Governmental Funds and Enterprise Funds
Year Ended June 30, 2022

	Actual			Budgeted Amounts		Final to
	Governmental Funds	Enterprise Funds	Total	Original Budget	Final Budget	Actual Variance
Receipts						
Property taxes	\$ 12,561,692	\$ -	\$ 12,561,692	\$ 12,484,630	\$ 12,509,730	\$ 51,962
TIF revenues	922,123	-	922,123	916,481	916,481	5,642
Other city taxes	6,747,285	-	6,747,285	5,822,696	6,856,927	(109,642)
Licenses and permits	261,405	4,384	265,789	297,044	304,184	(38,395)
Use of money and property	393,990	269,809	663,799	574,755	585,763	78,036
Intergovernmental	10,444,182	1,532,539	11,976,721	28,224,599	20,317,071	(8,340,350)
Charges for service	904,250	9,536,453	10,440,703	16,404,500	17,093,304	(6,652,601)
Special assessments	537	-	537	5,000	5,000	(4,463)
Miscellaneous	632,085	12,402	644,487	268,336	1,018,758	(374,271)
Other financing sources	9,862,683	292,889	10,155,572	108,314	10,232,077	(76,505)
Total receipts	42,730,232	11,648,476	54,378,708	65,106,355	69,839,295	(15,460,587)
Disbursements						
Public safety	9,967,510	-	9,967,510	14,009,738	10,141,882	174,372
Public works	5,039,769	-	5,039,769	11,752,719	6,789,678	1,749,909
Health and social services	611,572	-	611,572	1,605,542	1,593,943	982,371
Culture and recreation	3,226,370	-	3,226,370	3,556,270	3,858,404	632,034
Community and economic development	3,491,587	-	3,491,587	4,092,494	4,897,538	1,405,951
General government	1,424,725	-	1,424,725	1,748,091	1,610,310	185,585
Debt service	5,287,543	-	5,287,543	4,246,493	5,288,143	600
Capital projects	7,735,897	-	7,735,897	9,824,861	15,394,217	7,658,320
Business-type activities	-	11,515,253	11,515,253	19,441,201	19,334,513	7,819,260
Total disbursements	36,784,973	11,515,253	48,300,226	70,277,409	68,908,628	20,608,402
Excess (deficiency) of receipts over (under) disbursements	5,945,259	133,223	6,078,482	(5,171,054)	930,667	5,147,815
Transfers						
Transfers in	14,796,010	189,284	14,985,294	10,786,291	16,614,096	1,628,802
Transfers out	(13,600,353)	(1,384,941)	(14,985,294)	(10,786,291)	(16,614,096)	(1,628,802)
Total transfers	1,195,657	(1,195,657)	-	-	-	-
Net change in fund balances	7,140,916	(1,062,434)	6,078,482	(5,171,054)	930,667	5,147,815
Fund Balances, Beginning	26,329,966	25,263,494	51,593,460	45,122,098	57,742,442	(6,148,982)
Fund Balances, Ending	\$ 33,470,882	\$ 24,201,060	\$ 57,671,942	\$ 39,951,044	\$ 58,673,109	\$ (1,001,167)

City of Marshalltown
Required Supplementary Information
Budgetary Comparison Schedule – Budget to GAAP Reconciliation
Year Ended June 30, 2022

	Governmental Funds			Proprietary Funds Enterprise		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Accrual Basis
Revenues	\$ 42,730,232	\$ 1,607,825	\$ 44,338,057	\$ 11,648,476	\$ 574,619	\$ 12,223,095
Expenditures/Expenses	<u>36,784,973</u>	<u>(2,071,526)</u>	<u>34,713,447</u>	<u>11,515,253</u>	<u>(3,180,419)</u>	<u>8,334,834</u>
Net	5,945,259	3,679,351	9,624,610	133,223	3,755,038	3,888,261
Transfers	1,195,657	(1,041,774)	153,883	(1,195,657)	1,041,774	(153,883)
Beginning 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>
Ending Fund Balances/ Net Position	<u>\$ 33,470,882</u>	<u>\$ 1,452,289</u>	<u>\$ 34,923,171</u>	<u>\$ 24,201,060</u>	<u>\$ 43,732,632</u>	<u>\$ 67,933,692</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 decreased budgeted disbursements by \$1,368,781, excluding transfers out.

At June 30, 2022, 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 (asset)	City's proportionate share of the net pension liability (asset)	City's covered payroll	City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2022*	-0.0337752%	\$ 116,601	\$ 6,751,706	1.73%	100.81%
2021	0.0817364%	5,741,766	6,483,102	88.57%	82.90%
2020	0.0793407%	4,594,347	6,042,108	76.04%	85.45%
2019	0.0804147%	5,088,837	6,059,552	83.98%	83.62%
2018	0.0777900%	5,181,791	5,806,629	89.24%	82.21%
2017	0.0815720%	5,044,545	5,772,452	87.39%	81.82%
2016	0.0827000%	4,109,324	5,714,192	71.91%	85.19%
2015	0.0827556%	3,349,191	5,521,483	60.66%	87.61%

See accompanying notes to required supplementary information.

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

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

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

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

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
2022	\$ 626,387	\$ 626,387	\$ -	\$ 6,635,456	9.44%
2021	637,361	637,361	-	6,751,706	9.44%
2020	616,287	616,287	-	6,483,102	9.51%
2019	570,375	570,375	-	6,042,108	9.44%
2018	541,118	541,118	-	6,059,552	8.93%
2017	518,532	518,532	-	5,806,629	8.93%
2016	515,480	515,480	-	5,772,452	8.93%
2015	510,213	510,213	-	5,714,192	8.93%
2014	493,003	493,003	-	5,521,483	8.93%
2013	471,574	471,574	-	5,462,753	8.63%

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
2022	1.477695%	\$ 3,318,521	\$ 4,801,829	69.11%	93.62%
2021	1.426045%	11,374,139	4,530,594	251.05%	76.47%
2020	1.444308%	9,473,600	4,372,115	216.68%	79.94%
2019	1.534724%	9,137,800	4,460,800	204.85%	81.07%
2018	1.480374%	8,682,024	4,192,720	207.07%	80.60%
2017	1.560279%	9,755,815	4,229,147	230.68%	78.20%
2016	1.515981%	7,122,296	3,975,266	179.17%	83.04%
2015	1.561055%	5,658,798	3,987,282	141.92%	86.27%

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

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

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

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 1,237,081	\$ 1,237,081	\$ -	\$ 4,725,290	26.18%
2021	1,215,343	1,215,343	-	4,801,829	25.31%
2020	1,105,918	1,105,918	-	4,530,594	24.41%
2019	1,137,624	1,137,624	-	4,372,114	26.02%
2018	1,145,545	1,145,545	-	4,460,800	25.68%
2017	1,086,753	1,086,753	-	4,192,720	25.92%
2016	1,174,434	1,174,434	-	4,229,147	27.77%
2015	1,208,879	1,208,879	-	3,975,266	30.41%
2014	1,200,723	1,200,723	-	3,987,282	30.11%
2013	1,025,722	1,025,722	-	3,908,165	26.25%

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, 2022

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.

American Rescue Plan – To account for the Coronavirus State and Local Fiscal Recovery Funds established under the American Rescue Plan Act.

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, 2022

	Special Revenue Funds					Capital Projects Funds		Total Nonmajor Governmental Funds
	Grant Fund	Special Contributions	Tax Increment Financing	American Rescue Plan	Other	Airport Projects	Culture and Recreation Projects	
Assets								
Cash and cash equivalents	\$ -	\$ 506,098	\$ 469,296	\$ 1,805,688	\$ 178,969	\$ -	\$ -	\$ 2,960,051
Receivables								
Property taxes								
Delinquent	-	-	10,714	-	-	-	-	10,714
Accounts and unbilled usage	-	21,172	-	-	178,120	-	18,856	218,148
Due from other governments	385,509	5,000	-	-	-	536,968	60,575	988,052
Prepaid items	15	180	-	-	-	-	-	195
Total assets	<u>\$ 385,524</u>	<u>\$ 532,450</u>	<u>\$ 480,010</u>	<u>\$ 1,805,688</u>	<u>\$ 357,089</u>	<u>\$ 536,968</u>	<u>\$ 79,431</u>	<u>\$ 4,177,160</u>

City of Marshalltown
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds					Capital Projects Funds		Total Nonmajor Governmental Funds
	Grant Fund	Special Contributions	Tax Increment Financing	American Rescue Plan	Other	Airport Projects	Culture and Recreation Projects	
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities								
Accounts payable	\$ 49,735	\$ 5,141	\$ -	\$ 8,824	\$ 15,458	\$ 184,200	\$ 18,237	\$ 281,595
Accrued payroll and payroll benefits	3,953	1,193	-	-	-	-	-	5,146
Retainage payable	-	-	-	-	17,779	130,926	-	148,705
Grant proceeds received in advance	-	-	-	1,796,864	-	-	-	1,796,864
Due to other funds	325,549	-	-	-	-	47,352	26,874	399,775
Total liabilities	379,237	6,334	-	1,805,688	33,237	362,478	45,111	2,632,085
Deferred Inflows of Resources								
Unavailable revenue- other	-	-	-	-	-	-	18,856	18,856
Unavailable revenue- intergovernmental	287,472	5,000	-	-	171,062	325,298	60,575	849,407
Total deferred inflows of resources	287,472	5,000	-	-	171,062	325,298	79,431	868,263
Fund Balances								
Nonspendable	15	180	-	-	-	-	-	195
Restricted	-	520,936	480,010	-	152,790	-	-	1,153,736
Unassigned	(281,200)	-	-	-	-	(150,808)	(45,111)	(477,119)
Total fund balances (deficit)	(281,185)	521,116	480,010	-	152,790	(150,808)	(45,111)	676,812
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 385,524</u>	<u>\$ 532,450</u>	<u>\$ 480,010</u>	<u>\$ 1,805,688</u>	<u>\$ 357,089</u>	<u>\$ 536,968</u>	<u>\$ 79,431</u>	<u>\$ 4,177,160</u>

City of Marshalltown
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Deficit)
Nonmajor Governmental Funds
Year Ended June 30, 2022

	Special Revenue Funds					Capital Projects Funds		Total Nonmajor Governmental Funds
	Grant Fund	Special Contributions	Tax Increment Financing	American Rescue Plan	Other	Airport Projects	Culture and Recreation Projects	
Revenues								
TIF revenues	\$ -	\$ -	\$ 828,771	\$ -	\$ -	\$ -	\$ -	\$ 828,771
Use of money and property	42	4,062	5,610	-	4,018	5,375	238	19,345
Intergovernmental	789,489	-	86,496	196,725	-	762,206	148,160	1,983,076
Charges for service	-	-	-	-	-	-	110	110
Miscellaneous	11,876	225,781	-	-	16,521	-	32,429	286,607
Total revenues	801,407	229,843	920,877	196,725	20,539	767,581	180,937	3,117,909
Expenditures								
Current								
Public safety	210,410	45,492	-	8,823	65,847	-	-	330,572
Public works	31,852	-	-	-	471,117	2,494,155	-	2,997,124
Culture and recreation	103,557	72,987	-	-	89,337	-	82,621	348,502
Community and economic development	820,887	-	267,544	-	280	-	20,971	1,109,682
Total expenditures	1,166,706	118,479	267,544	8,823	626,581	2,494,155	103,592	4,785,880
Excess of revenues (expenditures) over expenditures (revenues)	\$ (365,299)	\$ 111,364	\$ 653,333	\$ 187,902	\$ (606,042)	\$ (1,726,574)	\$ 77,345	\$ (1,667,971)
Other Financing Sources (Uses)								
Insurance proceeds	-	-	-	-	283,139	-	-	283,139
Transfers in	157,380	3,161	8,602	-	-	-	32,102	201,245
Transfers out	(7,681)	(15,000)	(530,493)	(187,902)	-	-	-	(741,076)
Total other financing sources (uses)	149,699	(11,839)	(521,891)	(187,902)	283,139	-	32,102	(256,692)
Net Change in Fund Balances	(215,600)	99,525	131,442	-	(322,903)	(1,726,574)	109,447	(1,924,663)
Fund Balances (Deficit) - Beginning	(65,585)	421,591	348,568	-	475,693	1,575,766	(154,558)	2,601,475
Fund Balances (Deficit) - Ending	\$ (281,185)	\$ 521,116	\$ 480,010	\$ -	\$ 152,790	\$ (150,808)	\$ (45,111)	\$ 676,812

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, 2022

	Compost Facility	Bus Transit	Recreation Concessions	Total Nonmajor Enterprise Funds
Assets				
Current assets				
Cash and cash equivalents	\$ 139,212	\$ 638,327	\$ -	\$ 777,539
Receivables				
Accounts and unbilled usage	540	8,260	1,344	10,144
Due from other governments	-	127,041	-	127,041
Prepaid items	283	30,019	355	30,657
Total current assets	140,035	803,647	1,699	945,381
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	(353,708)	(1,618,676)	-	(1,972,384)
Total noncurrent assets	41,151	966,300	-	1,007,451
Total assets	181,186	1,769,947	1,699	1,952,832
Deferred Outflows of Resources				
OPEB related deferred outflows	-	158,990	-	158,990
Pension related deferred outflows	-	65,832	-	65,832
Total deferred outflows of resources	-	224,822	-	224,822

City of Marshalltown
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2022

	Compost Facility	Bus Transit	Recreation Concessions	Total Nonmajor Enterprise Funds
Liabilities				
Current liabilities				
Accounts payable	\$ 274	\$ 25,233	\$ 12,540	\$ 38,047
Accrued payroll and payroll benefits	1,073	19,966	2,208	23,247
Due to other governments	-	10,756	-	10,756
Due to other funds	-	-	18,806	18,806
Compensated absences	-	10,897	-	10,897
Total current liabilities	1,347	66,852	33,554	101,753
Noncurrent liabilities				
Compensated absences	-	28,467	-	28,467
Total OPEB liability	-	349,746	-	349,746
Net pension liability	-	7,701	-	7,701
Total noncurrent liabilities	-	385,914	-	385,914
Total liabilities	1,347	452,766	33,554	487,667
Deferred Inflows of Resources				
OPEB related deferred inflows	-	158,828	-	158,828
Pension related deferred inflows	-	288,172	-	288,172
Total deferred inflows of resources	-	447,000	-	447,000
Net Position				
Net investment in capital assets	41,151	966,300	-	1,007,451
Unrestricted	138,688	128,703	(31,855)	235,536
Total net position	\$ 179,839	\$ 1,095,003	\$ (31,855)	\$ 1,242,987

City of Marshalltown
Combining Statement of Revenues, Expenditures,
and Changes in Fund Net Position
Nonmajor Enterprise Funds
Year Ended June 30, 2022

	Compost Facility	Bus Transit	Recreation Concessions	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for service	\$ 103,451	\$ 131,397	\$ 43,087	\$ 277,935
Miscellaneous	-	39	48	87
Total operating revenue	103,451	131,436	43,135	278,022
Operating Expenses				
Salaries and benefits	35,333	519,890	16,378	571,601
Services and supplies	29,172	275,096	30,150	334,418
Depreciation	4,703	114,412	-	119,115
Miscellaneous	75	-	-	75
Total operating expenses	69,283	909,398	46,528	1,025,209
Operating gain (loss)	34,168	(777,962)	(3,393)	(747,187)
Nonoperating Revenues				
Federal and state grants	-	707,602	-	707,602
Interest income	1,302	5,362	-	6,664
Gain on disposal of capital assets	-	501	-	501
Net nonoperating revenues	1,302	713,465	-	714,767
Income (loss) before transfers	35,470	(64,497)	(3,393)	(32,420)
Transfers in	-	155,552	-	155,552
Change in Net Position	35,470	91,055	(3,393)	123,132
Net Position - Beginning	144,369	1,003,948	(28,462)	1,119,855
Net Position - Ending	\$ 179,839	\$ 1,095,003	\$ (31,855)	\$ 1,242,987

City of Marshalltown
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2022

	Compost Facility	Bus Transit	Recreation Concessions	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities				
Cash received from customers	\$ 105,424	\$ 125,636	\$ 41,791	\$ 272,851
Cash payments to suppliers for goods and services	(32,446)	(258,722)	(26,044)	(317,212)
Cash payments to employees for services	(35,218)	(579,743)	(17,054)	(632,015)
Net Cash Provided by (Used for) Operating Activities	37,760	(712,790)	(1,259)	(676,289)
Cash Flows from Noncapital Financing Activities				
Transfers from other funds	-	155,552	-	155,552
Grants received	-	706,847	-	706,847
Change in due to other funds	-	-	1,259	1,259
Net Cash Provided by (Used for) Noncapital Financing Activities	-	862,399	1,259	863,658
Cash Flows from Investing Activities				
Interest received	1,301	5,362	-	6,663
Net Increase in Cash and Cash Equivalents	39,061	154,971	-	194,032
Cash and Cash Equivalents, Beginning	100,151	483,356	-	583,507
Cash and Cash Equivalents, Ending	\$ 139,212	\$ 638,327	\$ -	\$ 777,539

City of Marshalltown
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2022

	Compost Facility	Bus Transit	Recreation Concessions	Total Nonmajor Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for) Operating Activities				
Operating income (loss)	<u>\$ 34,168</u>	<u>\$ (777,962)</u>	<u>\$ (3,393)</u>	<u>\$ (747,187)</u>
Adjustments to reconcile operating income to net cash provided for operating activities				
Depreciation	4,703	114,412	-	119,115
Changes in assets, deferred outflows, liabilities, and deferred inflows				
Receivables	2,048	(6,301)	(1,344)	(5,597)
Inventories and prepaid items	209	(7,368)	(16)	(7,175)
Accounts payable	(3,483)	18,628	4,170	19,315
Accrued liabilities	115	4,346	(676)	3,785
Due to other governments	-	5,153	-	5,153
Total OPEB liability	-	4,673	-	4,673
Net pension liability	-	(342,512)	-	(342,512)
Deferred outflows	-	(86,375)	-	(86,375)
Deferred inflows	-	360,516	-	360,516
Total adjustments	<u>3,592</u>	<u>65,172</u>	<u>2,134</u>	<u>70,898</u>
Net Cash provided by (used for) Operating Activities	<u>\$ 37,760</u>	<u>\$ (712,790)</u>	<u>\$ (1,259)</u>	<u>\$ (676,289)</u>

Internal Service Funds

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

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

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

City of Marshalltown
Combining Statement of Net Position
Internal Service Funds
June 30, 2022

	Group Insurance Benefits	Occupational Insurance Benefits	Workmen's Compensation Deductible	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 768,832	\$ 57,444	\$ 35,520	\$ 861,796
Receivables				
Accounts	<u>13,151</u>	<u>-</u>	<u>-</u>	<u>13,151</u>
Total current assets	<u>781,983</u>	<u>57,444</u>	<u>35,520</u>	<u>874,947</u>
Liabilities				
Current liabilities				
Accounts payable	367,415	15,095	52	382,562
Deposits payable	<u>184,076</u>	<u>-</u>	<u>-</u>	<u>184,076</u>
Total current liabilities	<u>551,491</u>	<u>15,095</u>	<u>52</u>	<u>566,638</u>
Net Position				
Unrestricted	<u>\$ 230,492</u>	<u>\$ 42,349</u>	<u>\$ 35,468</u>	<u>\$ 308,309</u>

City of Marshalltown
Combining Statement of Revenues, Expenses, and
Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2022

	Group Insurance Benefits	Occupational Insurance Benefits	Workmen's Compensation Deductible	Total
Operating Revenues				
Charges for service	\$ 2,458,237	\$ 147,562	\$ -	\$ 2,605,799
Miscellaneous	<u>396,797</u>	<u>88</u>	<u>-</u>	<u>396,885</u>
Total operating revenues	<u>2,855,034</u>	<u>147,650</u>	<u>-</u>	<u>3,002,684</u>
Operating Expenses				
Claims	3,073,207	85,757	1,327	3,160,291
Health insurance premiums	366,494	47,711	-	414,205
Miscellaneous	<u>184,676</u>	<u>-</u>	<u>60</u>	<u>184,736</u>
Total operating expenses	<u>3,624,377</u>	<u>133,468</u>	<u>1,387</u>	<u>3,759,232</u>
Operating income (loss)	(769,343)	14,182	(1,387)	(756,548)
Nonoperating Revenues				
Interest income	<u>10,263</u>	<u>495</u>	<u>342</u>	<u>11,100</u>
Change in Net Position	(759,080)	14,677	(1,045)	(745,448)
Net Position - Beginning	<u>989,572</u>	<u>27,672</u>	<u>36,513</u>	<u>1,053,757</u>
Net Position - Ending	<u>\$ 230,492</u>	<u>\$ 42,349</u>	<u>\$ 35,468</u>	<u>\$ 308,309</u>

City of Marshalltown
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2022

	Group Insurance Benefits	Occupational Insurance Benefits	Workmen's Compensation Deductible	Total
Cash Flows from Operating Activities				
Cash received from customers	\$ 2,457,679	\$ 147,562	\$ -	\$ 2,605,241
Cash payments to suppliers for goods and services	(3,643,841)	(123,353)	(1,335)	(3,768,529)
Other operating receipts	396,797	88	-	396,885
Net Cash provided by (used for) Operating Activities	(789,365)	24,297	(1,335)	(766,403)
Cash Flows from Investing Activities				
Interest received	10,263	495	342	11,100
Net Increase (Decrease) in Cash and Cash Equivalents	(779,102)	24,792	(993)	(755,303)
Cash and Cash Equivalents, Beginning	1,547,934	32,652	36,513	1,617,099
Cash and Cash Equivalents, Ending	<u>\$ 768,832</u>	<u>\$ 57,444</u>	<u>\$ 35,520</u>	<u>\$ 861,796</u>
Reconciliation of Operating Income (Loss) to Net Cash provided from (used for) Operating Activities				
Operating income (loss)	<u>\$ (769,343)</u>	<u>\$ 14,182</u>	<u>\$ (1,387)</u>	<u>\$ (756,548)</u>
Changes in assets and liabilities				
Receivables	(12,291)	-	-	(12,291)
Accounts payable	(19,464)	10,115	52	(9,297)
Deposits payable	11,733	-	-	11,733
Total	<u>(20,022)</u>	<u>10,115</u>	<u>52</u>	<u>(9,855)</u>
Net Cash provided by (used for) Operating Activities	<u>\$ (789,365)</u>	<u>\$ 24,297</u>	<u>\$ (1,335)</u>	<u>\$ (766,403)</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, 2022

	<u>911 Commision</u>	<u>Surety Bonds</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ -	\$ 4,331	\$ 4,331
Accounts receivable	<u>84,021</u>	<u>-</u>	<u>84,021</u>
Total assets	<u><u>\$ 84,021</u></u>	<u><u>\$ 4,331</u></u>	<u><u>\$ 88,352</u></u>
Liabilities			
Checks written in excess of deposits	<u>\$ 84,021</u>	<u>\$ -</u>	<u>\$ 84,021</u>
Net Position			
Individuals and organizations	<u><u>\$ -</u></u>	<u><u>\$ 4,331</u></u>	<u><u>\$ 4,331</u></u>

City of Marshalltown
Combining Statement of Changes in Fiduciary Fund Net Position
All Custodial Funds
Year Ended June 30, 2022

	<u>911 Commision</u>	<u>Surety Bonds</u>	<u>Total</u>
Additions			
Receipts from commission	\$ 1,101,524	\$ -	\$ 1,101,524
Investment income, interest	<u>-</u>	<u>328</u>	<u>328</u>
Total additions	<u>1,101,524</u>	<u>328</u>	<u>1,101,852</u>
Deductions			
Wages and benefits	<u>1,022,641</u>	<u>-</u>	<u>1,022,641</u>
Total deductions	<u>1,022,641</u>	<u>-</u>	<u>1,022,641</u>
Change in net position	78,883	328	79,211
Net position (deficit) - beginning	<u>(78,883)</u>	<u>4,003</u>	<u>(74,880)</u>
Net position - ending	<u>\$ -</u>	<u>\$ 4,331</u>	<u>\$ 4,331</u>

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Long-Term Debt
June 30, 2022

City of Marshalltown

City of Marshalltown
Schedule of Bond Maturities
June 30, 2022

Issue	Year Ending June 30,	Interest Rates	Interest	Principal
Governmental Activities				
General Obligation				
2012A Essential corporate purpose				
Issued April 12, 2012				
	2023	2.00%	\$ 27,063	\$ 425,000
	2024	2.25%	18,563	400,000
	2025	2.25%	9,563	425,000
			<u>55,189</u>	<u>1,250,000</u>
2012B Crossover advance refunding				
Issued April 24, 2012				
	2023	2.05%	<u>5,945</u>	<u>290,000</u>
			<u>5,945</u>	<u>290,000</u>
2015A Essential corporate purpose				
Issued November 24, 2015				
	2023	2.35%	14,663	375,000
	2024	2.60%	<u>5,850</u>	<u>225,000</u>
			<u>20,513</u>	<u>600,000</u>
2016A General obligation corporate purpose				
Issued August 9, 2016				
	2023	2.00%	25,300	405,000
	2024	2.00%	17,200	420,000
	2025	2.00%	<u>8,800</u>	<u>440,000</u>
			<u>51,300</u>	<u>1,265,000</u>
2016B General obligation corporate purpose				
Issued December 1, 2016				
	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%	<u>10,000</u>	<u>500,000</u>
			<u>248,800</u>	<u>2,775,000</u>

(Continued)

City of Marshalltown
Schedule of Bond Maturities
June 30, 2022

Issue	Year Ending June 30,	Interest Rates	Interest	Principal
Governmental Activities (continued)				
General Obligation (continued)				
2017A General obligation corporate purpose Issued October 10, 2017				
	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>3,277,950</u>	<u>11,405,000</u>
2018A General obligation corporate purpose Issued December 3, 2018				
	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>319,650</u>	<u>2,400,000</u>
2019 General Obligation corporate purpose Issued December 12, 2019				
	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>457,100</u>	<u>4,980,000</u>

(Continued)

City of Marshalltown
Schedule of Bond Maturities
June 30, 2022

Issue	Year Ending June 30,	Interest Rates	Interest	Principal
Governmental Activities (continued)				
General Obligation (continued)				
2020A General Obligation corporate purpose				
Issued September 28, 2020				
	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>276,150</u>	<u>5,305,000</u>
2020B General Obligation corporate purpose				
Issued September 28, 2020				
	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>142,200</u>	<u>2,030,000</u>
2021 General Obligation corporate purpose				
Issued December 14, 2021				
	2023	2.00%	267,306	600,000
	2024	2.00%	170,600	695,000
	2025	2.00%	156,700	710,000
	2026	2.00%	142,500	725,000
	2027	2.00%	128,000	740,000
	2028	2.00%	113,200	755,000
	2029	2.00%	98,100	775,000
	2030	2.00%	82,600	795,000
	2031	2.00%	66,700	810,000
	2032	2.00%	50,500	825,000
	2033	2.00%	34,000	840,000
	2034	2.00%	17,200	860,000
			<u>1,327,406</u>	<u>9,130,000</u>
IDEA forgiveable loan				
Issued March 3, 2020				
	2037	0.00%	<u>-</u>	<u>125,671</u>

(Continued)

City of Marshalltown
Schedule of Bond Maturities
June 30, 2022

Issue	Year Ending June 30,	Interest Rates	Interest	Principal
Governmental Activities (continued)				
Notes Payable				
General Obligation and Notes Payable				
Total governmental activities				
	2023		\$ 984,802	\$ 3,825,000
	2024		820,688	4,240,000
	2025		731,638	4,125,000
	2026		645,925	3,805,000
	2027		574,125	3,800,000
	2028		502,475	3,210,000
	2029		435,875	3,335,000
	2030		367,460	2,955,000
	2031		305,358	2,425,000
	2032		253,408	2,490,000
	2033		199,600	1,860,000
	2034		152,200	1,920,000
	2035		103,200	1,105,000
	2036		70,050	1,155,000
	2037		35,400	1,305,671
			<u>\$ 6,182,203</u>	<u>\$ 41,555,671</u>

(Continued)

City of Marshalltown
Schedule of Bond Maturities
June 30, 2022

Issue	Year Ending June 30	Interest Rates	Interest	Principal
Business-type Activities				
General Obligation				
2016A General obligation corporate purpose Issued August 9, 2016				
	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>190,600</u>	<u>1,745,000</u>
2019 General Obligation corporate purpose Issued December 12, 2019				
	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>97,600</u>	<u>1,930,000</u>
2020A General obligation corporate purpose Issued September 28, 2020				
	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>124,900</u>	<u>2,720,000</u>

(Continued)

City of Marshalltown
Schedule of Bond Maturities
June 30, 2022

Issue	Year Ending June 30	Interest Rates	Interest	Principal
Business-type Activities				
Capital Loan Notes				
2021A Sewer Revenue Improvement, Refunding 2019 SRF Bonds Issued September 24, 2021				
	2023	0.86%	\$ 29,851	\$ 175,000
	2024	0.86%	28,346	176,000
	2025	0.86%	26,832	179,000
	2026	0.86%	25,293	181,000
	2027	0.86%	23,736	183,000
	2028	0.86%	22,162	185,000
	2029	0.86%	20,571	187,000
	2030	0.86%	18,963	190,000
	2031	0.86%	17,329	192,000
	2032	0.86%	15,678	194,000
	2033	0.86%	14,009	196,000
	2034	0.86%	12,324	198,000
	2035	0.86%	10,621	200,000
	2036	0.86%	8,901	202,000
	2037	0.86%	7,164	205,000
	2038	0.86%	5,401	207,000
	2039	0.86%	3,621	209,000
	2040	0.86%	1,823	212,000
			<u>292,625</u>	<u>3,471,000</u>
Revenue Bonds				
Sewer Revenue Improvement Issued June 18, 2013				
	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>115,431</u>	<u>1,668,000</u>

(Continued)

City of Marshalltown
Schedule of Bond Maturities
June 30, 2022

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				
	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>270,284</u>	<u>3,565,000</u>
Sewer Revenue Improvement and Refunding, refunding of series 2015 Issued April 1, 2021				
	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>144,095</u>	<u>3,309,000</u>
General Obligation, Notes Payable, and Revenue Bonds				
Total business-type activities				
	2023		274,618	2,423,000
	2024		235,404	2,473,000
	2025		195,281	2,536,000
	2026		154,053	2,573,000
	2027		112,225	2,119,000
	2028		79,671	2,037,000
	2029		50,349	1,202,000
	2030		32,163	785,000
	2031		22,229	437,000
	2032		15,678	194,000
	2033		14,009	196,000
	2034		12,324	198,000
	2035		10,621	200,000
	2036		8,901	202,000
	2037		7,164	205,000
	2038		5,401	207,000
	2039		3,621	209,000
	2040		1,823	212,000
			<u>\$ 1,235,535</u>	<u>\$ 18,408,000</u>

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Statistical Section (Unaudited)
June 30, 2022

City of Marshalltown

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

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	111
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	118
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	125
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	130
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	132

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities										
Net investment in capital assets	\$ 43,863,682	\$ 44,056,444	\$ 41,349,928	\$ 39,411,094	\$ 37,973,695	\$ 35,605,495	\$ 34,132,724	\$ 32,948,014	\$ 30,504,272	\$ 29,002,766
Restricted	18,841,821	18,055,545	18,176,221	16,316,062	13,150,024	26,679,991	16,806,635	10,119,191	8,457,793	9,706,673
Unrestricted	(15,883,238)	(25,310,052)	(23,253,296)	(23,880,433)	(25,557,161)	(29,968,723)	(20,244,351)	(17,323,596)	(5,613,806)	(5,497,165)
Total governmental activities net position	<u>\$ 46,822,265</u>	<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>
Business-type activities										
Net investment in capital assets	\$ 46,838,546	\$ 44,098,791	\$ 41,855,980	\$ 41,571,280	\$ 39,699,525	\$ 38,990,163	\$ 39,370,548	\$ 38,458,793	\$ 40,565,122	\$ 37,861,816
Restricted	139,024	138,750	157,266	139,016	177,299	180,225	181,757	130,261	80,048	64,281
Unrestricted	20,956,122	19,961,773	17,953,621	14,681,909	11,965,382	10,555,689	8,989,797	7,413,347	4,444,459	5,613,164
Total business-type activities net position	<u>\$ 67,933,692</u>	<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>
Primary Government										
Net investment in capital assets	\$ 90,702,228	\$ 88,155,235	\$ 83,205,908	\$ 80,982,374	\$ 77,673,220	\$ 74,595,658	\$ 73,503,272	\$ 71,406,807	\$ 71,069,394	\$ 66,864,582
Restricted	18,980,845	18,194,295	18,333,487	16,455,078	13,327,323	26,860,216	16,988,392	10,249,452	8,537,841	9,770,954
Unrestricted	5,072,884	(5,348,279)	(5,299,675)	(9,198,524)	(13,591,779)	(19,413,034)	(11,254,554)	(9,910,249)	(1,169,347)	115,999
Total primary government net position	<u>\$ 114,755,957</u>	<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>

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental activities:										
Public safety	\$ 10,499,453	\$ 12,491,799	\$ 12,037,799	\$ 9,976,152	\$ 11,732,583	\$ 10,713,027	\$ 8,996,389	\$ 8,516,307	\$ 9,092,842	\$ 8,607,561
Public works	6,496,345	7,601,957	5,211,049	5,841,806	5,591,152	8,553,684	5,706,337	6,186,551	6,465,974	13,472,047
Health and social services	606,476	458,481	646,290	58,376	654,311	1,306,389	1,274,669	1,784,302	1,301,574	903,270
Culture and recreation	3,321,913	4,103,470	3,187,800	3,294,383	3,888,793	3,654,545	3,358,064	3,505,193	3,645,774	3,435,212
Community and economic development	4,095,459	4,990,850	3,003,969	2,749,981	2,288,991	2,433,608	1,449,883	1,370,533	3,051,319	2,249,158
General government	1,370,834	1,681,032	1,532,609	2,034,176	1,575,523	685,937	1,158,789	1,299,063	1,322,112	1,285,356
Interest on long term debt	637,438	902,118	938,277	806,440	764,344	429,296	429,891	425,967	627,060	628,314
Total governmental activities expenses	<u>27,027,918</u>	<u>32,229,707</u>	<u>26,557,793</u>	<u>24,761,314</u>	<u>26,495,697</u>	<u>27,776,486</u>	<u>22,374,022</u>	<u>23,087,916</u>	<u>25,506,655</u>	<u>30,580,918</u>
Business-type activities:										
Water pollution control	5,224,982	4,862,069	5,225,179	4,385,870	5,105,834	5,574,332	5,375,656	4,584,245	4,608,246	4,295,804
Storm sewer	2,115,646	979,773	1,141,277	998,362	958,434	970,912	683,181	698,627	786,788	669,666
Compost	69,283	27,106	226,725	533,956	70,920	88,171	79,479	42,054	39,846	51,440
Transit	909,398	935,788	930,182	818,510	837,136	837,259	771,818	767,054	827,333	794,179
Concessions	46,528	41,903	24,657	40,717	63,800	46,512	49,816	34,907	42,535	59,267
Total business-type activities expenses	<u>8,365,837</u>	<u>6,846,639</u>	<u>7,548,020</u>	<u>6,777,415</u>	<u>7,036,124</u>	<u>7,517,186</u>	<u>6,959,950</u>	<u>6,126,887</u>	<u>6,304,748</u>	<u>5,870,356</u>
Total primary government expenses	<u>\$ 35,393,755</u>	<u>\$ 39,076,346</u>	<u>\$ 34,105,813</u>	<u>\$ 31,538,729</u>	<u>\$ 33,531,821</u>	<u>\$ 35,293,672</u>	<u>\$ 29,333,972</u>	<u>\$ 29,214,803</u>	<u>\$ 31,811,403</u>	<u>\$ 36,451,274</u>

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Program Revenues										
Governmental activities										
Charges for service:										
Public safety	\$ 527,244	\$ 1,335,335	\$ 538,637	\$ 1,025,001	\$ 409,649	\$ 518,463	\$ 264,966	\$ 150,181	\$ 254,952	\$ 198,296
Public works	543,111	961,557	586,097	869,553	443,091	231,554	970,315	1,529,047	658,590	766,244
Health and social services	4,222	25,685	15,259	4,377	7,065	4,250	37,053	52,534	68,187	38,891
Culture and recreation	329,765	889,394	1,185,031	3,205,738	463,866	449,955	468,455	449,155	426,653	454,318
Community and economic development	19,837	37,837	40,519	49,259	93,679	106,562	265,176	278,924	360,999	153,563
Other activities	158,063	301,670	217,877	595,691	117,524	248,336	123,855	171,846	112,992	123,157
Operating grants and contributions	12,656,539	7,740,884	7,204,542	6,303,997	6,768,632	7,387,980	6,712,866	6,461,208	6,354,163	6,202,784
Capital grants and contributions	1,295,459	671,318	1,386,180	250,571	1,026,153	1,768,179	519,172	170,084	701,920	326,833
Total governmental activities program revenues	<u>15,534,240</u>	<u>11,963,680</u>	<u>11,174,142</u>	<u>12,304,187</u>	<u>9,329,659</u>	<u>10,715,279</u>	<u>9,361,858</u>	<u>9,262,979</u>	<u>8,938,456</u>	<u>8,264,086</u>
Business-type activities										
Charges for service:										
Water pollution control	8,190,886	8,027,211	8,032,176	8,286,670	7,857,197	7,545,682	6,563,351	6,066,644	5,860,659	5,079,296
Storm sewer	1,352,335	1,344,685	1,346,034	1,400,019	1,407,673	1,129,135	948,214	776,483	709,946	310,689
Compost	103,451	56,202	71,202	57,440	67,077	75,803	73,336	74,687	60,223	57,417
Transit	131,937	66,637	76,149	70,385	78,047	57,749	93,352	110,342	124,956	134,387
Concessions	43,135	36,342	23,199	41,003	41,200	37,777	40,917	32,522	39,208	43,706
Operating grants and contributions	1,533,280	732,325	1,121,378	351,965	383,646	381,810	363,188	386,922	407,338	376,900
Capital grants and contributions	666,252	365,186	-	472,223	209,668	432,400	942,209	493,326	444,674	2,889,069
Total business-type activities program revenues	<u>12,021,276</u>	<u>10,628,588</u>	<u>10,670,138</u>	<u>10,679,705</u>	<u>10,044,508</u>	<u>9,660,356</u>	<u>9,024,567</u>	<u>7,940,926</u>	<u>7,647,004</u>	<u>8,891,464</u>
Total primary government program revenues	<u>\$ 27,555,516</u>	<u>\$ 22,592,268</u>	<u>\$ 21,844,280</u>	<u>\$ 22,983,892</u>	<u>\$ 19,374,167</u>	<u>\$ 20,375,635</u>	<u>\$ 18,386,425</u>	<u>\$ 17,203,905</u>	<u>\$ 16,585,460</u>	<u>\$ 17,155,550</u>

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net (Expense)/Revenue										
Governmental activities	\$ (11,493,678)	\$ (20,266,027)	\$ (15,383,651)	\$ (12,457,127)	\$ (17,166,038)	\$ (17,061,207)	\$ (13,012,164)	\$ (13,824,937)	\$ (16,568,199)	\$ (22,316,832)
Business-type activities	<u>3,655,439</u>	<u>3,781,949</u>	<u>3,122,118</u>	<u>3,902,290</u>	<u>3,008,384</u>	<u>2,143,170</u>	<u>2,064,617</u>	<u>1,814,039</u>	<u>1,342,256</u>	<u>3,021,108</u>
Total primary government net expense	<u>\$ (7,838,239)</u>	<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>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property	\$ 11,579,880	\$ 11,662,441	\$ 10,834,252	\$ 10,611,119	\$ 10,510,365	\$ 10,156,476	\$ 9,534,568	\$ 9,777,342	\$ 10,036,577	\$ 9,967,944
Other	7,434,699	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
Unrestricted										
State generated revenues	1,293,843	1,263,047	1,284,875	1,353,217	1,331,709	1,384,158	1,244,225	845,140	453,645	369,337
Investment earnings	326,696	472,386	655,282	678,426	456,079	113,371	90,717	53,042	112,280	126,436
Miscellaneous revenues	725,005	895,268	331,183	297,453	561,844	645,749	551,452	660,348	493,213	637,775
Transfers	<u>153,883</u>	<u>(89,501)</u>	<u>(7,276)</u>	<u>(216,758)</u>	<u>(49,377)</u>	<u>1,035,676</u>	<u>(441,321)</u>	<u>(172,735)</u>	<u>(169,951)</u>	<u>(163,060)</u>
Total governmental activities	<u>21,514,006</u>	<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>
Business-type activities:										
Investment earnings	232,822	357,747	442,318	430,951	213,581	76,481	33,763	26,891	38,161	34,951
Miscellaneous revenues	-	3,250	2,950	-	-	-	-	-	-	-
Transfers	<u>(153,883)</u>	<u>89,501</u>	<u>7,276</u>	<u>216,758</u>	<u>49,377</u>	<u>(1,035,676)</u>	<u>441,321</u>	<u>172,735</u>	<u>169,951</u>	<u>163,060</u>
Total business-type activities	<u>78,939</u>	<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>
Total primary government	<u>\$ 21,592,945</u>	<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>
Change in Net Position										
Governmental activities	\$ 10,020,328	\$ 529,084	\$ 4,426,130	\$ 6,280,165	\$ 467,974	\$ 1,621,755	\$ 4,951,399	\$ 3,093,321	\$ 135,985	\$ (6,246,078)
Business-type activities	<u>3,734,378</u>	<u>4,232,447</u>	<u>3,574,662</u>	<u>4,549,999</u>	<u>3,271,342</u>	<u>1,183,975</u>	<u>2,539,701</u>	<u>2,013,665</u>	<u>1,550,368</u>	<u>3,219,119</u>
Total primary government	<u>\$ 13,754,706</u>	<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>

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

	Program Revenues by Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Function/Program										
Governmental activities										
Public safety	\$ 887,343	\$ 2,549,596	\$ 860,439	\$ 1,356,113	\$ 969,017	\$ 1,219,476	\$ 1,215,215	\$ 875,300	\$ 1,478,721	\$ 1,154,130
Public works	10,725,589	5,615,482	5,490,074	4,537,044	4,379,697	5,200,920	4,825,946	4,657,620	3,501,138	4,272,126
Health and social services	640,326	486,793	240,431	744,822	682,100	1,213,441	967,598	1,470,156	1,834,718	702,887
Culture and recreation	709,158	1,251,396	2,547,311	3,448,519	1,629,312	1,252,730	670,183	638,615	565,562	571,380
Community and economic development	2,158,558	1,751,125	1,441,649	1,570,150	1,551,934	1,535,644	1,559,061	1,447,647	1,387,104	1,426,383
General government	<u>413,266</u>	<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>
Total governmental activities	<u>\$ 15,534,240</u>	<u>\$ 11,963,680</u>	<u>\$ 11,174,142</u>	<u>\$ 12,304,187</u>	<u>\$ 9,329,659</u>	<u>\$ 10,715,279</u>	<u>\$ 9,361,858</u>	<u>\$ 9,262,979</u>	<u>\$ 8,938,456</u>	<u>\$ 8,264,086</u>
Business-type activities										
Water pollution control	\$ 8,425,657	\$ 8,141,787	\$ 8,033,891	\$ 8,286,670	\$ 7,864,148	\$ 7,550,029	\$ 6,976,658	\$ 6,378,473	\$ 5,896,233	\$ 5,303,615
Storm sewer	2,609,494	1,595,295	1,349,276	1,435,587	1,610,390	1,557,188	1,477,116	992,924	887,240	3,016,135
Compost	103,451	56,202	595,175	57,440	67,077	75,803	73,336	74,687	60,223	57,417
Transit	839,539	798,962	668,597	859,005	461,693	439,559	456,540	462,320	764,100	470,591
Concessions	<u>43,135</u>	<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>
Total business-type activities	<u>\$ 12,021,276</u>	<u>\$ 10,628,588</u>	<u>\$ 10,670,138</u>	<u>\$ 10,679,705</u>	<u>\$ 10,044,508</u>	<u>\$ 9,660,356</u>	<u>\$ 9,024,567</u>	<u>\$ 7,940,926</u>	<u>\$ 7,647,004</u>	<u>\$ 8,891,464</u>

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Nonspendable	\$ 512,340	\$ 386,346	\$ 323,334	\$ 284,681	\$ 256,518	\$ 266,203	\$ 221,785	\$ 237,568	\$ 249,958	\$ 241,974
Restricted	-	57,806	425,925	581,566	932,307	812,092	725,844	694,247	588,928	1,153,313
Committed	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Unassigned	<u>5,857,775</u>	<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>
Total general fund	<u>6,620,115</u>	<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>
All Other Governmental Funds										
Nonspendable	234,429	90,381	55,467	34,931	144,786	192,113	169,570	146,258	79,862	141,231
Restricted	29,584,123	23,434,094	25,176,208	20,790,563	23,731,636	19,689,514	14,107,300	11,301,502	7,328,052	12,887,420
Unassigned	<u>(1,515,496)</u>	<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>
Total all other governmental funds	<u>28,303,056</u>	<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>
Total fund balances of governmental funds	<u>\$ 34,923,171</u>	<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>

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

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Taxes	\$ 19,232,101	\$ 18,458,836	\$ 17,752,767	\$ 16,829,256	\$ 15,826,177	\$ 16,039,312	\$ 17,018,694	\$ 16,030,409	\$ 16,251,920	\$ 15,617,908
Use of money and property	390,573	578,241	700,147	722,104	544,479	208,132	129,003	124,857	169,135	194,543
Licenses and permits	263,037	726,420	295,022	395,611	238,263	285,839	289,261	321,446	391,091	219,392
Intergovernmental	13,035,441	9,420,732	8,331,123	7,370,622	8,965,509	10,190,351	7,931,849	7,471,242	6,618,339	6,475,308
Charges for service	881,478	752,848	834,556	1,404,943	956,493	990,972	1,023,895	964,075	874,840	915,644
Special assessments	537	3,433	5,603	10,292	6,445	10,406	12,991	14,738	11,688	14,306
Miscellaneous	721,591	1,495,368	1,494,352	688,833	606,655	1,084,447	410,616	2,102,572	684,707	912,585
Total revenues	34,524,758	31,435,878	29,413,570	27,421,661	27,144,021	28,809,459	26,816,309	27,029,339	25,001,720	24,349,686
Expenditures										
Public safety	10,593,801	9,761,502	10,115,758	8,912,807	10,336,569	9,337,823	8,864,323	8,743,014	8,559,357	8,135,052
Public works	5,134,708	5,338,651	2,993,961	4,596,625	3,872,055	6,930,498	4,208,292	4,669,213	4,985,535	12,081,043
Health and social services	643,545	463,850	471,182	84,067	736,559	1,282,479	1,352,206	1,907,586	1,385,246	968,157
Culture and recreation	2,409,067	3,176,177	2,347,201	2,410,945	3,059,464	2,840,820	2,539,673	2,268,546	2,739,578	2,551,437
Community and economic development	4,120,495	4,957,535	3,108,078	2,661,457	2,232,438	1,812,299	1,431,086	1,381,445	3,044,706	2,234,323
General government	1,369,238	1,590,857	1,452,659	1,885,554	1,338,066	1,245,851	1,133,255	1,273,399	1,253,001	1,177,738
Capital outlay	6,196,824	12,345,993	6,825,047	11,432,855	9,628,133	4,477,017	2,554,674	1,439,787	2,944,911	3,118,982
Debt service										
Principal	3,459,243	6,373,486	3,358,486	3,348,761	3,684,361	2,730,690	3,066,991	2,971,716	5,663,840	2,788,840
Interest and other fiscal charges	786,526	841,620	874,044	773,999	886,842	419,527	436,018	457,343	649,203	643,405
Total expenditures	34,713,447	44,849,671	31,546,416	36,107,070	35,774,487	31,077,004	25,586,518	25,112,049	31,225,377	33,698,977
Excess (deficiency) of revenues over (under) expenditures	(188,689)	(13,413,793)	(2,132,846)	(8,685,409)	(8,630,466)	(2,267,545)	1,229,791	1,917,290	(6,223,657)	(9,349,291)
Other Financing Sources (Uses)										
Sale of governmental assets	-	-	-	-	-	-	-	-	4,000	35,298
Insurance Proceeds	283,139	291,467	1,032,556	4,192,646	-	-	-	-	-	-
Debt issued	9,130,000	8,385,671	5,610,000	2,433,566	12,720,000	6,957,430	2,000,000	2,225,000	67,463	5,600,000
Payment of refunded bonds	-	-	-	-	-	-	-	-	-	-
Premium and accrued interest on debt issued	400,160	46,433	81,652	-	226,555	136,991	94,422	58,295	-	117,359
Transfers in	10,193,495	10,945,116	10,415,126	9,996,948	12,200,051	9,692,037	8,003,404	8,268,840	8,195,955	7,813,126
Transfers out	(10,039,612)	(11,034,617)	(10,735,656)	(10,213,706)	(12,249,428)	(8,656,361)	(8,444,725)	(8,441,575)	(8,365,906)	(7,976,186)
Total other financing sources (uses)	9,967,182	8,634,070	6,403,678	6,409,454	12,897,178	8,130,097	1,653,101	2,110,560	(98,488)	5,589,597
Net change in fund balances	\$ 9,778,493	\$ (4,779,723)	\$ 4,270,832	\$ (2,275,955)	\$ 4,266,712	\$ 5,862,552	\$ 2,882,892	\$ 4,027,850	\$ (6,322,145)	\$ (3,759,694)
Debt service as a percentage of noncapital expenditures	14.9%	22.2%	16.9%	16.9%	17.5%	11.8%	15.2%	14.5%	22.3%	11.2%

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 Franchise Fee	Hotel/Motel Tax	Local Option Sales Tax	911 Surcharge	Mobile Home Tax	Total
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
2021-22	11,579,861	828,771	1,378,432	213,258	518,928	4,697,959	-	14,892	19,232,101

City of Marshalltown
General Governmental Tax Revenues by Source
Year Ended June 30, 2022
(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	\$ 6,724,298	\$ -	\$ 791,099	\$ 213,258	\$ 518,928	\$ -	\$ 9,299	\$ 8,256,882
Tax Increment								
Financing	-	828,771	-	-	-	-	-	828,771
Local Option								
Sales Tax	-	-	-	-	-	4,697,959	-	4,697,959
Property tax	3,536,518	-	429,882	-	-	-	4,057	3,970,457
Debt Service	811,904	-	95,815	-	-	-	942	908,661
Capital Projects	507,141	-	61,636	-	-	-	594	569,371
Total	<u>\$ 11,579,861</u>	<u>\$ 828,771</u>	<u>\$ 1,378,432</u>	<u>\$ 213,258</u>	<u>\$ 518,928</u>	<u>\$ 4,697,959</u>	<u>\$ 14,892</u>	<u>\$ 19,232,101</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
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	\$ 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%
2020	2021-22	549,890,991	201,679,406	58,282,660	809,853,057	24,793,485	5,118,609	839,765,151	15.36163	1,726,123,779	48.650%

			Rollback Factors by Class				
Tax Exempt			Multi-				
Fiscal Year	Gas & Electric	Property	Residential	Residential	Agricultural	Commercial	Railroad
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
2021-22	441,966,524	232,590,253	54.13020	63.75000	89.04120	90.00000	90.00000

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

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

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 Jan 1,	Collection Year	Marshall County	Community Schools	Marshalltown	City Assessor	Community College	County Extension	State of Iowa	Total
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
2020	2021-22	6.20707	18.13904	15.36163	0.26619	1.65540	0.14816	0.00260	41.78009

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, 2020 Taxable Assessed Value Payable 21- 22	Rank	Percentage of Total City Taxable Assessed Value	Jan 1, 2011 Taxable Assessed Value Payable 12- 13	Rank	Percentage of Total City Taxable Assessed Value
IES Utilities(Interstate Power)	\$ 92,602,996	1	9.9%	\$ 56,161,537	1	7.2%
Emerson Process Mgt/Fisher Controls	19,269,765	2	2.1%	20,682,950	2	2.7%
Menard, Inc	13,982,526	3	1.5%	9,148,420	8	1.2%
UnityPoint Health Marshalltown	11,403,738	4	1.2%			
Walmart, Real Estate Business	9,705,969	5	1.0%	10,549,950	5	1.4%
Swift, Pork Company	9,365,921	6	1.0%	10,385,460	6	1.3%
Swift & Company	9,062,289	7	1.0%	9,854,610	7	1.3%
Lennox Industries Inc	7,420,118	8	0.8%	14,684,500	4	1.9%
ITC Midwest LLC	6,271,487	9	0.7%			
Union Pacific Railroad Co.	5,131,252	10	0.5%			
MMSC, Ventures Inc				18,671,486	3	2.4%
Marshalltown, Center IA LLC				5,627,380	10	0.7%
Embers of Marshalltown				6,128,054	9	0.8%
	<u>\$ 184,216,061</u>		<u>19.7%</u>	<u>\$ 161,894,347</u>		<u>20.9%</u>

Calendar Year	Taxable Retail	
	Sales	
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
2021		394,288,419

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)			
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%
2021-22	2020	12,483,630	12,326,315	98.74%	139,857	12,466,172	99.86%

(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

Fiscal Year Ended June 30,	Governmental Activities		Business-type Activities				Percentage of				
	General	Notes	General		Sewer		Total Primary	Personal	Personal		
	Obligation	Payable	Obligation	Revenue	Capital Loan		Government	Income	Income	Population	Per Capita
	Bonds		Bonds	Bonds	Note Payable						
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
2022	42,188,885	125,671	6,502,709	8,542,000	3,471,000	60,830,265	26,000	2,340		27,388	2,221

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	
2013	\$ 32,257,255	1.86%	\$ 965	
2014	25,906,076	1.50%	941.54	
2015	25,217,805	1.46%	933.45	
2016	23,862,862	1.38%	880.65	
2017	30,312,850	1.75%	1,113.93	
2018	39,023,626	2.25%	1,446.40	
2019	37,526,926	2.17%	1,397.27	
2020	39,265,684	2.27%	1,544.22	
2021	43,641,100	2.52%	1,708.91	
2022	48,691,594	2.81%	1,895.12	

City of Marshalltown
Direct and Overlapping Governmental Activities Debt
As of June 30, 2022

Name of Governmental Unit	Debt Outstanding	Percentage Applicable to Marshalltown	City of Marshalltown Share of Debt
Iowa Valley Schools	\$ 28,335,000	49.89%	\$ 14,136,974
Marshalltown Community School District	3,970,000	87.53%	3,475,069
Marshall County	<u>4,060,000</u>	46.26%	<u>1,877,967</u>
	36,365,000		19,490,010
City of Marshalltown	<u>42,314,556</u>	100.00%	<u>42,314,556</u>
	<u><u>\$ 78,679,556</u></u>		<u><u>\$ 61,804,566</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,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Gross assessed valuations:										
Regular realty	\$ 1,264,193,716	\$ 1,256,879,027	\$ 1,198,094,512	\$ 1,176,284,153	\$ 1,139,671,155	\$ 1,123,584,265	\$ 1,322,550,079	\$ 1,281,885,530	\$ 1,135,316,250	\$ 1,133,154,843
Utility	441,966,524	445,705,906	435,377,442	375,124,239	307,764,842	226,574,365	203,378,461	165,363,180	153,467,212	147,398,057
Incremental	24,793,485	17,610,264	17,723,868	24,539,106	5,394,151	14,353,482	40,194,757	37,409,137	44,270,422	31,552,130
Total actual valuations applicable to debt	<u>1,730,953,725</u>	<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>
Debt limit - 5% of total actual valuations applicable to debt	<u>86,547,686</u>	<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>
Amount of debt applicable to limitation:										
General obligation bonds and notes	47,950,671	43,222,302	38,757,729	37,086,215	38,914,128	30,508,175	24,204,863	25,734,040	26,216,304	32,284,938
Urban Renewal Rebate agreements	<u>1,760,833</u>	<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	49,711,504	45,254,451	42,284,851	40,813,782	42,821,984	34,531,175	25,894,863	25,734,040	26,216,304	32,284,938
Less:										
Funds available from:										
Debt service	181,194	140,449	146,008	154,543	111,879	237,889	107,604	2,722,301	2,517,292	3,079,346
Special revenue	<u>480,010</u>	<u>348,568</u>	<u>507,304</u>	<u>534,114</u>	<u>501,381</u>	<u>943,301</u>	-	-	-	-
Total debt applicable to debt margin	<u>49,050,300</u>	<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>
Legal debt margin	<u>\$ 37,497,386</u>	<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>

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		
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
2021-22	8,384,092	3,124,297	5,259,795	1,493,000	87,643	1,580,643	3.33

(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)
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%
2022	37.0	5,287	231	4.5%

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	2022- Employees	2013- Employees
(JBS) Swift & Company	Pork processors	2,300	2,300
Emerson Process Mgt/Fisher Controls	Valves and regulators manufacturer	1,135	1,125
Lennox Industries, Inc	Furnace and air conditioning manufacturer	915	915
Iowa Veteran's Home	Hospital Care Facility	865	1,000
Marshalltown Community School District	Education	850	1,002
Unity Point Health	Hospital	400	715
HyVee Food Stores *	Grocery store	340	340
Wal-Mart*	Retail	300	325
Marshalltown Community College	Education	245	245
City of Marshalltown*	Municipal government	190	207
Marshall County	County government	180	158
McFarland Clinic PC	Medical clinic	145	223

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

Source: Marshalltown Chamber of Commerce

* Includes full time, part time and seasonal employees

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

Function/Program	Full-time-Equivalent Employees as of June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public Safety	77.8	90.39	91.77	90.71	93.25	90.26	98.28	97.32	99.1	99.00
Public Works	18.52	22.8	20.63	19.35	20.72	20.46	20.61	21.14	21.02	21.00
Health and Social Services	2.05	2.16	1.88	0.39	1.94	4.13	8.38	9.44	8.49	8.00
Culture and Recreation	29.58	27.82	30.27	28.62	28.55	26.81	26.39	27.28	27.6	29.00
Community and Economic Development	2.98	3.04	2.75	3.81	3.39	2.26	2.6	3.29	4.21	4.00
General Government	15.71	16.01	16.04	15.93	15.62	15.93	15.57	17.67	17.91	18.00
Business-Type	33.52	32.63	33.14	29.14	29.9	29.01	32.57	32.25	32.89	34.00
Capital Projects	-	-	-	-	-	-	-	-	-	-
Total	<u>180.16</u>	<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>

Sources: City Department information.

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

Function/Program	Fiscal Year Ending June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government										
Building Permits:										
New Construction:										
Number of permits	18	133	79	205	47	28	29	46	42	36
Value of permits	6,743,756	34,501,000	14,423,000	14,258,000	18,955,000	22,091,000	13,434,000	27,124,000	29,427,000	2,553,000
Remodeling, repairs and additions:										
Number of permits	107	113	92	158	55	120	102	80	72	71
Value of permits	10,856,423	89,965,000	22,783,000	29,092,000	12,399,000	7,434,000	11,915,000	10,719,000	24,001,000	16,435,000
Police										
Physical arrests	2,250	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
Traffic	1,704	1,165	1,683	2,654	2,662	1,801	1,255	1,889	1,803	2,500
Drunk driving	126	98	120	110	140	131	100	122	164	112
Narcotics	311	310	331	393	438	396	358	577	449	308
Fire										
Emergency responses	3,174	2,834	2,705	2,749	2,573	2,653	2,527	2,530	2,321	2,218
Fires extinguished	86	67	86	83	166	156	131	127	112	169
Inspections	269	189	261	223	343	555	519	223	471	541
Parks and recreation										
Adult team sports										
Leagues	6	5	4	4	4	6	6	8	12	8
Participation	5,975	6,796	4,280	7,782	8,165	9,327	9,656	8,492	5,670	8,705
Youth activities										
Programs	18	10	8	18	23	30	27	32	33	32
Participation	2,281	1,410	861	1,980	2,955	3,256	3,224	3,249	3,502	3,569
Library										
Volumes in collection	260,211	105,021	209,589	127,867	194,703	144,143	143,783	100,376	101,034	101,194
Total volumes borrowed	268,250	184,450	199,014	245,730	281,205	250,941	287,092	274,787	290,606	292,964
Sewage system										
Per million										
Daily average treatment in gallons	3.38	3.34	4.30	5.64	3.08	3.95	4.73	4.26	4.75	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	9,546	9,456	9,450	9,286	9,877	10,159	9,481	9,785	9,383	9,409
* Computer software was counting sewer credit meters										
Sewer rates in effect										
Base charge per month	\$23.99	\$23.75	\$23.75	\$23.75	\$22.67	\$20.25	\$17.57	\$15.60	\$14.31	\$12.12
Flow charge per 100 cubic feet	\$3.11	\$3.08	\$3.08	\$3.08	\$2.94	\$2.63	\$2.27	\$2.11	\$2.03	\$1.89
Transit										
Total route miles	139,511	126,047	124,793	122,545	142,667	131,829	134,737	110,394	133,405	132,475
# of passengers	97,581	61,066	76,490	76,132	100,178	90,353	101,805	111,542	104,513	113,728
General Elections - November of each year										
Registered voters	15,592	15,592	22,911	22,911	23,072	24,920	16,231	25,549	15,796	15,196
Number of votes cast	2,351	10,878	2,743	2,743	2,437	18,175	3,492	13,844	N/A	11,836
Percentage of registered voters voting	15.08%	69.77%	11.97%	11.97%	10.56%	72.93%	21.51%	54.19%	N/A	77.89%

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,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police										
# of stations	1	1	1	1	1	1	1	1	1	1
# of employees	63	69	68	70	70	62	57	55	55	63
Non-dispatch	48	51	52	54	57	49	45	42	43	50
Dispatch	15	15	16	14	13	13	12	13	12	13
Fire										
# of stations	1	1	1	1	1	1	1	1	1	1
# of employees	28	28	28	29	27	29	28	28	27	30
Parks and recreation										
Park areas										
# parks	25	23	23	25	25	21	21	26	26	26
# acres	321	316	316	357	357	210	210	328	328	325
Athletics										
# Baseball/softball fields	5	5	5	3	3	5	5	6	6	10
# Soccer/football fields	4	4	4	8	8	0	0	6	6	4
# Tennis courts	3	2	2	1	1	5	5	12	12	13
# Basketball Courts	6	6	6	5	5	4	4			
Other										
# playgrounds	20	20	20	19	19	20	20	21	21	20
Miles of bike trails	14.73	14.26	14.26	12.5	12.5	7	7	9.6	9.6	8
# Swimming pools	1	1	1	1	1	1	1	1	1	1
# Park Shelters	28	28	29	29	29	29	29			
Public works										
Streets:										
Paved	158.37	158	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	60.9	60.48	60.48	59.7	59.31	59.31
Sanitary	150.9	150.9	150.7	150.7	150.7	148.85	148.85	146.6	146.5	146.5
Transit										
# of buses	9	10	9	9	8	7	8	10	8	9
Education - Public and private										
Number of elementary schools	7	7	6	6	8	7	6	6	8	9
Number of elementary school instructors	242	238	185	188	205	262	283	299	305	243
Number of secondary schools	4	3	4	4	4	2	3	3	3	2
Number of secondary school instructors	186	171	226	224	204	150	280	250	238	143
Cemeteries										
Number of facilities	2	2	2	2	2	2	2	2	2	2
Number of acres										
Developed	135	135	135	135	135	135	135	135	135	135
Undeveloped	80	80	80	80	80	80	80	80	80	80
Hospitals										
Number of hospitals	1	1	1	1	1	1	1	1	1	1
Number of beds	25	49	49	49	49	49	49	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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Sewer Rental	\$ 8,154,149	\$ 7,989,142	\$ 7,963,422	\$ 8,210,143	\$ 7,738,899	\$ 7,370,973	\$ 6,341,560	\$ 5,875,990	\$ 5,611,519	\$ 4,860,499
Interest Income	193,206	277,899	373,830	336,086	160,716	62,404	30,154	24,526	36,356	32,361
Grants	581	-	1,715	-	-	-	-	-	39,669	39,669
Miscellaneous	36,737	38,069	68,754	76,527	118,298	119,147	221,791	190,654	218,797	218,797
Total revenues	<u>8,384,673</u>	<u>8,305,110</u>	<u>8,407,721</u>	<u>8,622,756</u>	<u>8,017,913</u>	<u>7,552,524</u>	<u>6,593,505</u>	<u>6,091,170</u>	<u>5,906,341</u>	<u>5,151,326</u>
Expenses:										
Costs of Service	3,124,297	2,782,206	3,105,396	2,290,877	3,000,387	3,543,159	3,217,648	2,678,407	2,994,802	2,800,306
Depreciation	1,820,603	1,729,029	1,701,557	1,618,145	1,583,463	1,470,579	1,487,116	1,283,352	1,269,460	1,182,359
Debt Service	2,178,467	2,288,090	2,014,216	2,426,037	2,430,979	2,426,016	2,492,501	1,502,938	1,252,956	1,131,139
Total expenses	<u>7,123,367</u>	<u>6,799,325</u>	<u>6,821,169</u>	<u>6,335,059</u>	<u>7,014,829</u>	<u>7,439,754</u>	<u>7,197,265</u>	<u>5,464,697</u>	<u>5,517,218</u>	<u>5,113,804</u>
Net Income (Loss)	<u>\$ 1,261,306</u>	<u>\$ 1,505,785</u>	<u>\$ 1,586,552</u>	<u>\$ 2,287,697</u>	<u>\$ 1,003,084</u>	<u>\$ 112,770</u>	<u>\$ (603,760)</u>	<u>\$ 626,473</u>	<u>\$ 389,123</u>	<u>\$ 37,522</u>

Water Pollution Control Historic Coverage
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net Income (Loss)	\$ 1,261,306	\$ 1,505,785	\$ 1,586,552	\$ 2,287,697	\$ 1,003,084	\$ 112,770	\$ (603,760)	\$ 626,473	\$ 389,123	\$ 37,522
Add depreciation	1,820,603	1,729,029	1,701,557	1,618,145	1,618,145	1,470,579	1,487,116	1,283,352	1,269,460	1,182,359
Add debt retirement	2,178,467	2,288,090	2,014,216	2,426,037	2,430,979	2,426,016	2,492,501	1,502,938	1,252,956	1,131,139
Net income available for debt service	<u>\$ 5,260,376</u>	<u>\$ 5,522,904</u>	<u>\$ 5,302,325</u>	<u>\$ 6,331,879</u>	<u>\$ 5,052,208</u>	<u>\$ 4,009,365</u>	<u>\$ 3,375,857</u>	<u>\$ 3,412,763</u>	<u>\$ 2,911,539</u>	<u>\$ 2,351,020</u>
Historic debt service	\$ 2,178,467	\$ 2,288,090	\$ 2,014,216	\$ 2,426,037	\$ 2,430,979	\$ 2,426,016	\$ 2,492,501	\$ 1,502,938	\$ 1,252,956	\$ 1,131,139
Historic coverage	2.41	2.41	2.63	2.61	2.08	1.65	1.35	2.27	2.32	2.08
Projected max future debt	\$ 2,384,787	\$ 2,384,787	\$ 2,384,787	\$ 2,430,980	\$ 2,430,980	\$ 2,430,980	\$ 2,430,980	\$ 1,343,085	\$ 1,343,085	\$ 1,085,594
Projected coverage	2.21	2.32	2.22	2.60	2.08	1.65	1.39	2.54	2.17	2.17

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

Year	Residential	Multi-Family	Commercial	Industrial	Total	Incr (Decr)
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
2022	8,915	362	947	53	10,277	48

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

City of Marshalltown

Water Pollution Control

Present Net Position

As of June 30, 2022

Sewer Revenue Operating and Maintenance Accounts	\$ 559,438
Sewer Revenue Sinking Reserve Fund Account	139,024
Additional Capital Replacement Fund Account	1,242,085
Undesignated	<u>17,720,860</u>
Total Water Pollution Control Net Position	<u><u>\$ 19,661,407</u></u>

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

	2022			2021		
	Avg Gallons Per Month	Monthly Bill	2022 Ranking	Avg Gallons Per Month	Monthly Bill	2021 Ranking
JBS Swift & Company	70,897,718	\$ 231,055	1	74,081,256	\$ 233,064	1
IA Veterans Home	1,613,561	6,706	2	1,693,908	6,999	2
Emerson Processing/Fisher Controls	840,627	3,505	3	837,074	3,471	4
Marshalltown Community School District	677,314	2,829	4	540,991	2,251	6
Central Iowa Truckwash LLC	519,050	2,173	5	410,091	1,712	9
Packaging Corporation	518,613	2,171	6	391,142	1,634	10
Sunset Village Mobile Home Park	514,375	2,154	7	580,448	2,414	5
Dada Hospitality, LLC	406,476	1,707	8	448,239	1,869	7
Unity Point Health	360,910	1,518	9	970,904	4,022	3
Supershine/Rainbow Carwash I & III	326,315	1,375	10	444,561	1,854	8

Source: City Financial Records and Marshalltown Water Works

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Compliance Section

June 30, 2022

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 20, 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.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2022 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City and are reported in Part IV of the accompanying schedule of findings and questioned costs. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Dubuque, Iowa
December 20, 2022



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Marshalltown, Iowa's (City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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



Dubuque, Iowa
December 20, 2022

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City of Marshalltown
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

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 Agriculture				
Direct program				
Emergency Watershed Protection Program	10.923		\$ 824,199	\$ -
Department of Commerce				
Direct program				
Economic Development Cluster				
Economic Adjustment Assistance	11.307		234,979	-
Department of Housing and Urban Development				
Pass-through program from				
Iowa Economic Development Authority				
COVID-19 - Community Development Block Grants/States Program and Non-Entitlement Grants in Hawaii	14.228	20-CVN-015	3,557	-
Community Development Block Grants/ States Program and Non-Entitlement Grants in Hawaii	14.228	21-CF-003	3,695	-
Community Development Block Grants/ States Program and Non-Entitlement Grants in Hawaii	14.228	21-HSGU-006	3,366	-
Community Development Block Grants/ States Program and Non-Entitlement Grants in Hawaii	14.228	21-DTR-004	19,207	-
Community Development Block Grants/ States Program and Non-Entitlement Grants in Hawaii	14.228	19-OT-005	230,236	-
Total			260,061	-
Direct program				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871		1,257,827	-
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900		636,103	-
Total Department of Housing and Urban Development			2,153,991	-
Department of Justice				
Pass-through program from				
Iowa Department of Justice				
Violence Against Women Formula Grants	16.588	VW-21-06-CJ	39,888	-
Direct program				
Bulletproof Vest Partnership Program	16.607		1,520	-

City of Marshalltown
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

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 Justice (continued)				
Pass-through program from				
Iowa Department of Justice				
Public Safety Partnership and Community				
Policing Grants	16.710	18-CAMP-08	\$ 1,774	\$ -
Public Safety Partnership and Community				
Policing Grants	16.710	15JCOPS-21CG- 02316-SPPS	45,393	-
Total			47,167	-
Marshall County				
Edward Byrne Memorial Justice				
Assistance Grant Program	16.738	JAG-348085	27,333	-
Direct program				
Edward Byrne Memorial Justice				
Assistance Grant Program	16.738		10,548	8,120
Total			37,881	8,120
Total Department of Justice			126,456	8,120
Department of Transportation				
Direct program				
Airport Improvement Program	20.106		32,000	-
Airport Improvement Program	20.106		621,399	-
COVID-19 - Airport Improvement Program	20.106		13,000	-
Total			666,399	-
Pass-through program from				
Iowa Department of Transportation				
Formula Grants for Rural Areas and				
Tribal Transit Program	20.509	2019-024-02-FY22	211,603	-
COVID-19 - Formula Grants for Rural Areas				
and Tribal Transit Program	20.509	2022-009-00-FY22	36,192	-
COVID-19 - Formula Grants for Rural Areas	20.509	2020-010-00	211,264	-
and Tribal Transit Program				
Total			459,059	-
Highway Safety Cluster				
State and Community Highway Safety	20.600	PAP 20-402 M0AL, Task 11-00-00	13,680	-
State and Community Highway Safety	20.600	PAP 21-402 M0PT, Task11-00-00	44	-
Cluster total			13,724	-
Total Department of Transportation			1,139,182	-

City of Marshalltown
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

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 the Treasury				
Direct program				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ 187,902	\$ -
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		91,445	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		<u>3,388</u>	<u>-</u>
Total Department of the Treasury			<u>282,735</u>	
National Endowment for the Humanities				
Direct program				
COVID-19 - Grants to States	45.310		<u>5,000</u>	<u>-</u>
Environmental Protection Agency:				
Direct program				
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		<u>31,866</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	PA-07-IA-4392	46,925	-
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA-07-IA-4483	2,984	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA-07-4557	4,277	4,277
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA-07-4557	<u>4,542,341</u>	<u>-</u>
Total Department of Homeland Security			<u>4,596,527</u>	<u>4,277</u>
Total Federal Financial Assistance			<u>\$ 9,394,935</u>	<u>\$ 12,397</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, 2022. 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
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiency not considered to be a material weakness	None reported
Noncompliance material to financial statements noted	No

Federal Awards

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

Identification of major program:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Emergency Watershed Protection Program	10.923
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee	Yes

Part II: Findings Related to the Financial Statements:

There were no findings to report.

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:

- 2022-IA-A Certified Budget** – Disbursements at June 30, 2022 did not exceed the amended budget.
- 2022-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.
- 2022-IA-C Travel Expense** – No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
- 2022-IA-D Business Transactions** – No business transactions between the City and City officials or employees were noted.
- 2022-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.
- 2022-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.
- 2022-IA-G Council Minutes** – No transactions were found that we believe should have been approved in the Council minutes but were not.
- 2022-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.
- 2022-IA-I Revenue Bonds** – No instances of noncompliance with provisions of the City’s revenue bond resolutions were noted.
- 2022-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.
- 2022-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.