

CITY OF URBANDALE, IOWA  
**COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT**

FISCAL YEAR ENDING JUNE 30, 2020



Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2020  
**City of Urbandale, Iowa**

Prepared by the Finance and Records Department



Introductory Section  
June 30, 2020

**City of Urbandale, Iowa**



**Introductory Section**

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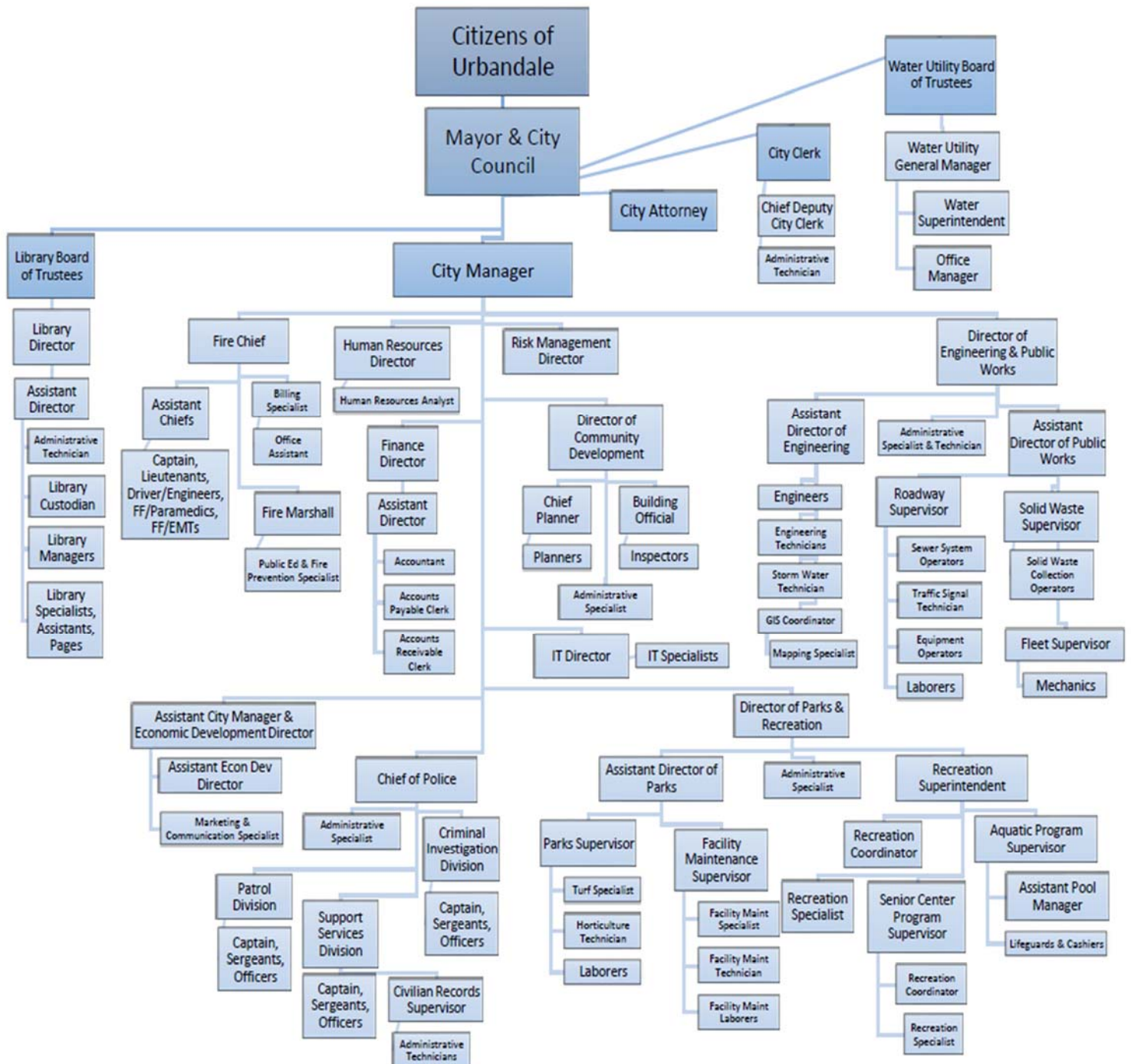
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Name	Title
Robert D. Andeweg	Mayor
Ron Pogge	Mayor Pro Tem
Matt Blake	Council Member
Bridget Carberry Montgomery	Council Member
Adam Obrecht	Council Member
David Russell	Council Member
A. J. Johnson	City Manager
Nicole Lamb	Finance Director
Kim Keisler	Assistant Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Urbandale**  
**Iowa**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

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 of Urbandale, Iowa, for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. This represents the City's 37<sup>th</sup> consecutive year of receiving this distinguished award.

In order to receive a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, which contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.





November 19, 2020

The Honorable Mayor and  
Members of the City Council  
City of Urbandale, Iowa

We are pleased to submit the Comprehensive Annual Financial Report of the City of Urbandale, Iowa, (the City) for the fiscal year ended June 30, 2020 (FY20), consistent with the requirements of Chapter 11 of the Code of Iowa that requires the City to publish within nine months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2020.

The City is responsible for the accuracy of the data presented in the Comprehensive Annual Financial Report. To the best of our knowledge and belief, the government-wide financial statements, fund financial statements, budgetary comparison, pension and health plan schedules, management's discussion and analysis and statistical tables included in this report, present fairly the financial condition of the City. To provide a reasonable basis for making these representations, internal controls have been established within the Finance and Records Department. The internal control framework is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh their benefits, the City's internal control system has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe that the City's internal accounting controls are adequate to ensure the continued integrity of the City's financial management practices.

The Comprehensive Annual Financial Report includes all governmental activities, organizations, and functions controlled by or dependent upon the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The Urbandale Water Utility (Water Utility) is reported as a discretely presented component unit of the City. While the Water Utility is legally separate, it provides water service exclusively to the citizens of Urbandale on behalf of the City, its three-member governing board is appointed by the Mayor and the Water Utility's operating budget is subject to the approval of the City Council.

The Code of Iowa requires an annual audit be made of the books of accounts, financial records, and transactions of all administrative departments of the City by the State Auditor or by a certified public accountant selected by the City Council. Eide Bailly LLP, Certified Public Accountants, conducted the audit for FY20. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audits, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for FY20 are fairly presented in conformity with GAAP. The independent auditors' report has been included in this report.

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

## PROFILE OF THE GOVERNMENT

The City of Urbandale, incorporated in 1917, is located in central Iowa, adjacent to the City of Des Moines. The City also shares common borders with five other communities. The City occupies a land area of 22.87 square miles in Polk and Dallas Counties.

The City's 2015 Special Census population rose to 42,449 persons. The 2010 Census population was 39,463 persons, and its numerical population gain during the 2000 decade ranked second among all Iowa cities. Urbandale's 2000 Census population was 29,072 persons.

In 1965, the City Council adopted the Mayor-Council, with City Manager, form of government by ordinance. The policy making and legislative authority is vested in the City Council, which consists of five members. The City Council Members are elected on an at-large basis and serve four-year staggered terms. The Mayor serves as the chief executive officer for the City and presides over the City Council meetings. The City Council is responsible for adopting ordinances and resolutions, appointing board and commission members, adopting the annual operating budget and capital improvements program, authorizing contracts and hiring the City Manager, City Attorney and City Clerk. The City Manager serves as the chief administrative officer and is responsible for executing the policies of the City Council, supervising the day-to-day operations of the organization and hiring, firing and disciplining the organization's employees. However, the City Manager does not directly supervise the activities of the Water Utility and Library. These operations are governed by separate boards, which are appointed by the Mayor and City Council. Each board appoints a director to oversee the administrative operations of the department.

The City provides a wide range of public services, including police, fire and emergency medical service, library, parks and recreation, animal control, street maintenance, solid waste collection, code enforcement, water, and sanitary and storm sewer. Additionally, the organization is supported by several administrative operations, including technology, community development, economic development, city manager, human resources, finance and records, marketing, and legal. The annual budget represents the operating plan for all of these functions. Additionally, this document serves as a financial planning and control mechanism for the City. All departments are required to submit budget requests to the City Manager's office by early December. These requests are reviewed by the City Manager and a recommended operating budget is formulated for the City Council's consideration. In January and February, the Mayor and City Council participate in a series of work sessions to review the budget recommendations and to formulate a final budget document. The Code of Iowa requires the City Council to conduct a public hearing on the proposed budget and to adopt the final document by March 15. The City's expenditures are grouped into functions. The expenditure levels approved in the budget may not be exceeded on a function level unless a budget amendment is approved by the City Council. To assist the City Council in the monitoring of expenditures and revenues, monthly budget summaries are prepared by the Finance and Records Department. Budget to actual comparisons are provided in the required supplementary information section of this report.

## ASSESSMENT OF ECONOMIC CONDITION

To better understand the context of the City's financial statements, the following background information is provided for the reader.

### Local Economy

Urbandale's residential construction in FY20 decreased with 156 new single-family detached homes, and 8 single-family attached (townhouse) homes constructed, which is below the City's historical annual mean of 185 single-family attached and detached units. FY20's valuation for residential construction also decreased, after three consecutive year over year increases, to a valuation of \$56.38 million. FY19's valuation was \$59.08 Million. FY18's valuation was \$54.88 million. Rezoning and platting activity

remains active. The construction of public improvements nearing completion in three new developments will create another 145 single-family detached homes, along with four preliminary plats containing another 255 single family detached lots and a 43-unit multi-family building will provide an opportunity for an increase in permitting and valuation to more typical levels for FY21.

FY20's total valuation for commercial and industrial permits increased to \$61.66 million. FY19's total valuation for commercial and industrial permits was \$55.89 million. The total valuation for FY18 was \$61.66 million.

Permit and valuation data for the previous two fiscal years are summarized in the following table:

	Fiscal Year 2020		Fiscal Year 2019	
	# of Permits	Valuation	# of Permits	Valuations
Residential	317	\$ 56,379,380	297	\$ 59,079,622
Nonresidential	116	61,659,197	104	55,888,202
Miscellaneous Minor	638	2,671,840	458	1,298,886
	<u>1,071</u>	<u>\$ 120,710,417</u>	<u>859</u>	<u>\$ 116,266,710</u>

### **Long Term Financial Planning**

In 1981, the City Council approved fiscal performance goals for the City's operations. These goals concentrated on revenue, expenditure, reserve, investment, capital improvement, debt and financial reporting performance and were designed to maintain or improve the City's financial position. In approving the fiscal performance goals, the City Council emphasized the need for balancing current economic conditions in the community with the residents' demands for effective service delivery. In 2008, and again in 2016, these goals were updated to reflect current financial performance standards and benchmarks. The preparation of the City's annual operating budget and the five-year capital improvements program are governed by the fiscal performance goals. As a result of these goals, the annual operating budget has been prepared on a two-year basis, fund balances have been maintained at adequate levels and the property tax levy rate has remained relatively stable for many years. To further assist the planning process for the operating budget, the City Council has approved long term staffing and long-term financial plans and adopted a strategic plan for technology.

The long-term improvement of the City's infrastructure is outlined in the five-year capital improvements program (CIP). The 2020-25+ CIP was adopted by the City Council in January 2020. The approved 2020 CIP anticipated the expenditure of \$44,852,500 for various art, park, bridge, sidewalk, storm sewer, street, street lighting, traffic signal, public building, equipment, technology, and water system improvements. Property tax supported general obligation bonds would provide approximately \$5,029,000 of the needed funding, with the remaining funds to come from local operating revenues, tax increment debt, and other public and private sources.

The 2021-2026+ CIP is currently under development and will be reviewed by a citizen's advisory committee in November and December 2020, with final adoption by the City Council anticipated in January 2021. This preliminary 2021 CIP proposes the expenditure of \$22,618,800 for various art, park, bridge, sidewalk, storm sewer, street, street lighting, traffic signal, public building, technology, equipment, and water system improvements in 2021. Property tax supported general obligation bonds would provide approximately \$9,823,300 of needed funding. Since the new CIP for 2021-2026+ is still under development, the above referenced amounts may change as a result of updating the program. It is anticipated that the 2021-2026+ CIP will be substantially completed before the development of the FY22-23 annual operating budget.

### **FY20 and FY21 Initiatives**

The Mayor and City Council implemented programs and policies in FY20 and FY21 that will influence the City's financial operations during these two fiscal years and into the future. While many of the key

initiatives reflect specific City projects and benefits, many reinforce the efforts by the Mayor and City Council to enhance the City's quality of life and to build cooperative partnerships on a local and regional basis. The key recognitions and initiatives include the following:

- March 2020, Mayor Andeweg proclaimed a "Time of Emergency" due to the COVID-19 pandemic, which granted authority to the city manager and suspended certain regulations pertaining to employees. Subsequently, city offices were closed to the public and certain staff were allowed to telecommute.
- April 2020, approved participation in and use of up to \$100,000 from the General Fund Contingency Account, to contribute to the Des Moines Regional Small Business Relief Grant Program for small grants to local businesses during the COVID crisis. In June, 2020, 38 businesses in Urbandale received grant funding through this program.
- May 2020, approved "Onward Urbandale," the City of Urbandale plan for recovering from COVID-19, focusing on the gradual re-opening of certain businesses and public facilities.
- August 2020 – approval of agreement with MetroNet to build a fiber optic network that can serve no less than 90% of the community which is currently not being served by a fiber optic provider.
- August 2020 - the Iowa COVID-19 Local Government Relief Fund will provide \$100 million to be divided between eligible cities and counties based on 2019 estimated population. \$25 million will be used to cover the local government portion of the FEMA match through the Iowa Department of Homeland Security and Emergency Management.

#### **Economic Development:**

- Approved the following development agreements during the year:
  - October 2019, D.R.A. Properties, L.C. for 2601 104th Street
  - October 2019, Meredith Pointe, LLC for 4601-4645 NW Urbandale Drive
  - October 2019, Meredith Pointe, LLC for 4701-4745 NW Urbandale Drive
  - April 2020, 8860 Northpark Drive, LLC for 8860 Northpark Drive
  - April 2020, Iowa Bankers Insurance and Services, Inc. for 9001 Northpark Drive
  - April 2020, Remarc Enterprises, LLC for 4404 Merle Hay Road
  - April 2020, Unity Center Pointe, LLC for 5200 100th Street
  - September 2020, 7501 LLC for 7501 Hickman Road
  - September 2020, 7501 LLC for 7555 Hickman Road
- November 2019, public hearing to approve adoption of Amended and Restated Westover Urban Renewal District.
- September 2020, authorizing execution of a High Quality Jobs Program (HQJP) contract with the Iowa Economic Development Authority (IEDA) and Iowa Bankers Insurance and Services. The company is building a new 60,000 sf two-story headquarters at 9001 Northpark Drive, investing just over \$19.6 million. Iowa Bankers Insurance and Services is seeking a financial assistance contract to receive \$710,800 in tax credits and sales, service and use tax refunds under the HQJP.
- October 2020, completion of I80/35 flyover and Meredith Drive improvements in the Urban Loop area.

**Finance:**

- July 2019, approved the purchase of Executime Timeclock and Scheduling System from Tyler Technologies. The total three-year cost is \$76,689.
- April 2020, authorized issuance of general obligation bond series 2020A in the amount of \$4,965,000. The funds will be used for the FY2020-21 CIP projects.
- April 2020, authorized issuance of general obligation urban renewal bond series 2020B in the amount of \$11,255,000. The funds will be used for the FY2020-21 CIP projects designated for TIF funding.
- May 2020, approved the call and payoff of general obligation bond series 2010A and 2014C.

**Public Safety:**

- September 2019 renewal of SERT (Suburban Emergency Response Team) 28E agreement to include the City of Norwalk and extend contract indefinitely.
- October 2019 approved a 28E agreement to transfer the prosecution of State of Iowa criminal and motor vehicle violations arising in the City from the Polk County Attorney to the City Attorney.
- February 2020, the City's third fire station at 152<sup>nd</sup> & Meredith drive was opened to house 24-hour fire/EMS staff.
- July 2020 approval of purchase of 10 police body cameras and associated hardware from Watch Guard in the amount of \$12,655.
- July 2020, authorizing execution of Professional Services Contract with All City Management Services (ACMS) in the amount not to exceed \$140,690 for School Crossing Guard services.
- October 2020, approve bid from Two Rivers Glass and Door in the amount of \$14,940 for the purchase and installation of ballistic glass panels and a transaction window for the Police Station lobby.

**Parks, Recreation and Public Art:**

- September 2019, Prairie Meadows awarded a \$30,000 Community Betterment Grant for the Urbandale All-Inclusive Playground project.
- September 2019, Iowa Wild Hockey in partnership with Wells Fargo donated an ice hockey rink, valued at \$8,000, for construction in Lion's Park.
- December 2019, Polk County awarded a \$75,000 Community Development Grant for the Urbandale All Inclusive Playground Project.
- June 2020, the City Council approved the permanent closure of the Urbandale Public Swimming Pool and directed staff to pursue partnerships with local aquatic providers to offer recreation aquatic opportunities to Urbandale residents. However, in August 2020, the decision to close the Urbandale Public Swimming Pool was suspended and the City Council voted to temporarily close through 2020.
- Park projects final approvals – the City Council accepted the following major projects as completed during the year:
  - December 2019, purchase of "Atlas" by James Bearden, for \$6,000 and "The Butterfly Dress" by Kyle Fokken for \$4,500.

- March 2020, installation of two public art sculptures for the Douglas Avenue Interchange Public Art project from Urbandale artist Clint Hansen, for \$40,000. These sculptures were installed in June 2020.
  - January 2020, playground installation at Golfview West Park for \$58,907.
  - September 2020, Restroom Improvements at Northview Park for \$170,585.
- Park projects awarded – the City Council awarded contracts for the following major projects that are not yet completed:
    - January 2020, Design Services Agreement with Civil Design Group, LLC, for \$25,500, for the Murphy Park and Deer Ridge West Park Shelter/Restroom Facilities.
    - February 2020, Design Services Agreement with Confluence for \$16,315 for Phase II & Phase III of the Jackaline Baldwin Dunlap Park and Arboretum Master Plan.
    - February 2020, to Huffcutt Company for \$65,150 for the purchase, delivery and placement of a prefabricated restroom and storage building for the Restroom Improvements at Northview Park.
    - June 2020, award of contract to All Star Concrete including Alternates 1 and 2, for \$365,836 for the Walnut Creek Regional Park - Parking Lot Improvements.
    - September 2020, to ASK Studio Architects for \$22,800 for design of the Walnut Creek Regional Park large open shelter project.
    - October 2020, to Clint Hansen to design, construct and install a new sculpture at a cost of \$5,000 due to destruction of initial sculpture due to the derecho storm.
    - October 2020, to Jeffery L. Bruce & Company for \$24,400 for design of the Walnut Creek Regional Park Outdoor Community Space Development Project.
    - October 2020, to All Star Concrete, LLC, for \$171,800 for the Dunlap Arboretum Phase II & III project.

#### **Facilities Maintenance improvements:**

- Facilities Maintenance projects final approvals - the City Council accepted the following major projects as completed during the year:
  - December 2019, for purchase of an audio and video system for the Council Chambers from AVI Systems, for \$99,609.
  - December 2019, the HVAC upgrade for Fire Station #41 was completed for \$68,235.
  - December 2019, for the 2019 Fiber project for \$40,025. This provides fiber connections to Lions Park Shelter and the Giovannetti Shelter at Walker Johnston Park.
- Facilities Maintenance projects awarded - the City Council awarded contracts for the following major projects that are not yet completed:
  - November 2019, to Graybar for \$44,243, for the purchase of 531 LED lighting fixtures and associated accessories.
  - December 2019, to OPN Architects for \$61,250 for the design of the Satellite Maintenance Facility at 170th Street and Waterford Road.
  - February 2020, to Hopkins Roofing for \$239,160 for the replacement of the police station roof.

#### **Public Works:**

- December 2019, approved a 28E agreement for a Primary Highway Improvement Project with the Iowa Department of Transportation and the City of Clive. This includes an allocation of \$550,000 for the addition of turn lanes at the intersection of 128th Street and Hickman Road.

- Street projects final approvals - the City Council accepted the following major projects as completed during the year:
  - August 2019, for the 2019 Sanitary Sewer Lining Program. This joint project with the City of Windsor Heights project provides for the lining of approximately 15,250 linear feet of sanitary sewer main at various locations. Total project cost of \$188,857
  - August 2019, for concrete repairs to various streets. Total project cost was \$964,597.
  - August 2019, improvements at the Douglas Parkway and 142nd Street Roundabout. Total cost was \$582,896.
  - August 2019, completion of the 100<sup>th</sup> street bridge at a total cost of \$9,393,993.
  - October 2019, the Waterford Road Paving from 156th Street to 170th Street and Aurora Avenue Sidewalk Improvements Project for a total cost of \$5,422,191.
  - November 2019, the 2018 Storm Sewer Intake Program for a total cost of \$224,844.
  - December 2019, the 86th Street Preservation Project Phase 2 – Aurora Avenue to Hickman Road – was completed for \$1,761,154.
  - December 2019, the 75th Street and Douglas Avenue Intersection Improvements have been completed for \$623,408.
  - December 2019, completion of the 2019 PCC Reconstruction Program for \$775,435.
  - December 2019, the Stormwater Repair Project for \$212,286.
  - February 2020, the 86th Street Preservation Project Phase 1 - Aurora Avenue to the North Corporate Limits - has been completed for \$1,083,811.
  - April 2020, the 2019 Storm Sewer Intake Rehabilitation Program for \$230,128.
  
- Street projects awarded – the City Council awarded contracts for the following major projects that are not yet completed:
  - August 2019, to MidAmerican Energy, for \$543,434, for the installation of streetlights on Northpark Drive.
  - January 2020, to Iowa Signal for \$315,978 for the 112th Street and Meredith Drive Traffic Signal.
  - February 2020, to Henriksen Contracting for \$240,200 for the Storm Sewer Intake Rehabilitation Program.
  - February 2020, consenting to the City of Johnston's making award of construction contract to Alliance Construction Group for \$4,557,673 for the NW 54th Avenue Reconstruction project - a joint project between the cities of Urbandale and Johnston.
  - February 2020, to Caliber Concrete for \$1,016,436 for the 2020 PCC Patch Program Phase 1.
  - February 2020, to Howrey Construction for \$114,858 for the 152nd Street Trail.
  - February 2020, award of contract to Concrete Connection for \$106,347 for the 2019 Sidewalk Repair Program.
  - March 2020, to TK Concrete for \$638,869 for 2020 PCC Patch Program Phase 2.
  - March 2020, to Caliber Concrete for \$163,827 for the 2020 ADA Improvements.
  - March 2020, to Iowa Signal for \$75,364 for the 2020 Traffic Signal Improvements.
  - June 2020, to Paco Construction for \$20,039 for the Douglas Avenue Trail Box Culverts. This project will construct an asphalt overlay in each of the two trail culverts at the Interstate 35/80 interchange at Douglas Avenue. In July 2020, a change order was approved to add \$12,613 to this project.
  - July,2020, to Pillar for \$134,862 for the Community Entrance Signage Phase I project.
  - August 2020, to MidAmerican Energy, for \$94,121, for the installation of eleven streetlights on 104th Street.

- September 2020, to Edge Commercial for \$902,900 for the Parks and Public Works Satellite Facility.
- September 2020, to AECOM for \$44,000 for the design of the Coyote Ridge Trail.
- September 2020, to Confluence for \$28,490 for Community Entrance Signage design.
- September 2020, to Communication Innovators for \$100,287 for the 2020 Looped Fiber Project.
- October 2020, to Foth Infrastructure & Environment for not to exceed \$52,400 for design of Beaver Creek bank stabilization.

### **Cash Management Policies and Practices**

Cash temporarily idle for operations for more than thirty days was invested in time certificates of deposit at least at the minimum rate as prescribed monthly by the State Treasurer's office and in financial instruments of the federal government. The City Council's investment policy is to offer these investments to local banks. During FY20, all temporarily idle cash was accepted by local banks. If not accepted by local banks, the investments would have been offered to banks in Des Moines, Iowa. Interest income from investments in FY20, exclusive of the Component Unit, was \$1,240,611, compared to \$1,465,790 in FY19.

### **Risk Management**

In 1983, the City converted to a self-funded group health insurance plan. This program was designed to reduce health insurance costs through the assumption of additional risk. During the past thirty years, the City has realized a significant savings from self-funding and has been able to establish an insurance reserve fund. The City has seen an increase in health insurance reinsurance renewal rates in each of the last four years, and has had significant claims experience that has drawn down the reserve funds. The City has again increased both City and employee contributions to the fund, and will continue to do so until the reserve has been replenished.

The City has participated in the Iowa Communities Assurance Pool since 1989. This program combines traditional insurance coverage with a risk pooling arrangement. The City's comprehensive general liability, automobile, police, property and public official's liability coverage are provided directly by the pool. The remaining portion of the City's insurance program, workers compensation, was once again placed with the Iowa Municipalities Workers Compensation Association (IMWCA). This program also utilizes a pooling concept to provide cities and counties with workers compensation coverage. Both public sector pools are in sound financial condition and should present the City with long-term premium savings. Starting in FY13, the City opted to self-insure for the public safety uniformed staff's workers compensation coverage, but will continue to use IMWCA to service and process these claims.

The City's risk management program also involves a loss control and accident review program. Through the property and casualty insurance pools, the City receives loss control services. The pools review City operations on a periodic basis and submit recommendations for safety improvements. All claims submitted against the City are also reviewed to determine if changes are needed in the safety program. The City created a Director of Risk Management position in FY18 to oversee and refine the City's safety program. This includes creating various City-wide committees of management and non-management staff to review all employee near-miss incidents, accidents and to review and establish a consolidated safety policy manual. All of these actions should reduce the City's potential for personal injury, property damage and liability claims.

**Pension Benefits**

The City contributes to the Municipal Fire and Police Retirement System of Iowa for its sworn officers in the Police Department and full-time staff in the Fire Department. The City contributes to the Iowa Public Employees Retirement System for all other employees. Both of these State-wide systems provide retirement, disability and death benefits for its members and beneficiaries, which are established by State statute. The City is required to contribute a percentage of an employee's annual income, as established by the systems. Additional information regarding the two retirement systems is contained in the notes to the financial statements.

**AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for FY19. This is the highest form of recognition in the area of governmental financial reporting and is the 37<sup>th</sup> consecutive year the City has received this prestigious award. The Comprehensive Annual Financial Report for the year ended June 30, 2020 will be submitted to GFOA for review.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the staff of the Finance and Records Department. We would like to express our appreciation to all members of the department, as well as staff throughout the City who assisted with the audit process and contributed to the preparation of this report. We also wish to thank the Mayor and members of the City Council for their interest and support of our efforts in conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



A.J. Johnson  
City Manager



Nicole M. Lamb  
Finance Director



Financial Section  
June 30, 2020

**City of Urbandale, Iowa**





## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Urbandale, Iowa as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Urbandale, Iowa, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Urbandale, Iowa's financial statements. The introductory section, combining nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated November 19, 2020 on our consideration of the City of Urbandale, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Urbandale, Iowa's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Urbandale, Iowa's internal control over financial reporting and compliance.

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

Dubuque, Iowa  
November 19, 2020



This section of the City of Urbandale's (the City) Comprehensive Annual Financial Report presents management's discussion and analysis of the City's fiscal performance during the fiscal year that ended on June 30, 2020 (FY20). It should be read in conjunction with the transmittal letter at the front of this report and the City's financial statements, which immediately follow this section.

### **Financial Highlights**

- The assets and deferred outflows of resources of the City of Urbandale exceeded its liabilities and deferred inflows of resources at the close of FY20 by \$214,339,637 (net position). The total unrestricted net position of the City was \$3,033,019. This was comprised of unrestricted governmental net position of (\$1,715,247) and business type activities net position of \$4,748,266.
- The City's total net position increased by \$17,775,069 in FY20. This increase was mostly attributable to increased property tax revenues, local option sales tax revenue, donated infrastructure, and federal grant revenue.
- For FY20, the City's governmental funds reported combined ending fund balances of \$67,676,625. The FY20 fund balance represented an increase of \$3,834,712 and was primarily attributed to a \$1.9 million increase in the general fund, a \$4.7 million increase in the tax increment financing fund, a \$2.7 million increase in the non-major governmental funds, and offset by a \$4.7 million decrease in the capital projects fund. At the end of FY20, unassigned fund balance for the general fund was \$12,300,957 or 39.1% of total general fund expenditures.

### **Overview of the Financial Statements**

The basic financial statements consist of four parts:

- Management's Discussion and Analysis (this section),
- Government Wide Financial Statements,
- Fund Financial Statements, and
- Notes to the Financial Statements.

This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

### **Government-wide financial statements**

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

The Statement of Net Position presents information on all of the City of Urbandale's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net Position may indicate whether the City's financial Position is improving or deteriorating.

The Statement of Activities shows how the City's net position has 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 years.

The government-wide financial statements report on functions of the City of Urbandale that are principally supported by taxes and intergovernmental revenues, known as governmental activities. The governmental activities of the City include Public Safety, Public Works, Culture and Recreation, Community and Economic Development, General Government and interest and fiscal charges.

The government-wide financial statements also report the functions that are intended to recover all or a significant portion of their costs through user fees and charges, known as business-type activities. The City of Urbandale has one business-type activity to report for fiscal year 2020.

The government-wide financial statements include not only the City of Urbandale itself, known as the primary government, but also a legally separate Water Utility for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government. See footnote 1 to the financial statements for further information.

The government-wide financial statements can be found on pages 15 and 16 of this report.

### **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 Urbandale, 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 can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

#### ***Governmental funds***

Most of the City's basic services are included in governmental funds, which focus on:

1. The inflows and outflows of cash and other financial assets that can be readily converted to cash, and
2. The balances left at year-end that are available for spending.

The governmental funds statements provide a detailed short-term view of the City of Urbandale's finances, indicating whether more or fewer financial resources can be spent in the near future to finance the City's programs. Since this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided in a reconciliation following the governmental funds statements that explains the relationship (or differences) between them.

The City of Urbandale maintains 24 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 for the general fund, road use fund, tax increment financing fund, debt service fund, and capital projects fund, all of which are considered to be major funds. Data from the other 19 governmental funds are combined into a single aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 17 through 20 of this report.

### ***Proprietary funds***

The City maintains two different types of proprietary funds. An enterprise fund is used to report the same function presented as the business-type activity in the government-wide financial statements. The City uses an enterprise fund to account for its Storm Water Utility. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Urbandale uses internal service funds to account for equipment replacement, technology, building maintenance, risk management and the general liability insurance program. Because these services benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

The City maintains five internal service funds, which are presented individually in the combining proprietary fund statements. The summary proprietary fund financial statements can be found on pages 21 through 23 of this report.

### ***Fiduciary funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Urbandale's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The summary fiduciary funds financial statements can be found on page 24 of this report.

### **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. The notes to the financial statements can be found on pages 25 through 55 of this report.

### **Required Supplementary Information**

The City of Urbandale presents required supplementary information which further explains and supports the financial statements with a comparison of the City's budget for the year, the City's proportionate share of the net pension liability and related contributions for both of the City's pension plans, as well as presenting the Schedule of Changes in the City's Total OPEB Liability and Related Ratios. These items are presented on pages 56 through 63 of this report.

### **Other information**

In addition to the financial statements and the accompanying notes, this report also presents certain other supplementary information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information section. Combining fund statements can be found on pages 65 through 73 of this report. Statistical information related to the City's financial position can be found on pages 75 through 92 of this report.

### **Government Wide Financial Analysis**

The following condensed financial information serves as the key financial data and indicators for management, monitoring, and planning. Financial data for FY20 and FY19 is presented for comparative purposes.

City of Urbandale, Iowa  
Management's Discussion and Analysis

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current Assets	\$ 127,965,208	\$ 121,205,664	\$ 4,988,651	\$ 4,576,947	\$ 132,953,859	\$ 125,782,611
Capital Assets	235,871,860	215,082,243	-	-	235,871,860	215,082,243
Total assets	363,837,068	336,287,907	4,988,651	4,576,947	368,825,719	340,864,854
Deferred Outflows of Resources	6,733,808	6,936,061	53,585	63,596	6,787,393	6,999,657
Long-term Liabilities	99,552,241	92,558,400	233,374	246,361	99,785,615	92,804,761
Other Liabilities	17,066,206	15,976,093	26,961	40,733	17,093,167	16,016,826
Total liabilities	116,618,447	108,534,493	260,335	287,094	116,878,782	108,821,587
Deferred Inflows of Resources	44,361,058	42,467,574	33,635	10,782	44,394,693	42,478,356
Net Position						
Net investment in capital assets	177,846,734	171,826,998	-	-	177,846,734	171,826,998
Restricted	33,459,884	24,434,686	-	-	33,459,884	24,434,686
Unrestricted	(1,715,247)	(4,039,783)	4,748,266	4,342,667	3,033,019	302,884
Total net position	\$ 209,591,371	\$ 192,221,901	\$ 4,748,266	\$ 4,342,667	\$ 214,339,637	\$ 196,564,568

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 Urbandale, assets exceeded liabilities by \$214,339,637 and \$196,564,568 at the close of FY20 and FY19, respectively.

The largest portion of the City's net position in FY20 (82.9%) reflects its investment in capital assets (e.g. land, buildings, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to residents; therefore they are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City's investment in capital assets increased by \$6,019,736 from FY19 to FY20.

An additional portion of the City's net position (15.6%) represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position is \$3,033,019. There is a negative unrestricted net position in the governmental activities primarily due to the GASB 68 pension liability for both IPERS and MFPRSI, which represent the City's share of unfunded liability of the two pension funds. The balance is also attributable to a large portion of the City's FY2017 and FY2018 bond issuances that were issued to pay for the 100<sup>th</sup> Street bridge over I-35/I-80 and the related interchange ramps, which will be owned by the State, thus not able to be capitalized as part of net investment in capital assets portion of net position. The business type activity has a positive unrestricted net position. The governmental activities funds have a negative position balance that requires additional future resources to fulfill ongoing obligations to the citizens and creditors of the governmental-type activities. In FY19, restricted assets represented (12.4%) of the City's net position and unrestricted net position totaled \$302,884.

At the end of the current fiscal year, the City is able to report positive balances in the net position for the government as a whole, which comprises its governmental activities and business-type activity. The same situation held true for the prior fiscal year.

As noted above, the City's net position, when compared to the FY19 net position balance, increased by \$17,775,069 from FY19 to FY20. This increase can be attributed primarily to the increase in non-major governmental fund balance increases related to new local option sales tax revenues for Polk County and the tax increment financing (TIF) fund balance growing due to normal annual tax revenues collected this year. In prior year TIF fund balance was lowered significantly with a defeasance of bonds. The increases are offset with the fund balance decrease in the capital projects fund due to construction project timing. All of these changes are included in the restricted net position total.

### Changes in Net Position

The following table depicts that change in net Position.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charge for services	\$ 6,751,406	\$ 6,947,024	\$ 2,333,542	\$ 2,294,039	\$ 9,084,948	\$ 9,241,063
Operating grants & contributions	7,143,479	6,029,810	-	-	7,143,479	6,029,810
Capital grants & contributions	4,856,623	6,046,425	-	-	4,856,623	6,046,425
General revenues:						
Taxes	47,578,809	41,188,801	-	-	47,578,809	41,188,801
Other	2,348,914	2,466,508	78,093	74,365	2,427,007	2,540,873
Total revenues	<u>68,679,231</u>	<u>62,678,568</u>	<u>2,411,635</u>	<u>2,368,404</u>	<u>71,090,866</u>	<u>65,046,972</u>
Expenses:						
Public safety	18,326,328	15,851,573	-	-	18,326,328	15,851,573
Public works	17,483,163	18,467,773	524,236	495,595	18,007,399	18,963,368
Culture and recreation	8,357,100	8,606,410	-	-	8,357,100	8,606,410
Community & econ development	2,348,495	2,443,513	-	-	2,348,495	2,443,513
General government	4,052,844	3,591,303	-	-	4,052,844	3,591,303
Interest and fiscal charges	2,223,631	2,102,834	-	-	2,223,631	2,102,834
Total expenses	<u>52,791,561</u>	<u>51,063,406</u>	<u>524,236</u>	<u>495,595</u>	<u>53,315,797</u>	<u>51,559,001</u>
Increase in net position before transfers	15,887,670	11,615,162	1,887,399	1,872,809	17,775,069	13,487,971
Transfers	1,481,800	791,600	(1,481,800)	(791,600)	-	-
Net position – beginning	192,221,901	179,815,139	4,342,667	3,261,458	196,564,568	183,076,597
Net position – ending	<u>\$ 209,591,371</u>	<u>\$ 192,221,901</u>	<u>\$ 4,748,266</u>	<u>\$ 4,342,667</u>	<u>\$ 214,339,637</u>	<u>\$ 196,564,568</u>

### Governmental activities

Governmental activities increased the City's net position by \$17,775,069 for FY20. Key elements of the increase in net position are as follows:

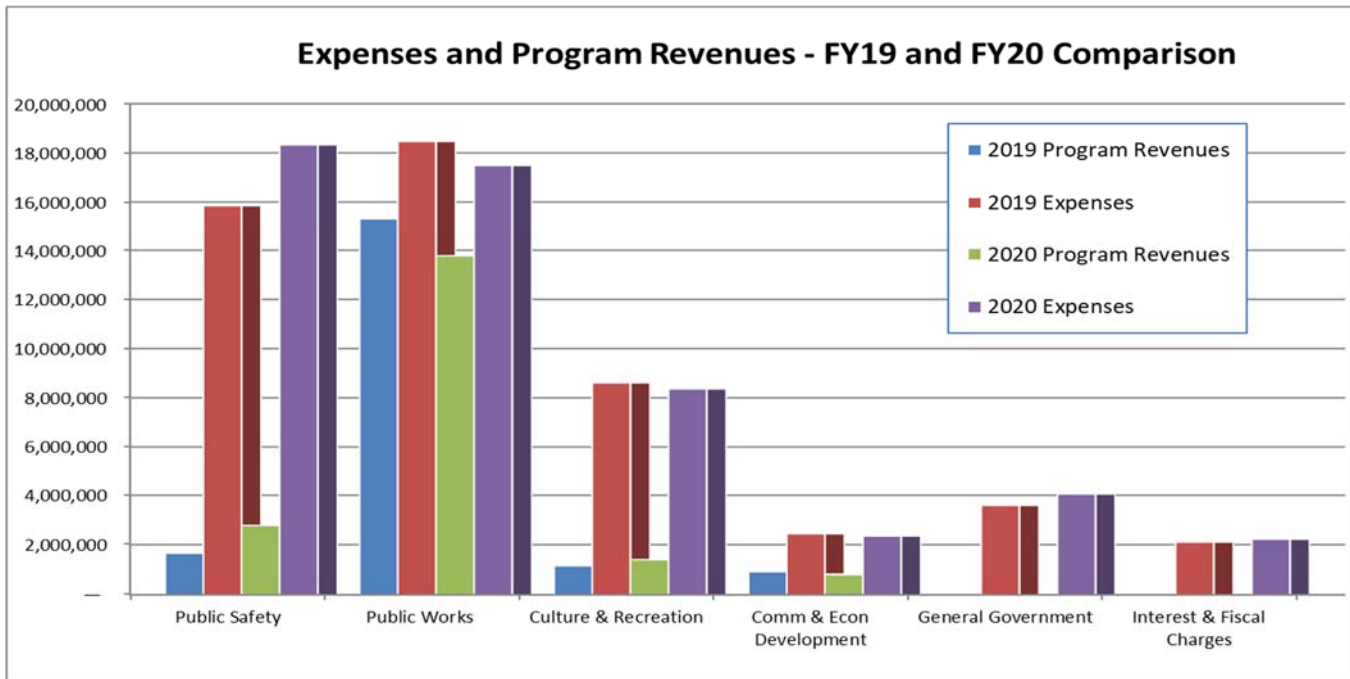
- Total taxes increased by \$6,390,008 (15.51%) during FY20. The receipts for FY20 reflect a 3.6% growth in taxable valuation of property throughout the City, which resulted in an overall property tax increase of \$1,954,049. The increase was bolstered by additional tax increment financing district revenues collected of \$779,792, as well as new local option sales and service taxes being collected starting January 2020 in Polk County, totaling \$3,249,404.
- Operating grants and contributions increased by \$1,113,669 (18.4%) in FY20 due primarily to fluctuation in infrastructure constructed by private parties (e.g. developers) and donated to the City. The value of items can fluctuate based on the timing and number of projects completed in any given year. The donations have increased net position by \$3,212,618 and \$2,829,010 in FY20 and FY19, respectively. Additionally, the City received a federal SAFER grant in the public safety function and donations for the all-inclusive playground in the culture & recreation function.
- Capital grants and contributions decreased by \$1,189,802 (19.7%) in FY20 primarily due to federal grant revenues in public works projects being higher in FY19.
- Total expenses were higher in FY20 by \$1,728,155 (3.4%), primarily in the public safety function due to the hiring of 9 additional firefighters, for a total of 18 to open the new #43 Fire Station at full staffing. The City received a SAFER grant to cover a portion of the cost for advancing 9 of the 18 new positions.

- FY20 showed a transfer of \$1,481,800 into capital projects fund from the business-type fund, Storm Water Utility. This transfer reflects the movement of funds contributed towards larger storm water projects being built with multiple funding sources.

**Business-type activities**

A Storm Water Utility was created in July 2010 as the City's first enterprise fund. This fund encompasses the activities formerly handled by the City's street cleaning and storm sewer departments, as well as storm water run-off inspections. As the fund matures and funding becomes available, more construction projects related to storm water drainage throughout the City are being handled. In order to fund these activities, a storm water user fee was established for all businesses and residences in Urbandale. The rates since July 1, 2016 are \$6 per ERU/per month for residential properties. Commercial property rates are also \$6 for the first 100 ERUs, then at \$5 per ERU over 100. These user fees are the sole source of funding in the charges for services line, generating \$2,333,542 and \$2,294,039 in revenue for FY20 and FY19, respectively. Business-type activities increased the City's net position by \$405,599 for FY20.

The following charts depict the expenses and program revenues attributed to each budgetary function for fiscal years 2020 and 2019:



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

The City of Urbandale uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

In FY20 and FY19, the City's governmental funds reported combined fund balances of \$67,676,625 and \$63,841,913, respectively. The fluctuations in fund balance can primarily be attributed to the timing of bond issuances and related capital improvement projects payments from year to year. In addition, the following changes in fund balances should be noted:

- The general fund balance increased by \$1,949,638 (18.8%) in FY20. The City experienced an overall increase in taxable property value of approximately 3.6% for FY20 which resulted in \$3,115,367 of additional general levy tax revenue for the year. Federal SAFER grant also helped raise additional revenue to offset the increased expenditures in the public safety function. These increases were related to the addition of new positions in the fire department to staff the new Fire Station #43 in western Urbandale.
- The road use tax fund balance decreased by \$123,961 (3.3%) in FY20. The fund experienced slightly higher road use tax receipts with stable expense levels and slightly lower transfers out to capital projects fund to provide funding for various street improvement projects.
- The fund balance for the tax increment financing (TIF) fund increased \$4,731,095 (133.5%) in FY20. Over the past several years, as TIF supported bonds become callable, TIF funds are being used to call and pay off those bonds instead of refinancing them. The large swing from prior year reflects the City's move to escrow and legally retire \$14.4 million in TIF supported bonds.
- The fund balance of the debt service fund decreased by \$752,846 (74.3%) in FY20. The FY20 decrease is due primarily to the lowering of the levy by 20 cents to \$2.00 for FY20, which results in lower property tax revenues.
- For FY20, the \$4,653,637 (10.8%) decrease in the capital projects fund balance is primarily attributable to timing of bond issuances and related project payments associated with those projects. The City conducts its annual bond offering in the spring, which results in less time to draw down new bond funds. The City's spring 2020 bond offering was \$16.22 million. Project expenditures were up \$7,485,329 from FY19, reflecting the timing of project payments.
- The nonmajor governmental funds fund balance increased \$2,684,423 (137.2%) due to the increased property taxes received from the new 10 cent employee benefit levy fund plus the new local option sales and service tax revenue from Polk County, which became effective January 1, 2020.

### **Proprietary funds**

Unrestricted net position of the proprietary funds was \$12,860,742 and \$11,216,375 in FY20 and FY19, respectively. An additional \$5,391,187 and \$4,368,771 in FY20 and FY19, respectively, of net position was restricted for funds invested in capital assets within the equipment replacement and building maintenance funds. In FY20, the net increase of \$2,666,783 in net position for the proprietary funds resulted primarily from higher equipment replacement and risk management contributions from the operating departments.

### **Budgetary Highlights (FY20)**

Differences between the original budget and the final amended budget amounted to a \$5,251,680 increase in appropriations and can be briefly summarized as follows:

- \$1,995,000 for transfers out from LOSST to debt service for bond pay-offs
- \$1,995,000 for debt service payments to retire bonds
- \$248,000 for transfers from capital projects to Miracle League playground for construction costs
- \$120,000 for public safety related expenditures
- \$50,000 for storm water (business-type) related expenditures
- \$841,740 for culture and recreation related expenditures
- \$1,940 in community and economic development function related expenditures.

The revised expenditures were offset by \$1,995,000 in local option sales tax revenue, \$102,740 in intergovernmental revenue, \$50,000 in interest income, \$5,000 in charges for services, \$2,243,000 for offsetting transfers from the LOSST and Capital projects fund to the debt service and special revenue funds, \$387,940 from miscellaneous revenue and donations, and \$468,000 from available capital projects and Miracle League fund balances. These revenue sources were not anticipated in the adopted fiscal year operating budget.

Including these adjustments, actual disbursements were \$27,106,684 less than final budget amounts. The major factor for this was timing of actual capital project payments. The City did not exceed budgeted expenditures in any of its functions.

On the revenue side, the actual receipts were \$6,571,639 less than budgeted. This was primarily due to timing of special assessments and federal grant revenue in FY20.

Budget to actual schedule for the City is located on page 56 of this report.

**Capital Asset and Debt Administration**

*Capital assets*

In FY20 and FY19, the City had invested \$333,328,161 and \$304,503,514, respectively, in a broad range of capital assets, including land, public buildings and improvements, machinery and equipment, artwork, and infrastructure (streets, parks, trails, and traffic safety equipment). This amount represents a net increase, including additions and deletions, of \$28,824,647 and \$18,069,223, respectively. The value of these capital assets, net of depreciation at June 30, 2020 and 2019, is depicted below.

		<u>Governmental Activities</u>	<u>Governmental Activities</u>
		<u>2020</u>	<u>2019</u>
Land	\$	7,869,625	6,653,857
Buildings and Improvements		36,222,834	35,247,668
Machinery and Equipment		17,856,456	16,728,080
Artwork		514,760	504,260
Infrastructure		241,315,361	230,616,397
Share of Undivided Equity Interest Assets		2,691,626	2,649,931
Construction in Progress		26,857,499	12,103,321
Total		<u>333,328,161</u>	<u>304,503,514</u>
Accumulated Depreciation		<u>(97,456,301)</u>	<u>(89,421,271)</u>
	\$	<u><u>235,871,860</u></u>	<u><u>215,082,243</u></u>

This year's major capital asset additions included:

- The ongoing construction of a replacement Public Works maintenance facility (\$12,922,000)
- The ongoing construction of 104<sup>th</sup> Street from Douglas to Hickman (\$3,299,000)
- The donation of construction improvements by private parties (\$3,213,000)
- The ongoing construction of the third fire station (\$1,822,000)
- The completion of 86<sup>th</sup> Street between Aurora and Hickman (\$1,082,000)
- The ongoing construction of 72<sup>nd</sup> Street from Douglas to Prairie (\$905,000)
- The completion of the All-Inclusive playground at Miracle League field (\$436,000)

Additional information on the City's capital assets can be found on page 35 (footnote 4) of this report.

***Long-term debt***

In FY20 and FY19 the City had total long-term debt of \$81,715,000 and \$76,605,000, respectively. Of these amounts, \$81,715,000 and \$76,605,000, represented general obligation bond debt.

	Balance			Balance
	June 30, 2019	Issued	Retired	June 30, 2020
General Obligation Bonds	\$ 76,605,000	\$ 16,220,000	\$ 11,110,000	\$ 81,715,000
Premium on Bonds	3,028,617	893,262	290,909	3,630,970
	<u>\$ 79,633,617</u>	<u>\$ 17,113,262</u>	<u>\$ 11,400,909</u>	<u>\$ 85,345,970</u>

	Balance			Balance
	June 30, 2018	Issued	Retired	June 30, 2019
General Obligation Bonds	\$ 73,430,000	\$ 25,210,000	\$ 22,035,000	\$ 76,605,000
Premium on Bonds	1,647,495	1,529,660	148,538	3,028,617
	<u>\$ 75,077,495</u>	<u>\$ 26,739,660</u>	<u>\$ 22,183,538</u>	<u>\$ 79,633,617</u>

During FY20, the City's total debt increased by a net \$5,110,000, including unamortized bond premiums. The key factors in this net increase was the routine debt service of \$11,110,000 and offset by the issuance of \$16,220,000 in new general obligation bonds.

In FY20, the projects funded by the Series 2020 A and B bond issues included:

Construction of:

- Public Works/Parks maintenance facility (TIF)
- 86th Street Preservation Phase 2 (TIF)
- Hickman sidewalk reconstruction @ railroad viaduct (TIF)
- Traffic signal at 112th & Meredith Drive (TIF)
- Aurora Avenue railroad crossing replacement @ 112th Street (TIF)
- Douglas Avenue Urbanization
- ADA Pedestrian Access Route Transition plan – Phase 2
- Satellite maintenance facility at 170th & Waterford
- Pickle ball court installation at Walker Johnston Park
- Storm water drainage improvements at various locations throughout the City
- Walnut Creek Regional Park: parking lot and utilities and interior access trail system
- Walnut Creek Regional Park: 152nd & Meredith community space design
- Restroom facilities at Murphy Park and Deer Ridge West Park
- Dunlap Park improvements Phase 1
- Various public art projects throughout the City of Urbandale

The City of Urbandale maintains an Aa1 rating from Moody's Investors Service for its general obligation debt. This rating was most recently affirmed on March 20, 2020.

State statutes limit the amount of debt that a governmental entity may issue to 5% of the actual value of property within the corporate limits. The current maximum debt limitation for the City of Urbandale is \$259,365,236, which is in excess of the City's current outstanding debt. Additional information on the City's long-term debt can be found in note 5 on pages 36 through 39 of this report.

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

Urbandale continues to have a significant land supply remaining for residential growth in new neighborhoods west of Interstates 35/80, and intends to annex additional territory over the next year. Most of the growth areas within the current Corporate Limits are already served by City infrastructure. As of the end of June, 2020, three final subdivision plats that will add 145 single-family detached homes were under development, and 43-unit multi-family buildings. Three new subdivisions were approved in 2019 creating 121 new lots and five new subdivisions were approved in 2018 creating 286 new lots. Six new subdivision plats were approved in 2017 creating a total of 233 lots, and nine new subdivisions were approved in 2016 creating a total of 252 lots.

Through the end of June for calendar 2020, permits had been issued for 103 new single-family homes. In 2019 a total of 128 new single-family homes and 8 single-family attached (townhome) units were constructed. In 2018 a total of 177 new single-family homes and 15 single-family attached (townhome) units were constructed, and in 2017 a total of 165 new single-family homes and 4 single-family attached (townhome) units were constructed along with a 48-unit multi-family building. In 2016 a total of 158 new single-family homes were constructed.

Urbandale also has a sufficient land supply to support continued commercial and industrial growth for at least the next 20 to 40 years, depending on the sector and historic trend line considered. An average of 296,481 square feet of commercial and industrial space has been constructed annually in Urbandale over the past five years.

Construction permitted through June 2019, totals 61,139 square feet of new commercial and office development, including: a 9,135 square-foot Kwik Star convenience store; a 5,346 square-foot Foam car wash; a 13,461 square-foot Primrose Daycare center; a 13,867 square-foot Unity Point medical clinic; a 5,000 square-foot storage building for Ramsey Automotive; a 1,369 square-foot storage building for Hummel's Nissan; an 8,000 square-foot addition to Johnstone Supply; and additions to two other existing businesses. However, the City has approved site plans for an additional 203,400 square feet of commercial and office projects that are expected to be permitted yet in 2020, or in early 2021. This includes a new 61,200 square-foot Homewood Suites hotel, a 60,000 square-foot office building for the Iowa Bankers Association, and an 82,200 square-foot office headquarters for Worldwide Logistics. Construction in 2019 totaled 428,036 square feet, bolstered by the new 154,614 square-foot City Parks & Public Works maintenance facility. Construction in 2018 totaled 351,093 square feet of primarily office development and construction in 2017 totaled 355,494 square feet of retail, office and industrial projects. Construction in 2016 totaled only 83,245 square feet of retail, office and industrial projects.

The 100<sup>th</sup> Street Interchange project on Interstate 35/80 is open to the public, and in October 2020 the follow-up phases to the overall project, which includes the Highway 141 flyover ramp and the half-diamond interchange at Meredith Drive opened up for use. These projects will provide increased access, functionality, and encourage additional construction within Urbandale's economic development corridors.

Local option sales tax in both Polk and Dallas counties are now in effect, with annual estimated revenues of \$6.4 million to be used 50% for property tax relief and 50% for capital projects, which includes debt service. In the short term, Council has elected to use the LOSST funds to call and pay off existing bonds, which serves both of the voter approved purposes of tax relief and capital projects.

For the FY21 budget, the property tax changes approved by the State legislature in 2014 will continue to affect valuations and resulting property tax revenue the City relies on to fund a majority of its operations. Under the approved State legislature changes, the rollback for Commercial and Industrial properties decreased 5% annually affecting taxes payable in 2015 and 2016, and has stabilized thereafter at 90% of the assessed value. The State promised to backfill this lost valuation revenue to cities at 100% for 2 years, then the backfill was capped at FY2016-17 levels. To date, no legislative action has been taken to remove or reduce the commercial property tax backfill standing appropriation despite legislative indication that it is likely to occur in the future.

Despite the 10% rollback on commercial property, the City still saw overall taxable valuation growth of 6.31% for FY20-21. Other factors impacting the FY20-21 budget include the continued improvement of local economic conditions spurring construction permit growth, the continued financing of infrastructure maintenance and improvement projects, the addition of 4 full-time positions, the introduction of new technologies in a number of departments, and operating equipment purchases in several departments.

All of these factors were considered in preparing the City of Urbandale's budget for fiscal year 2021. The fiscal year 2021 budget anticipated an increase of \$2,701,745 (5.3%) in operating expenditures over the fiscal year 2020 adopted budget. The adopted expenditures and anticipated revenues for fiscal year 2020 resulted in a \$0.36 decrease for the City's combined tax levy rate resulting in a rate of \$10.16/\$1,000 valuation. The general tax levy rate stayed at \$8.10, the Debt Service Levy lowered from \$2.00 to \$1.64, the Chapter 411 Fire, & Police pension levy remained the same at \$0.32 and the Employee Benefits levy stayed at \$0.10.

At the time of budget preparation and approval in March 2020, the impacts of the COVID-19 pandemic were unknown and continue to evolve rapidly. While the City has seen impacts to revenues from sources primarily in the recreational programming areas due to cancellations, the overall impact to the City's primary revenues of property taxes have not been significant as of the date of this report. The City will continue to monitor budget impacts and make adjustments, if necessary, as the situation progresses.

#### **Contacting the City's Financial Management**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the City Manager's Office, 3600 86<sup>th</sup> Street, Urbandale, Iowa, 50322.

City of Urbandale, Iowa  
Statement of Net Position  
June 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
<b>Current assets</b>				
Cash and pooled cash investments	\$ 79,740,942	\$ 4,949,687	\$ 84,690,629	\$ 145,131
Cash equivalents	-	-	-	8,867,174
Restricted cash	-	-	-	146,034
Accounts receivable	925,671	-	925,671	1,459,716
Taxes receivable				
Current	2,141,320	-	2,141,320	-
Succeeding year	42,882,842	-	42,882,842	-
Special assessments receivable				
Current	988,241	-	988,241	-
Succeeding year	427,459	-	427,459	-
Accrued interest	76,434	-	76,434	86
Due from other governments	450,412	-	450,412	-
Due from component unit	29,669	38,964	68,633	-
Due from primary government	-	-	-	20,463
Loan receivable	108,000	-	108,000	185,954
Inventories	194,218	-	194,218	-
Restricted assets - due from primary government	-	-	-	800
Prepaid expense and other assets	-	-	-	70,888
<b>Total current assets</b>	<b>127,965,208</b>	<b>4,988,651</b>	<b>132,953,859</b>	<b>10,896,246</b>
<b>Noncurrent assets</b>				
<b>Capital assets</b>				
Equipment	17,856,456	-	17,856,456	948,209
Buildings	24,954,898	-	24,954,898	1,181,173
Distribution system	-	-	-	37,189,281
Improvements other than building	11,267,936	-	11,267,936	-
Land and right of way	7,869,625	-	7,869,625	2,198,900
Construction in progress	26,857,499	-	26,857,499	506,693
Artwork	514,760	-	514,760	-
Infrastructure	241,315,361	-	241,315,361	-
Share of undivided equity interest assets	2,691,626	-	2,691,626	-
Accumulated depreciation	(97,456,301)	-	(97,456,301)	(15,179,038)
<b>Total capital assets</b>	<b>235,871,860</b>	<b>-</b>	<b>235,871,860</b>	<b>26,845,218</b>
<b>Total assets</b>	<b>363,837,068</b>	<b>4,988,651</b>	<b>368,825,719</b>	<b>37,741,464</b>
<b>Deferred Outflows of Resources</b>				
Pension related deferred outflow	6,627,156	50,656	6,677,812	279,040
OPEB related deferred outflow	106,652	2,929	109,581	33,774
<b>Total deferred outflows of resources</b>	<b>6,733,808</b>	<b>53,585</b>	<b>6,787,393</b>	<b>312,814</b>

See accompanying notes to financial statements.

City of Urbandale, Iowa  
Statement of Net Position  
June 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 5,641,144	\$ 3,724	\$ 5,644,868	\$ 122,481
General obligation bonds payable	9,250,000	-	9,250,000	-
Capital loan notes payable	-	-	-	287,000
Interest payable	173,675	-	173,675	9,064
Compensation and payroll taxes	1,014,897	14,402	1,029,299	110,575
Compensated absences - current	986,490	8,835	995,325	103,806
Due to City of Urbandale	-	-	-	68,634
Due to other governments	-	-	-	935,529
Customer deposits payable - restricted	-	-	-	104,960
Total current liabilities	<u>17,066,206</u>	<u>26,961</u>	<u>17,093,167</u>	<u>1,742,049</u>
Noncurrent liabilities				
General obligation bonds payable	76,095,970	-	76,095,970	-
Capital loan notes payable	-	-	-	1,469,000
Net pension liability	21,186,074	176,315	21,362,389	1,040,109
Net OPEB liability	1,868,163	47,775	1,915,938	263,712
Compensated absences	402,034	9,284	411,318	244,365
Total noncurrent liabilities	<u>99,552,241</u>	<u>233,374</u>	<u>99,785,615</u>	<u>3,017,186</u>
Total liabilities	<u>116,618,447</u>	<u>260,335</u>	<u>116,878,782</u>	<u>4,759,235</u>
Deferred Inflows of Resources				
Succeeding year property taxes	42,882,842	-	42,882,842	-
OPEB related deferred inflow	250,487	7,185	257,672	800
Pension related deferred inflow	1,227,729	26,450	1,254,179	158,867
Total deferred inflows of resources	<u>44,361,058</u>	<u>33,635</u>	<u>44,394,693</u>	<u>159,667</u>
Net Position				
Net investment in capital assets	177,846,734	-	177,846,734	25,929,218
Restricted				
For capital projects	17,109,770	-	17,109,770	-
Purpose restricted by legislation	15,615,277	-	15,615,277	-
Donor restricted purposes	734,837	-	734,837	-
Unrestricted	<u>(1,715,247)</u>	<u>4,748,266</u>	<u>3,033,019</u>	<u>7,206,158</u>
Total net position	<u>\$ 209,591,371</u>	<u>\$ 4,748,266</u>	<u>\$ 214,339,637</u>	<u>\$ 33,135,376</u>

City of Urbandale, Iowa  
Statement of Activities  
For the fiscal year ending June 30, 2020

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities Total	Business-type Activities	Total	
<b>Primary Government</b>								
Governmental activities								
Public safety	\$ 18,326,328	2,186,093	590,791	1,099	(15,548,345)	-	(15,548,345)	-
Public works	17,483,163	3,194,941	5,731,825	4,846,424	(3,709,973)	-	(3,709,973)	-
Culture and recreation	8,357,100	563,219	818,923	9,100	(6,965,858)	-	(6,965,858)	-
Community and economic development	2,348,495	807,153	1,940	-	(1,539,402)	-	(1,539,402)	-
General government	4,052,844	-	-	-	(4,052,844)	-	(4,052,844)	-
Interest and fiscal charges	2,223,631	-	-	-	(2,223,631)	-	(2,223,631)	-
Total governmental activities	<u>52,791,561</u>	<u>6,751,406</u>	<u>7,143,479</u>	<u>4,856,623</u>	<u>(34,040,053)</u>	<u>-</u>	<u>(34,040,053)</u>	<u>-</u>
Business-type activities								
Storm Water Utility	524,236	2,333,542	-	-	-	1,809,306	1,809,306	-
Total primary government	<u>\$ 53,315,797</u>	<u>9,084,948</u>	<u>7,143,479</u>	<u>4,856,623</u>	<u>(34,040,053)</u>	<u>1,809,306</u>	<u>(32,230,747)</u>	<u>-</u>
<b>Component Unit</b>								
Urbandale Water Utility	<u>\$ 8,694,324</u>	<u>9,561,886</u>	<u>598,094</u>	<u>982,732</u>				<u>2,448,388</u>
General Revenues								
Taxes								
Property tax				\$ 30,875,174				
Tax increment financing district tax				9,144,227				
Local option sales and service tax				4,488,166				
Hotel Motel tax				1,653,572				
Franchise taxes				262,266				
Utility excise tax				1,155,404				
Total taxes					47,578,809	-	47,578,809	-
State property tax replacement funds					1,010,641	-	1,010,641	-
Interest					1,162,518	78,093	1,240,611	97,390
Miscellaneous					175,755	-	175,755	134,899
Transfers					1,481,800	(1,481,800)	-	-
Total general revenues and transfers					<u>51,409,523</u>	<u>(1,403,707)</u>	<u>50,005,816</u>	<u>232,289</u>
Changes in net position					<u>17,369,470</u>	<u>405,599</u>	<u>17,775,069</u>	<u>2,680,677</u>
Net Position - beginning					<u>192,221,901</u>	<u>4,342,667</u>	<u>196,564,568</u>	<u>30,454,699</u>
Net Position - ending					<u>\$ 209,591,371</u>	<u>4,748,266</u>	<u>214,339,637</u>	<u>33,135,376</u>

City of Urbandale, Iowa  
Balance Sheet  
Governmental Funds  
June 30, 2020

	General Fund	Road Use Tax Fund	Tax Increment Financing Fund	Debt Service Fund	Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and pooled cash investments	\$ 12,707,197	\$ 2,865,657	\$ 8,144,111	\$ 220,009	\$ 42,959,770	\$ 4,091,858	\$ 70,988,602
Taxes receivable							
Current	128,907	713,689	123,574	39,790	-	1,135,360	2,141,320
Succeeding year	26,037,384	-	9,704,102	5,791,270	-	1,350,086	42,882,842
Special assessments receivable							
Current	-	-	-	974,414	13,827	-	988,241
Succeeding years	-	-	-	373,088	54,371	-	427,459
Accounts receivable	818,137	221	-	-	43,619	13,426	875,403
Accrued interest	30,447	-	7,297	197	38,493	-	76,434
Due from component unit	28,045	1,374	-	-	-	-	29,419
Due from other governments	166,752	43	-	-	251,222	-	418,017
Loan receivable	-	-	-	-	90,000	18,000	108,000
Inventories	15,027	179,189	-	-	-	-	194,216
Total assets	<u>\$ 39,931,896</u>	<u>\$ 3,760,173</u>	<u>\$ 17,979,084</u>	<u>\$ 7,398,768</u>	<u>\$ 43,451,302</u>	<u>\$ 6,608,730</u>	<u>\$ 119,129,953</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 299,962	\$ 93,076	\$ -	\$ -	\$ 4,547,556	\$ 121,013	\$ 5,061,607
Compensation and payroll taxes	806,422	60,067	-	-	-	-	866,489
Employee benefits	142,247	6,160	-	-	-	-	148,407
Compensated absences	8,061	-	-	-	-	-	8,061
Total liabilities	<u>1,256,692</u>	<u>159,303</u>	<u>-</u>	<u>-</u>	<u>4,547,556</u>	<u>121,013</u>	<u>6,084,564</u>
<b>Deferred inflows of resources</b>							
Succeeding year property taxes	26,037,384	-	9,704,102	5,791,270	-	1,350,086	42,882,842
Unavailable revenue - special assessments	-	-	-	1,347,502	68,198	-	1,415,700
Unavailable revenue - other	321,836	-	-	-	251,515	496,871	1,070,222
Total deferred inflows of resources	<u>26,359,220</u>	<u>-</u>	<u>9,704,102</u>	<u>7,138,772</u>	<u>319,713</u>	<u>1,846,957</u>	<u>45,368,764</u>
<b>Fund balances</b>							
Nonspendable	15,027	179,189	-	-	-	-	194,216
Restricted	-	3,421,681	8,274,982	259,996	37,380,614	4,232,266	53,569,539
Committed	-	-	-	-	-	408,494	408,494
Assigned	-	-	-	-	1,203,419	-	1,203,419
Unassigned	12,300,957	-	-	-	-	-	12,300,957
Total fund balances	<u>12,315,984</u>	<u>3,600,870</u>	<u>8,274,982</u>	<u>259,996</u>	<u>38,584,033</u>	<u>4,640,760</u>	<u>67,676,625</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 39,931,896</u>	<u>\$ 3,760,173</u>	<u>\$ 17,979,084</u>	<u>\$ 7,398,768</u>	<u>\$ 43,451,302</u>	<u>\$ 6,608,730</u>	<u>\$ 119,129,953</u>

See accompanying notes to financial statements.

City of Urbandale, Iowa  
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position  
June 30, 2020

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Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Total fund balances – governmental funds	\$	67,676,625
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in Governmental funds:		
Capital assets	\$	322,625,247
Less accumulated depreciation	<u>(92,144,574)</u>	230,480,673
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds		
		2,485,922
Debt issuance-related premiums are reported as "other financing sources" in the governmental funds, but as unamortized liabilities in the statement of net position		
		(3,630,970)
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	6,696,066	
Deferred inflows of resources	<u>(1,455,069)</u>	5,240,997
Internal service funds are used by management to charge the costs of equipment replacement, technology, building maintenance, general liability insurance, and the risk management program to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
Cash	8,752,340	
Due from customers	82,913	
Capital assets, net of accumulated depreciation	5,391,187	
Deferred outflows - pension & OPEB	37,741	
Deferred inflows - pension & OPEB	(23,147)	
Net pension liability	(124,831)	
Net OPEB liability	(33,005)	
Accounts payable	<u>(579,535)</u>	13,503,663
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
General obligation bonds payable	81,715,000	
Accrued interest on the bonds and notes	173,675	
Other postemployment benefits	1,835,159	
Net pension liability	21,061,242	
Compensated absences	<u>1,380,463</u>	<u>(106,165,539)</u>
Net position of governmental activities		<u>\$ 209,591,371</u>

City of Urbandale, Iowa  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the fiscal year ending June 30, 2020

	General Fund	Road Use Tax Fund	Tax Increment Financing Fund	Debt Service Fund	Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$ 24,469,006	\$ -	\$ 9,144,227	\$ 6,569,556	\$ -	\$ 7,349,478	\$ 47,532,267
Special assessments	-	-	-	241,388	329,070	-	570,458
Licenses and permits	1,038,998	-	-	-	-	-	1,038,998
Use of money and property	229,539	-	107,839	55,994	622,327	55,760	1,071,459
Intergovernmental	2,210,308	5,731,825	-	192,137	1,308,867	140,938	9,584,075
Charges for services	4,530,114	-	-	-	-	6,213	4,536,327
Miscellaneous	310,267	-	-	-	280,655	685,908	1,276,830
Total revenues	<u>32,788,232</u>	<u>5,731,825</u>	<u>9,252,066</u>	<u>7,059,075</u>	<u>2,540,919</u>	<u>8,238,297</u>	<u>65,610,414</u>
<b>Expenditures</b>							
<b>Current operating expenditures</b>							
Public safety	15,026,367	-	-	-	-	1,406,063	16,432,430
Public works	4,241,050	3,612,886	-	-	-	84,912	7,938,848
Culture and recreation	6,666,059	-	-	-	-	1,767,970	8,434,029
Community and economic development	1,808,143	-	492,154	-	-	22,997	2,323,294
General government	3,679,414	-	-	-	-	33,611	3,713,025
Capital outlay	-	-	-	-	27,865,466	-	27,865,466
<b>Debt service</b>							
Principal	-	-	-	11,110,000	-	-	11,110,000
Interest	-	-	-	2,553,671	-	-	2,553,671
Total expenditures	<u>31,421,033</u>	<u>3,612,886</u>	<u>492,154</u>	<u>13,663,671</u>	<u>27,865,466</u>	<u>3,315,553</u>	<u>80,370,763</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,367,199</u>	<u>2,118,939</u>	<u>8,759,912</u>	<u>(6,604,596)</u>	<u>(25,324,547)</u>	<u>4,922,744</u>	<u>(14,760,349)</u>
<b>Other financing sources (uses)</b>							
General obligation bond issuance	-	-	-	-	16,220,000	-	16,220,000
Premium on bond issuance	-	-	-	-	893,262	-	893,262
Transfers in	587,439	-	-	5,851,750	3,804,700	391,932	10,635,821
Transfers out	(5,000)	(2,242,900)	(4,028,817)	-	(247,052)	(2,630,253)	(9,154,022)
Total other financing sources (uses)	<u>582,439</u>	<u>(2,242,900)</u>	<u>(4,028,817)</u>	<u>5,851,750</u>	<u>20,670,910</u>	<u>(2,238,321)</u>	<u>18,595,061</u>
Net changes in fund balances	1,949,638	(123,961)	4,731,095	(752,846)	(4,653,637)	2,684,423	3,834,712
Fund balances at beginning of year	10,366,346	3,724,831	3,543,887	1,012,842	43,237,670	1,956,337	63,841,913
Fund balances at end of year	<u>\$ 12,315,984</u>	<u>\$ 3,600,870</u>	<u>\$ 8,274,982</u>	<u>\$ 259,996</u>	<u>\$ 38,584,033</u>	<u>\$ 4,640,760</u>	<u>\$ 67,676,625</u>

See accompanying notes to financial statements.

City of Urbandale, Iowa  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental  
 Funds to the Statement of Activities  
 For the fiscal year ending June 30, 2020

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Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net change in fund balances – governmental funds		\$ 3,834,712
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.</p>		
Capital outlays	\$ 28,112,339	
Depreciation expense	<u>(8,262,897)</u>	19,849,442
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(82,243)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(409,013)
<p>In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (the amount actually paid). The current year differences are</p>		
Compensated absences - Sick leave and vacation	(165,828)	
Other postemployment benefits	<u>(80,222)</u>	(246,050)
The net effect of pension related activity, consisting of employer contributions which are reported as expenditures in the governmental funds, but reported as a deferred outflow of resources in the Statement of Net Position, and the pension expenses reported in the Statement of Activities that do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		(2,165,340)
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		11,110,000
Issuance of bond principal is an “other financing source” in the governmental funds, but it increases long-term liabilities in the statement of net position and does not affect the statement of activities.		(17,113,262)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however interest expense is recognized as the interest accrues, regardless of when it is due.		39,131
Bond issuance-related premiums/discounts are reported as “other financing uses” and expenditures in the governmental funds at the time of issuance in the government-wide financial statements, these costs are amortized over the life of the debt issue.		290,909
An internal service fund is used by the City's management to charge the costs of equipment replacement, technology, general liability insurance, building maintenance and the risk management program to the individual funds. The net loss of the internal service funds is reported with governmental activities.		<u>2,261,184</u>
Change in net position of governmental activities		<u>\$ 17,369,470</u>

City of Urbandale, Iowa  
Statement of Net Position  
Proprietary Funds  
June 30, 2020

	Business-Type Activities - Non-Major Enterprise Fund Storm Water Utility Fund	Governmental Activities Internal Service Funds
<b>Assets</b>		
Current assets		
Cash and pooled cash investments	\$ 4,949,687	\$ 8,752,340
Accounts receivable	-	50,268
Due from component unit	38,964	250
Due from other governments	-	32,395
Total current assets	<u>4,988,651</u>	<u>8,835,253</u>
Noncurrent assets		
Capital assets, net	-	5,391,187
Total assets	<u>4,988,651</u>	<u>14,226,440</u>
Deferred Outflows of Resources		
Pension related deferred outflows	50,656	35,864
OPEB related deferred outflows	2,929	1,877
Total deferred outflows of resources	<u>53,585</u>	<u>37,741</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	3,724	579,535
Compensation and payroll taxes	13,062	-
Employee benefits	1,340	-
Compensated absences - current	8,835	-
Total current liabilities	<u>26,961</u>	<u>579,535</u>
Noncurrent liabilities		
Net pension liability	176,315	124,831
Net OPEB liability	47,775	33,005
Compensated absences	9,284	-
Total noncurrent liabilities	<u>233,374</u>	<u>157,836</u>
Total liabilities	<u>260,335</u>	<u>737,371</u>
Deferred Inflows of Resources		
Pension related deferred inflows	26,450	18,726
OPEB related deferred inflows	7,185	4,421
Total deferred outflows of resources	<u>33,635</u>	<u>23,147</u>
<b>Net Position</b>		
Net investment in capital assets	-	5,391,187
Unrestricted	4,748,266	8,112,476
Total net position	<u>\$ 4,748,266</u>	<u>\$ 13,503,663</u>

See accompanying notes to the financial statements.

City of Urbandale, Iowa  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the fiscal year ending June 30, 2020

	<u>Business-Type Activities - Non-Major Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Storm Water Utility Fund</u>	<u>Internal Service Funds</u>
Operating Revenues		
Charges for services	\$ 2,333,542	\$ 7,736,374
Other	-	1,249,549
Total operating revenues	<u>2,333,542</u>	<u>8,985,923</u>
Operating Expenses		
Insurance premiums and claims	-	5,482,278
Building maintenance	-	265,723
Data processing	-	33,406
Storm water operations	128,579	-
Administration	395,657	260,369
Depreciation	-	941,653
Total operating expenses	<u>524,236</u>	<u>6,983,429</u>
Operating income (loss)	<u>1,809,306</u>	<u>2,002,494</u>
Nonoperating Revenues (Expenses)		
Interest income	78,093	226,295
Gain (loss) on sale of equipment	-	32,395
Total nonoperating revenues (expenses)	<u>78,093</u>	<u>258,690</u>
Income (loss) before transfers	1,887,399	2,261,184
Transfers out	<u>(1,481,800)</u>	-
Change in net position	405,599	2,261,184
Net Position at Beginning of Year	<u>4,342,667</u>	<u>11,242,479</u>
Net Position at End of Year	<u>\$ 4,748,266</u>	<u>\$ 13,503,663</u>

City of Urbandale, Iowa  
Statement of Cash Flows  
Proprietary Funds  
For the fiscal year ending June 30, 2020

	Business-Type Activities - Non-Major <u>Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Storm Water Utility Fund</u>	<u>Internal Service Funds</u>
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 2,326,402	\$ 8,999,542
Payments to employees	(378,450)	(238,663)
Payments to suppliers	(139,681)	(5,855,340)
Net cash provided by operating activities	<u>1,808,271</u>	<u>2,905,539</u>
Cash Flows from Noncapital Financing Activities		
Transfers to other funds	<u>(1,481,800)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities		
Purchase of capital assets	-	(1,964,069)
Proceeds from sale of capital assets	-	32,395
Net cash used in capital and related financing activities	<u>-</u>	<u>(1,931,674)</u>
Cash Flows from Investing Activities		
Interest on investments	<u>78,093</u>	<u>226,295</u>
Net increase (decrease) in cash and cash equivalents	404,564	1,200,160
Cash and Cash Equivalents at Beginning of Year	<u>4,545,123</u>	<u>7,552,180</u>
Cash and Cash Equivalents at End of Year	<u>\$ 4,949,687</u>	<u>\$ 8,752,340</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by Operating Activities		
Operating income (loss)	\$ 1,809,306	\$ 2,002,494
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	-	941,653
Change in deferred inflows related to pension	16,579	11,966
Change in deferred inflows related to OPEB	6,273	3,778
Change in deferred outflows related to pension	11,546	6,733
Change in deferred outflows related to OPEB	(1,535)	(924)
Change in due from customers and users	(7,140)	13,619
Change in net OPEB liability	(2,352)	(1,416)
Change in net pension liability	(17,741)	(8,063)
Change in accounts payable and accrued liabilities	(6,665)	(64,301)
Net cash provided by operating activities	<u>\$ 1,808,271</u>	<u>\$ 2,905,539</u>

City of Urbandale, Iowa  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2020

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	Total Agency Funds
Assets	
Cash and pooled cash investments	\$ 685,211
Liabilities	
Due to component unit	\$ 21,263
Due to other governments	199,657
Deposits and remittances due	464,291
Total liabilities	\$ 685,211

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

The following is a summary of significant accounting policies employed in the preparation of these financial statements.

### **Reporting Entity**

The City of Urbandale, Iowa, (the City) is located in Polk and Dallas Counties and was incorporated in 1917 under the laws of the state of Iowa (the State), later amended in July 1975 under the Home Rule City Act. The City operates by ordinance under the mayor-council-manager form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the City and its inhabitants.

In accordance with the *Codification of Governmental Accounting and Financial Reporting Standards*, the basic financial statements include all funds, organizations, agencies, boards, commissions, and authorities for which the City is financially accountable. The reporting entity includes those of the City of Urbandale (the Primary Government) and its Component Unit. The City has also considered all other potential 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 that organization to provide specific benefits to or impose specific financial burdens on the City. The Urbandale Water Utility meets each of these financial accountability criteria. Based on these criteria, there are no organizations or agencies other than the Water Utility which should be included in these basic financial statements.

### **Discretely Presented Component Unit**

The Water Utility column in the financial statements presents the financial data of the Urbandale Water Utility (the Water Utility). The Water Utility is governed by a three-member board appointed by the City Council (the Council), and the Water Utility's operating budget is subject to the approval of the Council. Accordingly, financial accountability, as defined in the preceding paragraph, exists and the Water Utility is presented in the reporting entity, although it is legally separate from the City. The Water Utility provides water service exclusively to the citizens of Urbandale on behalf of the City. Complete financial statements of the Water Utility can be obtained directly from its administrative office at the following address:

Urbandale Water Utility  
3720 86th Street  
Urbandale, Iowa 50322

### **Measurement Focus, Basis of Accounting and Basis of Presentation:**

Under GASB 34, the annual financial report includes two separate sets of statements, the government-wide financial statements and the fund financial statements. The measurement focus, basis of accounting and basis of presentation differ between the government-wide financial statements and the fund financial statements. These differences, along with an explanation of the differing purposes and information provided by these separate financial statements, are described in the sections below.

## Government-wide Financial Statements

The government-wide financial statements use the *economic resources measurement focus* and the *accrual basis of accounting*. The economic resources measurement focus results in the reporting of all inflows, outflows, and balances affecting or reflecting the fund net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 unit. For the most part, the effect of interfund activity has been removed from these statements. Any interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which are supported by property tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for services. The structure of the government-wide financial statements is described in the following two paragraphs.

*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 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.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

*The Statement of Activities* – demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. 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 and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

## Fund Financial Statements

The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. 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.

## Governmental Funds

Governmental Fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. The current financial resources measurement focus results in the reporting of only near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers property tax revenues to be available if they are collected within 60 days after year-end. Other revenues are considered to be available if they are expected to be received within 60 days. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes, investment earnings, and charges for services. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Fines, forfeitures, licenses, and permit revenues are recorded when the City receives cash because they are generally not measurable until actually received. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met as long as they have met the available and measurable criteria.

Property tax receivable is recognized in these funds on the levy or lien date, which is March 15 of each year, the date the tax asking is certified by the City to the County Board of Supervisors. Current year property tax receivable represents taxes collected by the County but not remitted to the City at June 30, 2020 and unpaid taxes. 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 15 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 deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied. Delinquent property taxes are not material and are not recorded as receivables.

Property tax revenues recognized in these funds become due and collectible in September and March of the current fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2018 assessed property valuations; is for the tax accrual period July 1, 2019 through June 30, 2020 and reflects tax asking contained in the budget certified to the County Board of Supervisors in March 2019.

The City reports the following major governmental funds:

*General Fund* – used to account for the general operations of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Many of the more important activities of the City, including operation of the City’s general service departments, street and highway maintenance, public safety, sanitation, parks, library, and recreation programs, are accounted for in this fund.

*Road Use Tax Fund* – utilized to account for the operations of street maintenance. 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 revenue fund.

*Tax Increment Financing Fund* – used to account for revenues from the tax authorized by ordinance in the urban renewal district and used to pay the principal and interest on the general obligation capital loan notes and other indebtedness incurred for urban renewal redevelopment projects.

*Debt Service Fund* – utilized to account for the funding and payment of interest and principal of general obligation debt of the City.

*Capital Projects Fund* – used to account for all resources used in the acquisition and construction of capital facilities and other capital assets, with the exception of those that are financed through internal service funds.

## **Proprietary Funds**

The proprietary funds are used to account for a government's ongoing operations and activities which are similar to those often found in the private sector. The proprietary funds use the *economic resources measurement focus* and the *accrual basis of accounting*. The economic resources measurement focus results in the reporting of all inflows, outflows, and balances affecting or reflecting the fund net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items.

Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges for services. Operating expenses include the cost of services and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The following comprises the City's proprietary funds, none of which are designated as major funds:

*General Liability Fund* – an internal service fund utilized to finance and account for the City's property and casualty and workers compensation insurance transactions.

*Risk Management Fund* – an internal service fund utilized to finance and account for the transactions related to the City's dental, life, long-term disability and self-insured employee health insurance plans.

*Equipment Replacement Fund* – an internal service fund utilized to finance and account for the acquisition of capital assets for designated departments within the City.

*Building Maintenance Fund* – an internal service fund utilized to finance and account for the various non-routine maintenance and large-scale repair activities associated with any City-owned buildings within the City.

*Technology Fund* – an internal service fund utilized to finance and account for the acquisition of major technology-related capital assets that are not funded through the Capital Projects or Equipment Replacement funds.

*Storm Water Utility Fund* – an enterprise fund utilized to account for the operations and maintenance of the City's storm water program and improvements to the storm water system that are not funded through the Capital Projects fund.

## **Fiduciary Funds**

The fiduciary funds are used to account for assets held as an agent for others in an agency capacity. The agency funds are custodial in nature and do not present results of operations. The funds are accounted for using the accrual basis of accounting, with no measurement focus. The City has the following fiduciary funds:

*Collections and Deposits Fund*— an agency fund utilized to finance and account for refundable deposits and other flow-through funds collected by the City to be paid out to another party.

*Escrow Fund* – an agency fund utilized to finance and account for refundable escrows from developers for capital improvement projects.

### **Use of Estimates**

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

### **Encumbrances**

The fund balances in the governmental funds are charged for encumbrances when commitments are made. Fund balances are reserved for outstanding encumbrances, because the City intends to honor these purchase commitments. The City does not treat encumbrances as expenditures for GAAP purposes.

### **Fund Balance**

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

*Nonspendable* – Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted* – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

*Committed* – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the City Council through ordinance or resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action, ordinance or resolution, which it originally employed to commit those amounts.

*Assigned* – Amounts which the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. These amounts are designated by City Council through informal processes, such as by City policy.

*Unassigned* – All amounts not included in other spendable classifications.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When expenditures are 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 assignment actions.

**Components of Governmental Fund Balance**

As of June 30, 2020, fund balances are composed of the following:

	General	Debt Service	Capital Projects	Special Revenues	Total
Nonspendable					
Inventory	\$ 15,027	\$ -	\$ -	\$ 179,189	\$ 194,216
Restricted for					
Debt service	-	259,996	-	8,274,982	8,534,978
Capital projects	-	-	37,290,614	-	37,290,614
Loan receivable	-	-	90,000	18,000	108,000
Employee benefit payments	-	-	-	8,530	8,530
LOSST - tax relief	-	-	-	1,068,332	1,068,332
LOSST - capital projects	-	-	-	2,221,995	2,221,995
Public works	-	-	-	3,421,681	3,421,681
Public safety retirement	-	-	-	12,942	12,942
Police activities	-	-	-	68,796	68,796
Fire activities	-	-	-	39,054	39,054
Cultural programs	-	-	-	315,792	315,792
Parks activities	-	-	-	205,309	205,309
Library activities	-	-	-	258,114	258,114
Recreational programs	-	-	-	15,402	15,402
Total restricted	<u>-</u>	<u>259,996</u>	<u>37,380,614</u>	<u>15,928,929</u>	<u>53,569,539</u>
Committed for					
Economic development	<u>-</u>	<u>-</u>	<u>-</u>	<u>408,494</u>	<u>408,494</u>
Assigned to					
Capital Projects	<u>-</u>	<u>-</u>	<u>1,203,419</u>	<u>-</u>	<u>1,203,419</u>
Unassigned	<u>12,300,957</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,300,957</u>
Total fund balance	<u>\$ 12,315,984</u>	<u>\$ 259,996</u>	<u>\$ 38,584,033</u>	<u>\$ 16,516,612</u>	<u>\$ 67,676,625</u>

**Cash and Pooled Cash Investments**

Except for the Water Utility, the City maintains a cash and investment pool that is available for use by all funds. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with maturities of three months or less from the date of acquisition. These pooled deposits are invested on a short-term basis, and interest income is generally allocated to each participating fund based upon the percentage of its average balance.

For purposes of the statement of cash flows, the proprietary funds consider all investments with a maturity of three months or less when purchased to be cash equivalents.

Cash equivalents of the Water Utility include a money market account and an investment in the Iowa Public Agency Investment Trust (IPAIT), which is valued at amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940, and is not subject to risk categorization. IPAIT was established under Iowa law to authorize cities, counties, and municipal utilities to jointly invest. IPAIT invests only in permitted investments as specified for public agencies by Iowa law. The board of trustees of IPAIT meets quarterly to monitor investment compliance and performance.

**Inventories**

Inventories of materials and supplies are valued at average cost. Inventories are recorded as expenditure at the time of consumption.

**Unbilled Revenues**

Utilizing the first billing subsequent to year-end, the Water Utility accrues unbilled revenues for services rendered subsequent to the last billing date and prior to year-end based upon the number of days unbilled.

**Capital Assets**

Capital assets, which include real property, equipment and vehicles, artwork, buildings, infrastructure assets (e.g. roads, bridges, curbs, gutters, sidewalks and similar items which are immovable and of value only to the government), and the City’s share of assets in an undivided equity interest, are reported in the governmental activities column in the government-wide Statement of Net Position and in the Proprietary Funds Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair not adding to the value of the asset or materially extending asset lives are not capitalized. Reportable capital assets, other than intangible assets, are defined by the City as assets with initial, individual costs in excess of \$2,000 and estimated useful lives in excess of one year. The City defines intangible assets as those items with costs in excess of \$100,000.

Capital assets are depreciated using the straight-line method over their estimated useful lives. Capital assets not being depreciated include land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building	40 - 50
Improvements Other than Buildings	5 - 30
Vehicles and Equipment	3 - 20
Distribution System	50
Artwork	20
Infrastructure	10 - 65
Share of Undivided Equity Interest Assets	5 - 15

**Deferred Outflows of Resources**

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

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current period, or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since it is not available. Deferred inflows of resources at the governmental fund level consist of the succeeding year property tax receivable, and other receivables not collected within sixty days after year-end

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivable that will not be recognized as revenue until the year for which they are levied, the unamortized portion of the net difference between projected and actual earnings on pension plan investments, and other unrecognized items not yet charged to pension and OPEB expense.

### **Long-Term Debt**

In the government-wide financial statements, long-term debt obligations are reported as liabilities in the statement of net position. If deemed material, bonds payable are reported net of the applicable bond premium or discount.

Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, in the period issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources and discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as expenditures. Interest is reported as expenditure in the period in which the related payment is made.

### **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's two pension systems, and additions to/deductions from the pensions' fiduciary net position have been determined on the same basis as they are reported by each respective pension system.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund.

### **Total OPEB Liability**

For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and OPEB expense, information has been determined based on the City of Urbandale'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.

**Compensated Absences**

City employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination, death, or retirement. Accumulated vacation and sick leave is reported as an expense and an accrued liability as the benefits accrue to employees in the government-wide financial statements as well as in the Water Utility. An estimate for the amount due in one year is reported as a current liability, and reflects management’s best estimate of anticipated use of these types of leave hours in the next year, based on a 3 year trend. A liability for these amounts is reported in the governmental funds only if benefits have matured as a result of employee resignations and retirements

**Self-insurance**

The City is partially self-insuring for employee health insurance through stop-loss insurance, which provides coverage for claims in excess of \$50,000 per employee and \$4,319,222 in the aggregate for June 30, 2020. The operating funds are charged premiums (based upon historical claim experience) by the Risk Management Fund, which is accounted for as an Internal Service Fund. The accrued liability for estimated claims represents an estimate of the eventual loss on claims arising prior to year-end, including claims incurred but not yet reported, and is classified with accounts payable.

The table below presents the changes in claim liabilities for the past two fiscal years for the City’s employee health insurance.

	2020	2019
Unpaid Claims and Claim Adjustment Expenses at Beginning of the Fiscal Year	\$ 400,000	\$ 300,000
Incurred Claims and Claim Adjustment Expenses	2,875,111	2,856,960
Payments	(3,050,111)	(2,756,960)
Total unpaid claims and claim adjustment expenses at end of the fiscal year	\$ 225,000	\$ 400,000

**Note 2 - Cash and Pooled Cash Investments and Cash Equivalents**

The City’s and its Component Unit’s deposits at June 30, 2020 were entirely covered by federal depository insurance, collateralized with securities or letters of credit held by the City or the City’s agent in the City’s name, or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The investment interest income of the Road Use Tax Fund has been assigned to the City’s General Fund.

The City is authorized by state statute to invest public funds in interest bearing savings, money market, or checking accounts at a bank, savings and loan association or credit union in the State of Iowa that is approved by the Council and the Treasurer of the State of Iowa, 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 Council and the Treasurer of the State of Iowa; The Iowa Public Agency Investment Trust (IPAIT), perfected repurchase agreements; and certain registered open-end management investment companies.

Certificates of deposit and money market accounts are classified as cash and pooled cash investments in the financial statements and are included with bank deposits in this note. The cash equivalents of the City’s non-fiduciary funds at June 30, 2020 are \$84,690,629. The City’s agency funds had cash and pooled cash investments of \$685,211 at June 30, 2020.

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

At June 30, 2020 cash and cash equivalents balance of the Water Utility include a money market account of \$3,720,289 and an investment in the Iowa Public Agency Investment Trust (IPAIT) \$5,248,845, which is valued at amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. The IPAIT pool is unrated. Additionally, there is one checking account with \$189,205 as of June 30, 2020

*Interest rate risk.* The City's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the City.

*Credit risk.* The City's investment policy prohibits investments in commercial paper and other corporate debt. The Water Utility's investment in Iowa Public Agency Investment Trust is unrated. IPAIT was established under Iowa law to authorize cities, counties, and municipal utilities to jointly invest. IPAIT invests only in permitted investments as specified for public agencies by Iowa law. The board of trustees of IPAIT meets quarterly to monitor investment compliance and performance. All other investments held by the City at June 30, 2020 are in certificates of deposit, money market accounts, money market mutual funds, and obligations of the United States government held with depository institutions approved by the Council.

*Concentration of credit risk.* The City places dollar limits, currently \$30 million, on the amount that may be invested in any one approved depository institution. The City also has a diversification policy to reduce risk of loss resulting from over concentration of assets in a specific maturity, a specific issue, or a specific class of securities.

*Custodial credit risk - deposits.* This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposits and investments held at year end 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 government 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 held no such investments during the year.

### **Note 3 - Restricted Assets**

Customer deposits, a sinking fund and a reserve fund as defined by the Water Utility's water revenue bond covenants are separately disclosed in the balance sheet of the Water Utility.

**Note 4 - Capital Assets**

Capital assets activity for the Primary Government for the year ended June 30, 2020 is as follows:

	July 1, 2019 Balance	Increases	Decreases	June 30, 2020 Balance
Capital Assets Not Being Depreciated				
Land	\$ 5,466,383	\$ 6,521	\$ -	\$ 5,472,904
Construction in progress	12,103,321	25,168,439	10,414,261	26,857,499
Right of way	1,187,474	1,209,247	-	2,396,721
Total Capital Assets Not Being Depreciated	<u>18,757,178</u>	<u>26,384,207</u>	<u>10,414,261</u>	<u>34,727,124</u>
Capital Assets Being Depreciated				
Equipment	16,728,080	2,108,934	980,558	17,856,456
Buildings	24,971,191	-	16,293	24,954,898
Improvements other than buildings	10,276,477	1,282,047	290,588	11,267,936
Artwork	504,260	10,500	-	514,760
Infrastructure	230,616,397	10,716,964	18,000	241,315,361
Share of undivided equity interest assets	2,649,931	41,695	-	2,691,626
Total Capital Assets Being Depreciated	<u>285,746,336</u>	<u>14,160,140</u>	<u>1,305,439</u>	<u>298,601,037</u>
Less Accumulated Depreciation for				
Equipment	9,520,310	1,555,729	978,936	10,097,103
Buildings	8,744,456	550,542	16,293	9,278,705
Improvements other than buildings	4,548,226	663,331	169,611	5,041,946
Artwork	307,486	21,416	-	328,902
Infrastructure	64,520,199	6,129,475	4,680	70,644,994
Share of undivided equity interest assets	1,780,594	284,057	-	2,064,651
Total Accumulated Depreciation	<u>89,421,271</u>	<u>9,204,550</u>	<u>1,169,520</u>	<u>97,456,301</u>
Total Capital Assets, Net	<u>\$ 215,082,243</u>	<u>\$ 31,339,797</u>	<u>\$ 10,550,180</u>	<u>\$ 235,871,860</u>

Depreciation expense of \$9,204,550 for the year ended June 30, 2020, was charged to the following governmental functions:

	2020
Public Safety	\$ 1,210,261
Public Works	6,744,170
Culture and Recreation	1,018,553
Community and Economic Development	58,741
General Government	172,825
Total depreciation expense	<u>\$ 9,204,550</u>

Capital asset activity for the Water Utility for the years ended June 30, 2020 is as follows:

	June 30, 2019 Balance	Increases	Decreases	June 30, 2020 Balance
Capital Assets Not Being Depreciated				
Land	\$ 2,198,900	\$ -	\$ -	\$ 2,198,900
Construction in progress	251,404	488,633	233,344	506,693
<b>Total Capital Assets Not Being Depreciated</b>	<b>2,450,304</b>	<b>488,633</b>	<b>233,344</b>	<b>2,705,593</b>
Capital Assets Being Depreciated				
Equipment	919,492	65,383	36,666	948,209
Buildings	1,181,173	-	-	1,181,173
Distribution system	35,596,116	1,604,213	11,048	37,189,281
<b>Total Capital Assets Being Depreciated</b>	<b>37,696,781</b>	<b>1,669,596</b>	<b>47,714</b>	<b>39,318,663</b>
Less Accumulated Depreciation for				
Equipment	712,982	71,880	47,250	737,612
Buildings	775,128	30,617	-	805,745
Distribution system	12,883,173	752,508	-	13,635,681
<b>Total Accumulated Depreciation</b>	<b>14,371,283</b>	<b>855,005</b>	<b>47,250</b>	<b>15,179,038</b>
<b>Total Capital Assets, Net</b>	<b>\$ 25,775,802</b>	<b>\$ 1,303,224</b>	<b>\$ 233,808</b>	<b>\$ 26,845,218</b>

## Note 5 - Long-Term Obligations

### General Obligation Bonds

Details of general obligation bonds payable at June 30, 2020 are as follows:

	Date of Issue	Interest Rates	Final Due Date	Annual Principal Payments	Amount Originally Issued	Amount Outstanding June 30, 2020
Refunding Bond	09/01/11	2.00 to 3.00	6/26	255,000 to 400,000	\$ 8,935,000	\$ 2,255,000
Streets/Bridges/Parks/Trails	09/01/12	2.00 to 2.25	6/27	250,000 to 500,000	9,765,000	2,550,000
Streets/Parks/Trails/Bridges	09/01/13	2.25 to 3.25	6/28	250,000	8,090,000	2,000,000
Streets/Parks/Trails/Bridges	10/01/14	2.00 to 3.00	6/29	300,000 to 340,000	5,610,000	3,010,000
Streets/Parks/Library/Storm Sewer	09/17/15	2.00 to 2.75	6/30	605,000 to 615,000	10,000,000	6,115,000
Streets/Parks/Trails/Fire/Police	05/17/16	2.00 to 2.75	6/31	120,000 to 155,000	2,990,000	1,670,000
Streets/Trail/Parks/Fire/Software	04/11/17	2.00 to 5.00	6/32	200,000 to 1,035,000	9,580,000	5,235,000
Streets/Bridge	04/11/17	2.25 to 5.00	6/27	770,000 to 955,000	7,985,000	6,120,000
Fire/Streets/Bridge/Sidewalks	04/10/18	2.50 to 5.00	6/33	625,000 to 765,000	12,220,000	9,165,000
Streets/Interchange/Pub Works	04/10/18	3.00 to 5.00	6/28	565,000 to 755,000	6,355,000	5,320,000
Streets, parks, fire pumper truck	04/07/19	3.00 to 5.00	6/34	280,000 to 335,000	6,250,000	4,635,000
Street, PW facility	04/07/19	3.00 to 4.00	6/29	1,660,000 to 2,205,000	18,960,000	17,420,000
Streets, Parks Maint facility	04/07/20	2.00 to 3.00	6/30	265,000 to 1,460,000	4,965,000	4,965,000
Streets, PW facility	04/07/20	2.00 to 5.00	6/30	885,000 to 1,305,000	11,255,000	11,255,000
					<u>\$ 122,960,000</u>	<u>\$ 81,715,000</u>

The annual principal and interest requirements to maturity for the City's obligations at June 30, 2020 are as follows:

Years Ending <u>June 30,</u>	General Obligation Bonds	
	Principal	Interest
2021	\$ 9,250,000	\$ 2,671,238
2022	8,130,000	2,272,981
2023	8,280,000	1,969,806
2024	8,440,000	1,673,531
2025	8,575,000	1,390,406
2026-2030	34,745,000	3,153,938
2031-2034	4,295,000	259,844
	\$ 81,715,000	\$ 13,391,744

### Water Revenue Refunding Capital Loan Notes

On June 1, 2015, the Water Utility issued \$1,963,000 in Water Revenue Refunding Capital Loan Notes. Interest is payable each December 1 and June 1 at a rate of 1.99%. Principal payments are due each June 1 and range from \$201,000 to \$236,000 with final maturity in 2024. The proceeds were used to refund \$2,275,000 of outstanding 2005 Water Revenue Bonds which had an interest rate of 3.90%. At June 30, 2020 the restricted cash on the balance sheet \$20,899 in the Sinking Fund. The debt is owned by Regions Bank and; therefore, constitutes a direct borrowing.

The annual principal and interest requirements to maturity for the Water Utility's water revenue capital loan note at June 30, 2020 are as follows:

Years Ending <u>June 30,</u>	Water Revenue Refunding Capital Loan Note	
	Principal	Interest
2021	\$ 222,000	\$ 18,228
2022	227,000	13,811
2023	231,000	9,293
2024	236,000	4,696
	\$ 916,000	\$ 46,028

### Drinking Water State Revolving Fund

The Water Utility applied for and received a capital loan note from the Drinking Water State Revolving Fund on February 17, 2010 for \$1,671,000. The funds were used solely for a meter replacement project as defined in the application. Funds were disbursed from the Iowa Finance Authority when invoices were submitted by the Utility and approved for the project. The first \$332,000 disbursed to the Utility represents the forgivable portion of the loan. The remaining \$1,339,000 was disbursed over the next 24 months and will be repaid semi-annually over a twenty-year period. A loan servicing fee is payable each June 1 at a rate of .25% of the principal amount of the loan outstanding. Interest is payable each December 1 and June 1 at a rate of 3.0%. Principal payments are due June 1 of each year, and range from \$65,000 to \$89,000 with final maturity in 2031. Effective June 1, 2020, the interest rate was reduced to 1.75% that will result in an interest savings of \$66,312. At June 30, 2020 the restricted cash on the balance sheet includes \$23,185 in the Sinking Fund.

Principal and interest requirements to maturity for obligations at June 30, 2020 are as follows:

Years Ending June 30,	SRF Capital Loan	
	Principal	Interest
2021	\$ 65,000	\$ 14,700
2022	67,000	13,563
2023	69,000	12,390
2024	71,000	11,183
2025	74,000	9,940
2026-2030	405,000	29,505
2031	89,000	1,558
	<u>\$ 840,000</u>	<u>\$ 92,839</u>

### Water Revenue Capital Loan Notes

On December 4, 2012 the Urbandale Water Utility issued \$2,285,000 in Taxable Water Revenue Capital Loan Notes. The notes were issued for system improvements and land acquisitions. On August 13, 2019 the Urbandale Water Board of Trustees passed a Resolution authorizing full redemption of the 2012 Capital Loan Notes. The redemption for \$1,838,694 consisted of outstanding principal for \$1,820,000 plus accrued interest for \$18,694. The final payment distribution on September 14, 2019 was made from the Sinking Fund for \$1,665,518 and the Reserve Fund for \$173,176 for a total of \$1,838,694. By satisfying this obligation early the Utility saved \$506,703 in interest payments.

Changes in long-term obligations for the year ended June 30, 2020 and 2019 are as follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within 1 Year
<b>Primary Government</b>					
Bonds payable					
General obligation bonds	\$ 76,605,000	\$ 16,220,000	\$ 11,110,000	\$ 81,715,000	\$ 9,250,000
Premium on bonds	3,028,617	893,262	290,909	3,630,970	-
Total bonds payable	<u>79,633,617</u>	<u>17,113,262</u>	<u>11,400,909</u>	<u>85,345,970</u>	<u>9,250,000</u>
Compensated absences	1,214,633	1,117,246	943,355	1,388,524	986,490
	<u>\$ 80,848,250</u>	<u>\$ 18,230,508</u>	<u>\$ 12,344,264</u>	<u>\$ 86,734,494</u>	<u>\$ 10,236,490</u>
<b>Business-Type Activities</b>					
Compensated absences	<u>\$ 13,033</u>	<u>\$ 12,636</u>	<u>\$ 7,550</u>	<u>\$ 18,119</u>	<u>\$ 8,835</u>
<b>Component Unit</b>					
Direct borrowings					
Water revenue bonds	\$ 1,134,000	\$ -	\$ 218,000	\$ 916,000	\$ 222,000
Capital loan note	2,723,000	-	1,883,000	840,000	65,000
Compensated absences	304,981	43,190	-	348,171	103,806
	<u>\$ 4,161,981</u>	<u>\$ 43,190</u>	<u>\$ 2,101,000</u>	<u>\$ 2,104,171</u>	<u>\$ 390,806</u>

Typically, the general fund has been used in prior years to liquidate long-term liabilities other than debt.

2018 Actual Value of Property (Unaudited)	\$ 5,187,304,720
Debt Limit - 5% of Assessed Valuation	\$ 259,365,236
Amount of Debt Applicable to Debt Limit	
General obligation bonds	(81,715,000)
Legal debt margin	\$ 177,650,236

**Note 6 - Pension Plan**

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 Utility participates in IPERS only. The following sections outline the pension related disclosures for each pension of both entities. The aggregate amount of recognized pension expense for the period associated with the net pension liability for all plans is \$4,878,587 for the primary government and \$193,273 for the Water Utility. Other aggregate amounts related to pension are separately displayed in the financial statements.

**Iowa Public Employees’ Retirement System – IPERS**

Plan Description – IPERS membership is mandatory for employees of the City and the Water Utility, 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 Utility, 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 Plan (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail P.O. Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://www.ipers.org).

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

Pension Benefits – A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. 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, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

Protection occupation members may retire at normal retirement age which is generally at age 55 and may retire any time after reaching age 50 with 22 or more years of covered employment.

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but not more than 30 years of service.
- The member’s highest three-year average salary.

If a member retires before normal retirement age, the member’s monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% 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% 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 benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions – Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS’ Contribution Rate Funding Policy and Actuarial Amortization Method. State 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 2020, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the City contributed 9.44% of covered payroll, for a total rate of 15.73%. Protective occupation members contributed 6.61% of covered payroll and the City contributed 9.91% of covered payroll, for a total rate of 16.52%. The City’s total contributions to IPERS for the year ended June 30, 2020 totaled \$903,989. The Water Utility’s total contributions to IPERS for the year ended June 30, 2020 totaled \$128,287.

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2019 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 % per annum
Rates of salary increase (effective June 30, 2017)	3.25% to 16.25%, average, including inflation. Rates vary by membership group.
Long-term Investment rate of return (effective June 30, 2017)	7.00%, compounded annually, net of investment expense, including inflation
Wage growth (effective June 30, 2017)	3.25% per annum based on 2.60% inflation and 0.65% real wage inflation

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2019 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 IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting and expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	22.0%	5.60%
International Equity	15.0%	6.08%
Global smart beta equity	3.0%	5.82%
Core plus fixed income	27.0%	1.71%
Public Credit	3.5%	3.32%
Public Real Assets	7.0%	2.81%
Cash	1.0%	-0.21%
Private equity	11.0%	10.13%
Private real assets	7.5%	4.76%
Private credit	3.0%	3.01%
	100%	

**Discount Rate** – The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' 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 IPER financial report which is available on IPERS' website at [www.ipers.org](http://www.ipers.org).

**City Specific IPERS Disclosures**

**Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – At June 30, 2020, the City reported a liability of \$7,052,616 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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 IPERS relative to the contributions of all IPERS participating employers. At June 30, 2019, the City's collective proportion was 0.1217931% which was an increase of 0.002474% over its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City recognized pension expense of \$1,473,775. At June 30, 2020, 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	\$ 20,221	\$ 254,186
Changes in Assumptions	763,133	269
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	803,538
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	338,890	-
City Contributions Subsequent to the Measurement Date	903,989	-
Total	\$ 2,026,233	\$ 1,057,993

The \$903,989 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Total
2021	\$ 291,796
2022	(77,021)
2023	(50,401)
2024	(94,596)
2025	(4,839)
	\$ 64,939

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate –

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.0%, 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 % lower (6.0%) or 1% higher (8.0%) than the current rate.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
City's Proportionate Share of the Net Pension Liability	\$ 12,590,761	\$ 7,052,620	\$ 2,407,372

Payable to the IPERS – At June 30, 2020 the City reported payables to IPERS of \$0 for legally required City contributions and \$0 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

**Water Utility Specific IPERS Disclosures**

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2020, the Water Utility reported a liability of \$1,040,109 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Water Utility’s proportion of the net pension liability was based on the Water Utility’s share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2019, the Water Utility’s collective proportion was 0.0179618% which was an increase of 0.000583% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Water Utility recognized pension expense of \$193,273. At June 30, 2020, the Water Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Results	\$ 2,882	\$ 37,397
Changes of Assumptions	111,411	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	117,207
Changes in Proportion and Differences Between Utility Contributions and Proportionate Share of Contributions	36,460	4,263
Utility Contributions Subsequent to the Measurement Date	128,287	-
Total	\$ 279,040	\$ 158,867

The \$128,287 reported as deferred outflows of resources related to pensions resulting from the Water Utility contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

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

Year Ended June 30,	Total
2021	\$ 31,074
2022	(17,371)
2023	(9,348)
2024	(12,706)
2025	237
	\$ (8,114)

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%, 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% (6.0%) or 1% higher (8.0%) than the current rate.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Utility's Proportionate Share of the Net Pension Liability:	\$ 1,846,898	\$ 1,040,109	\$ 363,383

Payable to IPERS – At June 30, 2020, the Utility reported payables to IPERS of \$9,627 for legally required employer contributions and \$6,414 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

### **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 50266 or at [www.mfprsi.org](http://www.mfprsi.org).

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

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

Benefits are calculated based upon the member's highest 3 years of compensation. The average of these 3 years becomes the member's average final compensation. The base benefit is 66% of the member's average final compensation. Members who perform more than 22 years of service receive an additional 2% of the member's average final compensation 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 choose the basic benefit with a 50% 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. When electing to participate in DROP, the member signs a contract stating 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 benefits may be either accidental or ordinary. Accidental disability is defined as a permanent disability incurred in the line of duty, with benefits equivalent to the greater of 60% 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% 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% 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% 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% 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% 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 annually in accordance with Chapter 411.6 of the Code of Iowa, which provides a standard formula for the increases.

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

Contributions – Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2020.

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% 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 City's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 24.41% for the year ended June 30, 2020.

The City's contributions to MFPRSI for the year ended June 30, 2020 totaled \$1,788,237.

If approved by the state legislature, state appropriations may further reduce the City's contribution rate, but not below the minimum statutory contribution rate of 17.00% of earnable compensation. The State of Iowa, therefore, is considered to be a nonemployer contributing entity in accordance with the provisions of 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, 2020.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2020, the City reported a liability of \$14,309,773 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the City's collective proportion was 2.181612% which was an increase of .083485% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City recognized pension expenses of \$3,404,812. At June 30, 2020 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Results	\$ 492,753	\$ 133,905
Changes of Assumptions	718,468	62,281
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	788,414	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	863,707	-
City Contributions Subsequent to the Measurement Date	1,788,237	-
 Total	 \$ 4,651,579	 \$ 196,186

The \$1,788,237 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Total
2021	\$ 1,246,854
2022	368,725
2023	589,279
2024	418,113
2025	44,185
	\$ 2,667,156

Actuarial Assumptions - The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	3.00% per annum
Salary increases	3.75 to 15.11%, including inflation.
Investment rate of return	7.5%, investment expense, including inflation

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2007 to June 30, 2017.

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 MFPRSI investments was determined using a building-block method in which best-estimate ranges of expected future real rates (i.e., expected returns, net of 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 best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap	5.5%
Small Cap	5.8
International Large Cap	7.3
Emerging Markets	9.0
Emerging Market Debt	6.3
Private Non-Core Real Estate	8.0
Master Limited Partnerships	9.0
Private Equity	9.0
CorePlus Fixed Income	3.3
Private Core Real Estate	6.0
Tactical Asset Allocation	6.4

Discount Rate – The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed contributions will be made at 9.4% of covered payroll and the City’s contributions will be made at rates equal to the difference between actuarially determined rates and the member rate. Based on those assumptions, the MFPRSI’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 MFPRSI investments was applied to all periods of projected benefit payments to determine the total pension liability.

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%, 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%) or 1-percentage-point higher (8.5%) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City's Proportionate Share of the Net Pension Liability:	\$ 23,298,819	\$ 14,309,773	\$ 6,865,083

Payables to the Pension Plan – At June 30, 2020, 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.

**Money Purchase Plan**

The Water Utility also offers its employees a money purchase plan created and administered in accordance with Internal Revenue Code Section 401(a). The plan, available to all full-time Water Utility employees, permits them to contribute up to 8% of their salary with the Water Utility matching 60% of the employee’s contribution.

All assets and income of the plan are held in trusts established for the exclusive benefit of eligible participants and their beneficiaries in accordance with Internal Revenue Code Section 401(a). No part of the trusts shall revert to the Water Utility or be used for or diverted to purposes other than the exclusive benefit of participants and their beneficiaries. Third-party administrators who act in a trustee capacity manage the plans. Accordingly, these plan assets are not reported in the Water Utility’s financial statements. The Water Utility made contributions to the plan of \$54,122 the year ended June 30, 2020. The Water Utility’s employees made contributions to the plan of \$90,203 for the year ended June 30, 2020.

**Note 7 - Other Postemployment Benefits (OPEB)**

Plan Description - The City operates a partially self-insured single-employer benefit plan which provides medical/prescription drug benefits for active employees, qualified retirees, and their spouses/families. Participants must meet IPERS/MFPRS retirement system eligibility requirements, or be age 55 or older at retirement to participate in the retiree benefit plan. Plan benefits are not available for retirees past age 65.

Inactive employees or beneficiaries currently receiving benefit payments	11
Active employees	<u>226</u>
Total	<u><u>237</u></u>

OBEB Benefits - The medical/prescription drug coverage is provided through a partially self-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

Total OPEB Liability – The City’s total OPEB liability of \$1,915,938 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions – The total OPEB liability in the June 30, 2020 actuarial report 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, 2019)	3.00% per annum
Rates of salary increase (effective June 30, 2019)	0.00% per annum (OPEB is directly determined by service years, not salary)
Discount Rate (effective June 30, 2019)	3.15%, compounded annually, including inflation
Healthcare cost trend rate (effective June 30, 2019)	6.00% per annum

Discount Rate – The discount rate used to measure the total OPEB liability was 3.15% 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 were based on the RP-2014 Mortality Table for Males and Females, as appropriate.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes to the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	\$ 1,998,768
Changes for the year:	
Service cost	156,761
Interest	62,591
Differences between expected and actual experiences	(150,796)
Changes in assumptions	(24,215)
Benefit payments	(127,171)
Net changes	(82,830)
Total OPEB liability end of year	\$ 1,915,938

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 (2.15%) or 1% higher (4.15%) than the current discount rate.

	1% Decrease (2.15%)	Discount Rate (3.15%)	1% Increase (4.15%)
Total OPEB Liability	\$ 2,029,796	\$ 1,915,938	\$ 1,844,178

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.

	1% Decrease (5.00%)	Health Care Cost Trend Rate (6.00%)	1% Increase (7.00%)
Total OPEB Liability	\$ 1,770,211	\$ 1,915,938	\$ 2,122,687

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2020, the City recognized OPEB expense of \$211,216. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 52,127	\$ 177,294
Changes in assumptions	-	80,378
Change in demographics	57,454	-
Total	\$ 109,581	\$ 257,672

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

Year ending June 30,	Amount
2021	\$ (8,136)
2022	(8,136)
2023	(8,136)
2024	(8,136)
2025	(8,136)
Thereafter	(107,415)
	\$ (148,095)

### **Note 8 - Deferred Compensation Plan**

The City offers its employees two options for deferred compensation plans created and administered in accordance with Internal Revenue Code Section 457. The plans, which are available to all City employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All assets and income of the plans are held in trusts established for the exclusive benefit of eligible participants and their beneficiaries in accordance with Internal Revenue Code Section 457(g). No part of the trusts shall revert to the City or be used for or diverted to purposes other than the exclusive benefit of participants and their beneficiaries. Third-party administrators who act in a trustee capacity manage the plans. Accordingly, these plan assets are not reported in the City's financial statements.

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

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City maintains a Risk Management Fund (an Internal Service Fund) to account for its uninsured risks of loss. The Risk Management Fund provides employee health and group life insurance coverage for City employees. Workers compensation and general liability and auto liability coverages are provided through the City's participation in self-insurance risk pools as described in the subsequent paragraphs. Commercial insurance is purchased for all other risks of loss. Settlements have not exceeded coverages for each of the past three fiscal years.

### **Iowa Municipalities Workers' Compensation Association**

The City is a member of the Iowa Municipalities Workers' Compensation Association (the Association). The Association is a local government risk-sharing pool whose more than 500 members include various municipal and county governments throughout the State of Iowa. The Association was formed in July 1981 to formulate, develop and administer, on behalf of the member governments, a program of joint self-insurance to stabilize costs related to members' workers' compensation liabilities. The members participating in the Association to manage and conduct the business and affairs of the Association elect a board of trustees consisting of seven members. Program components include claims management, member education and loss control services. There have been no reductions in insurance coverage from prior years.

Each member pays annual premiums determined by using applicable standard rates for the exposure to risk and applicable experience modification factors of the National Council on Compensation Insurance. Each member may be subject to additional premiums to pay its pro rata share of claims which exceeds the Association's resources available to pay such claims. A distribution to members may also be made if the Association has excess monies remaining after payment of claims and expenses. The Association uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. Claims exceeding \$850,000 are reinsured in an amount not to exceed \$2,000,000 per occurrence. Members may withdraw from the Association at any time provided they provide assets for settlement of all pending claims.

The City's premium contributions to the Association are recorded as expenditures from its operating funds at the time of payment to the risk pool. The City's annual contributions to the Association for the year ended June 30, 2020 were \$110,500.

### **Iowa Communities Assurance Pool**

The City is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 800 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, cybercrime liability, 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 casualty 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% basis rate.

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, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal 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, 2020 were \$306,161. 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 agreements up to the amount of risk-sharing protection provided by the City's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City's risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the City's risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss incurred.

The City does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2020, no liability has been recorded in the City's financial statements. As of June 30, 2020, 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 60 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. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

## **Note 10 - Commitments**

### **Joint Operation**

In August of 2000, the City entered into a joint operation of a centralized emergency dispatch center (Westcom) with two other Des Moines suburbs. Westcom was established as an undivided interest ownership arrangement, whereby titles to assets in Westcom are held individually by the City and the other two Des Moines suburbs. The City's share of equity interest in the assets, as shown on the financial statements, represents a proportionate share of the assets owned by the Westcom entity, which are comprised of dispatch related equipment, technology, software and the dispatch building. Since inception, the Westcom operations have expanded the service area to provide dispatch to two additional communities. These two communities are not equity partners, but subscribers to the services provided. The City showed expenditures of \$1,125,175 and has an undivided interest in assets of the operation, net of depreciation, totaling \$626,975 as of June 30, 2020. Westcom does not issue separate financial statements. Their operations are included in the financial statements of the City of West Des Moines.

**Conduit Debt**

From time to time, the City has issued Industrial Development Revenue Bonds, under the provisions of Chapter 419 of the Code of Iowa, to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2020, there were two series of revenue bonds outstanding, with an aggregate principal amount payable of \$4,475,176.

**Iowa Events Center**

In 2006, the City Council committed \$640,000 for the Iowa Events Center project, over a 20-year period. The City’s contribution will be utilized for the payment of debt service on the bonds issued by Polk County to finance the construction of the downtown arena. The City made payments totaling \$32,000 for the year ended June 30, 2020.

**Loan Guarantees**

The City is providing loan guarantees for the J-Hawk Soccer Club, the Urbandale Little League, and Urbandale Girls Recreation Assoc. which approximated \$48,300 at June 30, 2020.

**Development Agreement Commitments**

In order to encourage development within designated Urban Renewal Areas, the City Council has approved development rebate agreements related to several different projects. Rebates are to be paid only after certain conditions have been met by each project developer, and are to be paid over many years in the form of a rebate of a predetermined percentage of future property taxes generated by the property. It is estimated that outstanding commitments of approximately \$10.97 million exist, of which \$385,900 is likely to be eligible to be paid in the next fiscal year. The payments will be expensed in the period in which they are paid. No liability for these obligations is recognized due to the fact that the agreements are conditional, and the payments are to be funded by future property taxes received on the project.

**Construction and Purchase Commitments**

At June 30, 2020, the following construction and purchase commitments had been made:

Project	2020	
	Total Contracts	Amount Remaining on Contracts
Capital Projects Fund	\$ 64,553,613	\$ 19,799,781
General Fund	20,039	20,039
Sanitary Sewer	332,245	2,090
All-Inclusive Playground Fund	364,138	168,359
Road Use Tax Fund	143,927	75,364
Internal Service Fund - Building Maintenance	712,068	138,939
Total	<u>\$ 66,126,030</u>	<u>\$ 20,204,572</u>

**Central Iowa Regional Drinking Water Commission**

The Water Utility, in conjunction with 23 other governmental entities that provide water services, created a Central Iowa Regional Drinking Water Commission (the Commission). The Commission was created to (1) jointly plan and coordinate implementation for water supply, treatment, distribution, and storage facilities; (2) enable the participants in the Commission to jointly provide services in a cost-effective manner; and (3) enable the participants in the Commission to undertake joint or coordinated procurement of goods and services. The Commission has not set a budget for expenditures. The Water Utility will be responsible for its proportional share of the budgeted expenses, which will be determined on the basis of the ratio of its retail customer accounts to the total retail customers of all participants, using the most recent information available each year.

**Des Moines Water Works**

The Urbandale Water Utility has entered into agreements with Des Moines Water Works for the construction of Des Moines Water Works-owned booster stations, treatment plant, feeder mains, and a storage tank, which will enhance service to the City. Des Moines Water Works designed, constructed, and financed the booster stations, a treatment plant, feeder mains, and a storage tank through the issuance of revenue bonds. The Urbandale Water Utility has commitments outstanding at June 30, 2020 to contribute to Des Moines Water Works \$5,468,561.

Future minimum payments in conjunction with these commitments are as follows:

Years Ending June 30,	Saylorville Treatment Plant
2021	\$ 1,087,063
2022	1,091,127
2023	1,092,131
2024	1,094,083
2025	834,990
2026	269,167
	\$ 5,468,561

**Note 11 - Tax Abatements**

In fiscal year 2017, the City adopted the Governmental Accounting Standards Board Statement No. 77, Tax Abatement Disclosures. The Statement sets forth guidance for the disclosure of information about the nature and magnitude of tax abatements which will make these transactions more transparent to financial statement users. Adoption of the guidance did not have an impact on amounts reported in the financial statements.

The pronouncement 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 benefit 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 a part of these agreements.

For the year ended June 30, 2020, the City abated \$492,148 of property tax under the urban renewal and economic development projects. Property tax revenues of the City were reduced by \$0 for the year ended June 30, 2020 under agreements entered into by other entities.

**Note 12 - Transfer Reconciliation**

The following is a schedule of transfers of the City for the years ended June 30, 2020:

Transfer to General Fund from	
TIF Fund	\$ 13,500
Nonmajor governmental funds	<u>573,939</u>
Total transfers to General Fund	<u>587,439</u>
Transfer to Capital Projects Fund from	
Road use fund	2,242,900
Storm water utility fund	1,481,800
Nonmajor governmental funds	<u>80,000</u>
Total transfers to Capital Projects Fund	<u>3,804,700</u>
Transfer to Debt Service Fund from	
Nonmajor governmental funds	1,836,433
Tax increment financing fund	<u>4,015,317</u>
Total transfer to debt service fund	<u>5,851,750</u>
Transfer to Nonmajor Governmental Funds from	
Capital projects	247,052
Nonmajor government funds	139,880
General fund	<u>5,000</u>
	<u>391,932</u>
	<u>\$ 10,635,821</u>

Transfers are primarily used to (1) move revenue from the fund that statute or budget requires them to be collected in to the fund that statute or budget requires them to be expended from, and (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due.

**Note 13 - Contingency**

The COVID-19 outbreak is disrupting business 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 of the City's operations and finances.



Financial Section  
Required Supplementary Financial Schedules  
June 30, 2020  
**City of Urbandale, Iowa**



City of Urbandale, Iowa

Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances Budget and Actual (Cash Basis) – Governmental and Business-Type Funds  
For the fiscal year ending June 30, 2020

	Governmental	Enterprise	Total	Budgeted Amounts		Final to Actual
	Funds Actual	Fund Actual		Original	Final	Variance
<b>Receipts:</b>						
Property tax	\$ 30,836,612	-	30,836,612	31,271,450	31,271,450	(434,838)
Tax increment financing	9,055,538	-	9,055,538	9,364,802	9,364,802	(309,264)
Other city tax	6,987,923	-	6,987,923	4,491,873	6,486,873	501,050
Licenses and permits	1,024,166	-	1,024,166	1,217,550	1,217,550	(193,384)
Use of money and property	1,254,809	78,094	1,332,903	412,000	412,000	920,903
Intergovernmental	8,351,206	-	8,351,206	14,805,793	14,908,533	(6,557,327)
Charges for services	4,363,622	2,326,402	6,690,024	7,099,098	7,104,098	(414,074)
Special assessments	1,470,458	-	1,470,458	1,767,200	1,767,200	(296,742)
Miscellaneous	1,206,477	-	1,206,477	606,500	994,440	212,037
<b>Total receipts</b>	<b>64,550,811</b>	<b>2,404,496</b>	<b>66,955,307</b>	<b>71,036,266</b>	<b>73,526,946</b>	<b>(6,571,639)</b>
<b>Disbursements:</b>						
Public safety	16,358,124	-	16,358,124	17,033,095	17,153,095	794,971
Public works	7,998,472	-	7,998,472	8,917,297	8,917,297	918,825
Culture and recreation	8,443,623	-	8,443,623	8,983,533	9,825,273	1,381,650
Community and economic development	2,329,657	-	2,329,657	2,658,280	2,660,220	330,563
General government	3,684,867	-	3,684,867	4,024,298	4,024,298	339,431
Debt Service	13,663,671	-	13,663,671	11,673,515	13,668,515	4,844
Capital projects	26,380,642	-	26,380,642	49,650,000	49,650,000	23,269,358
<b>Total disbursements</b>	<b>78,859,056</b>	<b>-</b>	<b>78,859,056</b>	<b>102,940,018</b>	<b>105,898,698</b>	<b>27,039,642</b>
Business-type activities	-	514,764	514,764	531,806	581,806	67,042
<b>Total all disbursements</b>	<b>78,859,056</b>	<b>514,764</b>	<b>79,373,820</b>	<b>103,471,824</b>	<b>106,480,504</b>	<b>27,106,684</b>
Excess (Deficiency) of Receipts Over (Under) Disbursements	(14,308,245)	1,889,732	(12,418,513)	(32,435,558)	(32,953,558)	20,535,045
Other financing sources, net	18,595,062	(1,481,800)	17,113,262	25,340,000	25,340,000	(8,226,738)
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	4,286,817	407,932	4,694,749	(7,095,558)	(7,613,558)	12,308,307
Fund Balances at Beginning of Year	66,560,531	4,541,398	71,101,929	67,833,440	67,833,440	3,268,489
Fund Balances at End of Year	\$ 70,847,348	4,949,330	75,796,678	60,737,882	60,219,882	15,576,796
<b>Governmental Funds</b>						
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	<b>Enterprise Fund</b>		
				Cash Basis	Accrual Adjustments	Full Accrual Basis
Revenues	\$ 64,550,811	1,059,603	65,610,414	2,404,496	7,139	2,411,635
Expenditures/Expenses	78,859,056	1,511,707	80,370,763	514,764	9,472	524,236
Net	(14,308,245)	(452,104)	(14,760,349)	1,889,732	(2,333)	1,887,399
Other Financing Sources, Net	18,595,062	(1)	18,595,061	(1,481,800)	-	(1,481,800)
Beginning Fund Balances/Net Position	66,560,531	(2,718,618)	63,841,913	4,541,398	(198,731)	4,342,667
Ending Fund Balances/Net Position	\$ 70,847,348	(3,170,723)	67,676,625	4,949,330	(201,064)	4,748,266

The budgetary comparison is presented as Required Supplementary Information in accordance with Government 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. 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 9 major classes of disbursements known as functions, not by fund or fund type. These 9 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, Debt Service Fund, Capital Projects Fund and Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. However, emphasis is placed on monitoring budgets by individual funds and by major classifications within functions, such as personnel, operations and maintenance, and capital outlay. Deviations from budgeted amounts by major classifications within programs must be approved by the City Manager. Monthly reports are prepared by Department and program to monitor program expenditures and legally budgeted amounts. All appropriations lapse at the end of the fiscal year.

State law mandates that annual budgets for funds other than Agency and Internal Service for the fiscal year beginning July 1 must be certified to the county auditor no later than March 15, preceding the beginning of the fiscal year. The Council also annually adopts a five-year capital improvement plan. The review and adoption of a budget is handled in accordance with state laws, as there is no City ordinance governing the budget process. Preliminary review of all operating budget requests is conducted by the City manager (the Manager) at a Departmental level. The Manager's budget, considered as a plan of financial operation along with proposed sources of revenues, is presented to the Council at least two months prior to certification. The Council holds hearings with the Manager, department heads, boards, and commissions, as well as a public hearing prior to adopting a budget. By resolution, the Council adopts a budget effective July 1 and certifies it to the county auditor, who, in turn, certifies the City's budget to the State Department of Management. This budget becomes the appropriation and is prepared on a cash basis (budget basis).

Amendments to the budget are considered annually only if revenue sources are available (i.e., unanticipated revenues and budget surpluses). There can be no additional levy of property taxes. The actual amendment process, as prescribed by state law, is identical to the procedures followed for the original budget, including certification. The budget for the fiscal year ending June 30, 2020 was amended once during the year to allow the City to increase disbursements, by a total of \$2,958,680 and increased receipts by \$2,490,680, including transfers. The budget amendments are reflected in the final budgeted amounts.

The actual expenditures of the Water Utility were \$20,751,143 compared to a legal budget of \$23,033,339 for the year ended June 30, 2020.

City of Urbandale, Iowa  
Schedule of Changes in the City of Urbandale's Total OPEB Liability and Related Ratios  
As of June 30, 2020  
Required Supplementary Information

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 156,761	\$ 140,125	140,336
Interest cost	62,591	73,716	65,090
Differences between expected and actual experiences	(150,796)	(38,963)	62,354
Changes in assumptions	(24,215)	-	-
Benefit payments	(127,171)	(34,516)	(44,325)
Net change in total OPEB liability	(82,830)	140,362	223,455
Total OPEB liability beginning of year	<u>1,998,768</u>	<u>1,858,406</u>	<u>\$ 1,634,951</u>
Total OPEB liability end of year	<u>1,915,938</u>	<u>1,998,768</u>	<u>1,858,406</u>
Covered-employee payroll	\$ 16,315,619	\$ 15,369,269	\$ 14,385,608
Total OPEB liability as a percentage of covered -employee payroll	11.7%	13.0%	12.9%

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

*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, 2020 3.15%

Year ended June 30, 2019 3.72%

Year ended June 30, 2018 3.72%

City of Urbandale, Iowa  
Schedule of the City's Proportionate Share of the Net Pension Liability  
Iowa Public Employees' Retirement System – IPERS  
As of June 30, 2020  
Required Supplementary Information

	2015	2016	2017	2018	2019	2020
City's Proportion of the Net Pension Liability	0.1071528%	0.1077769%	0.1130740%	0.1141771%	0.1193193%	0.1217931%
City's Proportion of the Net Pension Liability	\$ 4,249,584	\$ 5,324,699	\$ 7,116,101	\$ 7,605,638	\$ 7,550,817	\$ 7,052,620
City's Covered Payroll	\$ 7,459,941	\$ 7,651,554	\$ 8,312,473	\$ 8,680,732	\$ 9,148,116	\$ 9,379,664
City's Proportionate Share of the Net Pension Liability as Percentage of its Covered Payroll	56.97%	69.59%	85.61%	87.62%	82.54%	75.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.61%	85.19%	81.82%	82.21%	83.62%	85.45%

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

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.

City of Urbandale, Iowa  
Schedule of City Contributions  
Iowa Public Employees' Retirement System – IPERS  
Last Ten Fiscal Years  
Required Supplementary Information

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Statutorily Required Contribution	\$ 459,705	\$ 566,352	\$ 595,703	\$ 670,248	\$ 686,035	\$ 743,668	\$ 776,981	\$ 818,824	\$ 886,237	\$ 903,989
Contributions in Relation to the Statutorily Required Contribution	459,705	566,352	595,703	670,248	686,035	743,668	776,981	818,824	886,237	903,989
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 6,499,677	\$ 6,946,515	\$ 6,805,250	\$ 7,459,941	\$ 7,651,554	\$ 8,312,473	\$ 8,680,732	\$ 9,148,116	\$ 9,379,664	\$ 9,585,528
Contributions as a Percentage of Covered Payroll	7.07%	8.15%	8.75%	8.98%	8.97%	8.95%	8.95%	8.95%	9.45%	9.43%

Changes of benefit terms

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

Changes of assumptions

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

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

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

- Decreased the inflation assumption from 3:00% to 2.60%
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.5% per year.
- Decreased the discount rate from 7.5% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%

The 2014 valuation implemented the following retirements 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.

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

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

City of Urbandale, Iowa  
Schedule of the City's Proportionate Share of the Net Pension Liability  
Municipal Fire and Police Retirement System of Iowa – MFPRSI  
Last Fiscal Year\*  
Required Supplementary Information

	2015	2016	2017	2018	2019	2020
City's Proportion of the Net Pension Liability	1.809265%	1.892653%	1.936615%	2.028049%	2.098126%	2.181612%
City's Proportion of the Net Pension Liability	\$ 6,558,490	\$ 8,891,955	\$ 12,108,897	\$ 11,894,002	\$ 12,492,321	\$ 14,309,773
City's Covered Payroll	\$ 4,620,089	\$ 4,955,565	\$ 5,240,225	\$ 5,663,067	\$ 5,934,150	\$ 6,604,031
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	142.0%	179.4%	231.1%	210.0%	210.5%	216.7%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability.	86.27%	83.04%	78.20%	80.60%	81.07%	79.94%

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

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.

City of Urbandale, Iowa  
Schedule of City Contributions  
Municipal Fire and Police Retirement System of Iowa – MFPRSI  
Last Ten Fiscal Years  
Required Supplementary Information

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Statutorily Required Contribution	\$ 792,776	\$ 1,130,266	\$ 1,145,706	\$ 1,391,627	\$ 1,506,988	\$ 1,455,011	\$ 1,467,867	\$ 1,523,891	\$ 1,718,369	\$ 1,788,237
Contributions in Relation to the Statutorily Required Contribution	792,776	1,130,266	1,145,706	1,391,627	1,506,988	1,455,011	1,467,867	1,523,891	1,718,369	1,788,237
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 3,985,258	\$ 4,513,434	\$ 4,386,317	\$ 4,620,089	\$ 4,955,565	\$ 5,240,225	\$ 5,663,067	\$ 5,934,150	\$ 6,604,031	\$ 7,325,841
Contributions as a Percentage of Covered Payroll	19.89%	25.04%	26.12%	30.12%	30.41%	27.77%	25.92%	25.68%	26.02%	24.41%

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 postretirement mortality rates were based on the RP-2014 Blue Collar 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 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 one year (male only rates), with no projection of future mortality improvement.

The 2015 valuation phased in the 1994 Group Annuity Mortality Table for postretirement 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 postretirement 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.



Other Supplementary Information  
June 30, 2020

**City of Urbandale**



## Nonmajor Governmental Funds - Special Revenue Funds

**Hotel/Motel Fund** - to account for revenues and expenditures of hotel/motel tax restricted by local ordinance for the promotion of convention and tourism.

**Employee Benefits** – to account for the revenues generated by the Employee Benefit property tax levy, which can be used to pay employee benefits.

**Police and Fire Retirement** – to account for the revenues generated by the Police & Fire Retirement property tax levy, which can be used to pay the City’s share of MFPRSI pension contributions.

**LOSST – Dallas County Tax Relief** – to account for 50% of the 1% local option sales tax collected in Dallas County. In compliance with voter approved restrictions, this portion will be used for property tax relief.

**LOSST – Dallas County Capital Projects** – to account for 50% of the 1% local option sales tax collected in Dallas County. In compliance with voter approved restrictions, this portion will be used for Capital Projects.

**LOSST – Polk County Tax Relief** – to account for 50% of the 1% local option sales tax collected in Polk County. In compliance with voter approved restrictions, this portion will be used for property tax relief.

**LOSST – Polk County Capital Projects** – to account for 50% of the 1% local option sales tax collected in Polk County. In compliance with voter approved restrictions, this portion will be used for Capital Projects.

**Economic Development Revolving Loan Fund** – to account for economic development loans and account for repayments of principal and interest from borrowers. This fund was created in the current fiscal year through a reallocation from the former Revolving Loan agency fund, as those funds became de-obligated from its original restriction.

**Miracle League Complex Donations** – to account for donated monies held for the further development of the Miracle League field and playground area at Northpark.

**Library Donations** – to account for donated monies held for specific library projects.

**Dunlap Arboretum** – to account for funds received from Jackaline Baldwin Dunlap Foundation for the ongoing maintenance of the Jackaline Baldwin Dunlap Park and Arboretum.

**Fire Donations** – to account for donated monies held for specific fire projects or equipment purchases.

**Fire Training Tower** – to account for funds received for the usage and rental of the Fire Department’s jointly owned live-fire training facility at Station #42, and related maintenance expenditures that result.

**Evidence and Forfeited Property** – to account for forfeited funds and property received by the City from drug enforcement efforts, police action or investigation. The City must use these forfeited funds and property to enhance law enforcement.

**Federal Forfeited Property** – to account for funds and property received by the City from federal investigations.

**Police Donations** – to account for money received to be used on specific police projects.

**Tobacco Inspection** – to account for funds received from the State for tobacco enforcement activities and held for specific tobacco related projects and programs through the police department.

**Making a Connection** – to account for money received through a local grant and private donations to support a cultural diversity camp operated by the Recreation Department.

**Senior Center Activities** – to account for monies received from donations and proceeds from special ear-marked activities, intended for the specified projects of the Urbandale Senior Recreation Center.

City of Urbandale, Iowa  
Schedule 1 – Combining Balance Sheet Information  
Nonmajor Governmental Funds  
June 30, 2020

	<u>Hotel Motel</u>	<u>Employee Benefits</u>	<u>Police and Fire Retirement</u>	<u>LOSST-Dallas Co-Tax Relief</u>	<u>LOSST-Dallas Co- Capital Projects</u>	<u>LOSST-Polk Co-Tax Relief</u>	<u>LOSST-Polk Co- Capital Projects</u>	<u>Economic Development Revolving Loan</u>	<u>Miracle League Complex</u>	<u>Library Donations</u>
<b>Assets</b>										
Cash and Pooled Cash Investments	\$ 132,834	6,939	7,853	224,380	1,378,043	522,544	522,544	408,494	298,579	257,586
Taxes Receivable										
Current	485,864	1,591	5,089	60,488	60,488	260,920	260,920	-	-	-
Succeeding year	-	321,449	1,028,637	-	-	-	-	-	-	-
Loans Receivable	-	-	-	-	-	-	-	18,000	-	-
Accounts Receivable	1,907	-	-	-	-	-	-	-	10,766	753
Total assets	<u>\$ 620,605</u>	<u>329,979</u>	<u>1,041,579</u>	<u>284,868</u>	<u>1,438,531</u>	<u>783,464</u>	<u>783,464</u>	<u>426,494</u>	<u>309,345</u>	<u>258,339</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>										
<b>Liabilities</b>										
Accounts payable	\$ -	-	-	-	-	-	-	-	118,399	225
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,399</u>	<u>225</u>
<b>Deferred Inflows of Resources</b>										
Unavailable revenue Succeeding yr property tax	-	321,449	1,028,637	-	-	-	-	-	-	-
Unavailable revenue - other	487,771	-	-	-	-	-	-	-	9,100	-
Total deferred inflows of resources	<u>487,771</u>	<u>321,449</u>	<u>1,028,637</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,100</u>	<u>-</u>
<b>Fund Balances</b>										
Restricted	132,834	8,530	12,942	284,868	1,438,531	783,464	783,464	18,000	181,846	258,114
Committed	-	-	-	-	-	-	-	408,494	-	-
Total fund balances	<u>132,834</u>	<u>8,530</u>	<u>12,942</u>	<u>284,868</u>	<u>1,438,531</u>	<u>783,464</u>	<u>783,464</u>	<u>426,494</u>	<u>181,846</u>	<u>258,114</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 620,605</u>	<u>329,979</u>	<u>1,041,579</u>	<u>284,868</u>	<u>1,438,531</u>	<u>783,464</u>	<u>783,464</u>	<u>426,494</u>	<u>309,345</u>	<u>258,339</u>

City of Urbandale, Iowa  
Schedule 1 – Combining Balance Sheet Information  
Nonmajor Governmental Funds  
June 30, 2020

	<u>Dunlap Arboretum</u>	<u>Fire Donation</u>	<u>Fire Training Tower</u>	<u>Evidence and Forfeited Property</u>	<u>Federal Forfeited Property</u>	<u>Police Donations</u>	<u>Tobacco Inspection</u>	<u>Making A Connection - MAC</u>	<u>Senior Center Activites</u>	<u>Total</u>
<b>Assets</b>										
Cash and Pooled Cash Investments	\$ 24,206	25,571	15,065	33,380	1,416	15,107	18,910	183,005	15,402	4,091,858
Taxes Receivable										
Current	-	-	-	-	-	-	-	-	-	1,135,360
Succeeding year	-	-	-	-	-	-	-	-	-	1,350,086
Loans Receivable	-	-	-	-	-	-	-	-	-	18,000
Accounts Receivable	-	-	-	-	-	-	-	-	-	13,426
Total assets	<u>\$ 24,206</u>	<u>25,571</u>	<u>15,065</u>	<u>33,380</u>	<u>1,416</u>	<u>15,107</u>	<u>18,910</u>	<u>183,005</u>	<u>15,402</u>	<u>6,608,730</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>										
<b>Liabilities</b>										
Accounts payable	<u>\$ 743</u>	<u>17</u>	<u>1,565</u>	<u>-</u>	<u>-</u>	<u>17</u>	<u>-</u>	<u>47</u>	<u>-</u>	<u>121,013</u>
Total liabilities	<u>743</u>	<u>17</u>	<u>1,565</u>	<u>-</u>	<u>-</u>	<u>17</u>	<u>-</u>	<u>47</u>	<u>-</u>	<u>121,013</u>
<b>Deferred Inflows of Resources</b>										
Unavailable revenue Succeeding yr property tax	-	-	-	-	-	-	-	-	-	1,350,086
Unavailable revenue - other	-	-	-	-	-	-	-	-	-	496,871
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,846,957</u>
<b>Fund Balances</b>										
Restricted	23,463	25,554	13,500	33,380	1,416	15,090	18,910	182,958	15,402	4,232,266
Committed	-	-	-	-	-	-	-	-	-	408,494
Total fund balances	<u>23,463</u>	<u>25,554</u>	<u>13,500</u>	<u>33,380</u>	<u>1,416</u>	<u>15,090</u>	<u>18,910</u>	<u>182,958</u>	<u>15,402</u>	<u>4,640,760</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 24,206</u>	<u>25,571</u>	<u>15,065</u>	<u>33,380</u>	<u>1,416</u>	<u>15,107</u>	<u>18,910</u>	<u>183,005</u>	<u>15,402</u>	<u>6,608,730</u>

City of Urbandale, Iowa  
Schedule 2 – Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the fiscal year ending June 30, 2020

	<u>Hotel Motel</u>	<u>Employee Benefits</u>	<u>Police and Fire Retirement</u>	<u>LOSST-Dallas Co-Tax Relief</u>	<u>LOSST-Dallas Co-Capital Proj</u>	<u>LOSST-Polk Co-Tax Relief</u>	<u>LOSST-Polk Co-Capital Project</u>	<u>Economic Development Revolving Loan Fund</u>	<u>Miracle League Complex</u>	<u>Library Donations</u>
<b>Revenues</b>										
Taxes	\$ 1,607,029	300,573	953,710	794,979	794,979	1,449,104	1,449,104	-	-	-
Use of Money and Property	-	720	4,198	5,816	18,189	2,577	2,577	7,119	5,112	4,326
Intergovernmental	-	9,607	30,742	-	-	-	-	-	3,665	84,038
Charges for Services	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	491,054	17,887
Total revenues	<u>1,607,029</u>	<u>310,900</u>	<u>988,650</u>	<u>800,795</u>	<u>813,168</u>	<u>1,451,681</u>	<u>1,451,681</u>	<u>7,119</u>	<u>499,831</u>	<u>106,251</u>
<b>Expenditures</b>										
<b>Current Operating Expenditures</b>										
Public safety	\$ -	203,435	1,167,433	-	-	-	-	-	-	-
Public works	-	84,912	-	-	-	-	-	-	-	-
Culture and recreation	991,161	97,295	-	-	-	-	-	-	568,655	37,857
Community and Economic Dev	-	22,997	-	-	-	-	-	-	-	-
General Government	-	33,611	-	-	-	-	-	-	-	-
Total expenditures	<u>991,161</u>	<u>442,250</u>	<u>1,167,433</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>568,655</u>	<u>37,857</u>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	<u>615,868</u>	<u>(131,350)</u>	<u>(178,783)</u>	<u>800,795</u>	<u>813,168</u>	<u>1,451,681</u>	<u>1,451,681</u>	<u>7,119</u>	<u>(68,824)</u>	<u>68,394</u>
Transfers In	-	139,880	-	-	-	-	-	-	247,052	-
Transfers Out	<u>(653,939)</u>	<u>-</u>	<u>-</u>	<u>(639,880)</u>	<u>-</u>	<u>(668,217)</u>	<u>(668,217)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total transfers	<u>(653,939)</u>	<u>139,880</u>	<u>-</u>	<u>(639,880)</u>	<u>-</u>	<u>(668,217)</u>	<u>(668,217)</u>	<u>-</u>	<u>247,052</u>	<u>-</u>
Net Changes in Fund Balances	(38,071)	8,530	(178,783)	160,915	813,168	783,464	783,464	7,119	178,228	68,394
Fund Balances - Beginning	170,905	-	191,725	123,953	625,363	-	-	419,375	3,618	189,720
Fund Balances - Ending	<u>\$ 132,834</u>	<u>8,530</u>	<u>12,942</u>	<u>284,868</u>	<u>1,438,531</u>	<u>783,464</u>	<u>783,464</u>	<u>426,494</u>	<u>181,846</u>	<u>258,114</u>

City of Urbandale, Iowa  
Schedule 2 – Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the fiscal year ending June 30, 2020

	<u>Dunlap Arboretum</u>	<u>Fire Donation</u>	<u>Fire Training Tower</u>	<u>Evidence &amp; Forfeited Property</u>	<u>Federal Forfeited Property</u>	<u>Police Donations</u>	<u>Tobacco Inspection</u>	<u>Making A Connection - MAC</u>	<u>Senior Center Activites</u>	<u>Total</u>
Revenues										
Taxes	\$ -	-	-	-	-	-	-	-	-	7,349,478
Use of Money and Property	435	370	360	234	16	343	334	2,680	354	55,760
Intergovernmental	-	-	-	-	936	-	1,950	10,000	-	140,938
Charges for Services	-	-	2,700	-	-	-	-	-	3,513	6,213
Miscellaneous	<u>76,180</u>	<u>13,066</u>	<u>-</u>	<u>8,968</u>	<u>-</u>	<u>18,753</u>	<u>-</u>	<u>60,000</u>	<u>-</u>	<u>685,908</u>
Total revenues	<u>76,615</u>	<u>13,436</u>	<u>3,060</u>	<u>9,202</u>	<u>952</u>	<u>19,096</u>	<u>2,284</u>	<u>72,680</u>	<u>3,867</u>	<u>8,238,297</u>
Expenditures										
Current Operating Expenditures										
Public safety	\$ -	2,347	8,567	1,936	-	22,142	203	-	-	1,406,063
Public works	-	-	-	-	-	-	-	-	-	84,912
Culture and recreation	21,337	-	-	-	-	-	-	43,312	8,353	1,767,970
Community and Economic Dev	-	-	-	-	-	-	-	-	-	22,997
General Government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,611</u>
Total expenditures	<u>21,337</u>	<u>2,347</u>	<u>8,567</u>	<u>1,936</u>	<u>-</u>	<u>22,142</u>	<u>203</u>	<u>43,312</u>	<u>8,353</u>	<u>3,315,553</u>
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	<u>55,278</u>	<u>11,089</u>	<u>(5,507)</u>	<u>7,266</u>	<u>952</u>	<u>(3,046)</u>	<u>2,081</u>	<u>29,368</u>	<u>(4,486)</u>	<u>4,922,744</u>
Transfers In	-	-	-	-	-	-	-	5,000	-	391,932
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,630,253)</u>
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>(2,238,321)</u>
Net Changes in Fund Balances	55,278	11,089	(5,507)	7,266	952	(3,046)	2,081	34,368	(4,486)	2,684,423
Fund Balances - Beginning	<u>(31,815)</u>	<u>14,465</u>	<u>19,007</u>	<u>26,114</u>	<u>464</u>	<u>18,136</u>	<u>16,829</u>	<u>148,590</u>	<u>19,888</u>	<u>1,956,337</u>
Fund Balances - Ending	<u>\$ 23,463</u>	<u>25,554</u>	<u>13,500</u>	<u>33,380</u>	<u>1,416</u>	<u>15,090</u>	<u>18,910</u>	<u>182,958</u>	<u>15,402</u>	<u>4,640,760</u>

City of Urbandale, Iowa

Schedule 3 – Combining Statement of Net Position – Proprietary Funds – Internal Service Funds  
June 30, 2020

	Risk Management	General Liability	Equipment Replacement	Technology	Building Maintenance	Total Governmental activities - Internal Service Funds
<b>Assets</b>						
<b>Current Assets</b>						
Cash and pooled cash investments	\$ 2,065,066	868,272	4,558,426	150,191	1,110,385	8,752,340
Due from other governments	-	-	32,395	-	-	32,395
Accounts receivable	24,878	23,813	-	1,577	-	50,268
Due from component unit	-	250	-	-	-	250
<b>Total current assets</b>	<b>2,089,944</b>	<b>892,335</b>	<b>4,590,821</b>	<b>151,768</b>	<b>1,110,385</b>	<b>8,835,253</b>
<b>Non-current Assets</b>						
Capital assets, net	-	-	3,775,773	-	1,615,414	5,391,187
<b>Total assets</b>	<b>2,089,944</b>	<b>892,335</b>	<b>8,366,594</b>	<b>151,768</b>	<b>2,725,799</b>	<b>14,226,440</b>
<b>Deferred Outflows of Resources</b>						
Pension related deferred outflows	-	-	-	-	35,864	35,864
OPEB related deferred outflow	-	-	-	-	1,877	1,877
<b>Total assets and deferred outflows of resources</b>	<b>\$ 2,089,944</b>	<b>892,335</b>	<b>8,366,594</b>	<b>151,768</b>	<b>2,763,540</b>	<b>14,264,181</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts payable	\$ 356,450	29,410	9,208	4,520	179,947	579,535
<b>Noncurrent Liabilities</b>						
Net pension liability	-	-	-	-	124,831	124,831
Net OPEB liability	-	-	-	-	33,005	33,005
<b>Total liabilities</b>	<b>356,450</b>	<b>29,410</b>	<b>9,208</b>	<b>4,520</b>	<b>337,783</b>	<b>737,371</b>
<b>Deferred Inflows of Resources</b>						
Pension related deferred inflows	-	-	-	-	18,726	18,726
OPEB related deferred inflows	-	-	-	-	4,421	4,421
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,147</b>	<b>23,147</b>
<b>Net Position</b>						
Invested in capital assets	-	-	3,775,773	-	1,615,414	5,391,187
Unrestricted	1,733,494	862,925	4,581,613	147,248	787,196	8,112,476
<b>Total net position</b>	<b>\$ 1,733,494</b>	<b>862,925</b>	<b>8,357,386</b>	<b>147,248</b>	<b>2,402,610</b>	<b>13,503,663</b>

City of Urbandale, Iowa  
Schedule 4 – Combining Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds –  
Internal Service Funds  
For the fiscal year ending June 30, 2020

	Risk Management	General Liability	Equipment Replacement	Technology	Building Maintenance	Total Governmental activities - Internal Service Funds
<b>Operating Revenues</b>						
Charges for services	\$ 5,500,000	570,000	742,029	-	924,345	7,736,374
Other	1,161,534	64,583	-	23,432	-	1,249,549
Total operating revenues	<u>6,661,534</u>	<u>634,583</u>	<u>742,029</u>	<u>23,432</u>	<u>924,345</u>	<u>8,985,923</u>
<b>Operating Expenses</b>						
Insurance premiums and claims	\$ 4,962,814	519,464	-	-	-	5,482,278
Building maintenance	-	-	-	-	265,723	265,723
Data processing	-	-	-	33,406	-	33,406
Administration	1,293	8,339	-	-	250,737	260,369
Depreciation	-	-	852,331	-	89,322	941,653
Total operating expenses	<u>4,964,107</u>	<u>527,803</u>	<u>852,331</u>	<u>33,406</u>	<u>605,782</u>	<u>6,983,429</u>
Operating income (loss)	<u>1,697,427</u>	<u>106,780</u>	<u>(110,302)</u>	<u>(9,974)</u>	<u>318,563</u>	<u>2,002,494</u>
<b>Nonoperating Revenues (Expenses)</b>						
Interest income	\$ 73,245	17,345	104,822	2,864	28,019	226,295
Gain (loss) on disposals of equipment	-	-	32,395	-	-	32,395
Total nonoperating revenues (expenses)	<u>73,245</u>	<u>17,345</u>	<u>137,217</u>	<u>2,864</u>	<u>28,019</u>	<u>258,690</u>
Change in net position	1,770,672	124,125	26,915	(7,110)	346,582	2,261,184
Net Position at Beginning of Year	<u>(37,178)</u>	<u>738,800</u>	<u>8,330,471</u>	<u>154,358</u>	<u>2,056,028</u>	<u>11,242,479</u>
Net Position at End of Year	<u>\$ 1,733,494</u>	<u>862,925</u>	<u>8,357,386</u>	<u>147,248</u>	<u>2,402,610</u>	<u>13,503,663</u>

City of Urbandale, Iowa

Schedule 5 – Combining Statement of Cash Flows – Proprietary Funds – Internal Service Funds  
For the fiscal year ending June 30, 2020

	Risk Management	General Liability	Equipment Replacement	Technology	Building Maintenance	Total Governmental activities - Internal Service Funds
<b>Cash Flows from Operating Activities</b>						
Receipts from customers and users	\$ 6,726,360	614,503	709,634	24,700	924,345	8,999,542
Payments to employees	-	-	-	-	(238,663)	(238,663)
Payments to suppliers	(5,131,401)	(499,255)	(9,826)	(28,886)	(185,972)	(5,855,340)
Net cash provided by (used in) operating activities	<u>1,594,959</u>	<u>115,248</u>	<u>699,808</u>	<u>(4,186)</u>	<u>499,710</u>	<u>2,905,539</u>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Purchase of capital assets	-	-	(1,542,313)	-	(421,756)	(1,964,069)
Proceeds from disposal of capital assets	-	-	32,395	-	-	32,395
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(1,509,918)</u>	<u>-</u>	<u>(421,756)</u>	<u>(1,931,674)</u>
<b>Cash Flows from Investing Activities</b>						
Interest on investments	<u>73,245</u>	<u>17,345</u>	<u>104,822</u>	<u>2,864</u>	<u>28,019</u>	<u>226,295</u>
Net increase (decrease) in cash and cash equivalents	1,668,204	132,593	(705,288)	(1,322)	105,973	1,200,160
Cash and Cash Equivalents at Beginning of Year	396,862	735,679	5,263,714	151,513	1,004,412	7,552,180
Cash and Cash Equivalents at End of Year	<u>\$ 2,065,066</u>	<u>868,272</u>	<u>4,558,426</u>	<u>150,191</u>	<u>1,110,385</u>	<u>8,752,340</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash provided by (used in) Operating Activities</b>						
Operating income (loss)	\$ 1,697,427	106,780	(110,302)	(9,974)	318,563	2,002,494
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities						
Depreciation	-	-	852,331	-	89,322	941,653
Change in deferred inflows related to pension	-	-	-	-	11,966	11,966
Change in deferred inflows related to OPEB	-	-	-	-	3,778	3,778
Change in deferred outflows related to pension	-	-	-	-	6,733	6,733
Change in deferred outflows related to OPEB	-	-	-	-	(924)	(924)
Change in due from customers and users	64,826	(20,080)	(32,395)	1,268	-	13,619
Change in OPEB liability	-	-	-	-	(1,416)	(1,416)
Change in net pension liability	-	-	-	-	(8,063)	(8,063)
Change in accounts payable and accrued liabilities	(167,294)	28,548	(9,826)	4,520	79,751	(64,301)
Net cash provided by (used in) operating activities	<u>\$ 1,594,959</u>	<u>115,248</u>	<u>699,808</u>	<u>(4,186)</u>	<u>499,710</u>	<u>2,905,539</u>

City of Urbandale, Iowa  
Schedule 6 – Combining Statement of Fiduciary Net Position  
June 30, 2020

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	Agency Funds		
Assets	Collections and Deposits	Escrow Fund	Total Agency Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Cash and Pooled Cash Investments	\$ 685,211	-	685,211
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Liabilities			
Liabilities:			
Due to component unit	\$ 21,263	-	21,263
Due to other governments	199,657	-	199,657
Deposits and remittances due	464,291	-	464,291
Total liabilities	\$ 685,211	-	685,211
	<u>                    </u>	<u>                    </u>	<u>                    </u>

City of Urbandale, Iowa  
Schedule 7 – Combining Statement of Changes in Assets and Liabilities – Agency Funds  
For the fiscal year ending June 30, 2020

<b><u>Collections and Deposits Fund</u></b>	<u>June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2020</u>
Assets				
Cash and pooled cash investments	\$ 859,785	617,144	791,718	685,211
	<u>\$ 859,785</u>	<u>617,144</u>	<u>791,718</u>	<u>685,211</u>
Liabilities:				
Due to component unit	\$ 15,715	176,703	171,155	21,263
Due to other governments	402,245	236,275	438,863	199,657
Deposits and remittances due	441,825	204,166	181,700	464,291
	<u>\$ 859,785</u>	<u>617,144</u>	<u>791,718</u>	<u>685,211</u>
<b><u>Escrow Fund</u></b>				
Assets				
Cash and pooled cash investments	\$ 141,506	-	141,506	-
Liabilities				
Deposits and remittances due	\$ 141,506	-	141,506	-
Total Agency Funds Assets	<u>\$ 1,001,291</u>	<u>617,144</u>	<u>933,224</u>	<u>685,211</u>
Total Agency Funds Liabilities	<u>\$ 1,001,291</u>	<u>617,144</u>	<u>933,224</u>	<u>685,211</u>

Statistical Section (Unaudited)  
June 30, 2020

**City of Urbandale**



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

### **Financial Trends**

These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.

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

City of Urbandale, Iowa  
Table I – Changes in Net Position  
Last Ten Fiscal Years (accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Governmental activities:										
Public Safety	\$ 8,823,407	9,244,524	10,495,044	10,148,920	10,213,439	13,060,310	13,711,161	14,400,945	15,851,573	18,326,328
Public Works	10,051,485	11,504,121	10,748,591	12,927,731	11,959,081	17,141,268	21,572,809	18,559,959	18,467,773	17,483,163
Culture and recreation	6,508,690	6,631,394	6,511,719	7,500,581	7,525,248	8,027,471	8,366,654	8,477,600	8,606,410	8,357,100
Community and economic development	3,038,267	3,126,449	3,050,530	2,741,489	2,829,958	2,223,681	2,227,462	2,432,459	2,443,513	2,348,495
General government	2,466,342	2,842,395	2,755,325	3,035,256	3,878,000	3,759,857	3,749,253	4,091,368	3,591,303	4,052,844
Interest on long-term debt	1,703,156	1,623,105	1,572,214	1,539,732	1,359,609	1,355,431	1,569,295	1,768,098	2,102,834	2,223,631
Total governmental activities expenses	\$ 32,591,347	34,971,988	35,133,423	37,893,709	37,765,335	45,568,018	51,196,634	49,730,429	51,063,406	52,791,561
Business-type activities:										
Storm Water Utility	451,339	295,295	390,230	312,724	387,436	445,086	436,735	477,178	495,595	524,236
Total primary government expenses	\$ 33,042,686	35,267,283	35,523,653	38,206,433	38,152,771	46,013,104	51,633,369	50,207,607	51,559,001	53,315,797
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Public safety	\$ 854,143	934,695	1,058,641	1,206,724	1,253,859	1,143,001	1,197,530	1,067,671	1,469,151	2,186,093
Public works	2,724,097	2,569,959	2,327,015	2,843,648	2,831,893	3,098,436	3,472,677	3,410,773	3,756,678	3,194,941
Culture and recreation	750,178	832,949	634,281	624,342	640,601	665,413	769,155	797,805	821,025	563,219
Community and economic development	495,454	705,479	819,023	892,908	967,109	773,572	702,716	949,584	900,170	807,153
Operating grants and contributions	4,406,337	4,565,604	4,581,952	4,552,475	4,652,132	5,332,419	5,835,645	5,784,009	6,029,810	7,143,479
Capital grants and contributions	2,402,438	3,767,023	5,134,833	4,125,329	6,025,728	6,370,070	13,288,301	4,092,824	6,046,425	4,856,623
Total governmental activities program revenues	11,632,647	13,375,709	14,555,745	14,245,426	16,371,322	17,382,911	25,266,024	16,102,666	19,023,259	18,751,508
Business-type activities:										
Storm Water Utility:										
Charges for services	501,127	597,750	698,093	707,086	716,496	1,472,836	2,236,760	2,232,502	2,294,039	2,333,542
Operating grants and contributions	27,495	-	-	-	-	-	-	-	-	-
Total business-type activities revenues	528,622	597,750	698,093	707,086	716,496	1,472,836	2,236,760	2,232,502	2,294,039	2,333,542
Total primary government revenues	12,161,269	13,973,459	15,253,838	14,952,512	17,087,818	18,855,747	27,502,784	18,335,168	21,317,298	21,085,050
Net primary government (expense)/revenue	\$ (20,881,417)	(21,293,824)	(20,269,815)	(23,253,921)	(21,064,953)	(27,157,357)	(24,130,585)	(31,872,439)	(30,241,703)	(32,230,747)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 21,048,199	21,899,812	21,621,787	22,263,631	23,005,604	24,308,599	25,952,518	27,301,017	28,921,125	30,875,174
Tax increment financing district tax	3,912,690	4,502,606	7,009,867	6,563,268	6,473,494	6,414,658	7,083,382	7,215,191	8,364,435	9,144,227
Local option sales and service tax	-	-	-	-	-	-	-	-	1,238,762	4,488,166
Hotel Motel tax	1,277,102	1,418,700	1,577,149	1,606,923	1,806,508	1,822,440	1,905,262	1,922,107	1,535,431	1,653,572
Franchise fees	311,755	312,006	299,346	298,039	287,041	282,851	273,809	264,239	265,366	262,266
Utility excise tax	539,895	591,200	599,831	590,809	632,362	627,323	642,269	730,395	863,682	1,155,404
State property tax replacement funds	-	-	-	-	425,787	984,612	976,769	967,568	968,191	1,010,641
Investment earnings	197,978	129,415	113,401	134,473	131,496	142,201	203,241	654,244	1,465,790	1,240,611
Miscellaneous	99,506	179,892	228,567	163,893	111,006	158,875	147,592	128,652	106,892	175,755
Total governmental activities	\$ 27,387,125	29,033,631	31,449,948	31,621,036	32,873,298	34,741,559	37,184,842	39,183,413	43,729,674	50,005,816
Change in Net Position	\$ 6,505,708	7,739,807	11,180,133	8,367,115	11,808,345	7,584,202	13,054,257	7,310,974	13,487,971	17,775,069

City of Urbandale, Iowa  
Table II – Governmental Activities Tax Revenues By Source  
Last Ten Fiscal Years  
(accrual basis of accounting)

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>TIF Tax</b>	<b>Hotel Motel Tax</b>	<b>Franchise Tax</b>	<b>Utility Excise Tax</b>	<b>Local Option Sales Tax</b>	<b>Total</b>
2011	\$ 21,048,199	3,912,690	1,277,102	311,755	539,895	-	27,089,641
2012	21,899,812	4,502,606	1,418,700	312,006	591,200	-	28,724,324
2013	21,621,787	7,009,867	1,577,149	299,346	599,831	-	31,107,980
2014	22,263,631	6,563,268	1,606,923	298,039	590,809	-	31,322,670
2015	23,005,604	6,473,494	1,806,508	287,041	632,362	-	32,205,009
2016	24,308,599	6,414,658	1,822,440	282,851	627,323	-	33,455,871
2017	25,952,518	7,083,382	1,905,262	273,809	642,269	-	35,857,240
2018	27,301,017	7,215,191	1,922,107	264,239	730,395	-	37,432,949
2019	28,921,125	8,364,435	1,535,431	265,366	863,682	1,238,762	41,188,801
2020	30,875,174	9,144,227	1,653,572	262,266	1,155,404	4,488,166	47,578,809

City of Urbandale, Iowa  
Table III – Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u> (as restated)	<u>2017</u> (as restated)	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities:										
Net investment in capital assets	\$ 98,056,010	105,840,450	115,175,557	120,983,068	133,910,904	140,066,000	155,160,879	159,170,156	171,826,998	177,846,734
Restricted	12,393,039	11,354,737	15,536,580	18,312,214	17,671,962	29,014,284	30,924,056	34,723,554	24,434,686	33,459,884
Unrestricted	21,651,861	22,342,654	19,696,744	19,459,695	5,719,010	(7,071,446)	(12,352,149)	(14,078,571)	(4,039,783)	(1,715,247)
Total governmental activities net position	\$ <u>132,100,910</u>	<u>139,537,841</u>	<u>150,408,881</u>	<u>158,754,977</u>	<u>157,301,876</u>	<u>162,008,838</u>	<u>173,732,786</u>	<u>179,815,139</u>	<u>192,221,901</u>	<u>209,591,371</u>
Business-type activities:										
Unrestricted	<u>77,283</u>	<u>380,159</u>	<u>689,252</u>	<u>710,271</u>	<u>456,238</u>	<u>888,148</u>	<u>2,177,420</u>	<u>3,261,458</u>	<u>4,342,667</u>	<u>4,748,266</u>
Primary government:										
Net investment in capital assets	\$ 98,056,010	105,840,450	115,175,557	120,983,068	133,910,904	140,066,000	155,160,879	159,170,156	171,826,998	177,846,734
Restricted	12,393,039	11,354,737	15,536,580	18,312,214	17,671,962	29,014,284	30,924,056	34,723,554	24,434,686	33,459,884
Unrestricted	21,729,144	22,722,813	20,385,996	20,169,966	6,175,248	(6,183,298)	(10,174,729)	(10,817,113)	302,884	3,033,019
Total governmental activities net position	\$ <u>132,178,193</u>	<u>139,918,000</u>	<u>151,098,133</u>	<u>159,465,248</u>	<u>157,758,114</u>	<u>162,896,986</u>	<u>175,910,206</u>	<u>183,076,597</u>	<u>196,564,568</u>	<u>214,339,637</u>

City of Urbandale, Iowa  
Table IV – Fund Balance of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Nonspendable	\$ 11,580	13,877	13,580	10,773	15,526	15,752	14,050	12,814	8,453	15,027
Unassigned	8,840,426	10,481,934	9,090,452	9,504,302	9,660,480	10,272,752	10,476,684	10,126,059	10,357,893	12,300,957
Total general fund	<u>\$ 8,852,006</u>	<u>10,495,811</u>	<u>9,104,032</u>	<u>9,515,075</u>	<u>9,676,006</u>	<u>10,288,504</u>	<u>10,490,734</u>	<u>10,138,873</u>	<u>10,366,346</u>	<u>12,315,984</u>
All other governmental funds										
Nonspendable	\$ 431,915	401,673	192,155	268,966	210,648	223,584	223,050	325,077	269,450	179,189
Restricted	12,918,903	11,158,064	15,450,325	18,043,248	17,461,314	28,790,700	35,836,192	46,764,881	52,223,608	53,569,539
Committed	-	-	-	-	254,040	409,285	409,924	412,350	419,375	408,494
Assigned	1,526,187	1,215,951	1,150,672	664,060	45,014	12,451	8,503	129,375	563,134	1,203,419
Total all other governmental funds	<u>\$ 14,877,005</u>	<u>12,775,688</u>	<u>16,793,152</u>	<u>18,976,274</u>	<u>17,971,016</u>	<u>29,436,020</u>	<u>36,477,669</u>	<u>47,631,683</u>	<u>53,475,567</u>	<u>55,360,641</u>

Note: In 2011, the City implemented new accounting presentations under GASB Statement No. 54, balance.  
*Fund Balance Reporting and Governmental Fund Type Definitions*, which requires new presentation of fund balances.

City of Urbandale, Iowa  
Table V – Changes in Fund Balance of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues:</b>										
Taxes	\$ 27,068,725	\$ 28,659,637	\$ 31,046,110	\$ 31,315,290	\$ 32,569,230	\$ 33,479,126	\$ 35,817,096	\$ 37,433,602	\$ 41,314,958	\$ 47,532,267
Special assessments	425,305	1,643,468	167,444	264,089	311,596	879,283	508,857	1,960,823	627,167	570,458
Licenses and permits	590,584	857,111	1,039,129	1,081,782	987,725	982,423	905,226	1,260,628	1,161,861	1,038,998
Use of money and property	159,598	101,276	100,595	102,954	100,091	113,206	173,207	561,365	1,194,349	1,071,459
Intergovernmental	6,180,149	4,887,361	6,418,693	4,992,899	6,061,930	7,829,819	9,415,612	6,934,921	8,336,932	9,584,075
Charges for services	3,404,728	3,618,859	3,629,760	4,077,685	4,071,893	4,235,819	4,892,130	4,403,990	4,742,018	4,536,327
Miscellaneous	1,610,229	1,164,331	1,539,132	1,461,132	1,367,612	1,736,985	2,427,024	873,052	1,799,661	1,276,830
Total revenues	39,439,318	40,932,043	43,940,863	43,295,831	45,470,077	49,256,661	54,139,152	53,428,381	59,176,946	65,610,414
<b>Expenditures:</b>										
Public safety	9,059,928	9,130,755	10,570,625	10,037,003	10,713,963	11,009,936	12,361,920	12,982,185	14,256,818	16,432,430
Public works	6,171,697	5,947,701	6,408,925	6,594,104	6,546,508	6,848,767	7,803,301	7,753,279	8,114,703	7,938,848
Culture and recreation	6,052,003	6,080,117	6,195,495	6,566,551	6,775,727	7,137,266	7,681,048	7,884,163	8,070,717	8,434,029
Community and economic development	3,038,784	3,107,702	3,007,417	2,735,148	2,840,531	2,185,244	2,117,875	2,334,931	2,334,342	2,323,294
General government	2,400,295	2,431,684	2,267,059	2,715,863	2,684,144	2,867,948	3,233,944	3,837,163	3,221,711	3,713,025
Capital outlay	9,004,108	12,277,796	11,714,865	11,406,564	17,534,609	23,901,998	18,464,048	13,487,816	20,380,137	27,865,466
Debt service										
Principal	6,995,000	7,520,000	9,605,000	8,775,000	8,355,000	7,765,000	9,440,000	12,570,000	22,035,000	11,110,000
Interest	1,672,427	1,612,686	1,558,511	1,489,504	1,366,428	1,321,243	1,581,680	1,819,906	2,223,421	2,553,671
Total expenditures	44,394,242	48,108,441	51,327,897	50,319,737	56,816,910	63,037,402	62,683,816	62,669,443	80,636,849	80,370,763
Excess of revenues over (under) expenditures	(4,954,924)	(7,176,398)	(7,387,034)	(7,023,906)	(11,346,833)	(13,780,741)	(8,544,664)	(9,241,062)	(21,459,903)	(14,760,349)
<b>Other financing sources (uses):</b>										
General obligation bond and loan proceeds	8,535,000	6,610,000	9,765,000	8,960,000	9,875,000	25,660,000	14,334,408	18,610,342	25,210,000	16,220,000
Refunding bond issuance	2,955,000	2,325,000	-	2,670,000	3,950,000	4,230,000	3,230,592	-	-	-
Current refunding of general obligation debt	(2,925,000)	(2,330,000)	-	(2,670,000)	(4,045,000)	(5,350,000)	(3,275,000)	-	-	-
Premium/discounts on bonds	111,238	113,886	247,719	283,071	247,506	720,743	1,023,543	737,873	1,529,660	893,262
Transfers in	2,850,448	3,705,148	6,018,702	5,541,657	5,812,715	6,908,448	7,250,954	10,506,543	21,294,201	10,635,821
Transfers out	(2,850,448)	(3,705,148)	(6,018,702)	(5,166,657)	(5,337,715)	(6,310,948)	(6,775,954)	(9,811,543)	(20,502,601)	(9,154,022)
Total other financing sources (uses)	8,676,238	6,718,886	10,012,719	9,618,071	10,502,506	25,858,243	15,788,543	20,043,215	27,531,260	18,595,061
Net change in fund balances	\$ 3,721,314	\$ (457,512)	\$ 2,625,685	\$ 2,594,165	\$ (844,327)	\$ 12,077,502	\$ 7,243,879	\$ 10,802,153	\$ 6,071,357	\$ 3,834,712
Debt service as a percentage of expenditures, net of capital outlay	24.49%	25.49%	28.18%	26.38%	24.75%	23.22%	24.92%	29.26%	38.82%	26.15%

City of Urbandale, Iowa  
 Table VI –Governmental Fund Tax Revenue By Source  
 Last Ten Fiscal Years  
 (modified basis of accounting)

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>TIF Tax</b>	<b>Hotel Motel Tax</b>	<b>Franchise Tax</b>	<b>Utility Excise Tax</b>	<b>Local Option Sales Tax</b>	<b>Total</b>
2011	\$ 21,048,199	3,912,690	1,256,186	311,755	539,895	-	27,068,725
2012	21,899,812	4,502,606	1,354,015	312,005	591,199	-	28,659,637
2013	21,621,787	7,009,867	1,515,279	299,346	599,831	-	31,046,110
2014	22,263,631	6,563,268	1,599,543	298,039	590,809	-	31,315,290
2015	23,005,604	6,473,494	1,744,940	287,041	632,363	-	32,143,442
2016	24,308,600	6,414,658	1,845,694	282,851	627,323	-	33,479,126
2017	25,952,518	7,083,382	1,865,118	273,809	642,269	-	35,817,096
2018	27,301,017	7,215,191	1,922,761	264,239	730,394	-	37,433,602
2019	28,921,125	8,364,435	1,661,588	265,366	863,682	1,238,762	41,314,958
2020	30,875,174	9,144,227	1,607,029	262,266	1,155,404	4,488,166	47,532,266

City of Urbandale, Iowa

Table VII –Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property					Less: Tax Exempt # Real Property	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value ##	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Multi-Res. Property	Other Property**	Utility Replacement					
2011 *	\$ 2,820,955,730	901,211,090	-	154,569,938	88,502,951	3,620,660	3,961,619,049	9.22	2,425,555,614	163.33%
2012 *	2,852,687,450	882,669,790	-	176,921,716	91,300,257	3,583,620	3,999,995,593	9.52	2,491,094,394	160.57%
2013 *	2,831,336,240	749,332,170	-	255,305,994	93,646,739	3,520,652	3,926,100,491	9.62	2,487,317,599	157.84%
2014 *	2,888,578,496	761,368,774	-	248,207,648	96,637,055	3,452,128	3,991,339,845	9.57	2,584,731,737	154.42%
2015 *	2,947,579,697	763,805,620	-	245,586,861	78,794,633	3,407,680	4,032,359,131	9.72	2,612,571,434	154.34%
2016 *	3,106,862,049	784,070,702	-	235,341,650	96,139,108	3,333,600	4,219,079,909	9.82	2,707,370,693	155.84%
2017 *	3,283,297,060	742,192,808	89,483,404	256,554,934	108,220,162	3,220,885	4,476,527,483	9.92	2,863,043,717	156.36%
2018 *	3,405,750,992	751,991,496	83,077,207	259,056,593	129,016,679	3,118,768	4,625,774,199	10.02	2,984,701,061	154.98%
2019 *	3,697,771,503	798,143,033	90,294,788	301,228,292	150,144,185	3,005,796	5,034,576,005	10.02	3,198,267,095	157.42%
2020 *	3,782,494,279	783,418,809	86,100,417	341,966,179	196,254,900	2,929,864	5,187,304,720	10.52	3,334,490,631	155.57%

Source: Polk and Dallas County - Auditor's Office.

Tax rate information can be found in Table XI.

\* Total included Polk County and Dallas County.

\*\*Total includes Ag Land & Buildings, Industrial, Utilities, and TIF property valuations

# Tax exempt reflects military property

## Total taxable value includes all categories of real property, TIF and Utility Replacement value at the applicable roll-back rate set by the State.

City of Urbandale, Iowa  
Table VIII – Principal Property Taxpayers  
June 30, 2020

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Mid-American Energy	\$ 109,594,188	1	3.287%	\$ 59,233,991	1	1.495%
Aurora Business Park I LLC	42,503,775	2	1.275%	46,332,700	2	1.170%
Homemakers Plaza Inc	30,137,130	3	0.904%	18,654,820	7	0.471%
Marsh I LLC	24,558,300	4	0.736%	30,410,000	3	0.768%
Deerfield Retirement Community Inc	20,888,906	5	0.626%	21,015,790	4	0.530%
Terraza 18 LLC	18,891,000	6	0.567%			
BAP 2018 LLC	18,306,000	7	0.549%			
Berkley Holdings Corp.	17,498,250	8	0.525%	18,467,600	8	0.466%
Hy-Vee Inc.	16,038,000	9	0.481%			
Westpointe Owner LLC	15,937,500	10	0.478%			
Park Avenue Partners				19,844,000	5	0.501%
City I LLC				19,630,000	6	0.496%
Nottingham Square Apts				17,579,100	9	0.444%
Ladco Properties				16,229,000	10	0.410%

Source: Bond Official Statements from debt issued in each respective year.  
Property valuation data can be found in Table VII.

City of Urbandale, Iowa  
Table IX – Property Tax Levies and Collection  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Fiscal Year for Prior Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 21,672,527	21,658,532	* 99.94%	N/A **	\$ 21,658,532	99.94%
2012	22,603,764	22,514,294	* 99.60%	N/A **	22,514,294	99.60%
2013	22,215,288	22,230,228	* 100.07%	N/A **	22,230,228	100.07%
2014	23,063,528	22,794,449	* 98.83%	N/A **	22,794,449	98.83%
2015	23,710,456	23,729,138	* 100.08%	N/A **	23,729,138	100.08%
2016	24,951,755	24,887,676	* 99.74%	N/A **	24,887,676	99.74%
2017	26,597,054	26,556,460	* 99.85%	N/A **	26,556,460	99.85%
2018	28,049,246	28,087,312	* 100.14%	N/A **	28,087,312	100.14%
2019	29,862,090	29,434,125	98.57%	N/A **	29,434,125	98.57%
2020	32,433,323	31,690,103	97.71%	N/A **	31,690,103	97.71%

**Notes:**

Taxes are due July and are delinquent on October 1 for first half and April 1 for second half.

Penalty for delinquency: 1 percent per month. No discount allowed.

Uncollected taxes are handled as follows: delinquent real estate tax list is published in the newspaper prior to May 16. Tax sale date is the first Monday in June.

Taxes are collected by Polk County and distributed to the City of Urbandale proportionate to its levy to all levies.

\* Collected amount include all cash basis property taxes, including delinquent taxes related to prior years, which may result in over 100% collection of levied tax.

\*\* Collections for delinquencies are not available from the County by the year levied. Delinquencies are recorded in the fiscal year collected.

Source: Tax Certifications, Polk and Dallas County Auditor's offices, and Statistical Section information from each respective year.

City of Urbandale, Iowa

Table X – Ratios of Outstanding Debt by Type and General Bonded Debt  
Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Net Premiums and Discounts</b>	<b>GO General Fund Capital Notes</b>	<b>Total Primary Government Outstanding Debt</b>	<b>Total Outstanding Debt Per Capita</b>	<b>Percentage of Total Debt Outstanding to Median Family Income</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Net General Obligation Debt Outstanding</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Net General Bonded Debt Per Capita</b>
2011	\$ 41,595,000	-	3,350,000	44,945,000	1,138.91	0.207%	684,637	44,260,363	1.82%	1,121.57
2012	41,025,000	-	3,005,000	44,030,000	1,115.73	0.212%	563,093	43,466,907	1.74%	1,101.46
2013	41,415,000	-	2,775,000	44,190,000	1,119.78	0.211%	922,046	43,267,954	1.74%	1,096.42
2014	41,840,000	-	2,535,000	44,375,000	1,124.47	0.210%	713,381	43,661,619	1.69%	1,106.39
2015	44,960,000	-	840,000	45,800,000	1,160.58	0.204%	605,289	45,194,711	1.73%	1,145.24
2016	61,865,000	-	710,000	62,575,000	1,474.12	0.149%	757,548	61,817,452	2.28%	1,456.28
2017	67,425,000	994,625	-	68,419,625	1,611.81	0.136%	353,312	68,066,313	2.38%	1,603.48
2018	73,430,000	1,647,495	-	75,077,495	1,768.65	0.124%	570,697	74,506,798	2.50%	1,755.21
2019	76,605,000	3,028,617	-	79,633,617	1,875.98	0.117%	1,012,842	78,620,775	2.46%	1,852.12
2020	81,715,000	3,630,970	-	85,345,970	2,010.55	0.109%	259,996	85,085,974	2.55%	2,004.43

**Notes:**

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

Population and personal income data can be found in Table XIV.

Property valuation data can be found in Table VII.

City of Urbandale, Iowa  
Table XI – Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years

*Tax rates per \$1,000 of assessed valuation*

Fiscal Year	City of Urbandale Direct Rates				Overlapping Rates						Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Police & Fire Retirement Millage	Total City Millage	Urbandale School District	Counties and Assessors	Transit	Community College	Urbandale Sanitary Sewer	State of Iowa	
2011	7.170	2.050	0.100	9.320	17.643	10.054	0.285	0.560	0.080	0.003	37.945
2012	7.170	2.150	0.200	9.520	17.636	10.015	0.302	0.590	0.085	0.003	38.151
2013	7.170	2.150	0.300	9.620	17.639	10.071	0.452	0.585	0.060	0.003	38.429
2014	7.120	2.150	0.300	9.570	17.675	10.257	0.532	0.691	0.069	0.003	38.797
2015	7.170	2.150	0.400	9.720	17.555	10.605	0.597	0.657	0.057	0.003	39.194
2016	7.170	2.150	0.500	9.820	17.754	10.842	0.662	0.676	0.055	0.003	39.812
2017	7.170	2.180	0.570	9.920	17.747	10.396	0.682	0.723	0.062	0.003	39.533
2018	7.240	2.200	0.580	10.020	17.751	10.395	0.682	0.675	0.069	0.003	39.594
2019	7.240	2.200	0.580	10.020	18.000	10.376	0.682	0.695	0.064	0.003	39.839
2020	8.100	2.000	0.420	10.520	17.984	10.375	0.707	0.652	0.159	0.003	40.401

**Notes:**

State law limits maximum tax rate for the General Fund to \$8.10 per thousand dollars of assessed valuation (100% basis) effective July 1, 1976. Limitation does not include debt service and pension requirements.

Sources: Tax Certifications, Polk County Auditor's Office and Official Bond Statements from debt issued in each respective year.

City of Urbandale, Iowa  
 Table XII – Direct and Overlapping Government Activities Debt  
 As of June 30, 2020

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: Polk	\$ 579,709,937	18.59%	<u>\$ 107,763,765</u>
Subtotal, overlapping debt			107,763,765
City of Urbandale direct debt, net of premiums and discounts			<u>85,345,970</u>
Total direct and overlapping debt			<u><u>\$ 193,109,735</u></u>

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 the City of Urbandale. This process recognizes that, when considering the government'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.

Source: Bond Official Statement April 2020

City of Urbandale, Iowa  
Table XIII – Legal Debt Margin Information  
Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt limit	\$ 198,080,952	199,999,780	196,305,025	199,566,992	201,617,957	210,953,995	223,826,374	231,288,710	251,728,800	259,365,236
Total net debt applicable to limit	44,945,000	44,030,000	44,190,000	44,375,000	45,800,000	62,575,000	67,425,000	73,430,000	76,605,000	81,715,000
Legal debt margin	155,054,780	155,969,780	152,115,025	155,191,992	155,817,957	148,378,995	156,401,374	157,858,710	175,123,800	177,650,236
Total net debt applicable to the limit as a percentage of debt limit	22.69%	22.02%	22.51%	22.24%	22.72%	29.66%	30.12%	31.75%	30.43%	31.51%

**Legal Debt Margin Calculation for Fiscal Year 2020**

Actual value of property, 2018	\$ 5,187,304,720
Add back: exempt real property	-
Total assessed value	<u>5,187,304,720</u>
Debt limit (5% of total assessed value)	259,365,236
Debt applicable to limit:	
General obligation bonds	<u>(81,715,000)</u>
Total net debt applicable to limit	<u>(81,715,000)</u>
Legal debt margin	<u>\$ 177,650,236</u>

Source: Notes to the Financial Statements and Bond Official Statements from each respective year.

City of Urbandale, Iowa  
Table XIV – Demographic and Economic Statistics  
Last Ten Fiscal Years

---

<u>Calendar Year</u>	<u>Population</u>	<u>Median Family Income</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>Unemployment Rate</u>
2011	39,463	93,217	37,362	37.8	5.90%
2012	39,463	93,217	37,362	37.8	5.00%
2013	39,463	93,217	37,362	37.8	4.30%
2014	39,463	93,217	37,362	37.8	3.90%
2015	39,463	93,217	37,362	37.8	3.20%
2016	42,449	93,217	37,362	39.7	3.30%
2017	42,449	93,217	37,362	39.7	3.30%
2018	42,449	93,217	37,362	39.7	2.60%
2019	42,449	93,217	37,362	39.7	2.40%
2020	42,449	93,217	37,362	39.7	2.20%

**Data Sources:**

Population and median age are from the 2015 special census, the 2010 full census, and the special census in 2005. No data for personal income was reported in either special census. Information on median family income, per capita income are only gathered during full census counts. Unemployment rates are based on Des Moines Metro area rates; information obtained from Bond Official Statements from each respective year.

City of Urbandale, Iowa  
Table XV – Principal Employers  
Current Year and Nine Years Ago

	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
<b>Employer:</b>						
Mercer (formerly Marsh)	1600	1	6.174%	1100	1	0.153%
Urbandale CSD	720	2	2.778%	450	5	0.063%
MidAmerican Energy	623	3	2.404%	350	7	0.049%
U.S. Postal Service	562	4	2.169%	500	4	0.070%
Quality Manufacturing Corp.	550	5	2.122%			
John Deere Intelligent Solutions	500	6	1.929%			
Unity Point at Home (formerly Iowa Health Home Care)	450	7	1.736%	400	6	0.056%
Homemakers Furniture	355	8	1.370%			
Pepsi-Cola Bottling, Co	340	9	1.312%			
Continental Western Insurance	250	10	0.965%	340	8	0.047%
CitiGroup				600	2	0.084%
Wells Fargo				530	3	0.074%
Allied Group				300	9	0.042%
Compressor Controls				300	10	0.042%

**Notes:**

Current year data source: Bond official statements from debt issued in respective fiscal years

Current year total City employment source: Iowa Workforce Development

Nine years ago information from June 30, 2011 City of Urbandale Comprehensive Annual Financial Report

City of Urbandale, Iowa

Table XVI – Full-time Equivalent Employees as of June 30, 2020

<b><u>FUNCTION</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>
<b><u>PUBLIC SAFETY</u></b>										
Police:										
Officers	47.00	48.00	49.00	49.00	48.00	49.00	50.00	51.00	50.00	52.00
Civilians	4.00	5.25	5.00	5.00	6.00	7.00	8.00	8.00	9.00	9.00
Fire:										
Firefighters & Officers	34.50	39.50	39.25	39.50	36.75	37.50	38.50	44.75	53.50	55.75
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Total	<u>86.50</u>	<u>93.75</u>	<u>94.25</u>	<u>94.50</u>	<u>91.75</u>	<u>94.50</u>	<u>97.50</u>	<u>104.75</u>	<u>113.50</u>	<u>118.75</u>
<b><u>PUBLIC WORKS</u></b>										
Roadway Maintenance	14.75	14.75	13.75	14.00	16.00	16.25	17.00	17.00	16.75	18.25
Traffic Safety	1.25	1.25	1.00	1.00	1.25	1.25	1.25	1.25	2.00	2.00
Engineering Services	5.75	5.25	5.25	6.00	6.75	5.50	6.75	7.50	7.50	6.00
Solid Waste	8.00	7.00	8.00	8.00	7.00	8.00	7.00	8.00	8.00	8.00
Sanitary Sewer	2.25	2.25	2.25	2.00	2.00	2.00	2.25	2.25	2.25	2.00
Storm Sewer	3.00	3.25	3.25	3.25	4.00	4.25	4.00	4.25	4.25	4.25
Public Works Admin	5.00	5.25	5.25	4.50	5.00	6.00	6.25	7.00	7.25	6.50
Total	<u>40.00</u>	<u>39.00</u>	<u>38.75</u>	<u>38.75</u>	<u>42.00</u>	<u>43.25</u>	<u>44.50</u>	<u>47.25</u>	<u>48.00</u>	<u>47.00</u>
<b><u>HEALTH &amp; SOCIAL SERVICES</u></b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b><u>CULTURE &amp; RECREATION</u></b>										
Library	26.50	25.50	26.00	24.75	25.75	27.00	26.25	27.00	26.25	23.50
Parks	15.25	14.50	16.00	16.00	18.75	19.00	19.25	19.25	19.50	17.25
Grounds Maintenance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Recreation	3.00	3.25	3.25	3.25	3.50	3.75	4.00	5.00	4.50	4.00
Senior Citizens	2.50	2.75	2.50	2.75	2.75	2.75	2.50	3.00	2.50	2.50
Swimming Pool	8.25	8.75	6.75	8.50	8.75	8.25	9.25	9.75	10.25	7.25
Total	<u>56.50</u>	<u>55.75</u>	<u>55.50</u>	<u>56.25</u>	<u>60.50</u>	<u>61.75</u>	<u>62.25</u>	<u>65.00</u>	<u>64.00</u>	<u>55.50</u>
<b><u>COMMUNITY &amp; ECONOMIC DEVELOPMENT</u></b>										
Code Enforcement	6.00	5.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Community Development	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Economic Development	0.00	0.00	1.00	1.25	2.25	2.25	2.25	3.00	2.00	1.00
Total	<u>11.00</u>	<u>10.00</u>	<u>12.00</u>	<u>12.25</u>	<u>13.25</u>	<u>13.25</u>	<u>14.25</u>	<u>15.00</u>	<u>14.00</u>	<u>13.00</u>
<b><u>GENERAL GOVERNMENT</u></b>										
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
City Manager	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	3.00
Finance and Records	4.00	4.00	4.00	4.75	4.75	4.75	5.25	4.00	4.75	4.50
Legal/Human Resources	1.00	1.00	1.50	1.75	1.50	1.75	1.75	1.75	1.50	1.75
Technology	1.00	1.00	2.00	2.00	4.00	4.00	4.00	4.00	4.00	4.00
General Support	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Marketing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Total	<u>11.00</u>	<u>11.00</u>	<u>12.50</u>	<u>13.50</u>	<u>15.25</u>	<u>15.50</u>	<u>16.00</u>	<u>14.75</u>	<u>15.25</u>	<u>17.25</u>
Grand total	<u>205.00</u>	<u>209.50</u>	<u>213.00</u>	<u>215.25</u>	<u>222.75</u>	<u>228.25</u>	<u>234.50</u>	<u>246.75</u>	<u>254.75</u>	<u>251.50</u>

Source: City Clerk's office; payroll records for each respective year.

City of Urbandale, Iowa  
Table XVII – Operating Indicators by Function  
Last Ten Fiscal Years

<b>Function</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Public Safety</b>										
Police										
Total calls for service	26,624	14,662	14,874	17,047	19,001	19,768	20,051	21,138	17,201	15,267
Total arrests	586	656	587	821	793	941	876	1,150	1,166	821
Fire										
Number of calls answered/received	2,520	2,534	2,676	2,875	2,959	3,212	3,420	4,365	4,537	4,517
Inspections	357	409	358	347	436	489	408	670	405	424
EMS										
Number of calls answered	1,908	1,870	1,995	2,055	2,187	2,346	2,389	2,672	2,762	2,853
Animal Control										
Pet Licenses issued	1,647	3,316	3,615	3,173	3,017	4,266	3,629	3,347	3,288	3,604
<b>Public Works</b>										
Roadway Maintenance										
Total lane miles maintained	424	436	443	452	460	480	489	495	505	509
Asphalt streets repaired (tons)	959	205	378	1,529	314	465	124	274	450	758
Solid Waste Collection										
Number of households	12,950	13,290	13,434	13,627	13,740	13,903	14,070	14,220	14,435	14,555
Tons of refuse collected	10,745	10,364	10,650	10,943	11,365	11,738	11,880	11,971	12,760	12,441
Tons of recycling collected	2,743	2,338	2,390	2,451	2,505	2,989	2,962	2,620	2,731	2,895
Tons of yard waste collected	2,460	2,825	1,984	2,466	2,580	2,491	2,678	2,416	2,677	2,512
Sanitary Sewer and Wastewater										
Linear feet of lines cleaned	112,942	252,745	244,621	229,591	290,723	257,861	212,835	272,332	273,339	243,008
Storm Water Utility										
Average monthly calculated ERUs	29,581	29,888	30,517	30,732	31,157	31,381	31,790	32,084	32,372	33,142
<b>Culture &amp; Recreation</b>										
Library										
Registered borrowers	47,219	47,941	49,465	55,465	48,125	52,136	49,122	52,145	53,396	54,009
Circulation	705,721	677,229	629,506	670,735	589,591	557,953	588,246	582,882	602,525	450,009
Recreation										
Programs offered	466	464	461	463	472	469	474	448	483	426
Senior Center										
Total participants in all programs	29,688	31,788	29,334	29,944	31,085	34,060	35,937	36,182	41,709	34,833
Swimming Pool										
Pool Users	52,109	49,154	37,840	41,772	56,464	50,764	51,901	57,832	59,734	57,424
<b>Community and Economic Development</b>										
Code Enforcement										
Inspections	4,026	4,849	8,556	10,867	9,653	8,499	9,805	10,709	9,680	8,067
Community Development										
Building Permits	725	825	966	973	886	873	885	936	1,123	1,172
<b>General Government</b>										
Finance and Records										
Purchase orders processed	174	164	144	201	208	201	247	205	212	215
Technology										
Intelligent workstations	238	237	225	234	260	269	269	278	273	275
General Support										
Safety incidents	26	35	16	28	26	28	24	20	20	12

Source: Performance measurement sections of adopted budget documents for each respective fiscal year

^ The calls responded to changed to calls received at dispatch for 09/10.

\*\* Storm water ERUs (equivalent residential units) information was not applicable for these periods. Utility was established July 1, 2010.

City of Urbandale, Iowa  
Table XVIII – Capital Asset Statistics by Function  
Last Ten Fiscal Years

<b>Function</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b><u>Public Safety</u></b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units/marked & unmarked	30	30	30	31	32	32	31	31	32	32
Fire										
Stations	2	2	2	2	2	2	2	2	2	3
<b><u>Public Works</u></b>										
Roadway Maintenance										
Streets (miles)	177	184	187	191	194	195	198	201	205	207
Streetlights	4,312	4,610	4,710	4,727	4,859	5,099	5,296	5,352	5,451	5,564
Traffic signals	48	49	49	50	53	53	54	54	56	56
Solid Waste Collection										
Collection trucks	8	8	8	8	8	8	8	8	8	8
Sanitary Sewer and Wastewater										
Sanitary Sewers (miles)	198	200	201	208	208	211	216	217	219	222
<b><u>Culture &amp; Recreation</u></b>										
Libraries	1	1	1	1	1	1	1	1	1	1
Acres of park ground	900	900	900	930	930	941	993	993	993	993
Parks	48	48	48	48	48	49	54	54	54	54
Playgrounds	**	**	**	32	32	32	32	35	36	37
Off-street bike/walking trails (miles)	37	37	39	40	40	44	45	46	50	52
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Wading Pools	3	3	3	2	2	2	2	2	2	2
Tennis Courts	12	12	12	12	12	12	12	12	12	12
<b><u>Community and Economic Development</u></b>										
Code Enforcement										
Vehicles	5	5	5	5	6	6	6	6	6	6

Source: Departmental records, bond official statements, and capital asset detail ledger

\*\* Department did not disclose breakout of playgrounds in these years.



Information to Comply with Government Auditing Standards  
June 30, 2020

**City of Urbandale, Iowa**





**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 Urbandale, 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 the City of Urbandale, Iowa, (City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 19, 2020.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free 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, 2020, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City and are reported in Part III of the accompanying schedule of findings and responses. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

**City's Response to the Finding**

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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



Dubuque, Iowa  
November 19, 2020

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

There were no findings to report.

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

Single audit did not apply for fiscal year 2020.

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

- 2020-IA-A Certified Budget** – Disbursements during the year ended June 30, 2020, did not exceed the amount budgeted.
- 2020-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.
- 2020-IA-C Travel Expense** – No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
- 2020-IA-D Business Transactions** – No business transactions between the City and City officials or employees were noted.
- 2020-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.
- 2020-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.
- 2020-IA-G Council Minutes** – No transactions were found that we believe should have been approved in the Council minutes but were not.
- 2020-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.
- 2020-IA-I Revenue Notes** – No instances of non-compliance with the water revenue note provisions were noted.
- 2020-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.

**2020-IA-K Mileage Reimbursement** – The City has adopted the IRS mileage rate for employee reimbursements. During our audit, we noted one instance in which the City paid a mileage reimbursement to an employee using the prior year IRS rate, which was higher than the current year IRS rate.

**Recommendation** – The City should look at policies and procedures to ensure the correct mileage rate is used.

**Response** – City management has reinforced with staff to always access the current version of all City forms from the City’s intranet website and to delete any old versions of forms from their files to prevent future occurrences.