



CITY OF URBANDALE, IOWA

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2021



Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2021  
**City of Urbandale, Iowa**

Prepared by the Finance and Records Department



Introductory Section

June 30, 2021

**City of Urbandale, Iowa**



**Introductory Section**

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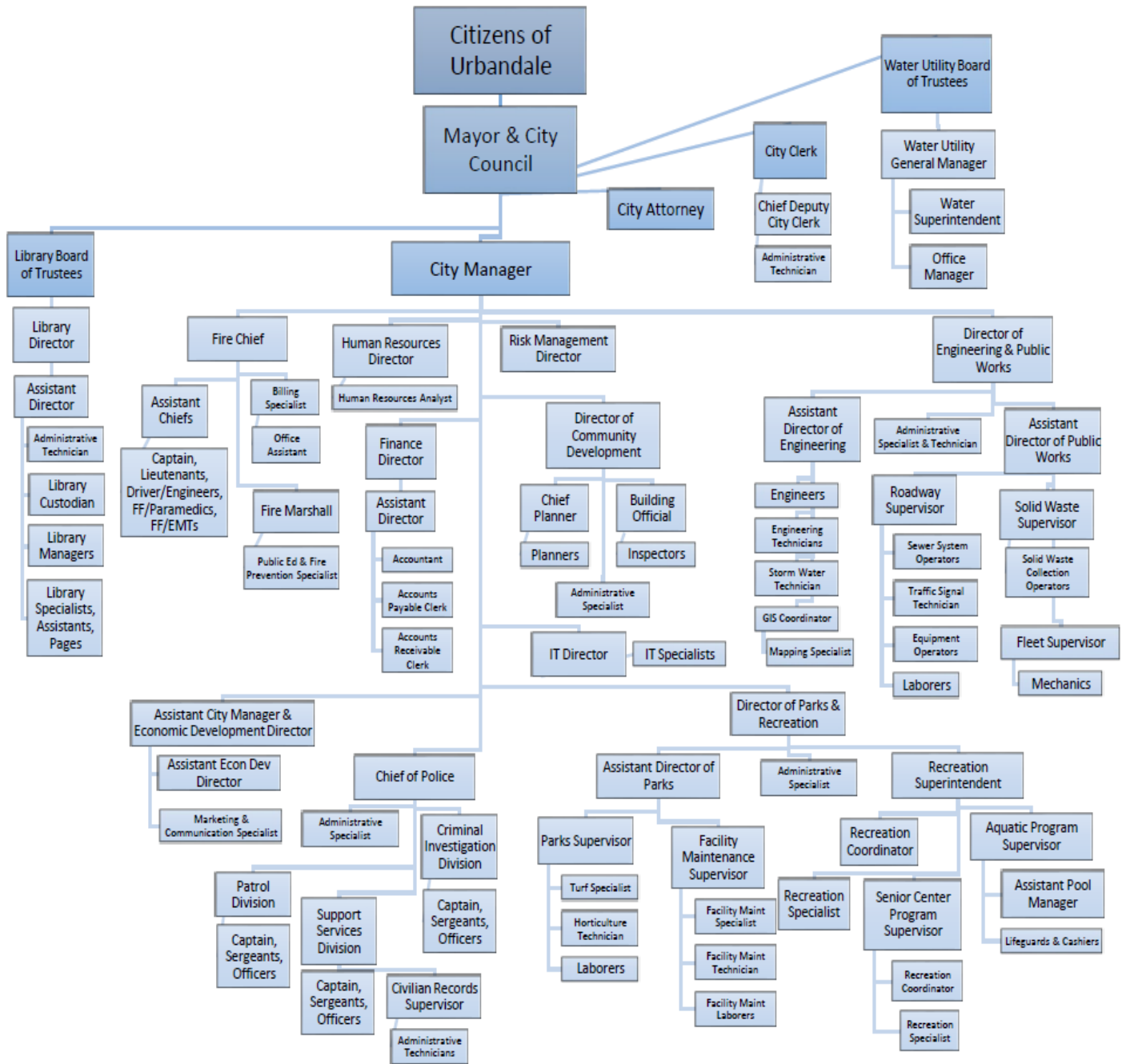
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Name	Title
Robert D. Andeweg	Mayor
Ron Pogge	Mayor Pro Tem
Matt Blake - military deployment 1/2021 to 11/2021	Council Member
Adam Kaduce	Council Member - interim
Bridget Carberry Montgomery	Council Member
Adam Obrecht	Council Member
David Russell	Council 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, 2020

*Christopher P. Morill*

Executive Director/CEO

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, 2020. This represents the City's 38<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, 2021

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, 2021 (FY21), 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, 2021.

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 FY21. 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 FY21 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 2020 Census population rose to 45,580 persons. The 2015 Special Census population was 42,449 persons and its numerical population gain during the 2000 decade ranked second among all Iowa cities. Urbandale's 2010 Census population was 39,463 persons, and the 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 31. 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 FY21 increased dramatically with 328 new single-family detached homes, and 6 single-family attached (townhouse) homes constructed. FY21's valuation for residential construction also increased significantly to a valuation of \$102.38 million. FY20's valuation was \$56.38 million. FY19's valuation was \$59.08 million. Rezoning and platting activity remains active, and the

construction of public improvements nearing completion in six new developments creating another 126 single-family detached homes and 77 single-family attached (townhome) lots, along with four preliminary plats containing another 236 single-family detached lots and 207 single-family attached (townhome) lots will provide an opportunity to maintain increased permitting and valuations for FY22.

FY21's total valuation for commercial and industrial permits decreased to \$33.84 million. FY20's total valuation for commercial and industrial permits was \$61.66 million. The total valuation for FY19 was \$55.89 million.

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

	Fiscal Year 2021		Fiscal Year 2020	
	# of Permits	Valuation	# of Permits	Valuations
Residential	517	\$ 120,377,695	317	\$ 56,379,380
Nonresidential	125	33,838,433	116	61,659,197
Miscellaneous Minor	653	2,181,098	638	2,671,840
	<u>1,295</u>	<u>\$ 156,397,226</u>	<u>1,071</u>	<u>\$ 120,710,417</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 2021-26+ CIP was adopted by the City Council in January 2021. The approved 2021 CIP anticipated the expenditure of \$22,618,800 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 \$9,823,300 of the needed funding, with the remaining funds to come from local operating revenues, tax increment debt, and other public and private sources.

The 2022-2027+ CIP is currently under development and will be reviewed by a citizen's advisory committee in November and December 2021, with final adoption by the City Council anticipated in January 2022. This preliminary 2022 CIP proposes the expenditure of \$28,821,700 for various art, park, bridge, sidewalk, storm sewer, street, street lighting, traffic signal, public building, technology, equipment, and water system improvements in 2022. Property tax supported general obligation bonds would provide approximately \$8,888,000 of needed funding. Since the new CIP for 2022-2027+ is still under development, the above referenced amounts may change as a result of updating the program. It is anticipated that the 2022-2027+ CIP will be substantially completed before the development of the FY22-23 annual operating budget.

**FY21 and FY22 Initiatives**

The Mayor and City Council implemented programs and policies in FY21 and FY22 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:

- 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. Urbandale received \$1.6 million.
- June 2021 – MetroNet continues to install a fiber optic network to serve no less than 90% of the community currently not being served by a fiber optic provider. This project is on schedule for completion in Urbandale in 2022.

**Economic Development:**

- Approved the following development agreements during the year:
  - September 2020, 7501 LLC for 7501 Hickman Road
  - September 2020, 7501 LLC for 7555 Hickman Road
  - October 2020, R&R Realty for Prairie Tower Business Park
  - June 2021, 9400 Plum LLC for 9400 Plum Drive
  - August 2021 – Premier Tech Prairie for 9310-9370 Plum Drive
  - September 2021 – Iowa Economic Development/Source Allies for 10800 Meredith Dr
- 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 I-80/35 flyover and Meredith Drive improvements in the Urban Loop area.
- November 2020, the cities of Urbandale and Des Moines are pursuing an Iowa Reinvestment Act allocation from the State of Iowa to assist in the revitalization of the Merle Hay Mall campus. The envisioned revitalization of Merle Hay Mall includes several major projects including a multi-purpose arena, hotel, and retail improvements.

**Finance:**

- April 2021, authorized issuance of \$9,100,000 in general obligation bond series 2021A to finance the construction of various public improvement projects during 2021.
- June 2021, approved the call and payoff of general obligation bond series 2011, 2013A and 2014A.

**Public Safety:**

- February 2021, approve bid from Blue Valley Public Safety in the amount of \$25,728 for the purchase and installation of an outdoor warning siren.

- August 2021, Authorizing execution of a pet licensing services agreement with PETDATA, Inc. for a 36-month term. PETDATA offers an updated licensing software product that is user friendly for residents as well as staff.
- September 2021, renewal of professional services contract with All City Management Services (ACMS) in the amount not to exceed \$140,690 for the School Crossing Guard Program.

**Parks, Recreation and Public Art:**

- Park projects final approvals – the City Council accepted the following major projects as completed during the year:
  - September 2020, restroom improvements at Northview Park.
  - January 2021, approved the purchase of playground equipment and permanent playground surfacing for Deer Ridge Park and of permanent playground surfacing for Donald Brush Park.
  - May 2021, Walker Johnston Pickleball court project.
- Park projects awarded – the City Council awarded contracts for the following major projects that are not yet completed:
  - 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 for \$171,800 for the Dunlap Arboretum Phase II & III project.
  - December 2020, to Jeffrey L. Bruce and Company for \$34,780 for the design of the Barrett Park Natural Playscape Project.
  - December 2020, approve public art sculpture purchases of “Flight” by Matt Miller for \$9,375; “The Sound of Color” by Tim Adams, for \$3,000; and “Sunrise” by V. Skip Willits, for \$2,700 for the Urbandale Art Park.
  - June 2021, to Bolton & Menk for \$39,009 for a recreational dog park & parking lot.
  - July 2021, to artist Seth Palmiter for \$40,000 to create and install a signature piece of artwork at the Walnut Creek Regional Park Open Space.

**Facilities Maintenance:**

- Facilities Maintenance projects final approvals - the City Council accepted the following major projects as completed during the year:
  - November 2020, the citywide security upgrade project.
  - June 2021, the police station roof replacement project.
  - June 2021, the demolition and removal of the indoor pool building, splash pad, and underground fuel oil tank for \$224,785.
- Facilities Maintenance projects awarded - the City Council awarded contracts for the following major projects that are not yet completed:
  - April 2021, to Baker Group for \$468,562 for City Hall HVAC Renovation project.

**Public Works:**

- Street projects final approvals - the City Council accepted the following major projects as completed during the year:
  - November 2020, the Walnut Creek Regional Park -Trail System Interior Access -152nd Street Trail project.
  - November 2020, the Meredith Drive Paving Improvements from 156th Street to 170th Street.
  - December 2020, the 104th Street Reconstruction Project from Hickman Road to Douglas Avenue.
  - December 2020, the 2020 PCC Patch Program Phase 1.
  - January 2021, the 72nd Street Reconstruction Project -Douglas Avenue to Prairie Avenue.
  
- Street projects awarded – the City Council awarded contracts for the following major projects that are not yet completed:
  - 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 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.
  - February 2021, to All Star Concrete for \$208,304 for the 2021 Community Entrance Sign Project.
  - February 2021, to Concrete Technologies for \$4,489,490 for the Waterford Road Paving Project.
  - February 2021, to MPS Engineers, dba Kingston Services for \$74,599 for the Cross Creek Park Trail Renovation Project.
  - February 2021, to Iowa Signal for \$405,882 for the Traffic Signal Controllers project.
  - February 2021, to Caliber Concrete for \$186,782 for the Coyote Ridge Trail Project - Phase 1.
  - March 2021, Engineering Services Agreement with Shive-Hattery for \$177,900 for the design of Aurora Avenue/104th Street/Sutton Drive/100th Street Widening Project.
  - March 2021, to Concrete Connection for \$445,000 for the Walnut Creek Regional Park East Shelter.
  - March 2021, to Caliber Concrete for \$67,969 for the 2021 ADA Pedestrian Access Route Transition Plan Improvement Program.
  - March 2021, to RW Excavating Solutions for \$201,150 for the Police Station Drainage Improvements project.
  - March 2021, to Caliber Concrete for \$64,209 for the 2020 Sidewalk Program.
  - March 2021, to Mid-Continental Restoration for \$154,875 for the Fire Station 43 Masonry Repairs.
  - March 2021, to Iowa Signal for \$75,155 for the 2021 Traffic Signal Maintenance Program.

- April 2021, to Reilly Construction for \$5,388,069 for the Douglas Avenue Urbanization - North Walnut Creek to 100th Street.
- April 2021, to Pillar for \$86,765 for the 128th Street Sidewalk Improvements.
- May 2021, to Iowa Interstate Railroad in an estimated amount of \$165,254 for the 100th Street Railroad Crossing Replacement Project.
- June 2021, to Shive-Hattery, in the amount not to exceed \$63,800 for design of the Douglas Avenue Urbanization plantings project.
- June 2021, to Reilly Construction for \$6,604,157 for the 128th Street and Hickman Road (US Highway 6) Improvements.
- June 2021, to Des Moines Asphalt and Paving for \$972,888 for the Meredith Drive HMA Overlay Project.
- August 2021, to Boulder Contracting for \$120,125 for the Beaver Creek Bank Stabilization project.

### **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 FY21, 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 FY21, exclusive of the Component Unit, was \$496,865, compared to \$1,240,611 in FY20.

### **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 FY20. This is the highest form of recognition in the area of governmental financial reporting and is the 38<sup>th</sup> consecutive year the City has received this prestigious award. The Comprehensive Annual Financial Report for the year ended June 30, 2021 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, 2021

**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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Change in Accounting Principle**

As discussed in Notes 1 and 13 to the financial statements, the City has adopted the provisions of GASB Statement No. 84, Fiduciary Activities, which has resulted in a restatement of the net position as of July 1, 2020. Our opinions are not modified with respect to this matter.

### **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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements.

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated November 19, 2021 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.

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

Dubuque, Iowa  
November 19, 2021



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, 2021 (FY21). 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 FY21 by \$238,821,606. The total unrestricted net position of the City was \$8,343,389. This was comprised of unrestricted governmental net position of \$3,241,943 and business type activities net position of \$5,101,446.
- The City's total net position increased by \$24,481,969 in FY21. This increase was mostly attributable to increased property tax revenues, local option sales tax revenue, donated infrastructure, and federal grant revenue.
- For FY21, the City's governmental funds reported combined ending fund balances of \$71,203,674. The FY21 fund balance represented an increase of \$3,527,049 and was primarily attributed to a \$3.25 million increase in the general fund, a \$3.98 million increase in the tax increment financing fund, and offset by a \$4.46 million decrease in the capital projects fund. At the end of FY21, unassigned fund balance for the general fund was \$15,553,580 or 46.1% 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 2021.

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 of 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 25 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 20 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, fleet management, 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 six 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 in custodial capacity 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 fiduciary funds financial statements can be found on page 24 and 25 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 26 through 57 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 58 through 65 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 67 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 FY21 and FY20 is presented for comparative purposes.

City of Urbandale, Iowa  
Management's Discussion and Analysis

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current Assets	\$ 134,889,855	\$ 127,965,208	\$ 5,384,041	\$ 4,988,651	\$ 140,273,896	\$ 132,953,859
Capital Assets	250,415,420	235,871,860	-	-	250,415,420	235,871,860
Total assets	<u>385,305,275</u>	<u>363,837,068</u>	<u>5,384,041</u>	<u>4,988,651</u>	<u>390,689,316</u>	<u>368,825,719</u>
Deferred Outflows of Resources	8,925,909	6,733,808	61,590	53,585	8,987,499	6,787,393
Long-term Liabilities	98,956,311	99,552,241	299,905	233,374	99,256,216	99,785,615
Other Liabilities	16,970,726	17,066,206	28,989	26,961	16,999,715	17,093,167
Total liabilities	<u>115,927,037</u>	<u>116,618,447</u>	<u>328,894</u>	<u>260,335</u>	<u>116,255,931</u>	<u>116,878,782</u>
Deferred Inflows of Resources	44,583,985	44,361,058	15,291	33,635	44,599,276	44,394,693
Net Position						
Net investment in capital assets	190,603,950	177,846,734	-	-	190,603,950	177,846,734
Restricted	39,874,267	33,459,884	-	-	39,874,267	33,459,884
Unrestricted	3,241,943	(1,715,247)	5,101,446	4,748,266	8,343,389	3,033,019
Total net position	<u>\$ 233,720,160</u>	<u>\$ 209,591,371</u>	<u>\$ 5,101,446</u>	<u>\$ 4,748,266</u>	<u>\$ 238,821,606</u>	<u>\$ 214,339,637</u>

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 \$238,821,606 and \$214,339,637 at the close of FY21 and FY20, respectively.

The largest portion of the City's net position in FY21 (79.8%) 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 \$12,757,216 from FY20 to FY21.

An additional portion of the City's net position (16.7%) represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position is \$8,343,389. In FY20 there was 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. While impact continues to lessen each year as debt is retired, the unrestricted balance is also impacted by 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. In FY20, restricted assets represented (15.6%) of the City's net position and unrestricted net position totaled \$3,033,019.

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 FY20 net position balance, increased by \$24,481,969 from FY20 to FY21. This increase can be attributed primarily to the increase in capital grants related to COVID-19 federal grants, non-major governmental fund balance increases related to local option sales tax revenues and the tax increment financing (TIF) fund balance growing due to normal annual tax revenues collected this year. The increases are offset with the fund balance decrease in the capital projects fund due to construction project timing. All 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	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charge for services	\$ 7,079,856	\$ 6,751,406	\$ 2,366,522	\$ 2,333,542	\$ 9,446,378	\$ 9,084,948
Operating grants & contributions	8,126,767	7,143,479	-	-	8,126,767	7,143,479
Capital grants & contributions	7,868,091	4,856,623	-	-	7,868,091	4,856,623
General revenues:						
Taxes	52,638,835	47,578,809	-	-	52,638,835	47,578,809
Other	2,893,217	2,348,914	33,357	78,093	2,926,574	2,427,007
Total revenues	<u>78,606,766</u>	<u>68,679,231</u>	<u>2,399,879</u>	<u>2,411,635</u>	<u>81,006,645</u>	<u>71,090,866</u>
Expenses:						
Public safety	19,762,939	18,326,328	-	-	19,762,939	18,326,328
Public works	18,903,777	17,483,163	721,699	524,236	19,625,476	18,007,399
Health and social services	171,065	-	-	-	171,065	-
Culture and recreation	7,944,408	8,357,100	-	-	7,944,408	8,357,100
Community & econ development	2,497,644	2,348,495	-	-	2,497,644	2,348,495
General government	4,200,031	4,052,844	-	-	4,200,031	4,052,844
Interest and fiscal charges	2,323,113	2,223,631	-	-	2,323,113	2,223,631
Total expenses	<u>55,802,977</u>	<u>52,791,561</u>	<u>721,699</u>	<u>524,236</u>	<u>56,524,676</u>	<u>53,315,797</u>
Increase in net position before transfers	22,803,789	15,887,670	1,678,180	1,887,399	24,481,969	17,775,069
Transfers	1,325,000	1,481,800	(1,325,000)	(1,481,800)	-	-
Net position – beginning	209,591,371	192,221,901	4,748,266	4,342,667	214,339,637	196,564,568
Net position – ending	<u>\$ 233,720,160</u>	<u>\$ 209,591,371</u>	<u>\$ 5,101,446</u>	<u>\$ 4,748,266</u>	<u>\$ 238,821,606</u>	<u>\$ 214,339,637</u>

### Governmental activities

Governmental activities increased the City's net position by \$24,481,969 for FY21. Key elements of the increase in net position are as follows:

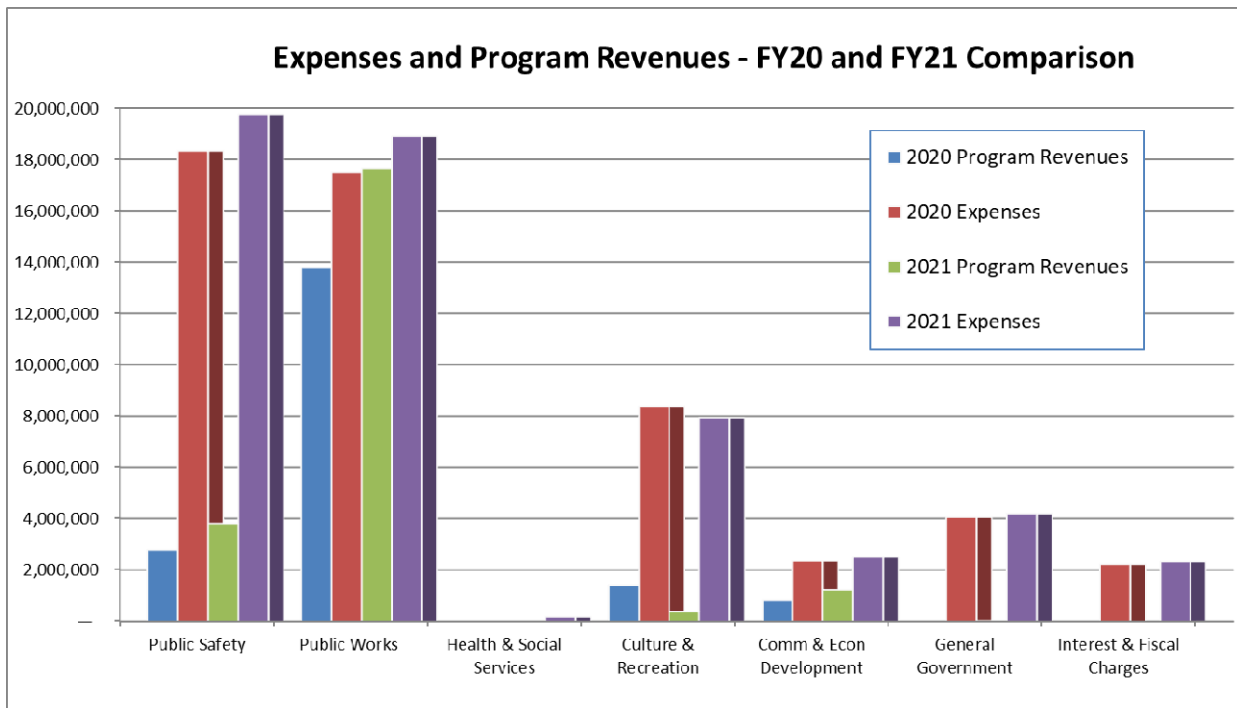
- Total taxes increased by \$5,060,026 (10.6%) during FY21. The receipts for FY21 reflect a 6.31% growth in taxable valuation of property throughout the City, which resulted in an overall property tax increase of \$1,532,526. The increase was bolstered by additional tax increment financing district revenues collected of \$612,858, as well as a full year of Polk County local option sales and service taxes being collected, totaling \$3,329,334.
- Other revenue increased by \$544,303 (23.2%) in FY21 primarily due to miscellaneous revenues allocated to governmental activities general revenue from the City's Risk Management internal service fund. These revenues stem primarily from medical reinsurance reimbursements.
- Operating grants and contributions increased by \$983,288 (13.8%) in FY21. Additionally, the City received federal COVID-19, SAFER and COPS grant reimbursements under multi-year grants.
- Capital grants and contributions increased by \$3,011,468 (62.0%) in FY21 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 \$6,474,363 and \$3,212,618 in FY21 and FY20, respectively.
- Total expenses were higher in FY21 by \$3,011,416 (5.7%), primarily in the public safety function due to adding 2 new police officers in FY21 as well as significant overtime incurred in the Fire Department due to COVID response and coverage during staff quarantine periods.

- FY21 showed a transfer of \$1,325,000 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. FY20 reflected a transfer of \$1,481,800 for the same reason.

**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. 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 \$2,366,522 and \$2,333,542 in revenue for FY21 and FY20, respectively. Business-type activities increased the City's net position by \$353,180 for FY21.

The following charts depict the expenses and program revenues attributed to each budgetary function for fiscal years 2021 and 2020:



**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 FY21 and FY20, the City's governmental funds reported combined fund balances of \$71,203,674 and \$67,676,625, 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 \$3,250,197 (26.4%) in FY21. The City experienced an overall increase in taxable property value of approximately 6.31% for FY21 which resulted in \$2,154,242 of additional general levy tax revenue for the year. Federal COVID-19 related grants also helped raise additional revenue to offset the increased expenditures in the public safety function. These increases were related to the addition of 2 new positions in the police department as well as COVID-related overtime costs in the fire department.
- The road use tax fund balance increased by \$276,320 (7.7%) in FY21. The fund experienced 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 \$3,978,816 (48.1%) in FY21. 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. This was last done in FY19, and since then have been replenishing the fund balance in preparation for additional bond retirements.
- The fund balance of the debt service fund decreased by \$23,601 (-9.1%) in FY21. The FY21 decrease is due primarily to the lowering of the levy by 36 cents to \$1.64 for FY21, which results in lower property tax revenues. Also reflected is the call and pay-off activity for 3 outstanding bonds using local option sales tax.
- For FY21, the \$4,464,418 (-11.6%) decrease in the capital projects fund balance is primarily attributable to large decrease in the total bond issuance and timing of project payments associated with construction 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 2021 bond offering was \$9.1 million compared to \$16.22 in FY20. Project expenditures were down \$8,218,868 from FY20, reflecting the timing of project payments.
- The nonmajor governmental funds fund balance increased \$509,735 (11.0%) due to the increased local option sales and service tax revenue from Dallas County as well as a full year of collections from Polk County, which became effective January 1, 2020.

### **Proprietary funds**

Unrestricted net position of the proprietary funds was \$16,075,162 and \$12,860,740 in FY21 and FY20, respectively. An additional \$5,470,933 and \$5,391,187 in FY21 and FY20, respectively, of net position was restricted for funds invested in capital assets within the equipment replacement and building maintenance funds. In FY21, the net increase of \$3,294,166 in net position for the proprietary funds resulted primarily from higher equipment replacement and risk management contributions from the operating departments.

### **Budgetary Highlights (FY21)**

Differences between the original budget and the final amended budget amounted to a \$2,582,140 increase in appropriations and can be briefly summarized as follows:

- \$754,800 for public safety related expenditures
- \$8,000 for public works related expenditures
- \$217,000 for culture and recreation related expenditures
- \$1,000 in community and economic development function related expenditures
- (\$117,000) in health and social service to reclassify expenditures to transfers
- \$3,000 in general government function related expenditures

- \$125,000 for debt service payments to retire bonds
- \$861,340 for Urbandale Water Utility expenditures
- \$729,000 for transfers to capital projects fund for projects that were delayed

The revised expenditures were offset by \$1,021,000 in intergovernmental revenue, a negative \$256,700 in charges for services, \$729,000 for offsetting transfers to Capital projects fund, \$17,500 from miscellaneous revenue and donations, and \$1,071,340 from available general, debt service, Miracle League, and Urbandale Water Utility fund balances. These revenue sources were not anticipated in the adopted fiscal year operating budget.

Including these adjustments, actual disbursements were \$12,346,488 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 \$300,936 more than budgeted. This was primarily due to property taxes, building permit revenue, and federal grant revenue in FY21.

Budget to actual schedule for the City is located on page 58 of this report.

**Capital Asset and Debt Administration**

***Capital assets***

In FY21 and FY20, the City had invested \$357,823,557 and \$333,328,161, 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 \$24,495,396 and \$28,824,647, respectively. The value of these capital assets, net of depreciation at June 30, 2021 and 2020, is depicted below.

City of Urbandale's Capital Assets  
(net of depreciation)

	Governmental Activities 2021	Governmental Activities 2020
Land	\$ 7,869,625	7,869,625
Buildings and Improvements	42,460,049	36,222,834
Machinery and Equipment	18,192,657	17,856,456
Artwork	576,684	514,760
Infrastructure	255,575,007	241,315,361
Share of Undivided Equity Interest Assets	3,949,295	2,691,626
Construction in Progress	29,200,240	26,857,499
Total	357,823,557	333,328,161
Accumulated Depreciation	(107,408,137)	(97,456,301)
	\$ 250,415,420	235,871,860

This year's major capital asset additions included:

- The ongoing construction of a replacement Public Works maintenance facility (\$8,159,000)
- The donation of construction improvements by private parties (\$6,474,000)
- The ongoing construction of Waterford Road from 142<sup>nd</sup> to 156<sup>th</sup> (\$1,177,000)
- The completion of 104<sup>th</sup> Street Hickman to Douglas (\$1,388,000)

- The ongoing construction of the Parks/Public Works Satellite Facility (\$783,000)
- The ongoing construction of N.W. 54th Ave. (\$703,000)
- The ongoing construction related to Douglas Avenue Urbanization (\$535,000)

Additional information on the City's capital assets can be found on page 36 (footnote 4) of this report.

**Long-term debt**

In FY21 and FY20 the City had total long-term debt of \$79,293,153 and \$85,345,970, respectively. Of these amounts, \$75,145,000 and \$81,715,000, represented general obligation bond debt.

	Balance <u>June 30, 2020</u>	Issued	Retired	Balance <u>June 30, 2021</u>
General Obligation Bonds	\$ 81,715,000	\$ 9,100,000	\$ 15,670,000	\$ 75,145,000
Premium on Bonds	3,630,970	897,418	380,235	4,148,153
	<u>\$ 85,345,970</u>	<u>\$ 9,997,418</u>	<u>\$ 16,050,235</u>	<u>\$ 79,293,153</u>

	Balance <u>June 30, 2019</u>	Issued	Retired	Balance <u>June 30, 2020</u>
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>

During FY21, the City's total debt decreased by a net \$6,052,817 including unamortized bond premiums. The key factors in this net decrease was debt service payments of \$15,670,000, which included \$6.42 million to retire three outstanding bonds and offset by the issuance of \$9,100,000 in new general obligation bonds.

In FY21, the projects funded by the Series 2021 A bond issue included:

Construction and renovation of:

- Waterford Road: 142<sup>nd</sup> Street to 156<sup>th</sup> Street
- Douglas Avenue urbanization
- Fire Station 42: pumper truck replacement and trench rescue training prop
- Walnut Creek regional park: open-air shelters
- Walnut Creek regional park: outdoor community space at 152<sup>nd</sup> & Meredith Drive
- Coyote Ridge trail
- Cross Creek Park trail renovation
- ADA Pedestrian Access Route Transition Plan – Phase 3
- Sidewalk improvements at various locations
- Walker Johnston Park: softball fence repairs
- Various public art projects throughout the City of Urbandale
- Railroad Sidewalk Reconstruction (TIF)
- Aurora Ave., 104<sup>th</sup> St./ Sutton Dr./ 100<sup>th</sup> St. Widening Project – NW Urbandale to Plum (TIF)
- Community entrance signage (TIF)
- 100<sup>th</sup> Street railroad crossing replacement (TIF)

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 April 1, 2021.

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 \$282,129,916, 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 37 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. In FY21, six final subdivision plats that will add 126 single-family detached homes and 77 single-family attached (townhome) lots were under development, and four additional preliminary plats had been approved that would add another 236 single-family detached lots, along with 207 single-family attached (townhome) lots. FY20, four new subdivisions were approved creating a total of 155 new lots. Three new subdivisions were approved in FY19 creating a total of 121 new lots, and five new subdivisions were approved in FY18 creating 286 new lots. Six new subdivision plats were approved in FY17 creating a total of 233 lots.

In FY21, permits had been issued for 328 new single-family homes, 6 single-family attached (townhome) units, and 2 multi-family buildings, one with 43 units and the other with 36 units. In FY20 a total of 156 new single-family homes and 8 single-family attached (townhome) units were constructed. In FY19 a total of 164 new single-family homes and 15 single-family attached (townhome) units were constructed. In FY18 a total of 159 new single-family homes along with a 48-unit multi-family building were constructed, and in FY17 a total of 164 new single-family homes and 4 single-family attached (townhome) units 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 339,197 square feet of commercial, industrial and office space has been constructed annually in Urbandale over the past five years.

Construction permitted through FY21, totals 215,066 square feet of new commercial and office development, including the 4,160 square foot Casey's convenience store, a 3,360 square foot dry storage building for Platinum Development, a 1,200 square foot Hy-Vee Aisles On-line building, a 55,559 square foot addition to New Hope church, a 78,504 Canoyer Garden Center greenhouse facility, a 13,039 square foot Kiddie Academy, a 10,953 square foot building for Ramsey Mazda, an 8,520 square foot addition to St. Pius church, a 13,540 square foot addition to Des Moines Christian school and a 10,622 square foot addition to Probioferm's facility, along with several other smaller projects. However, the City has approved site plans for an additional 81,816 square feet of commercial and office projects that are expected to be permitted yet in calendar 2021, or in early 2022, which includes a 6,816 square foot Hy-Vee Fast & Fresh on 129<sup>th</sup> Street, a 24,000 square foot flex building for the 2<sup>nd</sup> phase of the Hickman Commercial development on 104<sup>th</sup> Street, 40,500 square feet of office/storage buildings on 111<sup>th</sup> Street, and a 10,500 square foot retail building at the 100<sup>th</sup> Street and Plum Drive intersection. Construction in FY20 totaled 264,539 square feet. Construction in FY19 totaled 428,036 square feet, bolstered by the new 154,614 square foot City Parks & Public Works maintenance facility. Construction in FY18 totaled 351,093 square feet of primarily office development, and construction in FY17 totaled 355,494 square feet of retail, office, and industrial projects.

The 100<sup>th</sup> Street Interchange project on Interstate 35/80, along with the Highway 141 flyover ramp and the half-diamond interchange at Meredith Drive, are now all open 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 \$7.5 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 FY22 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 4.61% for FY21-22. Other factors impacting the FY21-22 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 2022. The fiscal year 2022 budget anticipated an increase of \$2,262,282 (4.2%) in operating expenditures over the fiscal year 2021 adopted budget. The adopted expenditures and anticipated revenues for fiscal year 2022 resulted in a \$0.10 decrease for the City's combined tax levy rate resulting in a rate of \$10.11/\$1,000 valuation. The general tax levy rate stayed at \$8.10, the Debt Service Levy lowered from \$1.64 to \$1.54, the Chapter 411 Fire, & Police pension levy increased from \$0.32 to \$0.37, and the Employee Benefits levy stayed at \$0.10.

### **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, 2021

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		
<b>Assets</b>				
Current assets				
Cash and pooled cash investments	\$ 85,862,153	\$ 5,348,107	\$ 91,210,260	\$ 92,476
Cash equivalents	-	-	-	10,288,505
Restricted cash	-	-	-	173,906
Accounts receivable	852,469	-	852,469	1,848,058
Taxes receivable				
Current	1,825,894	-	1,825,894	-
Succeeding year	43,936,667	-	43,936,667	-
Special assessments receivable				
Current	1,088,682	-	1,088,682	-
Succeeding year	309,284	-	309,284	-
Accrued interest	4,187	-	4,187	-
Due from other governments	665,206	-	665,206	-
Due from component unit	35,033	35,934	70,967	-
Due from primary government	-	-	-	26,838
Loan receivable	93,500	-	93,500	-
Inventories	216,780	-	216,780	247,607
Restricted assets - due from primary government	-	-	-	1,160
Prepaid expense and other assets	-	-	-	49,381
Total current assets	<u>134,889,855</u>	<u>5,384,041</u>	<u>140,273,896</u>	<u>12,727,931</u>
Noncurrent assets				
Capital assets				
Equipment	18,192,657	-	18,192,657	982,846
Buildings	30,129,362	-	30,129,362	1,181,173
Distribution system	-	-	-	38,270,034
Improvements other than building	12,330,687	-	12,330,687	-
Land and right of way	7,869,625	-	7,869,625	2,198,900
Construction in progress	29,200,240	-	29,200,240	1,201,499
Artwork	576,684	-	576,684	-
Infrastructure	255,575,007	-	255,575,007	-
Share of undivided equity interest assets	3,949,295	-	3,949,295	-
Accumulated depreciation	(107,408,137)	-	(107,408,137)	(15,984,293)
Total capital assets	<u>250,415,420</u>	<u>-</u>	<u>250,415,420</u>	<u>27,850,159</u>
Total assets	<u>385,305,275</u>	<u>5,384,041</u>	<u>390,689,316</u>	<u>40,578,090</u>
Deferred Outflows of Resources				
Pension related deferred outflow	8,825,712	58,852	8,884,564	291,794
OPEB related deferred outflow	100,197	2,738	102,935	47,224
Total deferred outflows of resources	<u>8,925,909</u>	<u>61,590</u>	<u>8,987,499</u>	<u>339,018</u>

See accompanying notes to financial statements.

City of Urbandale, Iowa  
Statement of Net Position  
June 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 5,249,150	\$ 5,460	\$ 5,254,610	\$ 25,489
General obligation bonds payable	9,400,000	-	9,400,000	-
Capital loan notes payable	-	-	-	294,000
Interest payable	205,785	-	205,785	7,726
Compensation and payroll taxes	1,137,984	15,746	1,153,730	108,937
Compensated absences - current	977,807	7,783	985,590	112,596
Due to City of Urbandale	-	-	-	70,967
Due to other governments	-	-	-	1,156,386
Customer deposits payable - restricted	-	-	-	129,390
Total current liabilities	<u>16,970,726</u>	<u>28,989</u>	<u>16,999,715</u>	<u>1,905,491</u>
Noncurrent liabilities				
General obligation bonds payable	69,893,153	-	69,893,153	-
Capital loan notes payable	-	-	-	1,175,000
Net pension liability	26,659,614	241,159	26,900,773	1,203,293
Total OPEB liability	1,915,285	49,166	1,964,451	298,157
Compensated absences	488,259	9,580	497,839	234,659
Total noncurrent liabilities	<u>98,956,311</u>	<u>299,905</u>	<u>99,256,216</u>	<u>2,911,109</u>
Total liabilities	<u>115,927,037</u>	<u>328,894</u>	<u>116,255,931</u>	<u>4,816,600</u>
Deferred Inflows of Resources				
Succeeding year property taxes	43,936,667	-	43,936,667	-
OPEB related deferred inflow	294,180	8,476	302,656	740
Pension related deferred inflow	353,138	6,815	359,953	59,579
Total deferred inflows of resources	<u>44,583,985</u>	<u>15,291</u>	<u>44,599,276</u>	<u>60,319</u>
Net Position				
Net investment in capital assets	190,603,950	-	190,603,950	27,156,159
Restricted				
For capital projects	18,976,251	-	18,976,251	-
Purpose restricted by legislation	20,222,943	-	20,222,943	-
Donor restricted purposes	675,073	-	675,073	-
Unrestricted	3,241,943	5,101,446	8,343,389	8,884,030
Total net position	<u>\$ 233,720,160</u>	<u>\$ 5,101,446</u>	<u>\$ 238,821,606</u>	<u>\$ 36,040,189</u>

City of Urbandale, Iowa  
Statement of Activities  
For the fiscal year ending June 30, 2021

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	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	\$ 19,762,939	2,124,600	1,642,656	37,543	(15,958,140)	-	(15,958,140)	-
Public works	18,903,777	3,437,646	6,389,392	7,830,548	(1,246,191)	-	(1,246,191)	-
Health and social services	171,065	-	-	-	(171,065)	-	(171,065)	-
Culture and recreation	7,944,408	277,809	90,939	-	(7,575,660)	-	(7,575,660)	-
Community and economic development	2,497,644	1,218,648	3,780	-	(1,275,216)	-	(1,275,216)	-
General government	4,200,031	21,153	-	-	(4,178,878)	-	(4,178,878)	-
Interest and fiscal charges	2,323,113	-	-	-	(2,323,113)	-	(2,323,113)	-
Total governmental activities	<u>55,802,977</u>	<u>7,079,856</u>	<u>8,126,767</u>	<u>7,868,091</u>	<u>(32,728,263)</u>	<u>-</u>	<u>(32,728,263)</u>	<u>-</u>
Business-type activities								
Storm Water Utility	721,699	2,366,522	-	-	-	1,644,823	1,644,823	
Total primary government	<u>\$ 56,524,676</u>	<u>9,446,378</u>	<u>8,126,767</u>	<u>7,868,091</u>	<u>(32,728,263)</u>	<u>1,644,823</u>	<u>(31,083,440)</u>	
<b>Component Unit</b>								
Urbandale Water Utility	<u>\$ 9,708,156</u>	<u>10,972,893</u>	<u>903,098</u>	<u>538,076</u>				<u>2,705,911</u>
<b>General Revenues</b>								
Taxes								
Property tax				\$ 32,407,700				
Tax increment financing district tax				9,757,085				
Local option sales and service tax				7,817,500				
Hotel Motel tax				1,209,235				
Franchise taxes				256,022				
Utility excise tax				1,191,293				
Total taxes					52,638,835	-	52,638,835	-
State property tax replacement funds					994,074	-	994,074	-
Interest					463,508	33,357	496,865	74,119
Miscellaneous					1,435,635	-	1,435,635	124,783
Transfers					1,325,000	(1,325,000)	-	-
Total general revenues and transfers					<u>56,857,052</u>	<u>(1,291,643)</u>	<u>55,565,409</u>	<u>198,902</u>
Changes in net position					<u>24,128,789</u>	<u>353,180</u>	<u>24,481,969</u>	<u>2,904,813</u>
Net Position - beginning					<u>209,591,371</u>	<u>4,748,266</u>	<u>214,339,637</u>	<u>33,135,376</u>
Net Position - ending					<u>\$ 233,720,160</u>	<u>5,101,446</u>	<u>238,821,606</u>	<u>36,040,189</u>

See accompanying notes to financial statements.

City of Urbandale, Iowa  
Balance Sheet  
Governmental Funds  
June 30, 2021

	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	\$ 16,565,883	\$ 3,136,337	\$ 12,242,741	\$ 225,317	\$ 37,411,517	\$ 4,335,422	\$ 73,917,217
Taxes receivable							
Current	51,926	664,022	10,500	11,068	-	1,088,378	1,825,894
Succeeding year	27,238,691	-	9,459,331	5,658,128	-	1,580,517	43,936,667
Special assessments receivable							
Current	-	-	-	1,022,486	66,196	-	1,088,682
Succeeding years	-	-	-	289,863	19,421	-	309,284
Accounts receivable	648,755	2,916	-	-	172,746	3,923	828,340
Accrued interest	1,916	-	557	10	1,704	-	4,187
Due from component unit	33,169	1,545	-	-	-	-	34,714
Due from other governments	193,817	-	-	-	434,829	-	628,646
Loan receivable	-	-	-	-	80,000	13,500	93,500
Inventories	12,601	204,179	-	-	-	-	216,780
Total assets	<u>\$ 44,746,758</u>	<u>\$ 4,008,999</u>	<u>\$ 21,713,129</u>	<u>\$ 7,206,872</u>	<u>\$ 38,186,413</u>	<u>\$ 7,021,740</u>	<u>\$ 122,883,911</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 608,473	\$ 56,458	\$ -	\$ -	\$ 3,722,830	\$ 290,728	\$ 4,678,489
Compensation and payroll taxes	874,822	68,659	-	-	-	-	943,481
Employee benefits	153,362	6,692	-	-	-	-	160,054
Compensated absences	9,783	-	-	-	-	-	9,783
Total liabilities	<u>1,646,440</u>	<u>131,809</u>	<u>-</u>	<u>-</u>	<u>3,722,830</u>	<u>290,728</u>	<u>5,791,807</u>
<b>Deferred inflows of resources</b>							
Succeeding year property taxes	27,238,691	-	9,459,331	5,658,128	-	1,580,517	43,936,667
Unavailable revenue - special assessments	-	-	-	1,312,349	85,518	-	1,397,867
Unavailable revenue - other	295,446	-	-	-	258,450	-	553,896
Total deferred inflows of resources	<u>27,534,137</u>	<u>-</u>	<u>9,459,331</u>	<u>6,970,477</u>	<u>343,968</u>	<u>1,580,517</u>	<u>45,888,430</u>
<b>Fund balances</b>							
Nonspendable	12,601	204,179	-	-	-	-	216,780
Restricted	-	3,673,011	12,253,798	236,395	32,742,934	4,734,812	53,640,950
Committed	-	-	-	-	-	415,683	415,683
Assigned	-	-	-	-	1,376,681	-	1,376,681
Unassigned	15,553,580	-	-	-	-	-	15,553,580
Total fund balances	<u>15,566,181</u>	<u>3,877,190</u>	<u>12,253,798</u>	<u>236,395</u>	<u>34,119,615</u>	<u>5,150,495</u>	<u>71,203,674</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 44,746,758</u>	<u>\$ 4,008,999</u>	<u>\$ 21,713,129</u>	<u>\$ 7,206,872</u>	<u>\$ 38,186,413</u>	<u>\$ 7,021,740</u>	<u>\$ 122,883,911</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, 2021

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

Total fund balances – governmental funds		\$ 71,203,674
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in Governmental funds:		
Capital assets	\$ 346,661,703	
Less accumulated depreciation	<u>(101,717,217)</u>	244,944,486
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds		1,951,763
Debt issuance-related premiums are reported as "other financing sources" in the governmental funds, but as unamortized liabilities in the statement of net position		(4,148,153)
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	8,832,237	
Deferred inflows of resources	<u>(623,487)</u>	8,208,750
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	11,944,936	
Accounts receivable	61,006	
Capital assets, net of accumulated depreciation	5,470,933	
Deferred outflows - pension & OPEB	93,671	
Deferred inflows - pension & OPEB	(23,831)	
Net pension liability	(365,013)	
Total OPEB liability	(87,862)	
Accounts payable	<u>(649,191)</u>	16,444,649
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	75,145,000	
Accrued interest on the bonds and notes	205,785	
Other postemployment benefits	1,827,423	
Net pension liability	26,294,601	
Compensated absences	<u>1,412,200</u>	<u>(104,885,009)</u>
Net position of governmental activities		<u><u>\$ 233,720,160</u></u>

City of Urbandale, Iowa  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the fiscal year ending June 30, 2021

	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	\$ 26,623,248	\$ -	\$ 9,757,085	\$ 5,864,065	\$ -	\$ 10,876,490	\$ 53,120,888
Special assessments	-	-	-	-	772,669	-	772,669
Licenses and permits	1,508,071	-	-	-	-	-	1,508,071
Use of money and property	172,962	-	66,459	11,483	189,712	43,313	483,929
Intergovernmental	3,571,520	6,304,096	-	160,087	353,943	207,641	10,597,287
Charges for services	4,190,167	-	-	-	-	6,179	4,196,346
Miscellaneous	376,263	-	-	-	227,638	107,513	711,414
<b>Total revenues</b>	<b>36,442,231</b>	<b>6,304,096</b>	<b>9,823,544</b>	<b>6,035,635</b>	<b>1,543,962</b>	<b>11,241,136</b>	<b>71,390,604</b>
<b>Expenditures</b>							
<b>Current operating expenditures</b>							
Public safety	16,400,264	-	-	-	-	1,424,876	17,825,140
Public works	5,176,259	3,905,976	-	-	-	144,376	9,226,611
Health and social services	171,065	-	-	-	-	-	171,065
Culture and recreation	6,343,717	-	-	-	-	1,409,132	7,752,849
Community and economic development	1,936,373	-	482,726	-	-	36,675	2,455,774
General government	3,715,918	-	-	-	-	50,780	3,766,698
Capital outlay	-	-	-	-	19,646,598	-	19,646,598
<b>Debt service</b>							
Principal	-	-	-	15,670,000	-	-	15,670,000
Interest	-	-	-	2,671,238	-	-	2,671,238
<b>Total expenditures</b>	<b>33,743,596</b>	<b>3,905,976</b>	<b>482,726</b>	<b>18,341,238</b>	<b>19,646,598</b>	<b>3,065,839</b>	<b>79,185,973</b>
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	<b>2,698,635</b>	<b>2,398,120</b>	<b>9,340,818</b>	<b>(12,305,603)</b>	<b>(18,102,636)</b>	<b>8,175,297</b>	<b>(7,795,369)</b>
<b>Other financing sources (uses)</b>							
General obligation bond issuance	-	-	-	-	9,100,000	-	9,100,000
Premium on bond issuance	-	-	-	-	897,418	-	897,418
Transfers in	785,562	-	-	12,282,002	3,640,800	412,851	17,121,215
Transfers out	(234,000)	(2,121,800)	(5,362,002)	-	-	(8,078,413)	(15,796,215)
<b>Total other financing sources (uses)</b>	<b>551,562</b>	<b>(2,121,800)</b>	<b>(5,362,002)</b>	<b>12,282,002</b>	<b>13,638,218</b>	<b>(7,665,562)</b>	<b>11,322,418</b>
<b>Net changes in fund balances</b>	<b>3,250,197</b>	<b>276,320</b>	<b>3,978,816</b>	<b>(23,601)</b>	<b>(4,464,418)</b>	<b>509,735</b>	<b>3,527,049</b>
Fund balances at beginning of year	12,315,984	3,600,870	8,274,982	259,996	38,584,033	4,640,760	67,676,625
Fund balances at end of year	<b>\$ 15,566,181</b>	<b>\$ 3,877,190</b>	<b>\$ 12,253,798</b>	<b>\$ 236,395</b>	<b>\$ 34,119,615</b>	<b>\$ 5,150,495</b>	<b>\$ 71,203,674</b>

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, 2021

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

Net change in fund balances – governmental funds		\$ 3,527,049
<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	\$ 24,269,824	
Depreciation expense	<u>(9,782,505)</u>	14,487,319
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(23,505)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(534,159)
<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	(31,738)	
Other postemployment benefits	<u>(36,032)</u>	(67,770)
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.		(2,221,838)
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.		15,670,000
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.		(9,997,418)
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.		(32,110)
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.		380,235
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>2,940,986</u>
Change in net position of governmental activities		<u>\$ 24,128,789</u>

City of Urbandale, Iowa  
Statement of Net Position  
Proprietary Funds  
June 30, 2021

	Business-Type Activities - Non-Major <u>Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Storm Water Utility Fund</u>	<u>Internal Service Funds</u>
<b>Assets</b>		
Current assets		
Cash and pooled cash investments	\$ 5,348,107	\$ 11,944,936
Due from other governments	-	36,560
Accounts receivable	-	24,128
Due from component unit	<u>35,934</u>	<u>318</u>
Total current assets	<u>5,384,041</u>	<u>12,005,942</u>
Noncurrent assets		
Capital assets, net	<u>-</u>	<u>5,470,933</u>
Total assets	<u>5,384,041</u>	<u>17,476,875</u>
Deferred Outflows of Resources		
Pension related deferred outflows	58,852	89,077
OPEB related deferred outflows	<u>2,738</u>	<u>4,594</u>
Total deferred outflows of resources	<u>61,590</u>	<u>93,671</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	5,460	570,660
Compensation and payroll taxes	14,394	31,896
Compensated absences - current	7,783	20,516
Employee benefits payable	<u>1,352</u>	<u>2,553</u>
Total current liabilities	<u>28,989</u>	<u>625,625</u>
Noncurrent liabilities		
Compensated absences	9,580	23,566
Net pension liability	241,159	365,013
Total OPEB liability	<u>49,166</u>	<u>87,862</u>
Total noncurrent liabilities	<u>299,905</u>	<u>476,441</u>
Total liabilities	<u>328,894</u>	<u>1,102,066</u>
Deferred Inflows of Resources		
Pension related deferred inflows	6,815	10,313
OPEB related deferred inflows	<u>8,476</u>	<u>13,518</u>
Total deferred inflows of resources	<u>15,291</u>	<u>23,831</u>
<b>Net Position</b>		
Net investment in capital assets	-	5,470,933
Unrestricted	<u>5,101,446</u>	<u>10,973,716</u>
Total net position	<u>\$ 5,101,446</u>	<u>\$ 16,444,649</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, 2021

	Business-Type Activities - Non-Major Enterprise Fund	Governmental Activities
	Storm Water Utility Fund	Internal Service Funds
Operating Revenues		
Charges for services	\$ 2,366,522	\$ 9,706,462
Other	-	1,186,844
Total operating revenues	2,366,522	10,893,306
Operating Expenses		
Insurance premiums and claims	-	5,297,423
Building maintenance	-	240,910
Data processing	-	43,983
Fleet maintenance	-	350,738
Storm water operations	254,092	-
Administration	467,607	984,629
Depreciation	-	1,137,178
Total operating expenses	721,699	8,054,861
Operating income (loss)	1,644,823	2,838,445
Nonoperating Revenues (Expenses)		
Interest income	33,357	93,918
Gain (loss) on sale of equipment	-	8,623
Total nonoperating revenues (expenses)	33,357	102,541
Income (loss) before transfers	1,678,180	2,940,986
Transfers out	(1,325,000)	-
Change in net position	353,180	2,940,986
Net Position at Beginning of Year	4,748,266	13,503,663
Net Position at End of Year	\$ 5,101,446	\$ 16,444,649

City of Urbandale, Iowa  
Statement of Cash Flows  
Proprietary Funds  
For the fiscal year ending June 30, 2021

	<u>Business-Type Activities - Non-Major 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	\$ 2,369,552	\$ 10,915,213
Payments to employees	(427,133)	(636,776)
Payments to suppliers	(252,356)	(6,021,638)
Net cash provided by operating activities	<u>1,690,063</u>	<u>4,256,799</u>
Cash Flows from Noncapital Financing Activities		
Transfers to other funds	<u>(1,325,000)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities		
Purchase of capital assets	-	(1,166,744)
Proceeds from sale of capital assets	-	8,623
Net cash used in capital and related financing activities	<u>-</u>	<u>(1,158,121)</u>
Cash Flows from Investing Activities		
Interest on investments	<u>33,357</u>	<u>93,918</u>
Net increase (decrease) in cash and cash equivalents	398,420	3,192,596
Cash and Cash Equivalents at Beginning of Year	<u>4,949,687</u>	<u>8,752,340</u>
Cash and Cash Equivalents at End of Year	<u>\$ 5,348,107</u>	<u>\$ 11,944,936</u>
Reconciliation of Operating Income (Loss) to		
Net Cash provided by Operating Activities		
Operating income (loss)	\$ 1,644,823	\$ 2,838,445
Adjustments to reconcile operating income (loss)		
to net cash provided by operating activities:		
Depreciation	-	1,137,178
Change in deferred inflows related to pension	(19,635)	(8,413)
Change in deferred inflows related to OPEB	1,291	9,097
Change in deferred outflows related to pension	(8,196)	(53,213)
Change in deferred outflows related to OPEB	191	(2,717)
Change in due from customers and users	3,030	21,907
Change in total OPEB liability	1,391	54,857
Change in net pension liability	64,844	240,182
Change in compensated absences	17,363	44,082
Change in compensation and benefits payable	(16,775)	34,449
Change in accounts payable	1,736	(59,055)
Net cash provided by operating activities	<u>\$ 1,690,063</u>	<u>\$ 4,256,799</u>

City of Urbandale, Iowa  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2021

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<b>Assets</b>	<u>Custodial Fund</u>
Cash and Pooled Cash Investments	\$ <u>735,405</u>
Total assets	<u>735,405</u>
<b>Liabilities</b>	
Due to component unit	27,998
Due to other governments	<u>158,523</u>
Total liabilities	<u>186,521</u>
<b>Net Position</b>	
Restricted for individuals, organizations and other governments	\$ <u><u>548,884</u></u>

City of Urbandale, Iowa  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the fiscal year ending June 30, 2021

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	<u>Custodial Fund</u>
Additions	
Connection service fees	\$ 1,069,730
Damage deposits/escrows	<u>221,854</u>
Total additions	<u>1,291,584</u>
Deductions	
Due to component unit	327,087
Due to other governments	776,942
Deposits and remittances due	<u>137,361</u>
Total deductions	<u>1,241,390</u>
Change in net position	50,194
Net position beginning of year, as restated	<u>498,690</u>
Net position end of year	<u>\$ 548,884</u>

## **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 County 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 31 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, 2021 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 31 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is 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, 2019 assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021 and reflects tax asking contained in the budget certified to the County Board of Supervisors in March 2020.

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.

*Fleet Maintenance Fund* – an internal service fund utilized to finance and account for the maintenance of the City's fleet of vehicles and equipment.

*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 – Custodial Funds**

Fiduciary funds – Custodial Funds are used to account for assets held by the City as an agency for individuals, private organizations, certain jointly governed organizations, and other governmental units and/or funds. The City has the following fiduciary fund:

*Collections and Deposits Fund* – a custodial 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.

### **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, 2021, fund balances are composed of the following:

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Special Revenues</u>	<u>Total</u>
Nonspendable					
Inventory	\$ 12,601	\$ -	\$ -	\$ 204,179	\$ 216,780
Restricted for					
Debt service	-	236,395	-	12,253,798	12,490,193
Capital projects	-	-	32,742,934	-	32,742,934
Loan receivable	-	-	-	13,500	13,500
Employee benefit payments	-	-	-	23,486	23,486
LOSST - tax relief	-	-	-	786,250	786,250
LOSST - capital projects	-	-	-	2,762,491	2,762,491
Public works	-	-	-	3,673,011	3,673,011
Metro salt storage	-	-	-	79,531	79,531
Public safety retirement	-	-	-	36,339	36,339
Police activities	-	-	-	122,910	122,910
Fire activities	-	-	-	28,817	28,817
Cultural programs	-	-	-	335,789	335,789
Parks activities	-	-	-	28,767	28,767
Library activities	-	-	-	290,996	290,996
Recreational programs	-	-	-	225,936	225,936
Total restricted	<u>-</u>	<u>236,395</u>	<u>32,742,934</u>	<u>20,661,621</u>	<u>53,640,950</u>
Committed for					
Economic development	-	-	-	415,683	415,683
Assigned to					
Capital Projects	-	-	1,376,681	-	1,376,681
Unassigned	<u>15,553,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,553,580</u>
Total fund balance	<u>\$ 15,566,181</u>	<u>\$ 236,395</u>	<u>\$ 34,119,615</u>	<u>\$ 21,281,483</u>	<u>\$ 71,203,674</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:

	<b>Years</b>
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 \$4,461,156 in the aggregate for June 30, 2021. 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.

	2021	2020
Unpaid Claims and Claim Adjustment Expenses at Beginning of the Fiscal Year	\$ 225,000	\$ 400,000
Incurred Claims and Claim Adjustment Expenses	2,585,892	2,875,111
Payments	(2,570,892)	(3,050,111)
Total unpaid claims and claim adjustment expenses at end of the fiscal year	\$ 240,000	\$ 225,000

## Implementation of GASB Statement No. 84

As of July 1, 2020, the City adopted GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The impact to the City resulted in the reporting of one custodial fund. The effect of the implementation of this standard on beginning net position is disclosed in Note 13.

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

The City's and its Component Unit's deposits at June 30, 2021 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, 2021 are \$91,210,260. The City's agency funds had cash and pooled cash investments of \$735,405 at June 30, 2021.

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

At June 30, 2021 cash and cash equivalents balance of the Water Utility include a money market account of \$6,968,574 and an investment in the Iowa Public Agency Investment Trust (IPAIT) \$3,449,321, 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 \$136,992 as of June 30, 2021.

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, 2021 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 \$40 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, 2021 is as follows:

	July 1, 2020 Balance	Increases	Decreases	June 30, 2021 Balance
Capital Assets Not Being Depreciated				
Land	\$ 5,472,904	\$ -	\$ -	\$ 5,472,904
Construction in progress	26,857,499	16,834,466	14,491,725	29,200,240
Right of way	2,396,721	-	-	2,396,721
Total Capital Assets Not Being Depreciated	<u>34,727,124</u>	<u>16,834,466</u>	<u>14,491,725</u>	<u>37,069,865</u>
Capital Assets Being Depreciated				
Equipment	17,856,456	1,213,549	877,348	18,192,657
Buildings	24,954,898	5,176,978	2,514	30,129,362
Improvements other than buildings	11,267,936	1,120,643	57,892	12,330,687
Artwork	514,760	61,924	-	576,684
Infrastructure	241,315,361	14,259,646	-	255,575,007
Share of undivided equity interest assets	2,691,626	1,301,189	43,520	3,949,295
Total Capital Assets Being Depreciated	<u>298,601,037</u>	<u>23,133,929</u>	<u>981,274</u>	<u>320,753,692</u>
Less Accumulated Depreciation for				
Equipment	10,097,103	1,690,638	872,053	10,915,688
Buildings	9,278,705	636,436	2,514	9,912,627
Improvements other than buildings	5,041,946	739,841	49,760	5,732,027
Artwork	328,902	20,774	-	349,676
Infrastructure	70,644,994	6,660,193	-	77,305,187
Share of undivided equity interest assets	2,064,651	1,171,801	43,520	3,192,932
Total Accumulated Depreciation	<u>97,456,301</u>	<u>10,919,683</u>	<u>967,847</u>	<u>107,408,137</u>
Total Capital Assets, Net	<u>\$ 235,871,860</u>	<u>\$ 29,048,712</u>	<u>\$ 14,505,152</u>	<u>\$ 250,415,420</u>

Depreciation expense of \$10,919,683 for the year ended June 30, 2021, was charged to the following governmental functions:

	2021
Public Safety	\$ 2,269,349
Public Works	7,311,199
Culture and Recreation	1,075,832
Community and Economic Development	64,611
General Government	198,692
Total depreciation expense	<u>\$ 10,919,683</u>

Capital asset activity for the Water Utility for the years ended June 30, 2021 is as follows:

	June 30, 2020			June 30, 2021
	Balance	Increases	Decreases	Balance
Capital Assets Not Being Depreciated				
Land	\$ 2,198,900	\$ -	\$ -	\$ 2,198,900
Construction in progress	506,693	1,161,775	466,969	1,201,499
Total Capital Assets Not Being Depreciated	<u>2,705,593</u>	<u>1,161,775</u>	<u>466,969</u>	<u>3,400,399</u>
Capital Assets Being Depreciated				
Equipment	948,209	126,857	92,220	982,846
Buildings	1,181,173	-	-	1,181,173
Distribution system	37,189,281	1,087,282	6,529	38,270,034
Total Capital Assets Being Depreciated	<u>39,318,663</u>	<u>1,214,139</u>	<u>98,749</u>	<u>40,434,053</u>
Less Accumulated Depreciation for				
Equipment	737,612	56,698	49,784	744,526
Buildings	805,745	30,617	-	836,362
Distribution system	13,635,681	774,253	6,529	14,403,405
Total Accumulated Depreciation	<u>15,179,038</u>	<u>861,568</u>	<u>56,313</u>	<u>15,984,293</u>
Total Capital Assets, Net	<u>\$ 26,845,218</u>	<u>\$ 1,514,346</u>	<u>\$ 509,405</u>	<u>\$ 27,850,159</u>

## Note 5 - Long-Term Obligations

### General Obligation Bonds

Details of general obligation bonds payable at June 30, 2021 are as follows:

	Date of Issue	Interest Rates	Final Due Date	Annual Principal Payments	Amount Originally Issued	Amount Outstanding June 30, 2021
Streets/Bridges/Parks/Trails	09/01/12	2.00 to 2.25	6/27	250,000 to 500,000	\$ 9,765,000	\$ 2,250,000
Streets/Parks/Library/Storm Sewer	09/17/15	2.00 to 2.75	6/30	605,000 to 615,000	10,000,000	5,500,000
Streets/Parks/Trails/Fire/Police	05/17/16	2.00 to 2.75	6/31	120,000 to 155,000	2,990,000	1,515,000
Streets/Trail/Parks/Fire/Software	04/11/17	2.00 to 5.00	6/32	200,000 to 1,035,000	9,580,000	4,200,000
Streets/Bridge	04/11/17	2.25 to 5.00	6/27	770,000 to 955,000	7,985,000	5,350,000
Fire/Streets/Bridge/Sidewalks	04/10/18	2.50 to 5.00	6/33	625,000 to 770,000	12,220,000	8,540,000
Streets/Interchange/Pub Works	04/10/18	3.00 to 5.00	6/28	565,000 to 755,000	6,355,000	4,755,000
Streets, parks, fire pumper truck	04/07/19	3.00 to 5.00	6/34	280,000 to 335,000	6,250,000	4,300,000
Street, PW facility	04/07/19	3.00 to 4.00	6/29	1,660,000 to 2,205,000	18,960,000	15,760,000
Streets, Parks Maint facility	04/07/20	2.00 to 3.00	6/30	265,000 to 1,460,000	4,965,000	3,505,000
Streets, PW facility	04/07/20	2.00 to 5.00	6/30	885,000 to 1,305,000	11,255,000	10,370,000
Streets, fire pumper, trail	04/26/21	1.0 to 5.0	6/31	610,000 to 2,260,000	9,100,000	9,100,000
					<u>\$ 109,425,000</u>	<u>\$ 75,145,000</u>

The annual principal and interest requirements to maturity for the City’s obligations at June 30, 2021 are as follows:

Years Ending June 30,	General Obligation Bonds	
	Principal	Interest
2022	\$ 9,400,000	\$ 2,469,413
2023	8,185,000	2,064,061
2024	8,355,000	1,745,961
2025	8,505,000	1,442,286
2026	8,665,000	1,123,949
2027-2031	29,350,000	2,233,288
2032-2034	2,685,000	130,350
	\$ 75,145,000	\$ 11,209,308

**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, 2021 the restricted cash on the balance sheet includes \$21,053 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, 2021 are as follows:

Years Ending June 30,	Water Revenue Refunding Capital Loan Note	
	Principal	Interest
2022	\$ 227,000	\$ 13,811
2023	231,000	9,293
2024	236,000	4,696
	\$ 694,000	\$ 27,800

**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, 2021 the restricted cash on the balance sheet includes \$23,462 in the Sinking Fund. The debt is owned by the Iowa Finance Authority and there, constitutes a direct borrowing.

Principal and interest requirements to maturity for obligations at June 30, 2021 are as follows:

Years Ending June 30,	SRF Capital Loan	
	Principal	Interest
2022	\$ 67,000	\$ 13,563
2023	69,000	12,390
2024	71,000	11,183
2025	74,000	9,940
2026	76,000	8,645
2027-2031	418,000	22,417
	<u>\$ 775,000</u>	<u>\$ 78,138</u>

Changes in long-term obligations for the year ended June 30, 2021 and 2020 are as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within 1 Year
<b>Primary Government</b>					
Bonds payable					
General obligation bonds	\$ 81,715,000	\$ 9,100,000	\$ 15,670,000	\$ 75,145,000	\$ 9,400,000
Premium on bonds	3,630,970	897,418	380,235	4,148,153	-
Total bonds payable	<u>85,345,970</u>	<u>9,997,418</u>	<u>16,050,235</u>	<u>79,293,153</u>	<u>9,400,000</u>
Compensated absences	1,388,524	1,015,276	937,734	1,466,066	977,807
	<u>\$ 86,734,494</u>	<u>\$ 11,012,694</u>	<u>\$ 16,987,969</u>	<u>\$ 80,759,219</u>	<u>\$ 10,377,807</u>
<b>Business-Type Activities</b>					
Compensated absences	\$ 18,119	\$ 6,235	\$ 6,991	\$ 17,363	\$ 7,783
<b>Component Unit</b>					
Direct borrowings					
Water revenue bonds	\$ 916,000	\$ -	\$ 222,000	\$ 694,000	\$ 227,000
Capital loan note	840,000	-	65,000	775,000	67,000
Compensated absences	348,171	-	916	347,255	112,596
	<u>\$ 2,104,171</u>	<u>\$ -</u>	<u>\$ 287,916</u>	<u>\$ 1,816,255</u>	<u>\$ 406,596</u>

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

2019 Actual Value of Property (Unaudited)	<u>\$ 5,642,598,316</u>
Debt Limit - 5% of Assessed Valuation	\$ 282,129,916
Amount of Debt Applicable to Debt Limit	
General obligation bonds	(75,145,000)
Legal debt margin	<u>\$ 206,984,916</u>

## 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 \$5,322,555 for the primary government and \$186,650 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, exempt 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 2021, 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 6.41% of covered payroll and the City contributed 9.61% of covered payroll, for a total rate of 16.02%.

The City’s total contributions to IPERS for the year ended June 30, 2021 totaled \$922,666. The Water Utility’s total contributions to IPERS for the year ended June 30, 2021 totaled \$135,472.

There were no non-employer contributing entities to IPERS.

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

Rate of inflation (effective June 30, 2017)	2.60 % 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, 2020 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 2020 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on 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%	4.43%
International Equity	17.5%	5.15%
Global smart beta equity	6.0%	4.87%
Core plus fixed income	28.0%	-2.90%
Public Credit	4.0%	2.29%
Cash	1.0%	-0.78%
Private equity	11.0%	6.54%
Private real assets	7.5%	4.48%
Private credit	3.0%	3.11%
	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, 2021, the City reported a liability of \$8,402,772 for its proportionate share of the net pension liability. The new pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2020, the City's collective proportion was 0.1196170% which was an decrease of 0.002176% over its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of \$1,427,867. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Results	\$ 10,517	\$ 199,107
Changes in Assumptions	434,683	186
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	478,290	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	204,438	38,106
City Contributions Subsequent to the Measurement Date	922,666	-
Total	\$ 2,050,594	\$ 237,399

The \$922,666 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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
2022	\$ 204,445
2023	230,713
2024	186,572
2025	275,610
2026	(6,811)
	\$ 890,529

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 1% 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	\$ 14,068,645	\$ 8,402,772	\$ 3,652,106

Payable to the IPERS – At June 30, 2021 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, 2021, the Water Utility reported a liability of \$1,203,293 for its proportionate share of the net pension liability. The new pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Water 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, 2020, the Water Utility’s collective proportion was 0.0171294% which was a decrease of 0.000832% from its proportion measured as of June 30, 2019 of .0179618.

For the year ended June 30, 2021, the Water Utility recognized pension expense of \$186,650. At June 30, 2021, the Water Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Results	\$ 1,328	\$ 28,521
Changes of Assumptions	61,765	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	67,645	-
Changes in Proportion and Differences Between Utility Contributions and Proportionate Share of Contributions	25,584	31,058
Utility Contributions Subsequent to the Measurement Date	135,472	-
Total	\$ 291,794	\$ 59,579

The \$135,472 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 ending June 30, 2022.

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

Year Ended	Total
June 30,	
2022	\$ 17,815
2023	25,580
2024	22,263
2025	34,662
2026	(3,575)
	\$ 96,745

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:	\$ 2,006,390	\$ 1,203,293	\$ 529,909

Payable to IPERS – At June 30, 2021, the Utility reported payables to IPERS of \$10,347 for legally required employer contributions and \$6,895 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, 2021.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated based on 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 25.31% for the year ended June 30, 2021.

The City's contributions to MFPRSI for the year ended June 30, 2021, totaled \$1,960,283.

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, 2021.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021, the City reported a liability of \$18,498,002 for its proportionate share of the net pension liability. The new pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2020, the City's collective proportion was 2.319207% which was an increase of .137595% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expenses of \$3,892,487. At June 30, 2021 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	\$ 508,594	\$ 100,482
Changes of Assumptions	458,217	22,070
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,721,275	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	1,185,601	-
City Contributions Subsequent to the Measurement Date	1,960,283	-
Total	\$ 6,833,970	\$ 122,552

The \$1,960,283 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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
2022	\$ 1,181,366
2023	1,420,101
2024	1,242,637
2025	850,318
2026	56,713
	\$ 4,751,135

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

Rate of inflation	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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2007 through 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	7.49%
Small Cap	8.1
International Large Cap	7.2
Emerging Markets	7.9
Global Infrastructure	7.5
Private Non-Core Real Estate	11.5
Private Credit	6.4
Private Equity	10.8
CorePlus Fixed Income	4.0
Private Core Real Estate	7.2

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:	\$ 28,372,335	\$ 18,498,002	\$ 10,318,916

Payables to the Pension Plan – At June 30, 2021, the City reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to MFPRSI.

**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 \$55,544 the year ended June 30, 2021. The Water Utility’s employees made contributions to the plan of \$92,572 for the year ended June 30, 2021.

**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	20
Active employees	218
Total	238

OPEB 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 \$1,964,451 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions – The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 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	\$ 1,915,938
Changes for the year:	
Service cost	152,349
Interest	63,802
Differences between expected and actual experiences	(62,209)
Changes in assumptions	-
Benefit payments	(105,429)
Net changes	48,513
Total OPEB liability end of year	\$ 1,964,451

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	\$ 2,090,990	\$ 1,964,451	\$ 1,855,500

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	\$ 1,786,960	\$ 1,964,451	\$ 2,214,302

**OPEB Expense and Deferred Outflows of Resources Related to OPEB** – For the year ended June 30, 2021, the City recognized OPEB expense of \$205,572. At June 30, 2021, the City reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 48,718	\$ 226,806
Changes in assumptions	-	75,850
Change in demographics	54,217	-
Total	\$ 102,935	\$ 302,656

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

Year ending June 30,	Amount
2022	\$ (10,579)
2023	(10,579)
2024	(10,579)
2025	(10,579)
2026	(10,579)
Thereafter	(146,826)
	\$ (199,721)

**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. The reinsurance does not limit the amount of liability 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, 2021 were \$91,440.

### **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, 2021 were \$318,231. 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, 2021, no liability has been recorded in the City's financial statements. As of June 30, 2021, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 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. As of June 30, 2021 one additional Des Moines suburb obtained an equity interest in Westcom. Westcom was established as an undivided interest ownership arrangement, whereby titles to assets in Westcom are held individually by the equity partners. 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 one additional community which is not an equity partner, but subscribes to the services provided. The City showed expenditures of \$1,030,928 and has an undivided interest in assets of the operation, net of depreciation, totaling \$756,363 as of June 30, 2021. Westcom does not issue separate financial statements. Their operations are included in the financial statements of the City of West Des Moines.

### **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, 2021.

**Loan Guarantees**

The City is providing loan guarantees for the Urbandale Little League and Urbandale Girls Recreation Assoc. which approximated \$28,100 at June 30, 2021.

**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 \$10.54 million exist, of which \$1,284,085 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, 2021, the following construction and purchase commitments had been made:

Project	2021	
	Total Contracts	Amount Remaining on Contracts
Capital Projects Fund	\$ 64,588,847	\$ 19,599,927
Sanitary Sewer	455,666	291,605
Storm Sewer	45,125	45,125
Road Use Tax Fund	75,155	75,155
Total	\$ 65,666,523	\$ 20,011,812

**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, 2021 to contribute to Des Moines Water Works \$4,381,498.

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

Years Ending <u>June 30,</u>	<u>Saylorville Treatment Plant</u>
2022	\$ 1,091,127
2023	1,092,131
2024	1,094,083
2025	834,990
2026	<u>269,167</u>
	<u><u>\$ 4,381,498</u></u>

**Note 11 - Tax Abatements**

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, 2021, the City abated \$482,726 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, 2021 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, 2021:

Transfer to General Fund from	
Nonmajor governmental funds	\$ 785,562
Total transfers to General Fund	<u>785,562</u>
Transfer to Capital Projects Fund from	
General fund	194,000
Road use fund	2,121,800
Storm water utility fund	<u>1,325,000</u>
Total transfers to Capital Projects Fund	<u>3,640,800</u>
Transfer to Debt Service Fund from	
Nonmajor governmental funds	6,920,000
Tax increment financing fund	<u>5,362,002</u>
Total transfers to Debt Service Fund	<u>12,282,002</u>
Transfer to Nonmajor Governmental Funds from	
Nonmajor government funds	372,851
General fund	<u>40,000</u>
Total transfers to nonmajor funds	<u>412,851</u>
	<u>\$ 17,121,215</u>

Transfers are primarily used to (1) move revenue from the fund that statute or budget requires them to be collected into 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

**Note 13 – Accounting Change/Restatement**

Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities, was implemented during fiscal year 2021. The new requirements change the definition of fiduciary activity and establish new financial reporting requirements for state and local governments which report fiduciary activity.

The restatements to retroactively report the change in net position, are as follows:

	Fiduciary Activities Custodial Fund
Net Position June 30, 2020, as previously reported	\$ -
Change to implement GASBS No. 84	<u>498,690</u>
Net Position July 1, 2020, as restated	<u>\$ 498,690</u>

**Note 14 – COVID-19**

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United States continues to evolve. The full impact to local, regional and national economies, including that of the City of Urbandale, remains uncertain.

To date, the outbreak has not created a material disruption to the operations of the City of Urbandale. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to the City of Urbandale.



Financial Section  
Required Supplementary Financial Schedules  
June 30, 2021  
**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, 2021

	Governmental Funds Actual	Enterprise Fund Actual	Total	Budgeted Amounts		Final to Actual Variance
				Original	Final	
<b>Receipts:</b>						
Property tax	\$ 32,519,649	-	32,519,649	32,019,903	32,019,903	499,746
Tax increment financing	9,870,159	-	9,870,159	9,703,613	9,703,613	166,546
Other city tax	10,514,073	-	10,514,073	10,734,088	10,734,088	(220,015)
Licenses and permits	1,522,529	-	1,522,529	1,142,000	1,142,000	380,529
Use of money and property	556,174	33,357	589,531	1,307,250	1,307,250	(717,719)
Intergovernmental	10,414,305	-	10,414,305	8,265,000	9,286,000	1,128,305
Charges for services	4,391,703	2,369,552	6,761,255	7,090,000	6,933,300	(172,045)
Special assessments	772,570	-	772,570	1,570,000	1,570,000	(797,430)
Miscellaneous	560,947	-	560,947	1,112,300	1,129,800	(568,853)
<b>Total receipts</b>	<b>71,122,109</b>	<b>2,402,909</b>	<b>73,525,018</b>	<b>72,944,154</b>	<b>73,825,954</b>	<b>(300,936)</b>
<b>Disbursements:</b>						
Public safety	17,726,695	-	17,726,695	18,203,338	18,958,138	1,231,443
Public works	8,924,906	-	8,924,906	9,446,124	9,454,124	529,218
Health and Social Services	164,000	-	164,000	300,000	183,000	19,000
Culture and recreation	7,559,000	-	7,559,000	9,159,219	9,376,219	1,817,219
Community and economic development	2,439,454	-	2,439,454	3,037,004	3,038,004	598,550
General government	3,748,042	-	3,748,042	4,146,935	4,149,935	401,893
Debt Service	18,341,238	-	18,341,238	18,218,837	18,343,837	2,599
Capital projects	20,417,434	-	20,417,434	28,000,000	28,000,000	7,582,566
<b>Total disbursements</b>	<b>79,320,769</b>	<b>-</b>	<b>79,320,769</b>	<b>90,511,457</b>	<b>91,503,257</b>	<b>12,182,488</b>
Business-type activities	-	679,132	679,132	705,641	705,641	26,509
<b>Total all disbursements</b>	<b>79,320,769</b>	<b>679,132</b>	<b>79,999,901</b>	<b>91,217,098</b>	<b>92,208,898</b>	<b>12,208,997</b>
Excess (Deficiency) of Receipts Over (Under) Disbursements	(8,198,660)	1,723,777	(6,474,883)	(18,272,944)	(18,382,944)	(11,908,061)
Other financing sources, net	11,268,528	(1,325,000)	9,943,528	21,268,100	21,268,100	11,324,572
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	3,069,868	398,777	3,468,645	2,995,156	2,885,156	(583,489)
Fund Balances at Beginning of Year	70,847,347	4,949,331	75,796,678	65,338,079	65,338,079	10,458,599
Fund Balances at End of Year	\$ 73,917,215	5,348,108	79,265,323	68,333,235	68,223,235	9,875,110
<b>Governmental Funds</b>						
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	<b>Enterprise Fund</b>		
				Cash Basis	Accrual Adjustments	Full Accrual Basis
Revenues	\$ 71,122,109	268,495	71,390,604	2,402,909	(3,030)	2,399,879
Expenditures/Expenses	79,320,769	(134,796)	79,185,973	679,132	42,567	721,699
Net	(8,198,660)	403,291	(7,795,369)	1,723,777	(45,597)	1,678,180
Other Financing Sources, Net	11,268,528	53,890	11,322,418	(1,325,000)	-	(1,325,000)
Beginning Fund Balances/Net Position	70,847,347	(3,170,722)	67,676,625	4,949,331	(201,065)	4,748,266
Ending Fund Balances/Net Position	\$ 73,917,215	(2,713,541)	71,203,674	5,348,108	(246,662)	5,101,446

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 except the Internal Service Funds and Custodial 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 31, 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, 2021 was amended once during the year to allow the City to increase disbursements, by a total of \$2,582,140 and increased receipts by \$1,510,800, including transfers. The budget amendments are reflected in the final budgeted amounts.

The actual expenditures of the Water Utility were \$20,947,118 compared to a legal budget of \$22,267,462 for the year ended June 30, 2021.

City of Urbandale, Iowa  
Schedule of Changes in the City of Urbandale's Total OPEB Liability and Related Ratios  
As of June 30, 2021  
Required Supplementary Information

	2021	2020	2019	2018
Service cost	\$ 152,349	\$ 156,761	140,125	140,336
Interest cost	63,802	62,591	73,716	65,090
Differences between expected and actual experiences	(62,209)	(150,796)	(38,963)	62,354
Changes in assumptions	-	(24,215)	-	-
Benefit payments	(105,429)	(127,171)	(34,516)	(44,325)
Net change in total OPEB liability	48,513	(82,830)	140,362	223,455
Total OPEB liability beginning of year	1,915,938	1,998,768	\$ 1,858,406	\$ 1,634,951
Total OPEB liability end of year	1,964,451	1,915,938	1,998,768	1,858,406
Covered-employee payroll	\$ 16,128,017	\$ 16,315,619	\$ 15,369,269	\$ 14,385,608
Total OPEB liability as a percentage of covered -employee payroll	12.2%	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, 2021 3.15%

Year ended June 30, 2020 3.15%

Year ended June 30, 2019 3.72%

Year ended June 30, 2018 3.72%

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

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, 2021  
Required Supplementary Information

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
City's Proportion of the Net Pension Liability (Asset)	0.1071528%	0.1077769%	0.1130740%	0.1141771%	0.1193193%	0.1217931%	0.1196170%
City's Proportion of the Net Pension Liability (Asset)	\$ 4,249,584	\$ 5,324,699	\$ 7,116,101	\$ 7,605,638	\$ 7,550,817	\$ 7,052,620	\$ 8,402,772
City's Covered Payroll	\$ 7,459,941	\$ 7,651,554	\$ 8,312,473	\$ 8,680,732	\$ 9,148,116	\$ 9,379,664	\$ 9,585,528
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%	87.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.61%	85.19%	81.82%	82.21%	83.62%	85.45%	82.90%

\* 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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Statutorily Required Contribution	\$ 566,352	\$ 595,703	\$ 670,248	\$ 686,035	\$ 743,668	\$ 776,981	\$ 818,824	\$ 886,237	\$ 903,989	\$ 922,666
Contributions in Relation to the Statutorily Required Contribution	566,352	595,703	670,248	686,035	743,668	776,981	818,824	886,237	903,989	922,666
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 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	\$ 9,768,531
Contributions as a Percentage of Covered Payroll	8.15%	8.75%	8.98%	8.97%	8.95%	8.95%	8.95%	9.45%	9.43%	9.45%

See accompanying notes to required supplementary information.

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  
As of June 30, 2021  
Required Supplementary Information

	2015	2016	2017	2018	2019	2020	2021
City's Proportion of the Net Pension Liability (Asset)	1.809265%	1.892653%	1.936615%	2.028049%	2.098126%	2.181612%	2.319207%
City's Proportion of the Net Pension Liability (Asset)	\$ 6,558,490	\$ 8,891,955	\$ 12,108,897	\$ 11,894,002	\$ 12,492,321	\$ 14,309,773	\$ 18,498,002
City's Covered Payroll	\$ 4,620,089	\$ 4,955,565	\$ 5,240,225	\$ 5,663,067	\$ 5,934,150	\$ 6,604,031	\$ 7,325,841
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%	252.5%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability.	86.27%	83.04%	78.20%	80.60%	81.07%	79.94%	76.47%

\* 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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Statutorily Required Contribution	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	1,960,283
Contributions in Relation to the Statutorily Required Contribution	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	1,960,283
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
City's Covered Payroll	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	7,613,916
Contributions as a Percentage of Covered Payroll	25.04%	26.12%	30.12%	30.41%	27.77%	25.92%	25.68%	26.02%	24.41%	25.75%

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.

Other Supplementary Information  
June 30, 2021

**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.

**Metro Salt Storage** – to account for funds received for the usage and rental of a jointly owned salt storage facility located in Grimes, Iowa, and related maintenance expenditures that result.

**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, 2021

	<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>Metro Salt Storage</u>	<u>Miracle League Complex Donations</u>
<b>Assets</b>										
Cash and pooled cash investments	\$ 131,992	23,486	34,289	242,341	2,278,393	238,508	178,697	415,683	80,002	11,601
Taxes receivable										
Current	475,526	-	2,050	68,082	68,082	237,319	237,319	-	-	-
Succeeding year	-	336,280	1,244,237	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-	13,500	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 607,518</u>	<u>359,766</u>	<u>1,280,576</u>	<u>310,423</u>	<u>2,346,475</u>	<u>475,827</u>	<u>416,016</u>	<u>429,183</u>	<u>80,002</u>	<u>11,601</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>										
<b>Liabilities</b>										
Accounts payable	\$ 271,729	-	-	-	-	-	-	-	471	-
Total liabilities	<u>271,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>471</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>										
Unavailable revenue succeeding yr										
property tax	-	336,280	1,244,237	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>336,280</u>	<u>1,244,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>										
Restricted	335,789	23,486	36,339	310,423	2,346,475	475,827	416,016	13,500	79,531	11,601
Committed	-	-	-	-	-	-	-	415,683	-	-
Total fund balances	<u>335,789</u>	<u>23,486</u>	<u>36,339</u>	<u>310,423</u>	<u>2,346,475</u>	<u>475,827</u>	<u>416,016</u>	<u>429,183</u>	<u>79,531</u>	<u>11,601</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 607,518</u>	<u>359,766</u>	<u>1,280,576</u>	<u>310,423</u>	<u>2,346,475</u>	<u>475,827</u>	<u>416,016</u>	<u>429,183</u>	<u>80,002</u>	<u>11,601</u>

City of Urbandale, Iowa  
Schedule 1 – Combining Balance Sheet Information  
Nonmajor Governmental Funds  
June 30, 2021

	Library Donations	Dunlap Arboretum	Fire Donation	Fire Training Tower	Evidence and Forfeited Property	Federal Forfeited Property	Police Donations	Tobacco Inspection	Making A Connection - MAC	Senior Center Activites	Total
<b>Assets</b>											
Cash and pooled cash investments	\$ 290,198	18,192	21,912	15,247	20,927	1,426	79,290	21,267	216,733	15,238	4,335,422
Taxes receivable											
Current	-	-	-	-	-	-	-	-	-	-	1,088,378
Succeeding year	-	-	-	-	-	-	-	-	-	-	1,580,517
Loans receivable	-	-	-	-	-	-	-	-	-	-	13,500
Accounts receivable	3,023	-	-	900	-	-	-	-	-	-	3,923
Total assets	<u>\$ 293,221</u>	<u>18,192</u>	<u>21,912</u>	<u>16,147</u>	<u>20,927</u>	<u>1,426</u>	<u>79,290</u>	<u>21,267</u>	<u>216,733</u>	<u>15,238</u>	<u>7,021,740</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>											
<b>Liabilities</b>											
Accounts payable	\$ 2,225	1,026	-	9,242	-	-	-	-	6,035	-	290,728
Total liabilities	<u>2,225</u>	<u>1,026</u>	<u>-</u>	<u>9,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,035</u>	<u>-</u>	<u>290,728</u>
<b>Deferred Inflows of Resources</b>											
Unavailable revenue succeeding yr property tax	-	-	-	-	-	-	-	-	-	-	1,580,517
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,580,517</u>
<b>Fund Balances</b>											
Restricted	290,996	17,166	21,912	6,905	20,927	1,426	79,290	21,267	210,698	15,238	4,734,812
Committed	-	-	-	-	-	-	-	-	-	-	415,683
Total fund balances	<u>290,996</u>	<u>17,166</u>	<u>21,912</u>	<u>6,905</u>	<u>20,927</u>	<u>1,426</u>	<u>79,290</u>	<u>21,267</u>	<u>210,698</u>	<u>15,238</u>	<u>5,150,495</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 293,221</u>	<u>18,192</u>	<u>21,912</u>	<u>16,147</u>	<u>20,927</u>	<u>1,426</u>	<u>79,290</u>	<u>21,267</u>	<u>216,733</u>	<u>15,238</u>	<u>7,021,740</u>

See accompanying notes to required supplementary information.

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, 2021

	<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>Metro Salt Storage Facility</u>	<u>Miracle League Complex Donations</u>
<b>Revenues</b>										
Taxes	\$ 1,695,099	324,764	1,039,127	895,803	895,803	3,012,947	3,012,947	-	-	-
Use of Money and Property	-	1,580	718	2,603	12,141	9,876	9,145	2,689	375	279
Intergovernmental	-	9,761	33,552	-	-	-	-	-	85,296	3,436
Charges for Services	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	12,101
<b>Total revenues</b>	<b>1,695,099</b>	<b>336,105</b>	<b>1,073,397</b>	<b>898,406</b>	<b>907,944</b>	<b>3,022,823</b>	<b>3,022,092</b>	<b>2,689</b>	<b>85,671</b>	<b>15,816</b>
<b>Expenditures</b>										
<b>Current Operating Expenditures</b>										
Public safety	\$ -	332,894	1,050,000	-	-	-	-	-	-	-
Public works	-	138,236	-	-	-	-	-	-	6,140	-
Culture and recreation	1,006,582	135,415	-	-	-	-	-	-	-	186,061
Community and Economic Dev	-	36,675	-	-	-	-	-	-	-	-
General Government	-	50,780	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,006,582</b>	<b>694,000</b>	<b>1,050,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,140</b>	<b>186,061</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	688,517	(357,895)	23,397	898,406	907,944	3,022,823	3,022,092	2,689	79,531	(170,245)
Transfers In	-	372,851	-	-	-	-	-	-	-	-
Transfers Out	(485,562)	-	-	(872,851)	-	(3,330,460)	(3,389,540)	-	-	-
<b>Total transfers</b>	<b>(485,562)</b>	<b>372,851</b>	<b>-</b>	<b>(872,851)</b>	<b>-</b>	<b>(3,330,460)</b>	<b>(3,389,540)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Changes in Fund Balances	202,955	14,956	23,397	25,555	907,944	(307,637)	(367,448)	2,689	79,531	(170,245)
Fund Balances - Beginning	132,834	8,530	12,942	284,868	1,438,531	783,464	783,464	426,494	-	181,846
Fund Balances - Ending	\$ 335,789	23,486	36,339	310,423	2,346,475	475,827	416,016	429,183	79,531	11,601

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, 2021

	Library Donations	Dunlap Arboretum	Fire Donation	Fire Training Tower	Evidence & Forfeited Property	Federal Forfeited Property	Police Donations	Tobacco Inspection	Making A Connection - MAC	Senior Center Activites	Total
<b>Revenues</b>											
Taxes	\$ -	-	-	-	-	-	-	-	-	-	10,876,490
Use of Money and Property	1,872	140	156	94	65	10	149	130	1,189	102	43,313
Intergovernmental	73,196	-	-	-	-	-	-	2,400	-	-	207,641
Charges for Services	-	-	-	4,900	-	-	-	-	-	1,279	6,179
Miscellaneous	12,242	5,000	4,660	-	137	-	73,158	-	215	-	107,513
Total revenues	<u>87,310</u>	<u>5,140</u>	<u>4,816</u>	<u>4,994</u>	<u>202</u>	<u>10</u>	<u>73,307</u>	<u>2,530</u>	<u>1,404</u>	<u>1,381</u>	<u>11,241,136</u>
<b>Expenditures</b>											
<b>Current Operating Expenditures</b>											
Public safety	\$ -	-	8,458	11,589	12,655	-	9,107	173	-	-	1,424,876
Public works	-	-	-	-	-	-	-	-	-	-	144,376
Culture and recreation	54,428	11,437	-	-	-	-	-	-	13,664	1,545	1,409,132
Community and Economic Dev	-	-	-	-	-	-	-	-	-	-	36,675
General Government	-	-	-	-	-	-	-	-	-	-	50,780
Total expenditures	<u>54,428</u>	<u>11,437</u>	<u>8,458</u>	<u>11,589</u>	<u>12,655</u>	<u>-</u>	<u>9,107</u>	<u>173</u>	<u>13,664</u>	<u>1,545</u>	<u>3,065,839</u>
<b>Excess (Deficiency) of Revenues</b>											
Over (Under) Expenditures	<u>32,882</u>	<u>(6,297)</u>	<u>(3,642)</u>	<u>(6,595)</u>	<u>(12,453)</u>	<u>10</u>	<u>64,200</u>	<u>2,357</u>	<u>(12,260)</u>	<u>(164)</u>	<u>8,175,297</u>
Transfers In	-	-	-	-	-	-	-	-	40,000	-	412,851
Transfers Out	-	-	-	-	-	-	-	-	-	-	(8,078,413)
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>(7,665,562)</u>
Net Changes in Fund Balances	32,882	(6,297)	(3,642)	(6,595)	(12,453)	10	64,200	2,357	27,740	(164)	509,735
Fund Balances - Beginning	258,114	23,463	25,554	13,500	33,380	1,416	15,090	18,910	182,958	15,402	4,640,760
Fund Balances - Ending	\$ <u>290,996</u>	<u>17,166</u>	<u>21,912</u>	<u>6,905</u>	<u>20,927</u>	<u>1,426</u>	<u>79,290</u>	<u>21,267</u>	<u>210,698</u>	<u>15,238</u>	<u>5,150,495</u>

See accompanying notes to required supplementary information.

City of Urbandale, Iowa  
Schedule 3 – Combining Statement of Net Position – Proprietary Funds – Internal Service Funds  
June 30, 2021

	Risk Management	General Liability	Equipment Replacement	Technology	Building Maintenance	Fleet Management	Total Governmental activities - Internal Service Funds
<b>Assets</b>							
<b>Current Assets</b>							
Cash and pooled cash investments	\$ 4,348,805	835,741	5,023,064	135,377	1,440,389	161,560	11,944,936
Due from other governments	36,560	-	-	-	-	-	36,560
Accounts receivable	10,875	11,482	-	1,771	-	-	24,128
Due from component unit	-	318	-	-	-	-	318
Total current assets	<u>4,396,240</u>	<u>847,541</u>	<u>5,023,064</u>	<u>137,148</u>	<u>1,440,389</u>	<u>161,560</u>	<u>12,005,942</u>
<b>Non-current Assets</b>							
Capital assets, net	-	-	3,824,435	-	1,646,498	-	5,470,933
Total assets	<u>4,396,240</u>	<u>847,541</u>	<u>8,847,499</u>	<u>137,148</u>	<u>3,086,887</u>	<u>161,560</u>	<u>17,476,875</u>
<b>Deferred Outflows of Resources</b>							
Pension related deferred outflows	-	-	-	-	35,475	53,602	89,077
OPEB related deferred outflow	-	-	-	-	1,763	2,831	4,594
Total assets and deferred outflows of resources	<u>\$ 4,396,240</u>	<u>847,541</u>	<u>8,847,499</u>	<u>137,148</u>	<u>3,124,125</u>	<u>217,993</u>	<u>17,570,546</u>
<b>Liabilities</b>							
<b>Current Liabilities</b>							
Accounts payable	\$ 448,842	7,128	59,388	7,537	7,021	40,744	570,660
Compensation and payroll taxes	-	-	-	-	13,490	18,406	31,896
Compensated absences payable - current	-	-	-	-	12,221	8,295	20,516
Employee benefits payable	-	-	-	-	884	1,669	2,553
Total current liabilities	<u>448,842</u>	<u>7,128</u>	<u>59,388</u>	<u>7,537</u>	<u>33,616</u>	<u>69,114</u>	<u>625,625</u>
<b>Noncurrent Liabilities</b>							
Compensated absences payable	-	-	-	-	4,643	18,923	23,566
Net pension liability	-	-	-	-	145,368	219,645	365,013
Total OPEB liability	-	-	-	-	33,840	54,022	87,862
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,851</u>	<u>292,590</u>	<u>476,441</u>
Total liabilities	<u>448,842</u>	<u>7,128</u>	<u>59,388</u>	<u>7,537</u>	<u>217,467</u>	<u>361,704</u>	<u>1,102,066</u>
<b>Deferred Inflows of Resources</b>							
Pension related deferred inflows	-	-	-	-	4,107	6,206	10,313
OPEB related deferred inflows	-	-	-	-	5,195	8,323	13,518
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,302</u>	<u>14,529</u>	<u>23,831</u>
Total liabilities and deferred inflows of resources	<u>448,842</u>	<u>7,128</u>	<u>59,388</u>	<u>7,537</u>	<u>226,769</u>	<u>376,233</u>	<u>1,125,897</u>
<b>Net Position</b>							
Invested in capital assets	-	-	3,824,435	-	1,646,498	-	5,470,933
Unrestricted	3,947,398	840,413	4,963,676	129,611	1,250,858	(158,240)	10,973,716
Total net position	<u>\$ 3,947,398</u>	<u>840,413</u>	<u>8,788,111</u>	<u>129,611</u>	<u>2,897,356</u>	<u>(158,240)</u>	<u>16,444,649</u>

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, 2021

	Risk Management	General Liability	Equipment Replacement	Technology	Building Maintenance	Fleet Management	Total Governmental activities - Internal Service Funds
<b>Operating Revenues</b>							
Charges for services	\$ 5,750,002	564,000	1,380,103	-	1,147,557	864,800	9,706,462
Other	<u>1,140,808</u>	<u>20,610</u>	<u>-</u>	<u>25,426</u>	<u>-</u>	<u>-</u>	<u>1,186,844</u>
Total operating revenues	<u>6,890,810</u>	<u>584,610</u>	<u>1,380,103</u>	<u>25,426</u>	<u>1,147,557</u>	<u>864,800</u>	<u>10,893,306</u>
<b>Operating Expenses</b>							
Insurance premiums and claims	\$ 4,707,707	589,716	-	-	-	-	5,297,423
Building maintenance	-	-	-	-	240,910	-	240,910
Data processing	-	-	-	43,983	-	-	43,983
Fleet maintenance	-	-	-	-	-	350,738	350,738
Administration	5,886	23,643	-	-	279,514	675,586	984,629
Depreciation	<u>-</u>	<u>-</u>	<u>993,160</u>	<u>-</u>	<u>144,018</u>	<u>-</u>	<u>1,137,178</u>
Total operating expenses	<u>4,713,593</u>	<u>613,359</u>	<u>993,160</u>	<u>43,983</u>	<u>664,442</u>	<u>1,026,324</u>	<u>8,054,861</u>
Operating income (loss)	<u>2,177,217</u>	<u>(28,749)</u>	<u>386,943</u>	<u>(18,557)</u>	<u>483,115</u>	<u>(161,524)</u>	<u>2,838,445</u>
<b>Nonoperating Revenues (Expenses)</b>							
Interest income	\$ 36,687	6,237	35,159	920	11,631	3,284	93,918
Gain (loss) on disposals of equipment	<u>-</u>	<u>-</u>	<u>8,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,623</u>
Total nonoperating revenues (expenses)	<u>36,687</u>	<u>6,237</u>	<u>43,782</u>	<u>920</u>	<u>11,631</u>	<u>3,284</u>	<u>102,541</u>
Change in net position	2,213,904	(22,512)	430,725	(17,637)	494,746	(158,240)	2,940,986
Net Position at Beginning 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>-</u>	<u>13,503,663</u>
Net Position at End of Year	<u>\$ 3,947,398</u>	<u>840,413</u>	<u>8,788,111</u>	<u>129,611</u>	<u>2,897,356</u>	<u>(158,240)</u>	<u>16,444,649</u>

See accompanying notes to required supplementary information.

City of Urbandale, Iowa

Schedule 5 – Combining Statement of Cash Flows – Proprietary Funds – Internal Service Funds  
For the fiscal year ending June 30, 2021

	Risk Management	General Liability	Equipment Replacement	Technology	Building Maintenance	Fleet Maintenance	Total Governmental activities - Internal Service Funds
<b>Cash Flows from Operating Activities</b>							
Receipts from customers and users	\$ 6,868,253	596,873	1,412,498	25,232	1,147,557	864,800	10,915,213
Payments to employees	-	-	-	-	(240,246)	(396,530)	(636,776)
Payments to suppliers	(4,621,201)	(635,641)	-	(40,966)	(413,836)	(309,994)	(6,021,638)
Net cash provided by (used in) operating activities	<u>2,247,052</u>	<u>(38,768)</u>	<u>1,412,498</u>	<u>(15,734)</u>	<u>493,475</u>	<u>158,276</u>	<u>4,256,799</u>
<b>Cash Flows from Capital and Related Financing Activities</b>							
Purchase of capital assets	-	-	(991,642)	-	(175,102)	-	(1,166,744)
Proceeds from disposal of capital assets	-	-	8,623	-	-	-	8,623
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(983,019)</u>	<u>-</u>	<u>(175,102)</u>	<u>-</u>	<u>(1,158,121)</u>
<b>Cash Flows from Investing Activities</b>							
Interest on investments	<u>36,687</u>	<u>6,237</u>	<u>35,159</u>	<u>920</u>	<u>11,631</u>	<u>3,284</u>	<u>93,918</u>
Net increase (decrease) in cash and cash equivalents	2,283,739	(32,531)	464,638	(14,814)	330,004	161,560	3,192,596
Cash and Cash Equivalents at Beginning of Year	2,065,066	868,272	4,558,426	150,191	1,110,385	-	8,752,340
Cash and Cash Equivalents at End of Year	<u>\$ 4,348,805</u>	<u>835,741</u>	<u>5,023,064</u>	<u>135,377</u>	<u>1,440,389</u>	<u>161,560</u>	<u>11,944,936</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash provided by (used in) Operating Activities</b>							
Operating income (loss)	\$ 2,177,217	(28,749)	386,943	(18,557)	483,115	(161,524)	2,838,445
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities							
Depreciation	-	-	993,160	-	144,018	-	1,137,178
Change in deferred inflows related to pension	-	-	-	-	(14,619)	6,206	(8,413)
Change in deferred inflows related to OPEB	-	-	-	-	774	8,323	9,097
Change in deferred outflows related to pension	-	-	-	-	389	(53,602)	(53,213)
Change in deferred outflows related to OPEB	-	-	-	-	114	(2,831)	(2,717)
Change in due from customers and users	(22,557)	12,263	32,395	(194)	-	-	21,907
Change in OPEB liability	-	-	-	-	835	54,022	54,857
Change in net pension liability	-	-	-	-	20,537	219,645	240,182
Change in compensated absences	-	-	-	-	16,864	27,218	44,082
Change in compensation and benefits payable	-	-	-	-	14,374	20,075	34,449
Change in accounts payable and accrued liabilities	92,392	(22,282)	-	3,017	(172,926)	40,744	(59,055)
Net cash provided by (used in) operating activities	<u>\$ 2,247,052</u>	<u>(38,768)</u>	<u>1,412,498</u>	<u>(15,734)</u>	<u>493,475</u>	<u>158,276</u>	<u>4,256,799</u>

Statistical Section (Unaudited)  
June 30, 2021

**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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities:										
Public Safety	\$ 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	19,762,939
Public Works	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	18,903,777
Health and social services	-	-	-	-	-	-	-	-	-	171,065
Culture and recreation	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	7,944,408
Community and economic development	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	2,497,644
General government	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	4,200,031
Interest on long-term debt	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	2,323,113
Total governmental activities expenses	\$ 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	55,802,977
Business-type activities:										
Storm Water Utility	295,295	390,230	312,724	387,436	445,086	436,735	477,178	495,595	524,236	721,699
Total primary government expenses	\$ 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	56,524,676
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Public safety	\$ 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	2,124,600
Public works	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	3,437,646
Culture and recreation	832,949	634,281	624,342	640,601	665,413	769,155	797,805	821,025	563,219	277,809
Community and economic development	705,479	819,023	892,908	967,109	773,572	702,716	949,584	900,170	807,153	1,218,648
General government	-	-	-	-	-	-	-	-	-	21,153
Operating grants and contributions	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	8,126,767
Capital grants and contributions	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	7,868,091
Total governmental activities program revenues	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	23,074,714
Business-type activities:										
Storm Water Utility:										
Charges for services	597,750	698,093	707,086	716,496	1,472,836	2,236,760	2,232,502	2,294,039	2,333,542	2,366,522
Total business-type activities revenues	597,750	698,093	707,086	716,496	1,472,836	2,236,760	2,232,502	2,294,039	2,333,542	2,366,522
Total primary government revenues	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	25,441,236
Net primary government (expense)/revenue	\$ (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)	(31,083,440)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	32,407,700
Tax increment financing district tax	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	9,757,085
Local option sales and service tax	-	-	-	-	-	-	-	1,238,762	4,488,166	7,817,500
Hotel Motel tax	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	1,209,235
Franchise fees	312,006	299,346	298,039	287,041	282,851	273,809	264,239	265,366	262,266	256,022
Utility excise tax	591,200	599,831	590,809	632,362	627,323	642,269	730,395	863,682	1,155,404	1,191,293
State property tax replacement funds	-	-	-	425,787	984,612	976,769	967,568	968,191	1,010,641	994,074
Investment earnings	129,415	113,401	134,473	131,496	142,201	203,241	654,244	1,465,790	1,240,611	496,865
Miscellaneous	179,892	228,567	163,893	111,006	158,875	147,592	128,652	106,892	175,755	1,435,635
Total governmental activities	\$ 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	55,565,409
Change in Net Position	\$ 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	24,481,969

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>
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
2021	32,407,700	9,757,085	1,209,235	256,022	1,191,293	7,817,500	52,638,835

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

	<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>	<u>2021</u>
Governmental activities:										
Net investment in capital assets	\$ 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	190,603,950
Restricted	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	39,874,267
Unrestricted	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)	3,241,943
Total governmental activities net position	\$ <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>	<u>233,720,160</u>
Business-type activities:										
Unrestricted	<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>	<u>5,101,446</u>
Primary government:										
Net investment in capital assets	\$ 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	190,603,950
Restricted	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	39,874,267
Unrestricted	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	8,343,389
Total governmental activities net position	\$ <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>	<u>238,821,606</u>

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

	<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>	<u>2021</u>
General Fund										
Nonspendable	\$ 13,877	\$ 13,580	\$ 10,773	\$ 15,526	\$ 15,752	\$ 14,050	\$ 12,814	\$ 8,453	\$ 15,027	\$ 12,601
Unassigned	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	15,553,580
Total general fund	<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>	<u>\$ 15,566,181</u>
All other governmental funds										
Nonspendable	\$ 401,673	\$ 192,155	\$ 268,966	\$ 210,648	\$ 223,584	\$ 223,050	\$ 325,077	\$ 269,450	\$ 179,189	\$ 204,179
Restricted	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	53,640,950
Committed	-	-	-	254,040	409,285	409,924	412,350	419,375	408,494	415,683
Assigned	1,215,951	1,150,672	664,060	45,014	12,451	8,503	129,375	563,134	1,203,419	1,376,681
Total all other governmental funds	<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>	<u>\$ 55,637,493</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)

	<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>	<u>2021</u>
<b>Revenues:</b>										
Taxes	\$ 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	\$ 53,120,888
Special assessments	1,643,468	167,444	264,089	311,596	879,283	508,857	1,960,823	627,167	570,458	772,669
Licenses and permits	857,111	1,039,129	1,081,782	987,725	982,423	905,226	1,260,628	1,161,861	1,038,998	1,508,071
Use of money and property	101,276	100,595	102,954	100,091	113,206	173,207	561,365	1,194,349	936,220	483,929
Intergovernmental	4,887,361	6,418,693	4,992,899	6,061,930	7,829,819	9,415,612	6,934,921	8,336,932	9,440,776	10,597,287
Charges for services	3,618,859	3,629,760	4,077,685	4,071,893	4,235,819	4,892,130	4,403,990	4,742,018	4,814,865	4,196,346
Miscellaneous	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	711,414
Total revenues	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	71,390,604
<b>Expenditures:</b>										
Public safety	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	17,825,140
Public works	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	9,226,611
Health and social services	-	-	-	-	-	-	-	-	-	171,065
Culture and recreation	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	7,752,849
Community and economic development	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	2,455,774
General government	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	3,766,698
Capital outlay	12,277,796	11,714,865	11,406,564	17,534,609	23,901,998	18,464,048	13,487,816	20,380,137	27,865,446	19,646,598
Debt service										
Principal	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	15,670,000
Interest	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	2,671,238
Total expenditures	48,108,441	51,327,897	50,319,737	56,816,910	63,037,402	62,683,816	62,669,443	80,636,849	80,370,743	79,185,973
Excess of revenues over (under) expenditures	(7,176,398)	(7,387,034)	(7,023,906)	(11,346,833)	(13,780,741)	(8,544,664)	(9,241,062)	(21,459,903)	(14,760,329)	(7,795,369)
<b>Other financing sources (uses):</b>										
General obligation bond and loan proceeds	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	9,100,000
Refunding bond issuance	2,325,000	-	2,670,000	3,950,000	4,230,000	3,230,592	-	-	-	-
Current refunding of general obligation debt	(2,330,000)	-	(2,670,000)	(4,045,000)	(5,350,000)	(3,275,000)	-	-	-	-
Premium/discounts on bonds	113,886	247,719	283,071	247,506	720,743	1,023,543	737,873	1,529,660	893,362	897,418
Transfers in	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	17,121,215
Transfers out	(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)	(15,796,215)
Total other financing sources (uses)	6,718,886	10,012,719	9,618,071	10,502,506	25,858,243	15,788,543	20,043,215	27,531,260	18,595,161	11,322,418
Net change in fund balances	\$ (457,512)	\$ 2,625,685	\$ 2,594,165	\$ (844,327)	\$ 12,077,502	\$ 7,243,879	\$ 10,802,153	\$ 6,071,357	\$ 3,834,832	\$ 3,527,049
Debt service as a percentage of expenditures, net of capital outlay	25.49%	28.18%	26.38%	24.75%	23.22%	24.92%	29.26%	38.82%	26.15%	33.40%

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>
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
2021	32,407,700	9,757,085	1,695,099	252,212	1,191,292	7,817,500	53,120,888

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				Utility Replacement	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**						
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%
2021*	4,099,964,779	855,776,021	111,655,309	350,771,193	227,242,350	2,811,336	5,642,598,316	10.16	3,534,664,135	159.64%

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, 2021

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Mid-American Energy	\$ 114,267,001	1	3.233%	\$ -		0.000%
Aurora Business Park I LLC	42,457,441	2	1.201%	43,268,100	1	1.737%
Homemakers Plaza Inc	33,747,480	3	0.955%	26,625,020	3	1.069%
Marsh I LLC	26,190,000	4	0.741%	30,410,000	2	1.221%
Deerfield Retirement Community Inc	20,212,268	5	0.572%	21,741,780	4	0.873%
Terraza 18 LLC	20,160,000	6	0.570%			
BAP 2018 LLC	19,548,000	7	0.553%			
Berkley Holdings Corp.	18,473,400	8	0.523%	18,467,600	8	0.741%
Westpointe Owner LLC	18,240,000	9	0.516%			
Hy-Vee Inc.	16,876,679	10	0.477%			
Meredith Drive Assoc				20,050,000	5	0.805%
Park Avenue Partners				19,844,000	6	0.797%
City I LLC				19,630,000	7	0.788%
Nottingham Square Apts				17,579,100	9	0.706%
Ladco Properties				16,139,000	10	0.648%

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
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%
2021	33,189,015	33,710,941	101.57%	N/A **	33,710,941	101.57%

**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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Premium/Discount on Bonds</u>	<u>GO General Fund Capital Notes</u>	<u>Total Primary Government Outstanding Debt</u>	<u>Total Outstanding Debt Per Capita</u>	<u>Percentage of Total Debt Outstanding to Median Family Income</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Net General Obligation Debt Outstanding</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Net General Bonded Debt Per Capita</u>
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
2021	75,145,000	4,148,153	-	79,293,153	1,739.65	0.118%	236,395	79,056,758	2.24%	1,734.46

**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.

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

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	
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
2021	8.100	1.640	0.420	10.160	17.945	10.266	0.712	0.635	0.167	0.003	39.888

**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, 2021

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<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	\$ 736,651,265	19.14%	<u>\$ 140,989,838</u>
Subtotal, overlapping debt			140,989,838
City of Urbandale direct debt, net of premium/discount			<u>75,145,000</u>
Total direct and overlapping debt			<u><u>\$ 216,134,838</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 2021

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

	<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>	<u>2021</u>
Debt limit	\$ 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	\$ 282,129,916
Total net debt applicable to limit	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	75,145,000
Legal debt margin	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	206,984,916
Total net debt applicable to the limit as a percentage of debt limit	22.02%	22.51%	22.24%	22.72%	29.66%	30.12%	31.75%	30.43%	31.51%	26.63%

**Legal Debt Margin Calculation for Fiscal Year 2021**

Actual value of property, 2018	\$ 5,642,598,316
Add back: exempt real property	-
Total assessed value	<u>5,642,598,316</u>
Debt limit (5% of total assessed value)	282,129,916
Debt applicable to limit:	
General obligation bonds	<u>(75,145,000)</u>
Total net debt applicable to limit	<u>(75,145,000)</u>
Legal debt margin	<u>\$ 206,984,916</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

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<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>
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%
2021	45,580 **	93,217	37,362	39.7	2.50%

\*\* Population based on 2020 US Census Bureau preliminary reports. Other categories are not yet available.

**Data Sources:**

Population and median age from 2012 to 2020 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

	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
<b>Employer:</b>						
Marsh & McLennan Companies	1,600	1	6.684%	1,100	1	0.140%
Urbandale CSD	720	2	3.008%	450	5	0.570%
U.S. Postal Service	562	4	2.348%	500	4	0.450%
Quality Manufacturing Corp.	550	5	2.298%			
MidAmerican Energy	545	3	2.277%	350	7	0.045%
John Deere Intelligent Solutions	500	6	2.089%			
Unity Point at Home (formerly Iowa Health Home Care)	450	7	1.880%	400	6	0.051%
Homemakers Furniture	356	8	1.487%			
Pepsi-Cola Bottling, Co	340	9	1.420%			
Rain and Hail	250	10	1.044%			
CitiGroup				600	2	0.076%
Wells Fargo Financial				530	3	0.067%
Continental Western				340	8	0.043%
Allied Group				300	9	0.038%
Compressor Controls				300	10	0.038%

**Notes:**

Current year data source: Bond official statements from debt issued in respective fiscal years  
Current year total City employment source: Iowa Workforce Development

Table XVI – Full-time Equivalent Employees as of June 30, 2021

<b>FUNCTION</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>2021</b>
<b><u>PUBLIC SAFETY</u></b>										
Police:										
Officers	48.00	49.00	49.00	48.00	49.00	50.00	51.00	50.00	52.00	48.00
Civilians	5.25	5.00	5.00	6.00	7.00	8.00	8.00	9.00	9.00	9.00
Fire:										
Firefighters & Officers	39.50	39.25	39.50	36.75	37.50	38.50	44.75	53.50	55.75	60.50
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Total	<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>	<u>119.50</u>
<b><u>PUBLIC WORKS</u></b>										
Roadway Maintenance	14.75	13.75	14.00	16.00	16.25	17.00	17.00	16.75	18.25	16.25
Traffic Safety	1.25	1.00	1.00	1.25	1.25	1.25	1.25	2.00	2.00	2.00
Engineering Services	5.25	5.25	6.00	6.75	5.50	6.75	7.50	7.50	6.00	8.25
Solid Waste	7.00	8.00	8.00	7.00	8.00	7.00	8.00	8.00	8.00	7.00
Sanitary Sewer	2.25	2.25	2.00	2.00	2.00	2.25	2.25	2.25	2.00	2.25
Storm Sewer	3.25	3.25	3.25	4.00	4.25	4.00	4.25	4.25	4.25	4.25
Public Works Admin	5.25	5.25	4.50	5.00	6.00	6.25	7.00	7.25	6.50	5.00
Total	<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>	<u>45.00</u>
<b><u>HEALTH &amp; SOCIAL SERVICES</u></b>										
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b><u>CULTURE &amp; RECREATION</u></b>										
Library	25.50	26.00	24.75	25.75	27.00	26.25	27.00	26.25	23.50	24.00
Parks	14.50	16.00	16.00	17.75	17.00	17.25	17.25	17.50	15.25	15.75
Grounds Maintenance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Recreation	3.25	3.25	3.25	3.50	3.75	4.00	5.00	4.50	4.00	3.75
Senior Citizens	2.75	2.50	2.75	2.75	2.75	2.50	3.00	2.50	2.50	2.00
Swimming Pool	8.75	6.75	8.50	8.75	8.25	9.25	9.75	10.25	7.25	0.00
Total	<u>55.75</u>	<u>55.50</u>	<u>56.25</u>	<u>59.50</u>	<u>59.75</u>	<u>60.25</u>	<u>63.00</u>	<u>62.00</u>	<u>53.50</u>	<u>46.50</u>
<b><u>COMMUNITY &amp; ECONOMIC DEVELOPMENT</u></b>										
Code Enforcement	5.00	6.00	6.00	6.00	6.00	7.00	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	1.00	1.25	2.25	2.25	2.25	3.00	2.00	1.00	1.00
Total	<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>	<u>13.00</u>
<b><u>GENERAL GOVERNMENT</u></b>										
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
City Manager	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	3.00	3.00
Finance and Records	4.00	4.00	4.75	4.75	4.75	5.25	4.00	4.75	4.50	4.75
Legal/Human Resources	1.00	1.50	1.75	1.50	1.75	1.75	1.75	1.50	1.75	2.00
Technology	1.00	2.00	2.00	4.00	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	1.00	1.00
Total	<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>	<u>17.75</u>
<b><u>INTERNAL SERVICE - BUILDING MAINTENANCE</u></b>										
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
<b><u>INTERNAL SERVICE -FLEET MANAGEMENT</u></b>										
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4.00</u>
Grand total	<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>	<u>247.75</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>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>2021</b>
<b><u>Public Safety</u></b>										
Police										
Total calls for service	14,662	14,874	17,047	19,001	19,768	20,051	21,138	17,201	15,267	18,980
Total arrests	656	587	821	793	941	876	1,150	1,166	821	724
Fire										
Number of calls answered/received	2,534	2,676	2,875	2,959	3,212	3,420	4,365	4,537	4,517	4,912
Inspections	409	358	347	436	489	408	670	405	424	331
EMS										
Number of calls answered	1,870	1,995	2,055	2,187	2,346	2,389	2,672	2,762	2,853	3,164
Animal Control										
Pet Licenses issued	3,316	3,615	3,173	3,017	4,266	3,629	3,347	3,288	3,604	2,969
<b><u>Public Works</u></b>										
Roadway Maintenance										
Total lane miles maintained	436	443	452	460	480	489	495	505	509	513
Asphalt streets repaired (tons)	205	378	1,529	314	465	124	274	450	758	128
Solid Waste Collection										
Number of households	13,290	13,434	13,627	13,740	13,903	14,070	14,220	14,435	14,555	14,772
Tons of refuse collected	10,364	10,650	10,943	11,365	11,738	11,880	11,971	12,760	12,441	14,149
Tons of recycling collected	2,338	2,390	2,451	2,505	2,989	2,962	2,620	2,731	2,895	3,069
Tons of yard waste collected	2,825	1,984	2,466	2,580	2,491	2,678	2,416	2,677	2,512	3,062
Sanitary Sewer and Wastewater										
Linear feet of lines cleaned	252,745	244,621	229,591	290,723	257,861	212,835	272,332	273,339	243,008	301,558
Storm Water Utility										
Average monthly calculated ERUs	29,888	30,517	30,732	31,157	31,381	31,790	32,084	32,372	33,142	34,363
<b><u>Culture &amp; Recreation</u></b>										
Library										
Registered borrowers	47,941	49,465	55,465	48,125	52,136	49,122	52,145	53,396	54,009	53,980
Circulation	677,229	629,506	670,735	589,591	557,953	588,246	582,882	602,525	450,009	279,147
Recreation										
Programs offered	464	461	463	472	469	474	448	483	426	453
Senior Center										
Total participants in all programs	31,788	29,334	29,944	31,085	34,060	35,937	36,182	41,709	34,833	10,650
Swimming Pool										
Pool Users	49,154	37,840	41,772	56,464	50,764	51,901	57,832	59,734	57,424	*
<b><u>Community and Economic Development</u></b>										
Code Enforcement										
Inspections	4,849	8,556	10,867	9,653	8,499	9,805	10,709	9,680	8,067	10,541
Community Development										
Building Permits	825	966	973	886	873	885	936	1,123	1,172	1,454
<b><u>General Government</u></b>										
Finance and Records										
Purchase orders processed	164	144	201	208	201	247	205	212	215	226
Technology										
Intelligent workstations	237	225	234	260	269	269	278	273	275	263
General Support										
Safety incidents	35	16	28	26	28	24	20	20	12	36

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

\* Pool permanently closed March, 2020

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

<b>Function</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>2021</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	31	32	32	31	31	32	32	34
Fire										
Stations	2	2	2	2	2	2	2	2	3	3
<b><u>Public Works</u></b>										
Roadway Maintenance										
Streets (miles)	184	187	191	194	195	198	201	205	207	209
Streetlights	4,610	4,710	4,727	4,859	5,099	5,296	5,352	5,451	5,564	5,566
Traffic signals	49	49	50	53	53	54	54	56	56	59
Solid Waste Collection										
Collection trucks	8	8	8	8	8	8	8	8	8	8
Sanitary Sewer and Wastewater										
Sanitary Sewers (miles)	200	201	208	208	211	216	217	219	222	226
<b><u>Culture &amp; Recreation</u></b>										
Libraries	1	1	1	1	1	1	1	1	1	1
Acres of park ground	900	900	930	930	941	993	993	993	993	1,000
Parks	48	48	48	48	49	54	54	54	54	54
Playgrounds	**	**	32	32	32	32	35	36	37	37
Off-street bike/walking trails (miles)	37	39	40	40	44	45	46	50	52	54
Swimming Pools	1	1	1	1	1	1	1	1	1	-
Wading Pools	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	6	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  
and Uniform Guidance

June 30, 2021

**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, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated November 19, 2021.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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, 2021, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City and are reported in Part IV of the accompanying Schedule of Findings and Questioned Costs. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

**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.

The image shows a handwritten signature in cursive script that reads "Eide Sully LLP".

Dubuque, Iowa  
November 19, 2021



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

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

### **Report on Compliance for the Major Federal Program**

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

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

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

### **Opinion on the Major Federal Program**

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

### **Report on Internal Control over Compliance**

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

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

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

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



Dubuque, Iowa  
November 19, 2021

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Justice			
Bulletproof Vest Partnership Program	16.607		\$ 6,843
Bulletproof Vest Partnership Program	16.607		<u>678</u>
			<u>7,521</u>
Public Safety Partnership and Community Policing Grants	16.710		10,391
Public Safety Partnership and Community Policing Grants	16.710		5,771
Public Safety Partnership and Community Policing Grants	16.710		3,000
Public Safety Partnership and Community Policing Grants	16.710		1,525
Public Safety Partnership and Community Policing Grants	16.710		<u>368</u>
			<u>21,055</u>
Total U.S. Department of Justice			<u>28,576</u>
U.S. Department of Transportation			
Passed through Iowa Department of Public Safety			
Highway Safety Cluster			
State and Community Highway Safety	20.600	PAP 21-402-MOPT, Task 46	12,165
State and Community Highway Safety	20.600	PAP 20-402-MOPT, Task 39	<u>9,626</u>
Total U.S. Department of Transportation			<u>21,791</u>
U.S. Treasury			
Passed through Iowa Department of Revenue			
COVID-19 - Coronavirus Relief Fund	21.019	#21019, Project 48	<u>1,054,737</u>
U.S. Department of Health and Human Services			
COVID-19 - Provider Relief Fund	93.498		<u>21,431</u>
U.S. Department of Homeland Security			
Passed through Iowa Department of Homeland Security			
Disaster Grants - Public Assistance	97.036	4557DR-IA	185,875
Hazard Mitigation Grant Program	97.039	DR-4421-0004	19,145
Staffing for Adequate Fire and Emergency Response	97.083		<u>464,060</u>
Total U.S. Department of Homeland Security			<u>669,080</u>
Total Federal Financial Assistance			<u>\$ 1,795,615</u>

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the City of Urbandale, Iowa, (the City) under programs of the federal government for the year ended June 30, 2021. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

**Note 2 - Significant Accounting Policies**

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient. No federal financial assistance has been provided to a subrecipient.

**Note 3 - Indirect Cost Rate**

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

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

**FINANCIAL STATEMENTS**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

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

**Identification of major programs:**

<u>Name of Federal Program</u>	<u>CFDA Number</u>
COVID-19 - Coronavirus Relief Fund	21.019
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**Part II: Financial Statement Findings:**

There were no findings to report.

**Part III: Federal Award Findings and Questioned Costs:**

There were no findings and questioned costs to report.

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

- 2021-IA-A Certified Budget** – Disbursements during the year ended June 30, 2021, did not exceed the amount budgeted.
- 2021-IA-B Questionable Expenditures** – We noted no expenditures that we believe may fail to meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.
- 2021-IA-C Travel Expense** – No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
- 2021-IA-D Business Transactions** – No business transactions between the City and City officials or employees were noted.
- 2021-IA-E Restricted Donor Activity** – No transactions were noted between the City, City officials, City employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- 2021-IA-F Bond Coverage** – Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.
- 2021-IA-G Council Minutes** – No transactions were found that we believe should have been approved in the Council minutes but were not.
- 2021-IA-H Deposits and Investments** – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City’s investment policy were noted.
- 2021-IA-I Revenue Notes** – No instances of non-compliance with the water revenue note provisions were noted.
- 2021-IA-J Annual Urban Renewal Report** – The annual urban renewal report was properly approved and certified to the Iowa Department of Management on or before December 1.
- 2021-IA-K Tax Increment Financing** – The Special Revenue Tax Increment Financing Fund properly disbursed payments for TIF loans and rebates. Also, the City properly completed the Tax Increment Debt Certificate forms to request TIF property taxes.