



CITY OF MARSHALLTOWN, IOWA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended June 30, 2024

**Prepared by:
City Finance Department**

Introductory Section

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

Financial Section

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

Required Supplementary Information

Schedule of Changes in the City's Total OPEB Liability, Related Ratios, and Notes	80
Budgetary Comparison Schedule of Receipts, Disbursements, and Changes in Balances – Budget and Actual (Cash Basis) – Governmental Funds and Enterprise Funds	81
Budgetary Comparison Schedule – Budget to GAAP Reconciliation	82
Notes to Required Supplementary Information – Budgetary Reporting	83
Schedule of City's Proportionate Share of Net Pension Liability – Iowa Public Employees' Retirement System – IPERS	84
Schedule of City Contributions – Iowa Public Employees' Retirement System – IPERS	85
Notes to Required Supplementary Information – Pension Liability – Iowa Public Employees' Retirement System – IPERS	86
Schedule of City's Proportionate Share of Net Pension Liability – Municipal Fire and Police Retirement System of Iowa – MFPRSI	87
Schedule of City Contributions – Municipal Fire and Police Retirement System of Iowa – MFPRSI	88

Other Supplementary Information

Nonmajor Governmental Funds	
Combining Balance Sheet – Nonmajor Governmental Funds.....	90
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit) – Nonmajor Governmental Funds	92
Combining Financial Statements	
Combining Statement of Net Position – Nonmajor Enterprise Funds.....	94
Combining Statement of Revenues, Expenditures, and Changes in Fund Net Position – Nonmajor Enterprise Funds	96
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	97
Combining Financial Statements	
Combining Statement of Net Position – Internal Service Funds.....	100
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds.....	101
Combining Statement of Cash Flows – Internal Service Funds.....	102
Combining Financial Statements	
Combining Statement of Fiduciary Net Position – All Custodial Funds	104
Combining Statement of Changes in Fiduciary Net Position – All Custodial Funds.....	105
Long-Term Debt	
Schedule of Bond Maturities	106
Statistical Section (Unaudited)	
Statistical Section - Contents	113
Net Position by Component.....	114
Changes in Net Position	115
Program Revenues by Function/Program.....	118
Fund Balances – Governmental Funds.....	119
Changes in Fund Balances – Governmental Funds	120
Tax Revenues by Source – Governmental Funds	121
General Governmental Tax Revenues by Source.....	122
Assessed Value and Estimated Value of Taxable Property	123
Tax Rates – Direct and Overlapping Governments.....	124
Principal Property Taxpayers	125
Sales Tax.....	126
Property Tax Levies and Collections	127
Ratios of Outstanding Debt by Type	128
Ratios of General Bonded Debt Outstanding.....	129
Direct and Overlapping Governmental Activities Debt	130
Legal Debt Margin Information.....	131
Pledged – Revenue Coverage	132
Demographic and Economic Statistics	133
Principal Employers.....	134
Full-Time Equivalent City Government Employees by Function/Program	135
Operating Indicators by Function/Program	136
Capital Asset and Employment Statistics by Function/Program.....	137
Water Pollution Control – Historic Earnings	138
Water Pollution Control – Number of Customers by Type	139
Water Pollution Control – Present Net Position	140
Water Pollution Control – Major Users – Two Year Comparison	141

Compliance Section

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	142
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	145
Schedule of Expenditures of Federal Awards	149
Notes to the Schedule of Expenditures of Federal Awards	152
Schedule of Findings and Questioned Costs	153

Introductory Section

June 30, 2024

City of Marshalltown

MARSHALLTOWN

I O W A

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

July 31, 2025

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

The City of Marshalltown, Iowa, is required by various state and federal regulations to publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles or GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to these requirements, the Annual Comprehensive Financial Report (ACFR) of the City of Marshalltown, Iowa for the fiscal year ended June 30, 2024 as prepared by the Finance Department is hereby submitted in accordance with the provisions of Chapter 11.6 of the Code of Iowa.

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

The City's financial statements have been audited by Eide Bailly, L.L.P, a firm of licensed Certified Public Accountants, and they have issued an unmodified and adverse opinion on the City's financial statements for the year ended June 30, 2024. The independent auditor's report is located at the front of the financial section of this report.

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

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

Profile of the City

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

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

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

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

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

The annual budget serves as the foundation for the City of Marshalltown's financial planning, development and control. The City Administrator and Finance Director are responsible for developing a budget proposal to the City Council. The FY2024 proposed budget was presented to the Council January through March of 2023. The Council was required to hold public hearings on the proposed budget and to adopt the final budget no later than April 30, 2023 for the fiscal year beginning the following July first. The appropriated budget is prepared by fund and function.

Local Economy

The 2020 census showed Marshalltown's population increasing .14% from 27,552 to 27,591. Unemployment in the City was at 3.4% as of June 2024. This is higher than the Iowa rate of 2.8% as of June 2024.

The number of building permits decreased in fiscal year 2024 compared to 2023. 11 new residential construction building permits were issued, creating 47 housing units for a value of \$8,872,128. 62 residential remodeling, repairs, additions and accessory structure permits were issued for a value of \$908,991. Total building permit activity for commercial and industrial totaled 19 building permits with a valuation of \$9,837,004. Larger commercial projects included additions to the High School, a new dentist office building, a new VA clinic, and 2 new fast food restaurants. The total building activity for the fiscal year included 92 permits with a valuation of \$19,618,123.

The Local Option Sales Tax (LOST) was approved by City residents via an election and became effective April 1, 2000. The voters passed a referendum August 1, 2017 to reallocate the LOST from 75% being designated for property tax relief, 20% for street projects and 5% allocated for any lawful purpose as authorized by the City Council to 78% for property tax relief and 22% for any lawful purpose authorized by City Council. This became effective November 1, 2017 and would sunset June 30, 2025. On March 5, 2024, a special election was held to renew the one cent local option sales tax with no sunset date. The allocation effective July 1, 2025 will be 75% for property tax relief and 25% any lawful purpose as authorized by City Council. For the fiscal year ending June 30, 2024, the City collected approximately \$4.4 million (accrual basis).

Major Initiatives

Fiscal year 2024 was again a year of restoration and growth, with many projects continuing into fiscal year 2025.

The first phase of the Downtown Implementation Plan started in late March 2023 with the reconstruction of six blocks of State Street, including new water, sewer and storm sewer as well as new streets and sidewalks. This project continues into FY2025 with completion expected in FY2025. It is a major step forward in revitalizing downtown Marshalltown. The next phase is the reconstruction of Main Street from Center Street to 3rd Avenue and Center Street from Church Street to State Street.

A \$500,000 Downtown Revitalization Grant is being used to help restore multiple façades for businesses. Work started in fiscal year 2022 but will not be completed until 2025.

Industrial development continued to be a priority in fiscal year 2024. The Edgewood Extension Project continued with completion in fiscal year 2024. This project provides a truck diversion route from Highway 14/North 3rd Avenue to help direct trucks and other industrial traffic to those areas without going through a residential/commercial portion of Highway 14 and Marion Street. The other aspect of this project is the creation of new industrially zoned lots on approximately 40 acres of land. The City also enrolled in the Iowa Economic Development Authority's Site Certification program for the certification of more than 90 acres of land to the east of the Edgewood Industrial Park. This process involves completing a number of studies and compiling information about the property to assist future developers in assurance that preliminary work has been done to understand the state of the property. Since being certified in January of 2024, IEDA has been marketing this land, which increases the number of development prospects.

Multi-family and single-family housing continue to be a development focus for the City in fiscal year 2024. JBS, the City's largest employer partnered with a developer to begin the construction of two multi-family buildings available to rent. This construction involved a partnership with the City to extend South 7th Avenue, which was completed in 2024, and where the possibility exists for future development of more than 80 acres of land. A third building is being constructed as part of a Community Development Block Grant related to disaster recovery from the 2020 derecho. Marshalltown saw awards for one other multi-family property as part of the CDBG-DR grant process. The Glenwood 7th Avenue Addition continues to construct single-family homes with an anticipated total of 40. The apartments on South 7th Avenue are complete and currently leasing. A new 42-unit senior apartment building was built and opened in the fall of 2024.

The City also utilized past planning efforts to undertake a number of quality of life projects which enhanced the community. The City Council and many other organizations formally adopted the Marshalltown Arts and Culture Master Plan, which was facilitated with the Marshall County Arts and Culture Alliance. The City is using \$2 million from the Destination Iowa Creative Placemaking grant that focuses on the Linn Creek District and enhancing connectivity and provide gathering spaces at a trailhead for the Iowa River's Edge Trail and the creation of a Water Plaza. These projects were bid and let in 2024 with construction in 2025.

The City is using bond funds to reconstruct streets, repair streets, build trails, and upgrade parks. Riverview park started its first phase of construction, which included replacing the pedestrian bridge, and replacing playground equipment.

A major initiative that started in fiscal year 2023 was Marshalltown Water Works undertaking an engineering and design process for increasing the capacity and redundancy of the community's treated water. In fiscal year 2025, Water Works decided to move forward with bids for the improvements, which will involve the construction of new buildings for treatment and storage at the existing Sand Road site. The engineering and construction contracts total over \$50 million for the design and construction of a new reverse osmosis membrane treatment process and is expected to be completed in fiscal year 2027.

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

Long-Term Financial Planning

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

The City will continue to rely upon general obligation bonds and/or Local Option Sales Tax to fund significant infrastructure improvements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the years ending June 30, 1990, and consecutively 1993 through 2023. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Respectfully submitted,

A handwritten signature in black ink, reading "Diana Steiner". The signature is written in a cursive style with a large initial "D".

Diana Steiner
Finance Director

(This page left blank intentionally.)



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Marshalltown
Iowa**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

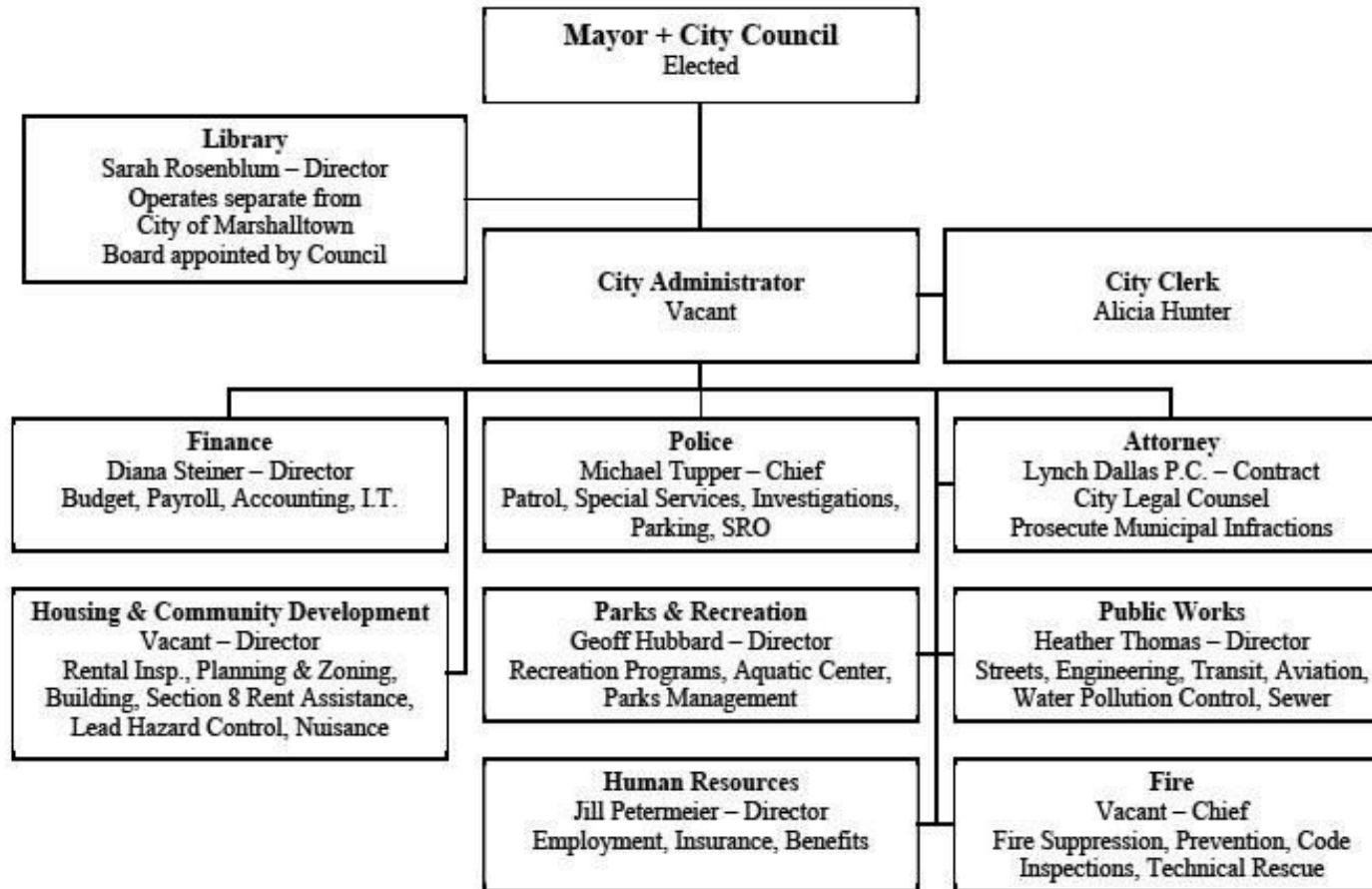
Christopher P. Morill

Executive Director/CEO

MARSHALLTOWN

I O W A

ORGANIZATIONAL CHART



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

(This page left blank intentionally.)

Financial Statements
June 30, 2024
City of Marshalltown



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Marshalltown, Iowa (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Adverse Opinion on the Aggregate Discretely Presented Component Units

In our opinion, based on our audit and the report of other auditors, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the City of Marshalltown, Iowa, as of June 30, 2024, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Marshalltown Water Works, which represents the entire assets, net position, and revenues of the reported aggregate discretely presented component units as of and for the year ended June 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Marshalltown Water Works is based solely on the report of the other auditors.

Unmodified Opinions on Governmental Activities, Business-Type Activities, Each Major Fund, and the Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marshalltown, Iowa, as of June 30, 2024, 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.

Basis for Adverse and Unmodified Opinions

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

Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units

As described in Note 1 to the financial statements, the financial statements do not include financial data for the Friends of the Marshalltown, Iowa Public Library, Inc. (an excluded discretely presented component unit). Accounting principles generally accepted in the United States of America require the financial data for the component unit to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component unit. The City has not issued such reporting entity financial statements. The effects of not including the Friends of the Marshalltown, Iowa Public Library, Inc. financial statements on the aggregate discretely presented component units opinion unit has not been determined.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the City's total OPEB liability, related ratios, and notes, budgetary comparison schedule of receipts, disbursements, and changes in balances – budget and actual (cash basis) – governmental funds and enterprise funds, budgetary comparison schedule – budget to GAAP reconciliation, notes to required supplementary information – budgetary reporting, schedule of city's proportionate share of net pension liability – Iowa Public Employees' Retirement System – IPERS, schedule of city contributions – Iowa Public Employees' Retirement System – IPERS, notes to required supplementary information – pension liability – Iowa Public Employees' Retirement System – IPERS, schedule of city's proportionate share of net pension liability – Municipal Fire and Police Retirement System of Iowa – MFPRSI, and schedule of city contributions – Municipal Fire and Police Retirement System of Iowa – MFPRSI be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements, schedule of bond maturities, and the schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Because of the significance of the matter described in the Basis for Adverse and Unmodified Opinions section of our report, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Dubuque, Iowa
July 31, 2025

The following is a narrative overview and analysis of the financial activities of the City of Marshalltown for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report and the City's financial statements, which begin on page 22. Additional historical information can be found in the Statistical Section of this report supporting some of the analysis presented in this discussion and the transmittal letter.

Financial Highlights of Primary Government

- Government-wide, total assets plus deferred outflows of resources of the City of Marshalltown exceeded its total liabilities plus deferred inflows of resources at the close of the most recent fiscal year by \$139,589,735 (net position) as compared to \$125,852,230 in the prior year, which is an increase of \$13,737,505. This increase is primarily due to the downtown State Street reconstruction, continuing with the Edgewood Street and 8th Avenue extension project, improvements to Riverview and Kiwanis Parks, sanitary sewer headworks/CIPP project, and various infrastructure projects throughout the City.
- As of the close of the current fiscal year, the City of Marshalltown's governmental funds reported combined ending fund balances of \$55,248,978 an increase of \$14,502,163 in comparison with the prior year. This change was primarily from expenditures related to remaining bond proceeds for projects in process and the receipt of grant revenue related to prior year expenditures.
- \$5,431,042 in unassigned fund balance is available for spending at the City's discretion. Prior year unassigned fund balance was \$5,152,216. This is an increase of \$278,826.
- The City's total debt had a net increase of \$8.8 million during the current fiscal year. This change reflects the retirement of existing bonds of \$8.3 million and new issuances of \$10.2 million of GO Debt and \$6.9 million of Sewer notes. The new G.O. debt was for reconstruction of the downtown Main and Center Streets, other street improvements, and a stormwater outlet project. The debt for the Sewer notes are for the Headworks/CIPP project continuing from the prior year.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Marshalltown, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$139,589,735 at the close of the most recent fiscal year.

City of Marshalltown Net Position
June 30, 2024

	Governmental Activities		Business-Type Activities		Total	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Current and Other Assets	\$ 79,353,649	\$66,550,433	\$ 33,507,525	\$28,793,063	\$ 112,861,174	\$95,343,496
Capital Assets	80,050,728	79,034,176	71,026,839	66,778,460	151,077,567	145,812,636
Total Assets	159,404,377	145,584,609	104,534,364	95,571,523	263,938,741	241,156,132
Deferred Outflows of Resources	8,362,661	5,471,276	1,134,244	1,006,777	9,496,905	6,478,053
Current and Other Liabilities	11,684,812	11,327,144	4,709,278	4,733,585	16,394,090	16,060,729
Noncurrent Liabilities	72,092,848	64,877,373	21,947,219	18,276,100	94,040,067	83,153,473
Total liabilities	83,777,660	76,204,517	26,656,497	23,009,685	110,434,157	99,214,202
Deferred Inflow of Resources	22,370,030	21,704,860	1,041,724	862,893	23,411,754	22,567,753
Net Position						
Net investment in capital assets	55,287,505	50,666,331	48,917,160	49,376,169	104,204,665	100,042,500
Restricted	21,068,059	16,717,131	204,515	139,016	21,272,574	16,856,147
Unrestricted	(14,736,216)	(14,236,954)	28,848,712	23,190,537	14,112,496	8,953,583
Total net position	\$ 61,619,348	\$53,146,508	\$ 77,970,387	\$72,705,722	\$ 139,589,735	\$ 125,852,230

By far, the largest portion of the City of Marshalltown's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less depreciation/amortization and any related debt at \$104,204,665. The City of Marshalltown uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Marshalltown's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City of Marshalltown's governmental and business-type activities net position of \$21,272,574 represents resources that are subject to external restrictions. Prior year comparison shows \$16,856,147, an increase of \$4,416,427.

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

City of Marshalltown Changes in Net Position
June 30, 2024

	Governmental Activities		Business-Type Activities		Total	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Revenues:						
Program revenues:						
Charges for services	\$ 2,594,441	\$ 1,994,504	\$ 11,343,374	\$ 10,138,207	\$ 13,937,815	\$ 12,132,711
Operating grants and contributions	7,827,281	9,144,930	596,058	844,729	8,423,339	9,989,659
Capital grants and contributions	6,725,480	3,455,224	-	417,045	6,725,480	3,872,269
General revenues						
Property and other taxes	20,351,386	18,511,423	-	-	20,351,386	18,511,423
Grants and contributions not restricted to specific programs	1,185,903	1,196,818	-	-	1,185,903	1,196,818
Other	3,258,715	1,725,649	1,348,797	859,477	4,607,512	2,585,126
Total revenues	41,943,206	36,028,548	13,288,229	12,259,458	55,231,435	48,288,006
Expenses:						
Public safety	\$12,068,850	11,630,414	-	-	12,068,850	11,630,414
Public works	6,323,463	6,505,283	-	-	6,323,463	6,505,283
Health and social services	686,187	1,073,163	-	-	686,187	1,073,163
Culture and recreation	3,939,414	3,844,255	-	-	3,939,414	3,844,255
Community and economic development	5,507,922	3,876,264	-	-	5,507,922	3,876,264
General government	1,871,814	1,776,228	-	-	1,871,814	1,776,228
Interest on long-term debt	1,429,413	984,801	-	-	1,429,413	984,801
Business type	-	-	9,666,867	7,501,325	9,666,867	7,501,325
Total expenses	31,827,063	29,690,408	9,666,867	7,501,325	41,493,930	37,191,733
Increase in net position before transfers	10,116,143	6,338,140	3,621,362	4,758,133	13,737,505	11,096,273
Transfers	(1,643,303)	(13,897)	1,643,303	13,897	-	-
Increase in Net Position	8,472,840	6,324,243	5,264,665	4,772,030	13,737,505	11,096,273
Net Position - Beginning of Year	53,146,508	46,822,265	72,705,722	67,933,692	125,852,230	114,755,957
Net Position - End of Year	\$ 61,619,348	\$ 53,146,508	\$ 77,970,387	\$ 72,705,722	\$ 139,589,735	\$ 125,852,230

Governmental Activities. Governmental revenues in the current year increased by \$5,915,000. Within this difference, charges for services increased by \$600,000, mostly from a new revenue source from Automatic Traffic Enforcement (ATE) speeding tickets. Operating/capital grants and contributions increased by \$1,953,000 primarily due to using American Rescue Plan Act (ARPA) funds for State Street reconstruction. Also, interest earned increased due to higher interest rates. Governmental expenses increased by \$2,137,000 from the prior fiscal year due to new ATE contractor fees, street construction expenses, CDBG housing grant expenditures, and other grants.

Business-type Activities. Revenues in the current year increased by \$1.0 million. Within this difference, charges for services increased by \$1.2 million, primarily due to the increased sewage volume used by JBS meatpacking plant. Operating/capital grants and contributions decreased by \$665,000. Interest earned also increased. Business-type expenses increased by \$2.2 million due to increased services and supplies for water pollution control and storm water, and increased contracted services for transit.

Financial Analysis of the Government's Funds

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

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

At the end of the current fiscal year, the City of Marshalltown's governmental funds reported a combined ending fund balance of \$55,248,978, an increase of \$14,502,163 in comparison with the prior year. Of this total amount \$5,431,042 is unassigned fund balance, which is available to meet the future financial needs of the City. \$48,388,320 is restricted, \$250,000 is committed and \$1,179,616 is nonspendable.

The General fund is the chief operating fund of the City of Marshalltown. At the end of the current fiscal year this fund balance increased by \$518,936 to \$7,522,003, with an unassigned fund balance of \$6,683,817 and a committed balance of \$250,000. The remaining \$588,186 is nonspendable (prepaid items).

The Road Use Tax fund is apportioned to the City from the state gasoline taxes based upon population. This fund is used for street related purposes only. Major street resurfacing and reconstruction are scheduled each year in the spring after the impact of winter weather can be determined. At the end of the current fiscal year, the ending fund balance of \$10,394,333 is an increase of \$2,342,435 compared to the prior year.

The Housing and Urban Development (HUD) program for Section 8 housing assistance continued all year and the Lead Abatement grant was awarded another \$5 million grant in December of 2023 that can be used over a 4 year period, which was funded from the Lead-Based Paint Hazard Control grant. The City administers these grants in collaboration with many health and welfare agencies throughout the community. The City expended \$2,066,851 under these programs, which is a decrease of \$330,417 in comparison with the prior year.

Collections for Local Option Sales Tax (L.O.S.T.) are allocated to property tax relief (78%) and any lawful purpose designated by the Council (22%). Property tax relief dollars in the amount of \$3,333,609 were transferred to the Debt Service Fund to lower the property tax levy. The Council used \$288,000 of their designated share to increase the Cash Flow Reserve Fund. Some of the other Council designated projects this fiscal year included grant match contribution for the Downtown Revitalization of \$262,192; two \$50,000 payments for construction of new downtown businesses, and \$95,000 to the Marshalltown Central Business District for downtown economic revitalization. At fiscal year-end, the fund balance was \$5,927,763, which was a \$451,546 decrease from the prior fiscal year.

The Property Tax Fund is used to account for all special revenue property tax levies utilized by the City. These levies include the emergency levy, police and fire retirement, FICA and IPERS, and other employee benefits. The total fund balance in this fund decreased by \$669,348 in FY24 as the City intentionally budgeted to lower the fund balances in order to lower the property tax levy rate.

The Grants Fund is used to track revenues and expenses related to various grants. During 2024, intergovernmental revenue of \$2,908,338 and expenditures of \$3,324,116 resulted mostly from grant activity related to the Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii.

During fiscal year 2023, the second half of the American Rescue Plan Act funds were received in the amount of \$1,993,589. \$2,637,358 was recognized as intergovernmental revenue during fiscal year 2024. Expenditures and transfers out included the MPACT contract with YSS to assist the Police Department with crisis situations dealing with mental health/social work issues, the Edgewood Street/Stormwater project, State Street reconstruction and revenue replacement.

The Debt Service Fund accounts for the City's debt service property tax levy and all related debt. This activity is related to the debt backed by the full faith and credit of the City. In the current fiscal year this fund paid \$6 million in principal and interest payments. The fund balance increased by \$167,000, due to higher interest earned than expected.

Changes in the Public Works and Other Projects capital project fund is due to the continuation of several street projects during the fiscal year and several park improvement projects. The City issued bonds for new projects in FY24 for \$9.8 million for the construction and improvement of streets and stormwater projects

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

The ending net position for the enterprise funds was \$77,970,387 a net position increase of \$5,264,665.

Budgetary Highlights

The City of Marshalltown presents budgetary information as allowed by GASB Statement No. 41. Budgets are based on nine functional areas as required by state statute, not by fund or fund type. During the year ended June 30, 2024, revenues and transfers in for the general fund operations, on the GAAP basis, were less than revenue estimates by \$1,128,292 and departmental expenditures and transfers out on the GAAP basis were \$1,381,325 less than expenditure estimates.

During the fiscal year ended June 30, 2024, there was one budget amendment dated April 22, 2024. Actual expenditures on a cash basis were less than the budgeted amounts on a cash basis in each of the nine functional areas before the budget amendment and at the close of the fiscal year.

Capital Asset and Debt Administration

Capital assets. The City of Marshalltown's investment in capital assets for its governmental and business type activities as of June 30, 2024 amounts to \$259,107,062. This investment in capital assets includes land, land improvements, buildings, machinery and equipment, park facilities, roads, highways and sewers. The total increase in the City of Marshalltown's investment in capital assets for the current fiscal year was \$11,299,037, of which \$1 million was from Construction in Progress which includes major work on State Street and the Water Pollution headworks, digester, and CIPP projects.

City of Marshalltown's 2024 Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Land and Improvements	\$ 11,948,792	\$ 11,418,794	\$ 3,219,626	\$ 3,219,626	\$ 15,168,418	\$ 14,638,420
Buildings and Structures	40,783,451	40,783,451	12,538,499	12,505,059	53,321,950	53,288,510
Equipment and Vehicles	21,105,004	20,960,085	21,988,159	21,756,994	43,093,163	42,717,079
Infrastructure	56,841,468	51,132,479	71,361,313	67,939,121	128,202,781	119,071,600
Right to Use Asset - SBITA	189,507	-	-	-	189,507	-
Construction in Progress	7,447,279	9,581,636	11,683,964	8,510,780	19,131,243	18,092,416
Total	\$ 138,315,501	\$ 133,876,445	\$ 120,791,561	\$ 113,931,580	\$ 259,107,062	\$ 247,808,025

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

- Ongoing project of Water Pollution headworks, digester and CIPP construction by contractors (SRF will fund up to \$13.125 million less \$2 million forgiven when project completed).
- Various machinery and equipment purchases throughout the year including new vehicles for several departments, street paint machine, wheel loader, mowers, new playground equipment at Kiwanis, Riverview and Peterson parks.
- Continuation and completing of various street and storm water projects.
- Irrigation system for 6th Street softball fields.

Additional information on the City' of Marshalltown's capital assets can be found in Note 5 on pages 53-54 of this report.

Long-term debt. At the end of the current fiscal year, the City of Marshalltown had total debt outstanding and unamortized premiums and discounts of \$76,007,976. Of this amount, \$58,485,384 comprises debt backed by the full faith and credit of the City. The remainder of the City of Marshalltown's debt in the amount of \$17,522,593 represents bonds secured solely by revenues generated from the sanitary sewer fees.

The City's total debt had a net increase of \$8.8 million during the current fiscal year. This change reflects the retirement of existing bonds of \$8.3 million and new issuances of \$10.2 million of GO Debt and \$6.9 million of Sewer notes. The new debt was for the streets and stormwater projects.

Moody's Investors Service assigned a bond rating in November 8, 2023. The City maintained their Aa2 bond rating.

State statute limits the amount of general obligation debt a governmental entity may issue to 5 percent of its total assessed valuation. The current debt limitation for the City of Marshalltown is \$92,815,123 significantly in excess of the City of Marshalltown's outstanding general obligation debt.

Additional information on the City' of Marshalltown's long-term debt can be found in Note 6 on pages 55-58 this report.

Economic Factors and Next Year's Budgets and Rates

The local economy of the City remains strong and is creating more private public agreements to maintain that strength. The regular taxable property tax valuations as of January 1, 2023, which was applied to FY2025, were \$1,007,332,860 (excluding debt service), which was an increase over the prior year of \$78 million. The property tax rollback is increasing from 46.34% in FY25 to 47.43% in FY26 and for commercial/industrial property, the first \$150,000 is taxed at the lower residential rollback rate, then at the 90% commercial rate. The Iowa legislature, under House File 718, placed several revenue limitations on the City's general fund levies. There are no more separate levies for the library, community band, civic center, and emergency levy; rather, there is a combined general fund levy (CGFL). This levy rate is limited based on taxable growth. For FY25, if over 3% growth, the CGFL has a 2% reduction factor and if growth is over 6%, a 3% reduction factor is applied.

For the fiscal year ending June 30, 2024, the City issued 92 building permits totaling \$19.6 million in construction value. Two building permits were issued for new large commercial and industrial projects. Eleven new single-family permits were issued, of which buyers can take advantage of a \$10,000 new construction incentive offered by the Marshalltown Area Chamber of Commerce. The City has pledged to support 25 percent of this incentive in lieu of tax abatement. Sixty-two residential and 17 commercial property permits were issued for renovation/alternations.

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

The City began the first phase of the Downtown Implementation Plan in 2023 which includes reconstruction of six-blocks of State Street, including new water, sewer and storm sewer as well as new streets and sidewalks. Construction is planned to be completed on this phase in FY25. Construction on three blocks of East Main Street and two blocks of Center Street with construction began in FY2025.

Façade work is continuing on storefronts thanks to a \$500,000 Downtown Revitalization Grant through the Iowa Economic Development Authority cost-share funds with completion anticipated by end of 2025.

New commercial development is also occurring outside of downtown. A new VA medical clinic and a credit union opened in fiscal year 2024. A local car dealer expanded their capital improvements. Two new fast food restaurants opened in calendar year 2024.

The City is also focusing on industrial growth. The City is participating in the Iowa Economic Development Authority's Site Certification program for 90 acres of City-owned farmland which will increase the number of development prospects.

Construction of a trailhead for the Iowa River's Edge Trail, Water Plaza, and playhouse continues into FY25 utilizing a \$2 million Destination Iowa Creative Placemaking grant and other grants/fundraising in the community.

The budget for the ensuing fiscal year 2025 considers many factors and estimates about the finances of the upcoming year. City-wide there was an increase in property tax valuations in FY25. Local Option Sales Tax collections of (\$4.2 million) and hotel/motel tax (\$650,000) were increased in the budget. There was a special election in March 2024 and voters passed to renew the one cent local option sales tax and remove the sunset date of June 2025. Also the use will be changed from 78% to 75% property tax relief and 22% to 25% for any lawful purpose which become effective July 1, 2025. The road use taxes collected by the state are stable but the forecast is to maintain a conservative projection for these revenue sources.

The following items are also forefront in revenue and expenditure projections: (a) The City's contribution rate for the Municipal Fire and Police retirement system decreased in fiscal year 2023 to 23.9%, decreased in fiscal year 2024 to 22.98% and will decrease in fiscal year 2025 to 22.66% and decrease in fiscal year 2026 to 22.55%. The employer share of the rate fluctuates on an annual basis. (b) The Iowa Public Employees Retirement System remained steady for fiscal years 2021 through 2026. (c) Compliance with sanitary and storm water regulations will continue to be implemented over the next several years. A sanitary sewer rehabilitation project and headworks equipment replacement project for over \$13 million started in FY23 and will continue through FY26. The City will have \$2 million forgiven at the end of the project. (d) The cost of health care continues to rise. The City has experienced an increase in health-related claims and an increase in premium will occur in fiscal year 2025. Changes in claims are always a factor that the City continues to monitor. More preventive care options are encouraged to help avoid the high dollar claims. (e) Finding staff to hire has been challenging in this economy, especially police officers. (f) The city continues to see increases in utilities, supplies, contracted services, maintenance agreements, etc. due to inflation and supply shortages. (g) The City received \$3,987,179 in prior years from the American Rescue Plan Act and has used it to spend it on street, stormwater, park projects, MPACT, and revenue replacement. In FY25-26, the remainder will be spent on MPACT and a newly constructed water plaza.

Requests for Information

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

(This page left blank intentionally.)

Basic Financial Statements
June 30, 2024

City of Marshalltown

(This page left blank intentionally.)

City of Marshalltown

Statement of Net Position

June 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Marshalltown Water Works
Assets				
Cash and cash equivalents	\$ 57,561,968	\$ 30,023,493	\$ 87,585,461	\$ 6,781,894
Receivables				
Property taxes				
Delinquent	141,862	-	141,862	-
Succeeding year	16,213,922	-	16,213,922	-
Accounts and unbilled usage	386,451	1,967,027	2,353,478	1,215,652
Interest	412,822	231,211	644,033	-
Lease receivable	305,887	-	305,887	-
Notes receivable	-	320,000	320,000	-
Due from component unit	10,213	460,331	470,544	-
Due from other governments	3,140,908	21,345	3,162,253	-
Inventories	108,045	20,561	128,606	-
Prepaid items	617,786	259,042	876,828	96,491
Restricted assets				
Cash and cash equivalents	-	204,515	204,515	760,854
Land held for resale	453,785	-	453,785	-
Capital assets				
Land	5,152,770	898,294	6,051,064	1,115,721
Land improvements	6,796,022	2,321,332	9,117,354	-
Buildings and structures	40,783,451	12,538,499	53,321,950	20,452,617
Equipment and vehicles	21,105,004	21,988,159	43,093,163	4,810,967
Sanitary sewers and lift stations	-	49,368,343	49,368,343	17,367,485
Infrastructure	56,841,468	21,992,970	78,834,438	-
Construction in progress	7,447,279	11,683,964	19,131,243	3,533,179
Right to Use Asset - SBITA	189,507	-	189,507	-
Accumulated amortization	(15,792)	-	(15,792)	-
Accumulated depreciation	(58,248,981)	(49,764,722)	(108,013,703)	(19,249,527)
Total assets	<u>159,404,377</u>	<u>104,534,364</u>	<u>263,938,741</u>	<u>36,885,333</u>
Deferred Outflows of Resources				
OPEB related deferred outflows	4,907,747	720,834	5,628,581	-
Pension related deferred outflows	<u>3,454,914</u>	<u>413,410</u>	<u>3,868,324</u>	<u>322,168</u>
Total deferred outflows of resources	<u>8,362,661</u>	<u>1,134,244</u>	<u>9,496,905</u>	<u>322,168</u>

City of Marshalltown
Statement of Net Position
June 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Marshalltown Water Works
Liabilities				
Accounts payable	\$ 2,572,760	\$ 479,397	\$ 3,052,157	\$ 521,404
Accrued payroll and benefits	559,381	126,937	686,318	137,547
Retainage payable	318,642	661,028	979,670	-
Deposits payable	249,999	-	249,999	-
Due to other governments	1,512,742	189,883	1,702,625	-
Accrued interest payable	159,258	31,783	191,041	7,654
Grant proceeds received in advance	556,405	-	556,405	-
Due to primary government	-	-	-	470,340
Liabilities payable from restricted assets				
Customer deposits	-	-	-	290,514
Noncurrent liabilities				
Due within one year				
Bonds and notes payable	4,895,000	3,087,000	7,982,000	347,000
Subscription liability	93,507	-	93,507	-
Compensated absences payable	292,619	64,076	356,695	193,084
Total OPEB liability	474,499	69,174	543,673	-
Due in more than one year				
Bonds and notes payable	49,003,297	19,022,679	68,025,976	6,657,174
Compensated absences payable	767,029	191,456	958,485	-
Total OPEB liability	11,399,155	1,661,794	13,060,949	-
Net pension liability	10,923,367	1,071,290	11,994,657	1,635,721
Total liabilities	83,777,660	26,656,497	110,434,157	10,260,438
Deferred Inflows of Resources				
Succeeding year property taxes	16,213,923	-	16,213,923	-
Pension related deferred inflows	691,768	88,518	780,286	44,819
Lease deferred inflow	305,887	-	305,887	-
OPEB related deferred inflows	5,158,452	953,206	6,111,658	-
Total deferred inflows of resources	22,370,030	1,041,724	23,411,754	44,819
Net Position				
Net investment in capital assets	55,287,505	48,917,160	104,204,665	21,026,268
Restricted for				
Bond and interest payments	-	204,515	204,515	-
Capital improvements	9,492,708	-	9,492,708	-
Community development	377,842	-	377,842	-
Debt service	401,604	-	401,604	-
Employee benefits	3,866,492	-	3,866,492	-
Property tax relief	5,330,125	-	5,330,125	-
Other purposes	1,599,288	-	1,599,288	428,480
Unrestricted	(14,736,216)	28,848,712	14,112,496	5,447,496
Total net position	\$ 61,619,348	\$ 77,970,387	\$ 139,589,735	\$ 26,902,244

City of Marshalltown
Statement of Activities
Year Ended June 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position				
Functions/Programs	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit	
					Governmental Activities	Business-type Activities	Total	Marshalltown Water Works	
Primary Government									
Governmental activities									
Public safety	\$ 12,068,850	\$ 1,462,769	\$ 315,842	\$ 29,909	\$ (10,260,330)	\$ -	\$ (10,260,330)	\$ -	-
Public works	6,323,463	336,070	2,193,867	4,057,948	264,422	-	264,422	-	-
Health and social services	686,187	19,650	737,622	-	71,085	-	71,085	-	-
Culture and recreation	3,939,414	541,942	348,404	265	(3,048,803)	-	(3,048,803)	-	-
Community and economic development	5,507,922	27,527	4,223,866	-	(1,256,529)	-	(1,256,529)	-	-
General government	1,871,814	206,483	7,680	2,637,358	979,707	-	979,707	-	-
Interest on long-term debt	1,429,413	-	-	-	(1,429,413)	-	(1,429,413)	-	-
Total governmental activities	31,827,063	2,594,441	7,827,281	6,725,480	(14,679,861)	-	(14,679,861)	-	-
Business-type activities									
Water pollution control	5,727,492	9,566,749	-	-	-	3,839,257	3,839,257	-	-
Storm sewer	2,750,884	1,392,815	-	-	-	(1,358,069)	(1,358,069)	-	-
Compost	61,964	83,922	-	-	-	21,958	21,958	-	-
Transit	1,067,749	239,827	596,058	-	-	(231,864)	(231,864)	-	-
Concessions	58,778	60,061	-	-	-	1,283	1,283	-	-
Total business-type activities	9,666,867	11,343,374	596,058	-	-	2,272,565	2,272,565	-	-
Total primary government	\$ 41,493,930	\$ 13,937,815	\$ 8,423,339	\$ 6,725,480	\$ (14,679,861)	\$ 2,272,565	\$ (12,407,296)	\$ -	-
Component Units									
Water works	\$ 5,843,470	\$ 8,451,139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,607,669	-

City of Marshalltown
Statement of Activities
Year Ended June 30, 2024

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Marshalltown Water Works
General Revenues				
Taxes				
Property	\$ 12,651,195	\$ -	\$ 12,651,195	\$ -
Tax increment financing	1,082,475	-	1,082,475	-
Local option sales	4,404,944	-	4,404,944	-
Utility excise	1,601,903	-	1,601,903	-
Hotel/motel	592,914	-	592,914	-
Mobile homes	17,955	-	17,955	-
Unrestricted				
State generated revenues	1,185,903	-	1,185,903	-
Investment earnings	2,553,189	1,345,736	3,898,925	116,384
Miscellaneous revenues	705,526	3,061	708,587	-
Transfers	(1,643,303)	1,643,303	-	-
Total general revenues and transfers	23,152,701	2,992,100	26,144,801	116,384
Change in net position	8,472,840	5,264,665	13,737,505	2,724,053
Net Position - Beginning	53,146,508	72,705,722	125,852,230	24,178,191
Net Position - Ending	\$ 61,619,348	\$ 77,970,387	\$ 139,589,735	\$ 26,902,244

City of Marshalltown
Balance Sheet
Governmental Funds
June 30, 2024

	Special Revenue Funds								Capital Projects Funds	Nonmajor Governmental Funds	Total
	General	Road Use Tax	Local Option Sales Tax	Property Tax	HUD Programs	Grant Fund	American Rescue Plan	Debt Service	Public Works and Other Projects		
Assets											
Cash and cash equivalents	\$ 7,122,798	\$ 9,912,046	\$ 5,530,018	\$ 3,810,978	\$ 426,706	\$ -	\$ 469,692	\$ 379,824	\$ 27,651,550	1,955,381	\$ 57,258,993
Receivables											
Property taxes											
Delinquent	66,528	-	-	26,365	-	-	-	18,875	4,809	25,285	141,862
Succeeding year	9,569,894	-	-	4,102,342	-	-	-	1,861,736	679,950	-	16,213,922
Accounts and unbilled usage	228,946	2,656	-	-	14,704	-	-	-	99,260	40,885	386,451
Interest	55,526	75,818	42,300	29,150	1,207	-	-	2,905	193,614	9,985	410,505
Due from other funds	258,773	-	-	-	-	-	-	-	29,787	-	288,560
Due from component unit	10,213	-	-	-	-	-	-	-	-	-	10,213
Due from other governments	209,744	358,360	411,238	-	67,300	1,493,956	-	-	353,535	246,775	3,140,908
Inventory	-	108,045	-	-	-	-	-	-	-	-	108,045
Prepaid items	588,186	6,984	-	-	20,749	898	-	-	-	969	617,786
Land held for resale	-	-	-	-	-	453,785	-	-	-	-	453,785
Lease receivable	305,887	-	-	-	-	-	-	-	-	-	305,887
Total assets	\$ 18,416,495	\$ 10,463,909	\$ 5,983,556	\$ 7,968,835	\$ 530,666	\$ 1,948,639	\$ 469,692	\$ 2,263,340	\$ 29,012,505	\$ 2,279,280	\$ 79,336,917
Liabilities, Deferred Inflows of Resources, and Fund Balances											
Liabilities											
Accounts payable	\$ 359,614	\$ 66,439	\$ 55,793	\$ -	\$ 93,707	\$ 1,256,845	\$ 13,287	\$ -	\$ 488,818	\$ 11,682	\$ 2,346,185
Accrued payroll and payroll benefits	543,075	64	-	-	12,134	2,786	-	-	-	1,322	559,381
Retainage payable	-	-	-	-	-	46,608	-	-	272,034	-	318,642
Due to other governments	21,606	3,073	-	-	575	-	-	-	1,076,186	411,302	1,512,742
Grant proceeds received in advance	-	-	-	-	-	-	456,405	-	100,000	-	556,405
Due to other funds	-	-	-	-	-	258,773	-	-	-	29,787	288,560
Total liabilities	924,295	69,576	55,793	-	106,416	1,565,012	469,692	-	1,937,038	454,093	5,581,915
Deferred Inflows of Resources											
Unavailable revenue- property taxes	9,569,894	-	-	4,102,343	-	-	-	1,861,736	679,950	-	16,213,923
Unavailable revenue- other	94,416	-	-	-	13,479	170,408	-	-	91,760	37,349	407,412
Unavailable revenue- intergovernmental	-	-	-	-	32,929	981,227	-	-	319,535	245,111	1,578,802
Lease deferred inflow	305,887	-	-	-	-	-	-	-	-	-	305,887
Total deferred inflows of resources	9,970,197	-	-	4,102,343	46,408	1,151,635	-	1,861,736	1,091,245	282,460	18,506,024
Fund Balances											
Nonspendable	588,186	115,029	-	-	20,749	454,980	-	-	-	672	1,179,616
Restricted	-	10,279,304	5,927,763	3,866,492	357,093	-	-	401,604	25,984,222	1,571,842	48,388,320
Committed	250,000	-	-	-	-	-	-	-	-	-	250,000
Unassigned	6,683,817	-	-	-	-	(1,222,988)	-	-	-	(29,787)	5,431,042
Total fund balances (deficit)	7,522,003	10,394,333	5,927,763	3,866,492	377,842	(768,008)	-	401,604	25,984,222	1,542,727	55,248,978
Total liabilities, deferred inflows of resources, and fund balances	\$ 18,416,495	\$ 10,463,909	\$ 5,983,556	\$ 7,968,835	\$ 530,666	\$ 1,948,639	\$ 469,692	\$ 2,263,340	\$ 29,012,505	\$ 2,279,280	\$ 79,336,917

City of Marshalltown
Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
June 30, 2024

Total governmental fund balances		\$ 55,248,978
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	\$ 138,315,501	
Accumulated depreciation/amortization is	<u>(58,264,773)</u>	
		80,050,728
Some of the City's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and, therefore, are recognized as deferred inflows of resources, in the governmental funds.		1,986,214
OPEB and Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period and therefore are not reported in the funds.		
OPEB related deferred outflows	4,907,747	
Pension related deferred outflows	3,454,914	
OPEB related deferred inflows	(5,158,452)	
Pension related deferred inflows	<u>(691,768)</u>	
		2,512,441
Internal service funds are used by the City's management to charge the costs of self-insurance programs to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		(171,282)
Some liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Those liabilities consist of:		
Bonds and notes payable	(53,898,297)	
Accrued interest on the bonds and notes	(159,258)	
Subscription liability	(93,507)	
Compensated absences	(1,059,648)	
Net pension liability	(10,923,367)	
Total OPEB liability	<u>(11,873,654)</u>	
		<u>(78,007,731)</u>
Net position of governmental activities		<u>\$ 61,619,348</u>

City of Marshalltown
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds								Capital Projects Funds			
			Local Option		Disaster Fund					Public Works	Nonmajor	
	General	Road Use Tax	Sales Tax	Property Tax	Previously Reported as Major	HUD Programs	Grant Fund	American Rescue Plan	Debt Service	Other Projects	Governmental Funds	Total
Revenues												
Property taxes	\$ 7,240,157	\$ -	\$ -	\$ 2,880,784		\$ -	\$ -	\$ -	\$ 2,005,896	\$ 524,336	\$ -	\$ 12,651,173
TIF revenues	-	-	-	-		-	-	-	-	-	1,057,051	1,057,051
Other city taxes	1,680,139	-	4,404,944	371,347		-	-	-	244,808	72,528	-	6,773,766
Use of money and property	360,088	417,662	301,703	182,844		11,817	-	-	61,331	1,229,261	65,153	2,629,859
Licenses and permits	319,753	150	-	-		-	-	-	-	-	-	319,903
Intergovernmental	927,525	3,945,840	-	271,330		2,126,711	2,908,338	2,637,358	180,939	4,361,456	184,484	17,543,981
Charges for service	1,786,629	-	-	-		-	-	-	-	-	-	1,786,629
Miscellaneous	118,429	6,348	-	-		30,011	255,488	-	-	57,640	201,830	669,746
Total revenues	12,432,720	4,370,000	4,706,647	3,706,305		2,168,539	3,163,826	2,637,358	2,492,974	6,245,221	1,508,518	43,432,108
Expenditures												
Current												
Public safety	10,885,211	-	59,681	84,180		-	219,979	89,418	-	149,479	91,462	11,579,410
Public works	1,814,320	975,586	21,836	21,082		-	121,905	-	-	6,005,617	82,977	9,043,323
Health and social services	-	-	-	-		733,306	-	-	-	-	-	733,306
Culture and recreation	3,137,670	-	-	16,809		-	196,397	-	-	638,837	131,622	4,121,335
Community and economic development	767,842	-	209,975	811		1,333,545	2,785,835	-	-	-	554,450	5,652,458
General government	1,596,292	-	36,610	9,006		-	-	-	-	214,558	1,388	1,857,854
Debt service												
Principal	-	-	-	-		-	-	-	4,550,000	-	-	4,550,000
Interest and other fiscal charges	-	-	-	-		-	-	-	1,435,389	-	-	1,435,389
Total expenditures	18,201,335	975,586	328,102	131,888		2,066,851	3,324,116	89,418	5,985,389	7,008,491	861,899	38,973,075

City of Marshalltown
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds									Capital Projects Funds		
	General	Road Use Tax	Local Option Sales Tax	Property Tax	Disaster Fund Previously Reported as Major	HUD Programs	Grant Fund	American Rescue Plan	Debt Service	Public Works and Other Projects	Nonmajor Governmental Funds	Total
Excess (Deficiency) of Revenues over (under) Expenditures	\$ (5,768,615)	\$ 3,394,414	\$ 4,378,545	\$ 3,574,417		\$ 101,688	\$ (160,290)	\$ 2,547,940	\$ (3,492,415)	\$ (763,270)	\$ 646,619	\$ 4,459,033
Other Financing Sources (uses)												
General obligation bonds issued	-	-	-	-	-	-	-	-	-	9,840,000	-	9,840,000
Premium on general obligation bonds issued	-	-	-	-	-	-	-	-	-	69,238	-	69,238
Subscription financing	189,507	-	-	-	-	-	-	-	-	-	-	189,507
Transfers in	6,410,096	-	-	-	-	-	500,464	-	3,659,415	3,653,522	14,671	14,238,168
Transfers out	(312,052)	(1,051,979)	(4,830,091)	(4,243,765)	-	-	(4,039)	(2,547,940)	-	(492,148)	(811,769)	(14,293,783)
Total other financing sources (uses)	6,287,551	(1,051,979)	(4,830,091)	(4,243,765)	-	-	496,425	(2,547,940)	3,659,415	13,070,612	(797,098)	10,043,130
Net Change in Fund Balances	518,936	2,342,435	(451,546)	(669,348)		101,688	336,135	-	167,000	12,307,342	(150,479)	14,502,163
Fund Balances (Deficit), as previously reported	7,003,067	8,051,898	6,379,309	4,535,840	\$ 624,072	276,154	-	-	234,604	13,676,880	(35,009)	40,746,815
Adjustments, note 18	-	-	-	-	(624,072)	-	(1,104,143)	-	-	-	1,728,215	-
Fund Balances (Deficit), as adjusted	7,003,067	8,051,898	6,379,309	4,535,840	\$ -	276,154	(1,104,143)	-	234,604	13,676,880	1,693,206	40,746,815
Fund Balances (Deficit) - Ending	\$ 7,522,003	\$ 10,394,333	\$ 5,927,763	\$ 3,866,492		\$ 377,842	\$ (768,008)	\$ -	\$ 401,604	\$ 25,984,222	\$ 1,542,727	\$ 55,248,978

City of Marshalltown

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds to the Statement of Activities
Year Ended June 30, 2024

Net change in fund balances – total governmental funds \$ 14,502,163

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

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

Capital outlay	\$ 4,974,422	
Depreciation/amortization expense	(3,957,870)	
Net change in capital assets		1,016,552

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

Intergovernmental	(2,967,367)	
Charges for service	362,559	
Net effect		(2,604,808)

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

Debt repayments, forgiveness, and changes in accrued interest	5,026,027	
Debt proceeds, including net effect of premiums	(10,089,971)	
Net effect		(5,063,944)

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

Change in compensated absences	82,879	
Net effect of OPEB related activity	5,029	
Net effect of pension related activity	352,126	
Total additional expenses		440,034

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

182,843

Change in net position of governmental activities	\$ <u><u>8,472,840</u></u>
---	----------------------------

City of Marshalltown
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	
Assets					
Current assets					
Cash and cash equivalents	\$ 25,926,000	\$ 2,624,054	\$ 1,473,439	\$ 30,023,493	\$ 302,976
Receivables					
Accounts and unbilled usage	1,817,955	140,178	8,894	1,967,027	-
Interest receivable	199,875	20,072	11,264	231,211	2,317
Due from component unit	376,101	84,230	-	460,331	-
Due from other governments	-	-	21,345	21,345	-
Inventories	20,561	-	-	20,561	-
Prepaid items	196,137	22,963	39,942	259,042	-
Total current assets	28,536,629	2,891,497	1,554,884	32,983,010	305,293
Noncurrent assets					
Restricted assets					
Cash and cash equivalents	204,515	-	-	204,515	-
Notes receivable	320,000	-	-	320,000	-
Capital assets					
Land	383,576	504,281	10,437	898,294	-
Land improvements	1,975,673	102,563	243,096	2,321,332	-
Buildings and structures	11,828,451	6,000	704,048	12,538,499	-
Equipment and vehicles	18,876,979	989,412	2,121,768	21,988,159	-
Sanitary sewers and lift stations	49,242,727	125,616	-	49,368,343	-
Infrastructure	-	21,992,970	-	21,992,970	-
Construction in progress	11,190,552	493,412	-	11,683,964	-
Accumulated depreciation	(39,174,479)	(8,367,754)	(2,222,489)	(49,764,722)	-
Total noncurrent assets	54,847,994	15,846,500	856,860	71,551,354	-
Total assets	83,384,623	18,737,997	2,411,744	104,534,364	305,293
Deferred Outflows of Resources					
OPEB related deferred outflows	464,794	108,350	147,690	720,834	
Pension related deferred outflows	266,100	65,588	81,722	413,410	-
Total deferred outflows of resources	730,894	173,938	229,412	1,134,244	-

City of Marshalltown
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	
Liabilities					
Current liabilities					
Accounts payable	\$ 400,811	\$ 16,955	\$ 61,631	\$ 479,397	\$ 226,576
Accrued payroll and payroll benefits	76,398	16,139	34,400	126,937	-
Deposits payable	-	-	-	-	249,999
Retainage payable	510,582	150,446	-	661,028	-
Due to other governments	41,122	143,953	4,808	189,883	-
Accrued interest payable	27,653	4,130	-	31,783	-
Compensated absences	37,801	6,638	19,637	64,076	-
General obligation bonds	495,000	495,000	-	990,000	-
Revenue bonds - direct borrowings	730,000	-	-	730,000	-
Revenue bonds	1,367,000	-	-	1,367,000	-
Total OPEB liability	44,603	10,398	14,173	69,174	-
Total current liabilities	3,730,970	843,659	134,649	4,709,278	476,575
Noncurrent liabilities					
Compensated absences	134,813	36,647	19,996	191,456	-
General obligation bonds	498,078	3,099,009	-	3,597,087	-
Revenue bonds - direct borrowings	10,905,593	-	-	10,905,593	-
Revenue bonds	4,519,999	-	-	4,519,999	-
Total OPEB liability	1,071,527	249,787	340,480	1,661,794	-
Net pension liability	689,559	169,961	211,770	1,071,290	-
Total noncurrent liabilities	17,819,569	3,555,404	572,246	21,947,219	-
Total liabilities	21,550,539	4,399,063	706,895	26,656,497	476,575
Deferred Inflows of Resources					
OPEB related deferred inflows	614,628	143,278	195,300	953,206	-
Pension related deferred inflows	56,977	14,043	17,498	88,518	-
Total deferred inflows of resources	671,605	157,321	212,798	1,041,724	-
Net Position					
Net investment in capital assets	35,807,809	12,252,491	856,860	48,917,160	-
Restricted for					
Bond and interest payments	204,515	-	-	204,515	-
Unrestricted	25,881,049	2,103,060	864,603	28,848,712	(171,282)
Total net position	\$ 61,893,373	\$ 14,355,551	\$ 1,721,463	\$ 77,970,387	\$ (171,282)

City of Marshalltown
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	
Operating Revenues					
Charges for service	\$ 9,494,783	\$ 1,392,815	\$ 383,456	\$ 11,271,054	\$ 3,142,949
Miscellaneous	71,966	-	354	72,320	629,691
Total operating revenues	9,566,749	1,392,815	383,810	11,343,374	3,772,640
Operating Expenses					
Salaries and benefits	1,997,102	479,006	682,376	3,158,484	-
Services and supplies	1,477,008	299,033	385,710	2,161,751	172,852
Claims	-	-	-	-	3,026,659
Health insurance premiums	-	-	-	-	399,756
Depreciation	1,937,039	554,361	120,203	2,611,603	-
Miscellaneous	21,524	1,236	202	22,962	1,762
Total operating expenses	5,432,673	1,333,636	1,188,491	7,954,800	3,601,029
Operating income (loss)	4,134,076	59,179	(804,681)	3,388,574	171,611
Nonoperating Revenues (Expenses)					
Federal and state grants	-	-	596,058	596,058	-
Interest income	1,159,460	130,052	59,279	1,348,791	11,232
Interest and other debt expense	(294,817)	(44,692)	-	(339,509)	-
Capital expense for governmental funds	-	(805,912)	-	(805,912)	-
Gain (loss) on disposal of capital assets	-	(566,641)	-	(566,641)	-
Net nonoperating revenues	864,643	(1,287,193)	655,337	232,787	11,232
Income (loss) before transfers	4,998,719	(1,228,014)	(149,344)	3,621,361	182,843
Capital Contributions	433,114	1,154,572	-	1,587,686	-
Transfers In	-	-	307,097	307,097	-
Transfers Out	-	(251,479)	-	(251,479)	-
Change in Net Position	5,431,833	(324,921)	157,753	5,264,665	182,843
Net Position - Beginning	56,461,540	14,680,472	1,563,710	72,705,722	(354,125)
Net Position - Ending	\$ 61,893,373	\$ 14,355,551	\$ 1,721,463	\$ 77,970,387	\$ (171,282)

City of Marshalltown
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	
Cash Flows from Operating Activities					
Cash received from customers	\$ 9,187,585	\$ 1,395,228	\$ 390,860	\$ 10,973,673	\$ 3,198,267
Cash payments to suppliers for goods and services	(1,355,284)	(143,567)	(367,327)	(1,866,178)	(3,714,171)
Cash payments to employees for services	(2,004,520)	(493,276)	(683,943)	(3,181,739)	-
Other operating receipts	71,966	-	152	72,118	629,691
Net Cash provided by (used for) Operating Activities	<u>5,899,747</u>	<u>758,385</u>	<u>(660,258)</u>	<u>5,997,874</u>	<u>113,787</u>
Cash Flows from Noncapital Financing Activities					
Transfers from other funds	-	-	307,097	307,097	-
Transfers to other funds	-	(251,479)	-	(251,479)	-
Grants received	-	-	684,289	684,289	-
Change in due from other funds	25,565	-	-	25,565	-
Change in due to other funds	-	-	(25,565)	(25,565)	-
Net Cash provided by (used for) Noncapital Financing Activities	<u>25,565</u>	<u>(251,479)</u>	<u>965,821</u>	<u>739,907</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition and construction of capital assets	(7,119,138)	-	(86,293)	(7,205,431)	-
Proceeds from issuance of debt	6,935,591	-	-	6,935,591	-
Payment of debt	(2,516,727)	(496,273)	-	(3,013,000)	-
Interest and fiscal charges paid	(301,123)	(45,230)	-	(346,353)	-
Net Cash provided by (used for) Capital and Related Financing Activities	<u>(3,001,397)</u>	<u>(541,503)</u>	<u>(86,293)</u>	<u>(3,629,193)</u>	<u>-</u>
Cash Flows from Investing Activities					
Interest received on investment securities	<u>959,585</u>	<u>109,980</u>	<u>48,015</u>	<u>1,117,580</u>	<u>8,915</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,883,500	75,383	267,285	4,226,168	122,702
Cash and Cash Equivalents, Beginning	<u>22,247,015</u>	<u>2,548,671</u>	<u>1,206,154</u>	<u>26,001,840</u>	<u>180,274</u>
Cash and Cash Equivalents, Ending	<u>\$ 26,130,515</u>	<u>\$ 2,624,054</u>	<u>\$ 1,473,439</u>	<u>\$ 30,228,008</u>	<u>\$ 302,976</u>

City of Marshalltown
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for) Operating Activities					
Operating income (loss)	\$ 4,134,076	\$ 59,179	\$ (804,681)	\$ 3,388,574	\$ 171,611
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation	1,937,039	554,361	120,203	2,611,603	-
Changes in assets, deferred outflows, liabilities, and deferred inflows					
Receivables	(307,198)	2,413	7,404	(297,381)	1,375
Inventories and prepaid items	(47,564)	4,078	(4,447)	(47,933)	2,200
Accounts payable	176,181	9,816	24,522	210,519	(115,076)
Accrued liabilities	(26,951)	(10,977)	11,055	(26,873)	-
Due to other governments	14,631	142,808	(1,692)	155,747	-
Deposits payable	-	-	-	-	53,677
Total OPEB liability	(93,730)	(29,685)	(44,566)	(167,981)	-
Net pension liability	80,571	20,625	19,039	120,235	-
Deferred outflows	(88,562)	(19,039)	(19,866)	(127,467)	-
Deferred inflows	121,254	24,806	32,771	178,831	-
Total	1,765,671	699,206	144,423	2,609,300	(57,824)
Net Cash provided by (used for) Operating Activities	\$ 5,899,747	\$ 758,385	\$ (660,258)	\$ 5,997,874	\$ 113,787
Noncash Capital Activities					
Donations of capital assets	\$ 433,114	\$ 1,154,572	\$ -	\$ 1,587,686	\$ -

City of Marshalltown
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	<u>Custodial Funds</u>
Assets	
Cash and cash equivalents	\$ 5,768
Accounts receivable	<u>126,387</u>
Total assets	<u>132,155</u>
Liabilities	
Checks written in excess of deposits	<u>126,387</u>
Total liabilities	<u>126,387</u>
Net Position	<u><u>\$ 5,768</u></u>

City of Marshalltown
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2024

	Custodial Funds
	<u> </u>
Additions	
Receipts from commission	\$ 1,342,231
Investment income, interest	<u>764</u>
Total additions	1,342,995
Deductions	
Wages and benefits	<u>1,342,231</u>
Change in net position	764
Net Position - Beginning	<u>5,004</u>
Net Position - Ending	<u><u>\$ 5,768</u></u>

(This page left blank intentionally.)

Notes to Financial Statements
June 30, 2024

City of Marshalltown

Note 1 - Summary of Significant Accounting Policies

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

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

Reporting Entity

For financial reporting purposes, the City of Marshalltown, Iowa, has included all funds, organizations, agencies, boards, commissions, and authorities, except for the Friends of the Marshalltown, Iowa Public Library, Inc. as noted below. The City has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City.

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

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

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

Marshalltown Water Works
205 East State Street
Marshalltown, Iowa 50158

Excluded Discretely Presented Component Unit: The Friends of the Marshalltown, Iowa Public Library, Inc. is an entity which is legally separate from the City. The organization was created under Section 501(c)3. The purpose of the organization is to assist the City's Public Library in the performance of its responsibilities to the citizens of the City. The financial transactions of this component unit have not been presented because the information was not made available.

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

Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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

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

The *Grant Fund* is used to account for the miscellaneous self-balancing grant funds of the City.

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

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

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water pollution control and storm sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

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

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

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

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

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

The County Treasurer bills and collects taxes for the City. Taxes for the year ended June 30, 2024, were certified with the County during the preceding fiscal year and were due in two equal installments by September 30, 2023 and March 31, 2024. Any County collections on the 2023-2024 tax levy remitted to the City within sixty days subsequent to June 30, 2024, are recorded as property tax revenues. Taxes not collected and remitted to the City within sixty days subsequent to June 30, 2024, are delinquent and have been recorded as receivables. This amount is recorded as unavailable revenue in the governmental funds but is recognized as revenue in the government-wide financial statements.

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

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

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

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

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

Land Held for Resale. Land held for resale is held at lower of cost or net realizable value.

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

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

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

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

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

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

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

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

Although certain revenues are measurable, they may not be available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Unavailable revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

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

Compensated Absences. City employees accumulate a limited amount of earned but unused vacation, compensatory time and sick leave hours for subsequent use or for payment upon termination, death, or retirement. Accumulated sick leave is generally paid at 25%, not to exceed 1,440 hours for municipal fire employees, 1,072.5 hours for municipal police employees and 1,040 hours for all others, upon retirement if the employee has at least 15 years of service. All vacation and sick leave is accrued when incurred in the government-wide and proprietary financial statements. Governmental funds record the earned vacation and vested sick leave hours as an expenditure of the current year to the extent it is paid during the year. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The compensated absences liability has been computed based on rates of pay in effect as of June 30, 2024.

Water Works employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, retirement, or death. The liability is recorded on the Statement of Net Position based on rates of pay in effect as of June 30, 2024.

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Subscription Liabilities. SBITA liabilities represent the City's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments are discounted based on a borrowing rate determined by the City.

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

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

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

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

	<u>Years</u>
Land improvements	10-30
Buildings and structures	30-50
Equipment and vehicles	5-30
Sanitary sewers and lift stations	30-50
Infrastructure	20-50
Right to use subscription assets	2-5

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

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

Right to use subscription IT assets. SBITA assets are recognized at the subscription commencement date and represent the City's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 2 to 5 years.

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

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

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

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

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

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

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

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

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

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

City of Marshalltown
Notes to Financial Statements
June 30, 2024

As of June 30, 2024, fund balances consisted of the following:

	General	Road Use Tax	Local Option Sales Tax	Property Tax	Disaster Fund	HUD Programs	Grant Fund	American Rescue Plan	Debt Service	Public Works and Other Projects	Nonmajor Governmental Funds	Total
Nonspendable												
Inventory and prepaid items	\$ 588,186	\$ 115,029	\$ -	\$ -	\$ -	\$ 20,749	\$ 454,980	\$ -	\$ -	\$ -	\$ 672	\$ 1,179,616
Restricted for												
Capital improvements	-	10,279,304	570,192	-	-	-	-	-	-	25,984,222	-	36,833,718
Property tax relief	-	-	5,357,571	-	-	-	-	-	-	-	-	5,357,571
Debt service	-	-	-	-	-	-	-	-	401,604	-	-	401,604
Employee benefits	-	-	-	3,866,492	-	-	-	-	-	-	-	3,866,492
Economic development	-	-	-	-	-	-	-	-	-	-	231,988	231,988
Health and welfare	-	-	-	-	-	-	-	-	-	-	148,043	148,043
Parks and recreation	-	-	-	-	-	-	-	-	-	-	537,916	537,916
Disaster fund	-	-	-	-	-	-	-	-	-	-	634,827	634,827
Housing	-	-	-	-	-	357,093	-	-	-	-	-	357,093
Other	-	-	-	-	-	-	-	-	-	-	19,068	19,068
Total restricted	-	10,279,304	5,927,763	3,866,492	-	357,093	-	-	401,604	25,984,222	1,571,842	48,388,320
Committed												
Capital improvements	250,000	-	-	-	-	-	-	-	-	-	-	250,000
Unassigned	6,683,817	-	-	-	-	-	(1,222,988)	-	-	-	(29,787)	5,431,042
Total fund balance	\$ 7,522,003	\$ 10,394,333	\$ 5,927,763	\$ 3,866,492	\$ -	\$ 377,842	\$ (768,008)	\$ -	\$ 401,604	\$ 25,984,222	\$ 1,542,727	\$ 55,248,978

Note 2 - Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. At June 30, 2024, disbursements did not exceed amounts budgeted.

Note 3 - Deposits and Investments

Deposits. The City's deposits in banks at June 30, 2024, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

As of June 30, 2024, the City's carrying amount of deposits, related bank balances, and other cash, including fiduciary funds, were as follows:

	Carrying Amount	Bank Balance
Demand deposits	\$ 47,026,864	\$ 47,235,894
Iowa Public Agency Investment Trust	30,769,034	30,769,034
Treasury securities	9,997,871	9,997,871
Petty cash	1,975	-
	<u>87,795,744</u>	<u>88,002,799</u>
Total	<u>\$ 87,795,744</u>	<u>\$ 88,002,799</u>

The Marshalltown Water Works' carrying amount of deposits was \$7,542,748, all of which was covered by federal depository insurance or insured by the state through pooled collateral, State Sinking Funds and by the state's ability to assess for lost funds.

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

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

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

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

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

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

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

In addition, the City had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$30,769,034. There were no limitations or restrictions on the withdrawals for the IPAIT investments. The City's investment in the Iowa Public Agency Investment Trust is unrated.

Note 4 - Interfund Balance and Transfers

Due to/from primary government and component unit balances as of June 30, 2024, consisted of the following:

Receivable Entity	Payable Entity	Amount
Primary Government	Component Unit	
Governmental Fund, General Fund	Water Works	\$ 10,213
Enterprise Fund, Water Pollution Control	Water Works	376,101
Enterprise Fund, Storm Sewer	Water Works	84,230
		<u>\$ 470,544</u>

Due from/to other funds as of June 30, 2024, consisted of the following:

Due to General Fund from	
Grant Fund	<u>\$ 258,773</u>
Due to Public Works fund from	
Nonmajor Governmental	<u>\$ 29,787</u>

The interfund balances result from negative cash balances.

Interfund transfers for the year ended June 30, 2024, consisted of the following:

Transfers to General Fund from	
Road use tax	\$ 969,197
Local option sales tax	388,000
Property tax	4,243,765
Public works and other projects	490,522
Grant	4,039
American rescue plan	49,389
Nonmajor governmental	<u>265,184</u>
Total Transfers to General Fund	<u><u>\$ 6,410,096</u></u>
Transfers to Public Works and Other Projects Fund from	
Road use tax	\$ 82,782
Local option sales tax	820,413
American rescue plan	2,498,551
Nonmajor governmental	297
Storm sewer	<u>251,479</u>
Total Transfers to Public Works and Other Projects Fund	<u><u>\$ 3,653,522</u></u>
Transfers to Grant fund:	
General	\$ 20,994
Local option sales tax	262,195
Nonmajor governmental	<u>217,275</u>
Total Transfers to Grant Fund	<u><u>\$ 500,464</u></u>
Transfers to Debt Service Fund from	
Local option sales tax	\$ 3,333,609
Nonmajor governmental	<u>325,806</u>
Total Transfers to Debt Service Fund	<u><u>\$ 3,659,415</u></u>

Transfers to Nonmajor Governmental Funds from	
Local option sales tax	\$ 5,374
General	4,464
Public works and other projects	1,626
Nonmajor governmental	<u>3,207</u>
Total transfers to Nonmajor Governmental Funds	<u><u>\$ 14,671</u></u>
Transfers to Nonmajor Enterprise Funds from	
General	\$ 286,597
Local option sales tax	<u>20,500</u>
Total Transfers to Nonmajor Enterprise Funds	<u><u>\$ 307,097</u></u>

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

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Primary Government				
Governmental activities				
Capital assets, not being depreciated/ amortized				
Land	\$ 5,029,351	\$ 123,419	\$ -	\$ 5,152,770
Construction in progress	9,581,636	5,614,173	(7,748,530)	7,447,279
Total capital assets, not being depreciated/amortized	<u>14,610,987</u>	<u>5,737,592</u>	<u>(7,748,530)</u>	<u>12,600,049</u>
Capital assets, being depreciated/ amortized				
Buildings and structures	40,783,451	-	-	40,783,451
Land improvements	6,389,443	406,579	-	6,796,022
Equipment and vehicles	20,960,085	690,336	(545,417)	21,105,004
Infrastructure	51,132,479	5,708,989	-	56,841,468
Right-to-use subscription assets	-	189,507	-	189,507
Total capital assets, being depreciated/amortized	<u>119,265,458</u>	<u>6,995,411</u>	<u>(545,417)</u>	<u>125,715,452</u>
Less accumulated depreciation/ amortization for				
Buildings and structures	(11,079,220)	(1,171,704)	-	(12,250,924)
Land improvements	(2,256,230)	(252,452)	-	(2,508,682)
Equipment and vehicles	(11,644,253)	(1,145,719)	535,366	(12,254,606)
Infrastructure	(29,862,566)	(1,372,203)	-	(31,234,769)
Right-to-use subscription assets	-	(15,792)	-	(15,792)
Total accumulated depreciation/ amortization	<u>(54,842,269)</u>	<u>(3,957,870)</u>	<u>535,366</u>	<u>(58,264,773)</u>
Total Capital Assets, Being Depreciated/ amortized, net	<u>64,423,189</u>	<u>3,037,541</u>	<u>(10,051)</u>	<u>67,450,679</u>
Governmental Activities Capital Assets, Net	<u>\$ 79,034,176</u>	<u>\$ 8,775,133</u>	<u>\$ (7,758,581)</u>	<u>\$ 80,050,728</u>

City of Marshalltown
Notes to Financial Statements
June 30, 2024

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Business-Type Activities				
Capital assets, not being depreciated				
Land	\$ 898,294	\$ -	\$ -	\$ 898,294
Construction in progress	8,510,780	6,545,904	(3,372,720)	11,683,964
Total capital assets, not being depreciated	<u>9,409,074</u>	<u>6,545,904</u>	<u>(3,372,720)</u>	<u>12,582,258</u>
Capital assets, being depreciated				
Buildings and structures	12,505,059	33,440	-	12,538,499
Land improvements	2,321,332	-	-	2,321,332
Equipment and vehicles	21,756,994	231,165	-	21,988,159
Sanitary sewers and lift stations	48,935,230	433,113	-	49,368,343
Infrastructure	19,003,891	2,989,079	-	21,992,970
Total capital assets, being depreciated	<u>104,522,506</u>	<u>3,686,797</u>	<u>-</u>	<u>108,209,303</u>
Less accumulated depreciation for				
Buildings and structures	(8,370,290)	(343,770)	-	(8,714,060)
Land improvements	(2,044,955)	(32,673)	-	(2,077,628)
Equipment and vehicles	(14,878,912)	(668,858)	-	(15,547,770)
Sanitary sewers and lift stations	(14,446,437)	(1,073,839)	-	(15,520,276)
Infrastructure	(7,412,526)	(492,462)	-	(7,904,988)
Total accumulated depreciation	<u>(47,153,120)</u>	<u>(2,611,602)</u>	<u>-</u>	<u>(49,764,722)</u>
Total Capital Assets, Being Depreciated, Net	<u>57,369,386</u>	<u>1,075,195</u>	<u>-</u>	<u>58,444,581</u>
Business-Type Activities Capital Assets, Net	<u>\$ 66,778,460</u>	<u>\$ 7,621,099</u>	<u>\$ (3,372,720)</u>	<u>\$ 71,026,839</u>

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

Governmental Activities	
Public safety	\$ 982,576
Public works	1,895,220
Health and social services	1,362
Culture and recreation	950,126
General government	<u>128,586</u>
Total Depreciation/Amortization Expense – Governmental Activities	<u>\$ 3,957,870</u>
Business-Type Activities	
Water pollution control	\$ 1,937,039
Storm sewer	554,361
Compost facility	3,378
Bus transit	<u>116,825</u>
Total Depreciation Expense – Business-Type Activities	<u>\$ 2,611,603</u>

Note 6 - Long-Term Debt

The following is a summary of changes in the City's long-term debt for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Governmental Activities					
General obligation bonds and notes payable	\$ 47,770,000	\$ 9,840,000	\$ 4,550,000	\$ 53,060,000	\$ 4,895,000
Unamortized premiums	855,970	69,238	86,911	838,297	-
Total general obligation bonds and notes	48,625,970	9,909,238	4,636,911	53,898,297	4,895,000
Revenue bonds - direct borrowings	325,863	174,137	500,000	-	-
IT Subscriptions	-	189,507	96,000	93,507	93,507
Compensated absences payable	1,142,527	280,654	363,533	1,059,648	292,619
	<u>50,094,360</u>	<u>10,553,536</u>	<u>5,596,444</u>	<u>55,051,452</u>	<u>5,281,126</u>
Business-Type Activities					
General obligation bonds and notes payable	\$ 5,465,000	\$ -	\$ 960,000	\$ 4,505,000	\$ 990,000
Unamortized premiums	94,898	-	12,811	82,087	-
Total general obligation bonds	5,559,898	-	972,811	4,587,087	990,000
Revenue bonds - direct borrowings	5,416,002	6,935,591	716,000	11,635,593	730,000
Revenue bonds payable	7,224,000	-	1,337,000	5,887,000	1,367,000
Compensated absences payable	303,618	16,336	64,422	255,532	64,076
	<u>18,503,518</u>	<u>6,951,927</u>	<u>3,090,233</u>	<u>22,365,212</u>	<u>3,151,076</u>
Total	<u>\$ 68,597,878</u>	<u>\$ 17,505,463</u>	<u>\$ 8,686,677</u>	<u>\$ 77,416,664</u>	<u>\$ 8,432,202</u>

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

Bonded Debt. Details of the City's bonds and notes payable as of June 30, 2024, are as follows:

	Interest Rates	Govern- mental Activities	Business- type Activities	Total
General Obligation Bonds and Notes				
2012A Essential corporate purpose, issued April 12, 2012	2.25-2.50	\$ 425,000	\$ -	\$ 425,000
2016A General obligation corporate purpose, issued August 9, 2016	2.00	440,000	1,440,000	1,880,000
2016B General obligation corporate purpose, issued December 1, 2016	2.00	2,230,000	-	2,230,000
2017A General obligation corporate purpose, issued October 10, 2017	3.00	10,385,000	-	10,385,000
2018A General obligation corporate purpose, issued December 3, 2018	3.00	1,940,000	-	1,940,000
2019 General obligation corporate purpose, issued December 12, 2019	2.00	3,920,000	990,000	4,910,000
2020A General obligation corporate purpose, issued September 28, 2020	1.00	4,370,000	2,075,000	6,445,000
2020B General obligation corporate purpose, issued September 28, 2020	1.00-1.35	1,820,000	-	1,820,000
2021 General obligation corporate purpose, issued December 14, 2021	2.00	7,835,000	-	7,835,000
2022A General obligation corporate purpose, issued December 13, 2022	4.00	9,345,000	-	9,345,000
2022B General obligation corporate purpose, issued December 13, 2022	5.00	510,000	-	510,000
2023 General obligation corporate purpose, issued December 11, 2023	4-4.125	9,840,000	-	9,840,000
Total general obligation bonds and notes		<u>53,060,000</u>	<u>4,505,000</u>	<u>57,565,000</u>
Revenue Bonds				
Water Pollution Control, improvement bonds, Series 2013, issued June 18, 2013	2.09	-	1,135,000	1,135,000
Water Pollution Control, improvement Series 2020 Refunding bonds issued January 8, 2020	1.96	-	2,515,000	2,515,000
Water Pollution Control, improvement Series 2021 Refunding bonds issued April 1, 2021	1.23	-	2,237,000	2,237,000
2021A Sewer Revenue Improvement, issued September 24, 2021	0.86	-	3,120,000	3,120,000
2022 Sewer Revenue Improvement issued January 27, 2023	2.00	-	8,515,593	8,515,593
Total revenue bonds		<u>-</u>	<u>17,522,593</u>	<u>17,522,593</u>
Total long-term debt		<u>\$ 53,060,000</u>	<u>\$ 22,027,593</u>	<u>\$ 75,087,593</u>

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

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

Future Requirements to Maturity. Principal and interest requirements to maturity for the City's bonds and notes outstanding as of June 30, 2024, are as follows:

Years Ending June 30,	Governmental Activities General Obligation Bonds and Notes		Business-Type Activities General Obligation Bonds and Notes	
	Principal	Interest	Principal	Interest
2025	\$ 4,895,000	\$ 1,716,866	\$ 990,000	\$ 69,350
2026	4,840,000	1,413,018	1,000,000	52,850
2027	4,885,000	1,298,818	520,000	36,200
2028	4,345,000	1,182,728	570,000	29,250
2029	4,535,000	1,069,648	585,000	21,350
2030-2034	18,505,000	3,682,488	840,000	18,100
2035-2039	11,055,000	1,106,103	-	-
Total	<u>\$ 53,060,000</u>	<u>\$ 11,469,666</u>	<u>\$ 4,505,000</u>	<u>\$ 227,100</u>

Years Ending June 30,	Business-Type Activities Revenues Bonds		Total Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 2,097,000	\$ 274,954	\$ 3,087,000	\$ 344,304
2026	2,135,000	240,583	3,135,000	293,433
2027	2,172,000	205,570	2,692,000	241,770
2028	2,052,000	169,939	2,622,000	199,189
2029	1,213,000	138,279	1,798,000	159,629
2030-2034	4,135,000	463,984	4,975,000	482,084
2035-2039	3,506,593	138,072	3,506,593	138,072
2040	212,000	1,823	212,000	1,823
Total	<u>\$ 17,522,593</u>	<u>\$ 1,633,204</u>	<u>\$ 22,027,593</u>	<u>\$ 1,860,304</u>

In fiscal year ended June 30, 2024, the Water Pollution Control Fund had net revenues of \$7,230,575 and the amount of principal and interest due on the revenue bonds and notes was \$2,311,632.

Legal Debt Margin. The City's legal debt margin as of June 30, 2024, is as follows:

Regular Realty Valuations	\$ 1,369,371,561
Utility Valuations	456,902,691
Incremental Valuations	<u>30,028,206</u>
Total actual valuations applicable to debt	<u>1,856,302,458</u>
Debt Limit - 5% of Total Actual Valuations Applicable to Debt	<u>92,815,123</u>
Amount of Debt Applicable to Limitation	
General obligation bonds and notes	57,565,000
Urban renewal rebate agreements	<u>2,130,015</u>
	59,695,015
Less funds available from	
Debt service fund	401,604
Tax increment financing	<u>231,988</u>
Total debt applicable to debt margin	<u>59,061,423</u>
Legal debt margin	<u>\$ 33,753,700</u>

During the current year, the City entered into a SBITA contract for the use of Flock Camera equipment software. As of June 30, 2024, the value of the subscription liability was \$93,507. The City is required to make annual principal and interest payments of \$96,000 through December 2024. The subscription has an interest rate of 3.3%. The combined value of the right to use asset, as of June 30, 2024, is \$187,507 with accumulated amortization of \$15,792. This was an agreement to provide data via flock cameras, which takes pictures of license plates to monitor what vehicles are coming in, out and around the City.

Years Ending June 30,	Governmental Activities	
	IT Subscriptions	
	Principal	Interest
2025	\$ 93,507	\$ 2,493

Note 7 - Retirement Plans

The primary government participates in two public pension systems, Iowa Public Employees' Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MFPRSI). The component unit Water Works participates in IPERS only. The following sections outline the pension related disclosures for each pension of both entities. The aggregate amount of recognized pension expense for the period associated with the net pension liability for all plans is \$1,329,768 for the primary government and \$67,048 for the Water Works. Other aggregate amounts related to pension are separately displayed in the financial statements.

(a) Iowa Public Employees' Retirement System - IPERS

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

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

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

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

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

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

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

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefits or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions – Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2024, pursuant to the required rate, Regular members contributed 6.29% of pay and the City contributed 9.44% for a total rate of 15.73%.

The City's total contributions to IPERS for the year ended June 30, 2024 were \$643,020. The Water Work's total contributions to IPERS for the year ended June 30, 2024 were \$111,018.

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2023 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	21.0%	4.56%
Core Plus Fixed Income	23.0	2.69
International Equity	16.5	6.22
Private Equity/Debt	17.0	10.44
Private Real Assets	9.0	3.88
Private Credit	4.5	4.60
Global smart beta equity	5.0	5.22
Public Credit	3.0	4.38
Cash	1.0	1.59
	<u>100%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at www.ipers.org.

City Specific IPERS Disclosures

Net Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the City reported a liability of \$3,472,802 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2023, the City's collective proportion was .076940 percent, which was a decrease of .005589 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the City recognized pension expense (income) of \$260,347. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 293,804	\$ 14,274
Changes of Assumptions	-	55
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	321,624	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	81,703	272,621
City Contributions Subsequent to the Measurement Date	<u>643,020</u>	<u>-</u>
Total	<u>\$ 1,340,151</u>	<u>\$ 286,950</u>

The \$643,020 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

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

Years Ending June 30	Total
2025	\$ (114,586)
2026	(296,841)
2027	720,087
2028	94,051
2029	<u>7,470</u>
	<u>\$ 410,181</u>

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 7,383,950	\$ 3,472,802	\$ 195,195

Payable to the Pension Plan – At June 30, 2024, the City reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Water Works Specific IPERS Disclosures

Net Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the Water Works reported a liability of \$503,612 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Water Work's proportion of the net pension liability was based on the Water Work's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2023, the Water Work's collective proportion was .011157 percent which was an increase of .001866 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Water Works recognized pension expense (income) of \$67,048. At June 30, 2024, the Water Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Results	\$ 42,606	\$ 2,070
Changes of Assumptions	-	8
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	46,640	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	89,783	8,311
Water Works Contributions Subsequent to the Measurement Date	111,018	-
Total	<u>\$ 290,047</u>	<u>\$ 10,389</u>

The \$111,018 reported as deferred outflows of resources related to pensions resulting from the Water Works contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending June 30,</u>	<u>Total</u>
2025	\$ 6,308
2026	(19,283)
2027	134,335
2028	38,138
2029	9,142
	<u>\$ 168,640</u>

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

	<u>1% Decrease (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
Water Works' Proportionate Share of the Net Pension Liability	\$ 1,070,791	\$ 503,612	\$ 28,306

Payable to the Pension Plan – At June 30, 2024, the Water Works reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

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

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

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

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

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

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

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

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

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

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

Contributions – Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa as modified by act of the 1994 General Assembly, to establish compliance with the Federal Older Workers Benefit Protections Act, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2024.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1 percent of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the employer's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 22.98% for the year ended June 30, 2024.

The City's contributions to MFPRSI for the year ended June 30, 2024 was \$1,148,297.

If approved by the state legislature, state appropriation may further reduce the employer's contribution rate, but not below the minimum statutory contribution rate of 17.00% of earnable compensation. The State of Iowa therefore is considered to be a non-employer contributing entity in accordance with the provisions of the Governmental Accounting Standards Board Statement No 67 – *Financial Reporting for Pension Plans*.

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2024.

Actuarial Assumptions - The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period of July 1, 2012 to June 30, 2022.

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

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

Asset Class	Long-Term Expected Real Rate of Return
Broad Fixed Income	4.9%
Broad U.S. Equity	7.1%
Global Equity	7.2%
Broad Non-US Equity	7.4%
Managed Futures	5.2%
Real Estate - Core	6.8%
Opportunistic Real Estate	11.1%
Global Infrastructure	6.9%
Private Credit	10.1%
Private Equity	12.1%

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

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued MFPRSI financial report which is available on MFPRSI’s website at www.mfprsi.org.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the City reported a liability of \$8,521,855 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2023, the City’s collective proportion was 1.360886 percent which was a decrease of .03818 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the City recognized pension expense of \$1,069,421. At June 30, 2024, 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	\$ 651,082	\$ -
Changes of Assumptions	42,931	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	542,629	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	144,316	493,336
City Contributions Subsequent to the Measurement Date	1,147,215	-
Total	<u>\$ 2,528,173</u>	<u>\$ 493,336</u>

The \$1,147,215 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, 2025.

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

Years Ended June 30,	Total
2025	\$ (42,230)
2026	(393,328)
2027	1,150,724
2028	167,191
2029	5,265
	<u>\$ 887,622</u>

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

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 14,924,573	\$ 8,521,855	\$ 3,221,661

Payables to the Pension Plan – At June 30, 2024, 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 MFPRS.

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

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

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

Pension Benefits – Employees who retire at or after age 65, or age 62 with 25 years of credited service, are entitled to retirement benefits payable monthly for life. Monthly benefits are equal to 2.12% of the employee's five-year final average salary multiplied by the number of years of consecutive service for the year ended June 30, 2024. Service prior to January 1, 1986 shall be limited to 25 years. Benefits are fully vested on reaching 10 or more years of credited service.

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

Contributions – The Water Works' funding policy provides for employer and employee contributions at actuarially determined rates that are sufficient to accumulate assets to pay benefits when due. The frozen entry age actuarial cost method is used to determine annual plan costs. The employer contribution rate for the year ended June 30, 2024 and 2023 was 8.93% plus an additional \$5,000 per bi-weekly payroll. The employee contribution rate for the years ended June 30, 2024 and 2023 was 4.95%. Contributions paid by the Water Works for the year ended June 30, 2024 totaled \$188,581, and the contributions paid by employees totaled \$32,472.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the Water Works reported a net pension liability of \$1,132,109. The net pension liability was measured as of March 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of March 31, 2024.

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

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

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

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Water Works' Proportionate Share of the Net Pension Liability	\$ 1,363,181	\$ 1,132,109	\$ 933,139

Note 8 - Other Postemployment Benefits

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

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

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

To be eligible for the medical and dental insurance coverage, a retiree must be at least 55 years old, or disabled and receiving or eligible to receive a pension under the Iowa Public Employees' Retirement System (IPERS) or the Municipal Fire and Police Retirement System of Iowa (MFPRSI). At July 1, 2023 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	50
Active employees	<u>147</u>
Total	<u><u>197</u></u>

Total OPEB Liability – The City's total OPEB liability of \$13,604,622 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions – The total OPEB liability in the July 1, 2023 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, 2024)	3.00% per annum
Rates of salary increase (effective June 30, 2024)	0.00%, OPEB's directly determined by Service Years not Salary
Discount rate (effective June 30, 2024)	4.75% compounded annually, net of investment expense including inflation
Healthcare cost trend rate (effective June 30, 2024)	6.00%

Discount Rate – The discount rate used to measure the total OPEB liability was 4.75% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB Liability Beginning of Year	<u>\$ 11,571,761</u>
Changes for the Year	
Service Cost	197,467
Interest	634,762
Net difference between projected and actual earnings on pension plan investments	166,350
Change in assumptions	647,679
Demographic change	930,276
Benefit payments	<u>(543,673)</u>
Net changes	<u>2,032,861</u>
Total OPEB Liability, End of Year	<u><u>\$ 13,604,622</u></u>

Sensitivity of the City's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.75%) or 1% higher (5.75%) than the current discount rate.

	<u>1% Decrease (3.75%)</u>	<u>Discount Rate (4.75%)</u>	<u>1% Increase (5.75%)</u>
Total OPEB Liability	\$ 15,256,825	\$ 13,604,622	\$ 12,205,006

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

	<u>1% Decrease (5.00%)</u>	<u>Healthcare Cost Trend Rate (6.00%)</u>	<u>1% Increase (7.00%)</u>
Total OPEB Liability	\$ 12,093,945	\$ 13,604,622	\$ 15,535,167

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2024, the City recognized OPEB expense of \$650,605. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,118,845	\$ 3,411,792
Changes in assumptions	1,509,736	2,699,866
Total	<u>\$ 5,628,581</u>	<u>\$ 6,111,658</u>

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

Years Ending June 30	Total
2025	\$ (181,624)
2026	(88,967)
2027	(56,063)
2028	(82,497)
2029	(87,824)
Thereafter	13,898
	<u>\$ (483,077)</u>

Note 9 - Risk Management

The City is a member in the Iowa Communities Assurance Pool (Pool), as allowed by Chapter 670.7 of the Code of Iowa. The Pool is a local government risk-sharing pool whose 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, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

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

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

The City's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The City's contributions to the Pool for the year ended June 30, 2024 were \$657,965.

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

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhaust total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The City does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such losses can be reasonably estimated. Accordingly, at June 30, 2024, no liability has been recorded in the City's financial statements. As of June 30, 2024, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

The City has established a Group Insurance Benefits Fund for insuring health benefits provided to City employees and covered dependents which is included as an internal service fund. Health benefits were self-insured up to a specific stop-loss amount of \$85,000 and an aggregate stop-loss of approximately \$2,800,000 for 2024. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop-loss amount. All claims handling procedures are performed by a third-party claims administrator. Reported claims as of June 30, 2024, as well as incurred but not reported claims, have been accrued as a liability based upon the claims administrator's estimate and are included in accounts payable. The liability does not include any allocated or unallocated claim adjustment expenses.

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

The City has established an Occupational Insurance Benefits Fund to self-insure for workers' compensation benefits for all currently employed police officers and firefighters and police officers and firefighters who have retired due to an accidental disability prior to December 1992, in accordance with Chapter 411.15 of the Code of Iowa. The General Fund is charged for benefits paid to police officers and firefighters by the Occupational Insurance Benefits Fund, which is also accounted for as an internal service fund. Reported claims as of June 30, 2024, as well as incurred but not reported claims, have been accrued as a liability based upon the City's best estimate and are included in accounts payable. The liability does not include any allocated or unallocated claim adjustment expenses. There is no stop-loss insurance for this coverage.

The claims liabilities of \$223,284 in the Group Insurance Benefits Fund and \$3,157 in the Occupational Insurance Benefits Fund are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The entire amounts will be paid within one year of year-end.

Changes in reported liabilities for the fiscal years ended June 30, 2024 and 2023, are summarized as follows:

	Group Insurance Benefits Fund	Occupational Insurance Benefits Fund
Liabilities as of June 30, 2022	\$ 367,415	\$ 15,095
Claims and Changes in Estimates During Fiscal Year 2023	3,208,379	76,167
Claim Payments	<u>(3,275,929)</u>	<u>(49,512)</u>
Liabilities as of June 30, 2023	299,865	41,750
Claims and Changes in Estimates During Fiscal Year 2024	2,990,926	35,635
Claim Payments	<u>(3,067,507)</u>	<u>(74,228)</u>
Liabilities as of June 30, 2024	<u><u>\$ 223,284</u></u>	<u><u>\$ 3,157</u></u>

Note 10 - Deferred Compensation Plan

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

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

Note 11 - Commitments

The City has recognized as a liability only that portion of construction contracts representing construction completed through June 30, 2024. The City has additional commitments for signed construction contracts of approximately \$15,700,000 as of June 30, 2024, to be paid as work on the projects progresses.

Note 12 - Major Customer

The financial statements of the Water Pollution Control Enterprise Fund include sales and receivables from Swift and Company, a major customer, of \$3,624,854 and \$360,561 respectively.

Note 13 - Litigation

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

Note 14 - Deficit Balances

At June 30, 2024, funds with deficit balances were as follows:

Special Revenue Fund - Grant Fund	\$ (768,008)
Non-major Capital Projects Fund - Airport Projects Fund	(29,787)
Non-major Enterprise Fund - Recreation Concessions	(14,808)
Internal Service Fund - Group Insurance Benefits	(407,446)

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

Note 15 - Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa. For these types of projects, the City enters into agreements with developers which require the City, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. No other commitments were made by the City as part of these agreements.

For the year ended June 30, 2024, \$218,562 of property tax was diverted from the City under the urban renewal and economic development projects.

Note 16 - Subsequent Events

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

In fiscal year 2024, Marshall County overpaid the City of Marshalltown \$411,302 for the Urban Renewal Area 4 Tax Increment Financing compared to what the City had certified. The City reduced its certification in fiscal year 2026 by the same amount, since fiscal year 2025's certification was already established.

Note 17 - Lease Receivable

The City owns buildings located at the airport which the City rents to Marshalltown Aviation. Effective January 1, 2022, the City entered into a 15-year lease. The City is to receive monthly payments of \$2,333, respectively with an incremental lending rate of 2.0%. During the year ended June 30, 2024, the City earned principal of \$21,541 and interest of \$6,459 on the agreement. A summary of the remaining lease receivable principal and interest to maturity is as follows:

Years Ending June 30,	Principal	Interest	Total
2025	\$ 21,975	\$ 6,024	\$ 27,999
2026	22,419	5,581	28,000
2027	22,871	5,129	28,000
2028	23,333	4,667	28,000
2029	23,804	4,196	28,000
2030-2034	126,424	13,576	140,000
2035-2037	65,061	1,679	66,740
Total	<u>\$ 305,887</u>	<u>\$ 40,852</u>	<u>\$ 346,739</u>

Note 18 - Restatement

During the fiscal year 2024, the Disaster Fund, which was previously reported as a major governmental fund, is now reported as a nonmajor governmental fund due to failing to meet the quantitative threshold to be classified as a major fund. Due to an increase in deferred inflows of resources, the Grant Fund now meets the quantitative threshold to be classified as a major governmental fund. The Grant Fund was previously reported as a nonmajor governmental fund.

Adjustments to the financial statements were as follows:

	July 1, 2023 As Previously Reported	Change within the Financial Reporting Entity	July 1, 2023 As Restated
Governmental Funds			
Major Funds			
Disaster Fund	\$ 624,072	\$ (624,072)	Not Applicable
Grant Fund	Not Applicable	(1,104,143)	(1,104,143)
Nonmajor Funds	(35,009)	1,728,215	1,693,206

Required Supplementary Information
June 30, 2024

City of Marshalltown

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

	Service Cost	Interest Cost	Difference between expected and actual	Changes in assumptions	Changes in Demographics	Benefit payments	Net change in total OPEB liability	Total OPEB liability beginning of year	Total OPEB liability end of year	Covered employee payroll	Total OPEB liability as a % of covered- employee payroll
2024	\$ 197,467	\$ 634,762	\$ 166,350	\$ 647,679	\$ 930,276	\$ (543,673)	\$ 2,032,861	\$ 11,571,761	\$ 13,604,622	\$ 11,859,020	114.72%
2023	158,959	491,727	219,056	-	-	(426,272)	443,470	11,128,291	11,571,761	11,515,555	100.49%
2022	159,127	497,899	(2,860,266)	(3,925,428)	2,035,105	(420,331)	(4,513,894)	15,642,185	11,128,291	11,589,775	96.02%
2021	276,270	254,503	465,181	-	-	(544,976)	450,978	15,191,207	15,642,185	11,474,039	136.33%
2020	276,589	270,079	(953,812)	894,265	-	(523,029)	(35,908)	15,227,115	15,191,207	11,192,555	135.73%
2019	281,820	499,714	96,036	1,061,967	-	(540,579)	1,398,958	13,828,157	15,227,115	10,534,199	144.55%
2018	242,496	458,043	206,821	-	-	(504,093)	403,267	13,424,890	13,828,157	10,496,813	131.74%

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

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

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

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

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

Year ended June 30, 2024	4.75%
Year ended June 30, 2023	4.55%
Year ended June 30, 2022	4.55%
Year ended June 30, 2021	2.70%
Year ended June 30, 2020	2.70%
Year ended June 30, 2019	3.15%
Year ended June 30, 2018	3.72%

City of Marshalltown
Required Supplementary Information
Budgetary Comparison Schedule of Receipts, Disbursements, and
Changes in Balances – Budget and Actual (Cash Basis)
Governmental Funds and Enterprise Funds
Year Ended June 30, 2024

	Actual			Budgeted Amounts		Final to
	Governmental	Enterprise	Total	Original	Final	Actual
	Funds	Funds		Budget	Budget	Variance
Receipts						
Property taxes	\$ 13,747,909	\$ -	\$ 13,747,909	\$ 13,336,910	\$ 13,336,910	\$ 410,999
TIF revenues	1,495,903	-	1,495,903	1,114,341	1,114,341	381,562
Other city taxes	6,675,851	-	6,675,851	6,119,486	6,419,486	256,365
Licenses and permits	347,671	6,868	354,539	363,750	364,331	(9,792)
Use of money and property	2,539,402	1,361,909	3,901,311	775,896	2,452,796	1,448,515
Intergovernmental	13,911,467	705,437	14,616,904	12,144,192	21,519,200	(6,902,296)
Charges for service	1,761,717	10,759,287	12,521,004	10,775,129	11,789,147	731,857
Special assessments	-	-	-	500	-	-
Miscellaneous	722,541	14,765	737,306	1,417,603	817,108	(79,802)
Other financing sources	9,832,439	6,935,591	16,768,030	16,161,450	20,402,133	(3,634,103)
Total receipts	51,034,900	19,783,857	70,818,757	62,209,257	78,215,452	(7,396,695)
Disbursements						
Public safety	11,040,006	-	11,040,006	10,753,547	11,474,854	434,848
Public works	3,256,711	-	3,256,711	4,762,347	4,878,352	1,621,641
Health and social services	741,417	-	741,417	1,583,162	2,164,935	1,423,518
Culture and recreation	3,470,956	-	3,470,956	4,630,191	4,522,396	1,051,440
Community and economic development	4,855,523	-	4,855,523	5,106,034	11,052,403	6,196,880
General government	1,632,694	-	1,632,694	1,740,292	2,012,469	379,775
Debt service	7,031,413	-	7,031,413	7,031,413	7,031,413	-
Capital projects	6,640,334	-	6,640,334	27,498,842	9,567,844	2,927,510
Business-type activities	-	14,566,613	14,566,613	14,706,003	19,985,287	5,418,674
Total disbursements	38,669,054	14,566,613	53,235,667	77,811,831	72,689,953	19,454,286
Excess (deficiency) of receipts over (under) disbursements	12,365,846	5,217,244	17,583,090	(15,602,574)	5,525,499	12,057,591
Transfers						
Transfers in	15,506,164	876,868	14,985,294	19,109,221	17,926,564	(2,941,270)
Transfers out	(14,515,758)	(1,867,274)	(14,985,294)	(19,109,221)	(17,926,564)	2,941,270
Total transfers	990,406	(990,406)	-	-	-	-
Net change in fund balances	13,356,252	4,226,838	17,583,090	(15,602,574)	5,525,499	12,057,591
Fund Balances, Beginning	43,902,741	26,001,170	69,903,911	40,462,207	61,087,333	8,816,578
Fund Balances, Ending	\$ 57,258,993	\$ 30,228,008	\$ 87,487,001	\$ 24,859,633	\$ 66,612,832	\$ 20,874,169

City of Marshalltown
Required Supplementary Information
Budgetary Comparison Schedule – Budget to GAAP Reconciliation
Year Ended June 30, 2024

	Governmental Funds			Proprietary Funds Enterprise		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Accrual Basis
Revenues	\$ 51,034,900	\$ 2,495,953	\$ 53,530,853	\$ 19,783,857	\$ (5,474,589)	\$ 14,309,268
Expenditures/Expenses	<u>38,669,054</u>	<u>304,021</u>	<u>38,973,075</u>	<u>14,566,613</u>	<u>(5,466,392)</u>	<u>9,100,221</u>
Net	12,365,846	2,191,932	14,557,778	5,217,244	(8,197)	5,209,047
Transfers	990,406	(1,046,021)	(55,615)	(990,406)	1,046,024	55,618
Beginning Fund Balances/ Net Position	<u>43,902,741</u>	<u>(3,155,926)</u>	<u>40,746,815</u>	<u>26,001,170</u>	<u>46,704,552</u>	<u>72,705,722</u>
Ending Fund Balances/ Net Position	<u>\$ 57,258,993</u>	<u>\$ (2,010,015)</u>	<u>\$ 55,248,978</u>	<u>\$ 30,228,008</u>	<u>\$ 47,742,379</u>	<u>\$ 77,970,387</u>

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

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

Formal and legal budgetary control is based upon nine (9) major classes of disbursements known as functions, not by fund or fund type. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business-type activities. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, the Debt Service Fund, Capital Projects Funds and Enterprise Funds. Although the budget document presents function disbursements by fund type, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment was prepared with the required public hearing. The amendment decreased budgeted disbursements by \$5,121,878, excluding transfers out.

At June 30, 2024, disbursements did not exceed the amended budgeted amounts.

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

Fiscal Year Ended	City's proportion of the net pension liability (asset)	City's proportionate share of the net pension liability (asset)	City's covered payroll	City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2024	0.0769400%	\$ 3,472,802	\$ 6,732,405	51.58%	90.13%
2023	0.0825284%	3,118,047	6,635,456	46.99%	91.41%
2022*	-0.0337752%	116,601	6,751,706	1.73%	100.81%
2021	0.0817364%	5,741,766	6,483,102	88.57%	82.90%
2020	0.0793407%	4,594,347	6,042,108	76.04%	85.45%
2019	0.0804147%	5,088,837	6,059,552	83.98%	83.62%
2018	0.0777900%	5,181,791	5,806,629	89.24%	82.21%
2017	0.0815720%	5,044,545	5,772,452	87.39%	81.82%
2016	0.0827000%	4,109,324	5,714,192	71.91%	85.19%
2015	0.0827556%	3,349,191	5,521,483	60.66%	87.61%

See accompanying notes to required supplementary information.

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

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

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

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 643,020	\$ 643,020	\$ -	\$ 6,811,653	9.44%
2023	635,539	635,539	-	6,732,405	9.44%
2022	626,387	626,387	-	6,635,456	9.44%
2021	637,361	637,361	-	6,751,706	9.44%
2020	616,287	616,287	-	6,483,102	9.51%
2019	570,375	570,375	-	6,042,108	9.44%
2018	541,118	541,118	-	6,059,552	8.93%
2017	518,532	518,532	-	5,806,629	8.93%
2016	515,480	515,480	-	5,772,452	8.93%
2015	510,213	510,213	-	5,714,192	8.93%

Changes of benefit terms

There are no significant changes in benefit terms.

Changes of assumptions

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

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

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

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

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

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

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

Fiscal Year Ended	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered payroll	City's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	1.360886%	\$ 8,521,855	\$ 4,934,736	172.69%	83.53%
2023	1.399066%	7,856,742	4,725,220	166.27%	84.62%
2022	1.477695%	3,318,521	4,801,829	69.11%	93.62%
2021	1.426045%	11,374,139	4,530,594	251.05%	76.47%
2020	1.444308%	9,473,600	4,372,115	216.68%	79.94%
2019	1.534724%	9,137,800	4,460,800	204.85%	81.07%
2018	1.480374%	8,682,024	4,192,720	207.07%	80.60%
2017	1.560279%	9,755,815	4,229,147	230.68%	78.20%
2016	1.515981%	7,122,296	3,975,266	179.17%	83.04%
2015	1.561055%	5,658,798	3,987,282	141.92%	86.27%

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

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

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 1,147,215	\$ 1,147,215	\$ -	\$ 4,992,232	22.98%
2023	1,179,402	1,179,402	-	4,934,736	23.90%
2022	1,237,081	1,237,081	-	4,725,290	26.18%
2021	1,215,343	1,215,343	-	4,801,829	25.31%
2020	1,105,918	1,105,918	-	4,530,594	24.41%
2019	1,137,624	1,137,624	-	4,372,114	26.02%
2018	1,145,545	1,145,545	-	4,460,800	25.68%
2017	1,086,753	1,086,753	-	4,192,720	25.92%
2016	1,174,434	1,174,434	-	4,229,147	27.77%
2015	1,208,879	1,208,879	-	3,975,266	30.41%

Notes to Required Supplementary Information – Pension Liability:

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

Changes of assumptions:

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

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

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

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

(This page left blank intentionally.)

Other Supplementary Information
June 30, 2024

City of Marshalltown

Special Revenue Funds

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

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

Disaster Fund – To account for Federal and State funds the City received in response to the Derecho windstorm used for debris removal, emergency protective measures, and other repair projects throughout the City.

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

Capital Projects Fund

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

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

City of Marshalltown
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				Capital Projects Funds		Total Nonmajor Governmental Funds
	Special Contributions	Tax Increment Financing	Disaster Fund	Other	Airport Projects	Culture and Recreation Projects	
Assets							
Cash and cash equivalents	\$ 543,546	\$ 613,314	\$ 634,827	\$ 143,543	\$ -	\$ 20,151	\$ 1,955,381
Receivables							
Property taxes							
Delinquent	-	25,285	-	-	-	-	25,285
Accounts and unbilled usage	-	-	-	40,885	-	-	40,885
Interest	4,158	4,691	-	964	-	172	9,985
Due from other governments	244	-	-	-	245,111	1,420	246,775
Prepaid items	969	-	-	-	-	-	969
Total assets	<u>\$ 548,917</u>	<u>\$ 643,290</u>	<u>\$ 634,827</u>	<u>\$ 185,392</u>	<u>\$ 245,111</u>	<u>\$ 21,743</u>	<u>\$ 2,279,280</u>

City of Marshalltown
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				Capital Projects Funds		Total Nonmajor Governmental Funds
	Special Contributions	Tax Increment Financing	Disaster Fund	Other	Airport Projects	Culture and Recreation Projects	
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts payable	\$ 9,007	\$ -	\$ -	\$ -	\$ -	\$ 2,675	\$ 11,682
Accrued payroll and payroll benefits	1,322	-	-	-	-	-	1,322
Due to other governments	-	411,302	-	-	-	-	411,302
Due to other funds	-	-	-	-	29,787	-	29,787
Total liabilities	10,329	411,302	-	-	29,787	2,675	454,093
Deferred Inflows of Resources							
Unavailable revenue- other	-	-	-	37,349	-	-	37,349
Unavailable revenue- intergovernmental	-	-	-	-	245,111	-	245,111
Total deferred inflows of resources	-	-	-	37,349	245,111	-	282,460
Fund Balances							
Nonspendable	672	-	-	-	-	-	672
Restricted	537,916	231,988	634,827	148,043	-	19,068	1,571,842
Unassigned	-	-	-	-	(29,787)	-	(29,787)
Total fund balances (deficit)	538,588	231,988	634,827	148,043	(29,787)	19,068	1,542,727
Total liabilities, deferred inflows of resources, and fund balances	\$ 548,917	\$ 643,290	\$ 634,827	\$ 185,392	\$ 245,111	\$ 21,743	\$ 2,279,280

City of Marshalltown
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Deficit)
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds					Capital Projects Funds		Total Nonmajor Governmental Funds
	Grant Fund Previously Reported as Non-Major	Special Contributions	Tax Increment Financing	Disaster Fund	Other	Airport Projects	Culture and Recreation Projects	
Revenues								
TIF revenues		\$ -	\$ 1,057,051	\$ -	\$ -	\$ -	\$ -	\$ 1,057,051
Use of money and property		26,618	28,195	-	7,743	1,563	1,034	65,153
Intergovernmental		-	28,008	153,013	-	3,463	-	184,484
Miscellaneous		171,315	-	-	23,425	-	7,090	201,830
Total revenues		197,933	1,113,254	153,013	31,168	5,026	8,124	1,508,518
Expenditures								
Current								
Public safety		74,320	-	-	17,142	-	-	91,462
Public works		-	-	10,333	39,461	33,183	-	82,977
Culture and recreation		123,082	-	-	-	-	8,540	131,622
Community and economic development		-	536,048	-	-	-	18,402	554,450
General government		-	-	1,388	-	-	-	1,388
Total expenditures		197,402	536,048	11,721	56,603	33,183	26,942	861,899
Excess of revenues (expenditures) over expenditures (revenues)		\$ 531	\$ 577,206	\$ 141,292	\$ (25,435)	\$ (28,157)	\$ (18,818)	\$ 646,619
Other Financing Sources (Uses)								
Transfers in		3,006	-	4,463	1,826	-	5,376	14,671
Transfers out		(84,505)	(540,884)	(135,000)	(51,380)	-	-	(811,769)
Total other financing sources (uses)		(81,499)	(540,884)	(130,537)	(49,554)	-	5,376	(797,098)
Net Change in Fund Balances		(80,968)	36,322	10,755	(74,989)	(28,157)	(13,442)	(150,479)
Fund Balances (Deficit), as previously reported	\$ (1,104,143)	619,556	195,666	-	223,032	(1,630)	32,510	(35,009)
Adjustments, note 18	1,104,143	-	-	624,072	-	-	-	1,728,215
Fund Balances (Deficit), as adjusted	\$ -	619,556	195,666	624,072	223,032	(1,630)	32,510	1,693,206
Fund Balances (Deficit) - Ending		\$ 538,588	\$ 231,988	\$ 634,827	\$ 148,043	\$ (29,787)	\$ 19,068	\$ 1,542,727

Nonmajor Enterprise Funds

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

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

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

City of Marshalltown
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2024

	Compost Facility	Bus Transit	Recreation Concessions	Total Nonmajor Enterprise Funds
Assets				
Current assets				
Cash and cash equivalents	\$ 241,394	\$ 1,230,587	\$ 1,458	\$ 1,473,439
Receivables				
Accounts and unbilled usage	1,550	7,344	-	8,894
Interest	1,843	9,413	8	11,264
Due from other governments	-	21,345	-	21,345
Prepaid items	350	38,842	750	39,942
Total current assets	245,137	1,307,531	2,216	1,554,884
Noncurrent assets				
Capital assets				
Land	10,437	-	-	10,437
Land improvements	235,361	7,735	-	243,096
Buildings and structures	26,919	677,129	-	704,048
Equipment and vehicles	141,142	1,980,626	-	2,121,768
Accumulated depreciation	(359,356)	(1,863,133)	-	(2,222,489)
Total noncurrent assets	54,503	802,357	-	856,860
Total assets	299,640	2,109,888	2,216	2,411,744
Deferred Outflows of Resources				
OPEB related deferred outflows	-	147,690	-	147,690
Pension related deferred outflows	-	81,722	-	81,722
Total deferred outflows of resources	-	229,412	-	229,412

City of Marshalltown
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2024

	Compost Facility	Bus Transit	Recreation Concessions	Total Nonmajor Enterprise Funds
Liabilities				
Current liabilities				
Accounts payable	\$ 24,877	\$ 23,532	\$ 13,222	\$ 61,631
Accrued payroll and payroll benefits	1,138	29,460	3,802	34,400
Due to other governments	-	4,808	-	4,808
Compensated absences	-	19,637	-	19,637
Total OPEB liability	-	14,173	-	14,173
Total current liabilities	<u>26,015</u>	<u>91,610</u>	<u>17,024</u>	<u>134,649</u>
Noncurrent liabilities				
Compensated absences	-	19,996	-	19,996
Total OPEB liability	-	340,480	-	340,480
Net pension liability	-	211,770	-	211,770
Total noncurrent liabilities	<u>-</u>	<u>572,246</u>	<u>-</u>	<u>572,246</u>
Total liabilities	<u>26,015</u>	<u>663,856</u>	<u>17,024</u>	<u>706,895</u>
Deferred Inflows of Resources				
OPEB related deferred inflows	-	195,300	-	195,300
Pension related deferred inflows	-	17,498	-	17,498
Total deferred inflows of resources	<u>-</u>	<u>212,798</u>	<u>-</u>	<u>212,798</u>
Net Position				
Net investment in capital assets	54,503	802,357	-	856,860
Unrestricted	<u>219,122</u>	<u>660,289</u>	<u>(14,808)</u>	<u>864,603</u>
Total net position	<u>\$ 273,625</u>	<u>\$ 1,462,646</u>	<u>\$ (14,808)</u>	<u>\$ 1,721,463</u>

City of Marshalltown
Combining Statement of Revenues, Expenditures,
and Changes in Fund Net Position
Nonmajor Enterprise Funds
Year Ended June 30, 2024

	Compost Facility	Bus Transit	Recreation Concessions	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for service	\$ 83,922	\$ 239,827	\$ 59,707	\$ 383,456
Miscellaneous	-	-	354	354
Total operating revenue	83,922	239,827	60,061	383,810
Operating Expenses				
Salaries and benefits	22,193	642,631	17,552	682,376
Services and supplies	36,393	308,143	41,174	385,710
Depreciation	3,378	116,825	-	120,203
Miscellaneous	-	150	52	202
Total operating expenses	61,964	1,067,749	58,778	1,188,491
Operating gain (loss)	21,958	(827,922)	1,283	(804,681)
Nonoperating Revenues				
Federal and state grants	-	596,058	-	596,058
Interest income	10,166	49,099	14	59,279
Net nonoperating revenues	10,166	645,157	14	655,337
Income (loss) before transfers	32,124	(182,765)	1,297	(149,344)
Transfers in	-	286,597	20,500	307,097
Change in Net Position	32,124	103,832	21,797	157,753
Net Position - Beginning	241,501	1,358,814	(36,605)	1,563,710
Net Position - Ending	\$ 273,625	\$ 1,462,646	\$ (14,808)	\$ 1,721,463

City of Marshalltown
Combining Statement of Cash Flows
Nonmajor Enterprise Fund
Year Ended June 30, 2024

	Compost Facility	Bus Transit	Recreation Concessions	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities				
Cash received from customers	\$ 85,599	\$ 245,554	\$ 59,707	\$ 390,860
Cash payments to suppliers for goods and services	(12,495)	(317,626)	(37,206)	(367,327)
Cash payments to employees for services	(21,531)	(646,126)	(16,286)	(683,943)
Other operating receipts/expenses	-	(150)	302	152
	<u>51,573</u>	<u>(718,348)</u>	<u>6,517</u>	<u>(660,258)</u>
Net Cash Provided by (Used for) Operating Activities				
Cash Flows from Noncapital Financing Activities				
Transfers from other funds	-	286,597	20,500	307,097
Grants received	-	684,289	-	684,289
Change in due to other funds	-	-	(25,565)	(25,565)
	<u>-</u>	<u>970,886</u>	<u>(5,065)</u>	<u>965,821</u>
Net Cash Provided by (Used for) Noncapital Financing Activities				
Cash Flows from Capital and Related Financing Activities				
Acquisition and construction of capital assets	(19,000)	(67,293)	-	(86,293)
	<u>(19,000)</u>	<u>(67,293)</u>	<u>-</u>	<u>(86,293)</u>
Cash Flows from Investing Activities				
Interest received	8,323	39,686	6	48,015
	<u>8,323</u>	<u>39,686</u>	<u>6</u>	<u>48,015</u>
Net Increase in Cash and Cash Equivalents	40,896	224,931	1,458	267,285
Cash and Cash Equivalents, Beginning	<u>200,498</u>	<u>1,005,656</u>	<u>-</u>	<u>1,206,154</u>
Cash and Cash Equivalents, Ending	<u>\$ 241,394</u>	<u>\$ 1,230,587</u>	<u>\$ 1,458</u>	<u>\$ 1,473,439</u>

City of Marshalltown
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2024

	<u>Compost Facility</u>	<u>Bus Transit</u>	<u>Recreation Concessions</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for) Operating Activities				
Operating income (loss)	\$ 21,958	\$ (827,922)	\$ 1,283	\$ (804,681)
Adjustments to reconcile operating income (loss) to net cash provided for operating activities				
Depreciation	3,378	116,825	-	120,203
Changes in assets, deferred outflows, liabilities, and deferred inflows				
Receivables	1,677	5,727	-	7,404
Inventories and prepaid items	148	(4,297)	(298)	(4,447)
Accounts payable	23,750	(3,494)	4,266	24,522
Accrued liabilities	662	9,127	1,266	11,055
Due to other governments	-	(1,692)	-	(1,692)
Total OPEB liability	-	(44,566)	-	(44,566)
Net pension liability	-	19,039	-	19,039
Deferred outflows	-	(19,866)	-	(19,866)
Deferred inflows	-	32,771	-	32,771
Total adjustments	<u>29,615</u>	<u>109,574</u>	<u>5,234</u>	<u>144,423</u>
Net Cash provided by (used for) Operating Activities	<u>\$ 51,573</u>	<u>\$ (718,348)</u>	<u>\$ 6,517</u>	<u>\$ (660,258)</u>

Internal Service Funds

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

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

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

City of Marshalltown
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Group Insurance Benefits	Occupational Insurance Benefits	Workmen's Compensation Deductible	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 65,337	\$ 201,247	\$ 36,392	\$ 302,976
Receivables				
Interest	500	1,539	278	2,317
	<u>65,837</u>	<u>202,786</u>	<u>36,670</u>	<u>305,293</u>
Total current assets				
Liabilities				
Current liabilities				
Accounts payable	223,284	3,157	135	226,576
Deposits payable	249,999	-	-	249,999
	<u>473,283</u>	<u>3,157</u>	<u>135</u>	<u>476,575</u>
Total current liabilities				
Net Position (Deficit)				
Unrestricted	<u>\$ (407,446)</u>	<u>\$ 199,629</u>	<u>\$ 36,535</u>	<u>\$ (171,282)</u>

City of Marshalltown
Combining Statement of Revenues, Expenses, and
Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2024

	Group Insurance Benefits	Occupational Insurance Benefits	Workmen's Compensation Deductible	Total
Operating Revenues				
Charges for service	\$ 2,986,796	\$ 156,153	\$ -	\$ 3,142,949
Miscellaneous	629,691	-	-	629,691
Total operating revenues	3,616,487	156,153	-	3,772,640
Operating Expenses				
Services and supplies	172,781	-	71	172,852
Claims	2,990,926	35,635	98	3,026,659
Health insurance premiums	391,196	8,560	-	399,756
Miscellaneous	1,762	-	-	1,762
Total operating expenses	3,556,665	44,195	169	3,601,029
Operating income (loss)	59,822	111,958	(169)	171,611
Nonoperating Revenues				
Interest income	2,055	7,586	1,591	11,232
Change in Net Position	61,877	119,544	1,422	182,843
Net Position - Beginning	(469,323)	80,085	35,113	(354,125)
Net Position (Deficit) - Ending	\$ (407,446)	\$ 199,629	\$ 36,535	\$ (171,282)

City of Marshalltown
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2024

	Group Insurance Benefits	Occupational Insurance Benefits	Workmen's Compensation Deductible	Total
Cash Flows from Operating Activities				
Cash received from customers	\$ 3,040,660	\$ 157,075	\$ 532	\$ 3,198,267
Cash payments to suppliers for goods and services	(3,631,046)	(82,788)	(337)	(3,714,171)
Other operating receipts	629,691	-	-	629,691
Net Cash provided by Operating Activities	39,305	74,287	195	113,787
Cash Flows from Investing Activities				
Interest received	1,555	6,047	1,313	8,915
Net Increase in Cash and Cash Equivalents	40,860	80,334	1,508	122,702
Cash and Cash Equivalents, Beginning	24,477	120,913	34,884	180,274
Cash and Cash Equivalents, Ending	<u>\$ 65,337</u>	<u>\$ 201,247</u>	<u>\$ 36,392</u>	<u>\$ 302,976</u>
Reconciliation of Operating Income to Net Cash provided from Operating Activities				
Operating income	\$ 59,822	\$ 111,958	\$ (169)	\$ 171,611
Changes in assets and liabilities				
Receivables	187	922	266	1,375
Prepaid items	2,200	-	-	2,200
Accounts payable	(76,581)	(38,593)	98	(115,076)
Deposits payable	53,677	-	-	53,677
Total	(20,517)	(37,671)	364	(57,824)
Net Cash provided by Operating Activities	<u>\$ 39,305</u>	<u>\$ 74,287</u>	<u>\$ 195</u>	<u>\$ 113,787</u>

Fiduciary Funds

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

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

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

City of Marshalltown
Combining Statement of Fiduciary Net Position
All Custodial Funds
June 30, 2024

	<u>911 Commision</u>	<u>Surety Bonds</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ -	\$ 5,768	\$ 5,768
Accounts receivable	<u>126,387</u>	<u>-</u>	<u>126,387</u>
Total assets	<u>\$ 126,387</u>	<u>\$ 5,768</u>	<u>\$ 132,155</u>
Liabilities			
Checks written in excess of deposits	<u>\$ 126,387</u>	<u>\$ -</u>	<u>\$ 126,387</u>
Net Position			
Individuals and organizations	<u>\$ -</u>	<u>\$ 5,768</u>	<u>\$ 5,768</u>

City of Marshalltown
Combining Statement of Changes in Fiduciary Fund Net Position
All Custodial Funds
Year Ended June 30, 2024

	<u>911 Commision</u>	<u>Surety Bonds</u>	<u>Total</u>
Additions			
Receipts from commission	\$ 1,342,231	\$ -	\$ 1,342,231
Investment income, interest	<u>-</u>	<u>764</u>	<u>764</u>
Total additions	<u>1,342,231</u>	<u>764</u>	<u>1,342,995</u>
Deductions			
Wages and benefits	<u>1,342,231</u>	<u>-</u>	<u>1,342,231</u>
Total deductions	<u>1,342,231</u>	<u>-</u>	<u>1,342,231</u>
Change in net position	-	764	764
Net position - beginning	<u>-</u>	<u>5,004</u>	<u>5,004</u>
Net position - ending	<u><u>\$ -</u></u>	<u><u>\$ 5,768</u></u>	<u><u>\$ 5,768</u></u>

(This page left blank intentionally.)

Long-Term Debt
June 30, 2024

City of Marshalltown

City of Marshalltown
Schedule of Bond Maturities
June 30, 2024

Issue	Year Ending June 30,	Interest Rates	Interest	Principal
Governmental Activities				
General Obligation				
2012A Essential corporate purpose Issued April 12, 2012	2025	2.25%	\$ 9,563	\$ 425,000
			<u>9,563</u>	<u>425,000</u>
2016A General obligation corporate purpose Issued August 9, 2016	2025	2.00%	<u>8,800</u>	<u>440,000</u>
			<u>8,800</u>	<u>440,000</u>
2016B General obligation corporate purpose Issued December 1, 2016	2025	2.00%	44,600	275,000
	2026	2.00%	39,100	475,000
	2027	2.00%	29,600	485,000
	2028	2.00%	19,900	495,000
	2029	2.00%	<u>10,000</u>	<u>500,000</u>
			<u>143,200</u>	<u>2,230,000</u>

(Continued)

City of Marshalltown
Schedule of Bond Maturities
June 30, 2024

Issue	Year Ending June 30,	Interest Rates	Interest	Principal
Governmental Activities (continued)				
General Obligation (continued)				
2017A General obligation corporate purpose Issued October 10, 2017				
	2025	3.00%	\$ 311,550	\$ 535,000
	2026	3.00%	295,500	350,000
	2027	3.00%	285,000	360,000
	2028	3.00%	274,200	375,000
	2029	3.00%	262,950	390,000
	2030	3.00%	251,250	915,000
	2031	3.00%	223,800	950,000
	2032	3.00%	195,300	990,000
	2033	3.00%	165,600	1,020,000
	2034	3.00%	135,000	1,060,000
	2035	3.00%	103,200	1,105,000
	2036	3.00%	70,050	1,155,000
	2037	3.00%	35,400	1,180,000
			<u>2,608,800</u>	<u>10,385,000</u>
2018A General obligation corporate purpose Issued December 3, 2018				
	2025	3.00%	58,200	360,000
	2026	3.00%	47,400	375,000
	2027	3.00%	36,150	385,000
	2028	3.00%	24,600	400,000
	2029	3.00%	12,600	420,000
			<u>178,950</u>	<u>1,940,000</u>
2019 General Obligation corporate purpose Issued December 12, 2019				
	2025	2.00%	78,400	700,000
	2026	2.00%	64,400	725,000
	2027	2.00%	49,900	650,000
	2028	2.00%	36,900	650,000
	2029	2.00%	23,900	600,000
	2030	2.00%	11,900	595,000
			<u>265,400</u>	<u>3,920,000</u>

(Continued)

City of Marshalltown
Schedule of Bond Maturities
June 30, 2024

Issue	Year Ending June 30,	Interest Rates	Interest	Principal
Governmental Activities (continued)				
General Obligation (continued)				
2020A General Obligation corporate purpose				
Issued September 28, 2020				
	2025	1.00%	\$ 43,700	\$ 470,000
	2026	1.00%	39,000	940,000
	2027	1.00%	29,600	960,000
	2028	1.00%	20,000	310,000
	2029	1.00%	16,900	420,000
	2030	1.00%	12,700	415,000
	2031	1.00%	8,550	425,000
	2032	1.00%	4,300	430,000
			<u>174,750</u>	<u>4,370,000</u>
2020B General Obligation corporate purpose				
Issued September 28, 2020				
	2025	1.00%	20,125	210,000
	2026	1.00%	18,025	215,000
	2027	1.00%	15,875	220,000
	2028	1.00%	13,675	225,000
	2029	1.00%	11,425	230,000
	2030	1.00%	9,010	235,000
	2031	1.00%	6,308	240,000
	2032	1.00%	3,308	245,000
			<u>97,751</u>	<u>1,820,000</u>
2021 General Obligation corporate purpose				
Issued December 14, 2021				
	2025	2.00%	156,700	710,000
	2026	2.00%	142,500	725,000
	2027	2.00%	128,000	740,000
	2028	2.00%	113,200	755,000
	2029	2.00%	98,100	775,000
	2030	2.00%	82,600	795,000
	2031	2.00%	66,700	810,000
	2032	2.00%	50,500	825,000
	2033	2.00%	34,000	840,000
	2034	2.00%	17,200	860,000
			<u>889,500</u>	<u>7,835,000</u>

(Continued)

City of Marshalltown
Schedule of Bond Maturities
June 30, 2024

Issue	Year Ending June 30,	Interest Rates	Interest	Principal
Governmental Activities (continued)				
Notes Payable				
2022A General Obligation corporate purpose				
Issued December 13, 2022				
	2025	4.00%	\$ 377,360	\$ 405,000
	2026	4.00%	361,160	420,000
	2027	4.00%	344,360	440,000
	2028	4.00%	326,760	460,000
	2029	4.00%	308,360	635,000
	2030	4.00%	282,960	660,000
	2031	4.00%	256,560	685,000
	2032	4.00%	229,160	710,000
	2033	4.00%	200,760	740,000
	2034	4.00%	171,160	770,000
	2035	4.00%	140,360	800,000
	2036	4.00%	108,360	840,000
	2037	4.00%	74,760	875,000
	2038	4.00%	38,010	905,000
			<u>3,220,090</u>	<u>9,345,000</u>
2022B General Obligation corporate purpose				
Issued December 13, 2022				
	2025	4.80%	24,480	120,000
	2026	4.80%	18,720	125,000
	2027	4.80%	12,720	130,000
	2028	4.80%	6,480	135,000
			<u>62,400</u>	<u>510,000</u>
2023 General Obligation corporate purpose				
Issued December 12, 2023				
	2025	4.00%	583,388	245,000
	2026	4.00%	387,213	490,000
	2027	4.00%	367,613	515,000
	2028	4.00%	347,013	540,000
	2029	4.00%	325,413	565,000
	2030	4.00%	302,813	595,000
	2031	4.00%	279,013	625,000
	2032	4.00%	254,013	655,000
	2033	4.00%	227,813	690,000
	2034	4.00%	200,213	725,000
	2035	4.00%	171,213	760,000
	2036	4.00%	140,813	795,000
	2037	4.00%	109,013	835,000
	2038	4.13%	75,613	880,000
	2039	4.25%	39,313	925,000
			<u>3,810,463</u>	<u>9,840,000</u>
General Obligation and Notes Payable				
Total governmental activities				
	2025		1,716,866	4,895,000
	2026		1,413,018	4,840,000
	2027		1,298,818	4,885,000
	2028		1,182,728	4,345,000
	2029		1,069,648	4,535,000
	2030		953,233	4,210,000
	2031		840,930	3,735,000
	2032		736,581	3,855,000
	2033		628,173	3,290,000
	2034		523,573	3,415,000
	2035		414,773	2,665,000
	2036		319,223	2,790,000
	2037		219,173	2,890,000
	2038		113,623	1,785,000
	2039		39,313	925,000
			<u>\$ 11,469,666</u>	<u>\$ 53,060,000</u>

(Continued)

City of Marshalltown
Schedule of Bond Maturities
June 30, 2024

Issue	Year Ending June 30	Interest Rates	Interest	Principal
Business-type Activities				
General Obligation				
2016A General obligation corporate purpose				
Issued August 9, 2016				
	2025	2.00%	\$ 28,800	\$ 165,000
	2026	2.00%	25,500	170,000
	2027	2.00%	22,100	175,000
	2028	2.00%	18,600	220,000
	2029	2.00%	14,200	230,000
	2030	2.00%	9,600	235,000
	2031	2.00%	4,900	245,000
			<u>123,700</u>	<u>1,440,000</u>
2019 General Obligation corporate purpose				
Issued December 12, 2019				
	2025	2.00%	19,800	495,000
	2026	2.00%	9,900	495,000
			<u>29,700</u>	<u>990,000</u>
2020A General obligation corporate purpose				
Issued September 28, 2020				
	2025	1.00%	20,750	330,000
	2026	1.00%	17,450	335,000
	2027	1.00%	14,100	345,000
	2028	1.00%	10,650	350,000
	2029	1.00%	7,150	355,000
	2030	1.00%	3,600	360,000
			<u>73,700</u>	<u>2,075,000</u>

(Continued)

City of Marshalltown
Schedule of Bond Maturities
June 30, 2024

Issue	Year Ending June 30	Interest Rates	Interest	Principal
Business-type Activities				
Revenue Bonds				
2021A Sewer Revenue Improvement, Refunding 2019 SRF Bonds Issued September 24, 2021				
	2025	0.86%	\$ 26,832	\$ 179,000
	2026	0.86%	25,293	181,000
	2027	0.86%	23,736	183,000
	2028	0.86%	22,162	185,000
	2029	0.86%	20,571	187,000
	2030	0.86%	18,963	190,000
	2031	0.86%	17,329	192,000
	2032	0.86%	15,678	194,000
	2033	0.86%	14,009	196,000
	2034	0.86%	12,324	198,000
	2035	0.86%	10,621	200,000
	2036	0.86%	8,901	202,000
	2037	0.86%	7,164	205,000
	2038	0.86%	5,401	207,000
	2039	0.86%	3,621	209,000
	2040	0.86%	1,823	212,000
			<u>234,428</u>	<u>3,120,000</u>
2023 Sewer Revenue Improvement Issued January 9, 2023				
	2025	1.75%	149,023	551,000
	2026	1.75%	139,380	562,000
	2027	1.75%	129,545	573,000
	2028	1.75%	119,518	585,000
	2029	1.75%	109,280	596,000
	2030	1.75%	98,850	608,000
	2031	1.75%	88,210	620,000
	2032	1.75%	77,360	633,000
	2033	1.75%	66,283	646,000
	2034	1.75%	54,978	658,000
	2035	1.75%	43,463	672,000
	2036	1.75%	31,703	685,000
	2037	1.75%	19,715	699,000
	2038	1.75%	7,483	427,593
			<u>1,134,791</u>	<u>8,515,593</u>
Sewer Revenue Improvement Issued June 18, 2013				
	2025	2.09%	22,290	275,000
	2026	2.09%	16,511	281,000
	2027	2.09%	10,607	287,000
	2028	2.09%	4,588	292,000
			<u>53,996</u>	<u>1,135,000</u>

(Continued)

City of Marshalltown
Schedule of Bond Maturities
June 30, 2024

Issue	Year Ending June 30	Interest Rates	Interest	Principal
Business-type Activities				
Revenue Bonds				
Sewer Revenue Improvement and Refunding, refunding of series 2012 & 2014 Issued January 8, 2020				
	2025	1.96%	\$ 49,294	\$ 545,000
	2026	1.96%	38,612	555,000
	2027	1.96%	27,734	565,000
	2028	1.96%	16,660	420,000
	2029	1.96%	8,428	430,000
			<u>140,728</u>	<u>2,515,000</u>
Sewer Revenue Improvement and Refunding, refunding of series 2015 Issued April 1, 2021				
	2025	1.23%	27,515	547,000
	2026	1.23%	20,787	556,000
	2027	1.23%	13,948	564,000
	2028	1.23%	7,011	570,000
			<u>69,261</u>	<u>2,237,000</u>
General Obligation and Revenue Bonds				
Total business-type activities				
	2025		344,304	3,087,000
	2026		293,433	3,135,000
	2027		241,770	2,692,000
	2028		199,189	2,622,000
	2029		159,629	1,798,000
	2030		131,013	1,393,000
	2031		110,439	1,057,000
	2032		93,038	827,000
	2033		80,292	842,000
	2034		67,302	856,000
	2035		54,084	872,000
	2036		40,604	887,000
	2037		26,879	904,000
	2038		12,884	634,593
	2039		3,621	209,000
	2040		1,823	212,000
			<u>\$ 1,860,304</u>	<u>\$ 22,027,593</u>

(This page left blank intentionally.)

Statistical Section (Unaudited)
June 30, 2024

City of Marshalltown

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

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	114
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	121
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	128
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	133
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	135

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

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

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental activities										
Net investment in capital assets	\$ 55,287,505	\$50,666,331	\$43,863,682	\$44,056,444	\$41,349,928	\$39,411,094	\$37,973,695	\$35,605,495	\$34,132,724	\$32,948,014
Restricted	21,068,059	16,717,131	18,841,821	18,055,545	18,176,221	16,316,062	13,150,024	26,679,991	16,806,635	10,119,191
Unrestricted	<u>(14,736,216)</u>	<u>(14,236,954)</u>	<u>(15,883,238)</u>	<u>(25,310,052)</u>	<u>(23,253,296)</u>	<u>(23,880,433)</u>	<u>(25,557,161)</u>	<u>(29,968,723)</u>	<u>(20,244,351)</u>	<u>(17,323,596)</u>
Total governmental activities net position	<u>\$ 61,619,348</u>	<u>\$ 53,146,508</u>	<u>\$ 46,822,265</u>	<u>\$ 36,801,937</u>	<u>\$ 36,272,853</u>	<u>\$ 31,846,723</u>	<u>\$ 25,566,558</u>	<u>\$ 32,316,763</u>	<u>\$ 30,695,008</u>	<u>\$ 25,743,609</u>
Business-type activities										
Net investment in capital assets	\$ 48,917,160	\$49,376,169	\$46,838,546	\$44,098,791	\$41,855,980	\$41,571,280	\$39,699,525	\$38,990,163	\$39,370,548	\$38,458,793
Restricted	204,515	139,016	139,024	138,750	157,266	139,016	177,299	180,225	181,757	130,261
Unrestricted	<u>28,848,712</u>	<u>23,190,537</u>	<u>20,956,122</u>	<u>19,961,773</u>	<u>17,953,621</u>	<u>14,681,909</u>	<u>11,965,382</u>	<u>10,555,689</u>	<u>8,989,797</u>	<u>7,413,347</u>
Total business-type activities net position	<u>\$ 77,970,387</u>	<u>\$ 72,705,722</u>	<u>\$ 67,933,692</u>	<u>\$ 64,199,314</u>	<u>\$ 59,966,867</u>	<u>\$ 56,392,205</u>	<u>\$ 51,842,206</u>	<u>\$ 49,726,077</u>	<u>\$ 48,542,102</u>	<u>\$ 46,002,401</u>
Primary Government										
Net investment in capital assets	\$ 104,204,665	\$100,042,500	\$90,702,228	\$88,155,235	\$83,205,908	\$80,982,374	\$77,673,220	\$74,595,658	\$73,503,272	\$71,406,807
Restricted	21,272,574	16,856,147	18,980,845	18,194,295	18,333,487	16,455,078	13,327,323	26,860,216	16,988,392	10,249,452
Unrestricted	<u>14,112,496</u>	<u>8,953,583</u>	<u>5,072,884</u>	<u>(5,348,279)</u>	<u>(5,299,675)</u>	<u>(9,198,524)</u>	<u>(13,591,779)</u>	<u>(19,413,034)</u>	<u>(11,254,554)</u>	<u>(9,910,249)</u>
Total primary government net position	<u>\$ 139,589,735</u>	<u>\$ 125,852,230</u>	<u>\$ 114,755,957</u>	<u>\$ 101,001,251</u>	<u>\$ 96,239,720</u>	<u>\$ 88,238,928</u>	<u>\$ 77,408,764</u>	<u>\$ 82,042,840</u>	<u>\$ 79,237,110</u>	<u>\$ 71,746,010</u>

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental activities:										
Public safety	\$ 12,068,850	\$11,630,414	\$10,499,453	\$12,491,799	\$12,037,799	\$9,976,152	\$11,732,583	\$10,713,027	\$8,996,389	\$8,516,307
Public works	6,323,463	6,505,283	6,496,345	7,601,957	5,211,049	5,841,806	5,591,152	8,553,684	5,706,337	6,186,551
Health and social services	686,187	1,073,163	606,476	458,481	646,290	58,376	654,311	1,306,389	1,274,669	1,784,302
Culture and recreation	3,939,414	3,844,255	3,321,913	4,103,470	3,187,800	3,294,383	3,888,793	3,654,545	3,358,064	3,505,193
Community and economic development	5,507,922	3,876,264	4,095,459	4,990,850	3,003,969	2,749,981	2,288,991	2,433,608	1,449,883	1,370,533
General government	1,871,814	1,776,228	1,370,834	1,681,032	1,532,609	2,034,176	1,575,523	685,937	1,158,789	1,299,063
Interest on long term debt	1,429,413	984,801	637,438	902,118	938,277	806,440	764,344	429,296	429,891	425,967
Total governmental activities expenses	<u>31,827,063</u>	<u>29,690,408</u>	<u>27,027,918</u>	<u>32,229,707</u>	<u>26,557,793</u>	<u>24,761,314</u>	<u>26,495,697</u>	<u>27,776,486</u>	<u>22,374,022</u>	<u>23,087,916</u>
Business-type activities:										
Water pollution control	5,727,492	5,246,534	5,224,982	4,862,069	5,225,179	4,385,870	5,105,834	5,574,332	5,375,656	4,584,245
Storm sewer	2,750,884	1,166,483	2,115,646	979,773	1,141,277	998,362	958,434	970,912	683,181	698,627
Compost	61,964	32,617	69,283	27,106	226,725	533,956	70,920	88,171	79,479	42,054
Transit	1,067,749	1,018,504	909,398	935,788	930,182	818,510	837,136	837,259	771,818	767,054
Concessions	58,778	37,187	46,528	41,903	24,657	40,717	63,800	46,512	49,816	34,907
Total business-type activities expenses	<u>9,666,867</u>	<u>7,501,325</u>	<u>8,365,837</u>	<u>6,846,639</u>	<u>7,548,020</u>	<u>6,777,415</u>	<u>7,036,124</u>	<u>7,517,186</u>	<u>6,959,950</u>	<u>6,126,887</u>
Total primary government expenses	<u>\$ 41,493,930</u>	<u>\$ 37,191,733</u>	<u>\$ 35,393,755</u>	<u>\$ 39,076,346</u>	<u>\$ 34,105,813</u>	<u>\$ 31,538,729</u>	<u>\$ 33,531,821</u>	<u>\$ 35,293,672</u>	<u>\$ 29,333,972</u>	<u>\$ 29,214,803</u>

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Program Revenues										
Governmental activities										
Charges for service:										
Public safety	\$ 1,462,769	\$638,298	\$527,244	\$1,335,335	\$538,637	\$1,025,001	\$409,649	\$518,463	\$264,966	\$150,181
Public works	336,070	535,390	543,111	961,557	586,097	869,553	443,091	231,554	970,315	1,529,047
Health and social services	19,650	65,241	4,222	25,685	15,259	4,377	7,065	4,250	37,053	52,534
Culture and recreation	541,942	455,313	329,765	889,394	1,185,031	3,205,738	463,866	449,955	468,455	449,155
Community and economic development	27,527	102,862	19,837	37,837	40,519	49,259	93,679	106,562	265,176	278,924
Other activities	206,483	197,400	158,063	301,670	217,877	595,691	117,524	248,336	123,855	171,846
Operating grants and contributions	7,827,281	9,144,930	12,656,539	7,740,884	7,204,542	6,303,997	6,768,632	7,387,980	6,712,866	6,461,208
Capital grants and contributions	6,725,480	3,455,224	1,295,459	671,318	1,386,180	250,571	1,026,153	1,768,179	519,172	170,084
Total governmental activities program revenues	17,147,202	14,594,658	15,534,240	11,963,680	11,174,142	12,304,187	9,329,659	10,715,279	9,361,858	9,262,979
Business-type activities										
Charges for service:										
Water pollution control	9,566,749	8,506,422	8,190,886	8,027,211	8,032,176	8,286,670	7,857,197	7,545,682	6,563,351	6,066,644
Storm sewer	1,392,815	1,360,092	1,352,335	1,344,685	1,346,034	1,400,019	1,407,673	1,129,135	948,214	776,483
Compost	83,922	88,476	103,451	56,202	71,202	57,440	67,077	75,803	73,336	74,687
Transit	239,827	150,780	131,937	66,637	76,149	70,385	78,047	57,749	93,352	110,342
Concessions	60,061	32,437	43,135	36,342	23,199	41,003	41,200	37,777	40,917	32,522
Operating grants and contributions	596,058	844,729	1,533,280	732,325	1,121,378	351,965	383,646	381,810	363,188	386,922
Capital grants and contributions	-	417,045	666,252	365,186	-	472,223	209,668	432,400	942,209	493,326
Total business-type activities program revenues	11,939,432	11,399,981	12,021,276	10,628,588	10,670,138	10,679,705	10,044,508	9,660,356	9,024,567	7,940,926
Total primary government program revenues	\$ 29,086,634	\$ 25,994,639	\$ 27,555,516	\$ 22,592,268	\$ 21,844,280	\$ 22,983,892	\$ 19,374,167	\$ 20,375,635	\$ 18,386,425	\$ 17,203,905

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net (Expense)/Revenue										
Governmental activities	\$ (14,679,861)	\$ (11,493,678)	\$ (20,266,027)	\$ (15,383,651)	\$ (12,457,127)	\$ (17,166,038)	\$ (17,166,038)	\$ (13,012,164)	\$ (13,824,937)	\$ (16,568,199)
Business-type activities	2,272,565	3,655,439	3,781,949	3,122,118	3,902,290	3,008,384	3,008,384	2,064,617	1,814,039	1,342,256
Total primary government net expense	<u>\$ (12,407,296)</u>	<u>\$ (7,838,239)</u>	<u>\$ (16,484,078)</u>	<u>\$ (12,261,533)</u>	<u>\$ (8,554,837)</u>	<u>\$ (14,157,654)</u>	<u>\$ (14,157,654)</u>	<u>\$ (10,947,547)</u>	<u>\$ (12,010,898)</u>	<u>\$ (15,225,943)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property	\$ 12,651,195	\$12,118,239	\$11,579,880	\$11,662,441	\$10,834,252	\$10,611,119	\$10,510,365	\$10,156,476	\$9,534,568	\$9,777,342
Other	7,700,191	6,393,184	7,434,699	6,591,470	6,711,465	6,013,835	4,823,392	5,347,532	6,983,922	5,755,121
Unrestricted										
State generated revenues	1,185,903	1,196,818	1,293,843	1,263,047	1,284,875	1,353,217	1,331,709	1,384,158	1,244,225	845,140
Investment earnings	2,553,189	1,424,260	326,696	472,386	655,282	678,426	456,079	113,371	90,717	53,042
Miscellaneous revenues	705,526	301,389	725,005	895,268	331,183	297,453	561,844	645,749	551,452	660,348
Transfers	<u>(1,643,303)</u>	<u>(13,897)</u>	<u>153,883</u>	<u>(89,501)</u>	<u>(7,276)</u>	<u>(216,758)</u>	<u>(49,377)</u>	<u>1,035,676</u>	<u>(441,321)</u>	<u>(172,735)</u>
Total governmental activities	<u>23,152,701</u>	<u>21,419,993</u>	<u>21,514,006</u>	<u>20,795,111</u>	<u>19,809,781</u>	<u>18,737,292</u>	<u>17,634,012</u>	<u>18,682,962</u>	<u>17,963,563</u>	<u>16,918,258</u>
Business-type activities:										
Investment earnings	1,345,736	859,477	232,822	357,747	442,318	430,951	213,581	76,481	33,763	26,891
Miscellaneous revenues	3,061	-	-	3,250	2,950	-	-	-	-	-
Transfers	<u>1,643,303</u>	<u>13,897</u>	<u>(153,883)</u>	<u>89,501</u>	<u>7,276</u>	<u>216,758</u>	<u>49,377</u>	<u>(1,035,676)</u>	<u>441,321</u>	<u>172,735</u>
Total business-type activities	<u>2,992,100</u>	<u>873,374</u>	<u>78,939</u>	<u>450,498</u>	<u>452,544</u>	<u>647,709</u>	<u>262,958</u>	<u>(959,195)</u>	<u>475,084</u>	<u>199,626</u>
Total primary government	<u>\$ 26,144,801</u>	<u>\$ 22,293,367</u>	<u>\$ 21,592,945</u>	<u>\$ 21,245,609</u>	<u>\$ 20,262,325</u>	<u>\$ 19,385,001</u>	<u>\$ 17,896,970</u>	<u>\$ 17,723,767</u>	<u>\$ 18,438,647</u>	<u>\$ 17,117,884</u>
Change in Net Position										
Governmental activities	\$ 8,472,840	\$6,324,243	\$10,020,328	\$529,084	\$4,426,130	\$6,280,165	\$467,974	\$1,621,755	\$4,951,399	\$3,093,321
Business-type activities	<u>5,264,665</u>	<u>4,772,030</u>	<u>3,734,378</u>	<u>4,232,447</u>	<u>3,574,662</u>	<u>4,549,999</u>	<u>3,271,342</u>	<u>1,183,975</u>	<u>2,539,701</u>	<u>2,013,665</u>
Total primary government	<u>\$ 13,737,505</u>	<u>\$ 11,096,273</u>	<u>\$ 13,754,706</u>	<u>\$ 4,761,531</u>	<u>\$ 8,000,792</u>	<u>\$ 10,830,164</u>	<u>\$ 3,739,316</u>	<u>\$ 2,805,730</u>	<u>\$ 7,491,100</u>	<u>\$ 5,106,986</u>

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

Function/Program	Program Revenues by Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
Public safety	\$ 1,808,520	\$1,081,122	\$887,343	\$2,549,596	\$860,439	\$1,356,113	\$969,017	\$1,219,476	\$1,215,215	\$875,300
Public works	6,587,885	8,181,691	10,725,589	5,615,482	5,490,074	4,537,044	4,379,697	5,200,920	4,825,946	4,657,620
Health and social services	757,272	1,040,506	640,326	486,793	240,431	744,822	682,100	1,213,441	967,598	1,470,156
Culture and recreation	890,611	800,652	709,158	1,251,396	2,547,311	3,448,519	1,629,312	1,252,730	670,183	638,615
Community and economic development	4,251,393	2,585,768	2,158,558	1,751,125	1,441,649	1,570,150	1,551,934	1,535,644	1,559,061	1,447,647
General government	<u>2,851,521</u>	<u>904,919</u>	<u>413,266</u>	<u>309,288</u>	<u>594,238</u>	<u>647,539</u>	<u>117,599</u>	<u>293,068</u>	<u>123,855</u>	<u>173,641</u>
Total governmental activities	<u>\$ 17,147,202</u>	<u>\$ 14,594,658</u>	<u>\$ 15,534,240</u>	<u>\$ 11,963,680</u>	<u>\$ 11,174,142</u>	<u>\$ 12,304,187</u>	<u>\$ 9,329,659</u>	<u>\$ 10,715,279</u>	<u>\$ 9,361,858</u>	<u>\$ 9,262,979</u>
Business-type activities										
Water pollution control	\$ 9,566,749	\$8,587,669	\$8,425,657	\$8,141,787	\$8,033,891	\$8,286,670	\$7,864,148	\$7,550,029	\$6,976,658	\$6,378,473
Storm sewer	1,392,815	1,695,890	2,609,494	1,595,295	1,349,276	1,435,587	1,610,390	1,557,188	1,477,116	992,924
Compost	83,922	88,476	103,451	56,202	595,175	57,440	67,077	75,803	73,336	74,687
Transit	835,885	995,509	839,539	798,962	668,597	859,005	461,693	439,559	456,540	462,320
Concessions	<u>60,061</u>	<u>32,437</u>	<u>43,135</u>	<u>36,342</u>	<u>23,199</u>	<u>41,003</u>	<u>41,200</u>	<u>37,777</u>	<u>40,917</u>	<u>32,522</u>
Total business-type activities	<u>\$ 11,939,432</u>	<u>\$ 11,399,981</u>	<u>\$ 12,021,276</u>	<u>\$ 10,628,588</u>	<u>\$ 10,670,138</u>	<u>\$ 10,679,705</u>	<u>\$ 10,044,508</u>	<u>\$ 9,660,356</u>	<u>\$ 9,024,567</u>	<u>\$ 7,940,926</u>

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Nonspendable	\$ 588,186	\$ 495,078	\$ 512,340	\$ 386,346	\$ 323,334	\$ 284,681	\$ 256,518	\$ 266,203	\$ 221,785	\$ 237,568
Restricted	-	-	-	57,806	425,925	581,566	932,307	812,092	725,844	694,247
Committed	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Unassigned	<u>6,683,817</u>	<u>6,257,989</u>	<u>5,857,775</u>	<u>5,698,328</u>	<u>4,206,391</u>	<u>3,822,879</u>	<u>2,953,579</u>	<u>2,551,887</u>	<u>2,520,920</u>	<u>2,371,948</u>
Total general fund	<u>7,522,003</u>	<u>7,003,067</u>	<u>6,620,115</u>	<u>6,392,480</u>	<u>5,205,650</u>	<u>4,939,126</u>	<u>4,392,404</u>	<u>3,880,182</u>	<u>3,718,549</u>	<u>3,553,763</u>
All Other Governmental Funds										
Nonspendable	591,430	20,893	234,429	90,381	55,467	34,931	144,786	192,113	169,570	146,258
Restricted	48,388,320	34,828,628	29,584,123	23,434,094	25,176,208	20,790,563	23,731,636	19,689,514	14,107,300	11,301,502
Unassigned	<u>(1,252,775)</u>	<u>(1,105,773)</u>	<u>(1,515,496)</u>	<u>(4,772,277)</u>	<u>(512,924)</u>	<u>(111,051)</u>	<u>(339,302)</u>	<u>(98,997)</u>	<u>(195,159)</u>	<u>(84,155)</u>
Total all other governmental funds	<u>47,726,975</u>	<u>33,743,748</u>	<u>28,303,056</u>	<u>18,752,198</u>	<u>24,718,751</u>	<u>20,714,443</u>	<u>23,537,120</u>	<u>19,782,630</u>	<u>14,081,711</u>	<u>11,363,605</u>
Total fund balances of governmental funds	<u>\$ 55,248,978</u>	<u>\$ 40,746,815</u>	<u>\$ 34,923,171</u>	<u>\$ 25,144,678</u>	<u>\$ 29,924,401</u>	<u>\$ 25,653,569</u>	<u>\$ 27,929,524</u>	<u>\$ 23,662,812</u>	<u>\$ 17,800,260</u>	<u>\$ 14,917,368</u>

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Taxes	\$ 20,481,990	\$18,711,586	\$19,232,101	\$18,458,836	\$17,752,767	\$16,829,256	\$15,826,177	\$16,039,312	\$17,018,694	\$16,030,409
Use of money and property	2,629,859	1,495,259	390,573	578,241	700,147	722,104	544,479	208,132	129,003	124,857
Licenses and permits	319,903	402,464	263,037	726,420	295,022	395,611	238,263	285,839	289,261	321,446
Intergovernmental	17,543,981	11,847,417	13,035,441	9,420,732	8,331,123	7,370,622	8,965,509	10,190,351	7,931,849	7,471,242
Charges for service	1,786,629	963,054	881,478	752,848	834,556	1,404,943	956,493	990,972	1,023,895	964,075
Special assessments	-	-	537	3,433	5,603	10,292	6,445	10,406	12,991	14,738
Miscellaneous	669,746	1,097,585	721,591	1,495,368	1,494,352	688,833	606,655	1,084,447	410,616	2,102,572
Total revenues	43,432,108	34,517,365	34,524,758	31,435,878	29,413,570	27,421,661	27,144,021	28,809,459	26,816,309	27,029,339
Expenditures										
Public safety	11,086,920	11,231,137	10,593,801	9,761,502	10,115,758	8,912,807	10,336,569	9,337,823	8,864,323	8,743,014
Public works	5,560,296	4,785,382	5,134,708	5,338,651	2,993,961	4,596,625	3,872,055	6,930,498	4,208,292	4,669,213
Health and social services	733,306	1,108,209	643,545	463,850	471,182	84,067	736,559	1,282,479	1,352,206	1,907,586
Culture and recreation	3,121,930	3,010,864	2,409,067	3,176,177	2,347,201	2,410,945	3,059,464	2,840,820	2,539,673	2,268,546
Community and economic development	5,652,458	3,929,948	4,120,495	4,957,535	3,108,078	2,661,457	2,232,438	1,812,299	1,431,086	1,381,445
General government	1,857,854	1,621,972	1,369,238	1,590,857	1,452,659	1,885,554	1,338,066	1,245,851	1,133,255	1,273,399
Capital outlay	4,974,922	8,728,550	6,196,824	12,345,993	6,825,047	11,432,855	9,628,133	4,477,017	2,554,674	1,439,787
Debt service										
Principal	4,550,000	3,825,000	3,459,243	6,373,486	3,358,486	3,348,761	3,684,361	2,730,690	3,066,991	2,971,716
Interest and other fiscal charges	1,435,389	990,077	786,526	841,620	874,044	773,999	886,842	419,527	436,018	457,343
Total expenditures	38,973,075	39,231,139	34,713,447	44,849,671	31,546,416	36,107,070	35,774,487	31,077,004	25,586,518	25,112,049
Excess (deficiency) of revenues over (under) expenditures	4,459,033	(4,713,774)	(188,689)	(13,413,793)	(2,132,846)	(8,685,409)	(8,630,466)	(2,267,545)	1,229,791	1,917,290
Other Financing Sources (Uses)										
Insurance Proceeds	-	-	283,139	291,467	1,032,556	4,192,646	-	-	-	-
Debt issued	9,840,000	10,365,192	9,130,000	8,385,671	5,610,000	2,433,566	12,720,000	6,957,430	2,000,000	2,225,000
Subscription financing	189,507	-	-	-	-	-	-	-	-	-
Premium and accrued interest on debt issued	69,238	186,123	400,160	46,433	81,652	-	226,555	136,991	94,422	58,295
Transfers in	14,238,168	12,528,634	10,193,495	10,945,116	10,415,126	9,996,948	12,200,051	9,692,037	8,003,404	8,268,840
Transfers out	(14,293,783)	(12,542,531)	(10,039,612)	(11,034,617)	(10,735,656)	(10,213,706)	(12,249,428)	(8,656,361)	(8,444,725)	(8,441,575)
Total other financing sources (uses)	10,043,130	10,537,418	9,967,182	8,634,070	6,403,678	6,409,454	12,897,178	8,130,097	1,653,101	2,110,560
Net change in fund balances	\$ 14,502,163	\$ 5,823,644	\$ 9,778,493	\$ (4,779,723)	\$ 4,270,832	\$ (2,275,955)	\$ 4,266,712	\$ 5,862,552	\$ 2,882,892	\$ 4,027,850
Debt service as a percentage of noncapital expenditures	17.6%	15.8%	14.9%	22.2%	16.9%	16.9%	17.5%	11.8%	15.2%	14.5%

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

Fiscal year	Property Tax	Tax Increment Financing Tax	Utility ExciseTax	Utility	Hotel/Motel Tax	Local Option Sales Tax	911 Surcharge	Mobile Home Tax	Total
				Franchise Fee					
2014-15	\$ 9,777,342	\$ 1,219,210	\$ 884,215	\$ 223,758	\$ 474,474	\$ 3,164,249	\$ 274,188	\$ 12,973	\$ 16,030,409
2015-16	9,534,568	1,276,898	903,826	226,548	542,180	4,248,087	273,656	12,931	17,018,694
2016-17	10,156,477	435,098	938,663	217,475	479,576	3,476,514	317,829	17,680	16,039,312
2017-18	10,510,365	169,316	1,105,221	206,702	403,116	3,121,920	280,925	28,612	15,826,177
2018-19	10,611,119	814,444	1,262,499	206,346	567,559	3,330,991	-	36,298	16,829,256
2019-20	10,834,251	580,979	1,647,407	204,641	469,544	4,003,548	-	12,397	17,752,767
2020-21	11,662,441	607,004	1,648,899	199,349	396,745	3,930,728	-	13,670	18,458,836
2021-22	11,579,861	828,771	1,378,432	213,258	518,928	4,697,959	-	14,892	19,232,101
2022-23	12,118,225	447,001	1,326,312	197,261	577,626	4,033,437	-	11,724	18,711,586
2023-24	12,651,173	1,057,051	1,601,902	214,968	540,228	4,404,944	-	11,724	20,481,990

City of Marshalltown
General Governmental Tax Revenues by Source
Year Ended June 30, 2024
(Modified Accrual Basis of Accounting)

Fund	Property Tax	Tax Increment Financing Tax	Utility ExciseTax	Utility Franchise Fee	Hotel/Motel Tax	Local Option Sales Tax	Mobile Home Tax	Total
General	\$ 7,240,157	\$ -	\$ 913,219	\$ 214,968	\$ 540,228	\$ -	\$ 11,724	\$ 8,920,296
Tax Increment								
Financing	-	1,057,051	-	-	-	-	-	1,057,051
Local Option								
Sales Tax	-	-	-	-	-	4,404,944	-	4,404,944
Property tax	2,880,784	-	371,347	-	-	-	-	3,252,131
Debt Service	2,005,896	-	244,808	-	-	-	-	2,250,704
Capital Projects	524,336	-	72,528	-	-	-	-	596,864
Total	<u>\$ 12,651,173</u>	<u>\$ 1,057,051</u>	<u>\$ 1,601,902</u>	<u>\$ 214,968</u>	<u>\$ 540,228</u>	<u>\$ 4,404,944</u>	<u>\$ 11,724</u>	<u>\$ 20,481,990</u>

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

Levy Year	Fiscal Year	Residential Property	Commercial Property	Industrial Property	Total Regular Realty	TIF	Agland Realty	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Gross Value	Taxable Assessed Value as a Percentage of Actual Gross Value
2013	2014-15	\$ 434,833,408	\$ 202,005,765	\$ 58,618,711	\$ 695,457,884	\$ 37,409,137	\$ 4,496,113	\$ 737,363,134	14.76356	\$ 1,281,885,530	57.522%
2014	2015-16	448,390,423	183,199,944	57,943,159	689,533,526	40,194,757	4,601,327	734,329,610	14.76257	1,322,550,079	55.524%
2015	2016-17	477,738,442	184,047,569	60,250,209	722,036,220	14,353,482	4,665,045	741,054,747	15.28158	1,356,883,195	54.614%
2016	2017-18	462,642,384	213,234,801	70,301,288	746,178,473	5,394,151	4,680,367	756,252,991	15.28158	1,445,382,350	52.322%
2017	2018-19	504,172,982	189,737,930	56,495,980	750,406,892	24,539,106	4,683,585	779,629,583	15.28158	1,569,617,962	49.670%
2018	2019-20	493,017,822	219,841,198	65,351,198	778,210,218	17,723,868	4,771,279	800,705,365	15.38434	1,644,866,326	48.679%
2019	2020-21	534,421,951	205,938,772	55,862,462	796,223,185	17,610,264	5,119,874	818,953,323	15.38434	1,715,353,797	47.743%
2020	2021-22	549,890,991	201,679,406	58,282,660	809,853,057	24,793,485	5,118,609	839,765,151	15.36163	1,726,123,779	48.650%
2021	2022-23	559,050,263	220,402,490	60,528,379	839,981,132	13,036,223	5,153,952	858,171,307	15.36163	1,814,664,474	47.291%
2022	2023-24	566,143,450	194,370,734	63,943,409	824,457,593	30,028,206	5,790,975	860,276,774	16.00000	1,851,663,172	46.460%

		Rollback Factors by Class				
		Tax Exempt		Multi-		
Fiscal Year	Gas & Electric	Property	Residential	Residential	Agricultural	Commercial
2014-15	\$ 165,363,180	\$ 156,351,613	54.40020		43.39970	95.00000
2015-16	203,378,461	148,643,971	55.73350		44.02100	90.00000
2016-17	226,574,365	168,759,389	55.62590	86.25000	46.10680	90.00000
2017-18	307,764,842	171,600,722	56.93910	82.50000	47.49960	90.00000
2018-19	375,124,239	172,069,004	56.91800	75.00000	56.13240	90.00000
2019-20	375,124,239	170,951,592	55.07430	71.25000	81.48320	90.00000
2020-21	445,705,906	185,817,935	56.40940	67.50000	84.03050	90.00000
2021-22	441,966,524	232,590,253	54.13020	63.75000	89.04120	90.00000
2022-23	455,112,249	272,809,951	54.13020	63.75000	89.04120	90.00000
2023-24	456,902,691	259,480,316	54.65010	combined with residential	91.64300	Residential on \$150,000, then 90% Residential on \$150,000, then 90%

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

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

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

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

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

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

Levy year Jan 1,	Collection Year	Marshall County	Community Schools	Marshalltown	City Assessor	Community College	County Extension	State of Iowa	Total
2013	2014-15	7.44499	18.15000	14.76355	0.29712	1.79487	0.15194	0.00330	42.60577
2014	2015-16	7.44499	18.33104	14.76257	0.29197	1.78170	0.15594	0.00330	42.77151
2015	2016-17	6.94499	17.97478	15.28158	0.25199	1.74505	0.15749	0.00330	42.35918
2016	2017-18	6.71518	17.94963	15.28158	0.23909	1.36842	0.14644	0.00310	41.70344
2017	2018-19	6.32150	17.99365	15.28158	0.21350	0.99668	0.14541	0.00290	40.95522
2018	2019-20	6.01018	18.33190	15.38434	0.21338	0.88410	0.14882	0.00290	40.97562
2019	2020-21	6.01018	18.34688	15.38434	0.26530	1.58101	0.15050	0.00270	41.74091
2020	2021-22	6.20707	18.13904	15.36163	0.26619	1.65540	0.14816	0.00260	41.78009
2021	2022-23	6.23143	17.86083	15.36163	0.49548	1.74287	0.14617	0.00240	41.84081
2022	2023-24	6.53991	15.99188	16.00000	0.53796	1.74331	0.14672	0.00180	40.96158

Source: Marshall County Auditor's Office

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

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

Taxpayer	Jan 1, 2022 Taxable Assessed Value Payable 23- 24	Rank	Percentage of Total City Taxable Assessed Value	Jan 1, 2013 Taxable Assessed Value Payable 14- 15	Rank	Percentage of Total City Taxable Assessed Value
IES Utilities(Interstate Power)	\$ 95,434,066	1	9.9%	\$ 57,303,374	1	7.6%
Menard, Inc	18,070,601	2	1.9%	13,216,046	4	1.7%
Emerson Process Mgt/Fisher Controls	17,671,782	3	1.8%	19,135,384	2	2.5%
UnityPoint Health Marshalltown	14,706,727	4	1.5%	8,233,578	8	1.1%
Lennox Manufacturing Inc	10,515,351	5	1.1%			
Walmart, Real Estate Business	9,907,329	6	1.0%	9,494,955	5	1.3%
Swift, Pork Company	9,487,229	7	1.0%	9,346,914	6	1.2%
Swift & Company	8,731,069	8	0.9%	8,869,149	7	1.2%
ITC Midwest LLC	5,670,161	9	0.6%			
Union Pacific Railroad Co.	5,587,057	10	0.6%			
MMSC, Ventures Inc				17,301,698	3	2.3%
Marshalltown, Center IA LLC				4,770,000	9	0.6%
Packaging Corporation of America				4,668,243	10	0.6%
	<u>\$ 195,781,372</u>		<u>20.4%</u>	<u>\$ 152,339,341</u>		<u>20.1%</u>

Calendar Year	Taxable Retail Sales
2014	\$ 328,920,980
2015	331,780,905
2016	352,326,540
2017	360,825,713
2018	361,952,957
2019	375,183,985
2020	359,899,562
2021	394,288,419
2022	391,059,559
2023	392,689,307

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

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

Collection year	Levy year	Current levy	Collected within the fiscal year of the levy		Delinquent tax collections (3)	Total tax collections	Collections to total tax levy (2)
			Amount (1)	Percent of levy collected (2)			
2014-15	2013	\$ 10,397,290	\$ 10,381,760	99.85%	\$ 6,716	\$ 10,388,476	99.92%
2015-16	2014	10,329,114	10,314,800	99.86%	2,945	10,317,745	99.89%
2016-17	2015	11,100,009	11,056,848	99.61%	1,976	11,058,824	99.63%
2017-18	2016	11,436,367	11,386,656	99.57%	1,352	11,388,008	99.58%
2018-19	2017	11,502,245	11,155,160	96.98%	1,352	11,156,512	96.99%
2019-20	2018	12,004,303	11,392,194	94.90%	4,538	11,396,732	94.94%
2020-21	2019	12,285,038	11,974,777	97.47%	207,295	12,182,072	99.16%
2021-22	2020	12,483,630	12,326,315	98.74%	139,857	12,466,172	99.86%
2022-23	2021	12,999,858	12,819,670	98.61%	9,710	12,829,380	98.69%
2023-24	2022	13,336,910	13,755,716	103.14%	1,308	13,757,024	103.15%

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

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

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

Source: General Purpose Financial Statements

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

Fiscal Year Ended June 30,	Governmental Activities			Business-type Activities							
	General Obligation Bonds	Notes Payable	IT Subscriptions	General		Sewer Revenue		Total Primary Government	Percentage of		
				Obligation Bonds	Revenue Bonds	Bonds - Direct Borrowings			Personal Income	Personal Income	Population
											Per Capita
2015	\$ 20,512,103	\$ 44,588	-	\$ 4,705,702	\$ 11,710,000	\$ 619,452	\$ 37,591,845	\$ 22,512	1,670	27,727	1,356
2016	19,519,042	32,597	-	4,343,820	16,308,000	522,266	40,725,725	22,403	1,818	27,727	1,469
2017	23,718,996	149,337	-	6,593,854	14,911,000	423,838	45,797,025	22,535	2,032	27,328	1,676
2018	32,961,820	109,976	-	6,061,806	13,473,000	324,152	52,930,754	23,059	2,295	27,280	1,940
2019	32,022,168	71,215	-	5,504,758	12,009,000	223,193	49,830,334	23,042	2,163	27,068	1,841
2020	34,315,035	42,729	-	4,950,649	10,991,000	2,490,461	52,789,874	24,060	2,194	26,666	1,980
2021	36,200,580	139,914	-	7,440,520	9,834,000	3,369,550	56,984,564	24,600	2,316	27,591	2,065
2022	42,188,885	125,671	-	6,502,709	8,542,000	3,471,000	60,830,265	26,000	2,340	27,388	2,221
2023	48,625,970	325,863	-	5,559,898	7,224,000	5,416,002	67,151,733	27,718	2,423	27,574	2,435
2024	53,898,297	-	93,507	4,587,086	5,887,000	11,635,593	76,101,483	29,210	2,602	27,574	2,757

Source: Census Quick Facts

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Estimated Actual Taxable Value of	
	General Obligation		Total	Property	Per Capita
	Bonds	Notes Payable			
2015	\$ 25,217,805	\$ 44,588	\$ 25,262,393	1.39%	911.11
2016	23,862,862	32,597	23,895,459	1.31%	880.65
2017	30,312,850	149,337	30,462,187	1.67%	1,113.93
2018	39,023,626	109,976	39,133,602	2.15%	1,434.52
2019	37,526,926	71,215	37,598,141	2.06%	1,389.03
2020	39,265,684	42,729	39,308,413	2.16%	1,544.22
2021	43,641,100	139,914	43,781,014	2.40%	1,708.91
2022	48,691,594	125,671	48,817,265	2.68%	1,895.12
2023	54,185,868	325,863	54,511,731	2.98%	2,172.00
2024	58,485,383	-	58,485,383	3.15%	2,121.03

City of Marshalltown
Direct and Overlapping Governmental Activities Debt
As of June 30, 2024

Name of Governmental Unit	Debt Outstanding	Percentage Applicable to Marshalltown	City of Marshalltown Share of Debt
Iowa Valley Schools	\$ 10,190,000	47.79%	\$ 4,870,299
Marshalltown Community School District	-	80.10%	-
Marshall County	<u>2,925,000</u>	47.22%	<u>1,381,194</u>
	13,115,000		6,251,493
City of Marshalltown	<u>53,989,297</u>	100.00%	<u>53,989,297</u>
	<u><u>\$ 67,104,297</u></u>		<u><u>\$ 60,240,790</u></u>

Source:

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

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

City of Marshalltown
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Gross assessed valuations:										
Regular realty	\$ 1,369,371,561	\$ 1,351,109,942	\$ 1,264,193,716	\$ 1,256,879,027	\$ 1,198,094,512	\$ 1,176,284,153	\$ 1,139,671,155	\$ 1,123,584,265	\$ 1,322,550,079	\$ 1,281,885,530
Utility	456,902,691	455,112,249	441,966,524	445,705,906	435,377,442	375,124,239	307,764,842	226,574,365	203,378,461	165,363,180
Incremental	<u>30,028,206</u>	<u>13,036,223</u>	<u>24,793,485</u>	<u>17,610,264</u>	<u>17,723,868</u>	<u>24,539,106</u>	<u>5,394,151</u>	<u>14,353,482</u>	<u>40,194,757</u>	<u>37,409,137</u>
Total actual valuations applicable to debt	<u>1,856,302,458</u>	<u>1,819,258,414</u>	<u>1,730,953,725</u>	<u>1,720,195,197</u>	<u>1,651,195,822</u>	<u>1,575,947,498</u>	<u>1,452,830,148</u>	<u>1,364,512,112</u>	<u>1,566,123,297</u>	<u>1,484,657,847</u>
Debt limit - 5% of total actual valuations applicable to debt	<u>92,815,123</u>	<u>90,962,921</u>	<u>86,547,686</u>	<u>86,009,760</u>	<u>82,559,791</u>	<u>78,797,375</u>	<u>72,641,507</u>	<u>68,225,606</u>	<u>78,306,165</u>	<u>74,232,892</u>
Amount of debt applicable to limitation:										
General obligation bonds and notes	57,565,000	53,560,863	47,950,671	43,222,302	38,757,729	37,086,215	38,914,128	30,508,175	24,204,863	25,734,040
Urban Renewal Rebate agreements	<u>2,130,015</u>	<u>2,011,872</u>	<u>1,760,833</u>	<u>2,032,149</u>	<u>3,527,122</u>	<u>3,727,567</u>	<u>3,907,856</u>	<u>4,023,000</u>	<u>1,690,000</u>	<u>-</u>
Total debt applicable to limitation	59,695,015	55,572,735	49,711,504	45,254,451	42,284,851	40,813,782	42,821,984	34,531,175	25,894,863	25,734,040
Less:										
Funds available from:										
Debt service	401,604	234,604	181,194	140,449	146,008	154,543	111,879	237,889	107,604	2,722,301
Special revenue	<u>231,988</u>	<u>195,666</u>	<u>480,010</u>	<u>348,568</u>	<u>507,304</u>	<u>534,114</u>	<u>501,381</u>	<u>943,301</u>	<u>-</u>	<u>-</u>
Total debt applicable to debt margin	<u>59,061,423</u>	<u>55,142,465</u>	<u>49,050,300</u>	<u>44,765,434</u>	<u>41,631,539</u>	<u>40,125,125</u>	<u>42,208,724</u>	<u>33,349,985</u>	<u>25,787,259</u>	<u>23,011,739</u>
Legal debt margin	<u>\$ 33,753,700</u>	<u>\$ 35,820,456</u>	<u>\$ 37,497,386</u>	<u>\$ 41,244,326</u>	<u>\$ 40,928,252</u>	<u>\$ 38,672,250</u>	<u>\$ 30,432,783</u>	<u>\$ 34,875,621</u>	<u>\$ 52,518,906</u>	<u>\$ 51,221,153</u>

City of Marshalltown
Pledged – Revenue Coverage
Last Ten Fiscal Years

Water Pollution Control				Debt Service Requirements			
Year	Gross Revenue	Expenses (1)	Available For Debt Service	Interest & other debt		Total	Coverage
				Principal	expense		
2014-15	\$ 6,091,170	\$ 2,731,357	\$ 3,359,813	\$ 1,017,000	\$ 503,890	\$ 1,520,890	2.21
2015-16	6,593,505	3,246,028	3,347,477	1,402,000	641,312	2,043,312	1.64
2016-17	7,552,524	3,535,085	4,017,439	1,397,000	426,022	1,823,022	2.20
2017-18	8,017,913	3,000,387	5,017,526	1,438,000	389,721	1,827,721	2.75
2018-19	8,622,756	2,300,008	6,322,748	1,464,000	352,330	1,816,330	3.48
2019-20	8,406,006	3,105,396	5,300,610	1,102,000	311,559	1,413,559	3.75
2020-21	8,305,110	2,782,206	5,522,904	1,399,000	299,885	1,698,885	3.25
2021-22	8,384,092	3,124,297	5,259,795	1,493,000	186,195	1,679,195	3.13
2022-23	9,243,516	3,127,960	6,115,556	1,493,000	184,495	1,677,495	3.65
2023-24	10,726,209	3,495,634	7,230,575	2,053,000	258,632	2,311,632	3.13

(1) Total operating expenses, less depreciation.

Sources: City Financial Records and Water Works Financial Records

City of Marshalltown
Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Median Age (Zip 50158)	School Enrollment		Unemployment Percent
		Public	Private	
	(1)	(2)	(3)	(4)
2015	35.3	5,385	216	5.0%
2016	35.3	5,322	221	4.0%
2017	36.1	5,435	215	3.7%
2018	36.6	5,458	227	4.0%
2019	35.9	5,173	269	2.8%
2020	37.8	5,420	232	6.3%
2021	37.5	5,076	257	6.2%
2022	37.0	5,287	231	4.5%
2023	38.5	5,352	275	6.8%
2024	36.2	5,176	345	3.4%

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

Sources:

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

City of Marshalltown
Principal Employers
Current Year and Nine Years Ago

Employer	Industry	2024- Employees	2015- Employees
(JBS) Swift & Company	Pork processors	2,700	2,300
Emerson Process Mgt/Fisher Controls	Valves and regulators manufactuer	1,100	1,200
Lennox Industries, Inc	Furnace and air conditioning manufacturer	750	800
Iowa Veteran's Home	Hospital care facility	750	1,000
Marshalltown Community School District	Education	900	1,002
Unity Point Health	Hospital	317	715
HyVee Food Stores	Grocery store	286	340
Wal-Mart*	Retail	300	325
Marshalltown Community College	Education	282	245
YMCA-YWCA	Sports & Fitness	207	
Marshalltown Company	Tool manufacturing	200	
City of Marshalltown	Municipal government	173	208
Marshall County	County government	171	177
McFarland Clinic PC	Medical clinic	170	223

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

Source: Marshalltown Chamber of Commerce

* Includes full time, part time and seasonal employees

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

Function/Program	Full-time-Equivalent Employees as of June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Safety	74.14	74.04	77.8	90.39	91.77	90.71	93.25	90.26	98.28	97.32
Public Works	15.83	18.16	18.52	22.8	20.63	19.35	20.72	20.46	20.61	21.14
Health and Social Services	1.34	1.6	2.05	2.16	1.88	0.39	1.94	4.13	8.38	9.44
Culture and Recreation	30.81	29.23	29.58	27.82	30.27	28.62	28.55	26.81	26.39	27.28
Community and Economic Development	2.01	3.32	2.98	3.04	2.75	3.81	3.39	2.26	2.6	3.29
General Government	16.02	16.4	15.71	16.01	16.04	15.93	15.62	15.93	15.57	17.67
Business-Type	32.61	32.64	33.52	32.63	33.14	29.14	29.9	29.01	32.57	32.25
Capital Projects	-	-	-	-	-	-	-	-	-	-
Total	<u>172.76</u>	<u>175.39</u>	<u>180.16</u>	<u>194.85</u>	<u>196.48</u>	<u>187.95</u>	<u>193.37</u>	<u>188.86</u>	<u>204.40</u>	<u>208.39</u>

Sources: City Department information.

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

Function/Program	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government										
Building Permits:										
New Construction:										
Number of permits	13	31	18	133	79	205	47	28	29	46
Value of permits	11,341,192	32,306,635	6,743,756	34,501,000	14,423,000	14,258,000	18,955,000	22,091,000	13,434,000	27,124,000
Remodeling, repairs and additions:										
Number of permits	79	94	107	113	92	158	55	120	102	80
Value of permits	8,276,931	3,233,705	10,856,423	89,965,000	22,783,000	29,092,000	12,399,000	7,434,000	11,915,000	10,719,000
Police										
Physical arrests	1,834	1,730	2,250	2,032	1,899	2,955	2,392	2,320	2,216	3,114
Violations:										
Parking	3,001	2,943	2,375	3,519	3,890	2,850	4,832	2,775	3,005	5,420
Traffic	2,482	2,291	1,704	1,165	1,683	2,654	2,662	1,801	1,255	1,889
Drunk driving	108	125	126	98	120	110	140	131	100	122
Narcotics	160	375	311	310	331	393	438	396	358	577
Fire										
Emergency responses	3,476	3,423	3,174	2,834	2,705	2,749	2,573	2,653	2,527	2,530
Fires extinguished	81	80	86	67	86	83	166	156	131	127
Inspections	424	308	269	189	261	223	343	555	519	223
Parks and recreation										
Adult team sports										
Leagues	4	5	6	5	4	4	4	6	6	8
Participation	4,971	6,186	5,975	6,796	4,280	7,782	8,165	9,327	9,656	8,492
Youth activities										
Programs	21	18	18	10	8	18	23	30	27	32
Participation	2,587	2,978	2,281	1,410	861	1,980	2,955	3,256	3,224	3,249
Library										
Volumes in collection	107,529	107,055	260,211	105,021	209,589	127,867	194,703	144,143	143,783	100,376
Total volumes borrowed	261,846	241,846	268,250	184,450	199,014	245,730	281,205	250,941	287,092	274,787
Sewage system										
Per million										
Daily average treatment in gallons	3.22	3.59	3.38	3.34	4.30	5.64	3.08	3.95	4.73	4.26
Maximum daily capacity of treatment plant in thousands of gallons	17,440	17,440	17,440	17,440	17,440	17,440	17,440	17,440	17,440	17,440
Sewer customers served	9,533	9,532	9,546	9,456	9,450	9,286	9,877	10,159	9,481	9,785
* Computer software was counting sewer credit meters										
Sewer rates in effect										
Base charge per month	\$24.47	\$24.13	\$23.99	\$23.75	\$23.75	\$23.75	\$22.67	\$20.25	\$17.57	\$15.60
Flow charge per 100 cubic feet	\$3.16	\$3.13	\$3.11	\$3.08	\$3.08	\$3.08	\$2.94	\$2.63	\$2.27	\$2.11
Transit										
Total route miles	115,659	129,374	139,511	126,047	124,793	122,545	142,667	131,829	134,737	110,394
# of passengers	126,066	117,609	97,581	61,066	76,490	76,132	100,178	90,353	101,805	111,542
General Elections - November of each year										
Registered voters	24,422	24,620	15,592	15,592	22,911	22,911	23,072	24,920	16,231	25,549
Number of votes cast	1,937	16,898	2,351	10,878	2,743	2,743	2,437	18,175	3,492	13,844
Percentage of registered voters voting	7.93%	50.55%	15.08%	69.77%	11.97%	11.97%	10.56%	72.93%	21.51%	54.19%

Sources: City Department information.

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

Function/Program	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police										
# of stations	1	1	1	1	1	1	1	1	1	1
# of employees	62	65	63	69	68	70	70	62	57	55
Non-dispatch	46	49	48	51	52	54	57	49	45	42
Dispatch	16	16	15	15	16	14	13	13	12	13
Fire										
# of stations	1	1	1	1	1	1	1	1	1	1
# of employees	26	28	28	28	28	29	27	29	28	28
Parks and recreation										
Park areas										
# parks	21	23	25	23	23	25	25	21	21	26
# acres	320	321	321	316	316	357	357	210	210	328
Athletics										
# Baseball/softball fields	5	5	5	5	5	3	3	5	5	6
# Soccer/football fields	5	4	4	4	4	8	8	0	0	6
# Tennis courts	4	3	3	2	2	1	1	5	5	12
# Basketball Courts	6	6	6	6	6	5	5	4	4	
Other										
# playgrounds	21	21	20	20	20	19	19	20	20	21
Miles of bike trails	14.73	14.73	14.73	14.26	14.26	12.5	12.5	7	7	9.6
# Swimming pools	1	1	1	1	1	1	1	1	1	1
# Park Shelters	29	28	28	28	29	29	29	29	29	
Public works										
Streets:										
Paved	159.12	158.77	158.37	158	157.5	157.5	157.5	157.5	157.5	157.5
Unpaved	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8
Sewage system										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Miles of sewers										
Storm	60.9	62	60.9	60.9	60.9	60.9	60.9	60.48	60.48	59.7
Sanitary	150.9	150.8	150.9	150.9	150.7	150.7	150.7	148.85	148.85	146.6
Transit										
# of buses	10	10	9	10	9	9	8	7	8	10
Education - Public and private										
Number of elementary schools	7	6	7	7	6	6	8	7	6	6
Number of elementary school instructors	263	243	242	238	185	188	205	262	283	299
Number of secondary schools	4	3	4	3	4	4	4	2	3	3
Number of secondary school instructors	187	175	186	171	226	224	204	150	280	250
Cemeteries										
Number of facilities	2	2	2	2	2	2	2	2	2	2
Number of acres										
Developed	135	135	135	135	135	135	135	135	135	135
Undeveloped	80	80	80	80	80	80	80	80	80	80
Hospitals										
Number of hospitals	1	1	1	1	1	1	1	1	1	1
Number of beds	25	25	25	49	49	49	49	49	49	125

Sources: City Department information.

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Sewer Rental	\$ 9,494,783	\$ 8,430,549	\$ 8,154,149	\$ 7,989,142	\$ 7,963,422	\$ 8,210,143	\$ 7,738,899	\$ 7,370,973	\$ 6,341,560	\$ 5,875,990
Interest Income	1,159,460	737,092	193,206	277,899	373,830	336,086	160,716	62,404	30,154	24,526
Grants	-	-	-	-	1,715	-	-	-	-	-
Miscellaneous	71,966	75,875	36,737	38,069	68,754	76,527	118,298	119,147	221,791	190,654
Total revenues	10,726,209	9,243,516	8,384,092	8,305,110	8,407,721	8,622,756	8,017,913	7,552,524	6,593,505	6,091,170
Expenses:										
Costs of Service	3,495,634	3,127,960	3,124,297	2,782,206	3,105,396	2,290,877	3,000,387	3,543,159	3,217,648	2,678,407
Depreciation	1,937,039	1,938,678	1,820,603	1,729,029	1,701,557	1,618,145	1,583,463	1,470,579	1,487,116	1,283,352
Debt Service	2,817,850	2,137,895	2,178,467	2,288,090	2,014,216	2,426,037	2,430,979	2,426,016	2,492,501	1,502,938
Total expenses	8,250,523	7,204,533	7,123,367	6,799,325	6,821,169	6,335,059	7,014,829	7,439,754	7,197,265	5,464,697
Net Income (Loss)	\$ 2,475,686	\$ 2,038,983	\$ 1,260,725	\$ 1,505,785	\$ 1,586,552	\$ 2,287,697	\$ 1,003,084	\$ 112,770	\$ (603,760)	\$ 626,473

Water Pollution Control Historic Coverage
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net Income (Loss)	\$ 2,475,686	\$ 2,038,983	\$ 1,260,725	\$ 1,505,785	\$ 1,586,552	\$ 2,287,697	\$ 1,003,084	\$ 112,770	\$ (603,760)	\$ 626,473
Add depreciation	1,937,039	1,938,678	1,820,603	1,729,029	1,701,557	1,618,145	1,618,145	1,470,579	1,487,116	1,283,352
Add debt retirement	2,817,850	2,137,895	2,178,467	2,288,090	2,014,216	2,426,037	2,430,979	2,426,016	2,492,501	1,502,938
Net income available for debt service	\$ 7,230,575	\$ 6,115,556	\$ 5,259,795	\$ 5,522,904	\$ 5,302,325	\$ 6,331,879	\$ 5,052,208	\$ 4,009,365	\$ 3,375,857	\$ 3,412,763
Historic debt service	\$ 2,817,850	\$ 2,137,895	\$ 2,178,467	\$ 2,288,090	\$ 2,014,216	\$ 2,426,037	\$ 2,430,979	\$ 2,426,016	\$ 2,492,501	\$ 1,502,938
Historic coverage	2.57	2.86	2.41	2.41	2.63	2.61	2.08	1.65	1.35	2.27
Projected max future debt	\$ 2,915,843	\$ 2,763,891	\$ 2,384,787	\$ 2,384,787	\$ 2,384,787	\$ 2,430,980	\$ 2,430,980	\$ 2,430,980	\$ 2,430,980	\$ 1,343,085
Projected coverage	2.48	2.21	2.21	2.32	2.22	2.60	2.08	1.65	1.39	2.54

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

Year	Residential	Multi-Family	Commercial	Industrial	Total	Incr (Decr)
2015	8,505	398	823	51	9,777	37
2016	8,525	394	840	50	9,809	32
2017	8,730	389	988	52	10,159	350
2018	8,751	396	964	52	10,163	4
2019	8,785	390	954	49	10,178	15
2020	8,832	391	959	48	10,230	52
2021	8,846	387	946	50	10,229	-1
2022	8,915	362	947	53	10,277	48
2023	8,922	357	937	53	10,269	-8
2024	8,451	345	699	43	9,538	-731

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

City of Marshalltown

Water Pollution Control

Present Net Position

As of June 30, 2024

Sewer Revenue Operating and Maintenance Accounts	\$ 537,459
Sewer Revenue Sinking Reserve Fund Account	140,097
Additional Capital Replacement Fund Account	1,634,840
Undesignated	<u>23,773,168</u>
Total Water Pollution Control Net Position	<u><u>\$ 26,085,564</u></u>

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

	2024			2023		
	Avg Gallons Per Month	Monthly Bill	2024 Ranking	Avg Gallons Per Month	Monthly Bill	2023 Ranking
JBS Swift & Company	69,617,611	\$ 283,696	1	67,753,523	\$ 251,369	1
IA Veterans Home	1,876,358	7,945	2	1,657,007	\$ 6,952	2
Central Iowa Truckwash LLC	994,092	4,221	3	584,562	\$ 2,468	6
Marshalltown Community School District	751,865	3,198	4	641,098	\$ 2,705	4
Emerson Processing/Fisher Controls	751,491	3,197	5	720,636	\$ 3,037	3
Packaging Corporation	610,056	2,600	6	477,411	\$ 2,020	9
Marshalltown Apartments	604,820	2,577	7	NA	NA	NA
Sunset Village Mobile Home Park	603,200	2,571	8	537,625	\$ 2,272	7
GGG Washes LLC	472,424	2,019	9	594,972	\$ 2,512	5
Dada Hospitality, LLC	416,885	1,784	10	429,601	\$ 1,820	10
Unity Point Health	NA	NA	NA	497,545	\$ 2,104	8

Source: City Financial Records and Marshalltown Water Works

(This page left blank intentionally.)

Compliance Section

June 30, 2024

City of Marshalltown



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Marshalltown, Iowa (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 31, 2025. In our report, we issued an adverse opinion on the aggregate discretely presented component units because the statements did not include a component unit of the City. Our report expressed unmodified opinions on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City.

Our report includes a reference to other auditors who audited the financial statement of the Marshalltown Waterworks, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2024 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City and are reported in Part IV of the accompanying schedule of findings and questioned costs. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

The City's Response to Findings

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Eric Sallie LLP". The signature is written in a cursive, flowing style.

Dubuque, Iowa
July 31, 2025



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

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

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the City of Marshalltown, Iowa's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Section 8 Housing Choice Vouchers

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Section 8 Housing Choice Vouchers program for the year ended June 30, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2024.

Basis for Qualified and Unmodified Opinions

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

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

Matter Giving Rise to Qualified Opinion on Section 8 Housing Choice Vouchers

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding Assistance Listing No. 14.871 Section 8 Housing Choice Vouchers as described in finding number 2024-003 for Reporting.

Compliance with such requirement is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

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

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a material weakness.

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

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

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

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in dark ink and is positioned above the printed name and date.

Dubuque, Iowa
July 31, 2025

City of Marshalltown
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
Department of Commerce				
Direct program				
Economic Development Cluster				
Economic Adjustment Assistance	11.307		\$ 763,843	\$ -
Department of Housing and Urban Development				
Pass-through program from				
Iowa Economic Development Authority				
COVID-19 - Community Development Block Grants/States Program and Non-Entitlement Grants in Hawaii	14.228	20-CVN-015	20,055	-
Community Development Block Grants/ States Program and Non-Entitlement Grants in Hawaii	14.228	21-HSGU-006	308,255	-
Community Development Block Grants/ States Program and Non-Entitlement Grants in Hawaii	14.228	21-DTR-004	489,863	-
Community Development Block Grants/ States Program and Non-Entitlement Grants in Hawaii	14.228	20-DRH-023	8,566	-
Community Development Block Grants/ States Program and Non-Entitlement Grants in Hawaii	14.228	20-DRH-021	12,907	-
Community Development Block Grants/ States Program and Non-Entitlement Grants in Hawaii	14.228	20-DRH-022	1,707,682	-
Community Development Block Grants/ States Program and Non-Entitlement Grants in Hawaii	14.228	20-DRH-023	1,259	-
Total			2,548,587	-
Direct program				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871		1,435,495	-
Section 8 Housing Choice Vouchers	14.871		66,400	-
Total Housing Voucher Cluster			1,501,895	-
Lead Hazard Reduction Grant Program	14.900		554,089	-
Lead Hazard Reduction Grant Program	14.900		146,782	-
			700,871	-
Total Department of Housing and Urban Development			4,751,353	-

City of Marshalltown
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
Department of Justice				
Pass-through program from				
Iowa Department of Justice				
Violence Against Women Formula Grants	16.588	15JOVW-23-GG- 00570-STOP	\$ 41,674	\$ -
Direct program				
Bulletproof Vest Partnership Program	16.607		3,443	-
Pass-through program from				
Iowa Department of Justice				
Public Safety Partnership and Community				
Policing Grants	16.710	21-CAMP-07	1,034	-
Public Safety Partnership and Community				
Policing Grants	16.710	22-Heroin-05	685	-
Public Safety Partnership and Community				
Policing Grants	16.710	15JCOPS-21CG- 02316-SPPS	71,784	-
Total			73,503	-
Marshall County				
Edward Byrne Memorial Justice				
Assistance Grant Program	16.738	20-JAG-444548	27,333	7,961
Direct program				
Edward Byrne Memorial Justice				
Assistance Grant Program	16.738		13,476	-
Total			40,809	7,961
Total Department of Justice			159,429	7,961
Department of Transportation				
Direct program				
Airport Improvement Program	20.106		128,174	-
Pass-through program from				
Iowa Department of Transportation				
Formula Grants for Rural Areas and				
Tribal Transit Program	20.509	2019-024-02-SFY22	312,986	-
Highway Safety Cluster				
State and Community Highway Safety	20.600	PAP 23-402 M0PT, Task00-55-00	4,554	-
State and Community Highway Safety	20.600	PAP 402-PT-2024 Task 05-40-59	3,117	-
Cluster total			7,671	-
Total Department of Transportation			448,831	-

City of Marshalltown
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
Department of the Treasury				
Direct program				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ 2,547,940	\$ -
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		<u>89,419</u>	<u>-</u>
Total Department of the Treasury			<u>2,637,359</u>	<u>-</u>
Environmental Protection Agency:				
Direct program				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Clean/ Cooperative Agreements	66.818		<u>82,512</u>	<u>-</u>
Department of Homeland Security				
Pass-through program from				
Iowa Department of Homeland Security				
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA-07-IA-4483	<u>7,681</u>	<u>-</u>
Hazard Mitigation Grant Program	97.039	HMGP-DR-4557	<u>74,982</u>	<u>-</u>
Total Department of Homeland Security			<u>82,663</u>	<u>-</u>
Total Federal Financial Assistance			<u>\$ 8,925,990</u>	<u>\$ 7,961</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of the City of Marshalltown, Iowa under programs of the federal government for the year ended June 30, 2024. 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 fund balance, or cash flows of the City.

Note 2 - Significant Accounting Policies

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

Note 3 - Indirect Cost Rate

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

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

Financial Statements

Type of auditor's report issued	Unmodified for all opinion units except for aggregate discretely presented components units, which was adverse.
Internal control over financial reporting:	
Material weakness identified	Yes
Significant deficiency not considered to be a material weakness	None reported
Noncompliance material to financial statements noted	No

Federal Awards

Internal control over major program:	
Material weakness identified	Yes
Significant deficiency not considered to be a material weakness	None reported
Type of auditor's report issued on compliance for the major programs	Unmodified for all major programs except for Section 8 Housing Choice Vouchers, which was qualified.
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	Yes
Identification of major programs:	

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing</u>
Community Development Block Grants/State's Program And Non-Entitlement Grants in Hawaii	14.228
Section 8 Housing Choice Vouchers	14.871
Coronavirus State and Local Fiscal Recovery Funds	21.027
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee	No

Part II: Findings Related to the Financial Statements:

Material Weakness

2024-001 Material Audit Adjustments

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

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

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

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

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

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

Part III: Findings and Questioned Costs for Federal Awards:

**2024-002 U.S. Department of Housing and Urban Development
Section 8 Housing Choice Vouchers 14.871 – IA125V08001 for FY24
Housing Voucher Cluster**

Reporting

Material Weakness in Internal Control Over Compliance and Material Noncompliance

Criteria – Per 2 CFR 200.303, the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. This includes internal controls over maintaining records of the preparer and approver of required reports.

Condition – We identified three (3) instances in which the City did not use accurate financial information or retain evidence to document the individual who reviewed the Voucher Management System (VMS) reports prior to submission.

Cause – The City’s internal controls did not include separate management review of the VMS reports prior to submission.

Effect – Ineffective controls over this area of compliance could result in reports that are inaccurate or incomplete being submitted to the granting agency.

Questioned Costs – None reported.

Context – The population consists of twelve (12) monthly VMS reports. The sample consisted of three (3) monthly VMS reports.

Repeat Finding From Prior Years – No.

Recommendation – We recommend that the City revise its procedures to include evidence to document the individual who reviewed required reports prior to submission.

Views of Responsible Officials – We agree with the auditor’s recommendation.

Part IV: Other Findings Related to Required Statutory Reporting:

- 2024-IA-A** **Certified Budget** – Disbursements at June 30, 2024 did not exceed the amended budget.
- 2024-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.
- 2024-IA-C** **Travel Expense** – No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
- 2024-IA-D** **Business Transactions** – No business transactions between the City and City officials or employees were noted.
- 2024-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.
- 2024-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.
- 2024-IA-G** **Council Minutes** – No transactions were found that we believe should have been approved in the Council minutes but were not.
- 2024-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.

- 2024-IA-I Revenue Bonds** – No instances of noncompliance with provisions of the City’s revenue bond resolutions were noted.
- 2024-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.
- 2024-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.

(This page left blank intentionally.)